



**Q2 & 1H 2014
FINANCIAL RESULTS
PRESENTATION**

**14 August 2014
ANALYST/ MEDIA BRIEFING**

An artist's impression of a modern high-rise residential building with a rooftop swimming pool and lounge area. The pool is surrounded by a wooden deck with lounge chairs and palm trees. The building has multiple balconies and large windows. The sky is blue with some clouds.

OVERVIEW

1. FINANCIAL HIGHLIGHTS
2. HOTEL OPERATIONS
3. SINGAPORE PROPERTY MARKET
4. RESIDENTIAL & COMMERCIAL OPERATIONS
5. MOVING FORWARD



Artist's Impression of Jewel @ Buangkok

FINANCIAL HIGHLIGHTS



Artist's Impression of Commonwealth Towers

KEY FINANCIAL HIGHLIGHTS

- Q2 2014 core earnings increased by 89.7%, after excluding divestment gains in Q2 2013.
- No profit recognition from top-selling Coco Palms and Commonwealth Towers as they are either in early stages of construction or site works have not yet begun. Locked-in profits from three fully sold Executive Condominiums can only be recognised in entirety upon completion of construction.
- No revaluation surpluses on investment properties and hotels (including CDL Hospitality Trusts).
- Adoption of FRS 110 – *Consolidated Financial Statements* led to the consolidation of CDL Hospitality Trusts which was previously accounted for as an associate under the equity method.
- Healthy net gearing ratio of 33.0% (without factoring any fair value gains in investment properties) and interest cover at 10.7 times for 1H 2014.
- Strong balance sheet with cash and cash equivalents of S\$3.4 billion as at 30 June 2014, a 14% increase from 31 December 2013.
- Special interim ordinary dividend of 4.0 cents per ordinary share.



SUMMARY OF FINANCIAL HIGHLIGHTS

	Q2 2014	Q2 2013 (Restated) *	% Change	1H 2014	1H 2013 (Restated) *	% Change
Revenue (\$m)	861	813	5.9	1,595	1,590	0.4
PATMI (\$m)	138	205	(32.8)	258	343	(24.9)
Core Earnings¹ (\$m)	138	73	89.7	258	188	37.3
Basic Earnings Per Share (cents)	14.5	21.8	(33.5)	27.6	37.0	(25.4)
NAV Per Share (\$)				8.67	8.18	6.0

* Restated due to the adoption of FRS 110.

1 Core earnings refers to net profit after tax and non-controlling interest of the Group, on a like-for-like comparison, excluding divestment gains that occurred in 1H 2013.

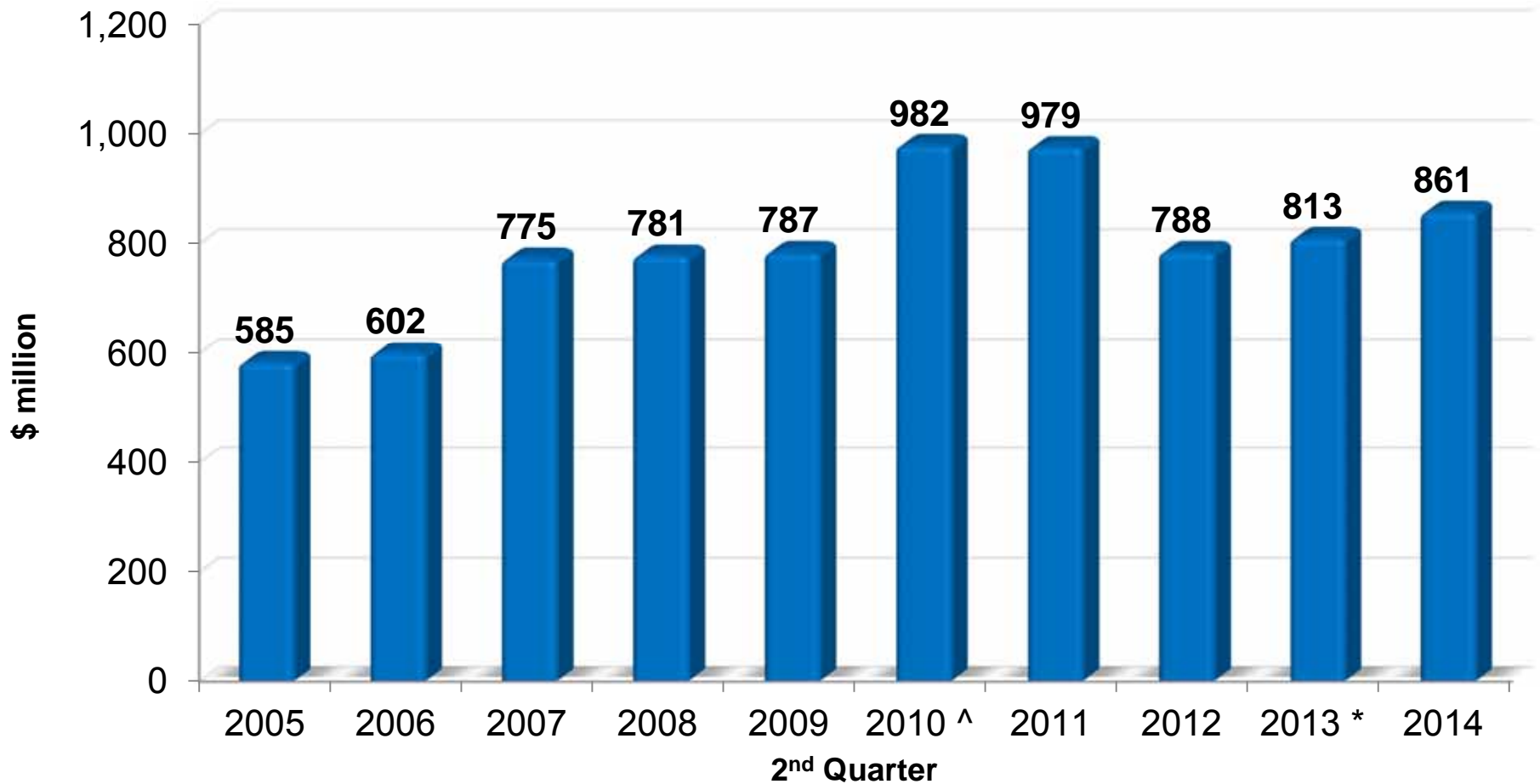
No fair value adopted on investment properties.

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



FINANCIAL HIGHLIGHTS

Revenue for the 2nd Quarter (2005 – 2014)



[^] Restated due to the adoption of INT FRS 115 for 2010 only.

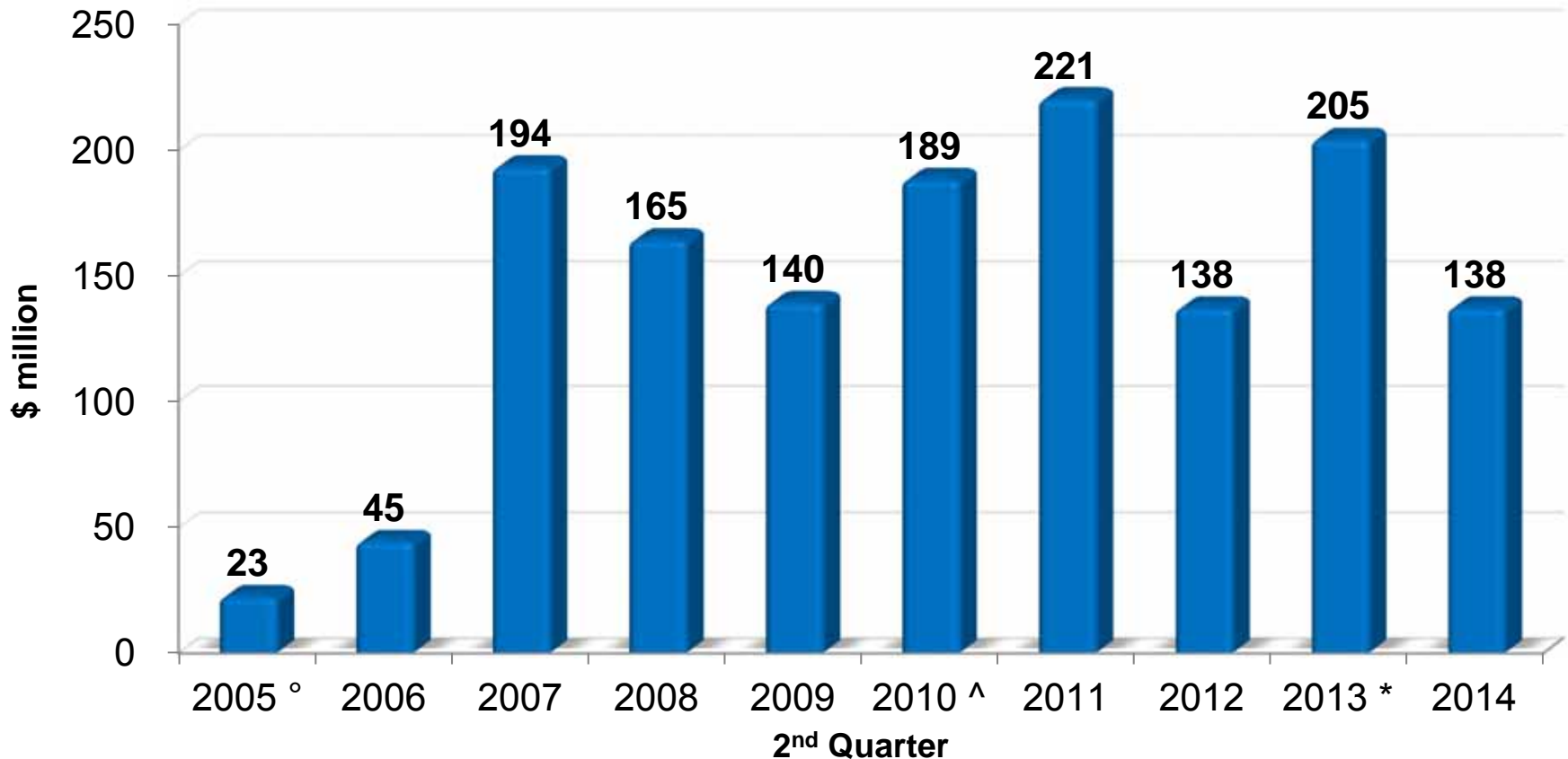
^{*} Restated due to the adoption of FRS 110 for 2013 only.

