HALF YEAR FINANCIAL REPORT
1 Jan – 30 Jun 2010

12 AUGUST 2010
ANALYST/MEDIA BRIEFING

CITY DEVELOPMENTS LIMITED

*** Artist's Impression of 368 Thomson***

AGENDA

1. **FINANCIAL HIGHLIGHTS**
2. **SINGAPORE PROPERTY MARKET**
3. **OPERATIONS REVIEW**
4. **MARKET OUTLOOK**

** The Residences at W Singapore Sentosa Cove*

FINANCIAL HIGHLIGHTS

** Artist's Impression of Tree House*

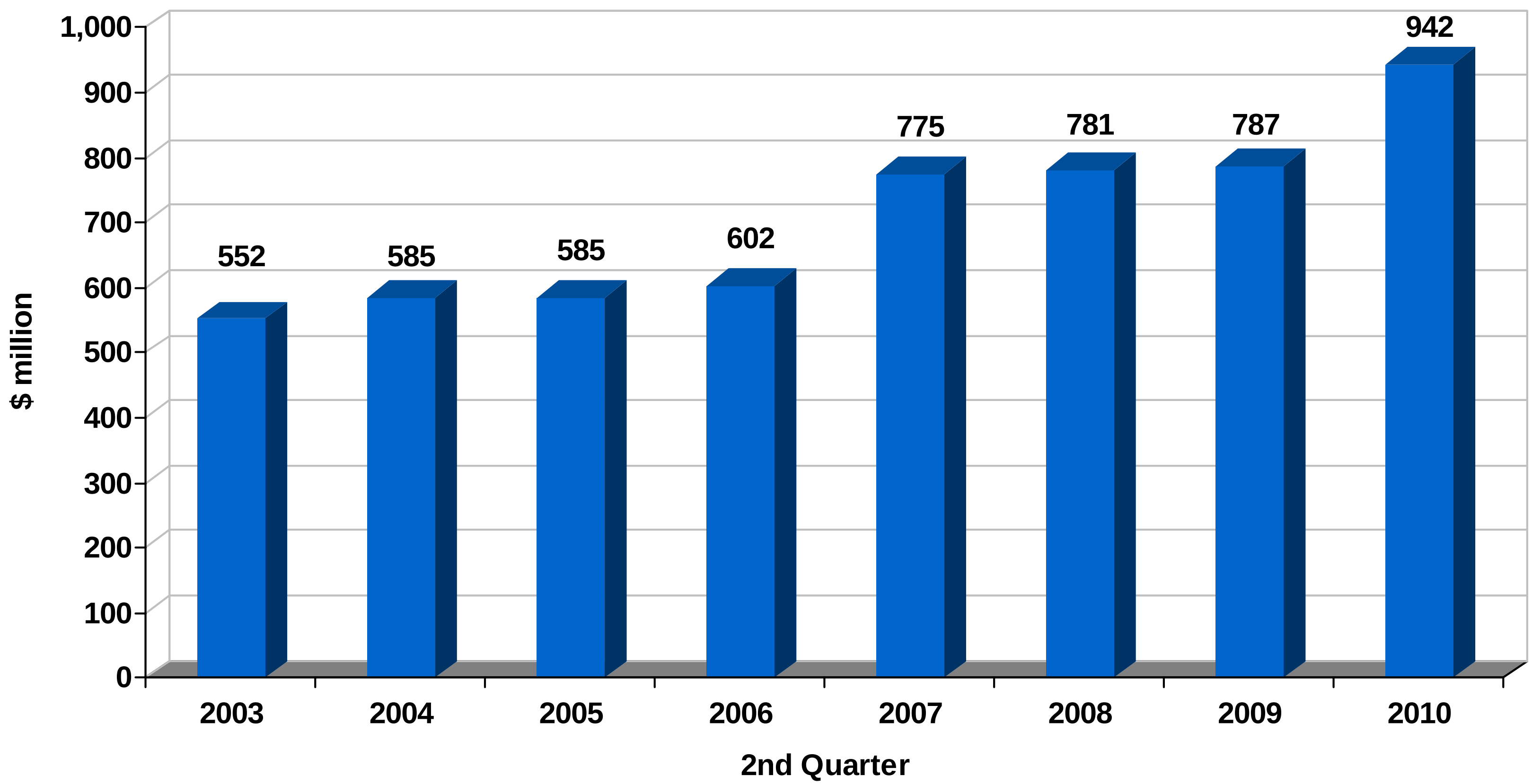
SUMMARY OF FINANCIAL HIGHLIGHTS

	Q2 2010	Q2 2009	% Change	1H 2010	1H 2009	% Change
Revenue ($m)	942	787	19.7	1,692	1,410	20.0
Profit Before Tax ($m)	247	198	24.7	438	317	38.2
PATMI ($m)	165	140	17.9	304	223	36.3
Basic Earnings Per Share (cents)	17.4	14.7	18.4	32.7	23.8	37.4
NAV Per Share ($)				6.78	6.18	9.7

