Multi - local strategy bearing fruits

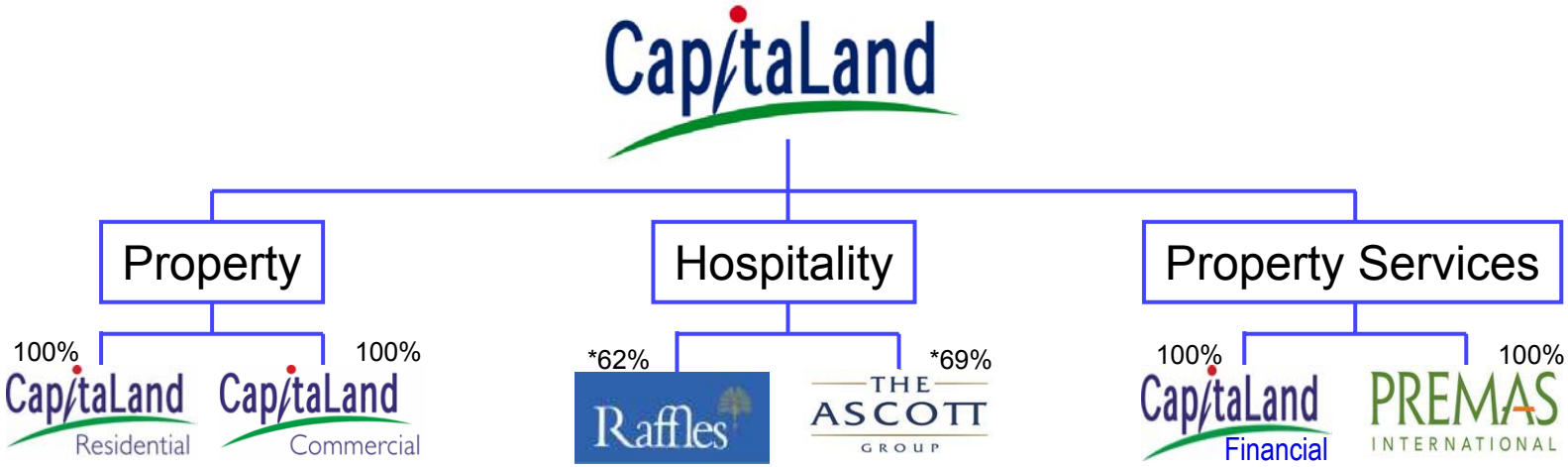
Investor Relations Meetings – September/October 2003



Disclaimer

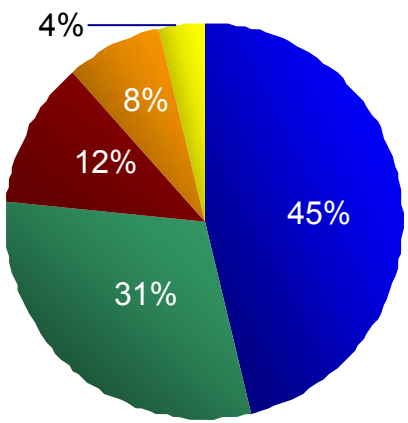
This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples 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 companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.

CapitaLand Group Structure

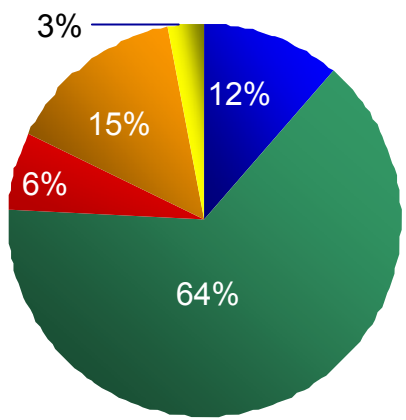


*Listed on SGX

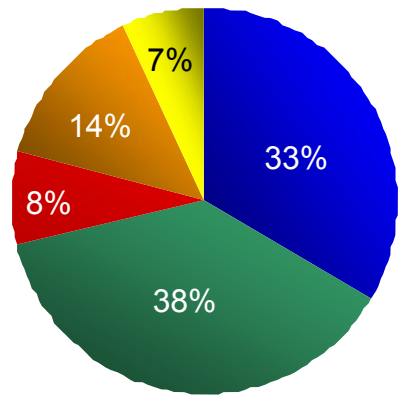
1H03 Assets: S$16.7b



1H03 Revenue: S$1.6b



1H03 EBIT: S$341m



Commercial Residential Ascott Raffles Premas & Others

Diversified Geographical Reach

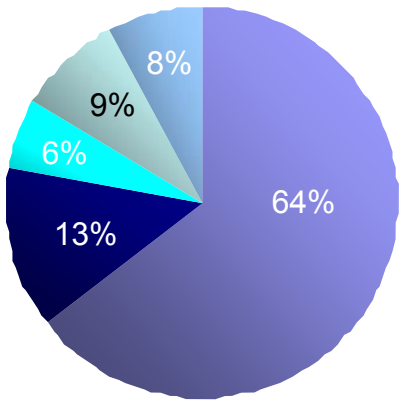
Key Gateway Cities:

- ★ Singapore
- ○ Shanghai
- ○ Sydney
- ○ Tokyo
- ○ London
- ○ Hong Kong

Hospitality Presence:

Singapore	Surabaya	KL	Lima	Lyon	Basel
Sydney	London	Kuching	Quito	Fernay	Genève
Hobart	Manchester	Bangkok	Gocek	Strasbourg	Zurich
Melbourne	Glasgow	Manila	Bursa	Gaillard	Marseille
Auckland	Ho Chi Minh	Mallorca	Izmir	Montpellier	Phuket
Shanghai	Hanoi	Barcelona	Istanbul	Bordeaux	
Beijing	Phnom Penh	Tokyo	Brussels	Toulouse	
Dalian	Siem Reap	Osaka	Amsterdam	Cannes	
Tianjin	Hamburg	Los Angeles	Paris	Aix-en-Provence	
Jakarta	Dusseldorf	Atlanta	Grenoble	Washington	
Bintan	Frankfurt	Chicago	Lille	Le Montreux	
Bali	Berlin	New York	Nice	Canouan Island	

1H03 Assets: S$16.7b



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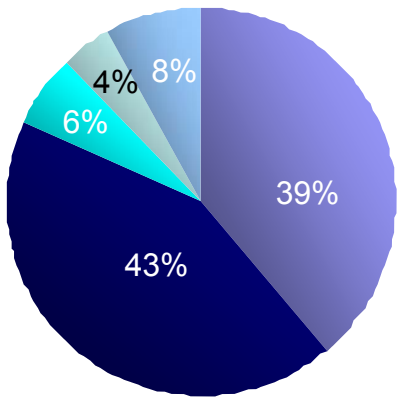
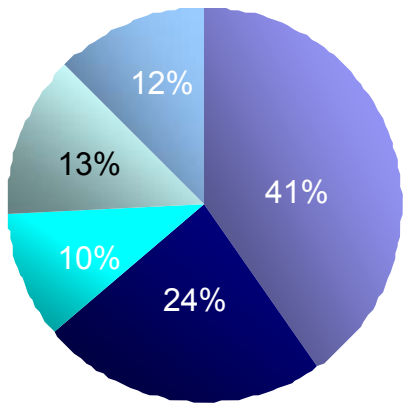


1H03 EBIT: S$341m



Singapore Australia & NZ China Others Europe

Key Statistics

Total Assets: S$16.7 billion

Issued Shares: 2.5 billion

Shareholder Funds: S$6.0 billion

NTA: S$2.37 per share

Market Capitalization: S$3.4 billion (Share price of S$1.37 as at 12/9/03)

Free float: ≈ 40%

	Revenue:	EBIT:	PATMI:
FY2002:	S$3.3 billion	S$767 million	S$290 million
1H03:	S$1.6 billion	S$341 million	S$112 million

Index Representation:

- MSCI Singapore Free Index (1.38%)
- MSCI Asia ex Japan Index (0.14%)
- Singapore Property Index (21.68%)
- Straits Times Index (1.16%)

Summary of 1H03 Results

S$ million	1H 2002	1H 2003	Change
REVENUE	1,491.6	1,617.5	↑ 8.4%
EBIT	335.9	341.1	↑ 1.5%
Finance Costs	(145.7)	(121.0)	↓ 16.9%
PBT	190.2	220.0	↑ 15.7%
Tax	(48.3)	(66.6)	↑ 38.0%
MI	(43.4)	(41.2)	↓ 5.1%
PATMI	98.6	112.3	↑ 13.9%

CapitaLand

Current Year Highlights

China: Strong response to residential sales

Pursue Accretive Growth: *Launched S$500m CapitaRetail Fund*
CMT acquired IMM Mall
Raffles & Ascott won new fee-based mgt contracts

Regional Expansion: *CapitaLand JV with TCC Land in Thailand*
PREMAS JV with Siam Commercial Bank in Thailand

Unlocked Value: Sold Browns Hotel at 36X EBITDA for S$42.1m gain

Announced stapling proposal: *Australand proposed stapling units of 2 Wholesale Property Trusts to its shares*

Active Asset Management: Refurbish and reposition Plaza Singapura for higher yield.