Note: The above financial information is extracted from 2nd quarter announcement of respective years.



FINANCIAL HIGHLIGHTS

PATMI for 2nd Quarter (2005 – 2014)



^o Restated due to the changes in accounting policies.

[^] Restated due to the adoption of INT FRS 115 for 2010 only.

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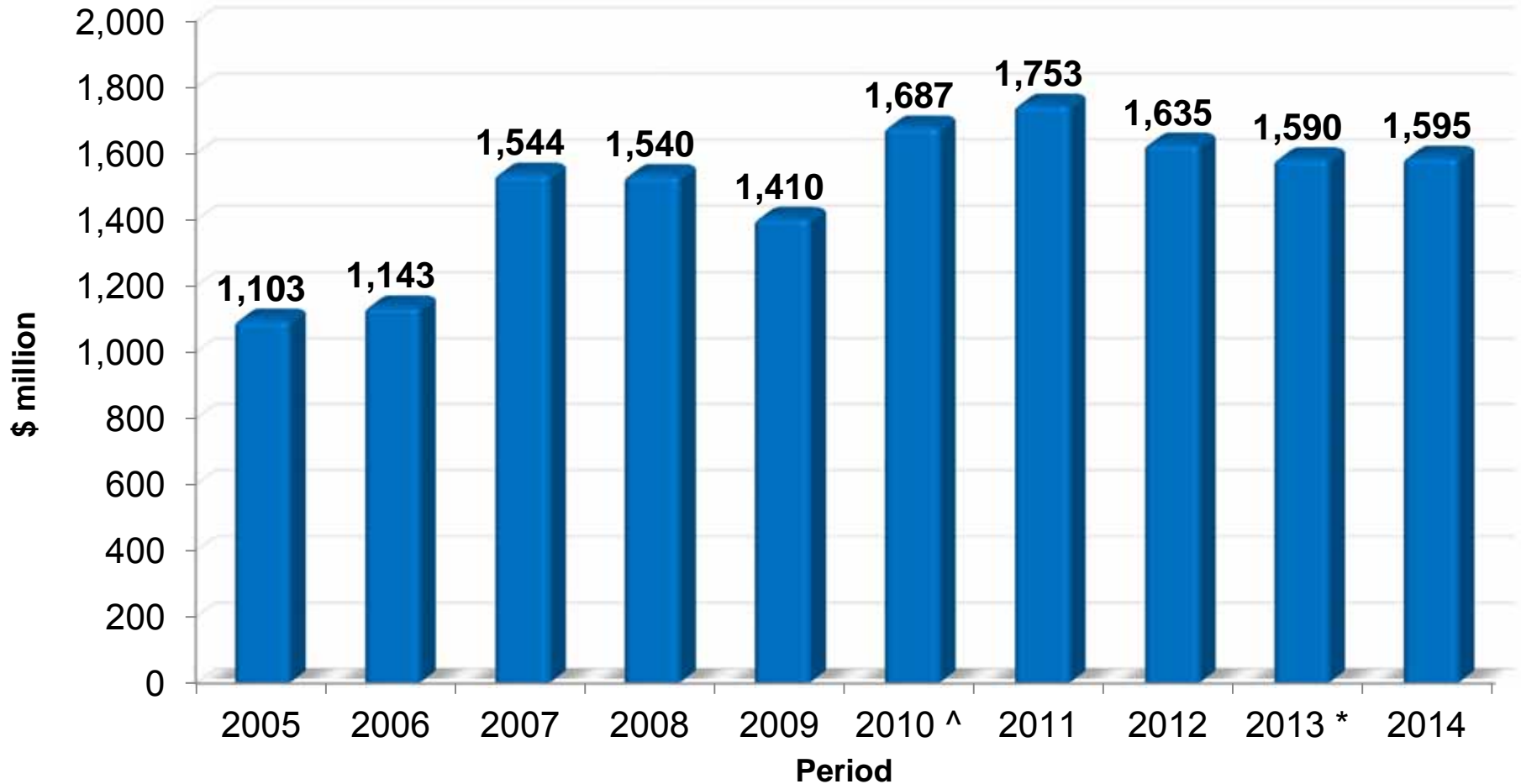
Note: The above financial information is extracted from 2nd quarter announcements of respective years.

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 the Period Ended 30 Jun (2005 – 2014)



[^] Restated due to the adoption of INT FRS 115 for 2010 only.

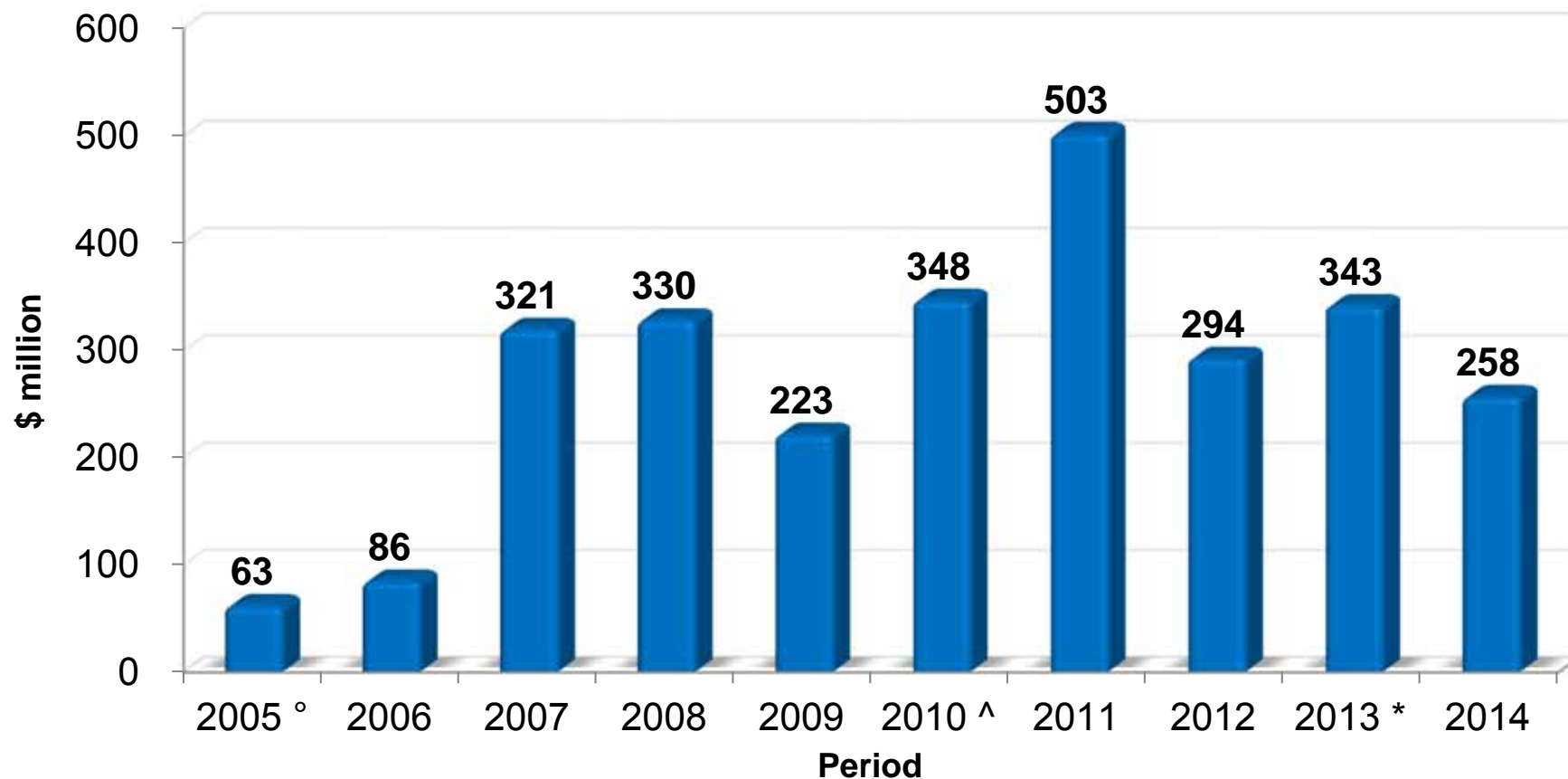
^{*} Restated due to the adoption of FRS 110 for 2013 only.

