CapitaLand Group
Full Year 2004 Results



7 February 2005

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

Liew Mun Leong



President & CEO
CapitaLand Group

A Year of Record Performances

Some Highlights

- **Record Profit of S$313 million**
- **Overseas contributions**
  - 68% of Group operating EBIT
- **Assets Under Management (AUM) doubled to S$6 billion**
  - Successful listing of CapitaCommercial Trust (S$2 bil)
  - CapitaMall Trust acquired Plaza Singapura (S$710 mil)

Financial Performance – Record Profits

(S$ million)	FY 2003	FY 2004	Change
Revenue	3,650.9	3,803.5	↑ 4.2%
EBIT	589.0	901.8	↑ 53.1%
PBT	348.2	629.7	↑ 80.8%
PATMI	102.6	313.0	↑ 205.1%
Operating PATMI	207.9	295.2	↑ 42.0%

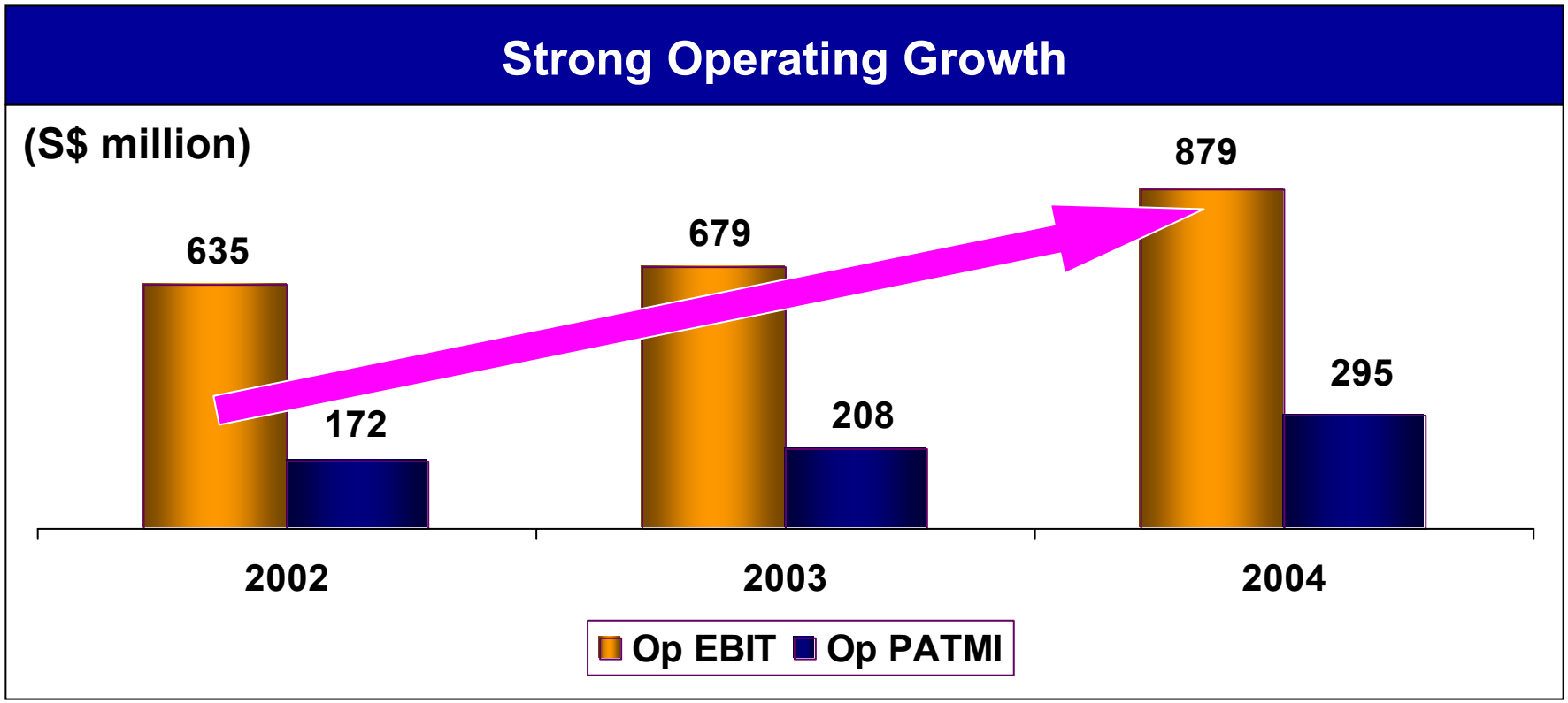
Record Profits
PATMI up 205%

CapitaLand

Delivering on 3-pronged Strategy

- **'Multi-Local' Strategy Drives Sustainable Overseas Earnings**
  - Record contributions from China & Australia
  - Developing new markets
- **Increase Fee-Based Income**
  - AUM doubled to S$6 billion
  - Growing fund management model
- **Active Capital Management**
  - Improvement in D/E, ICR and ISR ratios
  - Improving capital structure & lowering cost of capital
  - Re-deploying capital into higher yielding investments

