

The background of the slide is an artist's impression of a modern residential development. It features several tall, multi-story apartment buildings with a mix of white and grey facades and large glass windows. The buildings are arranged in a row, receding into the distance. In the foreground, there is a landscaped area with green lawns, young trees, and a large, clear blue swimming pool. The sky is a clear, bright blue.

HALF YEAR FINANCIAL REPORT

1 Jan – 30 Jun 2011

12 AUGUST 2011

ANALYST / MEDIA BRIEFING



CITY DEVELOPMENTS LIMITED

Artist's Impression of Blossom Residences

AGENDA

1. FINANCIAL HIGHLIGHTS
2. SINGAPORE PROPERTY MARKET
3. OPERATIONS REVIEW
 - Property Development
 - Hotel Operations & CDLHT
 - CDL China Limited
4. MARKET OUTLOOK



** Artist's Impression of H2O Residences*

FINANCIAL HIGHLIGHTS



** Artist's Impression of Blossom Residences*

KEY FINANCIAL HIGHLIGHTS

- Strong performance for half year ended 30 June 2011.
- Property Development and Rental Properties segments contribute 66% and 78% of pre-tax profits for 2Q 2011 and 1H 2011 respectively.
- PATMI increased 17.0% for Q2 2011 and 44.8% for 1H 2011.
- Low net gearing ratio at 22% (restated as at 31 Dec 2010: 29.4%), without factoring any fair value gains on investment properties.
- Interest cover improved from 21.1 times to 25.0 times for 1H 2011.
- Strong balance sheet derived from organic cash flow contributed by various core earnings segment. Cash position of \$2.4 billion as at 30 June 2011.
- Special interim ordinary dividend of 5.0 cents (2010: NIL) per share.



SUMMARY OF FINANCIAL HIGHLIGHTS

	Q2 2011	Q2 2010 *	% Change	1H 2011	1H 2010 *	% Change
Revenue (\$m)	979	982	(0.3)	1,753	1,687	3.9
Profit Before Tax (\$m)	336	276	21.7	673	483	39.3
PATMI (\$m)	221	189	17.0	503	348	44.8
Basic Earnings Per Share (cents)	23.6	20.1	17.4	54.6	37.5	45.6
NAV Per Share (\$)				7.18	6.65	8.0

* Restated due to the adoption of INT FRS 115 for 2010 only.

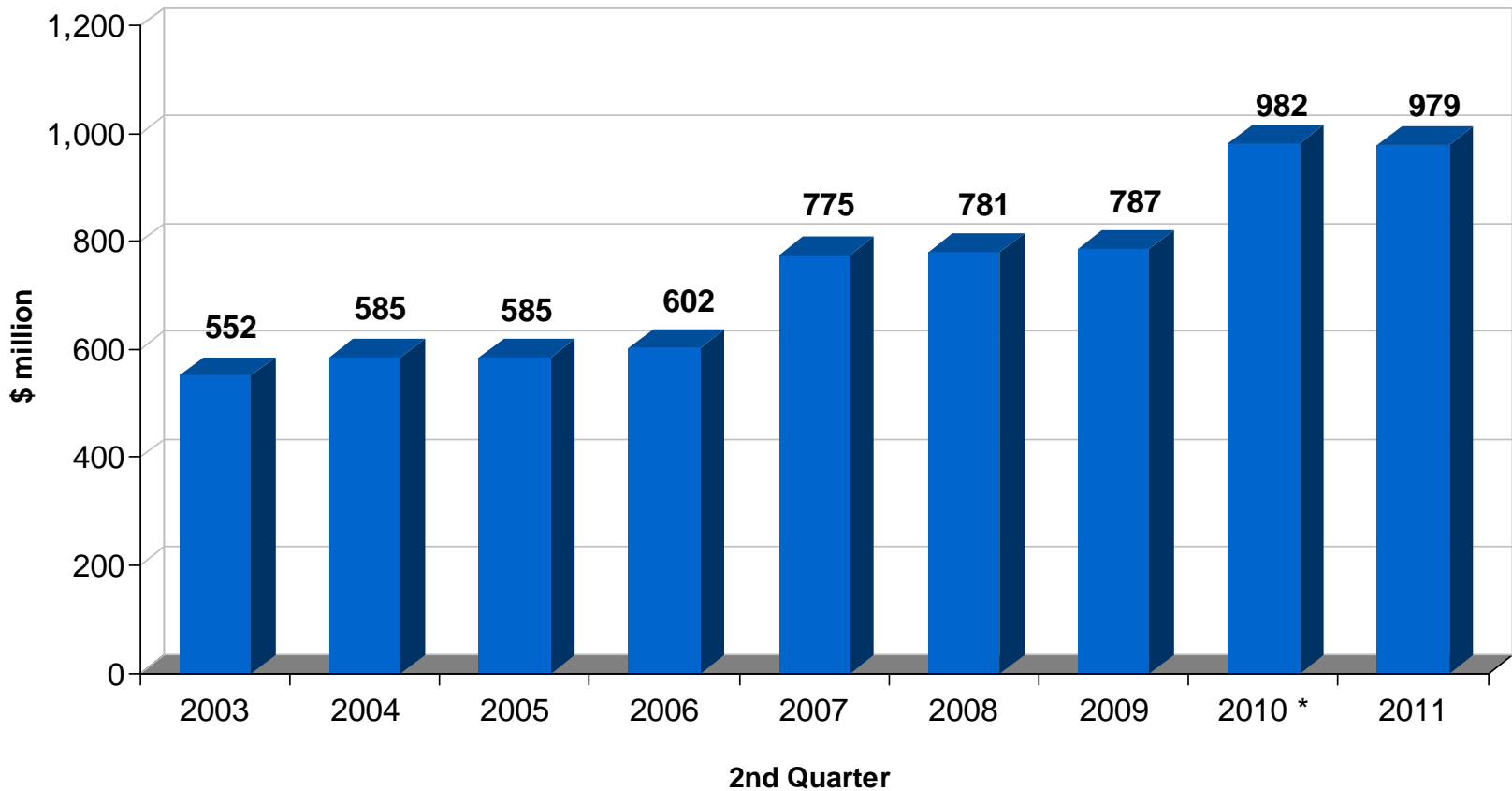
No fair value adopted on investment properties.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.



FINANCIAL HIGHLIGHTS

Revenue for 2nd Quarter (2003 – 2011)



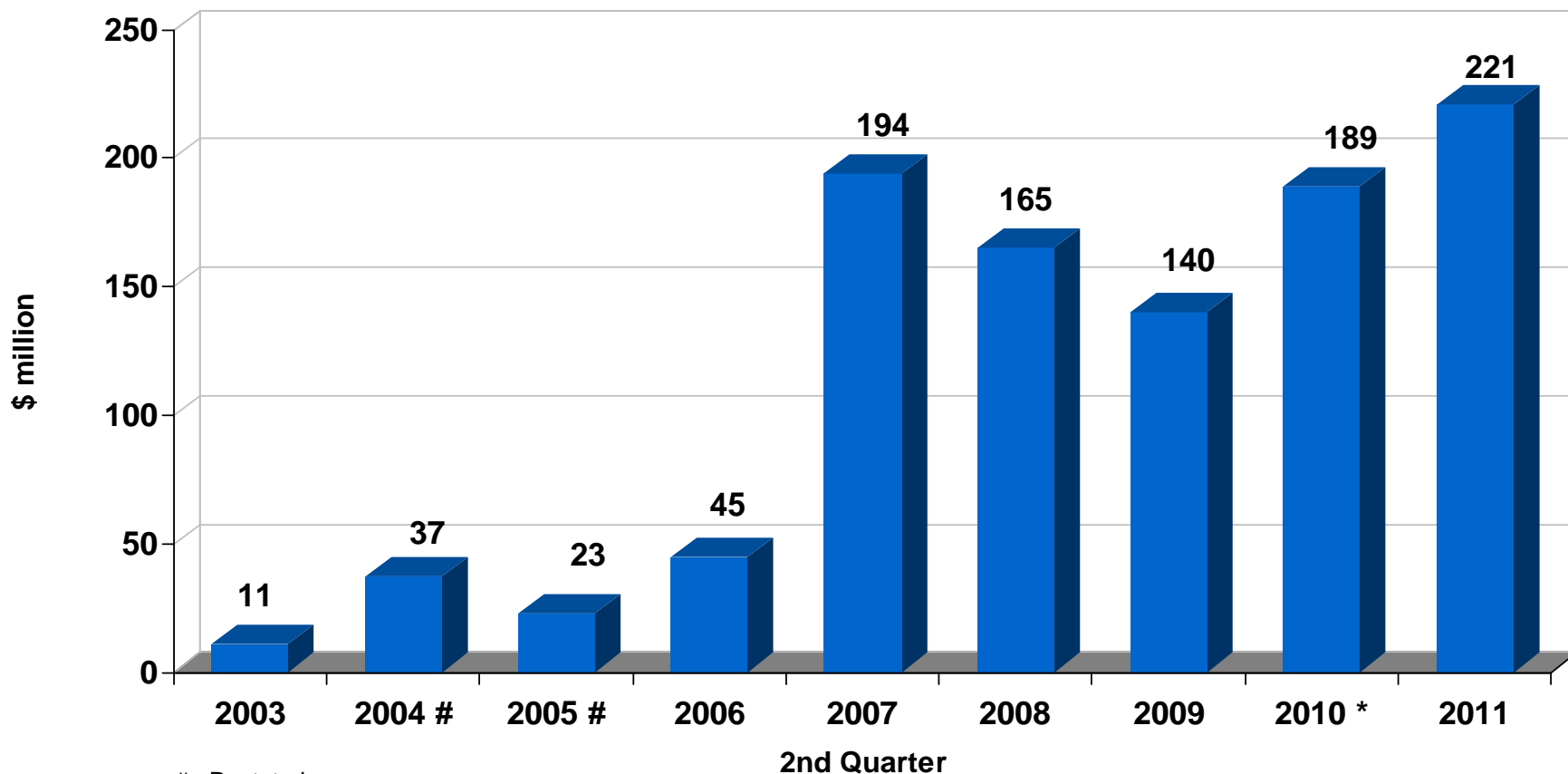
* Restated due to the adoption of INT FRS 115 for 2010 only.