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



FINANCIAL HIGHLIGHTS

PATMI for the Period Ended 30 Jun (2005 – 2014)



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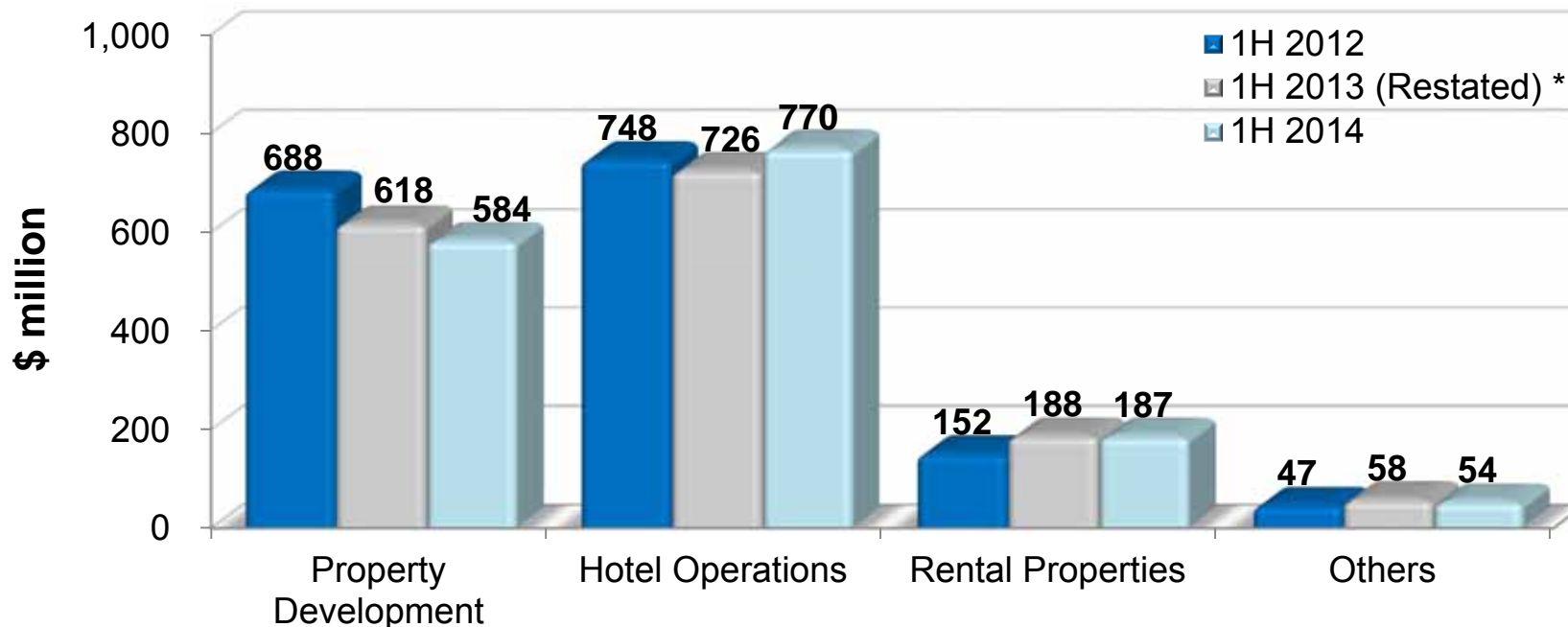
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FINANCIAL HIGHLIGHTS

Revenue by Segment – 1H 2014 vs 1H 2013 & 1H 2012



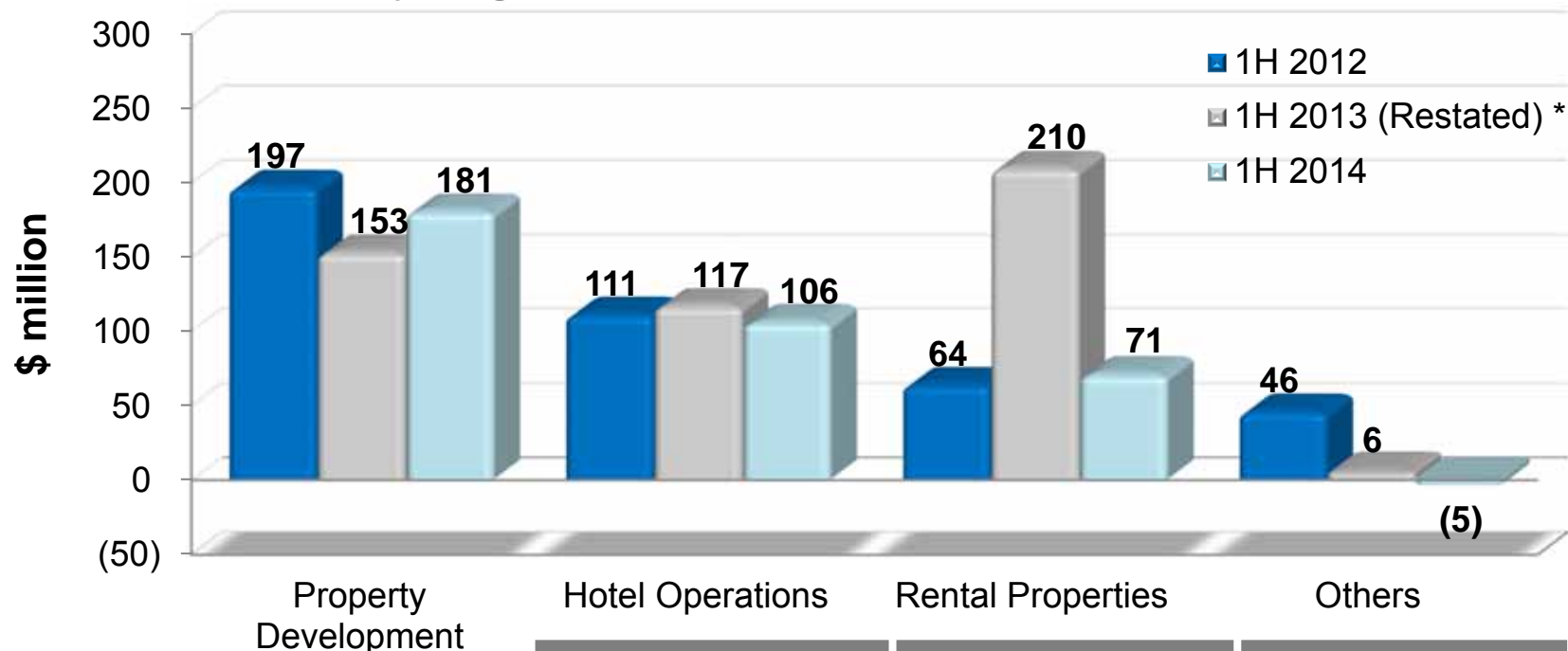
	1H 2014	1H 2013 (Restated) *	1H 2012
Property Development	37%	39%	42%
Hotel Operations	48%	45%	46%
Rental Properties	12%	12%	9%
Others	3%	4%	3%

* Restated due to the adoption of FRS 110 for 2013 only. The impacted segments are Hotel Operations (decrease by 2%) and Rental Properties (increase by 2%).



FINANCIAL HIGHLIGHTS

Profit before Tax by Segment – 1H 2014 vs 1H 2013 & 1H 2012



	1H 2014	1H 2013 (Restated) *	1H 2012
Property Development	51%	32%	47%
Hotel Operations	30%	24%	27%
Rental Properties	20%	43%	15%
Others	(1%)	1%	11%

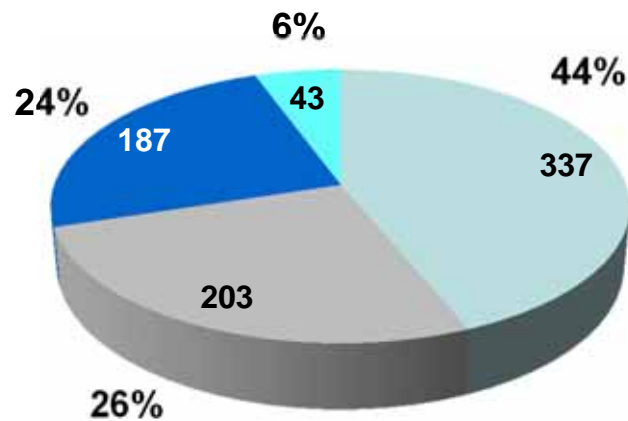
* Restated due to the adoption of FRS 110 for 2013 only. The impacted segments are Hotel Operations (increase by 6%) and Rental Properties (decrease by 5%), but this also indirectly impacted Property Development (decrease by 1%).