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

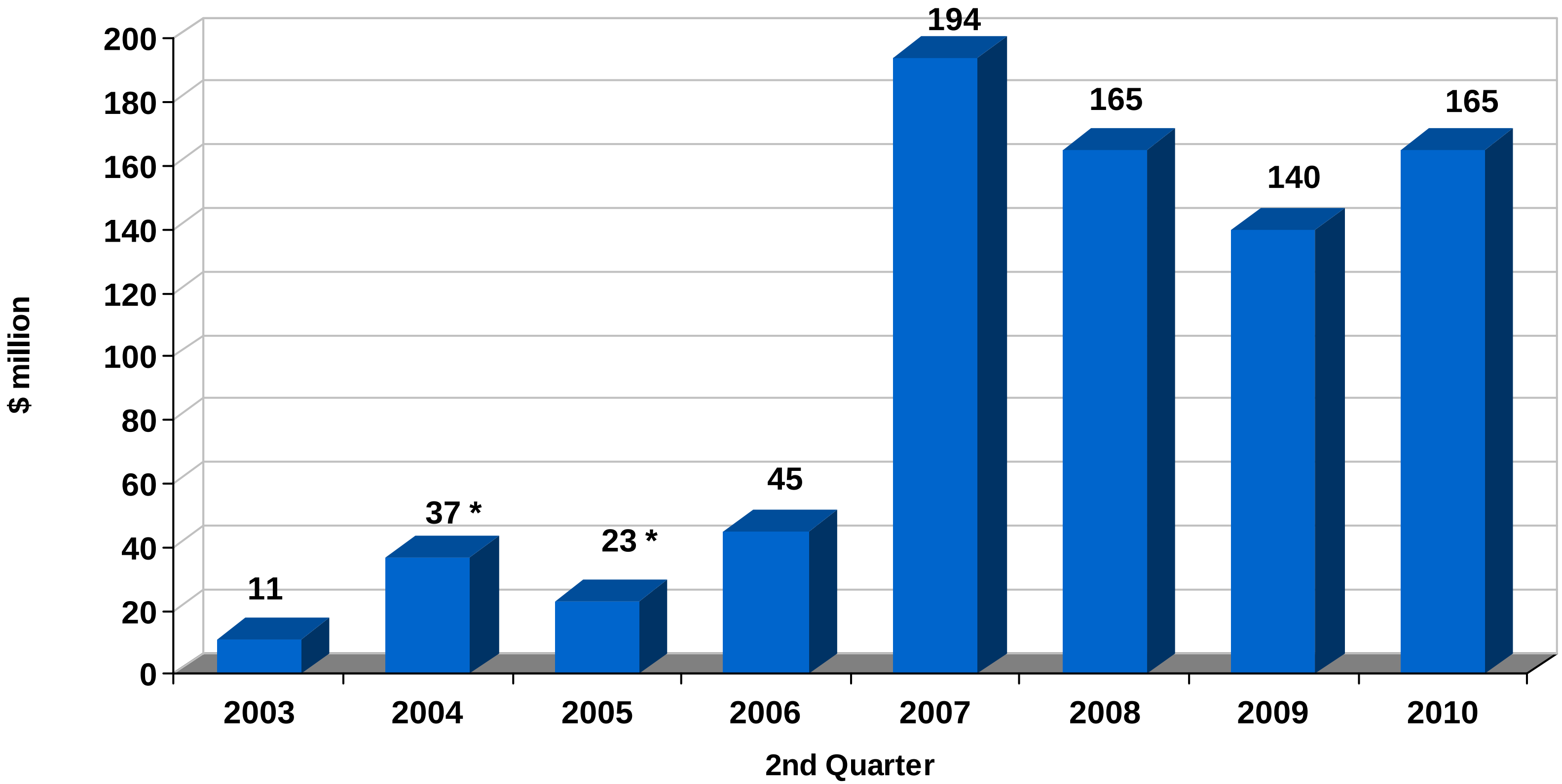
Revenue for the Quarter Ended 30 June



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

FINANCIAL HIGHLIGHTS

PATMI for the Quarter Ended 30 June



* Restated

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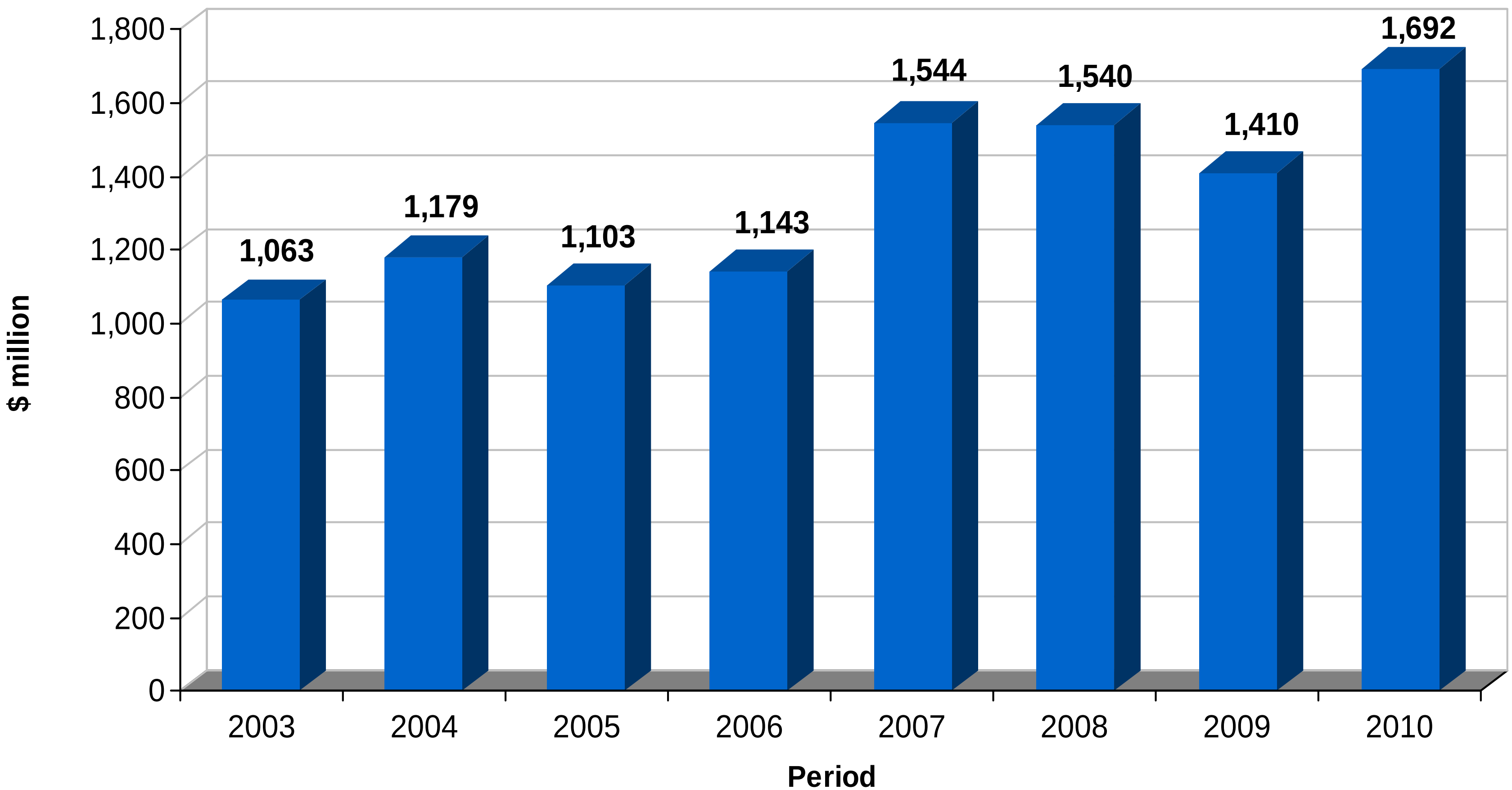
FINANCIAL HIGHLIGHTS

Revenue for the Period Ended 30 June



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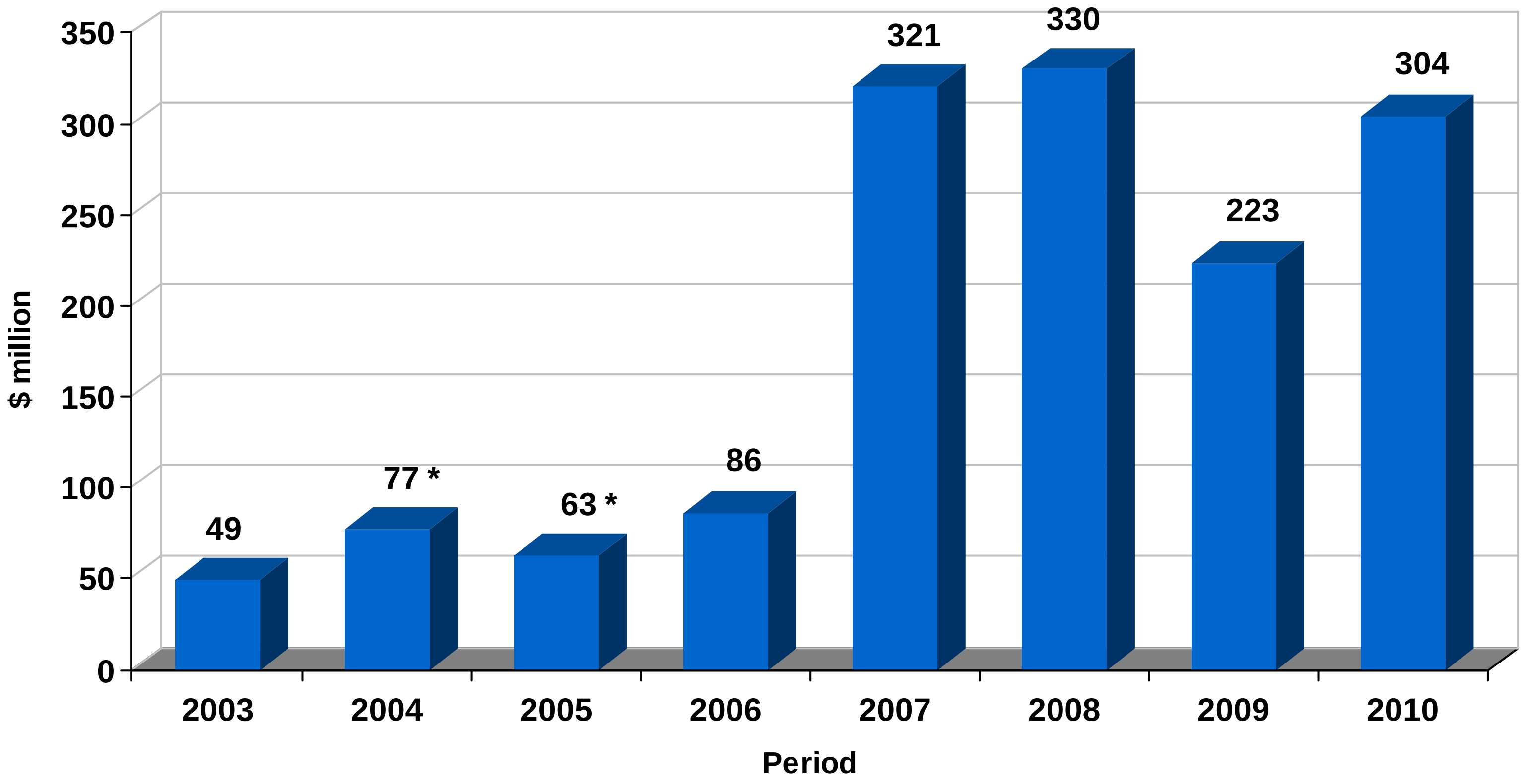
FINANCIAL HIGHLIGHTS

PATMI for the Period Ended 30 Jun



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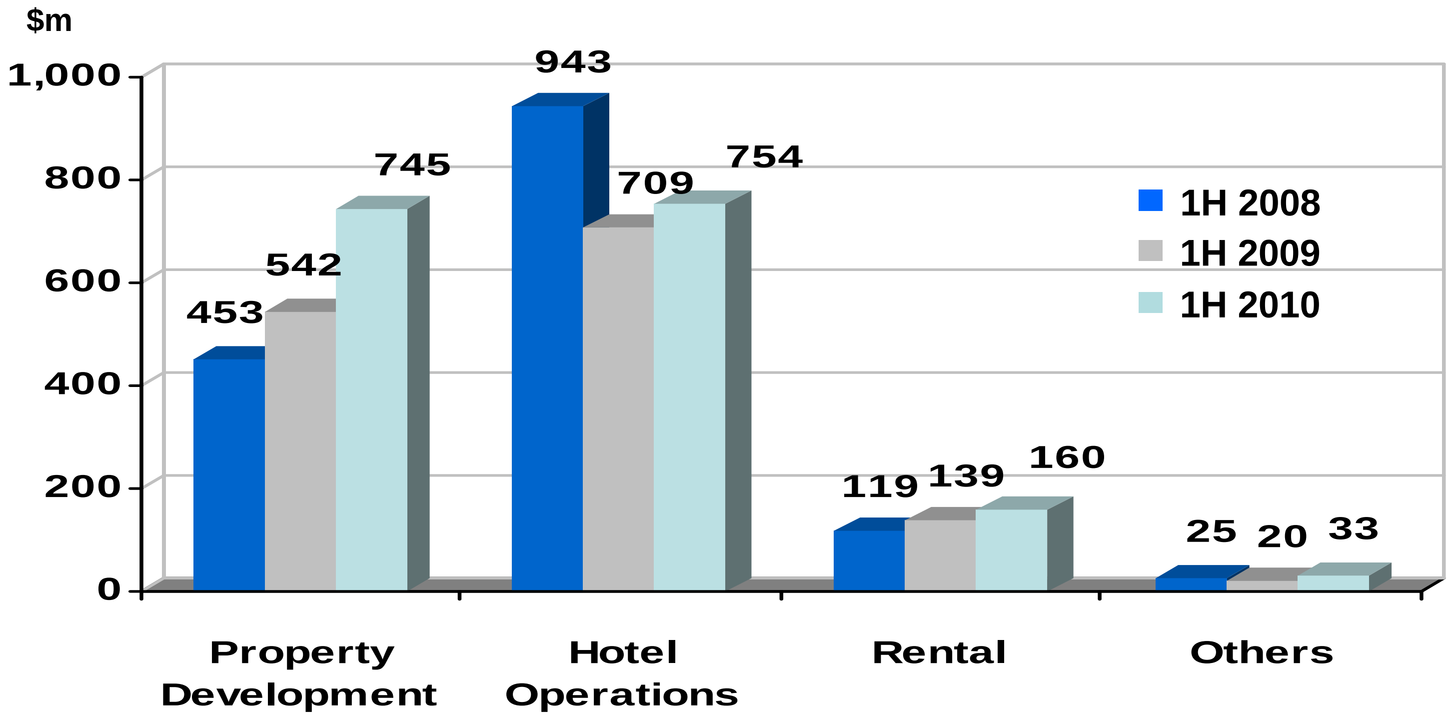
FINANCIAL HIGHLIGHTS