Note : The above financial information is extracted from half-yearly announcements of respective years.



FINANCIAL HIGHLIGHTS

PATMI for 2nd Quarter (2003 – 2011)



Restated

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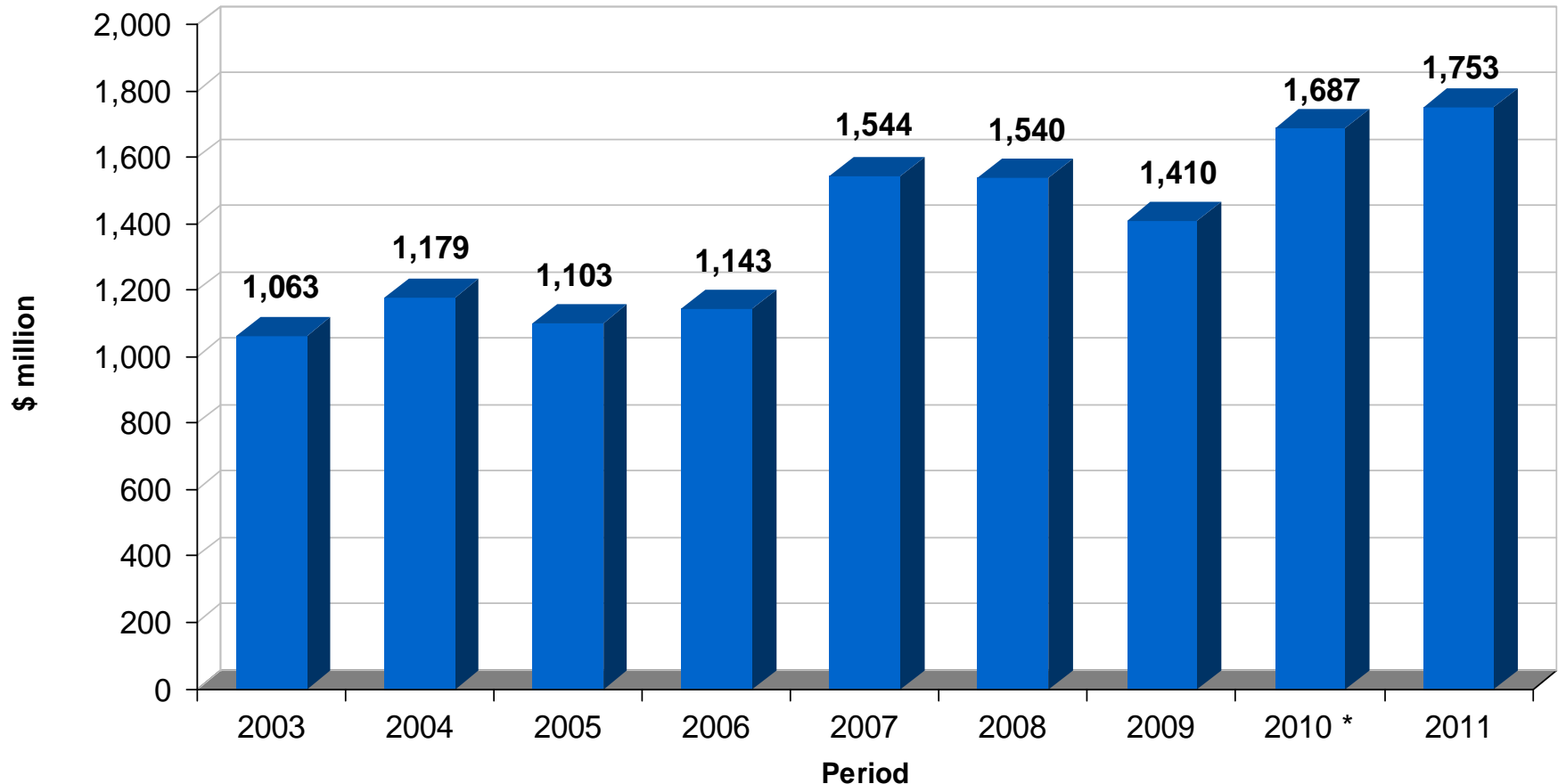
Note : The above financial information is extracted from half-yearly announcement of respective years.

The Group adopted FRS 40 cost model whereby its investment properties continue to be stated at cost less accumulated depreciation and accumulated impairment losses with effect from 1 Jan 2007.



FINANCIAL HIGHLIGHTS

Revenue for Period Ended 30 Jun (2003 – 2011)



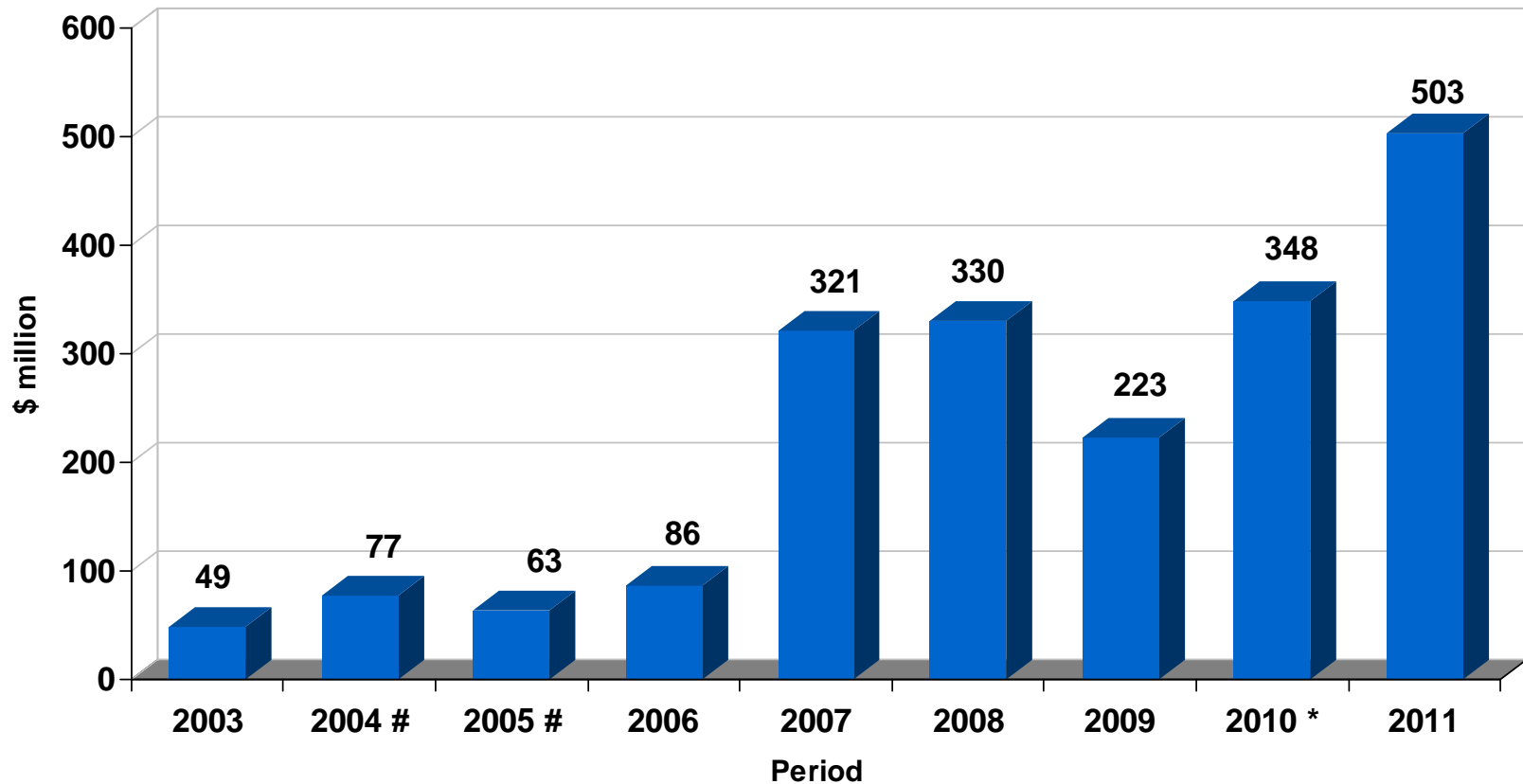
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FINANCIAL HIGHLIGHTS

