

[Print this page](#)**Presentation Slides on the Full Year 2011 Financial Report * Financial Statement And Related Announcement**

* Asterisks denote mandatory information

Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
Date & Time of Broadcast	29-Feb-2012 07:28:11
Announcement No.	00021

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2011
Description	Presentation Slides on the Full Year 2011 Financial Report are attached for information.

Attachments [29022012_CDL_Presentation_slides-FY11.pdf](#)Total size = **1740K**

(2048K size limit recommended)

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FULL YEAR FINANCIAL REPORT

1 Jan – 31 Dec 2011

29 FEBRUARY 2012
CDL ANALYST PRESENTATION



CITY DEVELOPMENTS LIMITED

Artist's Impression of Blossom Residences

AGENDA

1. FINANCIAL HIGHLIGHTS
2. SINGAPORE PROPERTY MARKET
3. OPERATIONS REVIEW
 - Property Development
 - Hotel Operations
4. MARKET OUTLOOK
5. MOVING FORWARD



Artist's Impression of The Rainforest

FINANCIAL HIGHLIGHTS



Artist's Impression of Buckley Residences

KEY FINANCIAL HIGHLIGHTS

- Strong 2011 earnings powered by property development and hotels.
- Sterling performance with pre-tax profits crossing the \$1 billion mark for the second consecutive year.
- Record PATMI for FY 2011 of \$798.6 million (restated 2010: \$784.0 million), with no property fair value gains.
- Strong financial position with almost \$1 billion of cash flows from operating activities and cash and cash equivalents of \$2.6 billion as at 31 December 2011 (2010: \$1.9 billion).
- Improved net gearing at 21% (restated 2010: 29%).
- Special final dividend of 5 cents per share in addition to the ordinary dividend of 8 cents per share. Together with the special interim dividend of 5 cents paid in September 2011, total dividends paid for 2011 is 18 cents (2010: 18 cents).



SUMMARY OF FINANCIAL HIGHLIGHTS

	Q4 2011	Q4 2010 *	% Change	FY 2011	FY 2010 *	% Change
Revenue (\$m)	722	672	7.4	3,280	3,103	5.7
Profit Before Tax (\$m)	246	310	(20.6)	1,136	1,067	6.5
PATMI (\$m)	163	241	(32.3)	799	784	1.9
Basic Earnings Per Share (cents)	17.2	25.8	(33.3)	86.4	84.8	1.9
NAV Per Share (\$)				7.51	6.89	9.0

* Restated due to the adoption of INT FRS 115.

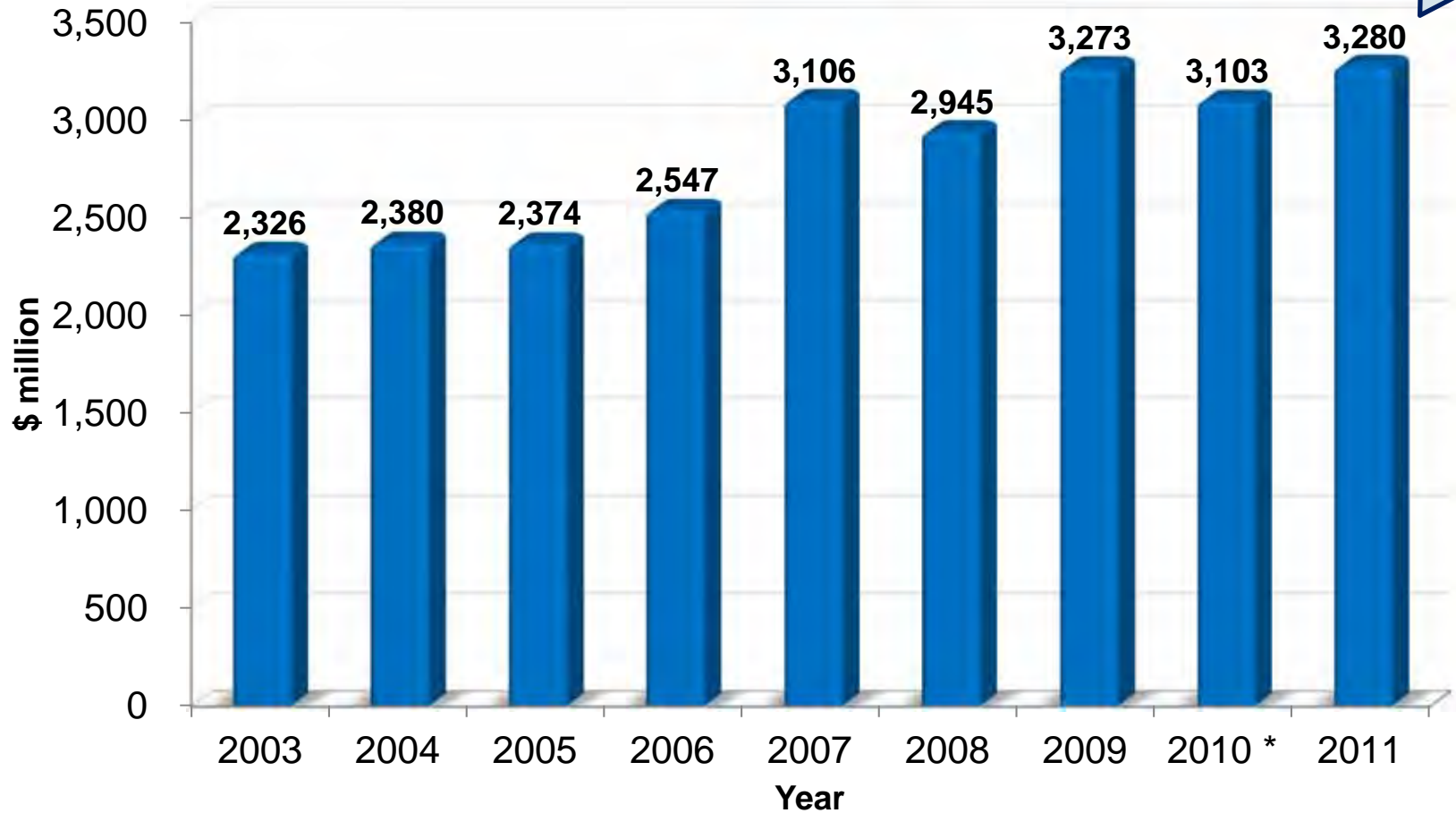
No fair value adopted on investment properties.

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



FINANCIAL HIGHLIGHTS

Revenue for the Year Ended 31 Dec (2003 – 2011)



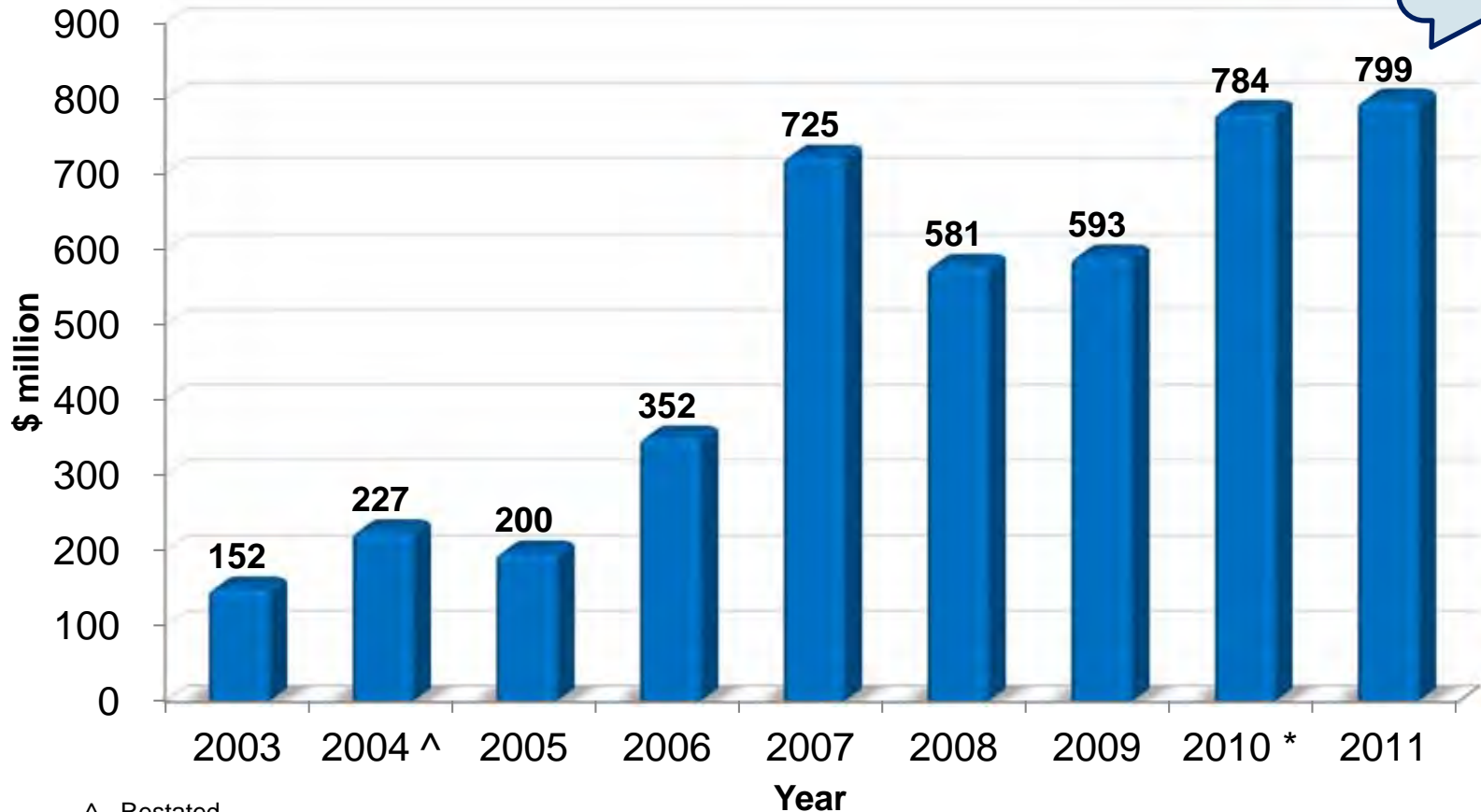
* Restated due to the adoption of INT FRS 115 for 2010 only.