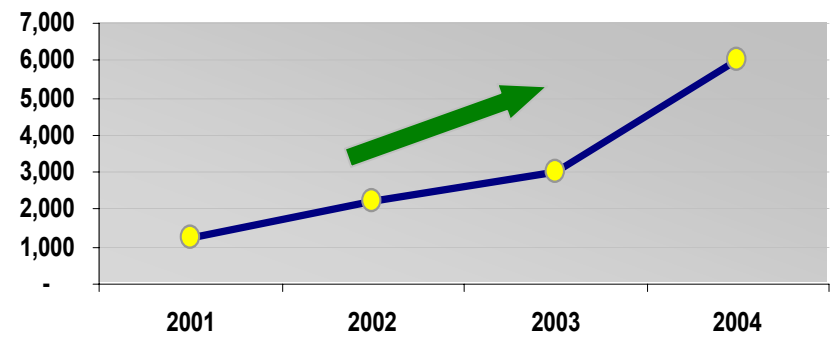
Strong Operating Growth



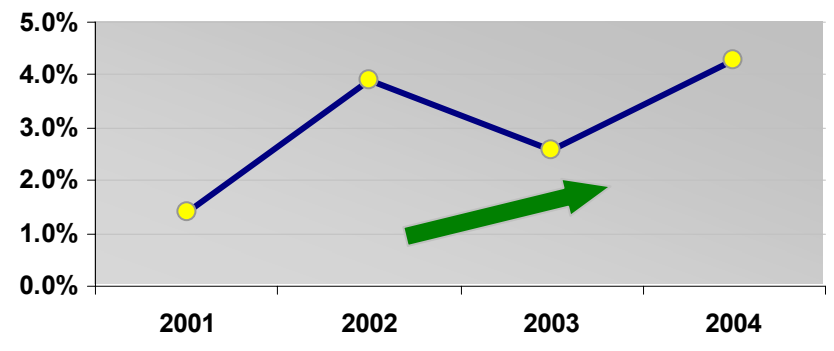
Operating PATMI Grew at 31% CAGR in 2002-2004

Achieving more, with less

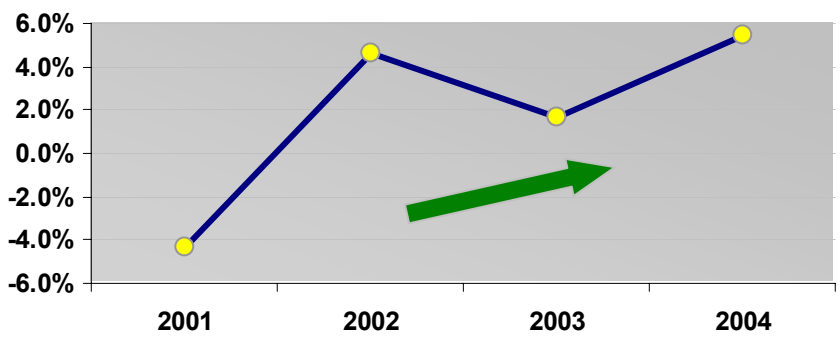
Assets Under Management (S$ billion)