CapitaLand

Market Outlook

Residential

- **Singapore**: Stable prices; CPF cuts lower-than expected & likely to have minimal impact on our market segment
- **China**: Growing demand with better affordability. Stringent loan and regulatory requirements good for the industry
- **Australia**: Demand remains stable

Office

- **Singapore**: Office market fundamentals likely to stabilise in 2004 in tandem with economic recovery
- **Hong Kong**: Improving economic outlook likely to fuel office market recovery

Retail

- **Singapore**: Suburban malls remain strong

Strategy & Execution

Singapore - Increase Fee Income

CapitaMall Trust continues to outperform forecast

- 1H03 distribution of 3.62¢ per unit (7.51¢ annualized) exceeded revised forecast by 4.3%
- Mkt cap increased 36% YTD to S$1.1b vs NAV of S$0.9b; trading at a 19% premium
- Capital growth of > 20% since IPO

Expansion of CMT's portfolio through the acquisition of IMM

- Increases asset under management to S$1.2 billion
- Enhances diversification
- Increases forecast distribution per unit from 6.96¢ to 8.04¢ for 2003









Singapore - Increase Fee Income

S$500m CapitaRetail Fund holds

- Lot 1 Shoppers' Mall
- Bukit Panjang Plaza
- Rivervale Mall

CapitaLand's objectives

- Increase fee-based income
- Increase assets under management without burdening the balance sheet
- Create an "incubator" and provide deal flow pipeline for CMT
- Embrace capital partners who wish to invest with professional manager
- Leverage on CapitaLand's core capabilities in real estate capital management and retail management









Increase Fee Income



CapitaLand China Residential Fund

Size: US$100m

Sector: Mid to high-mid residential

Cities: Mainly Shanghai & Beijing

Status: To be launched



Japan Retail Fund

Size: US$200 – 300m

Sector: Completed retail properties

Cities: Key cities in Japan

Status: To be launched

Singapore - Increase Asset Yields

Repositioning Plaza Singapura

- Optimised tenant mix by bringing in major retailers: Carrefour and Marks & Spencer
- Refurbishment underway and expected completion in 4Q03
- Expect yield to improve significantly





New Clarke Quay – Iconic Development in S.E. Asia

- Singapore's premier F&B and entertainment precinct
- Unique design by a world renowned architect, Alsop
- NLA: Increase by 12% to 270,000 ft^2
- Target yield: >6 %
- Completion: End 2005





Singapore - Increase Asset Turnover









	The Imperial	The Botanic on Lloyd	Tanglin Residences
Total Number of Units	187	66	48
Units Launched	187	NA	NA
Percentage sold*	66%	NA	NA
Expected Launch Date	Launched in Aug 2003	4Q03	4Q03

*Based on options signed as at 15 Sep 03.

China - Increase Asset Yields

Upcoming commercial developments:

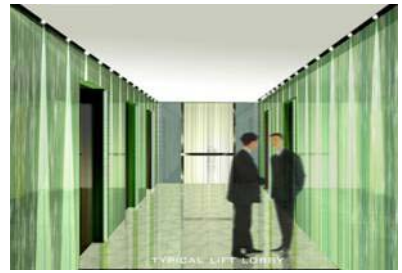
- Soft-open Raffles City Shanghai by 4Q03
- Commence development of Plot 9-1 at Luwan



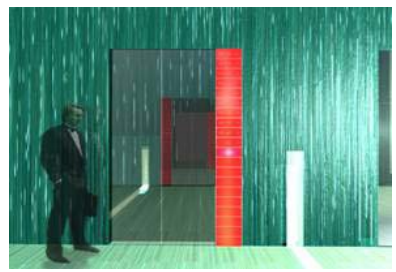
Raffles City Shanghai



Plot 9-1 at Luwan







China - Increase Asset Turnover









	Summit Residences	La Cité	Oasis Riviera
Total Number of Units	905	724	2,000
Units Launched	796	439	170
Percentage sold*	85%	88%	92%
Expected Launch Date	Balance 109 units by year-end	Another 80 units by year-end	Another 406 units by year-end

*Based on options signed as at 15 Sep 03.

Pursue Accretive Growth

Stapling Australand shares to 2 Wholesale Property Trusts

- Enhances diversification and quality of income
- Increases market capitalization and free float
- Potential for market re-rating



Building C Alfred Street, NSW



658 Church Street, Victoria



Stradbroke Street, Queensland

Pursue Accretive Growth

The Ascott extended presence in Thailand, Australia, Malaysia, China

Equity	Units	Property
Nil	152	Somerset Suwan Park View, Bangkok
	127	Somerset Botanic Gardens, Melbourne
	106	Somerset Harbour Court, Dalian
	100	Luxury Serviced Residence, Beijing
50%	96	Somerset Bukit Ceylon, Kuala Lumpur
Total	**581**	



Somerset Harbour Court, Dalian



Somerset Botanic Gardens, Melbourne



Somerset Suwan Park View, Bangkok



Somerset Bukit Ceylon, Kuala Lumpur

Ascott's Strategy

The Ascott Group

- Consolidate and integrate Citadines acquisition
- Build on market leadership
  - Focus on operational excellence, customer base and brands
- Asset-light fee income growth

Number of Cities:	Number of Properties:	Number of Serviced Apartments:
38	>110	>13,500

Pursue Accretive Growth

Raffles extended presence in Japan, Thailand & The Caribbean

Equity	Rooms	Property
Nil	548	Swissôtel Osaka Nankai
	338	Nai Lert Park, Bangkok
	156	Raffles Resort Canouan Island, The Grenadines
20%	79-room & 30-villa	Raffles Resort Phuket
Total	**1,151**	



Swissôtel Osaka Nankai



Raffles Resort Canouan Island, The Grenadines



Nai Lert Park, Bangkok

Raffles' Strategy

Raffles Holdings

- Key focus:
  - To manage costs
  - Improve efficiency
  - Pursue top-line initiatives
- Pursue accretive growth through mix of:
  - Management contracts
  - Leases
  - Equity participation
- Divest underperforming assets to improve returns

Number of Cities:	Number of Hotels:	Number of Rooms:
34	39	12,600

Strong Corporate Governance

Independent board and well represented

- Non-executive Chairman of the board
- Only CEO part of 11 member board

Type	Number
Executive Director	1
Non-executive Directors	10*
Total	11

*Includes 3 non-Singaporeans

High disclosure standards:

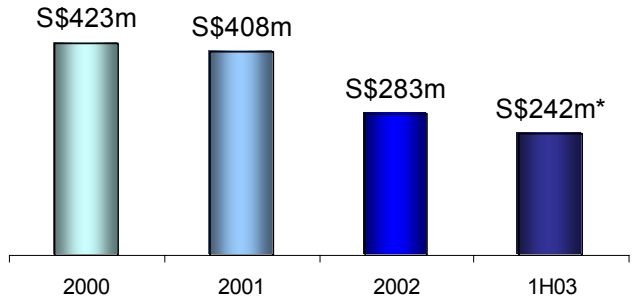
- *Ranked 1st in Singapore and 3rd in Asia (real estate sector) for corporate governance by Asiamoney in 2003*
- First property company in Singapore to webcast financial results briefing
- *Recipient of Most Transparent Company Award (Property) from the Securities Investors Association Singapore for 3 consecutive years (2001-2003)*
- Won Commendation Award in the 2002 Singapore Annual Report Competition
- *Ranked top 10 in S'pore by FinanceAsia.com in 2003 for:*
  - Best Managed Company
  - Best Investor Relations
  - Most Committed to Shareholder Value
  - Best Corporate Governance
  - Best Financial Management