Note : The above financial information is extracted from yearly announcements.



FINANCIAL HIGHLIGHTS

PATMI for the Year Ended 31 Dec (2003 - 2011)



^ Restated

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

Note : The above financial information is extracted from yearly announcement.

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

10-Year Analysis

	2002	2003	2004 [^]	2005	2006	2007	2008	2009	2010 [*]	2011
Revenue	\$2,289m	\$2,326m	\$2,380m	\$2,374m	\$2,547m	\$3,106m	\$2,945m	\$3,273m	\$3,103m	\$3,280m
Profit before tax	\$243m	\$214m	\$503m	\$404m	\$692m	\$955m	\$834m	\$832m	\$1,067m	\$1,136m
PATMI	\$151m	\$152m	\$227m	\$200m	\$352m	\$725m	\$581m	\$593m	\$784m	\$799m
Net gearing ratio	0.80	0.64	0.55	0.50	0.40	0.48	0.48	0.40	0.29	0.21
Return on equity	3.9%	3.3%	5.2%	4.4%	7.4%	13.9%	10.7%	9.9%	12.5%	11.7%
Total equity	\$3,862m	\$4,603m	\$4,951m	\$4,548m	\$4,735m	\$5,199m	\$5,430m	\$5,972m	\$6,263m	\$6,827m
NAV per share	\$4.82	\$5.56	\$4.99	\$5.12	\$5.21	\$5.72	\$5.97	\$6.57	\$6.89	\$7.51
EPS – Basic (cents)	18.9	18.8	25.3	20.8 [^]	37.0	78.3	62.5	63.8	84.8	86.4

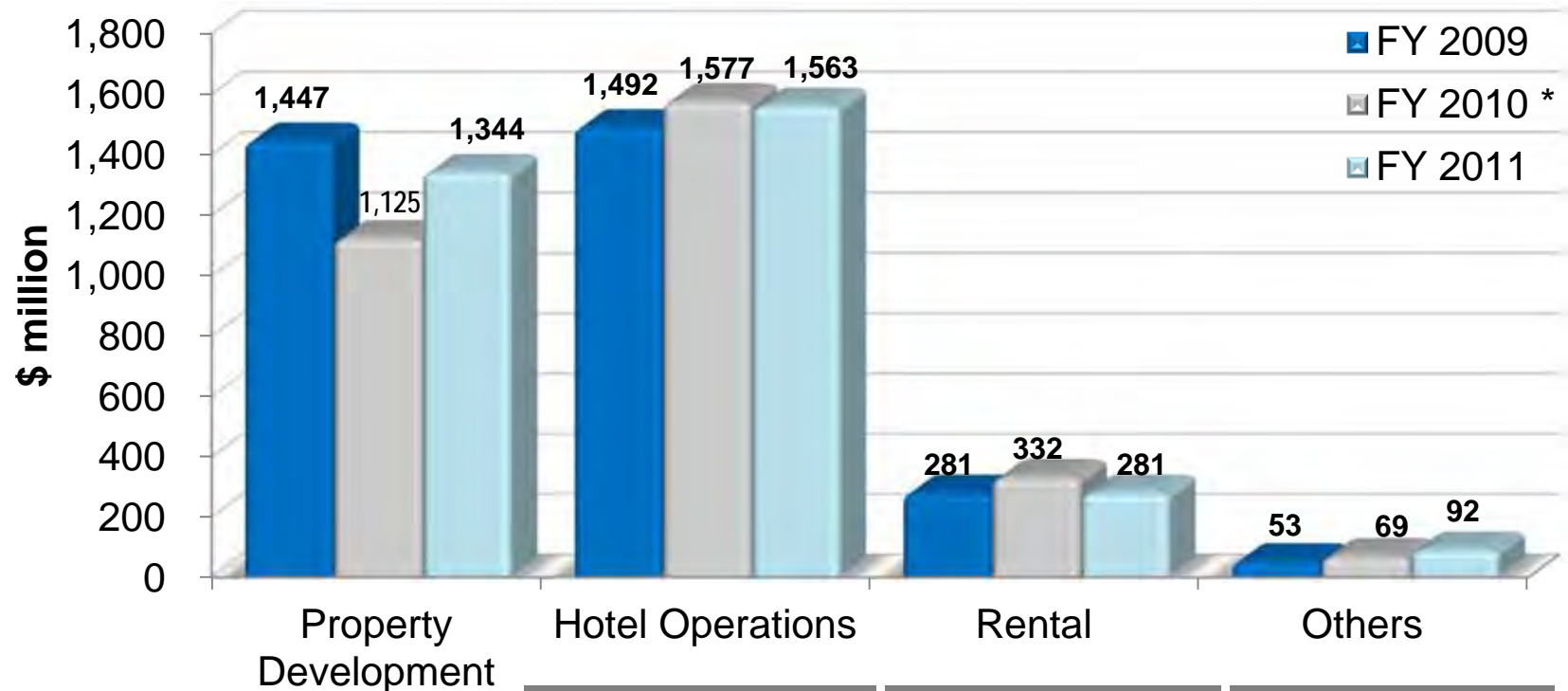
[^] Restated

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



FINANCIAL HIGHLIGHTS

Revenue by Segment – FY 2011 vs FY 2010 & FY 2009



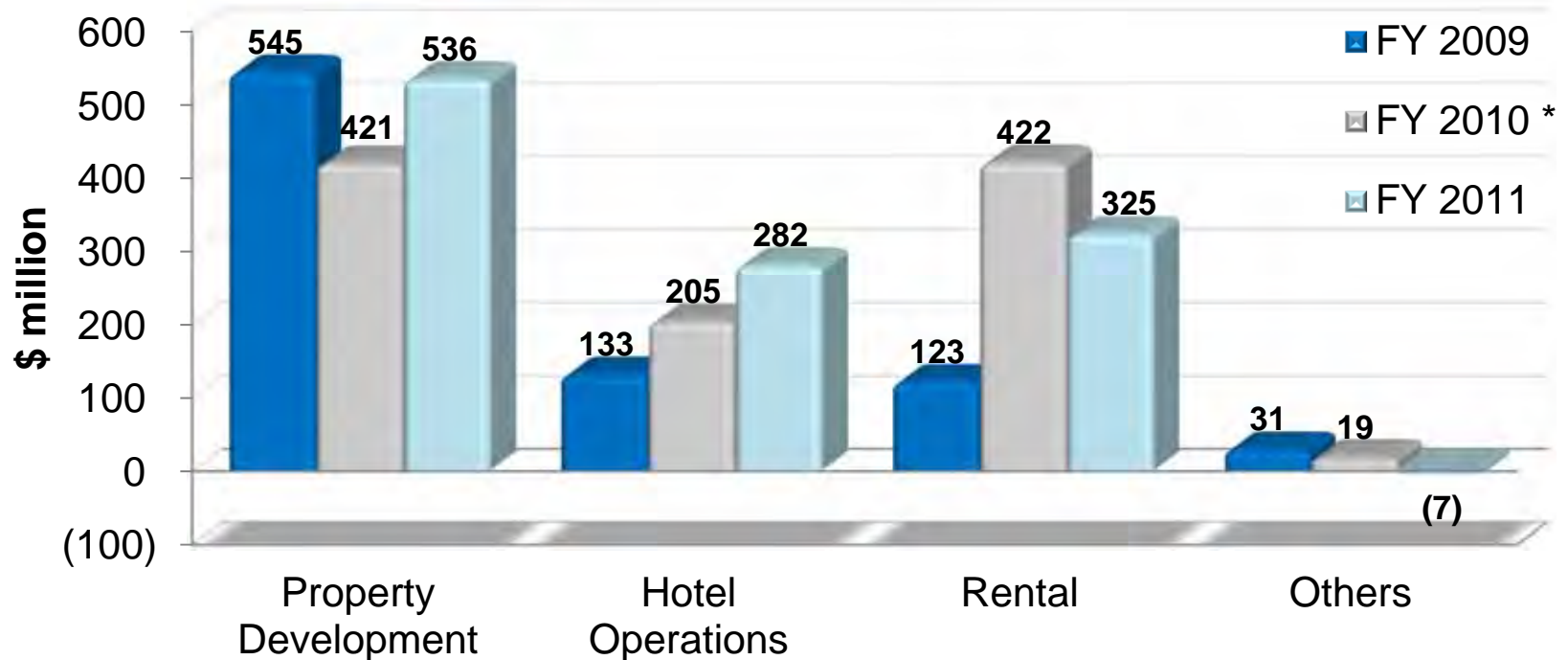
	FY 2011	FY 2010 *	FY 2009
Property Development	41%	36%	44%
Hotel Operations	48%	51%	46%
Rental	9%	11%	9%
Others	2%	2%	1%

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



FINANCIAL HIGHLIGHTS

Profit Before Tax by Segment – FY 2011 vs FY 2010 & FY 2009



	FY 2011	FY 2010 *	FY 2009
Property Development	47%	39%	66%
Hotel Operations	25%	19%	16%
Rental	29%	40%	15%
Others	(1%)	2%	3%

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

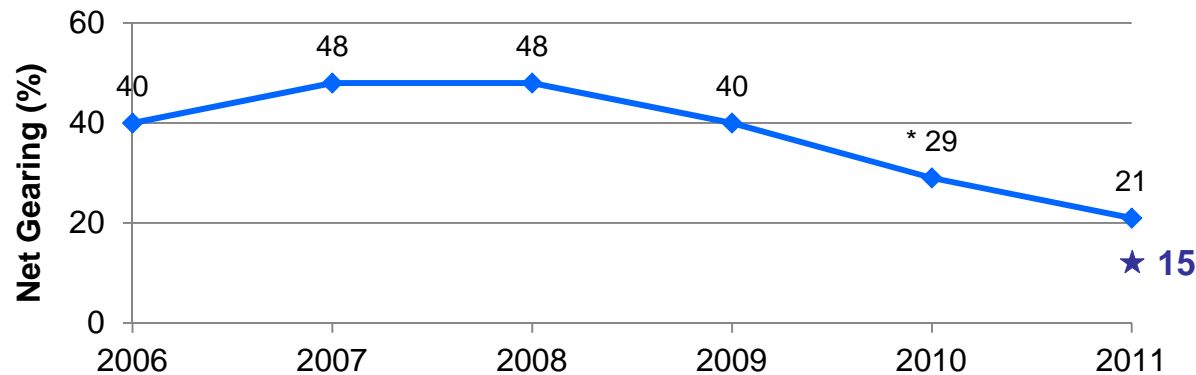


FINANCIAL HIGHLIGHTS

Capital Management

	As at 31/12/11	As at 31/12/10
Net borrowings	\$1,816m	\$2,346m
Interest cover ratio	21.8 x	* 21.3 x
Cash and cash equivalents	\$2,603m	\$1,874m
Net gearing ratio without taking in fair value gains on investment properties	21%	* 29%

CDL's Net Gearing (%) (2006 – 2011)



After taking in fair value gains on investment properties



* Restated due to the adoption of INT FRS 115.