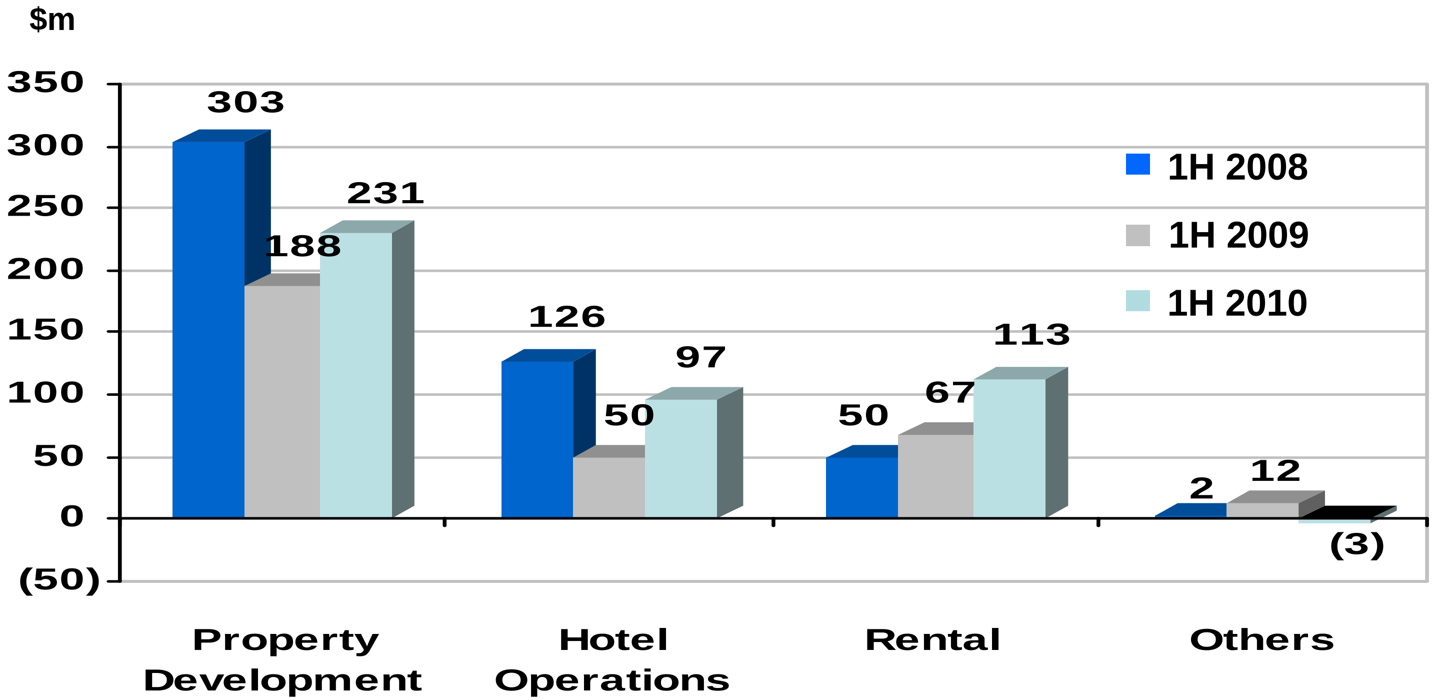
Revenue by Segment – 1H 2010 vs 1H 2009 & 1H 2008



	1H 2010	1H 2009	1H 2008
Property Development	44%	39%	29%
Hotel Operations	45%	50%	61%
Rental	9%	10%	8%
Others	2%	1%	2%

FINANCIAL HIGHLIGHTS

Profit Before Tax by Segment – 1H 2010 vs 1H 2009 & 1H 2008



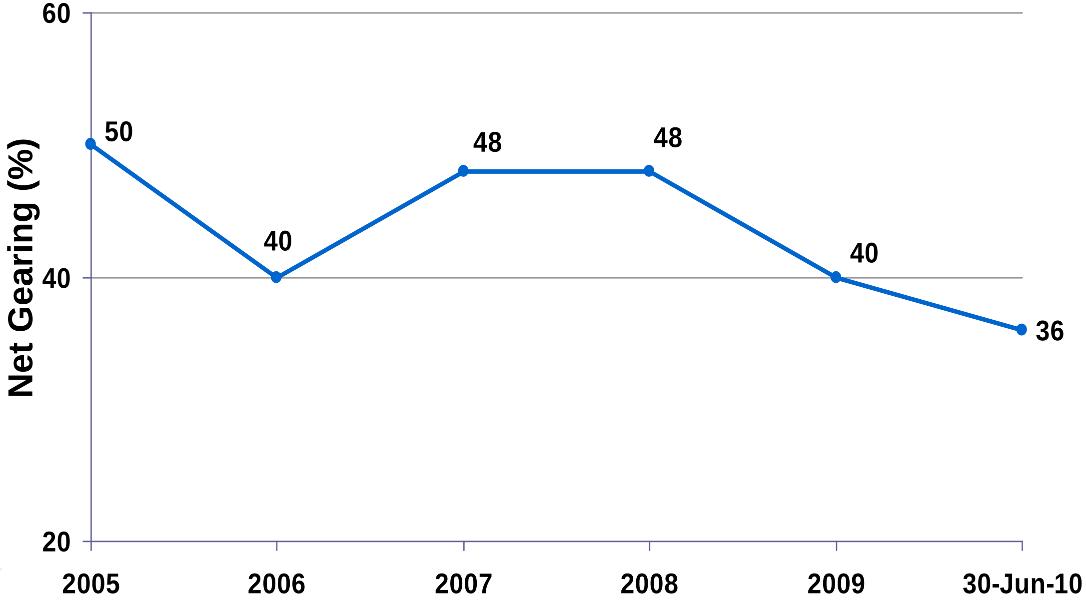
	1H 2010	1H 2009	1H 2008
Property Development	53%	59%	63%
Hotel Operations	22%	16%	26%
Rental	26%	21%	11%
Others	(1%)	4%	0%

FINANCIAL HIGHLIGHTS

Net Borrowings

CDL Group Total	As at 30/06/10	As at 31/12/09	As at 30/06/09
Net Borrowings	**$2,829m**	**$3,053m**	**$3,350m**
Interest Cover Ratio	19.5 x	14.5 x	10.1 x

CDL's Net Gearing (%) (2005 – 1H 2010)



Note:

The net gearing ratio does not take into consideration the fair value gains on investment properties.

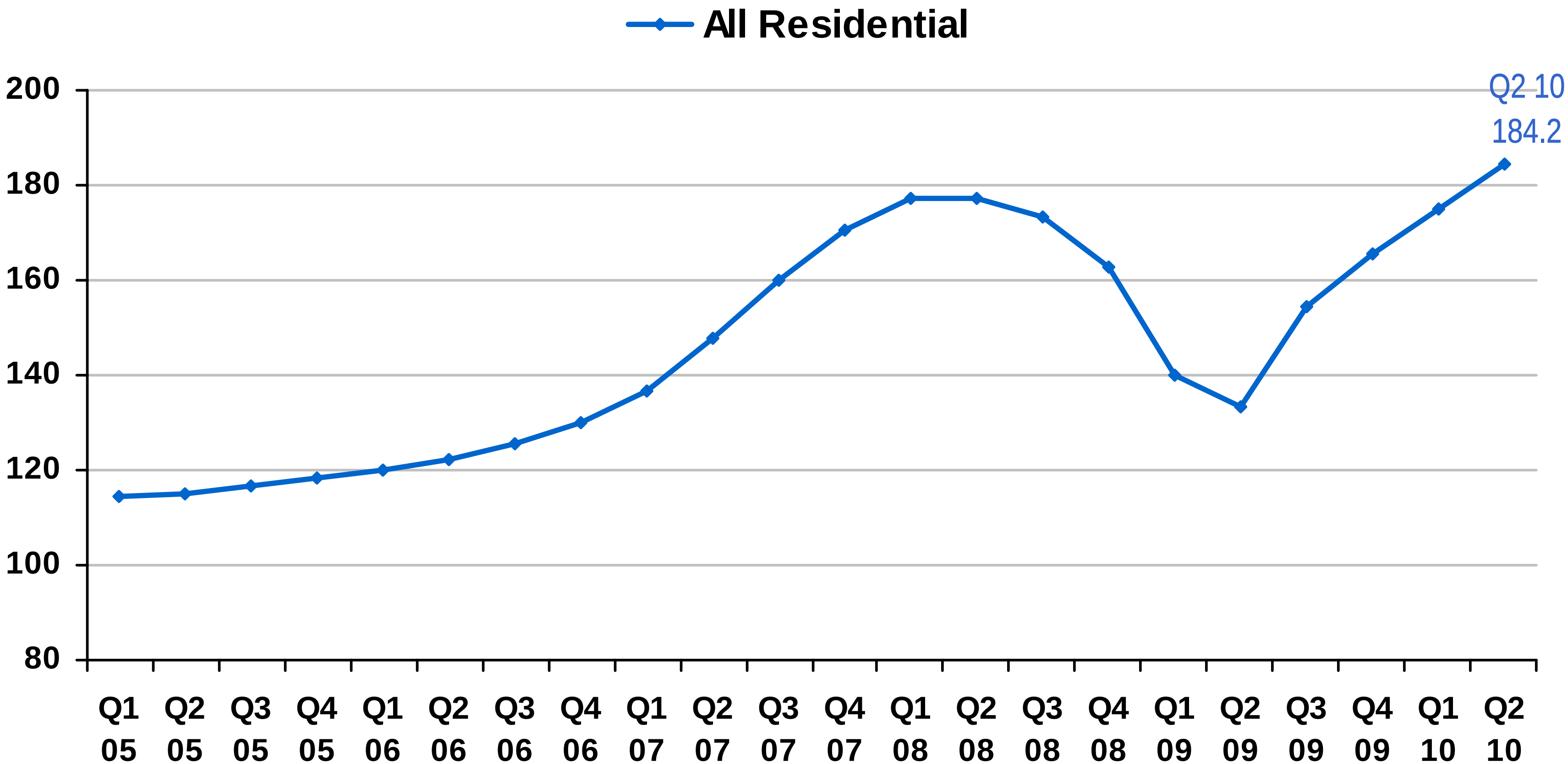
The gearing ratio will be lower if these fair value gains are taken into account.

