**News Release**

28 February 2013

## CDL ACHIEVES HIGHEST REVENUE EVER OF $3.4 BILLION FOR FY 2012

- Strong residential sales from property development in Singapore despite challenging conditions
- Additional special ordinary dividend of 5.0 cents proposed, total dividend 13.0 cents

City Developments Limited (CDL) today announced its unaudited financial results for the year ended 31 December 2012 (FY 2012).

**Financial Highlights**

The Group delivered a strong set of results with record revenue for FY 2012 since its inception in 1963:

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| - | Revenue: | Q4 2012: | $ 886.4 million | (+ 22.8%) |
| | | FY 2012: | $ 3.4 billion | (+ 2.2%) |
| - | PATMI*: | Q4 2012 - | $ 249.3 million | (+ 52.8%) |
| | | FY 2012 - | $ 678.3 million[#] | (-15.1%)[#] |

[#]Excluding one-off gains, the Group's PATMI for FY 2012 would have increased by 5.8% compared to FY 2011, on a like-for-like basis. This profit is core earnings from the Group's business activities.

- Unlocking shareholder value on its non-core assets to recycle capital for new opportunities.
- Property development segment continued to be the lead contributor to the Group's earnings, followed by its hotel operations.
- Healthy balance sheet with cash and cash equivalents of $2.2 billion with relatively low gearing ratio at 25.0%. Had the Group factored in fair value gains on investment properties, the net gearing ratio would be reduced further to 18.0%.
- Secured four public land tenders in 2012 -- all the sites acquired are near MRT / LRT stations.
- Interest cover is at 17.4 times (2011: 21.8 times).
- The Board recommends a special ordinary dividend of 5.0 cents per share in addition to the ordinary dividend of 8.0 cents per share. The total dividend proposed for 2012 amounts to 13.0 cents per share.

**Operations Review and Prospects**

**Residential**

- For the year under review, the Group, along with joint venture associates, sold a total of 2,395 units (2011: 1,818 units) including Executive Condos (ECs), registering 58% increase in sales of approximately $2.78 billion (2011: $1.76 billion).

*Profit after tax and minority interests

- The Group's five launches in 2012 all saw strong take-up:
    1. The Rainforest (466-unit EC): Fully sold
    2. Bartley Residences (702-unit condo): Fully sold
    3. UP@Robertson Quay (70-unit mixed development): 75% sold
    4. HAUS@SERANGOON GARDEN (97 terraces): 99% sold
    5. Echelon (508-unit condo): Over 84% sold (launched in Dec 2012)

- No profit was recognised from The Palette, HAUS@SERANGOON GARDEN, UP@Robertson Quay and Echelon, even though these projects have been substantially sold, as their construction is still in early stages. Due to current accounting requirements for ECs, no profit was realised from two fully sold EC projects: The Rainforest and Blossom Residences.

- Other on-going projects for sale continued to sell well. The Group currently has limited inventory stock.

- Another three projects will be launched in 1H 2013, subject to market conditions. They include D'Nest, a 912-unit condominium at Pasir Ris Grove, Bartley Ridge, a 868-unit condominium located along Bartley Road / Mount Vernon Road, a 616-unit condominium at Buangkok Drive / Sengkang Central. These sites are all located within short walking distance to Pasir Ris, Bartley and Buangkok MRT stations respectively.

**Commercial**

- For FY 2012, the Group's office portfolio continues to enjoy healthy occupancy of 94.5%, as compared to the national average of 90.6%. Its rental properties segment is expected to remain stable.

- South Beach – Construction is on track for completion in 2015 as planned. Its 190-unit ultra-luxurious South Beach Residences will comprise two, three and four-bedroom apartments and penthouses. Its 654-room South Beach Hotel and South Beach Club will feature revolutionary design concepts inspired by renowned creative designer Philippe Starck.

- Quayside Isle (QI) – The Group's latest retail and F&B development at Sentosa Cove, with over 40,000 sq ft of space, was completed in end Q4 2012. To date, about 80% of QI has been leased.

**Hotels**

- The Group's hotel subsidiary, Millennium & Copthorne Hotels plc (M&C), registered PATMI of £45.9 million in Q4 2012 (Q4 2011: £40.4 million) and £135.0 million for FY 2012 (2011: £160.9 million), in spite of more challenging conditions.

- On a like-for-like, constant currency basis, M&C achieved good operating profit margins with revenue up 1.1% to £762.0 million (2011: £753.8 million).

- M&C's global RevPAR (in constant currency terms) grew 3.4% to £67.32 (2011: £65.11) due to higher average room rates.

- M&C strengthened its financial position, with strong cash flow from operating activities leading to a zero gearing. It also reversed its net debt of £100.2 million at 31 December 2011 to a net cash position of £52.2 million at 31 December 2012.

- In 2013, M&C will focus on improving return on investment from its existing asset portfolio by continuing to invest in its asset management and refurbishment plan to enhance trading performance in its gateway city properties. This is further supported by improvements to its customer offering and a refreshed global sales and brand strategy designed to improve both revenues and return on assets.

- Although hotel trading is expected to become increasingly competitive, M&C is in a good position to withstand the pressure due to its owner/operator business model, along with its strong balance sheet and global spread of assets. M&C will continue to monitor acquisition opportunities.

**Overseas Expansion**

- CDL China Limited, the Group's wholly-owned subsidiary, has received planning approval for its Eling Hill luxury residential development in Chongqing and its mixed-use development next to Jinji Lake in Suzhou. Construction is expected to begin in mid-2013 for these two sites. The launch of these projects will be timed appropriately when the China property market improves.

- First Sponsor Capital Limited (FSCL), M&C's associate has been making good progress with its developments in China.

- In 2012, the Group acquired indirect interests in Thailand properties, namely Jungceylon Shopping Mall – the largest shopping complex on Phuket Island, Millennium Resort Patong Phuket Hotel and a retail development known as Mille Malle.

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

"2013 remains unpredictable on the global economic front. The Group has already established some growth platforms and will build upon them. We will focus on deriving more earnings from overseas growth engines.

Besides residential property development in Singapore and overseas, hotel operations is a key contributor for the Group, particularly with M&C's over 100 global hotels in key gateway cities and its hospitality REIT platform. For our China expansion, we have two vehicles namely FSCL (M&C's associate) which has established a good track record in China and upcoming projects via our wholly-owned CDL China Limited. We have also investment properties in Singapore and the region.

We will study and strategise other new platforms and growth opportunities that will provide the Group with a balanced and diversified portfolio both domestically and internationally, for sustainable growth."

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Please refer to CDL's full unaudited financial results announcement for the fourth quarter and full year ended 31 December 2012 for a detailed review of the Group's performance and prospects.

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