PATMI for Period Ended 30 Jun (2003 – 2011)



Restated

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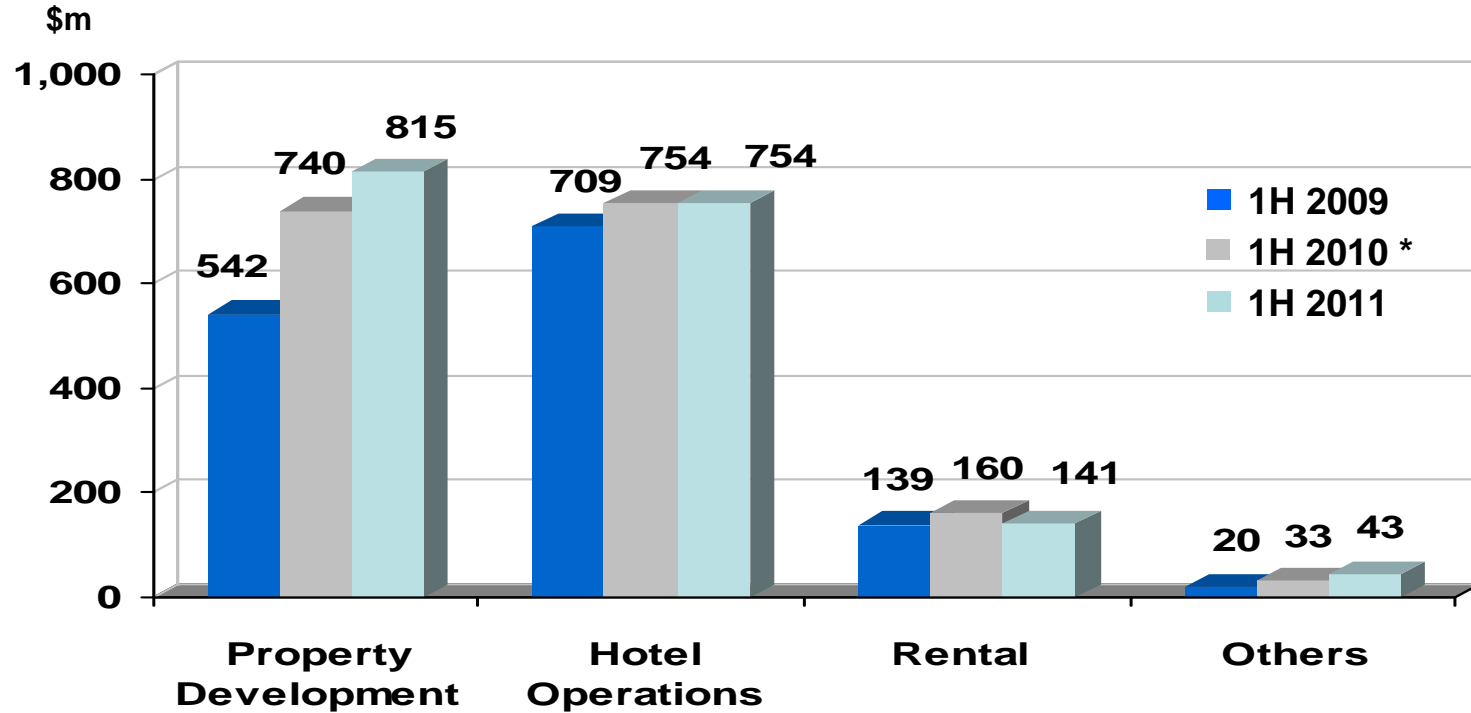
Note : The above financial information is extracted from half-yearly announcements of respective years.

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FINANCIAL HIGHLIGHTS

Revenue by Segment – 1H 2011 vs 1H 2010 & 1H 2009



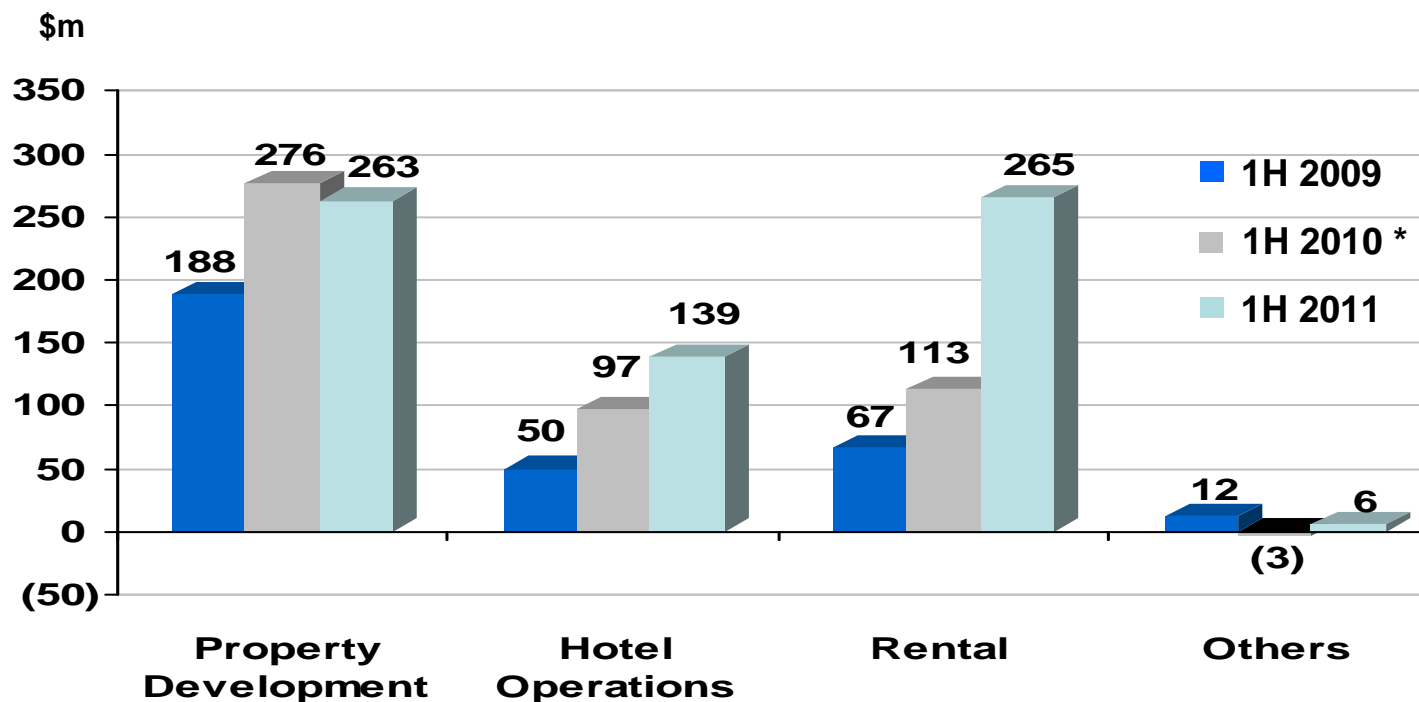
	1H 2011	1H 2010 *	1H 2009
Property Development	46%	44%	39%
Hotel Operations	43%	45%	50%
Rental	8%	9%	10%
Others	3%	2%	1%

* Restated due to the adoption of INT FRS 115 for 2010 only.



FINANCIAL HIGHLIGHTS

Profit Before Tax by Segment – 1H 2011 vs 1H 2010 & 1H 2009



	1H 2011	1H 2010 *	1H 2009
Property Development	39%	58%	59%
Hotel Operations	21%	20%	16%
Rental	39%	23%	21%
Others	1%	(1%)	4%

* Restated due to the adoption of INT FRS 115 for 2010 only.