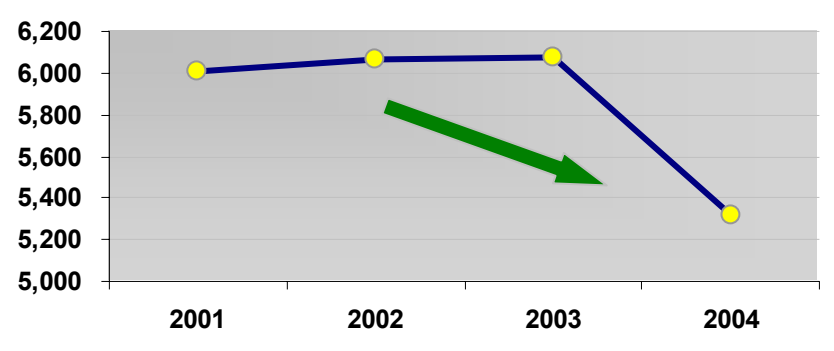
ROTA



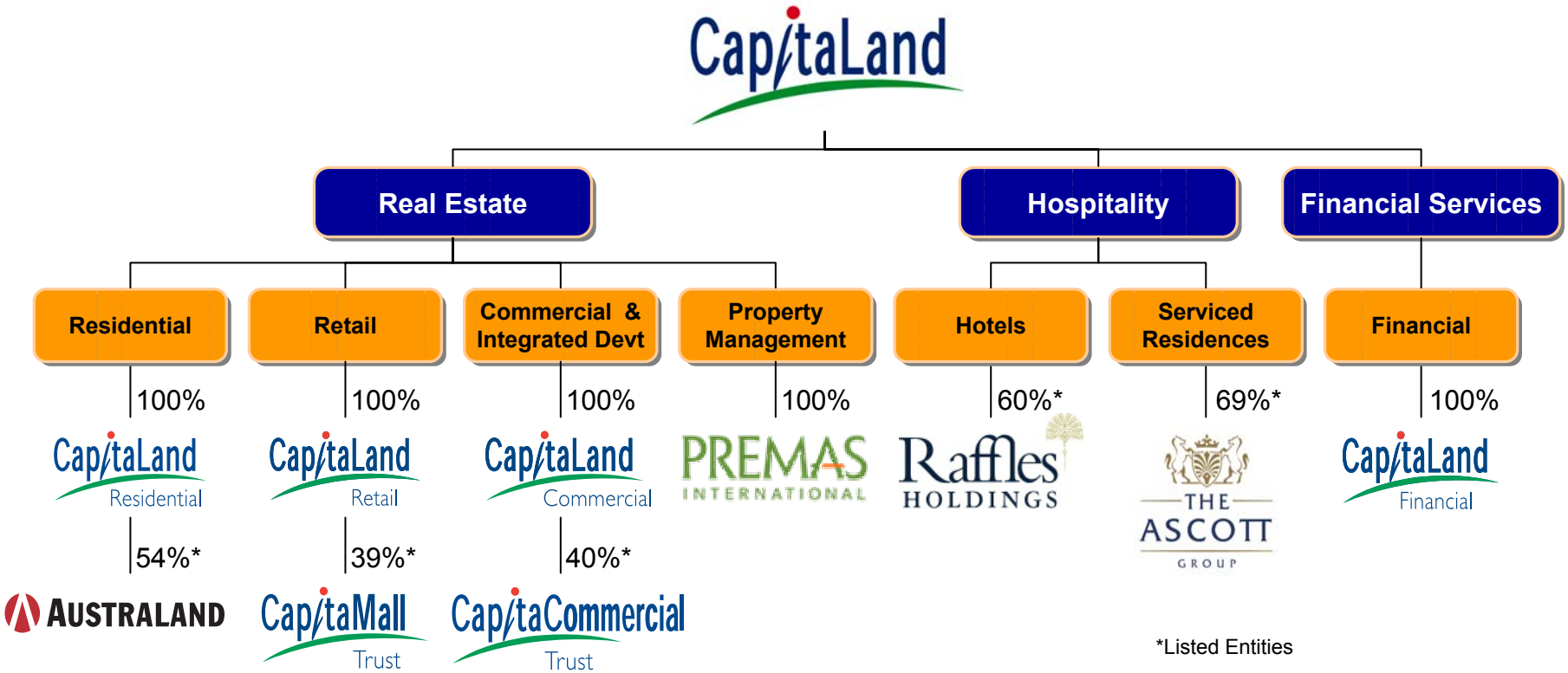
ROE



Shareholder Funds (S$ billion)



CapitaLand Group Structure



*Listed Entities

CapitaLand Group comprises 6 listed entities with owned/managed assets of S$28 billion

Some Highlights



Residential

- **Singapore:**
  - Launched Varsity Park & Citylights
- **China:**
  - Shanghai : Fully sold launched units of La Cité & Oasis Riviera
  - Beijing : Launched maiden project La Forêt
  - Guangzhou : Acquired first site in Tianhe
- **Australia:**
  - Increased recurrent earnings with acquisition of Australand Wholesale Property Trust No 3 (AWPT 3)