FINANCIAL HIGHLIGHTS

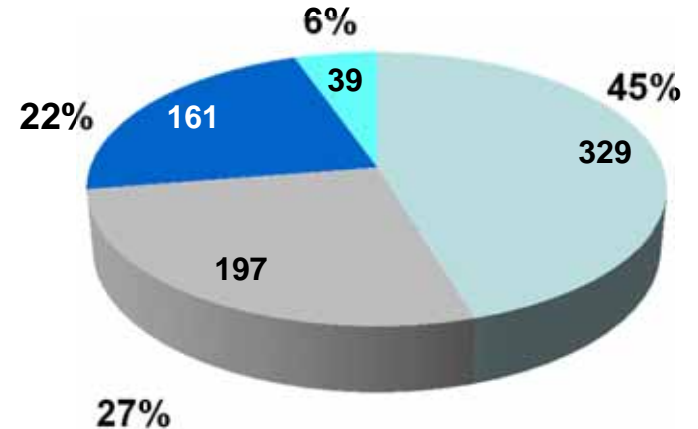
Hotel Revenue by Region

1H 2014



\$770m

1H 2013
(Restated) *



\$726m

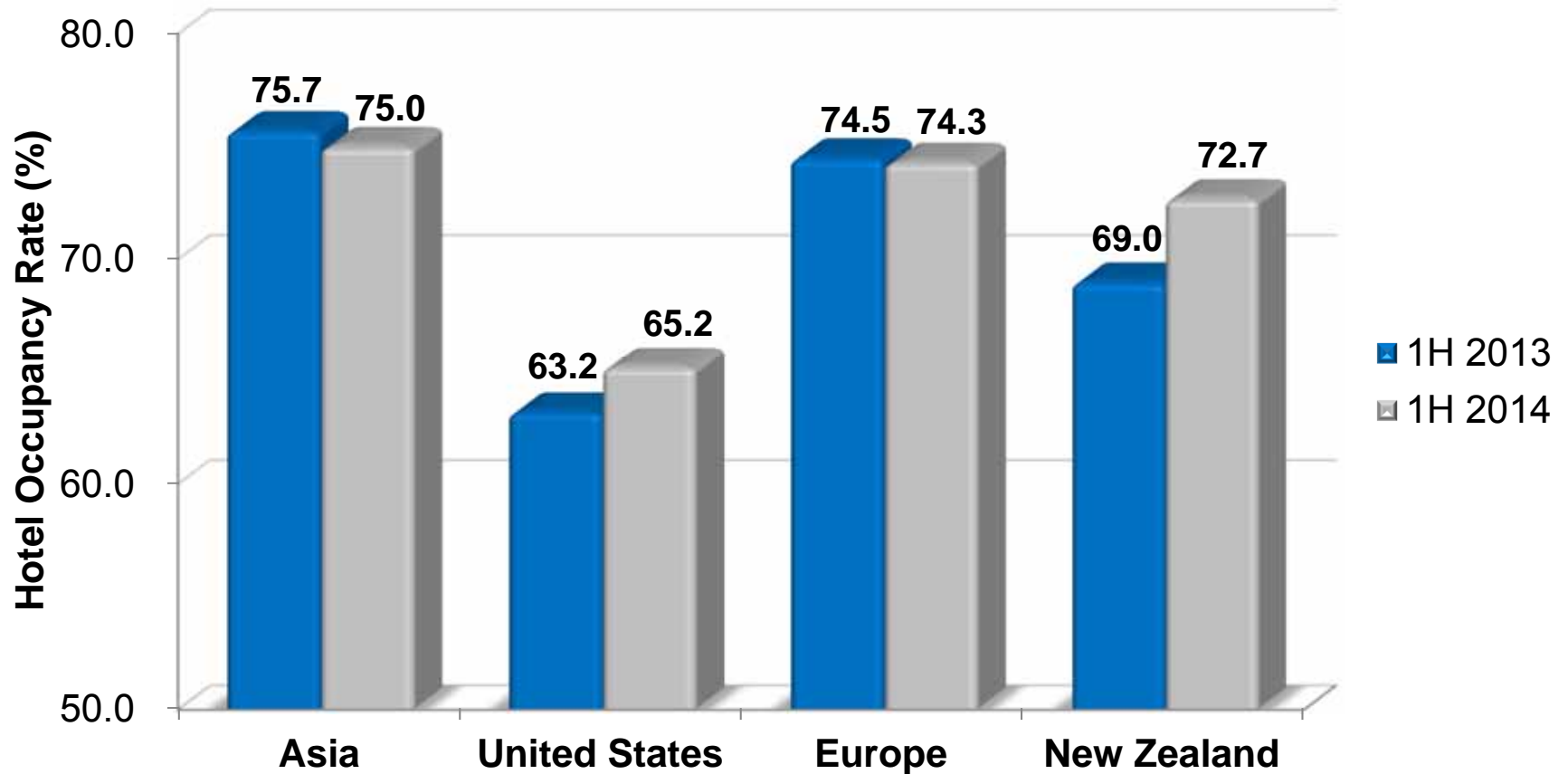
- Asia
- United States
- Europe
- New Zealand



* Restated due to the adoption of FRS 110.

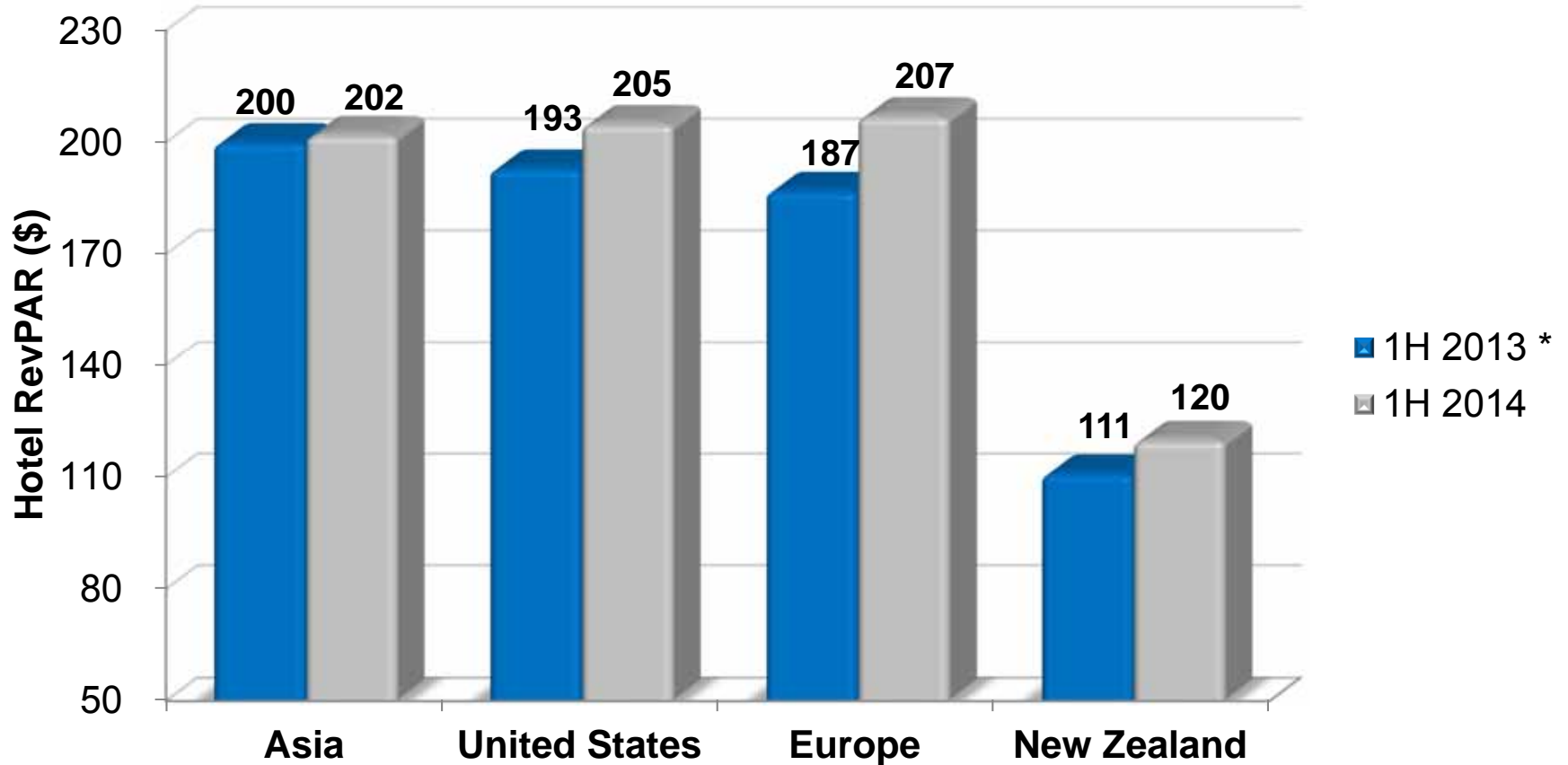
FINANCIAL HIGHLIGHTS

Hotel Occupancy by Region



FINANCIAL HIGHLIGHTS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, 1H 2013 RevPAR has been translated at constant exchange rates (30 Jun 2014).