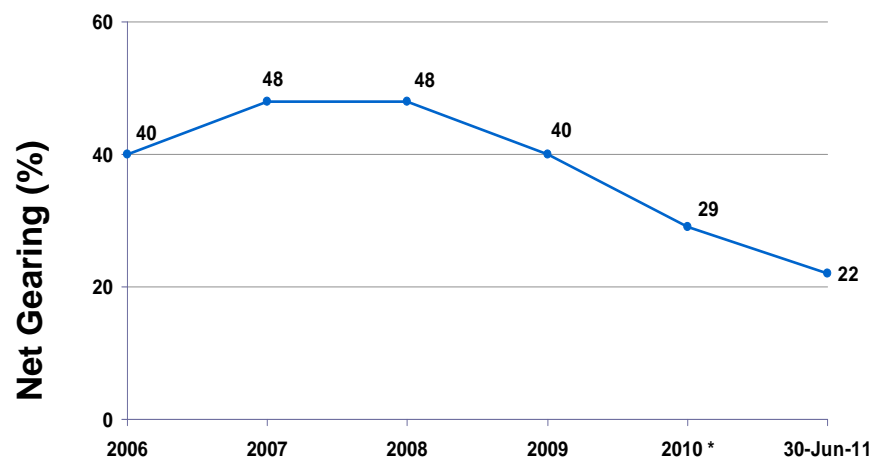


FINANCIAL HIGHLIGHTS

Capital Management

<u>CDL Group Total</u>	As at 30/06/11	As at 31/12/10	As at 30/06/10
Net Borrowings	\$ 1,817m	\$2,346m	\$2,829m
Interest Cover Ratio	25.0 x	* 21.3 x	* 21.1 x
Cash and cash equivalents	\$2,441m	\$1,874m	\$1,355m
Gearing ratio without taking in fair value gains on investment properties	22%	* 29%	* 37%

CDL's Net Gearing (%) (2006 – 1H 2011)



* Restated due to the adoption of INT FRS 115 for 2010 only.



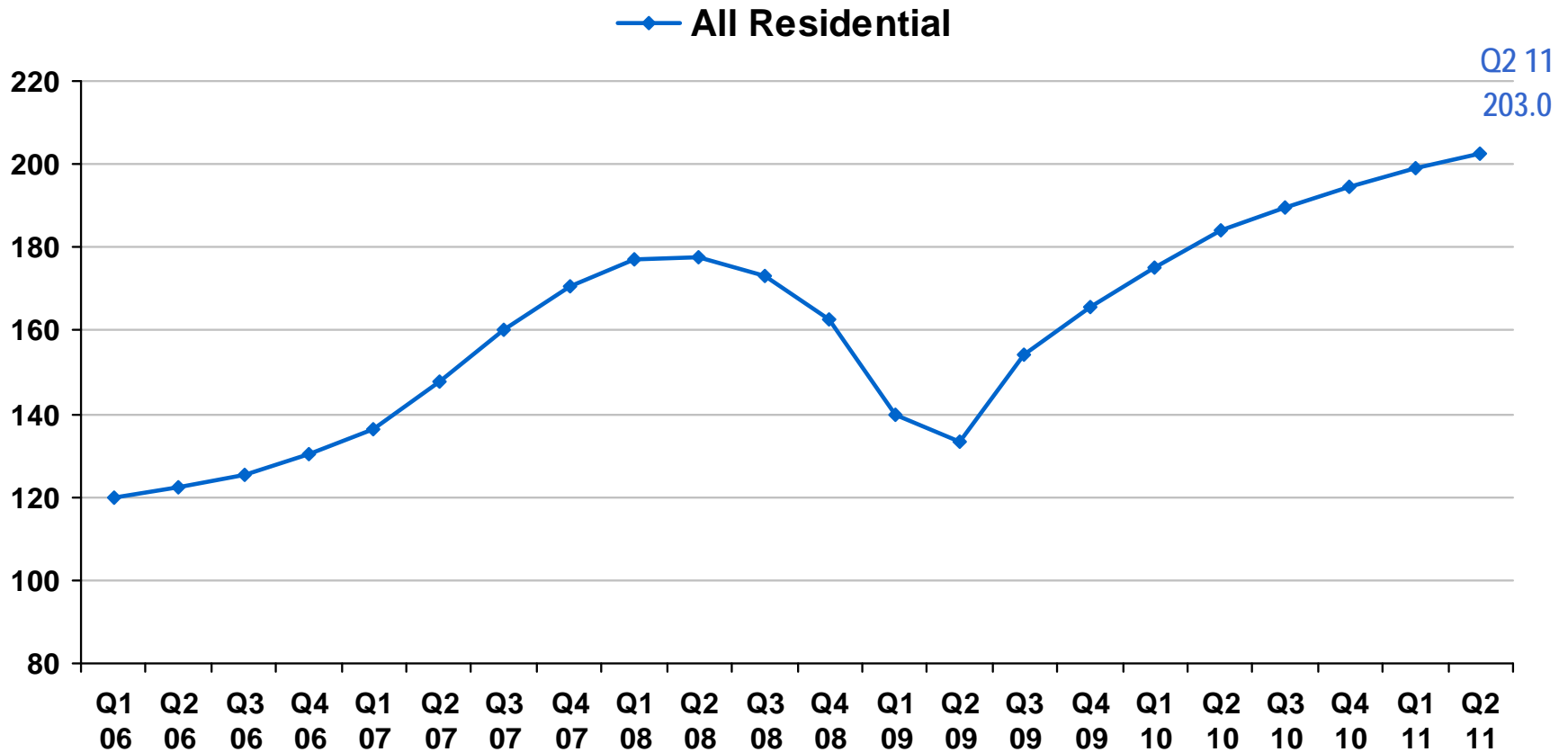
SINGAPORE PROPERTY MARKET



* Artist's Impression of Buckley Classique

SINGAPORE PROPERTY MARKET

Property Price Index – Residential (2006 – 1H 2011)

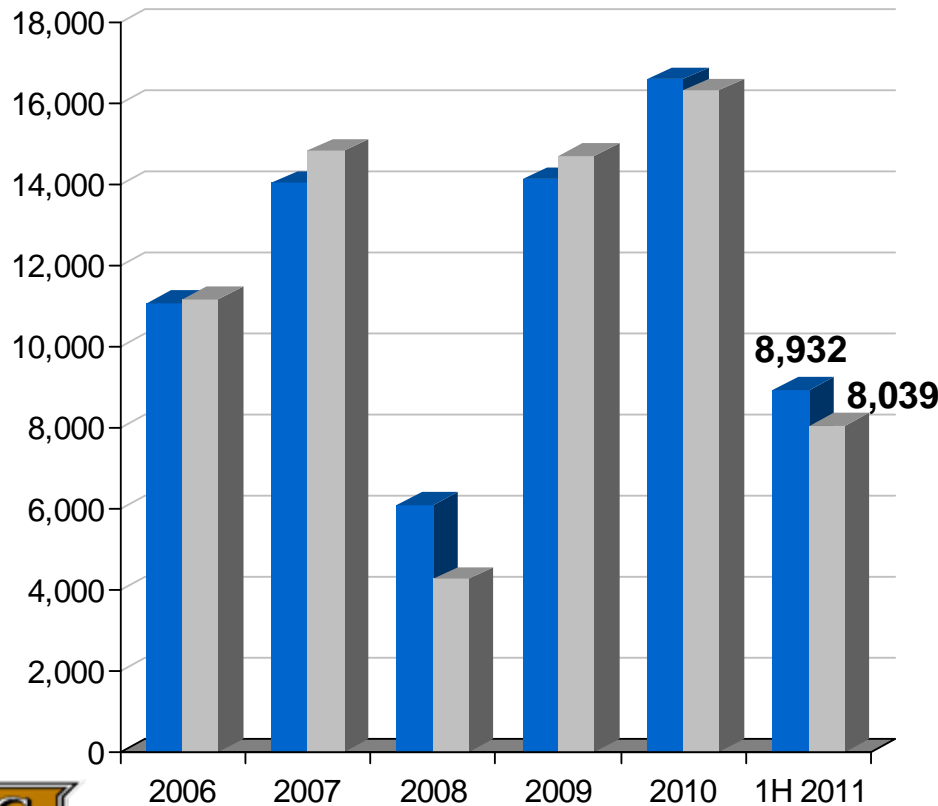


Source : URA, Q2 2011

SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2006 – 1H 2011)

■ New Units Launched ■ New Units Sold (Projects Under Construction)