CapitaLand

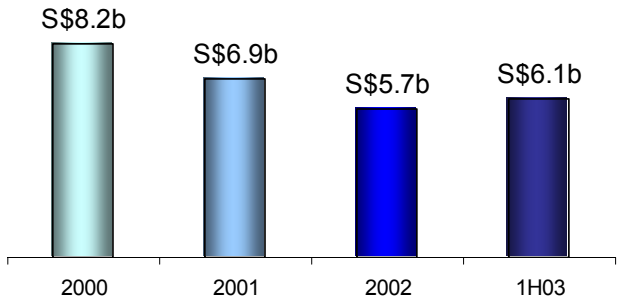
Balance Sheet Highlights

Strengthened Balance Sheet

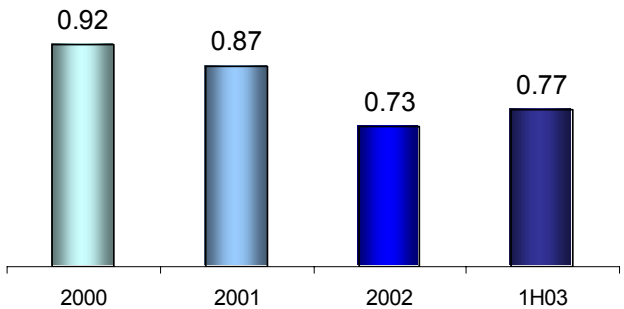
Finance Costs



Net Debt



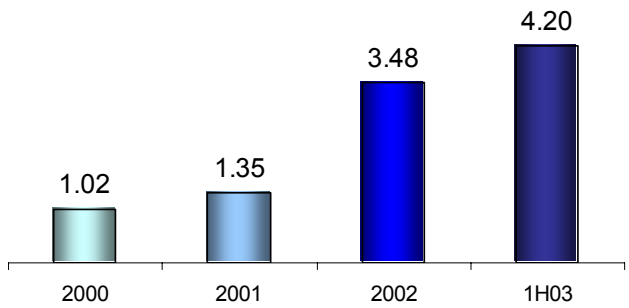
Gearing



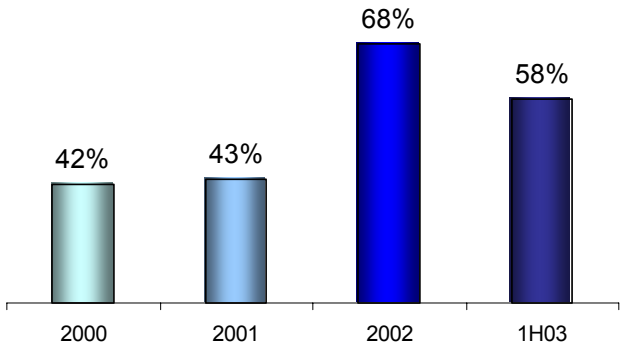
*Annualised

Improved Loan Profile

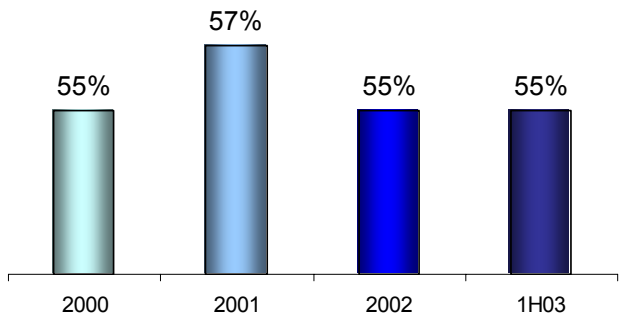
Interest Cover Ratio



% of fixed rate loans



% of capital market loans



CapitaLand

Lowered Interest Costs

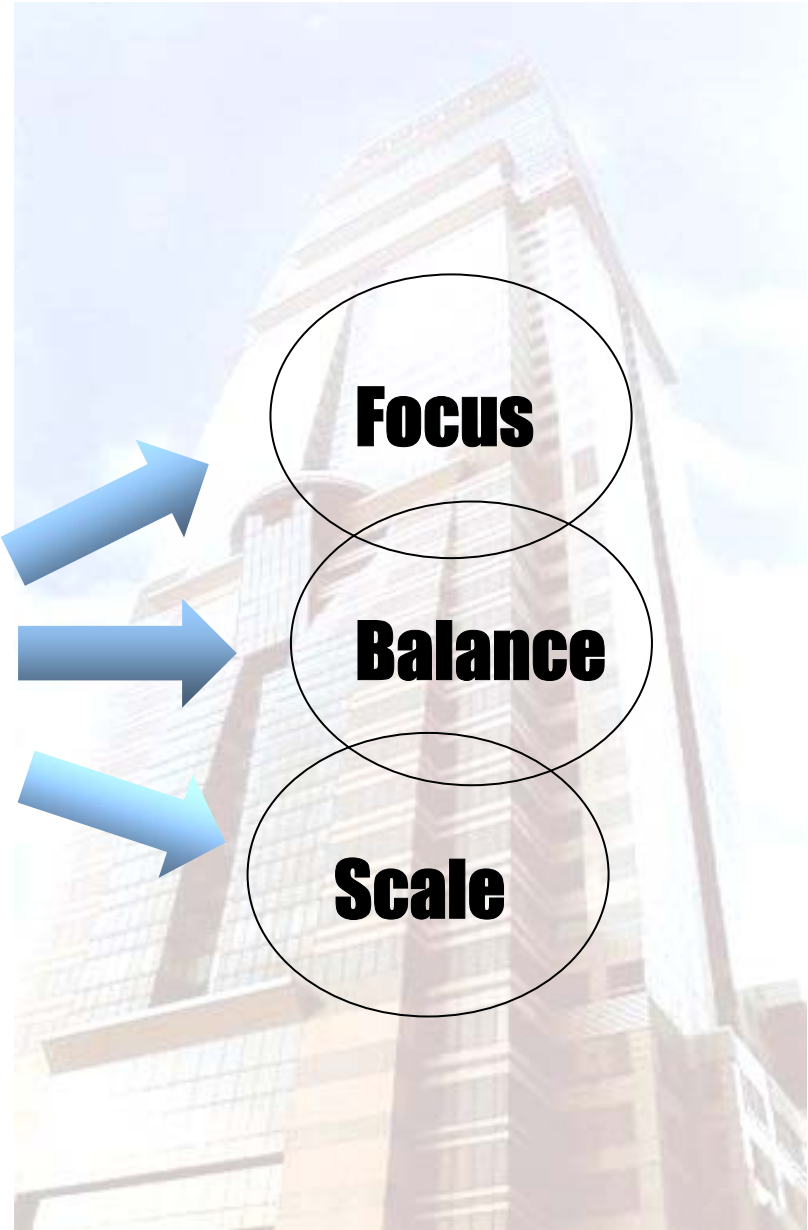
Refinanced 6 Battery Road, Robinson Point and 268 Orchard Road

- Refinanced S$800m loans
  - 12% of total debt
- Annualized interest savings of S$16m
  - Original rate of 6%
  - Refinanced at < 4%
- Released secured assets
- Strengthens balance sheet



Dividends

- Increased dividends from 3 to 5 cents per share in 2002
- Has approximately S$170m Section 44 credit available for franking dividends.
- To endeavor to utilize fully the Section 44 credit, subject to availability of retained earnings and cashflow requirements, before the expiry of the 5-year transition period given under the new one-tier corporate tax system

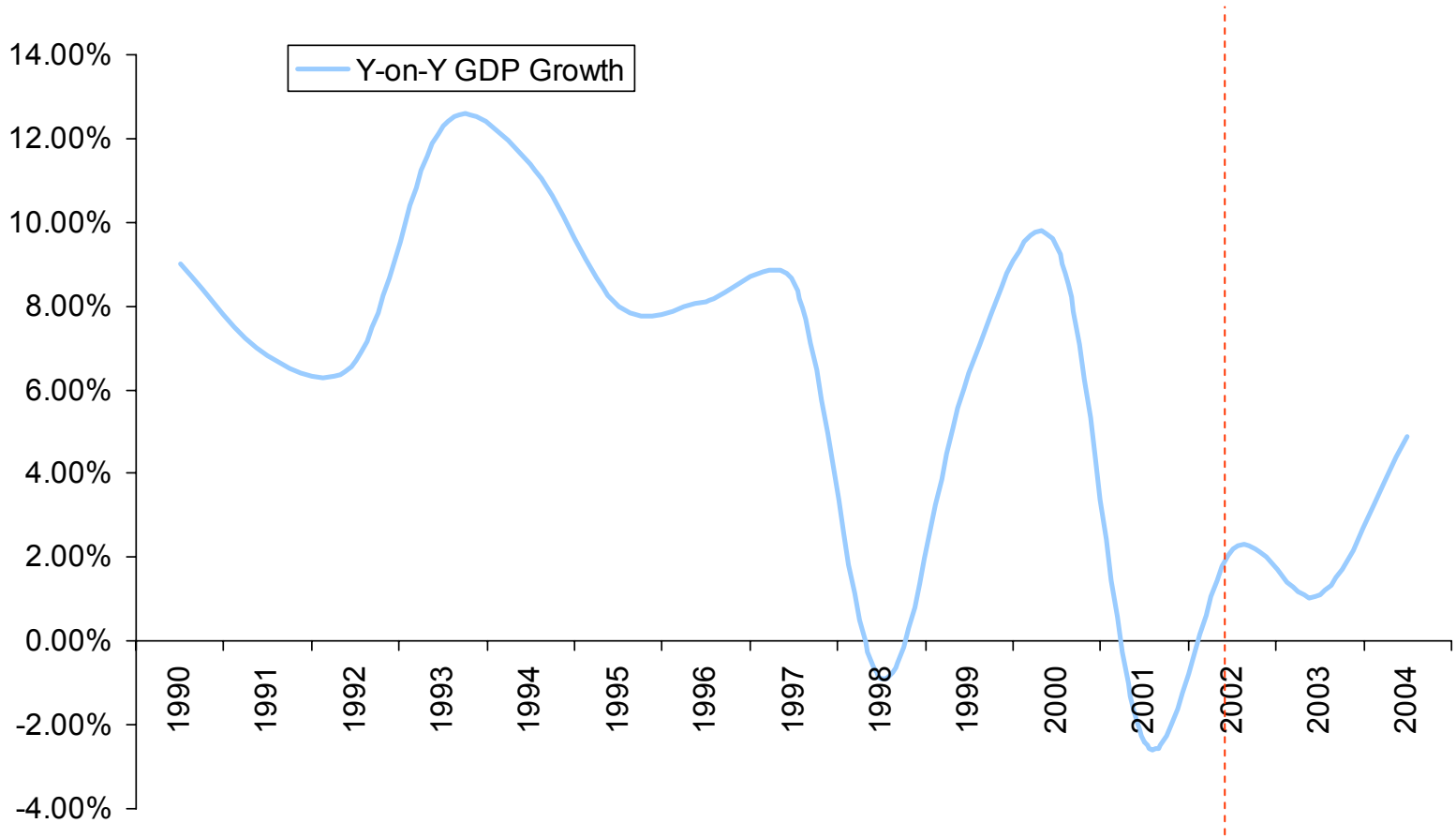

Focus
Balance
Scale

Thank You

Supporting Slides

Outlook - Singapore

Poised for Growth - Singapore Economy



Source: EIU, Department of Statistics, Singapore

Bottoming Out - Singapore Market Outlook

Anticipating recovery…

Private Residential Market

Mass market, Volume-Led Recovery

Outlook:

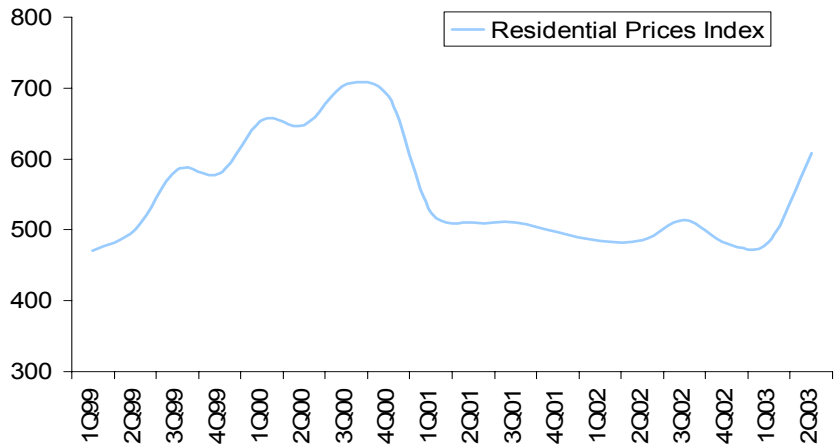
- Still affordable
- Possible recovery by End 2003

Office Market

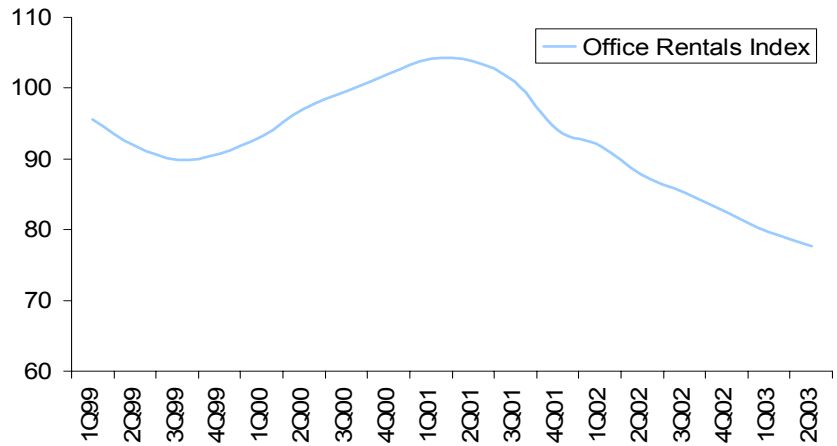
Subdued Rentals

Outlook:

- Tentative improvements in global economic outlook and domestic business sentiments
- Continued weakness in occupancy rate and rents in 2H03
- Possible recovery by 1H04



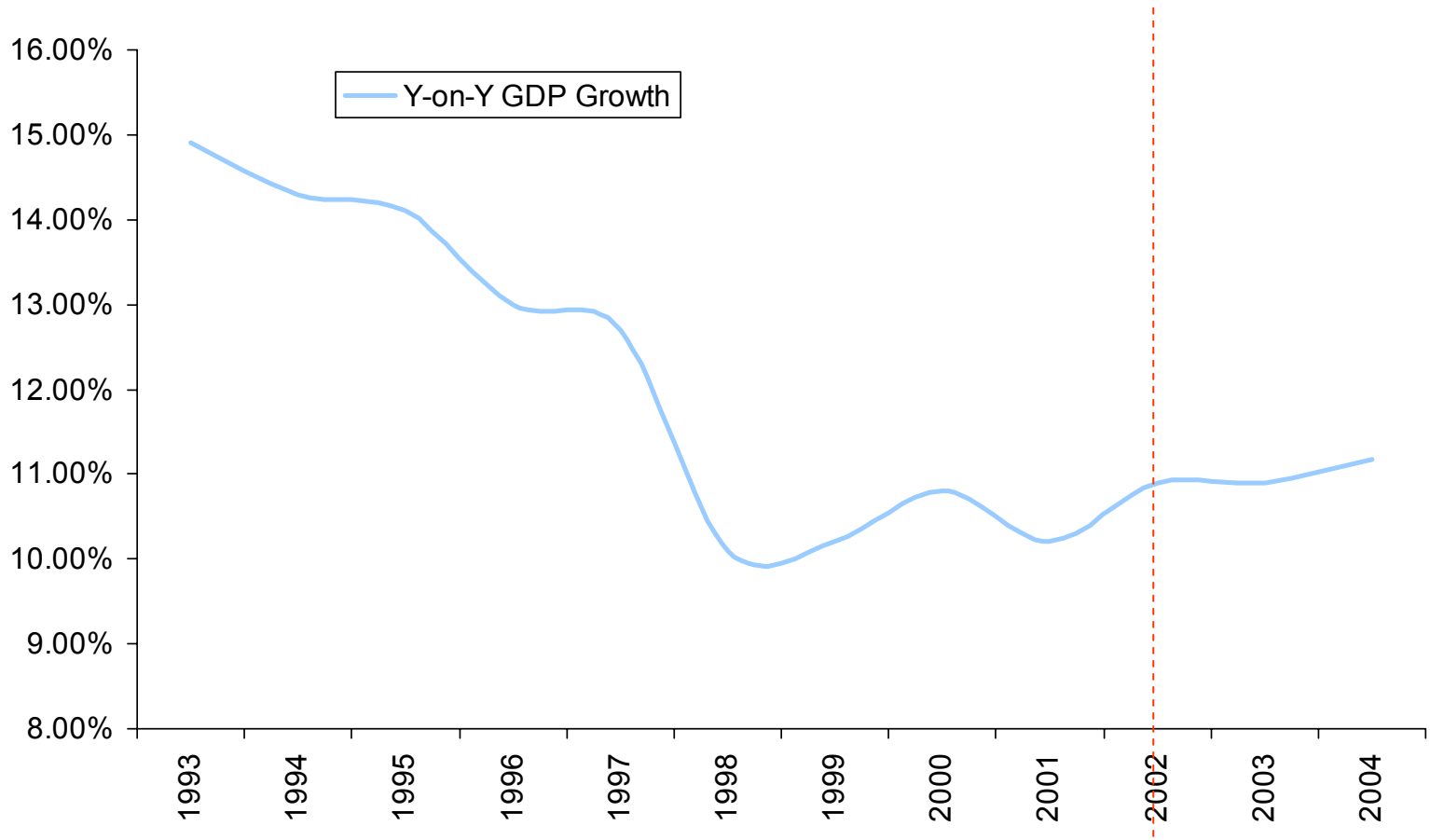
Source: Singapore Institute of Surveyors And Valuers



Source: Urban Redevelopment Authority, Singapore

Outlook - Shanghai

From Strength to Strength - Shanghai Economy



Source: Shanghai Statistical Bureau, EIU & CapitaLand Research

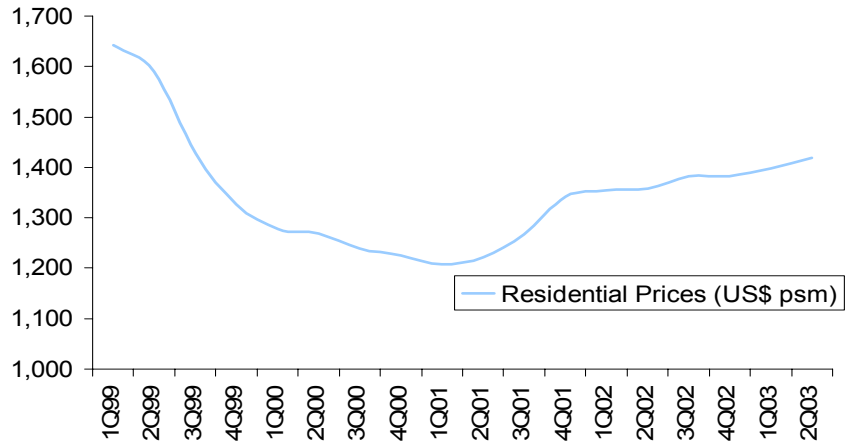
Shanghai Market Outlook

Private Residential Market

Demand continues to be strong

Outlook:

- No price bubble in the mid to high-mid segment
- Tightening of real estate borrowing strengthen the market fundamentals

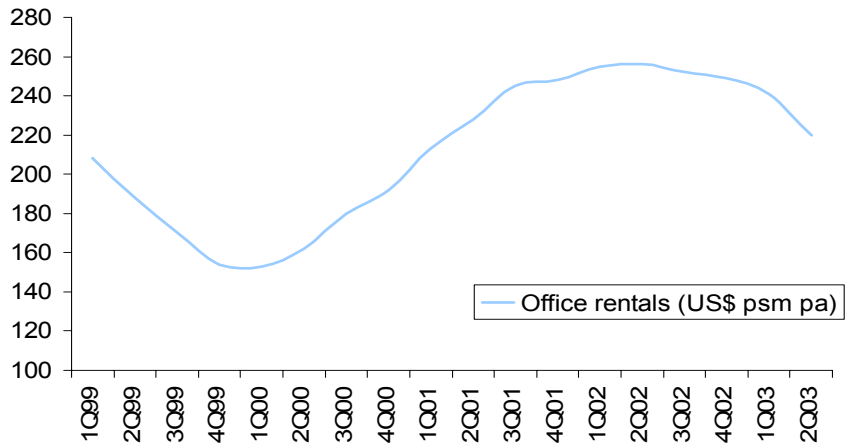


Office Market

Location key to asset performance

Outlook:

- Rental to improve in 2H03
- Strong demand from both MNCs and local enterprises
- Occupancy to remain healthy



Source: JLL & CapitaLand Research

Fundamentals remain sound

CapitaLand operates mainly in Shanghai's mid to high-mid segment of the market where prices are from RMB 7,000 to RMB 14,000 psm.

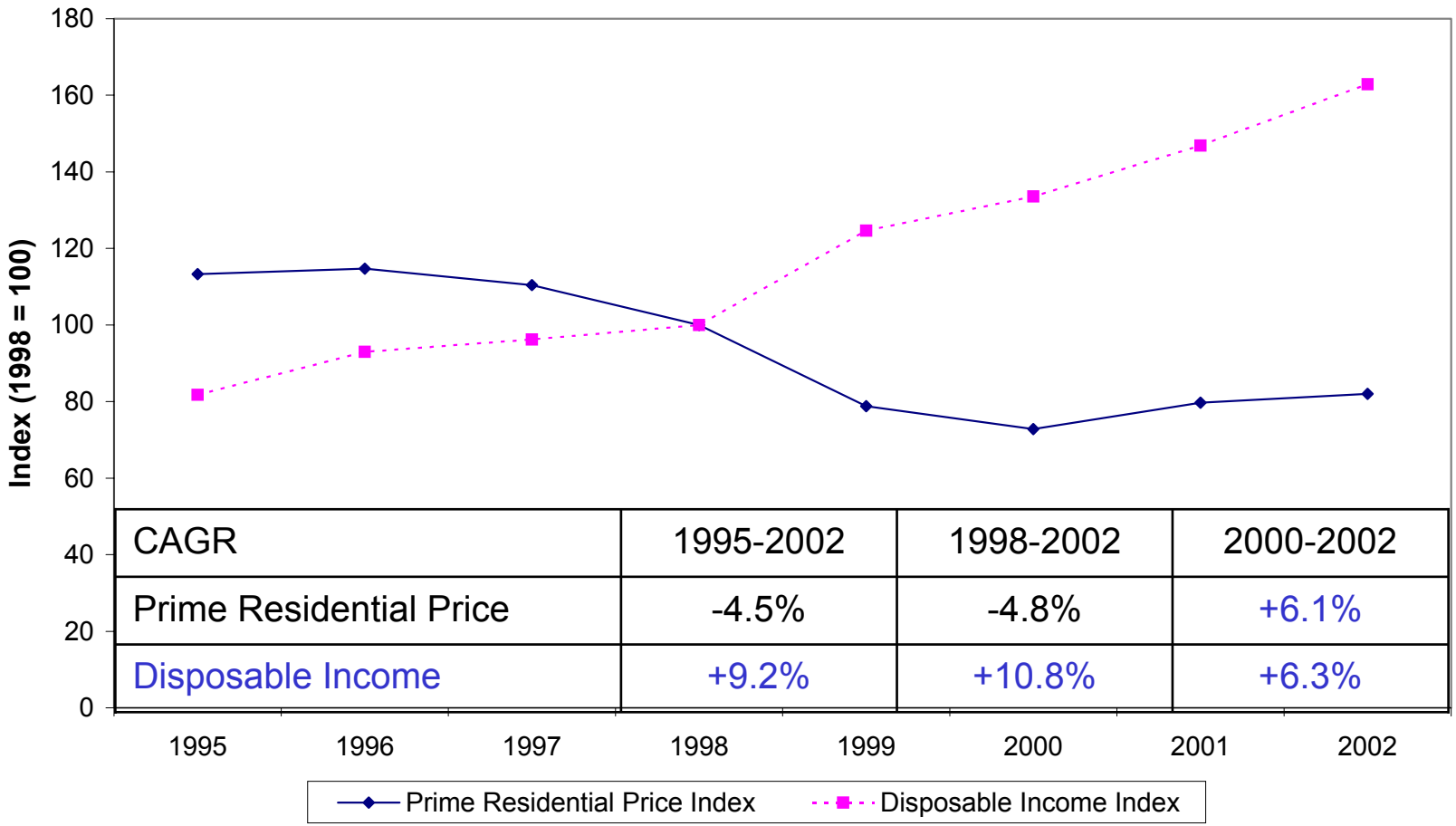
The fundamentals of Shanghai residential market remains sound:

- House prices remain affordable
  - Despite recent increases, house prices are still about 29% lower from 2Q96 peak.
  - For 2000-2002, for our segment of the market, disposable income increased by approximately 6.3%, better than the 6.1% increase in prices.

- Limited supply and strong potential demand
  - According to Jones Lang Lasalle research, *potential supply in our segment* in Shanghai is approximately 5,000 per annum in 2003-2005.
  - Based on our internal research, there are some 300,000 households that can afford units in this segment.
  - The current stock is only 50,000 units so demand could potentially be as much as 300,000 or roughly 60 years of the current estimated annual supply of such units.

No “Price Bubble”

Shanghai Prime Residential Price Index vs Disposable Income Index



CAGR	1995-2002	1998-2002	2000-2002
Prime Residential Price	-4.5%	-4.8%	+6.1%
Disposable Income	+9.2%	+10.8%	+6.3%

Source: JLL, Shanghai Statistical Yearbook & CapitaLand Research

Mid to High-Mid Residential Market Segment (RMB7,000 – 14,000 psm)

House Price (RMB psm)	7,000	10,000	14,000
House Price (RMB) – assuming 100 sqm unit	700,000	1,000,000	1,400,000
Mortgage Loan (RMB) – assuming 70% of house price *	490,000	700,000	980,000
Monthly Mortgage Repayment (RMB) – assuming 20 yrs loan term @ 5.04% p.a.	3,245	4,635	6,489
Threshold Annual Household Income (RMB) – assuming repayment-to-income ratio of 40%	97,350	139,050	194,670
If repayment-to-income ratio = 50%, Threshold Annual Household Income (RMB)	77,880	111,240	155,736

Note:

* In China, homebuyers are able to take up CPF housing loan up to RMB180,000 at a lower than market interest rate of 4.04% p.a. This would have reduced their monthly mortgage repayment.

** Though maximum permissible loan term is 30 years, to be on the conservative side, the computation adopted 20 years (which is the most popular loan term undertaken by homebuyers of CapitaLand China's properties)

Source: CapitaLand Research

Question: How many households in Shanghai are earning RMB75,000 – 190,000 pa?

CapitaLand

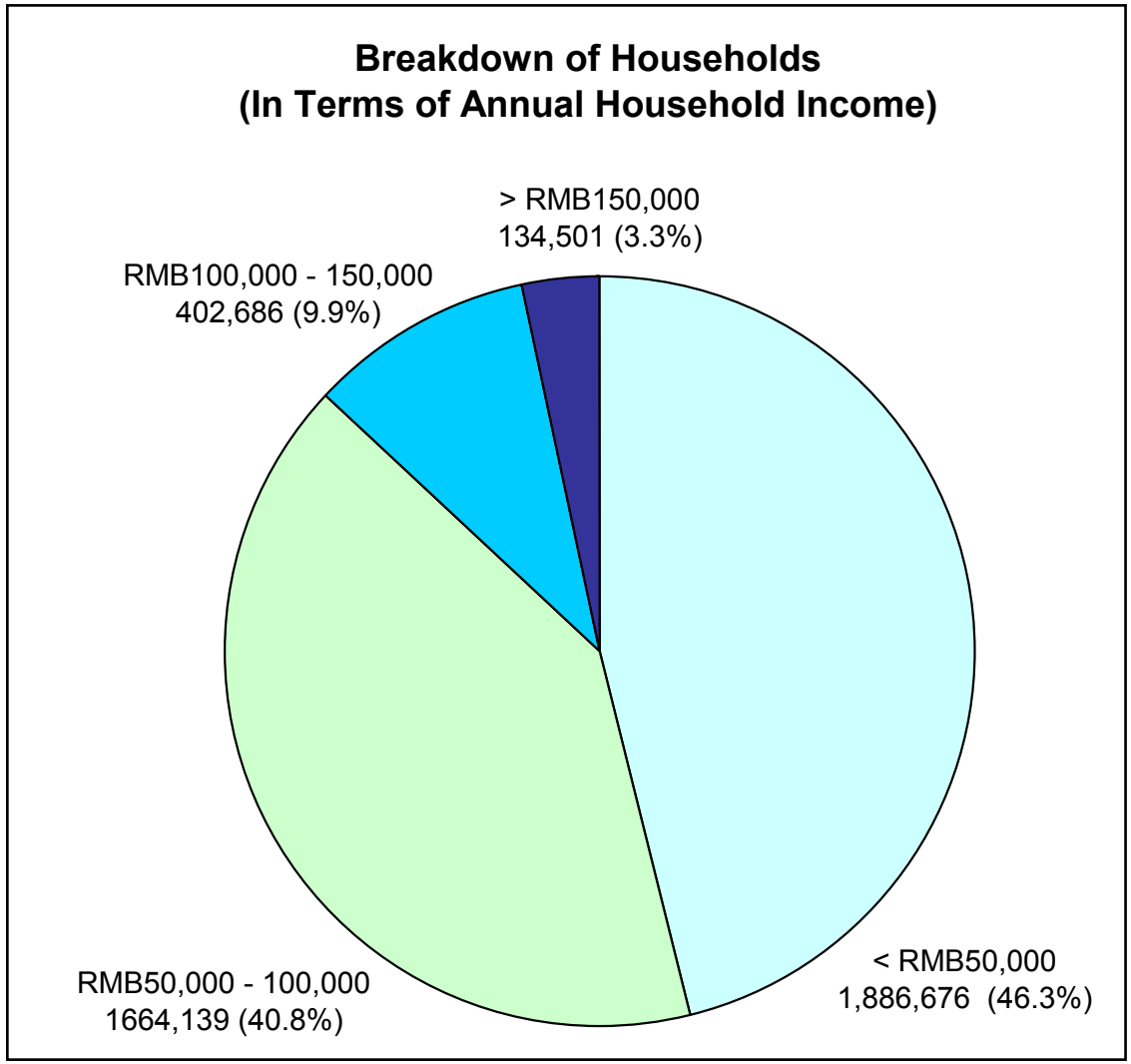
Scenario 1
200,000 Households Earned >RMB75,000 pa

Breakdown of Urban Household Disposable Income Group

	Number of Households	% of Total Households
< RMB15,000	38,542	0.8
RMB15,000 – 30,000	1,416,404	29.4
RMB30,000 – 45,000	2,033,069	42.2
RMB45,000 – 60,000	799,738	16.6
RMB60,000 – 75,000	327,604	6.8
RMB75,000 – 90,000	125,260	2.6
RMB90,000 – 105,000	19,271	0.4
>RMB105,000	57,812	1.2
Total	4,817,700	100

Source: Shanghai Statistical Yearbook & CapitaLand Research

Scenario 2: Estimated From Survey Findings, ≈ 500,000 Households Earned >RMB100,000 pa.



Source: Sinorealty Shanghai Property Consultancy & Shanghai Statistical Yearbook

The % breakdown of households is based on a survey on 1,636 Shanghai households which earned more than RMB24,000 pa and had bought residential units within last two years

Thus, applying the survey findings to the total number of households (earned more than RMB24,000pa), the number of households earning at least RMB100,000pa

≈ 500,000

Executive Summary - Domestic Demand is Sustainable

Methodology	SCENARIO 1 HOUSEHOLD INCOME STATISTICS	SCENARIO 2 SURVEY ON HOME PURCHASERS
Source of Information	**Shanghai Municipal Statistical Bureau**	**Sinorealty Shanghai Property Consultancy ***
Potential Demand **	**200,000**	**500,000**
Current Stock	**50,000**	
Net Potential Demand	**150,000**	**450,000**
Forecast Future Supply Per Annum ***	**≈ 5,000**	
Ratio of Demand over Annual Supply	**30**	**90**

* A private consultancy firm that received their monthly statistics from the Shanghai Real Estate Trading Centre

** Number of households which can afford mid- to high-mid residential properties (RMB7,000-14,000 pa)

*** Based on Jones Lang Lasalle's forecast supply for 2003 - 2005

Source: Shanghai Statistical Yearbook & CapitaLand Research

Thus, potential housing demand in Shanghai is estimated at about 300,000 units.

Based on the projected future supply, this potential demand could be sustained for another 60 years.