Commercial

- **Successfully listed CapitaCommercial Trust (CCT)**
- **Monetised S$1 billion of assets:**
  - Office assets - S$ 206 mil (i) 268 Orchard Road, (ii) Canary Riverside
  - Retail assets – S$792 mil (i) Plaza Singapura, (ii) La Park Mizue
- **Expanded retail presence in China:**
  - Struck deals with (i) SZITIC & (ii) Beijing Hualian to acquire and manage 2 pipelines of malls



Hospitality

Serviced Residence

- **Ascott's PATMI surged 184% to S$52.5 million**
  - Stronger core performance in S'pore, China & Europe
  - Gains on divestment of Scotts Shopping Centre and The Ascott Singapore

- **Expansion**
  - Opened 2 new serviced residences
    - → Ascott Sathorn, Bangkok
    - → Somerset Bencoolen, Singapore
  - Secured 4 management contracts
    - → Somerset Al Majara, Dubai
    - → Somerset Palace, Seoul
    - → Somerset Chongrui, Suzhou
    - → Citadines Jinqiao, Shanghai

Somerset Chongrui, Suzhou





Ascott Sathorn, Bangkok

Hospitality

Hotel Operations

- **Raffles' operating PATMI jumped 83% to S$52.3 million**
  - Performance exceeded expectations
- **Returned S$375 million (18 cents/share) to shareholders**
- **Overseas Expansion:**
  - Secured 3 management contracts
    - → Swissôtel, Moscow
    - → Raffles Resort, French Polynesia
    - → Swissôtel Grand Shanghai





Financial Services

Fund Management

- AUM doubled to S$6 billion
- Successful closing of US$ 61 mil (S$105mil) for CapitaLand China Residential Fund
- Successful closing of ¥10 billion (S$155 mil) for CapitaRetail Japan Fund
- CMT exceeded forecast by 6%, CCT by 11%:

CapitaMall Trust	CapitaCommercial Trust
Delivered TSR of 131% since listing	Delivered TSR of 47% since listing
Achieved 7.5% higher rental in 2004	Achieved 10% higher rental in 2004

Financial Services

Financial Advisory & Structuring

- **Appointed strategic advisor by Hong Kong Housing Authority to The LINK REIT**
- **Clinched three structured finance and advisory deals in Malaysia and China**
- **Transaction value advised - S$3 billion (excluding The LINK REIT)**



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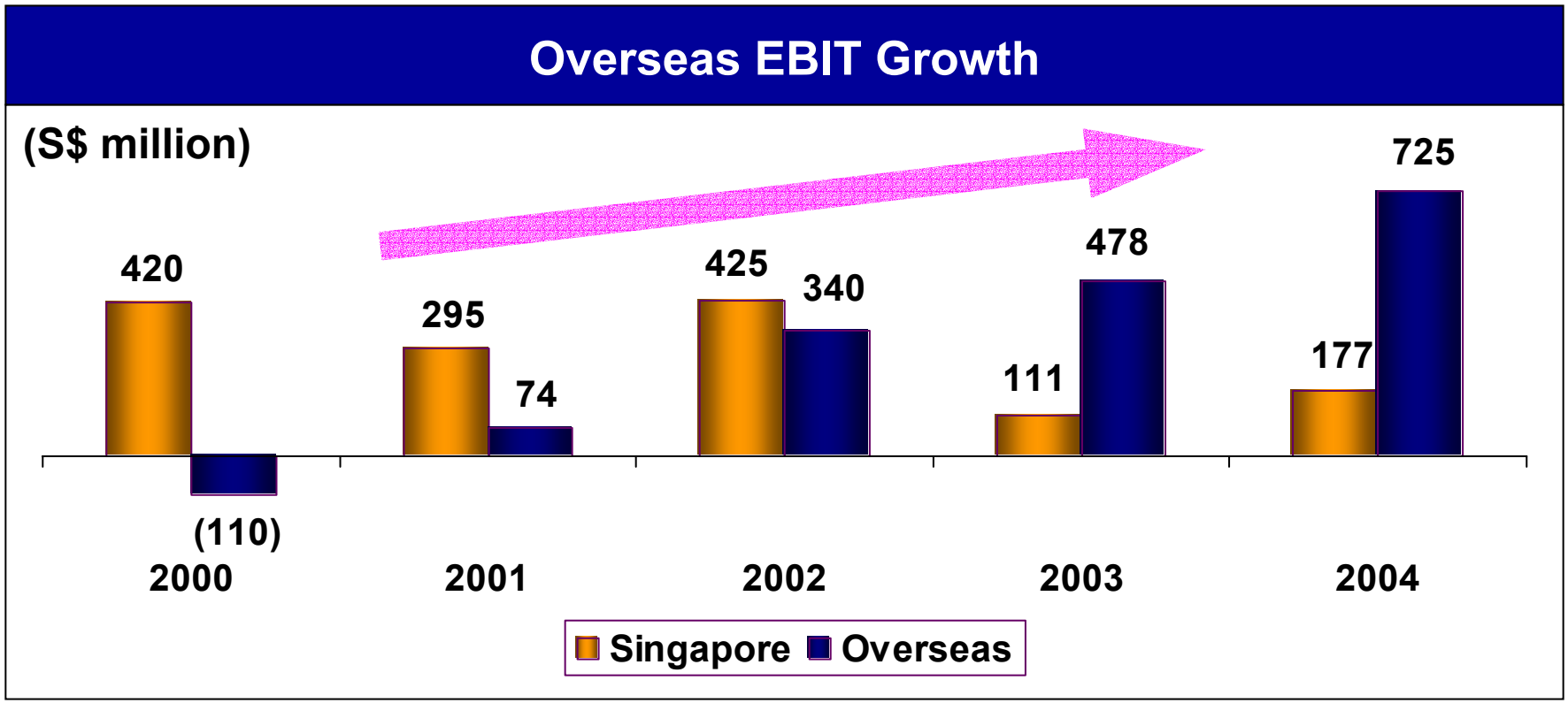
Overseas EBIT Growth



