



**CITY  
DEVELOPMENTS  
LIMITED**

**News Release**

26 February 2009

**CDL RECORDS SECOND HIGHEST EARNINGS SINCE INCEPTION IN 1963**  
**Credible performance despite challenging conditions**

City Developments Limited (CDL) today announces its unaudited financial results for the year ended 31 December 2008.

**Financial highlights**

- Group's results are second highest since inception in 1963; a credible performance in light of severe economic conditions of 2008.
- Revenue of \$2,945.2 million (2007: \$3,106.1 million) with profit before tax of \$833.8 million (2007: \$954.6 million) and after-tax profit attributable to shareholders of \$580.9 million (2007: \$725 million).
- Net profits are core earnings with no fair value revaluation of its investment properties including joint-venture investments and associate companies such as CDL Hospitality Trusts (CDLHT).
- Subsidiary Millennium & Copthorne Hotels plc (M&C) increased in RevPAR and headline profit before tax. However, impact of exchange rate translation due to the strong Singapore Dollar particularly against the Sterling Pound when consolidated at Group level, resulted in lower contributions.
- M&C also took in impairment charges relating to its share of joint-venture investments and some of its assets.
- The Group had no impairment on development properties and land bank in 2008.
- In a recent external valuation for the year ended 31 December 2008, there is no provision required for impairment on the Group's joint venture development – South Beach.
- Healthy balance sheet. Net gearing ratio at 48.0% (2007: 48.0%). If a revaluation policy had been adopted, net gearing ratio will be 32.0%. Interest cover of 11 times (2007: 10.5 times).
- Pioneered Singapore's corporate *Sukuk-Ijarah* through the establishment of a S\$1 billion Unsecured Islamic Trust Certificate Programme. It also upsized one of its existing Medium Term Note Programmes from S\$700 million to S\$1.5 billion. Fund-raising exercise adds to Group's financial strength by providing flexibility to meet financing, working capital requirements, and enhances its war-chest.
- Board recommends a final dividend of 7.5 cents (2007: 7.5 cents) per share consistent with dividends declared in past years, other than additional special ordinary dividends and preference dividends.

## **Prospects**

- Currently, the Group has low stock of unsold inventory for its launched projects (only 142 units). Less than 10% of these units are for the high-end market and the remainder is for the mid and mass market.
- The Group's exposure to Deferred Payment Scheme (DPS) buyers is limited. An estimated 30% of units sold were under this scheme. The Group believes the situation has not arisen to warrant any alarming concern on DPS buyers defaulting.
- South Beach – In consultation with its joint-venture (JV) partners, the Group has deferred construction until building costs come down further. JV partners are discussing with the consortium's banks to extend its loan for the land.
- Moving forward, the Group will adopt a "3P" approach: *Prudence, Pragmatism and Patience* in riding out this challenging economic period.

### **Commenting, Mr Kwek Leng Beng, CDL Executive Chairman said:**

"While much of the global economic woes are beyond its control, the Group remains optimistic of Singapore's prospects. Given Singapore's strong fundamentals and the dedication shown by the Government in its recent extraordinary budget, we are confident Singapore has the ammunition to ensure that her economy will be one of the first to emerge from this recession stronger."

"Depending on how quickly the global economy recovers, the Group is confident that with good management strategies in place, our sheer tenacity and resilient spirit will tide us through this year; and we expect to continue to perform profitably."

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*Please refer to CDL's full unaudited financial results announcement for the year ended 31 December 2008 for a detailed review of the Group's performance and prospects.*

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