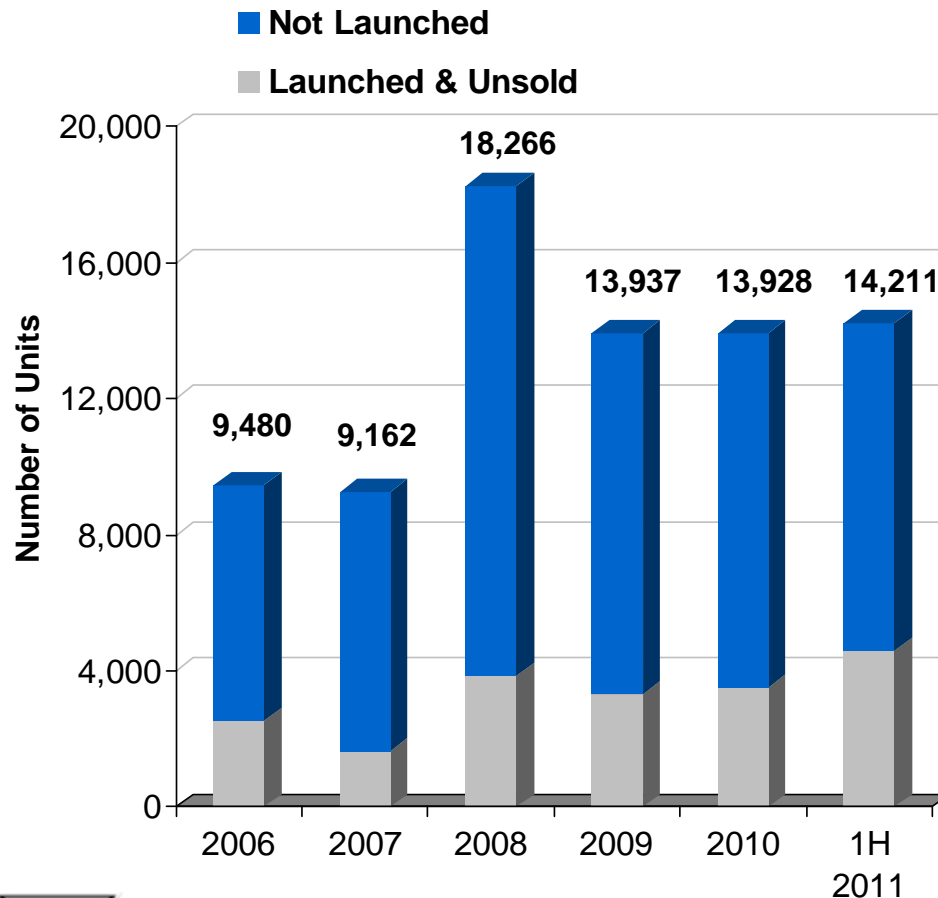
	<u>New Units Launch</u> (excl. EC units)	<u>New Units Sold Directly By Developers</u> (excl. EC units)
2006	11,069	11,147
2007	14,016	14,811
2008	6,107	4,264
2009	14,103	14,688
2010	16,575	16,292
1H 2011	8,932	8,039

Source : URA, Q2 2011



SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2006 – 1H 2011)



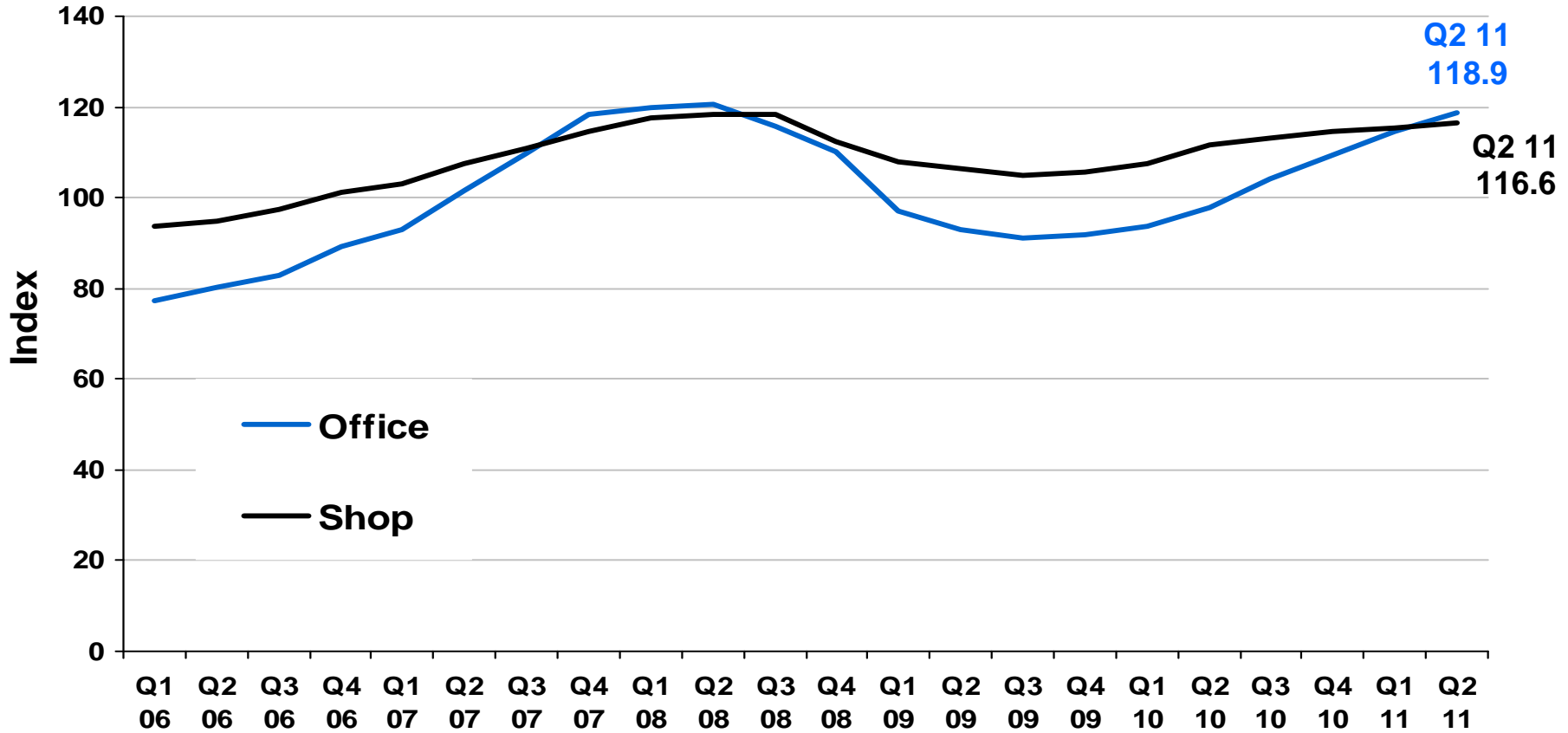
	<u>Launched & Unsold</u>	<u>Not Launched</u>	<u>Total</u>
2006	2,536	6,944	9,480
2007	2,063	7,099	9,162
2008	3,880	14,386	18,266
2009	3,317	10,620	13,937
2010	3,528	10,400	13,928
1H 2011	4,603	9,608	14,211



Source : URA, Q2 2011

SINGAPORE PROPERTY MARKET

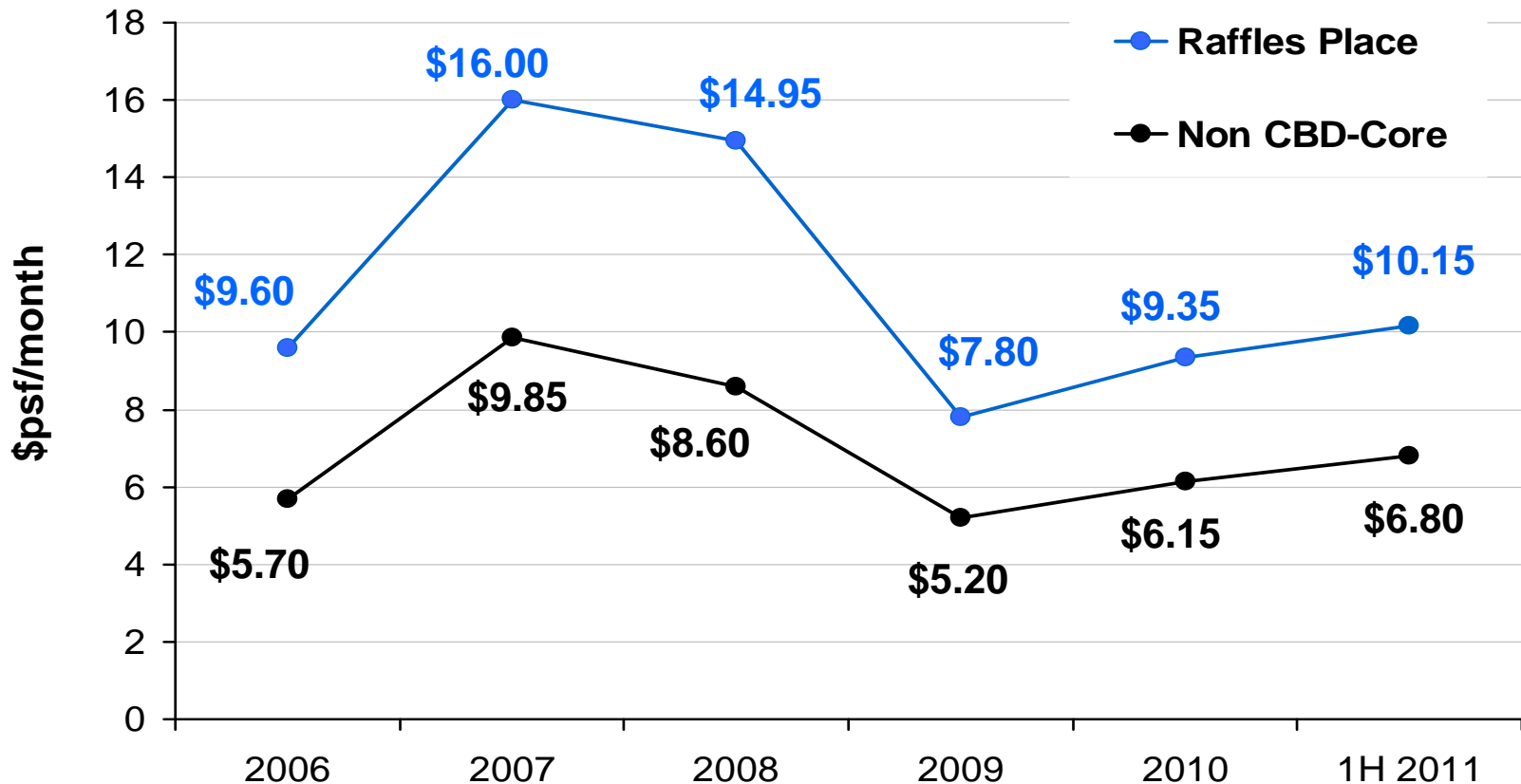
Property Price Index – Commercial (2006 – 1H 2011)