New PBOC Regulations Benefits CapitaLand

Changes in Regulations

- Developers: Stricter real estate loan conditions and terms
- Homebuyers: Limited access to personal housing loans for speculative purposes

Impact of Changes

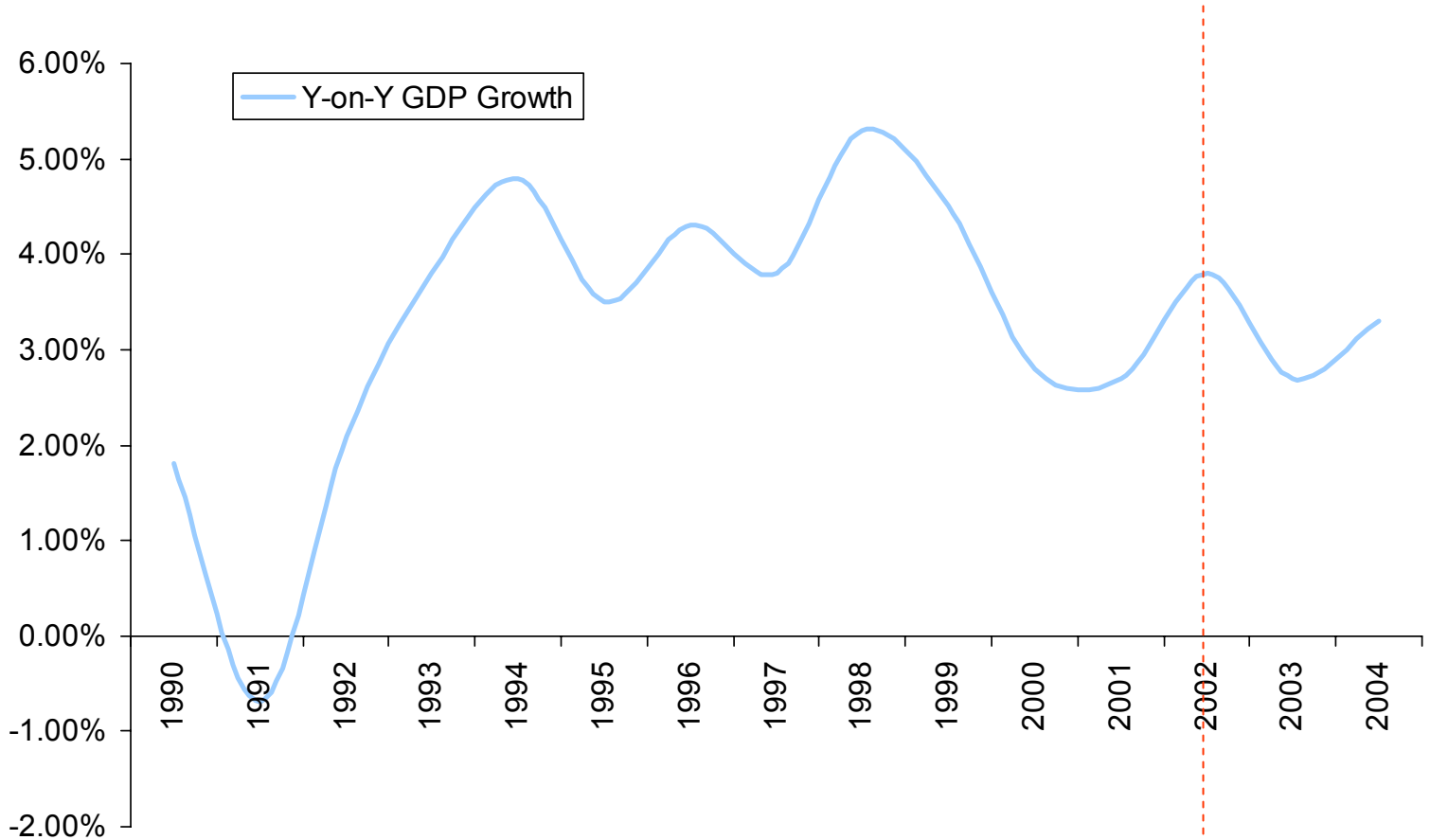
- Decrease in loans: Less real estate speculators and a more sustainable market
- Decrease in housing supply: Reduced number of developers as smaller developers will have difficulties getting loans

Impact on CapitaLand

- Tighter real estate lending favours financially sound companies like CapitaLand, which should benefit from reduced competition.

Outlook – Sydney & Melbourne

Best OECD Performer - Australia Economy



Source: Australia Bureau of Statistics, EIU & CapitaLand Research

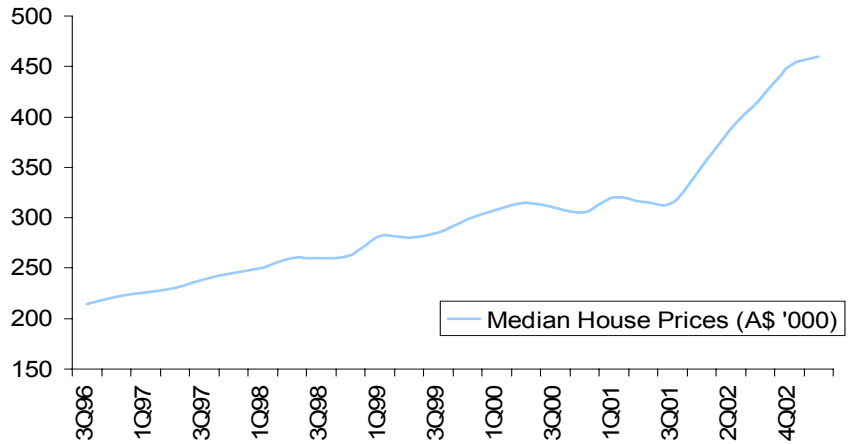
Australian Market Outlook

Sydney Residential Market

Stable prices

Outlook:

- Overall demand continues to be high in the short to medium term
- Housing remains affordable
- Limited supply of niche projects in preferred localities

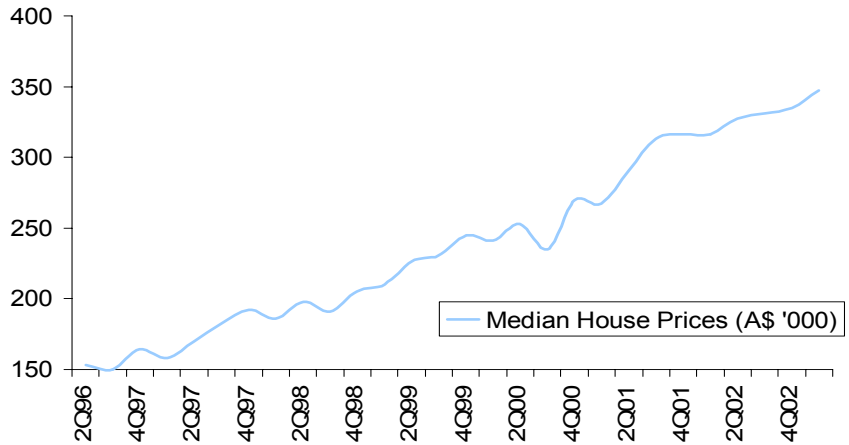


Melbourne Residential Market

Prices remain firm

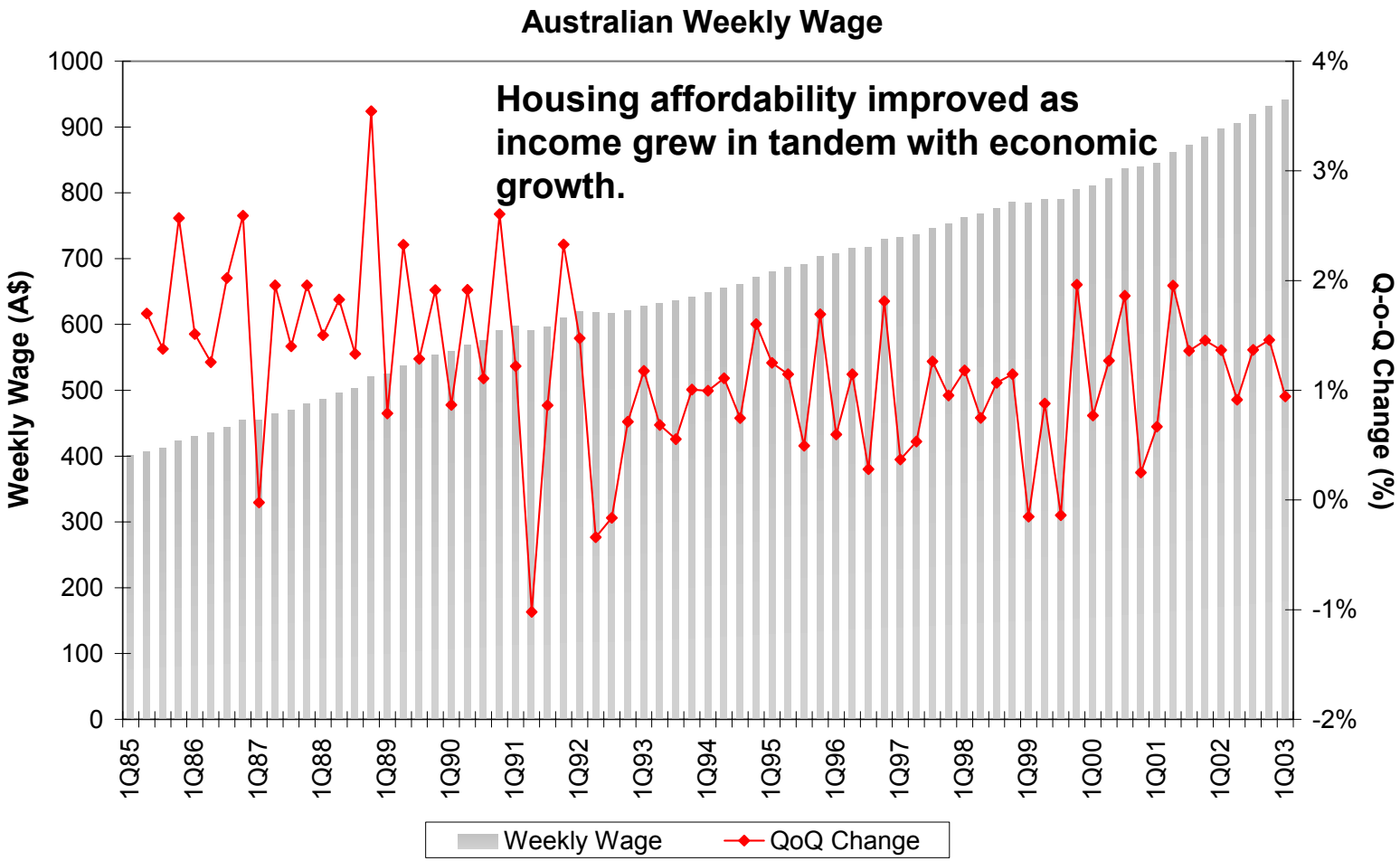
Outlook:

- Improving economic fundamentals support housing demand
- Healthier employment market
- Improving market sentiment



Source: Real Estate Institute of Australia & CapitaLand Research

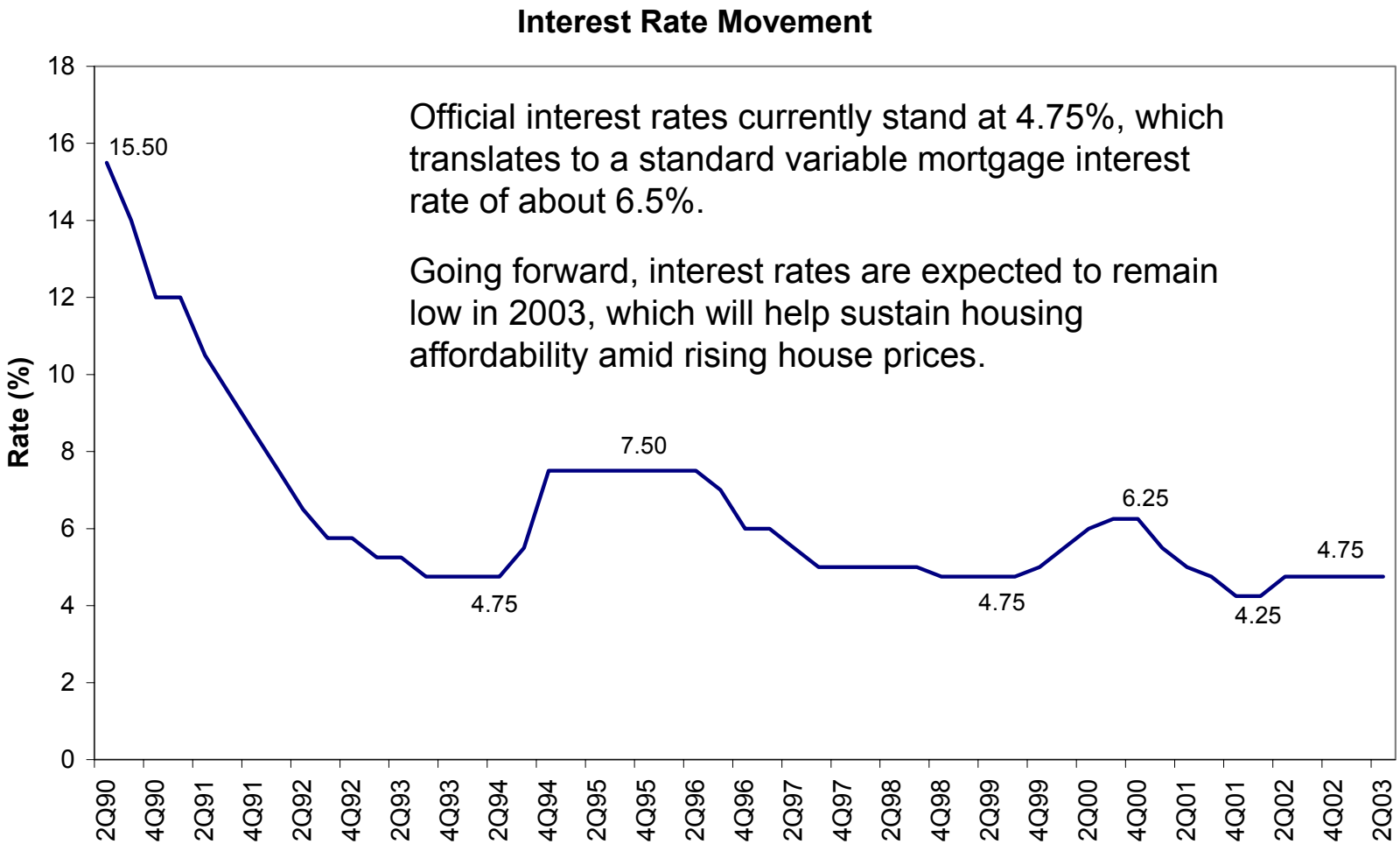
Stable Income



Source: Australian Bureau of Statistics & CapitaLand Research

Since 1990s, income stability increased the homebuyers ability and confidence in taking up long-term financial commitment.

Low Interest Rate Environment



Source: Reserve Bank of Australia & CapitaLand Research

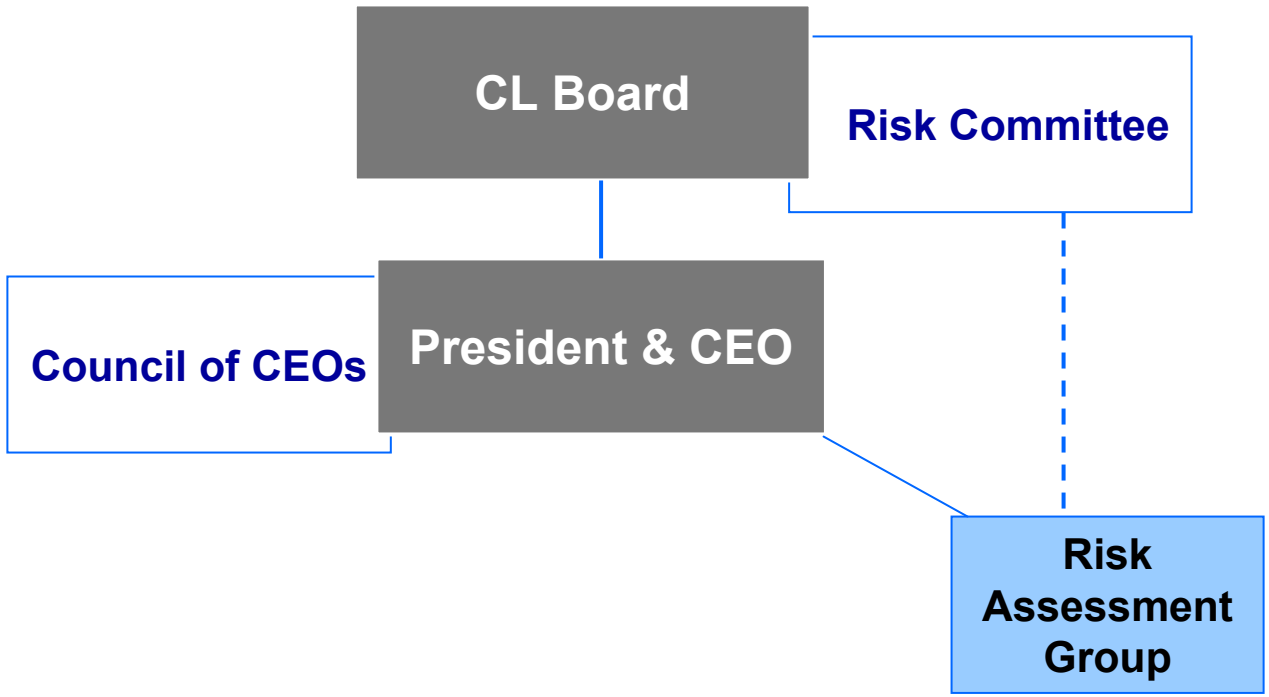
Favorable Demographic Changes

- Wealthier migrants
  - 140,000 into Australia each year
  - Amended eligibility criteria means that many of them can afford to buy straightaway
- Smaller household size:
  - 2.56, from 2.63 over last five years
  - Demand for additional 200,000 homes
- Locational preference:
  - Within 20 to 25km from city centre
  - Shortage of infill sites

