## News Release

25 February 2010

# CDL POSTS EXCEPTIONAL CORE EARNINGS WITH Q4 2009 PROFIT UP 76.7%

- **Record revenue and second highest profit achieved for full year 2009 since 1963**
- **$1 billion cash generation from operating activities before tax without equity fundraising**

City Developments Limited (CDL) today announces its unaudited financial results for the full year ended 31 December 2009.

**Financial Highlights**

- For Q4 2009, attributable profit after tax and minority interests (PATMI) increased by 76.7% to $176.7 million (Q4 2008: $100.0 million).

- Strong organic growth from the property development segment boosted the Group's revenue by 28.6% to $922.4 million (Q4 2008: $717.5 million).

- The Group registers the highest revenue and second highest profit since its inception in 1963:
  - Revenue: $3,272.8 million (2008: $2,945.2 million)
  - PATMI: $593.4 million (2008: $580.9 million)

- The property development segment is the main contributor to the Group's core earnings, contributing 70.7% and 65.5% to the Group's profit before tax for Q4 2009 and full year 2009 respectively.

- Even though the Group's performance, particularly the property development segment, improved quarterly since Q1 2009, this is not reflected proportionately in the Group's PATMI for full year 2009 due to lower performance in the hotel operations and the inability to recognise profit for some of its launched projects as construction had either not commenced or construction has not reached the recognition stage yet.

- The Group reduced its net gearing ratio from 48.0% in 2008 to 40.0% in 2009. Had the Group adopted a revaluation policy, the net gearing ratio would be further driven down to 27.0%.

- Interest cover had also improved to 14.5 times as compared to 11.0 times for the financial year ended 31 December 2008.

- The Board has recommended a final ordinary dividend of 8.0 cents (2008: 7.5 cents) per share.

**Operations Review and Prospects**

**Residential**

- In 2009, the Group sold a total of 1,508 residential units with sales revenue of $1.868 billion (including joint venture share). This is a sharp contrast when compared to the Group's sales turnover of 368 units and sales revenue of $348 million achieved in the whole of 2008.

- The Group has planned several new residential launches for the year, with the below estimated units:

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|---|---|
| (i) The Residences at W Singapore Sentosa Cove | 228 units |
| (ii) A condominium development at Chestnut Avenue | 429 units |
| (iii) A condominium development at Pasir Ris | 642 units |
| (iv) A condominium development at Thomson Road (located at the former Concorde Residences site) | 158 units |

**Commercial**

- A healthy occupancy rate of 92.4% was achieved for the Group's office portfolio as at 31 December 2009. It expects to maintain reasonably healthy occupancy due to already committed leases.

- South Beach - Planning and design refining for the integrated project is in progress as scheduled. The development has up till 2016 to be completed. The project partners have recently appointed a new Chief Executive Officer and special structural consultants have also been engaged to assist with value engineering with the aim to maximise the value of this asset. The development was previously deferred due to high construction cost with the two Integrated Resorts and other major construction projects in full swing. The project partners are working towards commencing construction by next year, since most of the mega projects are near completion.

**Hotels**

- M&C's RevPAR increased by 3.5% in the first 5 weeks of trading this year, with encouraging signs of stability in key markets like New York (RevPAR increased by 4.3%) and Singapore (RevPAR increased by 18.8%), though RevPAR for London declined by 7.6%

- With the implementation of its profit protection plan in 2009, combined with rigorous cost control, a focus on maximising returns on assets and developing an enviable balance sheet, M&C is well positioned to tackle any challenges and to grasp new opportunities. When the trading environment improves, M&C expects to deliver benefits through its resilient owner-operator business model.

**Commenting today, Mr Kwek Leng Beng, CDL Executive Chairman said:**
"The global economic recovery is better than expected. The Group is of the view that the underlying rationale for the paced recovery is largely due to the swift and co-operative efforts taken by governments globally, working collaboratively to mitigate a global meltdown. For the first time in history, this collective worldwide intervention and the prompt implementation of fiscal measures have helped to mitigate the severity of an economic calamity and enabled economic fundamentals to be stabilised.

The Group remains optimistic that with improved economies, greater positive sentiments should follow, which augurs well for the residential, hospitality and commercial sectors. The Group is expected to remain profitable over the next 12 months."

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*Please refer to CDL's full unaudited financial results announcement for the year ended 31 December 2009 for a detailed review of the Group's performance and prospects.*

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