Source : URA, Q2 2011

SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2006 – 1H 2011)



Source : JLL Research, Q2 2011



OPERATIONS REVIEW



* Artist's Impression of Quayside Isle

PROPERTY DEVELOPMENT



** Artist's impression of Buckley Classique*

PROPERTY DEVELOPMENT

Units Booked / Sold

	Sales Value* \$'000	No. of Units*	Total Floor Area (sq ft)
1H 2011	\$ 793,940	809	821,294
1H 2010	\$ 947,710	773	951,526



* Includes share of JV partners

OPERATIONS REVIEW

Planned Residential Project Launches for 2nd half 2011 (subject to market conditions)

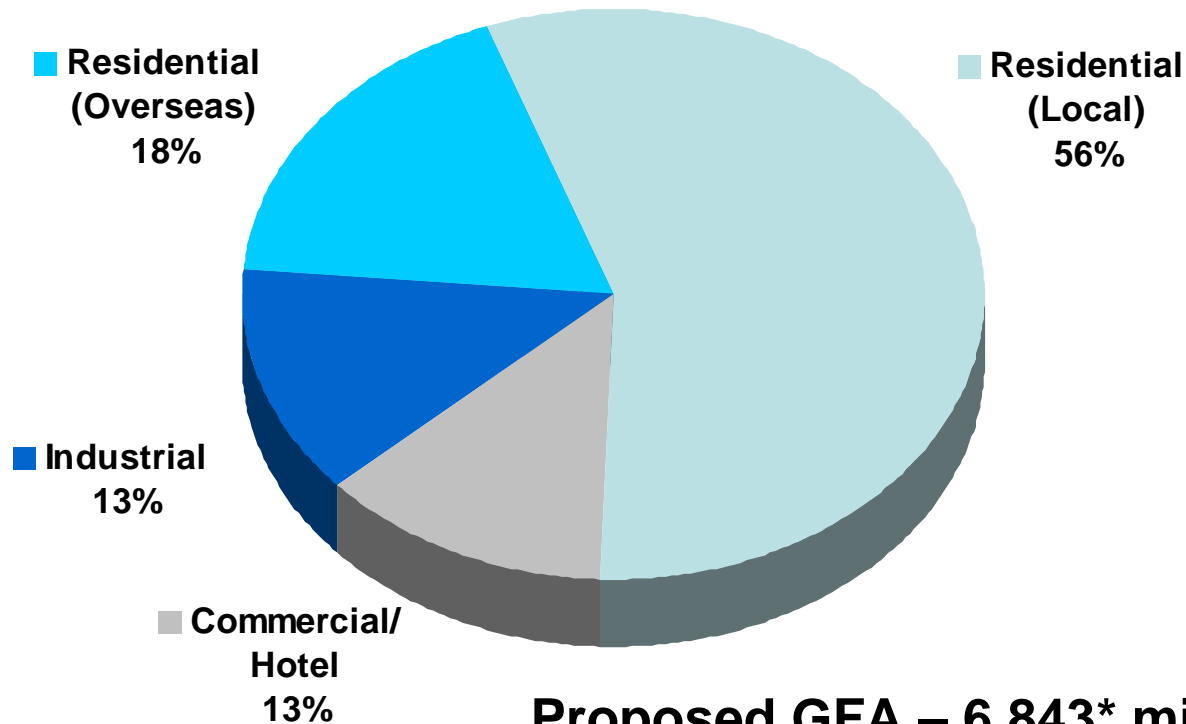
Projects	Units
Nouvel 18 (total 156)	50
Pasir Ris Parcel 4 (est. total 892)	200
Choa Chu Kang EC (est. total 474)	200
Lucky Tower (est. total 174)	50
<hr/>	
Total	500



OPERATIONS REVIEW

Land Bank by Sector (as at 30 Jun 2011)

Type of Development	Land Area (sq ft)	%
Residential (Local & Overseas)	2,505,085	74
Commercial / Hotel	437,437	13
Industrial	462,818	13
TOTAL	3,405,340	100



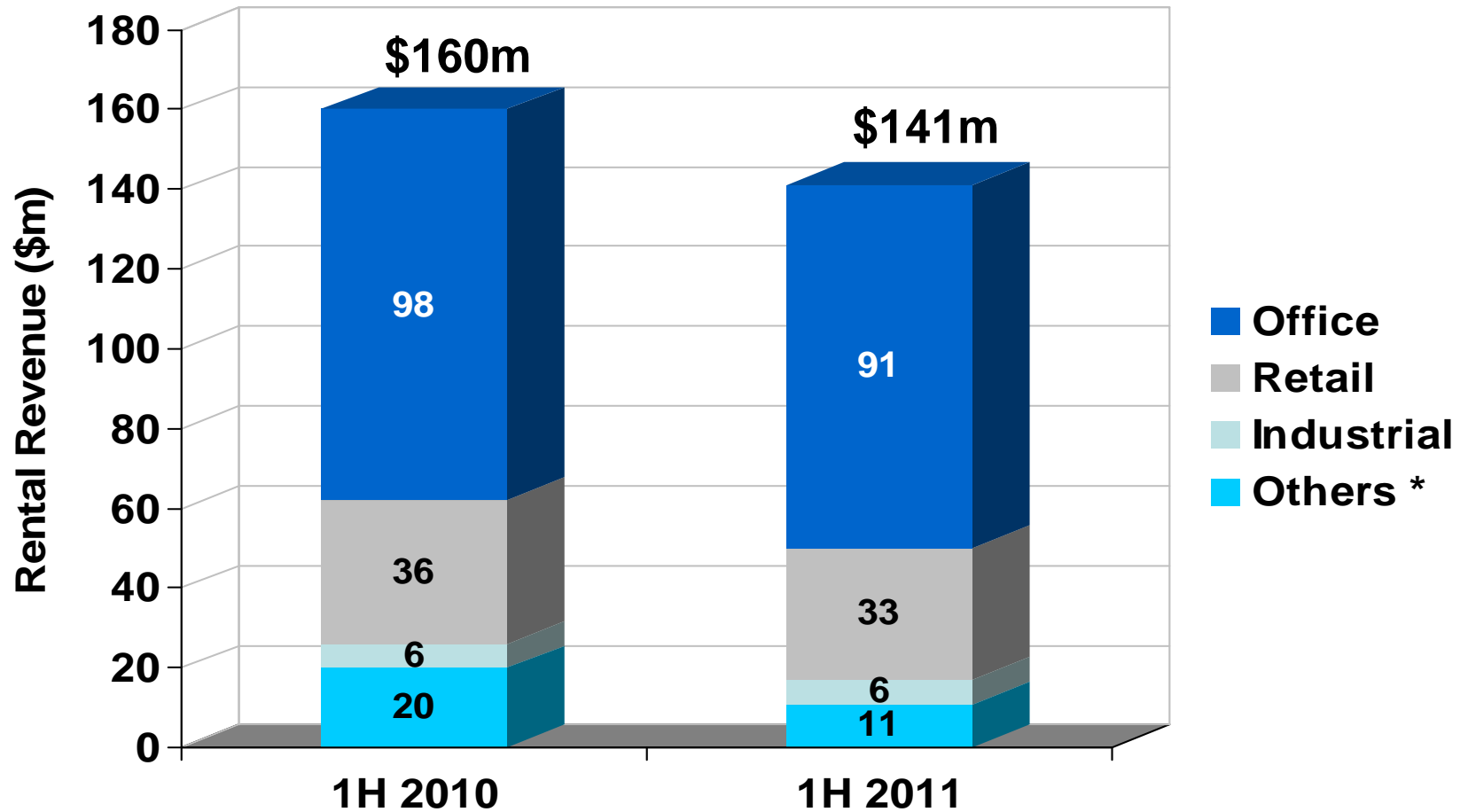
Proposed GFA – 6.843* million sq ft

** Inclusive of land acquired in Chongqing, China by CDL China Limited*



OPERATIONS REVIEW

Rental Revenue by Sector



* Including car park, serviced apartment and residential



HOTEL OPERATIONS & CDLHT



HOTELS

M&C Group

Good Trading Performance

- RevPAR (in constant currency) up 5.5% to £60.80 for 1H 2011 (1H 2010: £57.66)
- RevPAR growth in key gateway cities (at constant rates of exchange):
 - Singapore 9.6%
 - London 13.1%
 - New York 6.6%

Strong Balance Sheet

- Gearing reduced to 4.1% (31 Dec 2010: 8.5%).
- Net debt reduced to £81.9m (31 Dec 2010: £165.7m).