SINGAPORE PROPERTY MARKET

*** Artist's Impression of Tree House***

SINGAPORE PROPERTY MARKET

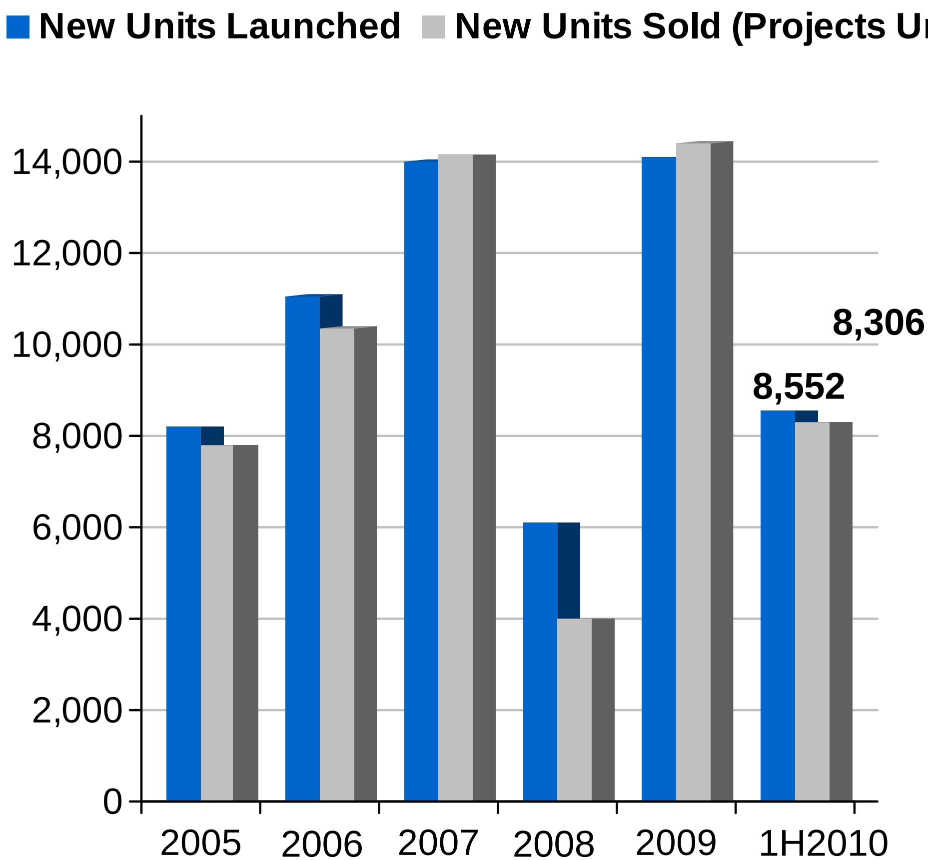
Property Price Index – Residential (2005 – 1H 2010)



Source : URA, Q2 2010

SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2005 – 1H 2010)

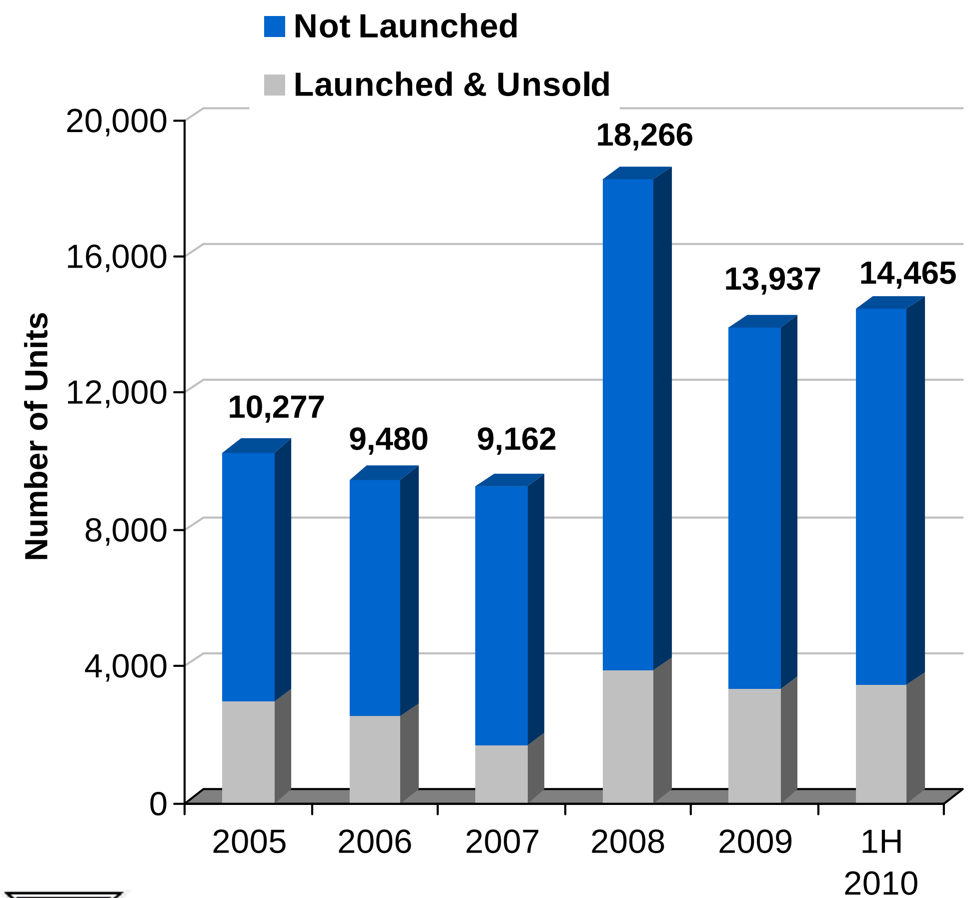


	New Units Launched	New Units Sold (Uncompleted)
2005	8,201	7,790
2006	11,069	10,363
2007	14,016	14,149
2008	6,107	4,006
2009	14,103	14,424
1H 2010	8,552	8,306

Source : URA, Q2 2010

SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2005 – 1H 2010)