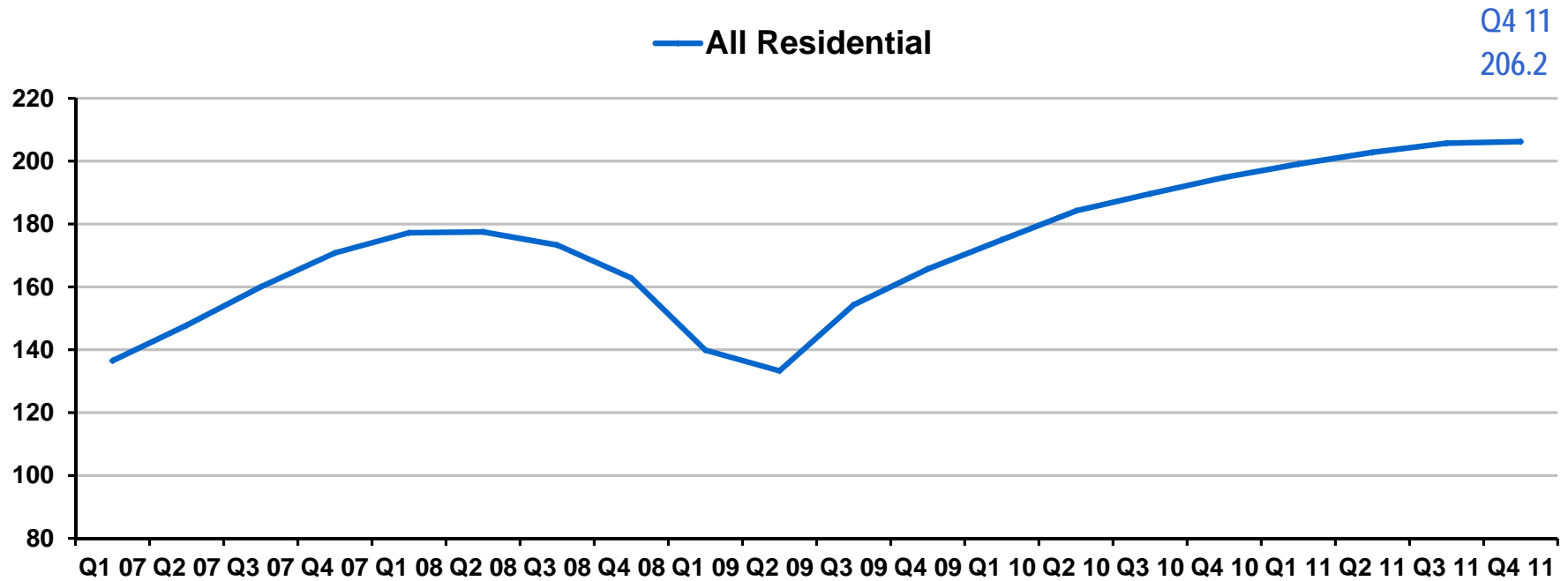
SINGAPORE PROPERTY MARKET



Artist Impression of The Palette

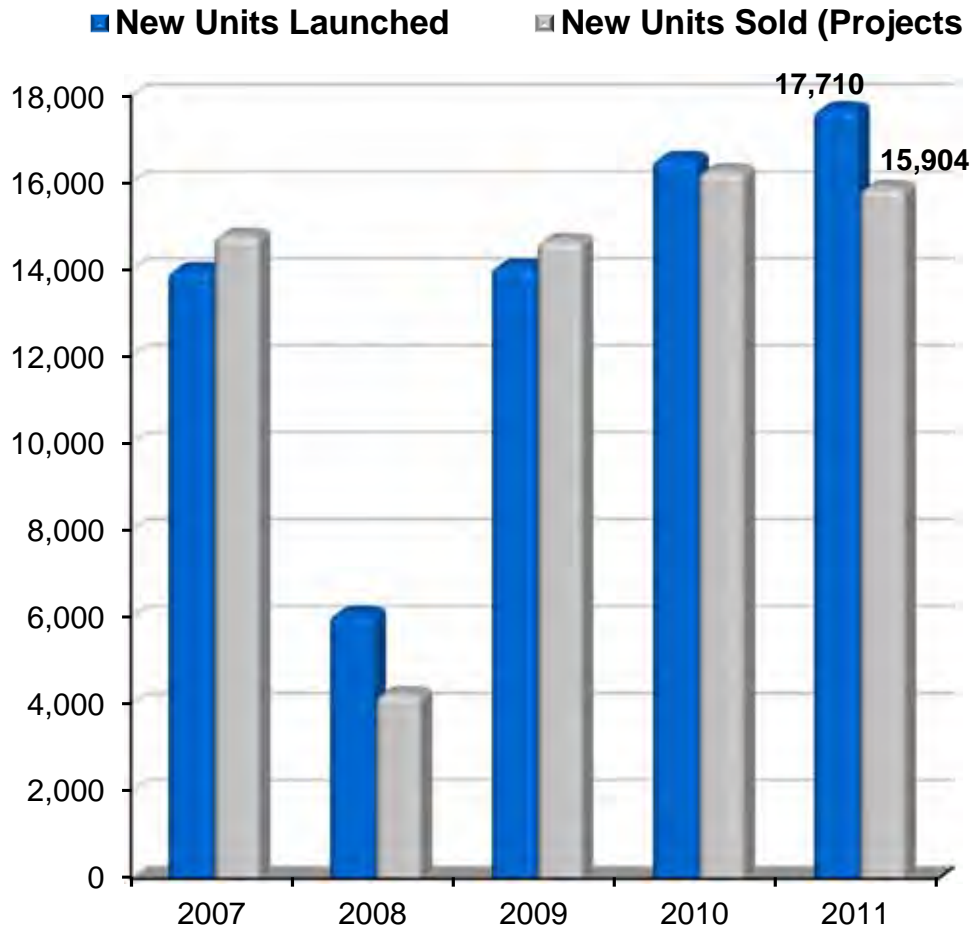
SINGAPORE PROPERTY MARKET

Property Price Index – Residential (2007 – 2011)



SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2007 – 2011)



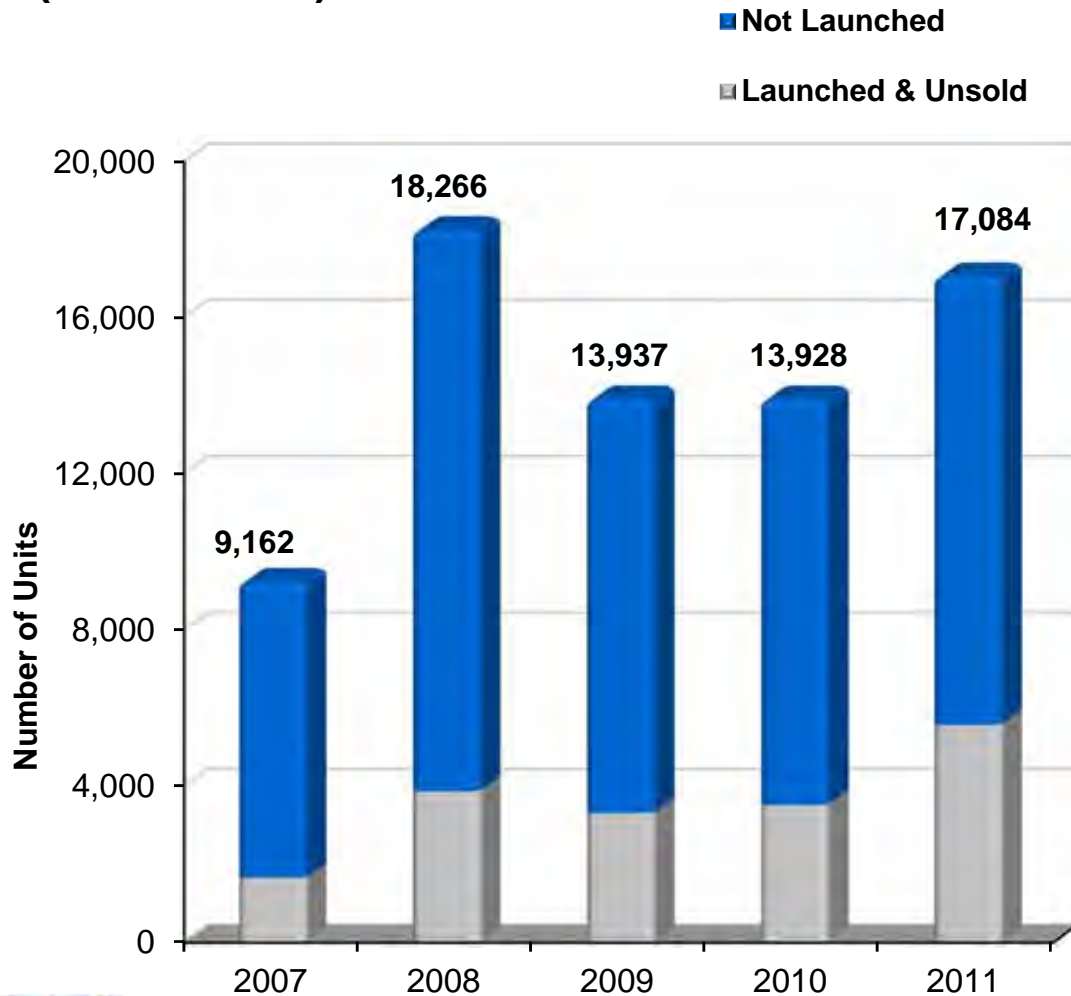
	<u>New Units Launch</u> (excl. EC units)	<u>New Units Sold Directly By Developers</u> (excl. EC units)
2007	14,016	14,811
2008	6,107	4,264
2009	14,103	14,688
2010	16,575	16,292
2011	17,710	15,904