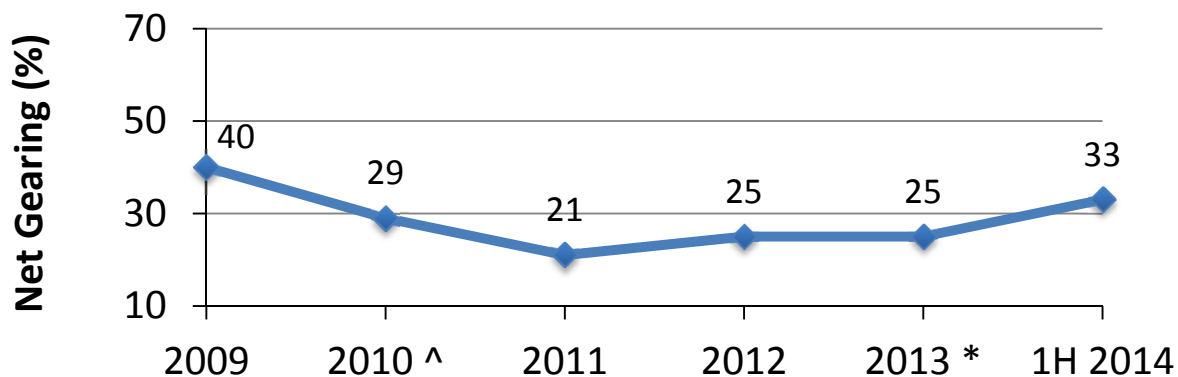


FINANCIAL HIGHLIGHTS

Capital Management

CDL Group Total	As at 30/06/14	As at 31/12/13 (Restated) *	As at 30/06/13 (Restated) *
Net Borrowings	\$3,415m	\$2,589m	\$2,629m
Interest Cover Ratio	10.7 x	13.7 x	13.7 x
Cash and cash equivalents	\$3,350m	\$2,940m	\$2,651m
Gearing ratio without taking in fair value gains on investment properties	33%	25%	27%

CDL's Net Gearing (%) (2009 – 1H 2014)

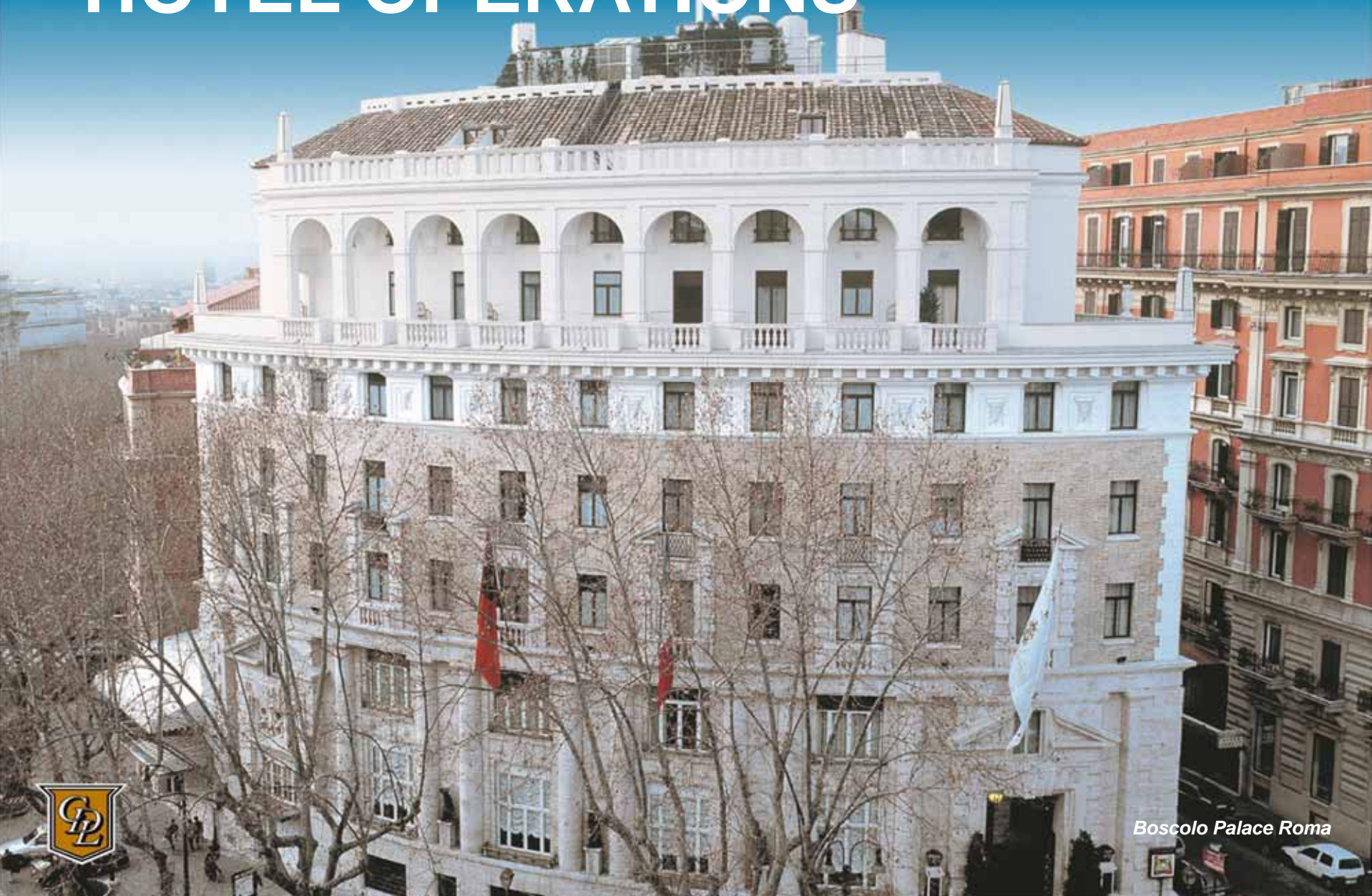


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HOTEL OPERATIONS



Boscolo Palace Roma

HOTEL OPERATIONS

M&C Group

- Profits continue to be affected by a range of factors including geopolitical events unsettling the hospitality sector, especially in Northeast Asia.
- Improvement in RevPAR (in constant currency) driven by increase in both occupancy and higher average room rate:

RevPAR		
1H 2014	£65.67	↑ 3.6%

- RevPAR growth for 1H 2014 driven by:
 - London 1.9%
 - US 7.7%
 - Rest of Asia 2.7%
 - Australasia 9.3%



Millennium Bostonian Hotel



HOTEL OPERATIONS

M&C Group – Hotel Room Count and Pipeline

	Hotels		Rooms	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
<u>Hotel and Room Count</u>				
By region:				
• New York	4	3	2,238	1,758
• Regional US	15	16	4,463	4,938
• London	8	7	2,651	2,493
• Rest of Europe	16	16	2,695	2,695
• Middle East *	17	16	5,066	4,816
• Singapore	6	6	2,716	2,716
• Rest of Asia	23	21	8,705	7,894
• Australasia	29	29	4,443	4,423
Total:	118	114	32,977	31,733

Pipeline

By region:

• New York	-	1	-	480
• London	-	1	-	158
• Rest of Europe	1	-	87	-
• Middle East *	12	17	3,726	4,796
• Rest of Asia	3	5	1,436	1,936
Total:	16	24	5,249	7,370



Millennium Gloucester Hotel



ONE UN New York



* Mainly management contracts

HOTEL OPERATIONS

M&C Group – Acquisitions

Completed – The Chelsea Harbour Hotel, London

- Located in a mixed-use development within the iconic Chelsea Harbour district of London.
- Offers 154 suites and 4 penthouses and will trade under the name, The Chelsea Harbour Hotel.
- The acquisition was completed on 25 March 2014.
- Purchase price was £67.9m including expenses.



HOTEL OPERATIONS

M&C Group – Acquisitions

Completed – Novotel New York Times Square, US

- The 34-storey building is located in the heart of the Manhattan theatre district.
- Contains a four-star hotel offering 480 guests rooms, some office and retail space and a penthouse apartment.
- Extensive refurbishments of guest rooms, public spaces and service areas were completed in 2013.
- The acquisition was completed on 12 Jun 2014.
- The purchase price was US\$275.8m including expenses.
- The hotel continues to be managed by the Accor Group under the Novotel brand by an affiliate of Accor SA via a long-term management agreement.



HOTEL OPERATIONS

M&C Group – Acquisitions

In Progress – Boscolo Palace Roma, Italy

- The conditional sale and purchase agreement was signed on 24 Feb 2014.
- Purchase price is €65.5m, subject to standard price adjustments.
- Completion is expected to occur in 2H 2014.
- Situated on Via Veneto, the hotel offers 87 luxury guests rooms and suites in the heart of one of Europe's greatest leisure and business travel destinations.
- Built in 1927, the property was fully renovated to very high standards in 2010, under the direction of one of Italy's foremost architects and designers, Italo Rota.