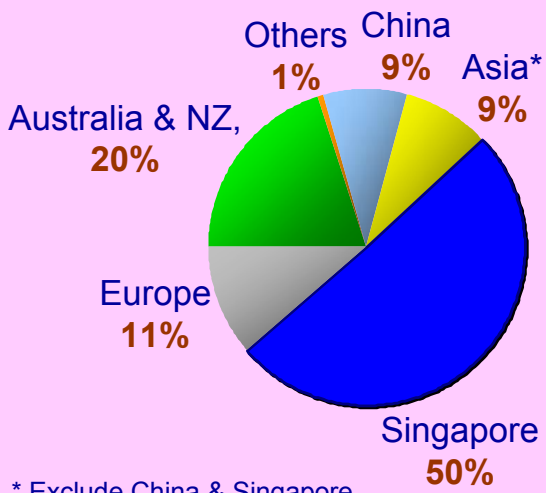
Overseas EBIT grew at CAGR of 113% in 2001-2004

Overseas Contributions – FY2004

50% of Assets Overseas contributed 68% to operating earnings

By Geographical Location

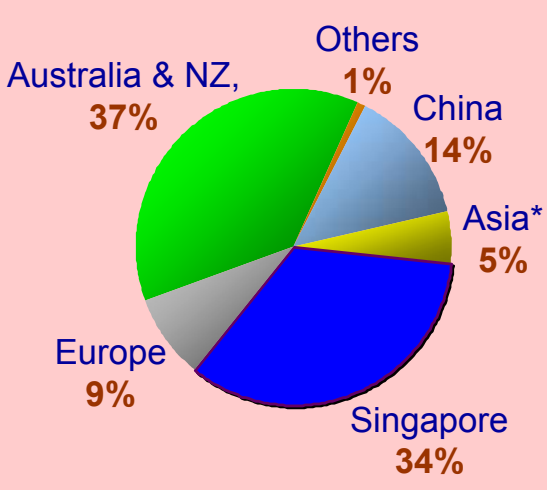
Total Assets



* Exclude China & Singapore

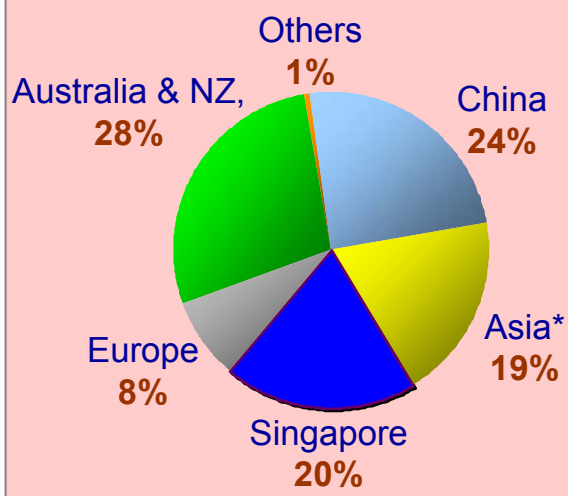
Total: S$17.2b

Revenue



Total: $3,804m

EBIT



Total: $902m

CFO
CapitaLand Limited



Group Financials

Robust Financial Results

(S$ million)	FY 2003	FY 2004	Change
Revenue	3,650.9	3,803.5	↑ 4.2%
EBIT	589.0	901.8	↑ 53.1%
PBT	348.2	629.7	↑ 80.8%
PATMI	102.6	313.0	↑ 205.1%
Operating PATMI	207.9	295.2	↑ 42.0%
Net Debt	6,154.6	5,279.1	Improved
D/E Ratio	0.77	0.71	Improved