Source : URA, Q4 2011



SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2007 – 2011)



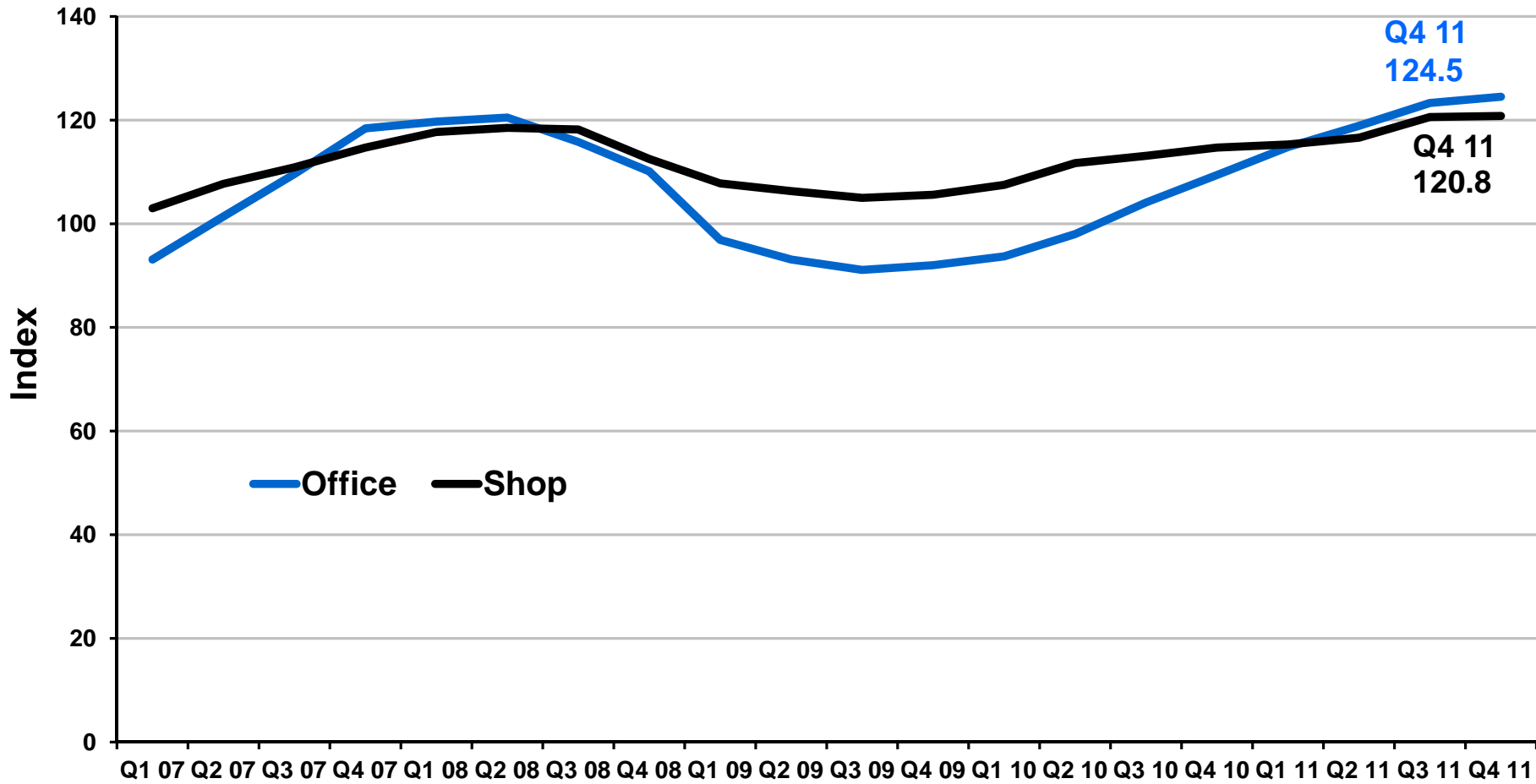
	<u>Launched & Unsold</u>	<u>Not Launched</u>	<u>Total</u>
2007	2,063	7,099	9,162
2008	3,880	14,386	18,266
2009	3,317	10,620	13,937
2010	3,528	10,400	13,928
2011	5,584	11,500	17,084

Source : URA, Q4 2011



SINGAPORE PROPERTY MARKET

Property Price Index – Commercial (2007 – 2011)

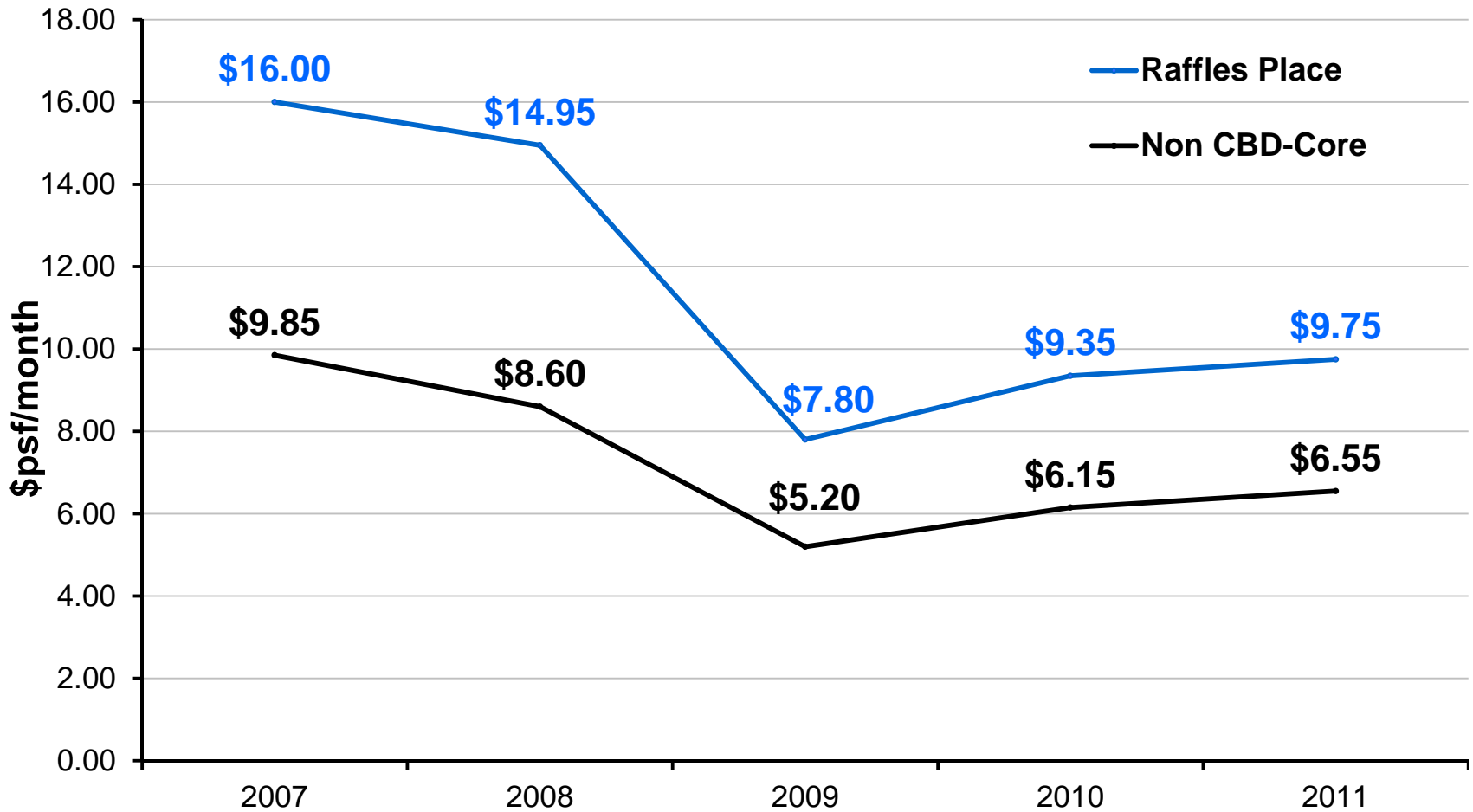


Source : URA, Q4 2011



SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2007 – 2011)



Source : JLL Research, Q4 2011



OPERATIONS REVIEW



PROPERTY DEVELOPMENT



The Residences at W Singapore Sentosa Cove

PROPERTY DEVELOPMENT

Units Booked / Sold

	Sales Value* \$'000	No. of Units*	Total Floor Area (sq ft)
2011	\$ 1,754,948	1,818	1,942,211
2010	\$ 2,114,910	1,559	1,850,093



* Includes share of JV partners

OPERATIONS REVIEW

Planned Residential Project Launches for 1H 2012 (subject to market conditions)

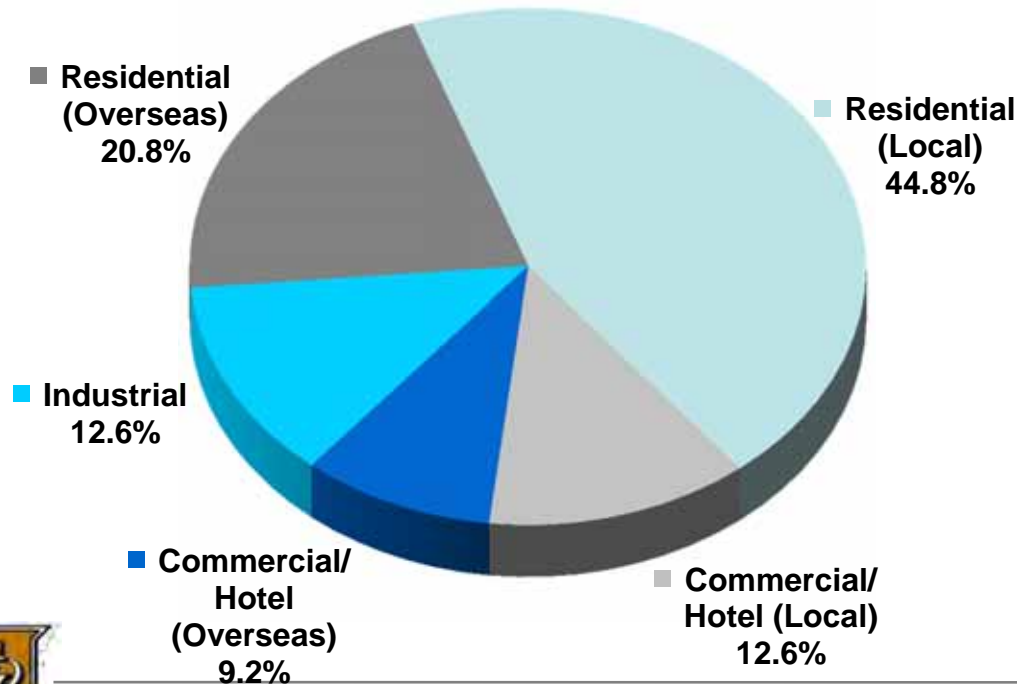
Projects	Units	Launch Date
The Rainforest EC (Total: 466)	466	Jan 2012
Robertson Quay (Total: 70)	70	Mar / Apr 2012
Serangoon Gardens Way (Total: 96)	96	April 2012
<hr/>		
Total	632	