HOTEL OPERATIONS

M&C Group – Asset Enhancement (on-going)

- Since the current refurbishment programme started in 2010, £106m had been spent up to 30 Jun 2014. Expect to spend a further £31m on projects that have already announced/approved for this year, with another £22m scheduled for 2015 onwards.
- Other refurbishment projects totalling £214m are also under consideration including the Millennium Hotel London Knightsbridge and Millennium Broadway Hotel New York.
- In May 2014, 125-room Millennium Scottsdale Resort and Villas in Arizona was closed for refurbishment from 22 Jun until 30 Sep 2014.
- All projects are subject to relevant consents and phasing to minimise impact on earnings.



Millennium Broadway Hotel New York



Millennium Scottsdale Resort and Villas



HOTEL OPERATIONS

M&C Group – Asset Enhancement (Grand Hyatt Taipei)

- In 1H 2014, £18m was spent mainly on renovating the east wing of the Grand Hyatt Taipei.
- £39m had been spent up to 30 Jun 2014.
- Guestroom refurbishment is now complete and hotel is operating within full room inventory.
- Further work on the outlets and public areas is scheduled to complete in 2015.
- Total refurbishment cost is anticipated to be £62m.





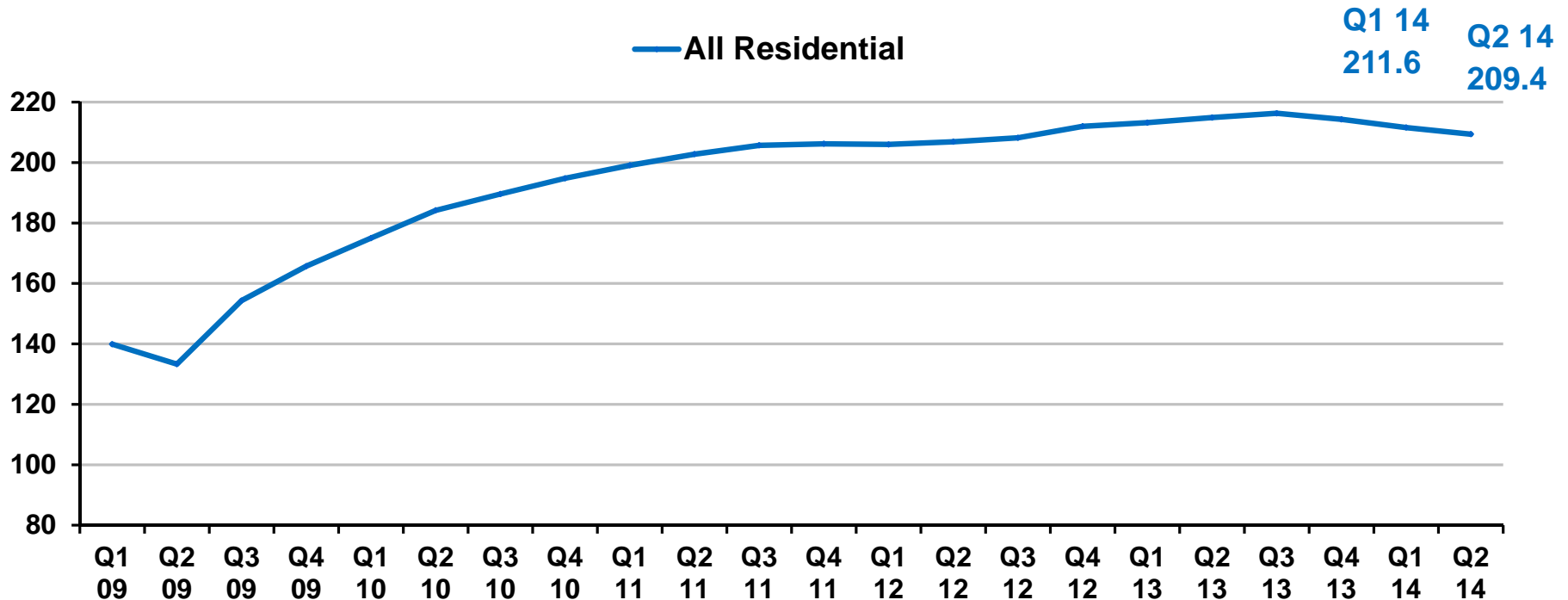
SINGAPORE PROPERTY MARKET



Artist's Impression of Commonwealth Towers

SINGAPORE PROPERTY MARKET

Property Price Index – Residential (2009 – 1H 2014)

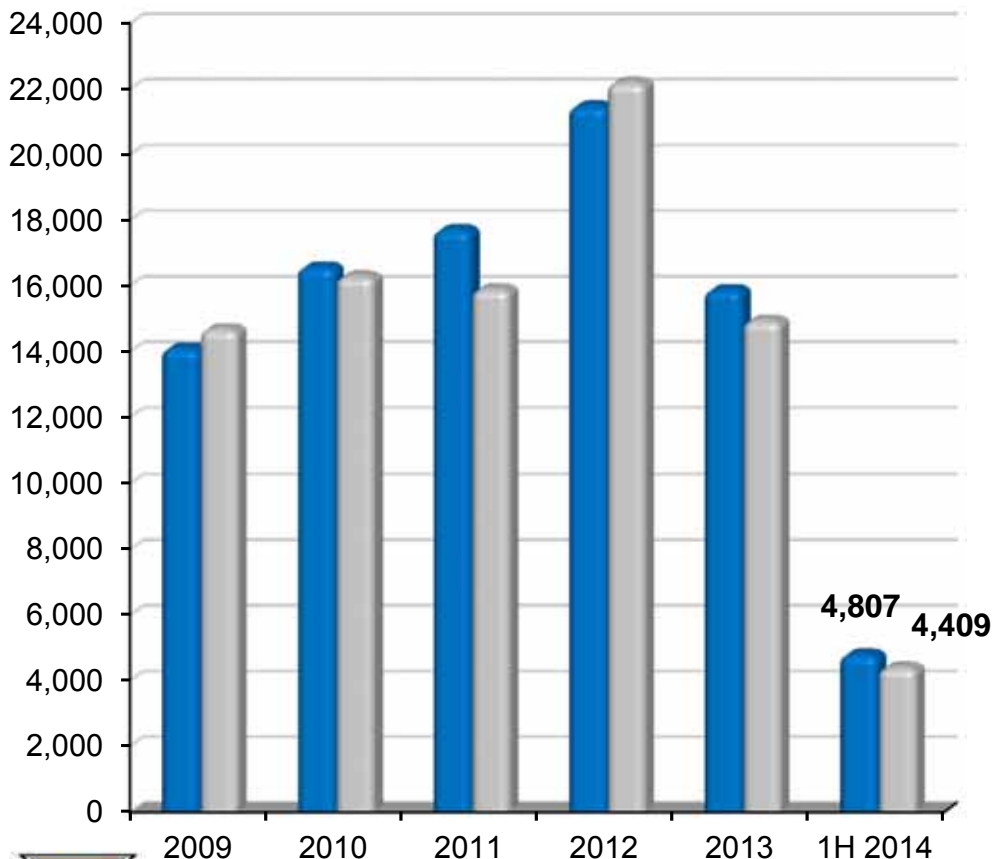


Source : URA, Q2 2014

SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2009 – 1H 2014)