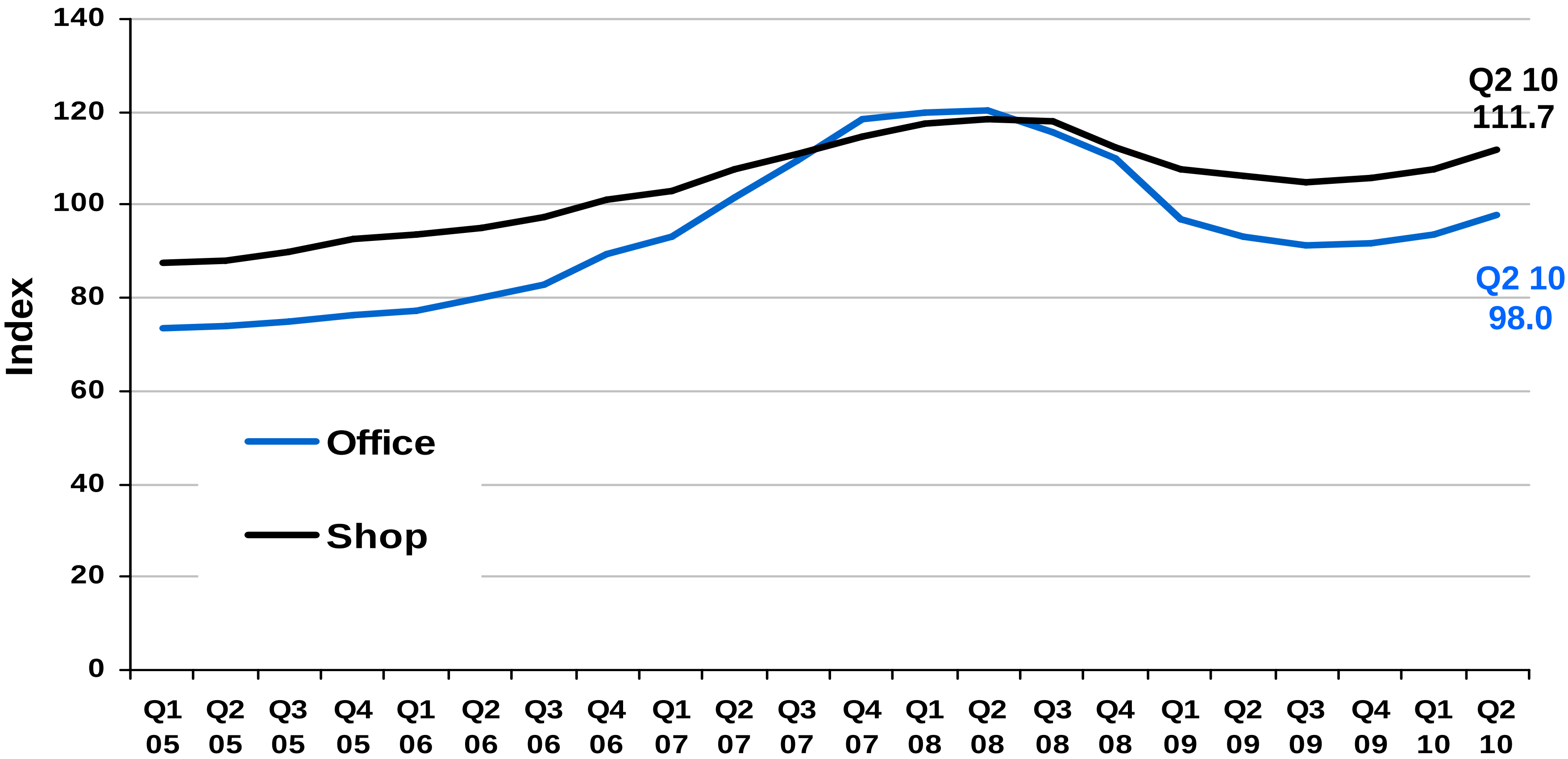


	Launched & Unsold	Not Launched	Total
2005	2,949	7,328	10,277
2006	2,536	6,944	9,480
2007	2,063	7,099	9,162
2008	3,880	14,386	18,266
2009	3,317	10,620	13,937
1H 2010	3,468	10,997	14,465

Source : URA, Q2 2010

SINGAPORE PROPERTY MARKET

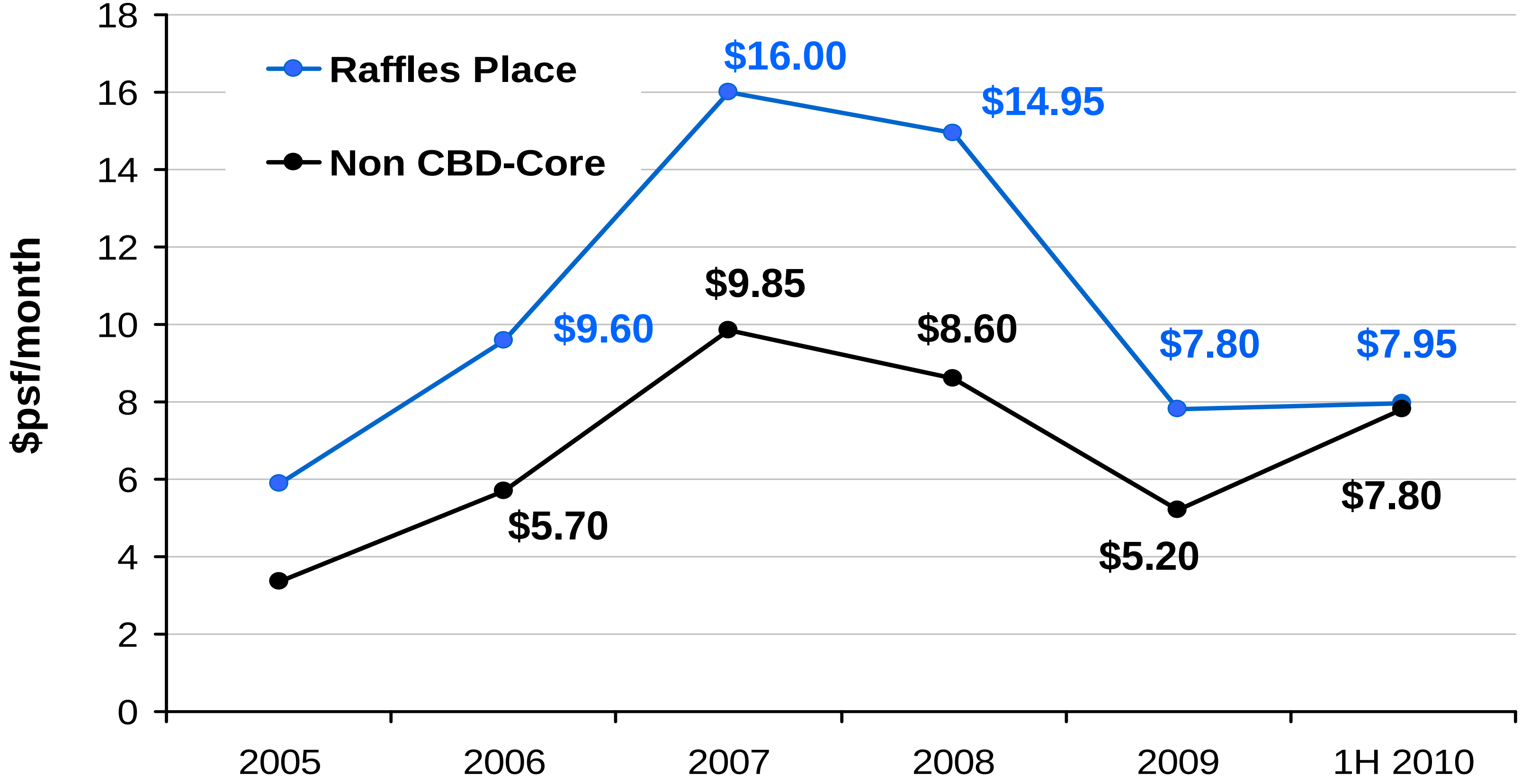
Property Price Index – Commercial (2005 – 1H 2010)



Source : URA, Q2 2010

SINGAPORE PROPERTY MARKET

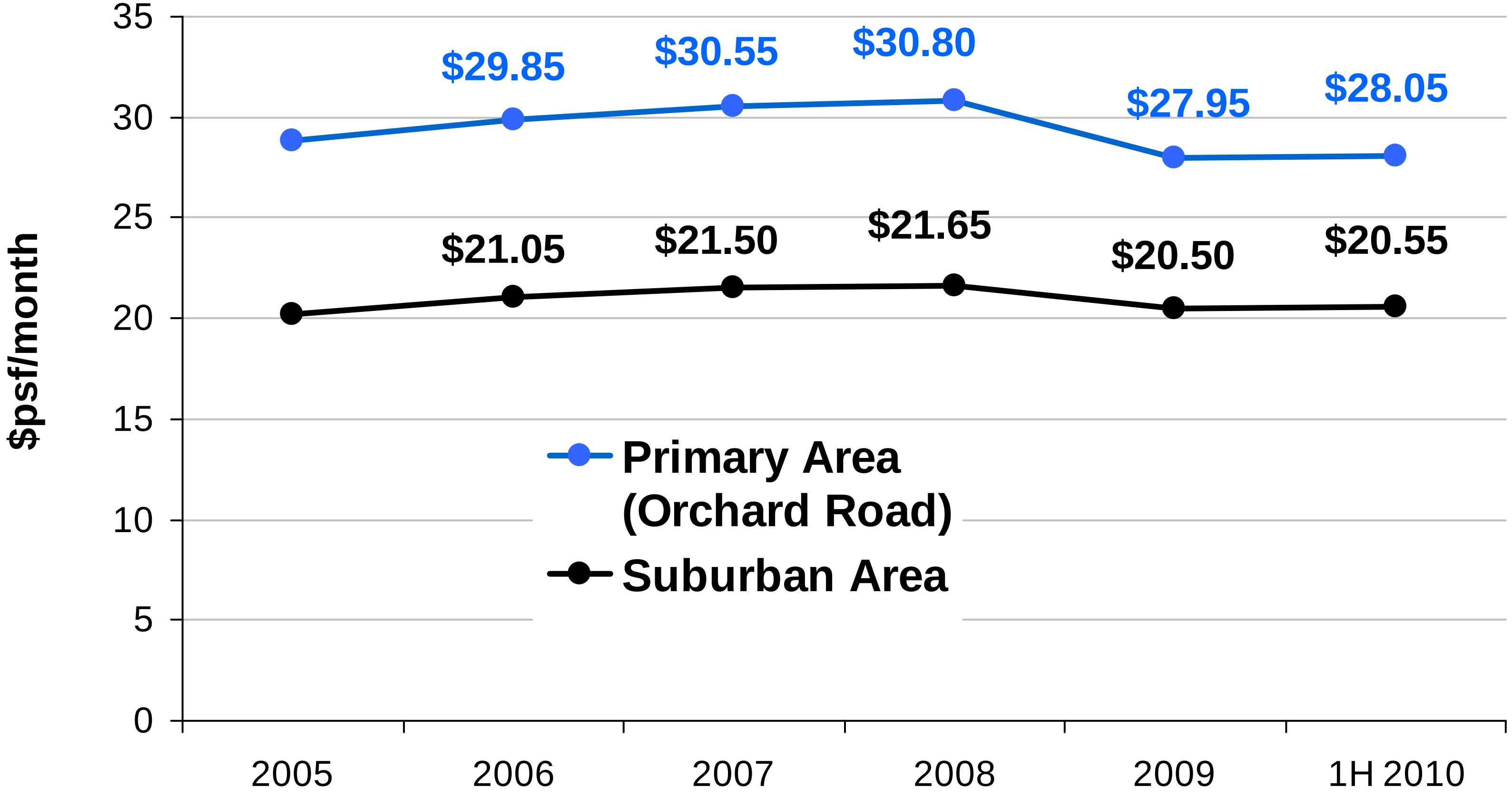
Average Office Rental in CBD (2005 – 1H 2010)