OPERATIONS REVIEW

Land Bank by Sector (as at 31 December 2011)

Type of Development	Land Area (Sq ft)			
	Local	Overseas	Total (Local & Overseas)	%
Residential	1,665,031	774,399	2,439,430	65.6%
Commercial / Hotel	466,814	342,494	809,308	21.8%
Industrial	468,704	-	468,704	12.6%
Total	2,600,549	1,116,893	3,717,442	100%



Proposed GFA –

(a) Singapore – 5.56million sq ft

(b) Malaysia – 0.31million sq ft

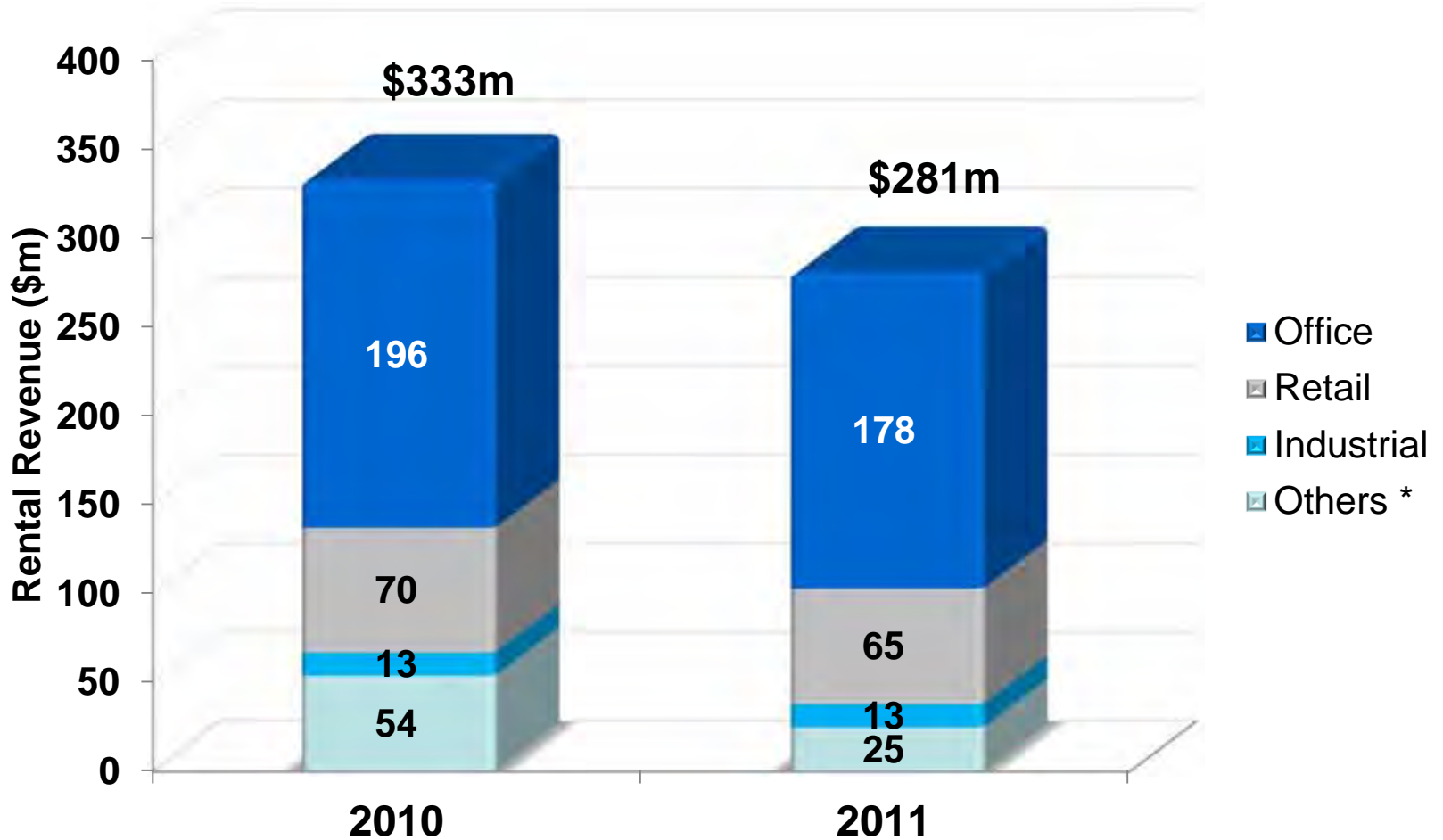
(c) CDL China– 3.64million sq ft

Total **9.51million sq ft**



OPERATIONS REVIEW

Rental Revenue by Sector for Year Ended 31 Dec



* Including car park, serviced apartment and residential



HOTEL OPERATIONS



Millennium Biltmore Hotel Los Angeles

HOTELS

M&C Group

Good Trading Performance

- Record year of revenue and profits due to strong hotel operating performance and significant gains from asset management activities.
- RevPAR (in constant currency) up 5.8% to £64.81 for FY 2011 (FY 2010: £61.28)
- RevPAR growth in key gateway cities
 - Singapore 6.1%*
 - London 8.8%
 - New York 6.1%

Strong Balance Sheet

- Gearing reduced to 4.8% (31 Dec 2010: 8.5%).
- Net debt reduced to £100.2m (31 Dec 2010: £165.7m).
- Interest cover improved to 25.5 times for 31 Dec 2011 (2010: 19.5 times).

Asset Management

- Development of The Glyndebourne started in Q2 2011. 144 out of 150 apartments sold to-date.
- Sale of land adjacent to the Grand Millennium KL completed on 1 Aug 2011.
- Acquisition of development site in Ginza, Tokyo completed on 30 Sep 2011 where it intends to construct a 325-room deluxe hotel.
- Sale and leaseback of the Studio M Hotel Singapore to CDL Hospitality Trusts completed on 3 May 2011.



Millennium Hotel London Mayfair



Millennium Bailey's Hotel London Kensington



* excluding Copthorne Orchid and Studio M

HOTELS

Major Refurbishment



Millennium UN Plaza

- close to awarding construction contract for the West Wing refurbishment, completion expected by September 2012.



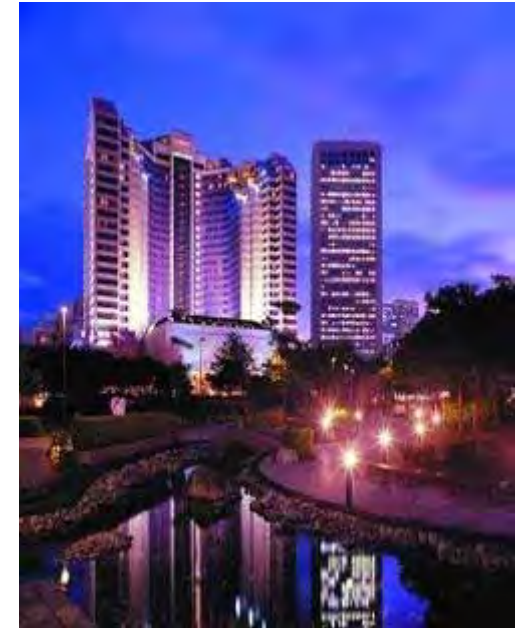
Millennium Seoul Hilton

- completed the 1st phase of renovating 249 rooms in Q2 2011.



Millennium Mayfair

- refurbishment plans are being developed.



Grand Hyatt Taipei

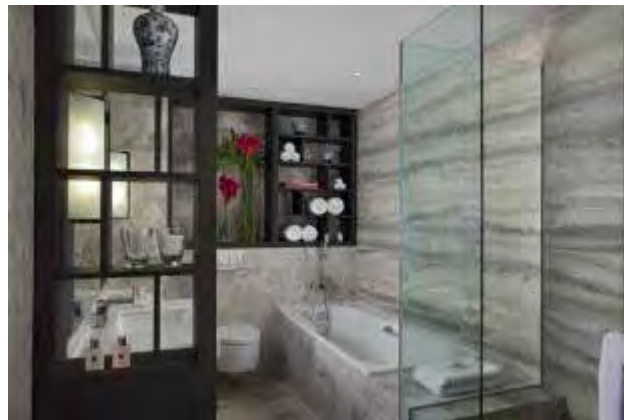
- renovation of ballroom completed, undergoing re-cladding of its façade and will commence renovation of guest rooms in Q3 2012.



HOTELS

Major Refurbishment

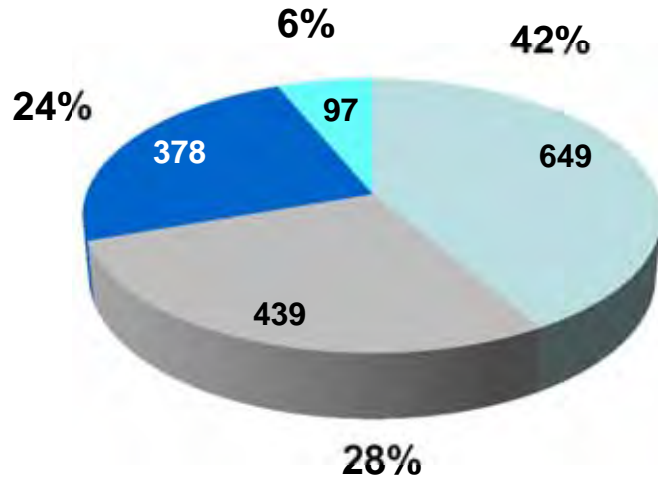
Orchard Hotel - completed renovation of Claymore Wing in Q3 2011.