Asset Management

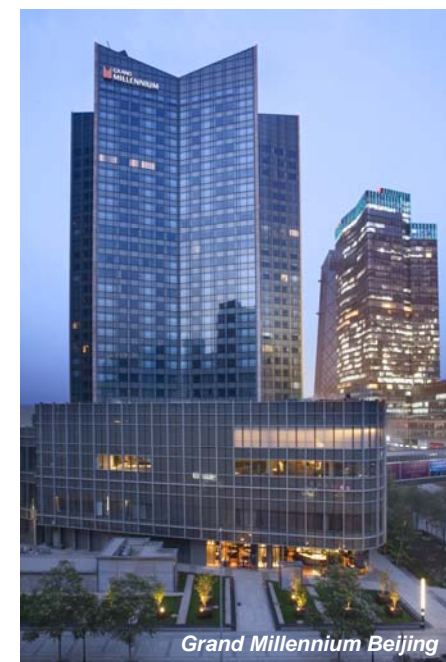
- Twin strategy to maximise asset value and hotel trading profits
 - development of The Glyndebourne (following closure of Copthorne Orchid Hotel on 1 April 2011), started in 2Q 2011. 143 out of 150 apartments sold at average of over \$2,000 psf.
 - Sale of land adjacent to the Grand Millennium KL completed on 1 August 2011.
- Sale and leaseback of the Studio M Hotel Singapore to CDL Hospitality Trusts (CDLHT) completed on 3 May 2011.
- Acquisition of development site in Ginza, Tokyo on 8 July 2011.
- Refurbishment works underway at Millennium Seoul Hilton, Grand Hyatt Taipei and Orchard Hotel, Singapore. Refurbishment plans are being developed for Millennium UN Plaza and Millennium Mayfair.



HOTELS

M&C Hotel Room Count and Pipeline

<u>Hotel and Room Count</u>	Hotels		Rooms	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
By region:				
• New York	3	3	1,757	1,755
• Regional US	16	16	5,554	5,554
• London	7	7	2,493	2,493
• Rest of Europe	18	18	3,227	3,227
• Middle East *	9	8	3,299	2,991
• Singapore	6	6	2,752	2,750
• Rest of Asia	16	16	7,259	7,256
• Australasia	29	29	3,506	3,506
Total:	104	103	29,847	29,532
<u>Pipeline</u>				
By region:				
• Middle East *	23	23	5,420	6,618
• Rest of Asia	2	2	388	388
Total:	25	27	5,808	7,006