Source : JLL Research, Q2 2010

SINGAPORE PROPERTY MARKET

Average Prime Level Retail Rental (2005 – 1H 2010)



Source : JLL Research, Q2 2010

OPERATIONS REVIEW

** Artist's Impression of*
The Residences at W Singapore Sentosa Cove

PROPERTY DEVELOPMENT

*** Artist's Impression of 368 Thomson**

PROPERTY DEVELOPMENT

Units Booked / Sold

	Sales Value* $'000	No. of Units*	Total Floor Area (sq ft)
1H 2010	$ 947,710	773	951,526
(to date, 9 Aug 10)	$ 1,204,547	934	1,137,342
1H 2009	$ 664,796	537	799,676

* Includes share of JV partners

OPERATIONS REVIEW

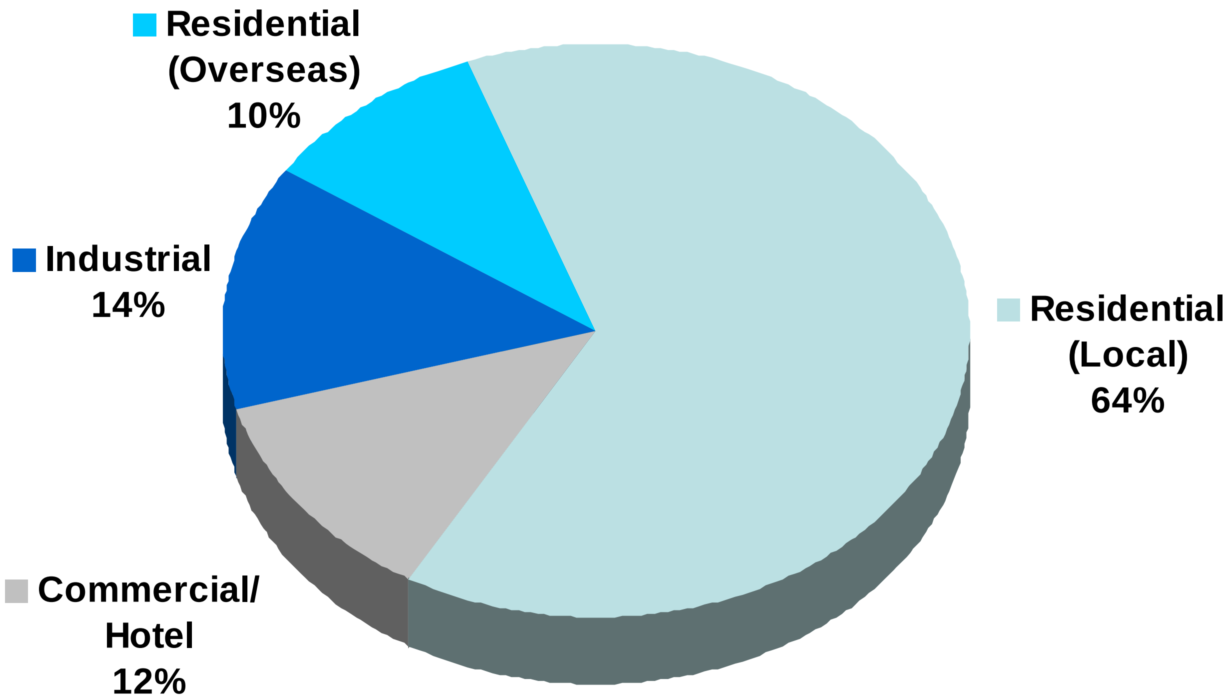
Planned Residential Project Launches for 2H 2010
(subject to market conditions)

Projects	Units	Expected Launch
NV Residences (Total 642) - Pasir Ris Parcel 2	300	Q3 2010
Copthorne Orchid (Total 150)	100	Q3 2010
Total	**400**	

OPERATIONS REVIEW

Land Bank by Sector (as at 30 Jun 2010)

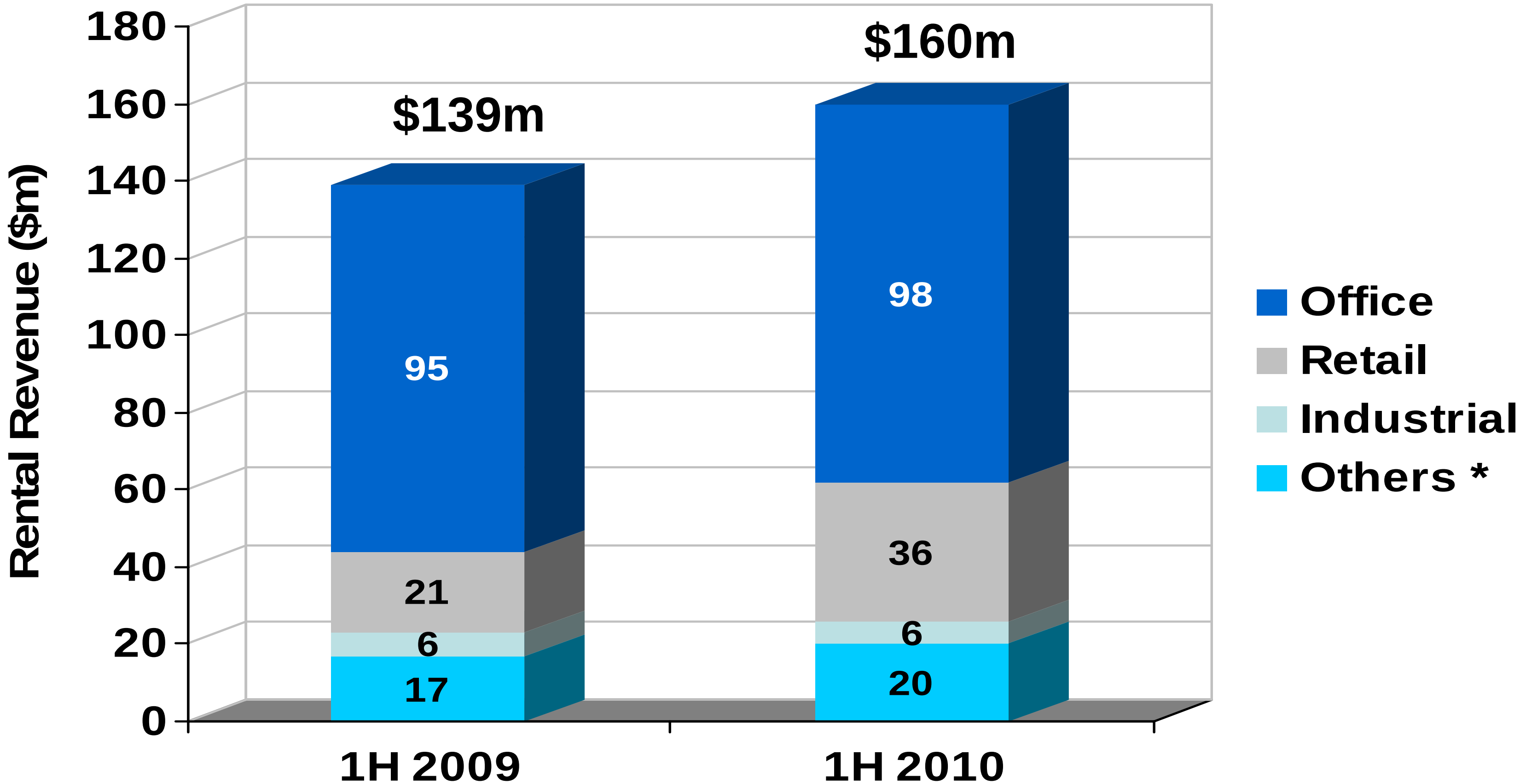
Type of Development	Land Area (sq ft)	%
Residential (Local & Overseas)	2,369,610	74
Commercial / Hotel	368,877	12
Industrial	462,818	14
TOTAL	**3,201,305**	**100**