HOTELS

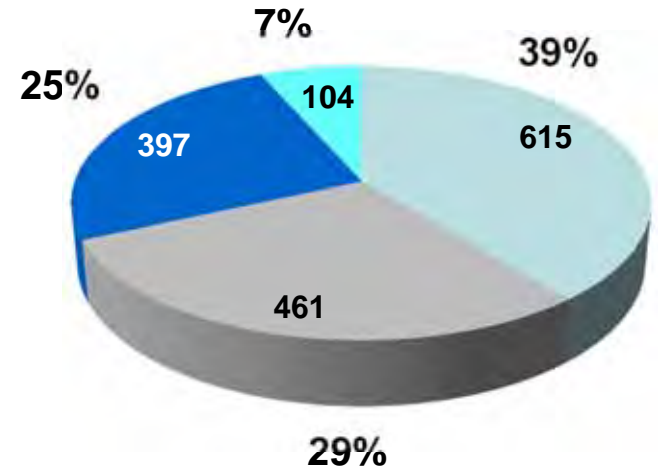
Hotel Revenue by Region

FY 2011



\$1,563m

FY 2010



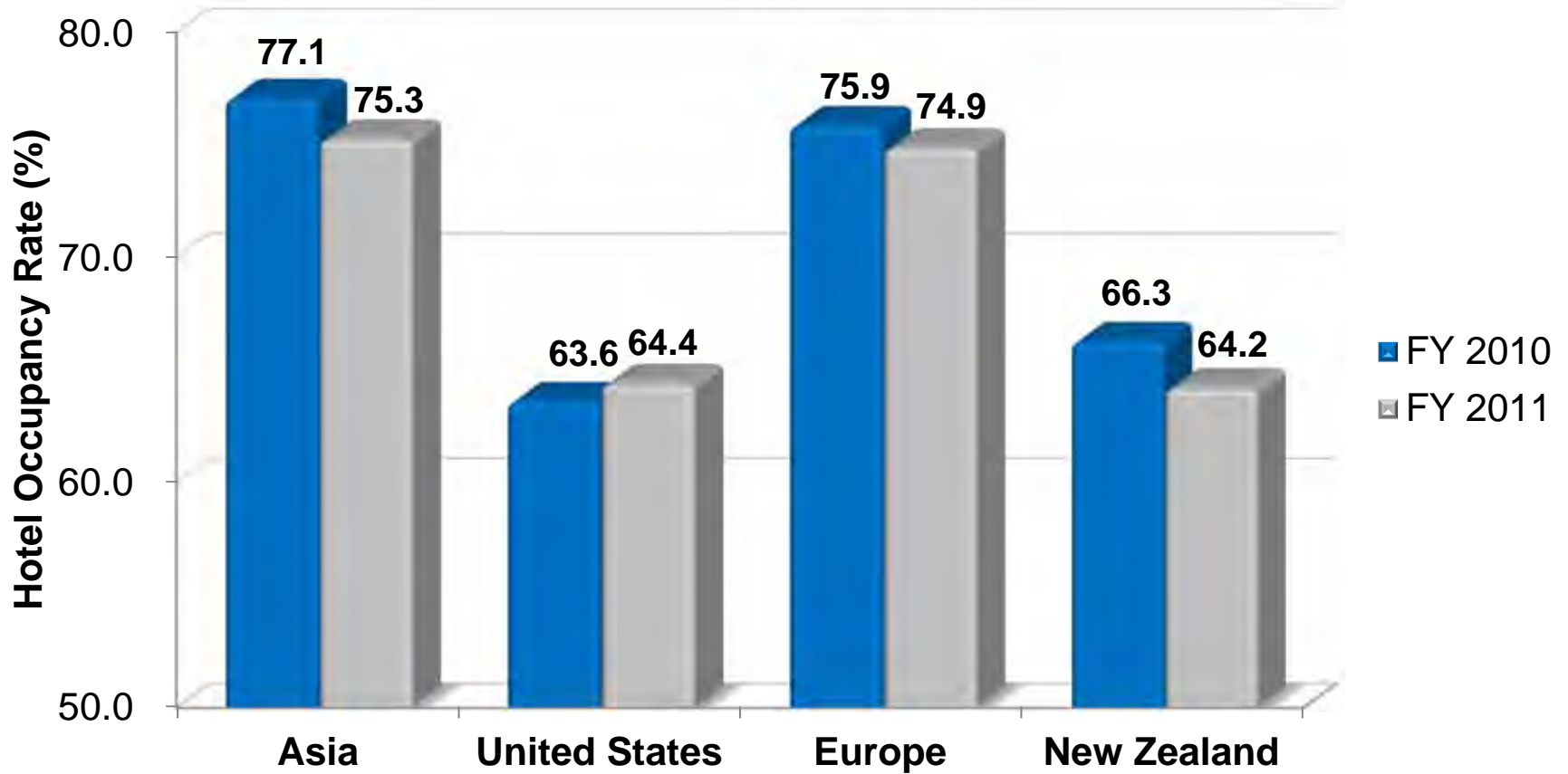
\$1,577m

**Overall change
= ↓ 1%**



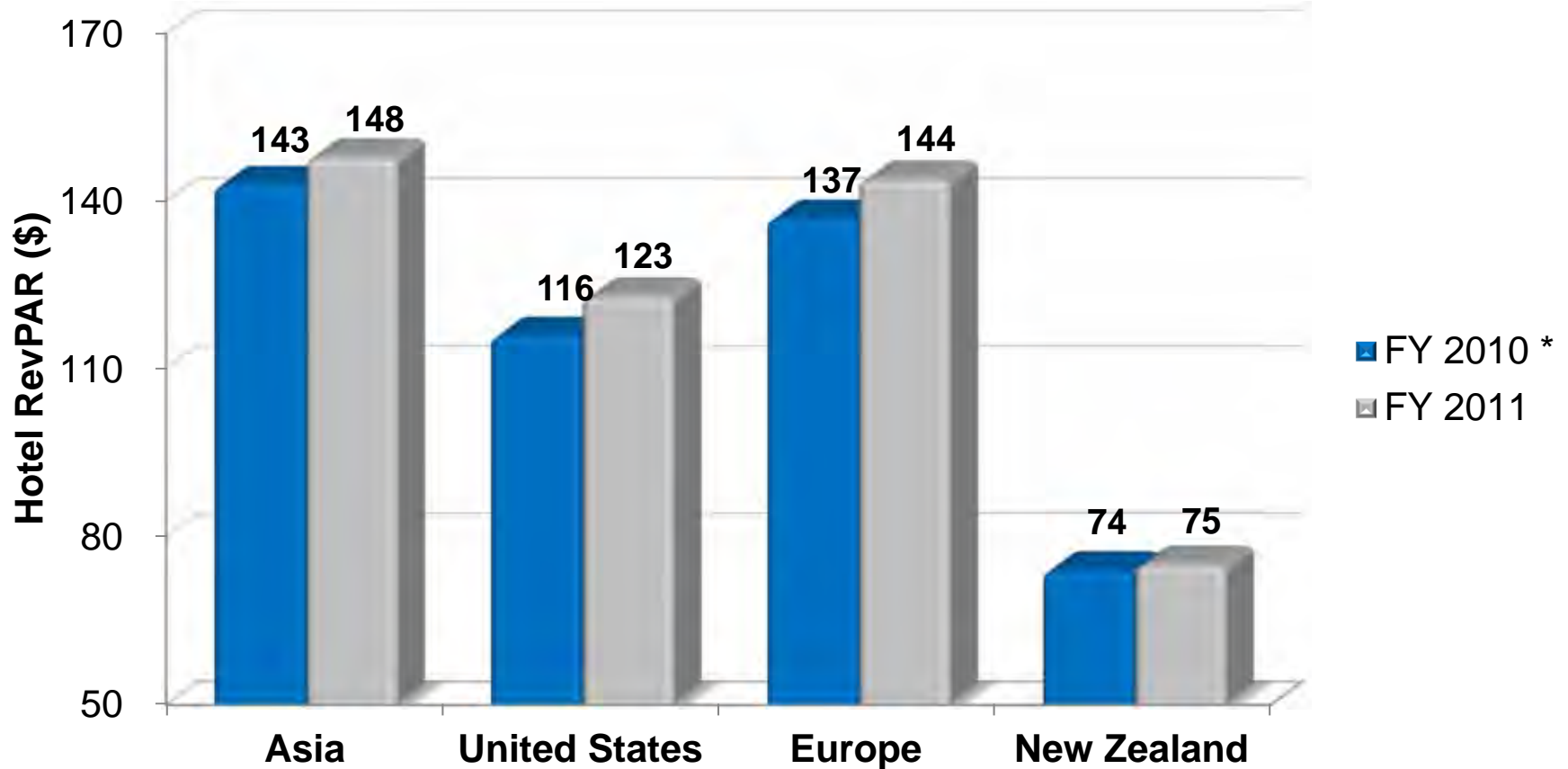
HOTELS

Hotel Occupancy by Region



HOTELS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, FY 2010 RevPAR has been translated at constant exchange rates (31 Dec 2011).



MARKET OUTLOOK



Artist's Impression of The Rainforest

MARKET OUTLOOK

Singapore Economic Outlook

- The Singapore economy grew 3.6% on a year-on-year basis in Q4 2011 as compared to 6.0% growth in Q3 2011.
- For the whole of 2011, the economy expanded by 4.9%, as compared to the expansion of 14.8% in 2010.
- The Government anticipates that the Singapore economy will grow by between 1.0% and 3.0% in 2012.
- The slowing economy and global economic uncertainties has resulted in a challenging business environment, with external demand likely to be impacted by volatile macroeconomic conditions.