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



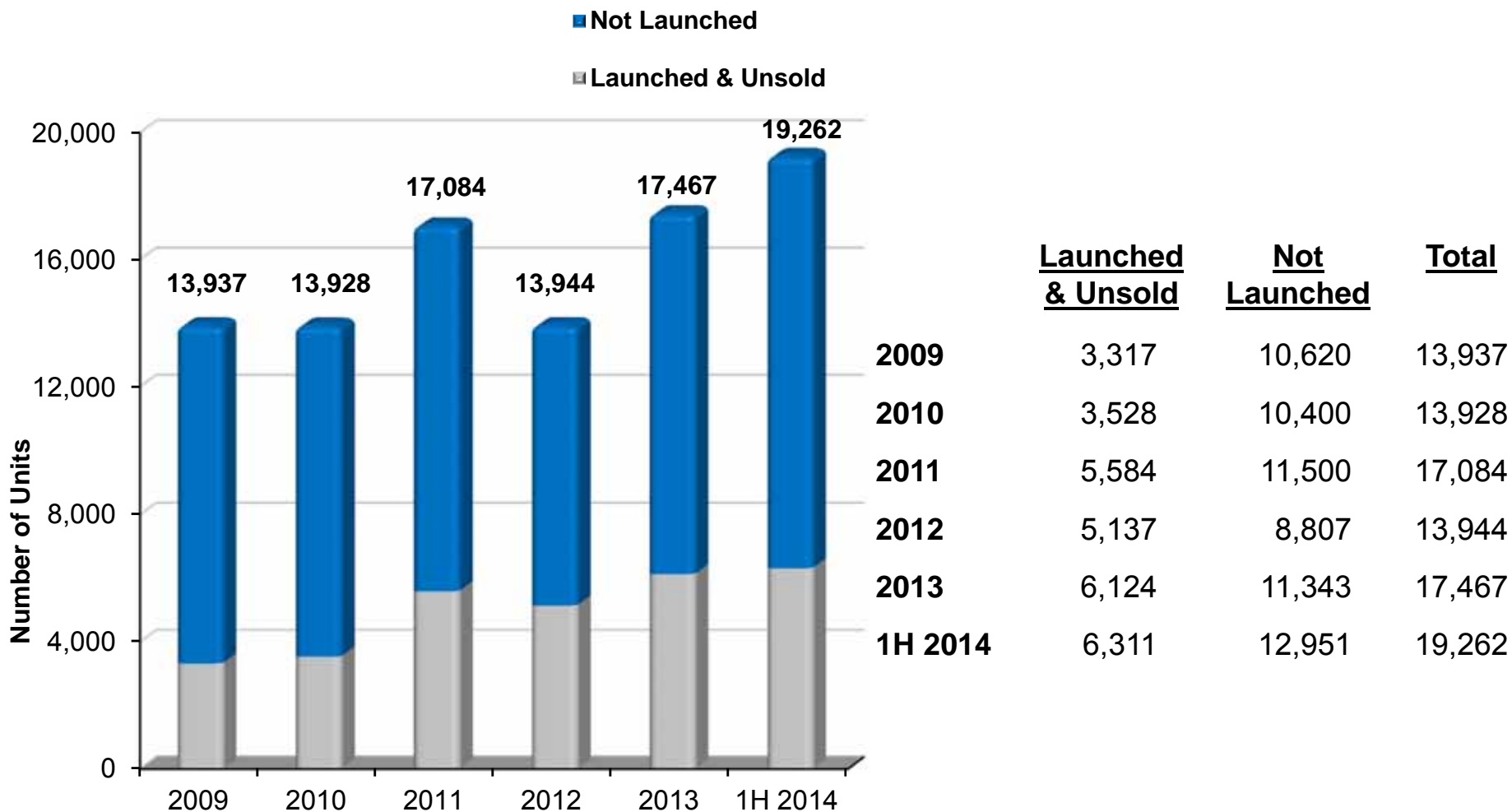
	<u>New Units Launched</u> (excl. EC units)	<u>New Units Sold Directly By Developers</u> (excl. EC units)
2009	14,103	14,688
2010	16,575	16,292
2011	17,710	15,904
2012	21,478	22,197
2013	15,885	14,948
1H 2014	4,807	4,409



Source : URA, Q2 2014

SINGAPORE PROPERTY MARKET

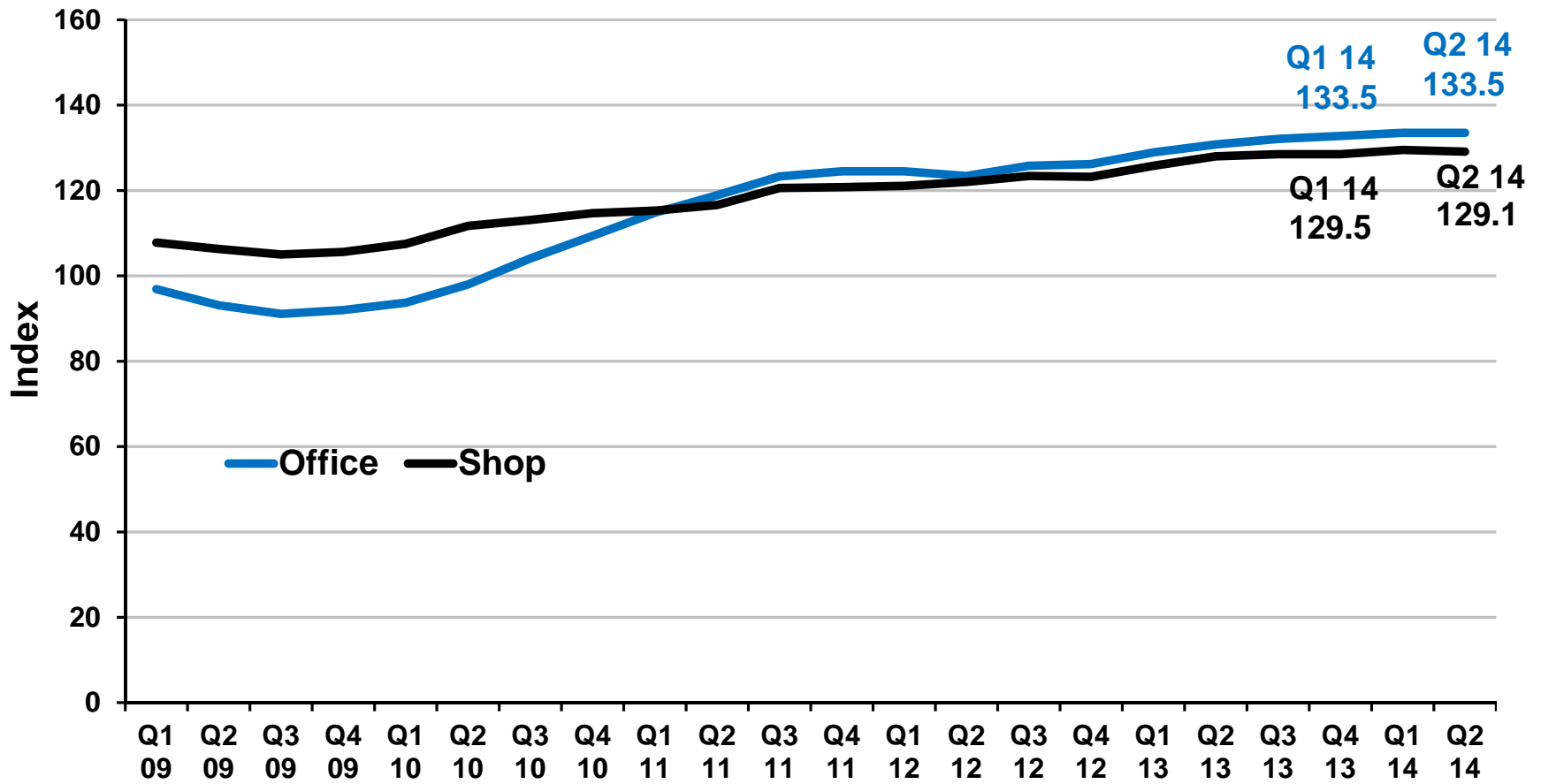
No. of Uncompleted Private Residential Units Available (2009 – 1H 2014)



Source : URA, Q2 2014

SINGAPORE PROPERTY MARKET

Property Price Index – Commercial (2009 – 1H 2014)