Proposed GFA – 6.2 million sq ft

OPERATIONS REVIEW

Rental Revenue by Sector



* Including car park, serviced apartment and residential

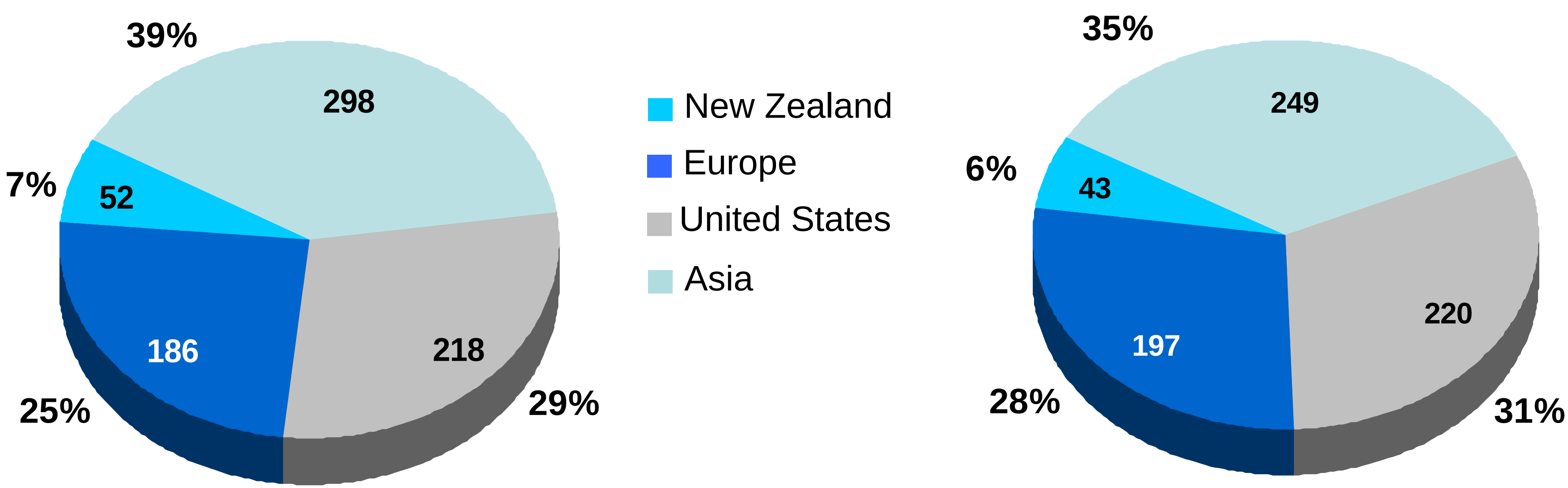
HOTEL OPERATIONS

** Studio M Hotel Singapore*

FINANCIAL HIGHLIGHTS

Hotel Revenue by Region

1H 2010 | **1H 2009**

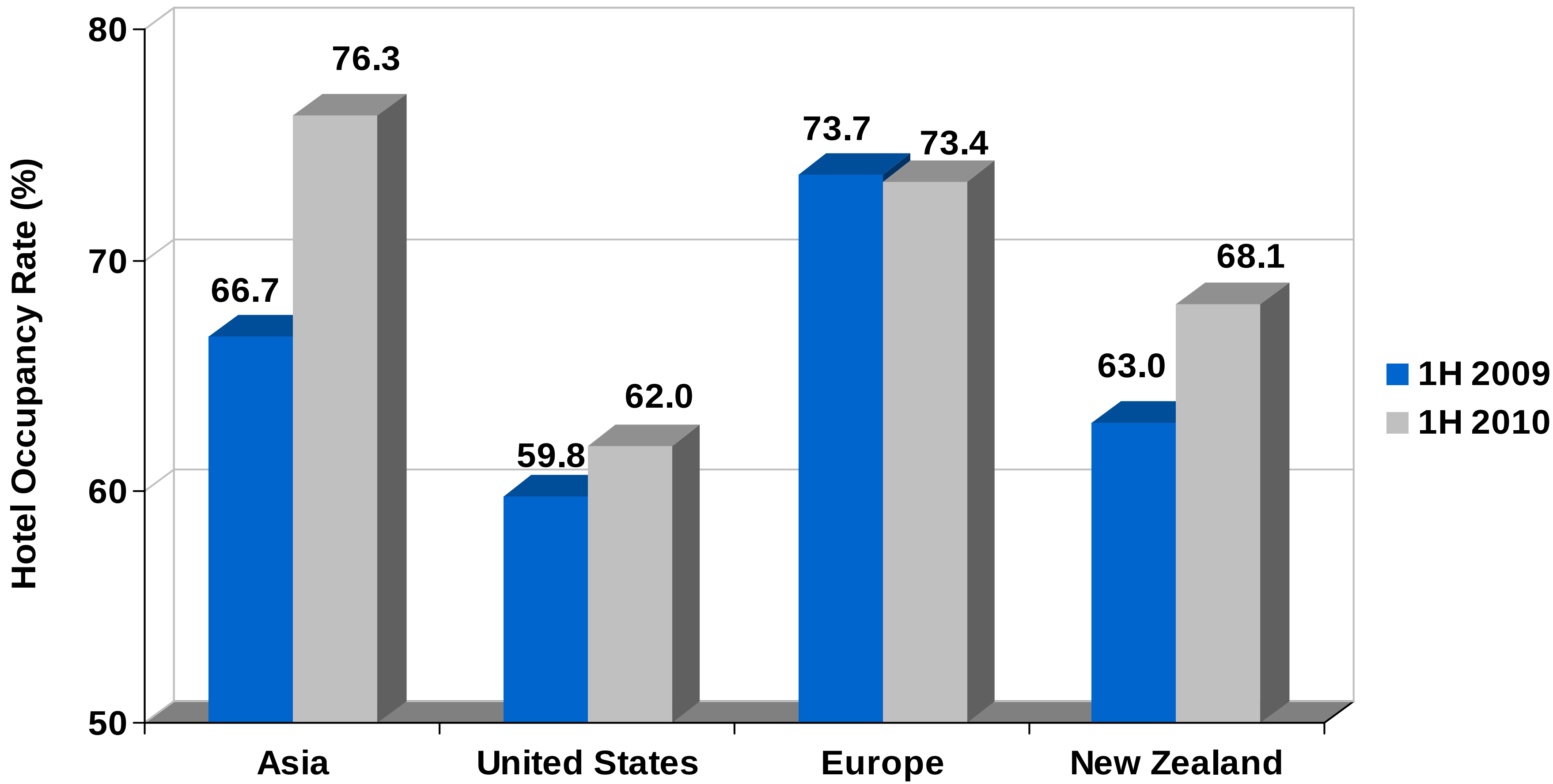


$754m | **$709m**

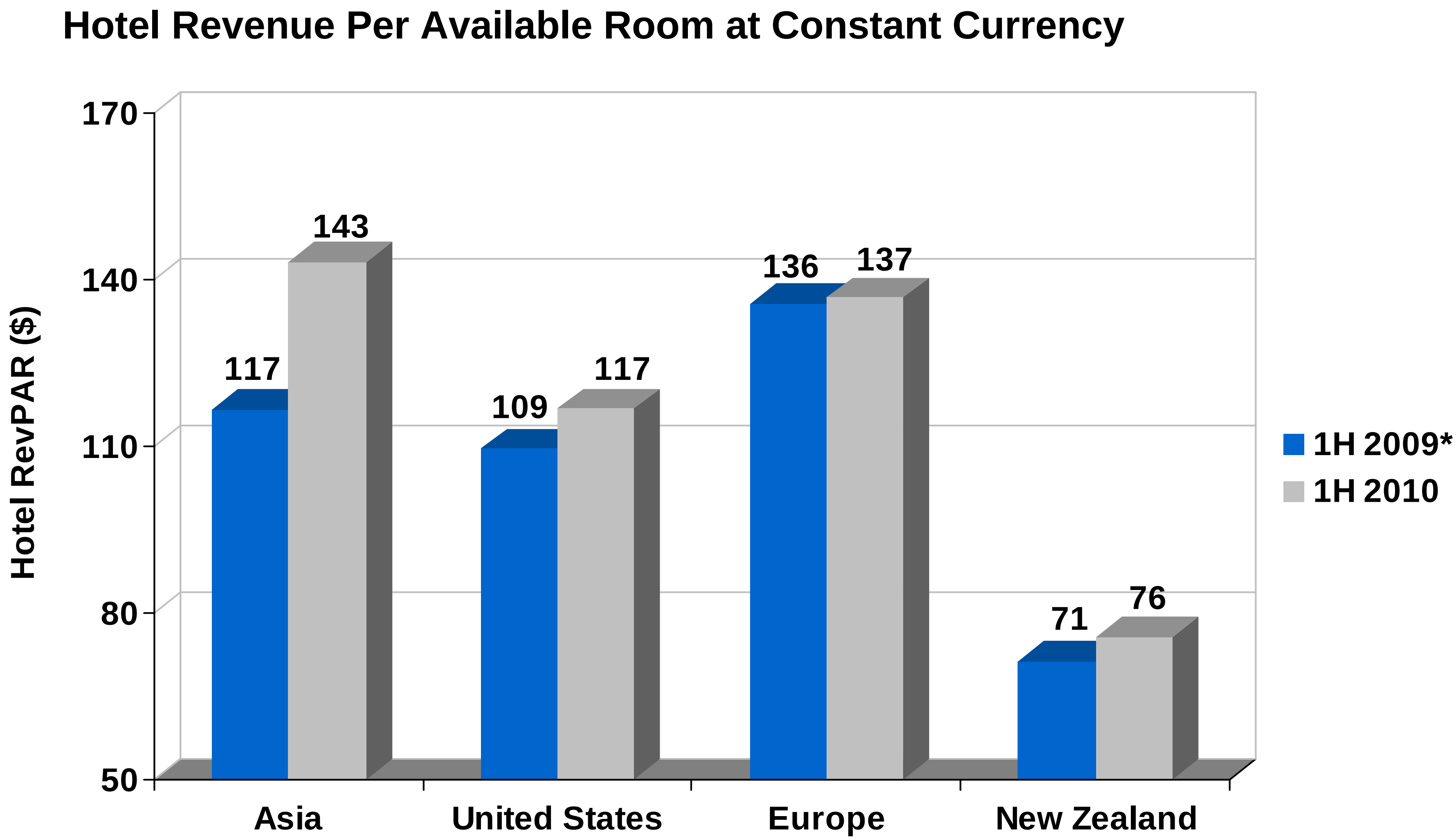
Overall change = ↑ 6%

FINANCIAL HIGHLIGHTS

Hotel Occupancy by Region



FINANCIAL HIGHLIGHTS



* For comparability, 1H 2009 RevPAR has been translated at constant exchange rates (30 June 2010).