MARKET OUTLOOK

Property Market – Residential

- Demand for new homes moderated in Q4 2011 to 3,603 units from 4,262 units in Q3 2011.
- The increase in private residential properties prices moderated for the 9th consecutive quarter in Q4 2011 – prices increased by 0.2% quarter-on-quarter in Q4 2011, compared with a 1.3% quarter-on-quarter increase in Q3 2011.
- The introduction of additional property cooling measures, together with the slowdown in buying activity leading to the festive season, resulted in sales volume in December at its lowest in the year.
- Overall, the Singapore residential market proved resilient despite the challenges with a total of 15,904 uncompleted and completed units sold by developers in 2011 (2010: 16,292 units).
- With expectation of a slowing economy, developers are likely to remain selective on land bids with sites at areas earmarked as future growth districts as well as those near existing or future MRT stations attracting more interest.



MARKET OUTLOOK

Property Market – Office

- The Singapore office market continued to expand into 2011, riding on the momentum from 2010.
- However, with the global economic uncertainties, office demand started moderating in 2H 2011.
- Office rentals increased by 1.0% in Q4 2011, compared to the 3.7% increase in Q3 2011.
- Total available office space as at Q4 2011 remained stable at 7.23 million square metres.
- The Group's office portfolio continues to enjoy healthy occupancy of 93.5%, as compared to the national average of 88.7%.
- The office sector is expected to remain steady as Singapore continues to be a hub for the region.



MOVING FORWARD



Artist's Impression of South Beach

MOVING FORWARD

- Although the sales volume for new property launches is still relatively strong, market conditions could be affected by the global economic conditions in the months ahead.
- The Group believes that the Government will review its various property cooling measures when needed, with the aim of striking the necessary balance of achieving a sustainable property market, with a medium to long-term view.
- The Group has always adopted a strategic and conservative land acquisition policy and is well-positioned to exercise greater flexibility in determining its project launches and pricing strategy.
- With a diversified portfolio of investment properties in various locations that cater to different price points, the Group's office portfolio is expected to remain stable and enjoy high yields, given its relatively low book cost.
- Although some regions may face challenges due to austerity drives, hotels in cities with key events such as London, and M&C's Asia operations are expected to perform well.
- The Group will leverage on its balanced portfolio of assets, strong balance sheet and prudent management to maintain profitability.



MOVING FORWARD

Diversifications – CDL China Limited

- The Group will continue with its strategic expansion in select markets globally where it is confident of the medium to long-term growth prospects.
- Key to its diversification strategy is CDL China Limited, which will continue to build on the Group's land bank in good locations in China.
- The property cooling measures in China have enabled the Group to find opportunities to enter the market by successfully tendering for prime land at reasonable prices.
- Additional funds of S\$500 million has been allocated to CDL China to capitalise on further acquisition opportunities that may arise.



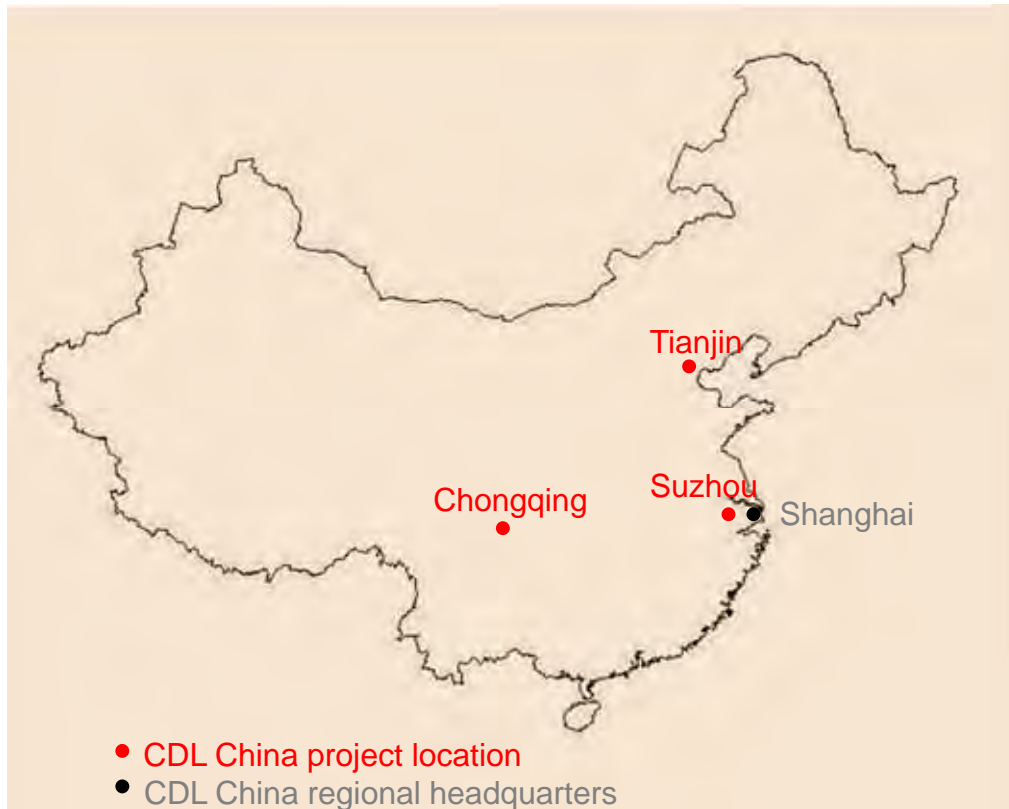
CDL CHINA LIMITED



CDL CHINA LIMITED

MISSION STATEMENT

To make City Developments Limited (CDL) a household name in China that is synonymous with high quality real estate developments, international expertise, green sustainability and professional property management.



Milestones

- Q3 2010:** CDL China Limited formed with S\$300m
- Q4 2010:** Acquired Chongqing Eling site
- Q2 2011:** Leased up Tianjin City Tower to over 90%
- Q3 2011:** Acquired Suzhou Jinji Lake site
- Q1 2012:** Acquired Chongqing Huang Huayuan site
- Q2 2012:** China Regional HQ established in Shanghai

Acquired 3 Prime Sites in 13 Months



CDL CHINA LIMITED

Chongqing Eling Residences



Summary Statistics

Date acquired: Dec 2010
City: Chongqing
GFA: 43,000 sq m

Land Price

RMB 232 Million
(RMB 5,400 psm ppr)

Highlights & Current Status

- Chongqing continues to benefit from the Central Government's "Go-West" policy with GDP growth of 16.4% in 2011
- The only pure residential site for villa development located in Yuzhong District and close to the CBD
- Located on historic Eling Hill & sporting magnificent views



CDL CHINA LIMITED

Chongqing Eling Residences



CDL CHINA LIMITED

Chongqing Eling Residences



AERIAL PHOTOGRAPH



CDL CHINA LIMITED

Suzhou Jinji Lake



Summary Statistics

Date acquired: July 2011
City: Suzhou
GFA: 295,455 sq m

Land Price

RMB 886 Million
(RMB 3,000 psm ppr)

Highlights & Current Status

- Suzhou has one of highest GDP per capita in PRC.
- Heart of Suzhou Industrial Park CBD, close to new high-end developments by international developers (Wharf, Sun Hung Kai), unobstructed lake view to the south.
- Mixed use development planned as 30% high-end residential, 20% for-sale SOHO units, 40% retail / office and 10% hotel.
- Government support with 30% minority stake (Genway Housing Development Group Co., Ltd).



CDL CHINA LIMITED

Suzhou Jinji Lake



CDL CHINA LIMITED

Suzhou Jinji Lake



Suzhou Jinji Lake, China



CDL CHINA LIMITED

Chongqing Huang Huayuan



Summary Statistics

Date acquired: Jan 2012
City: Chongqing
GFA: 108,686 sq m

Land Price

RMB 540 Million
(RMB 4,968 psm ppr)

Highlights & Current Status

- One of the few remaining prime sites in city centre with spectacular unobstructed views of the Jialing River
- Convenient access with proximity to public transportation and major traffic artery. Only 1 subway station from Jiefangbei, the epicentre of Chongqing
- Chongqing's top secondary school opposite the street
- 80% residential with 20% commercial