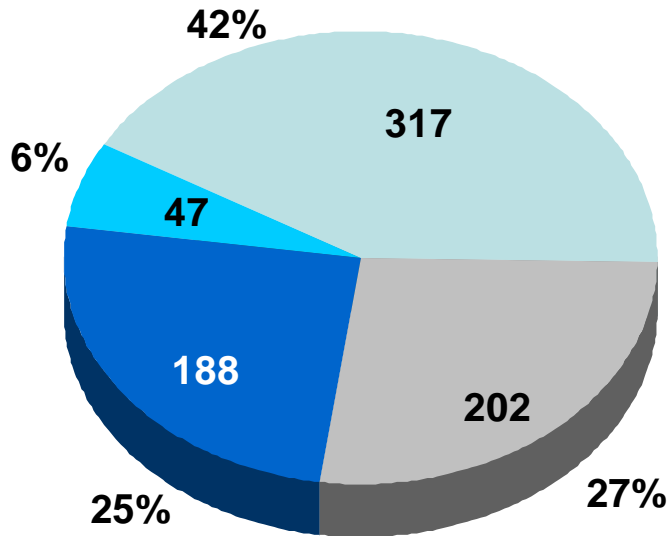


* Mainly management contracts

HOTELS

Hotel Revenue by Region

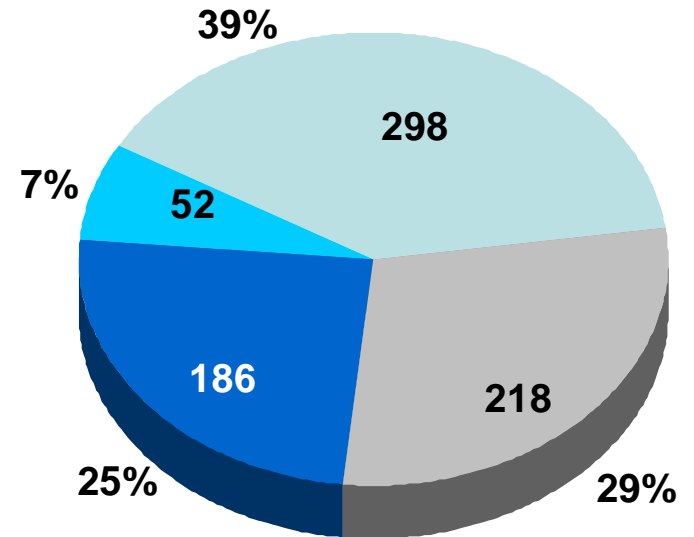
1H 2011



\$754m

- New Zealand
- Europe
- United States
- Asia

1H 2010

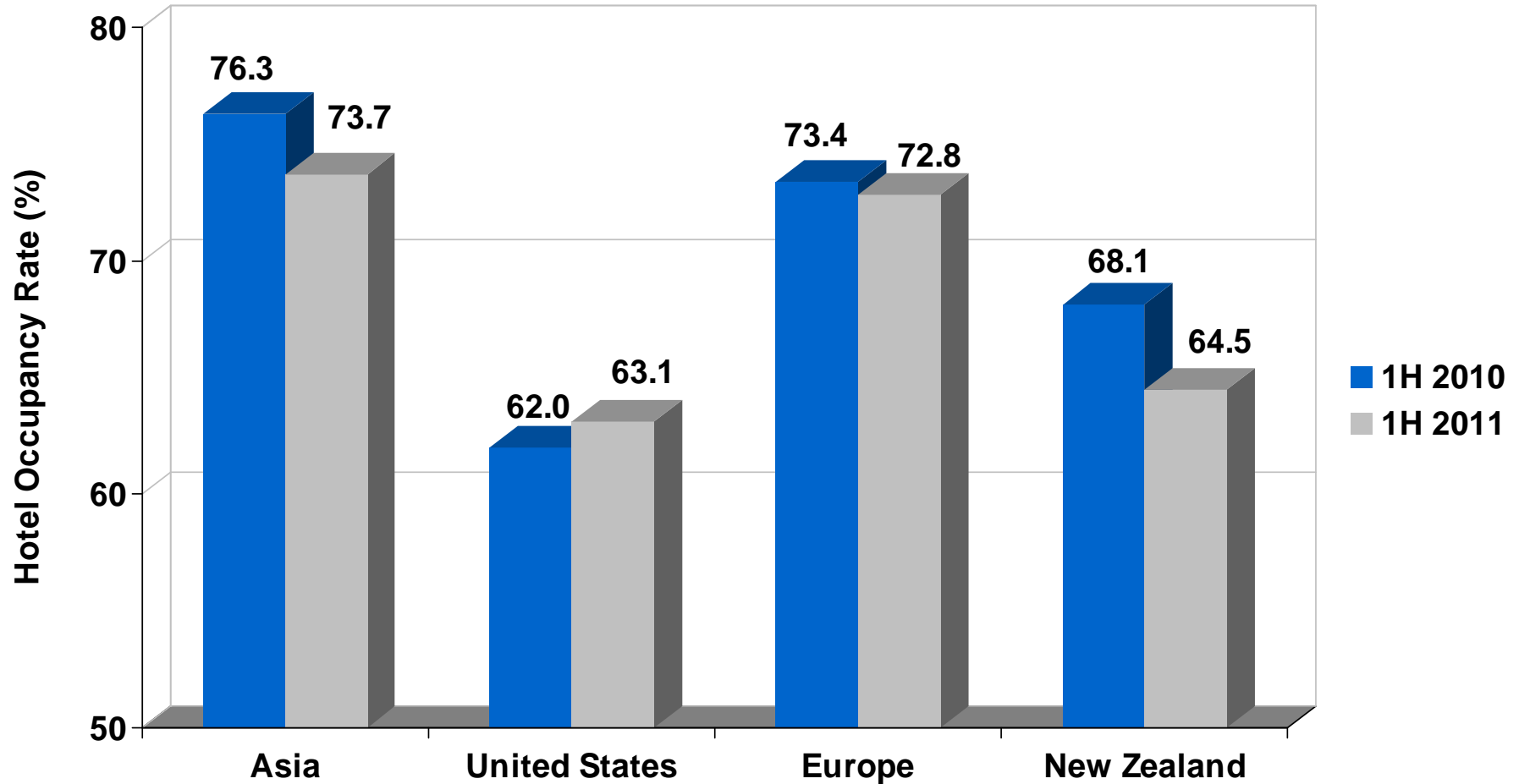


\$754m



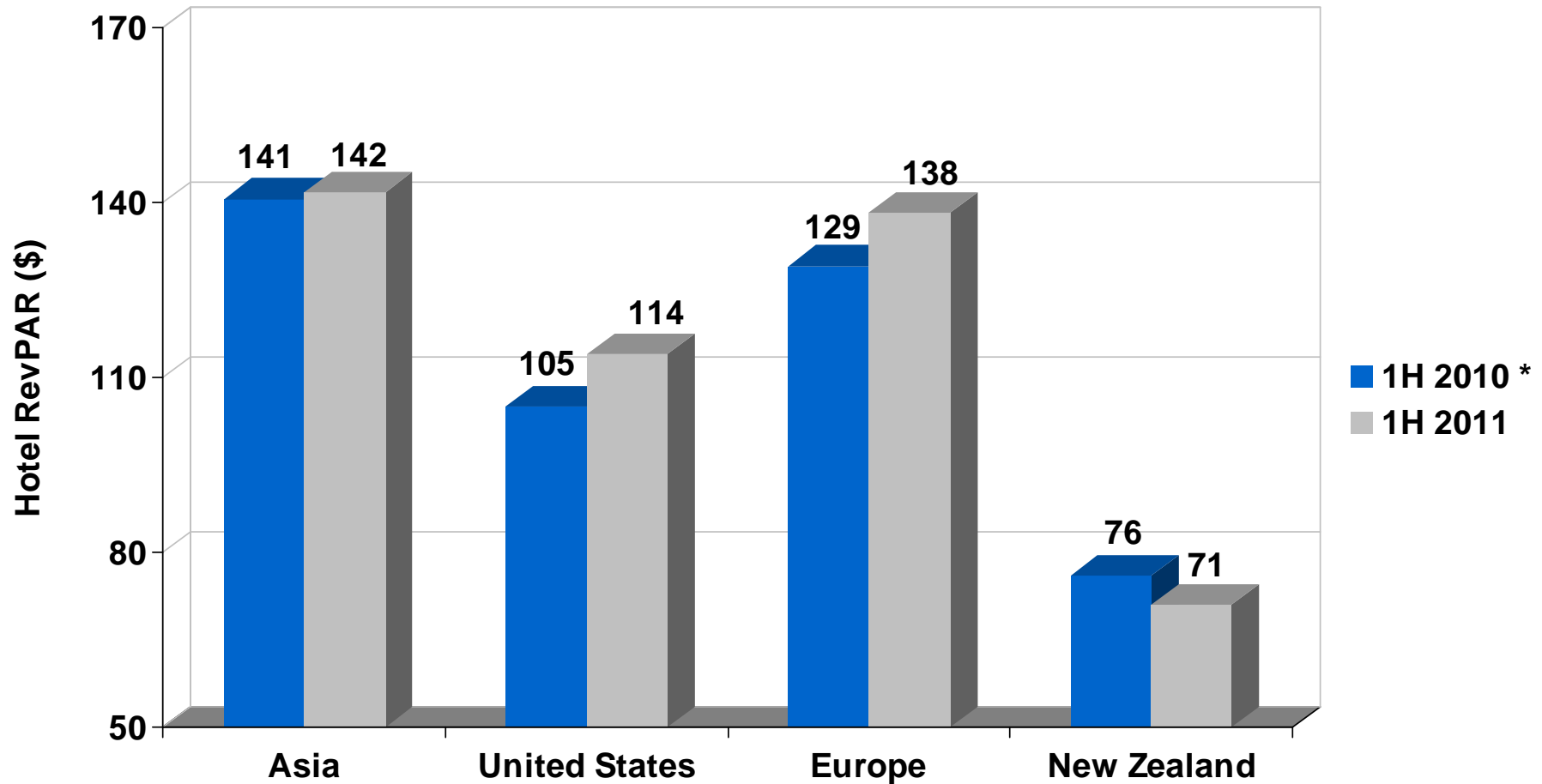
HOTELS

Hotel Occupancy by Region



HOTELS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, 1H 2010 RevPAR has been translated at constant exchange rates (30 Jun 2011).



CDL HOSPITALITY TRUSTS (CDLHT)

First hotel REIT listed in Singapore in July 2006 with 4,304 hotel rooms.

Total Revenue	1H 2011 \$'M	1H 2010 \$'M	Increase
Singapore Hotels (6 hotels) *	52.7	46.6	13.1%
New Zealand Hotels (1 hotel)	4.4	4.3	2.3%
Australia Hotels (5 hotels) #	9.8	6.4	53.1%
Total	66.9	57.3	16.7%

RevPAR	1H 2011	1H 2010	Increase
Average occupancy	86.9%	86.4%	0.5pp
Average daily rate	\$230	\$214	7.5%
Revenue per available room	\$200	\$185	8.2%

* Including Studio M acquired on 3 May 2011

Acquired in Feb 2010



Novotel Clarke Quay
Singapore



Rendezvous Hotel
Auckland



CDL CHINA LIMITED

Chongqing

- Land acquired in Dec 2010.
- Land area 27,200 sqm.
- Located on top of historical hill, Eling (鹅岭) in Yuzhong District of Chongqing municipality. Next to the Eling Park, used to be private residence of a wealthy salt merchant and during World War II, it served as the residence of Chiang Kai-Shek and Soong Mei Ling.
- About 3.5 km to the city centre landmark monument, Jie Fang Bei (解放碑).
- Architect, Moshe Safdie (who designed the Marina Bay Sands IR) will be designing the plan to build luxury villas, duplexes and townhouses on this site.



The view from Eling Hill

CDL CHINA LIMITED

Suzhou

- Acquire prime site in Jul 2011.
- Permissible GFA of 295,455 sqm (approximately 3.2 million sq ft).
- Land tender price RMB 886 million.
- Plan 88,000 sqm of high end residential apartments about 750 units with balance GFA for office tower, SOHO apartments, a retail mall and a luxury hotel.



View of Jinji Lake from North side of lake



MARKET OUTLOOK



** Artist's Impression of The Glyndebourne*

MARKET OUTLOOK

Singapore Economic Outlook

- GDP expanded 0.9% year-on-year in Q2 2011, down from 9.3% growth in Q1 2011.
- The economy contracted 6.5% in Q2 2011 on a seasonally adjusted quarter-on-quarter annualised basis
- The Government revised 2011 growth forecast for the Singapore economy to 5.0% to 6.0%, down from 5.0% to 7.0%
- With increased uncertainties in the global markets, the Government has indicated that the Singapore economic growth could be lower than expected.
- The Group is watchful of the global economic situation as any adverse news will impact market sentiment.



MARKET OUTLOOK

Property Market – Residential

- In Q2 2011, volume of sales hit 4,325 units, 21.1% higher than the previous quarter
- For the first time, Residential Property Price Index surpassed the 200 points mark to 203.0
- Overall, prices of private residential properties increased by 2.0% quarter-on-quarter in Q2 2011 – 7th consecutive quarter of moderation
- The positive take-up rate in Q2 2011 was probably due to lag time and committed sales
- From recent GLS tenders, prices appeared to have moderated as developers are more conservative and selective in their tendering, balancing supply and demand
- Developers will be mindful of market appetite and decide the timing of their launches, and when to purchase or tender for sites.



MARKET OUTLOOK

Property Market – Office

- Office leasing activity in Q2 2011 remained steady.
- Office rentals increased by 1.5% quarter-on-quarter in Q2 2011
- Total available office space as at Q2 2011 increased by 1.5% quarter-on quarter to 7.2 million square metres
- The Group's office portfolio continued to perform well with an occupancy rate of 93.2% for 1H 2010 compared to the national average of 87.5%
- Notwithstanding the volatility in the global economic situation, on the back of a positive GDP forecast of 5.0% to 6.0%, the office sector in Singapore is expected to remain steady and healthy



MARKET OUTLOOK

Hotels

- In 1H 2011, M&C had strong RevPAR growth in gateway cities like London, Singapore and New York.
- Singapore continues to enjoy strong growth in visitor arrivals, resulting in strong performance across M&C's Singapore hotels
- As the economic outlook remains uncertain, M&C will adopt a cautious approach
- M&C has a strong balance sheet with 60% concentration of earnings from the Asian region – will protect it from the financial storm
- M&C has proven abilities in cost control and revenue management has enabled it to be resilient amidst short term trading challenges
- M&C remains focused on effective asset management and long-term strategic goals.



Disclaimer:

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.



THANK YOU



** Artist's impression of The Glyndebourne*