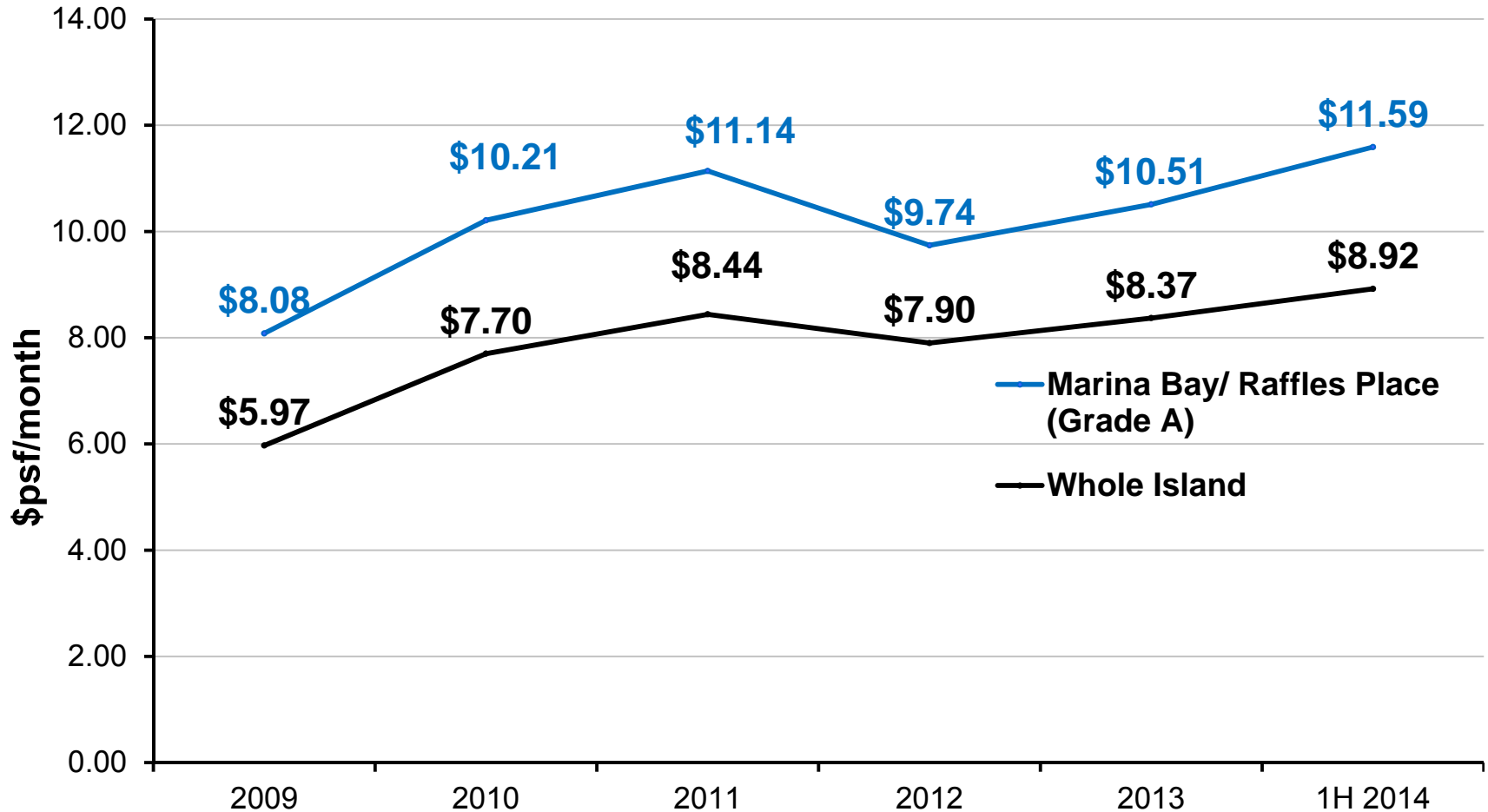


Source : URA, Q2 2014



SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2009 – 1H 2014)



Source : JLL Research, Q2 2014



RESIDENTIAL & COMMERCIAL OPERATIONS



SINGAPORE RESIDENTIAL

Units Booked / Sold

	Sales Value* \$'000	No. of Units*	Total Floor Area* (sq ft)
1H 2014	\$1,070,978	1,115	912,754
1H 2013	\$2,244,777	2,114	1,956,269



* Includes share of JV partners

SINGAPORE RESIDENTIAL

1H 2014 Launches – Commonwealth Towers



Artist's Impression

Commonwealth Towers Commonwealth Avenue

- Two 43-storey towers with 845 units located at the doorstep of Queenstown MRT station
- Close to the Tanglin precinct and Orchard Road shopping belt
- Over 76% of 400 released units sold to date
- Best selling private residential project in Singapore for May 2014*



* Based on URA data

SINGAPORE RESIDENTIAL

1H 2014 Launches – Coco Palms



Coco Palms Pasir Ris Grove

- Resort-inspired development with 944 residential units and 6 shops
- 5-minute walk to Pasir Ris MRT station and White Sands Shopping Centre
- Final land parcel within the Pasir Ris Grove residential enclave
- 670 of 780 units released sold to date
- Best selling private residential project in Singapore for May and June 2014*



* Based on URA data

SINGAPORE RESIDENTIAL

Planned Residential Project Launches for 2H 2014

(subject to market conditions)



Artist's Impression

New Futura **Leonie Hill Road**

- Two iconic 36-storey towers of 124 ultra-luxurious freehold residences
- Designed by internationally renowned architectural firm, SOM
- Exclusive address in District 9
- 5-minute walk to Orchard Road



SINGAPORE COMMERCIAL

Integrated Development – South Beach



- **The South Beach (hotel)** 654 rooms
- **South Beach Residences (2 to 4-bedroom & penthouses)** 190 units
- **South Beach Tower (offices)** 500,000 sq ft
- **Retail / F&B integrated with conserved buildings** 85,000 sq ft
- **South Beach Club (private club at former NCO club building)** 29,000 sq ft



SINGAPORE COMMERCIAL

Integrated Development – South Beach



South Beach Tower Beach Road

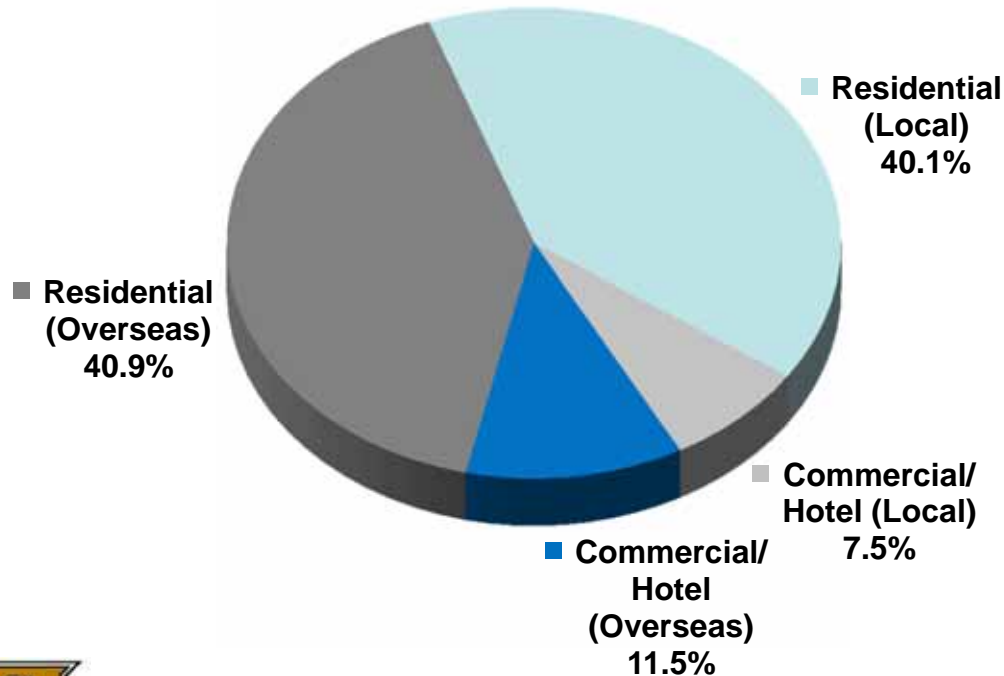
- 34-storey tower with 500,000 sq ft of lettable Grade A office space
- Expected completion: end 2014
- Lease commitment for 20% of office space secured
- Advanced stages of negotiation ongoing with a few potential major tenants



LAND BANK OVERVIEW

CDL's Attributable Share (as at 30 June 2014)

Type of Development	Land Area (Sq ft)			
	Local	Overseas	Total (Local & Overseas)	%
Residential	1,030,395	1,050,150	2,080,545	81.0%
Commercial / Hotel	193,971	294,619	488,590	19.0%
Total	1,224,366	1,344,769	2,569,135	100%



Proposed GFA –

- (a) Singapore – 2.90 million sq ft
 - (b) CDL China – 3.91 million sq ft
 - (c) Overseas – 0.54 million sq ft
- Total** **7.35 million sq ft**



MOVING FORWARD



Artist's Impression of Hong Leong City Center, Suzhou

MOVING FORWARD

- **Focus on diversification** – Accelerate expansion initiatives to supplement existing operations
- **Overseas growth platforms** with keen focus on UK, China, Japan and Australia
 - **UK:** 6 prime freehold sites in Greater London acquired to date for £157 million
 - **China:** Iconic residential projects in Chongqing and Suzhou to commence sales at the appropriate time
 - **Japan & Australia:** Target to establish platforms in these markets by end 2014
- **New product opportunities** – Actively seek to develop funds management products
- **Talent enhancement** – Re-organisation of key functions to capitalise on fresh perspectives for growth



MOVING FORWARD

Overseas – UK

- Exciting prospects for investment in Greater London area
- 6 freehold properties purchased to date for £157 million:



**28 Pavilion Road,
Knightsbridge**



**32 Hans Road,
Knightsbridge**



**15 Lansdowne Road,
Croydon**



**31/35 Chesham Street,
Belgravia**



**90-100 Sydney Street,
Chelsea**



**202 Kings Road,
Reading**



MOVING FORWARD

Overseas – Japan

Millennium Mitsui Garden Hotel Tokyo – M&C’s New Hotel in Tokyo’s Ginza District

- On schedule to complete around Sep 2014
- Hotel is expected to officially open in Dec 2014



Artist's Impression



Artist's Impression



Artist's Impression



MOVING FORWARD

Overseas – China



Eling Residences

鹅岭峰

Chongqing

- 126-unit luxury residence
- Sited at the peak of Eling Hill in Yuzhong district
- Completion of all structural works by Sep 2014



MOVING FORWARD

Overseas – China



Huang Huayuan project Chongqing

- Mixed-use riverside development
- Comprises 3 high-rise residential towers, 150-room hotel and mall
- Sited alongside Jialing River in Yuzhong district
- Good progress made in excavation and retaining wall works



MOVING FORWARD

Overseas – China



Artist's Impression

Hong Leong City Center

丰隆城市中心

Suzhou

- Mixed-use waterfront development located at Jinji Lake, in Suzhou Industrial Park
- Phase 1 – 462-unit residential tower & 899-unit SOHO tower
- Phase 2 – 362-unit residential tower, office tower, retail mall & hotel with around 300 rooms



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.



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