CDL CHINA LIMITED

Chongqing Huang Huayuan



Chongqing Huang Huayuan, China



CDL CHINA LIMITED

Chongqing Huang Huayuan



Chongqing Huang Huayuan, China
Source: www.alighting.cn



Photo by: 书包娃儿

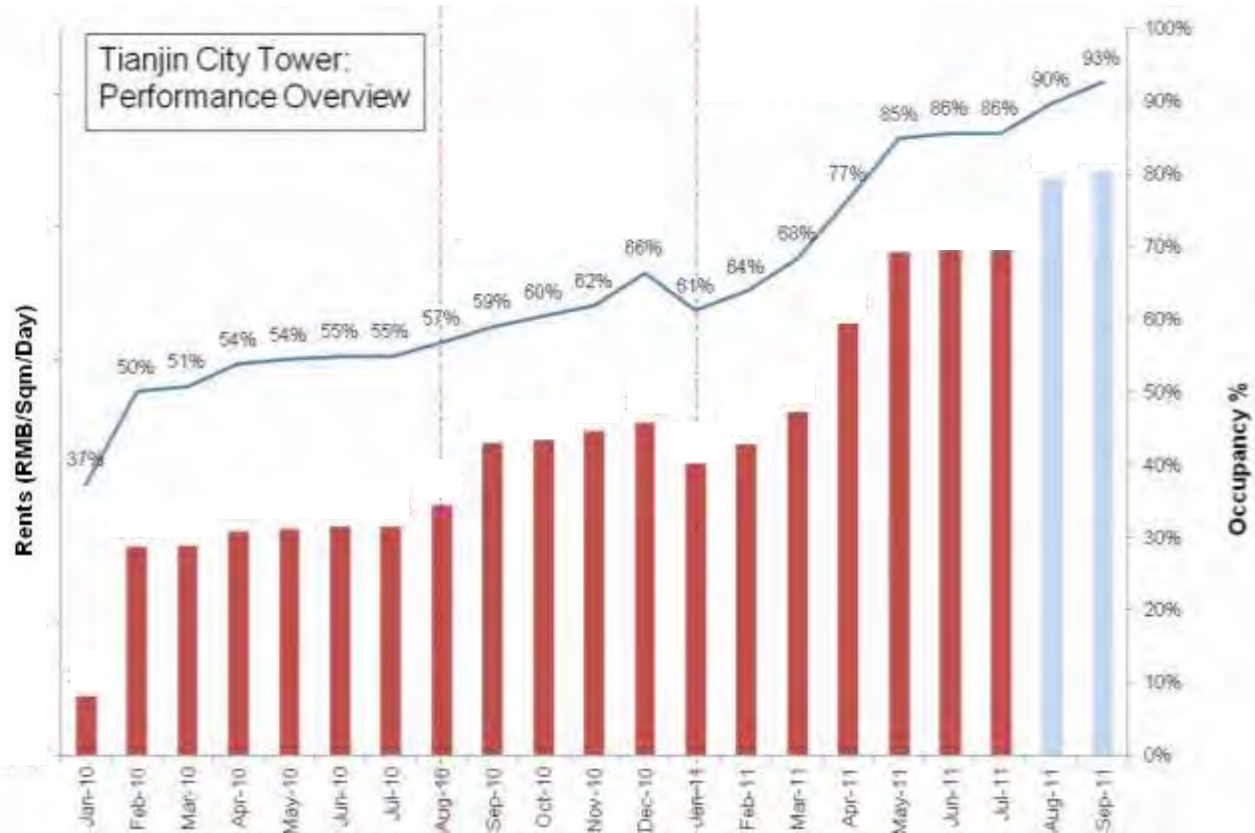
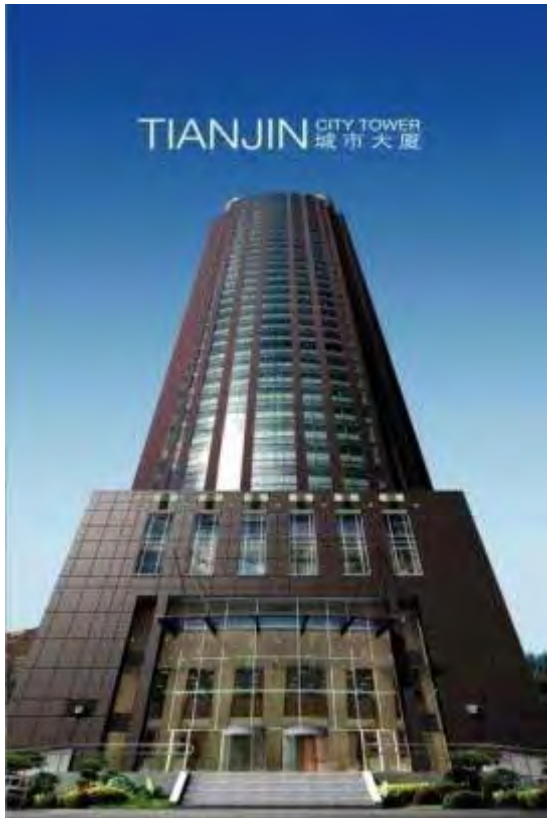


Photo by: 书包娃儿



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Tianjin City Tower



CDL CHINA LIMITED

Summary of CDL China Portfolio

Project	City	Type	GFA	Land Price (RMB Million)	CDL Ownership %
Eling Residences	Chongqing	Luxury Resi	43,000	232	100%
Huang Huayuan	Chongqing	Mid-end Resi	108,686	540	100%
Jinji Lake	Suzhou	Mixed Use	295,455	886	70%
Tianjin City Tower	Tianjin	Office	35,484	N/A	100%
Total			482,625	1,658	

Four Properties with Total GFA of 482,625 sq m



CDL CHINA LIMITED

China Economic Update

- Growth slowed but will rebound: GDP grew at 8.9% in Q4 2011 and 9.2% for the year. Growth is expected to slow to 6% in Q1 2012 but will rebound to 12% by Q4 2012 to average over 8% for the year.
- Inflation under control: CPI to average 2.0% and 3.6% in 2012 and 2013.
- Monetary stimulus: Benign inflationary environment allows Beijing a lot of room to loosen monetary policy, with first required reserve ratio (RRR) cut in December 2011. More RRR cuts are expected in 2012, which will enhance liquidity and bank lending.
- Political stability: Smooth transition to the next generation of leadership with Xi Jin Ping and Li Ke Qiang expected to take top two posts. In Taiwan, re-election of President Ma Ying-jeou also cements stable cross-strait relations.
- Economic rebalancing: Consumer spending grew at 17.3% year-on-year in November accelerated to 18.1% in December. Government social programmes such as welfare housing and pension reform will continue to stimulate consumer spending as the economy rebalances from export-driven to sustainable domestic growth.



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China Economic Update

Bubble? What Bubble?

Handy Numbers for refuting the China bears.

Railway length, in kilometers



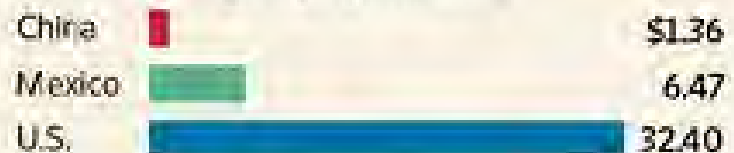
Loans to real-estate sector, % of GDP



Shadow banking as a % of the regulated bank sector



Hourly compensation for manufacturing employees, 2008



Government debt, % of GDP, 2011 estimates



Sources: National Bureau of Statistics; CIA (Railway); People's Bank of China; National Bureau of Statistics; Federal Reserve; WSJ calculations (Loans); Bernstein Research (Shadow banking); U.S. Bureau of Labor Statistics (Wages); IMF (Debt)

The Wall Street Journal



CDL CHINA LIMITED

China's Property Market

Market is undergoing correction...

- Since April 2010, the government has introduced several rounds of cooling measures to prevent a risk of a property bubble
- Maximum overall price correction of 15% - 20% expected by most analysts

... But demand drivers for China's property market remain intact:

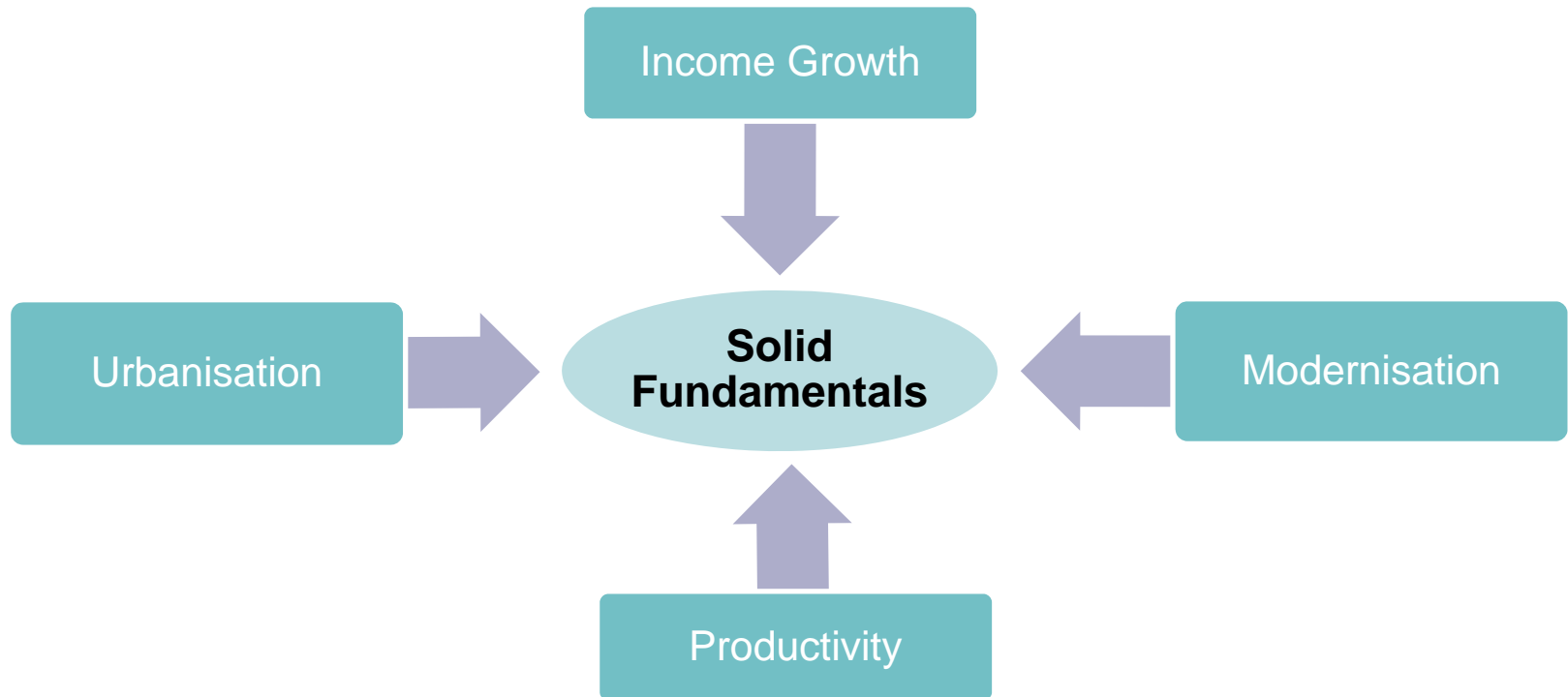
- Urbanisation: China urbanisation rate will reach 55% by 2020 and bring an additional 150 million people into cities, creating close to 5 billion sq m of additional housing demand in the next decade.
- Upgraders: Demand for larger or newer housing from existing urban population to account for 3.2 billion sq m in the next decade.
- Replacement: Estimated 4.2 billion sq m of welfare housing will need to be replaced over the next decade (i.e. those built before 1998 with limited facilities)

**ALL THIS EQUATES TO A DEMAND OF 12 BILLION SQ M OVER 10 YEARS,
OR 120 MILLION SQ M PER YEAR**



CDL CHINA LIMITED

Rising Chinese Consumption



***** IMPORTANCE OF HOME OWNERSHIP
IN CHINESE CULTURE *****



CDL CHINA LIMITED

Additional Funds for New Projects

- CDL China has been allocated an additional S\$500 million to capitalise on strategic land acquisitions or M&A opportunities that may arise
- Acquire and develop residential or mixed-use projects in city-centre locations
- Mixed-use can be a combination of Residential, Office, Retail and Hotel
- Advantage of Mixed-Use Developments:
 - Use sales from residential units to finance construction of commercial portions
 - In the medium to longer term, commercial will appreciate significantly in capital value and likely subject to less cooling measures than residential



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 Impression of W Singapore Sentosa Cove