MARKET OUTLOOK

* The Residences at W Singapore Sentosa Cove

MARKET OUTLOOK

Singapore Economic Outlook

- GDP grew by 24.0% for Q2 2010 on a seasonally adjusted quarter-on-quarter annualised basis
- The Singapore economy expanded by 17.9% year-on-year for 1H 2010
- The Government's 2010 growth forecast for the Singapore economy is maintained at 13.0% to 15.0%
- While the drivers of Singapore's economic growth are likely to remain intact, there may be moderation in the growth momentum for 2H 2010, in view of the many external risks in the world economy, especially in Europe and US
- The Group is cognizant that as the global financial systems have not been fully restored, there is a need to stay vigilant and nimble.

MARKET OUTLOOK

Property Market – Residential

- The mass market and mid-tier segments led the sales momentum in the private residential market in Q2 2010
- In 1H 2010, total primary sales of 8,413 units was recorded – accounting for more than half of the total 14,688 units achieved in FY2009
- Private residential prices continued to climb, rising 5.3% in Q2 2010 – the fourth consecutive quarter of growth
- Singapore's rapid economic expansion should help sustain market confidence, and transaction volume is likely to remain reasonably buoyant over the next few months
- Given the strong demand for private housing, the Government has placed 18 sites on the Confirmed List of the 2H 2010 GLS Programme
- With increased land supply, the Group is of the view that tender prices are likely to be moderated as developers tender selectively. This will be beneficial to all stakeholders as it will help to achieve a sustainable market

MARKET OUTLOOK

Property Market – Office

- Office rentals showed a healthy rebound in Q2 2010, with an increase of 1.1% in overall rentals, compared with a 0.4% increment in Q1 2010
- Occupancy rates tightened across all micro-markets, in spite of the addition of over 1.5 million sq ft of Grade A office space since 2H 2009
- The Group’s office portfolio continued to perform well with an occupancy rate of 93.0% for 1H 2010.
- The positive economic outlook for 2010 is expected to further boost demand for office space as reflected in the pre-commitment levels achieved for upcoming new office supply
- Older office buildings are also benefiting as existing companies expand their operations and new SMEs are setting up. These requirements are expected to backfill the vacant space from tenants relocating to newer buildings

MARKET OUTLOOK

Hotels

- Overall, demand has been strong in most of M&C's markets
- Although global RevPAR figures for July 2010 have been strong across M&C's hotels, M&C remains mindful of the considerable macro-economic uncertainty over the next 12 to 18 months, especially in Europe and the US
- A cautious approach will be maintained, with a tight rein on costs and testing very carefully its investment plans

MARKET OUTLOOK

Overseas Expansion

- The Group has strategically and selectively made some investments in overseas projects
- With China Government's implementation measures to control its over-heated property market, the Group believes that the time may soon be ripe to pick up valuable land bank and/or investment properties at the right price
- The Group's wholly-owned subsidiary – CDL China Limited will step up efforts to focus on establishing CDL's presence in certain cities in China and implement the Company's real estate strategy there
- While the Group continues to seek opportunities overseas, its focus will still remain in Singapore and serve as a proxy to the Singapore real estate market
- The Group has appointed Mr Sherman Kwek as the Chief Executive Officer of CDL China Limited to spearhead this China expansion initiative.

CDL CHINA LIMITED

Mission Statement

- To make City Developments Limited (“CDL”) a household name in China that is synonymous with successful real estate developments and investments, backed by over 45 years of real estate experience, including pioneering green buildings and in-house professional property management.

CDL CHINA LIMITED

CDL's Competitive Advantage

- **Strong brand name in Singapore over 45 years**
  - Provides a solid track record that helps to establish credentials in China
  - Capitalise on the local governments' keen interest to attract sizable international developers

- **Renowned for good quality developments, reliability and prompt delivery**
  - Opportunity to establish a premium brand in China in due course

- **Leader in Green Buildings & Sustainability**
  - BCA Green Mark champion and BCA Built Environment Leadership Platinum Award as well as winner of numerous international awards
  - As China is championing sustainable developments, CDL's leadership in this area will be well received

- **Professional property and facility management arm, through CDL's subsidiary – CBM, which has a proven track record**
  - There is much room for improvement in China in this area

CDL CHINA LIMITED

- **Investment Funds**
  - S$300 million as initial capital

- **Investment Philosophy**
  - Market Timing
  - Location
  - Quality & Functionality
  - Earnings & Returns

- **Short to long term investment horizon**
  - Residential developments for quick monetisation
  - Commercial developments (Office / Retail / Hotel / Serviced Apartments/ Entertainment) for medium to long term capital value appreciation & steady streams of income

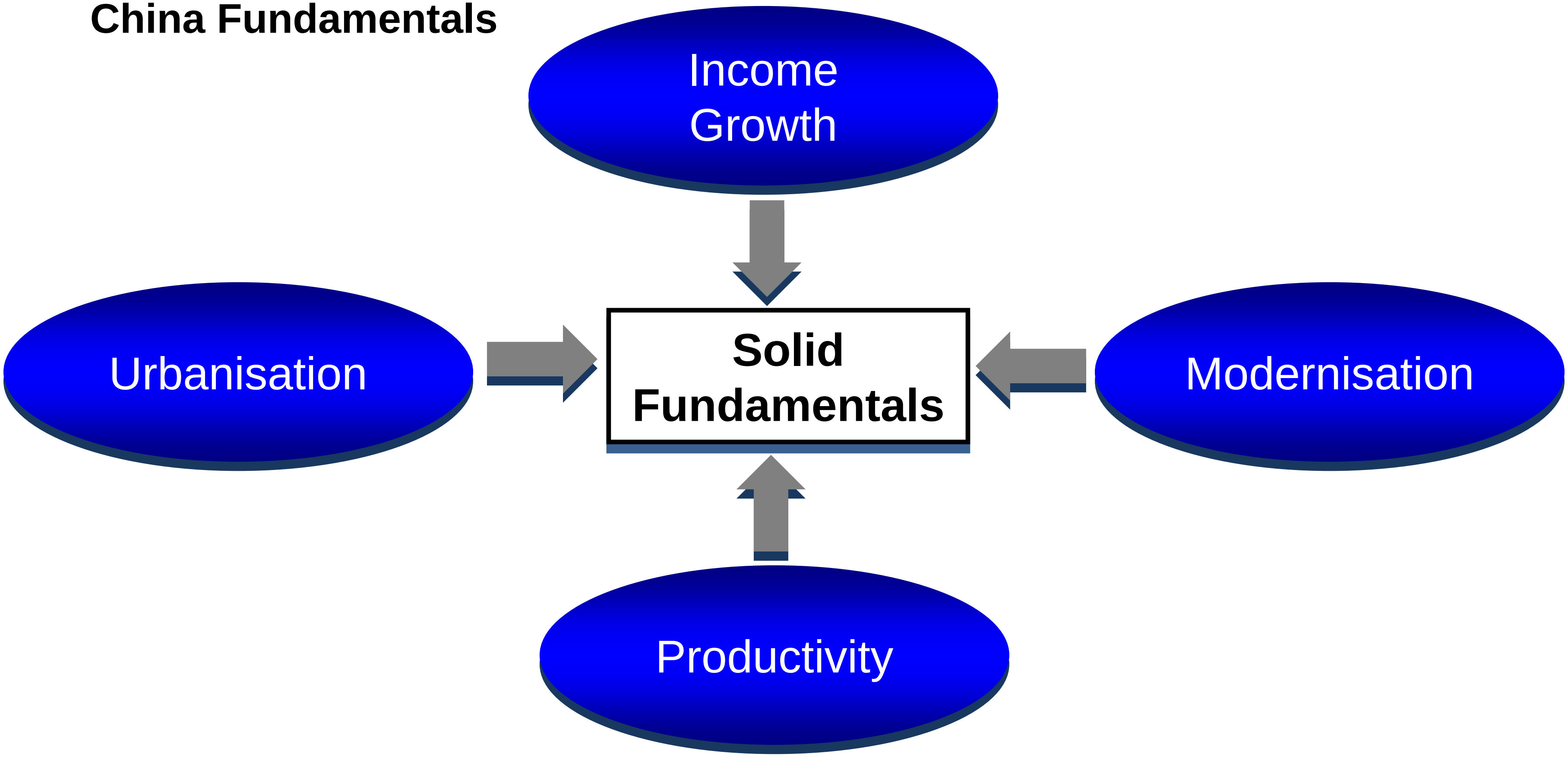
CDL CHINA LIMITED

Existing Asset – Tianjin City Tower

- 36-storey office building
- Purchased in turnkey deal with local Chinese developer in 2007
- Building completed in Q4 2009
- Important tenants:
  - Government Offices Administration of Tianjin
  - Tianjin Economic & Information Technology Committee

CDL CHINA LIMITED

China Fundamentals



(i) In light of strong fundamentals and the current market correction, conditions are ripe for new market entrants to participate in the medium and long term growth of the PRC property market.

(ii) While Chinese financial markets are going through an adjustment right now related to the gradual withdrawal of stimulus and over-heated property prices and wage conditions, this does not alter the medium and long term trend of rising per capita wealth and consumption, which will be key to success of the real estate market.

CDL CHINA LIMITED

Benefits to CDL

- Establishing a strong presence in China, the world's fastest-growing major economy
- Exciting story for shareholders and investors as CDL China Limited grows
- Capitalise on Hong Leong Group's (inclusive of CDL's) core experience and expertise in property development, hotel management and manufacturing
- Diversification of geographical sources of income

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.

** Artist's Impression of Hundred Trees*