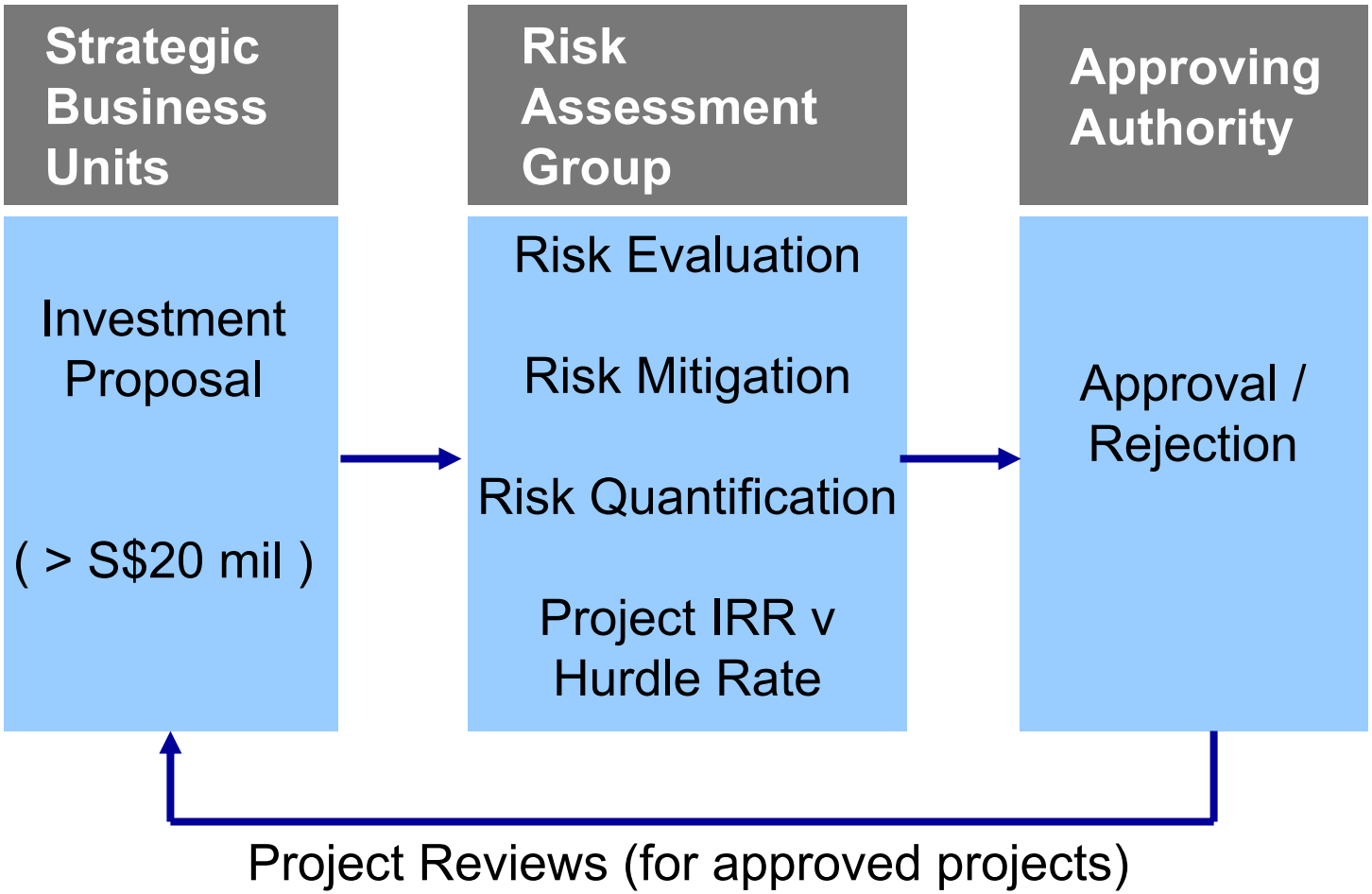
Managing Risks

Risk Assessment Group

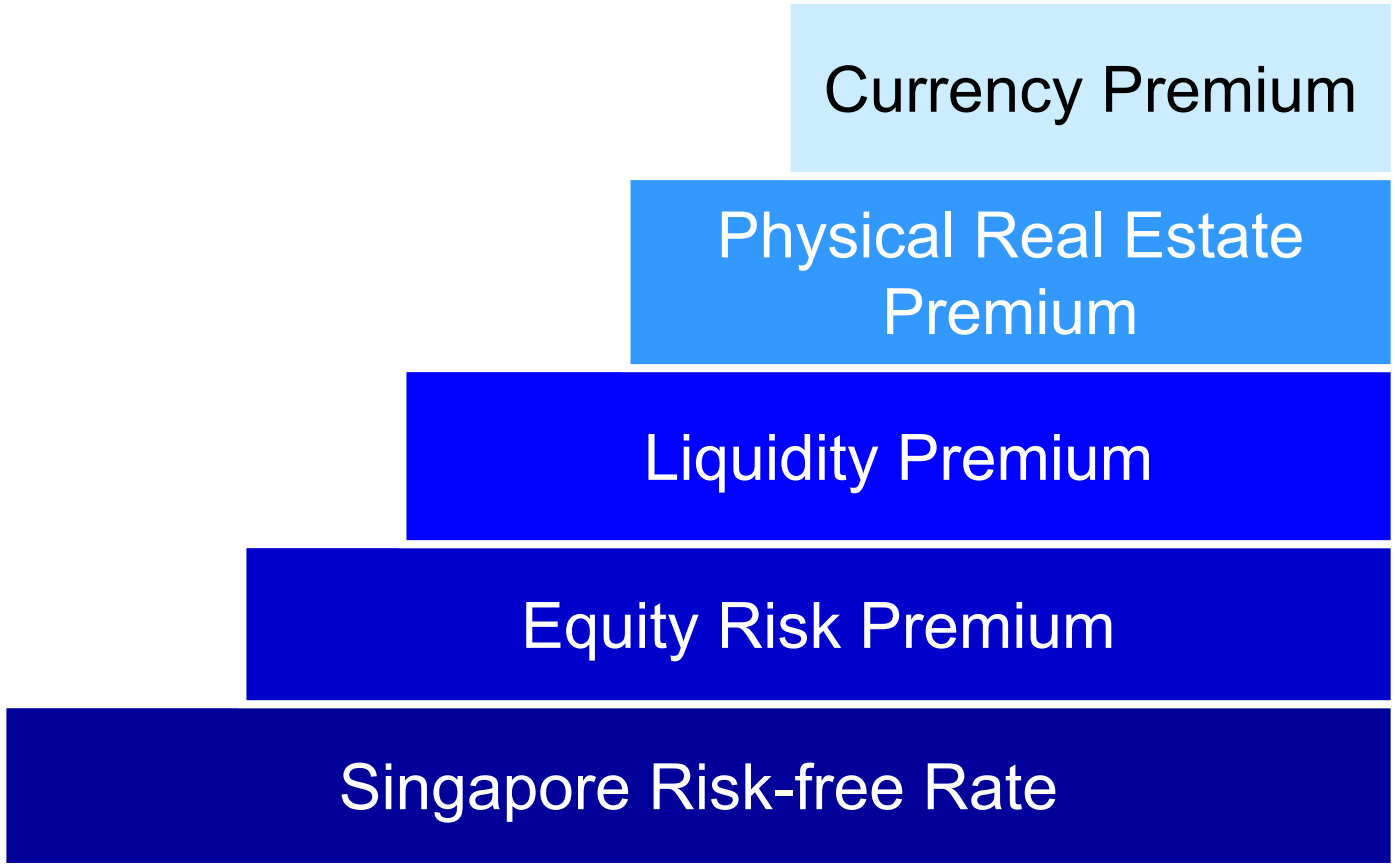
Organizational Chart



Investment Proposal Process



Building Blocks for Cost of Equity

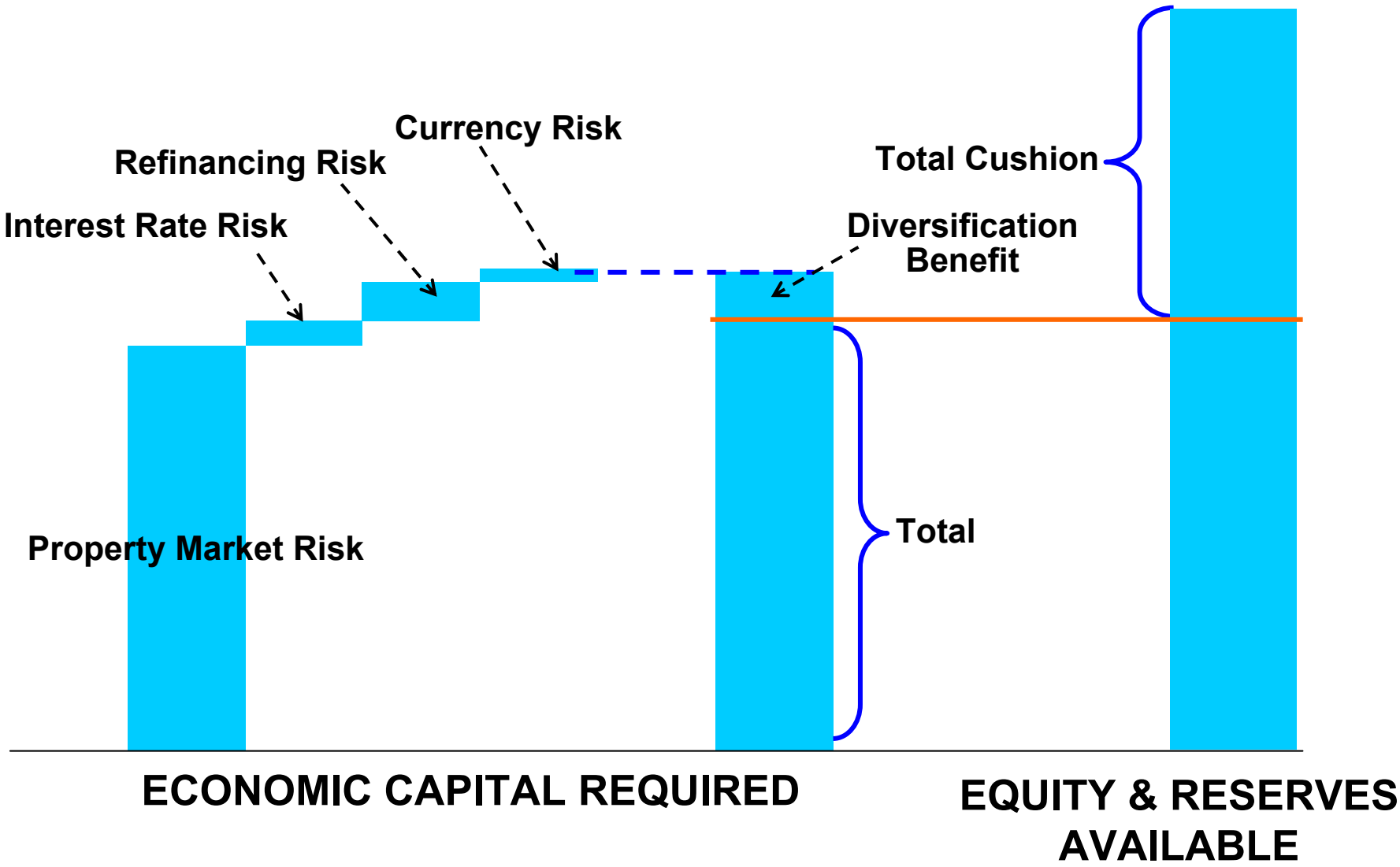


Country Risk Grouping

Category	Rating*	Countries (Examples)
Low Risk	AAA to A-	Singapore Australia UK Hong Kong Japan Euro Zone USA
Medium Risk	BBB+ to BBB-	Thailand Malaysia China
High Risk	BB+ to BB-	Philippines
Very High Risk	B+ and below	Indonesia Vietnam Cambodia

*Based on S & P's and Moody's sovereign debt ratings

A Healthy Cushion



The End