Efficient Capital Management

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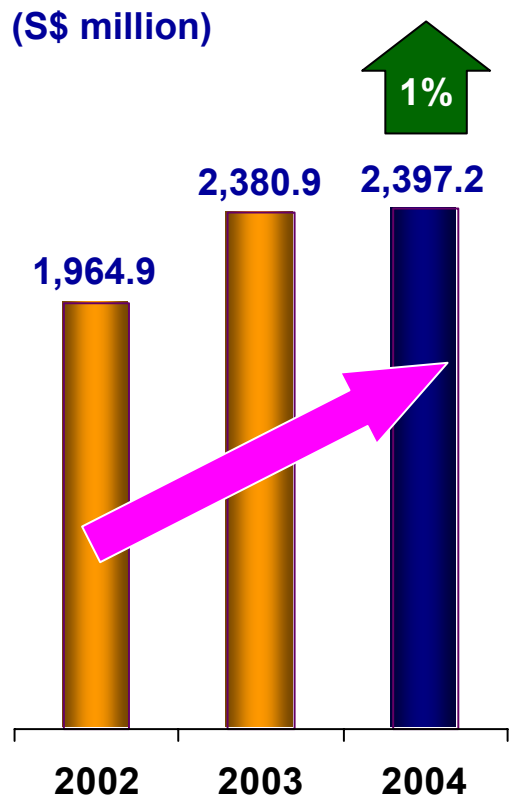
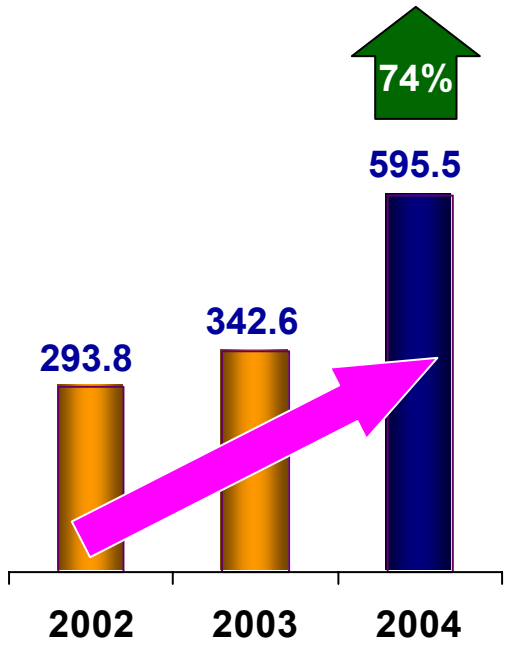
Residential Analysis

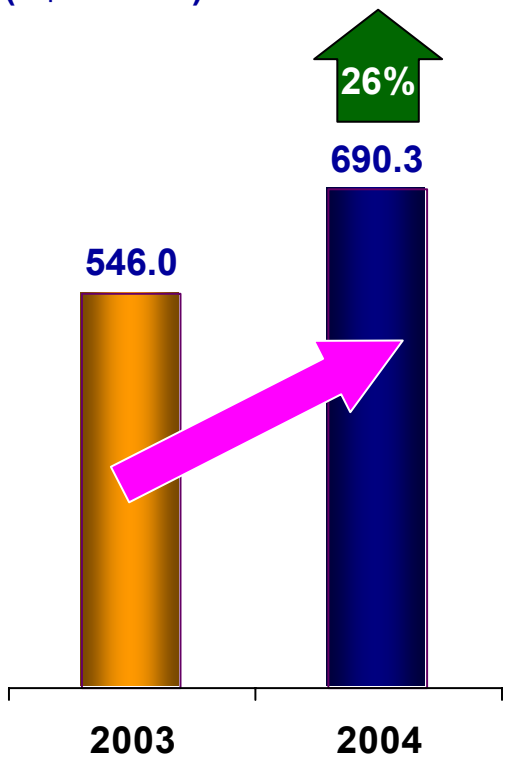
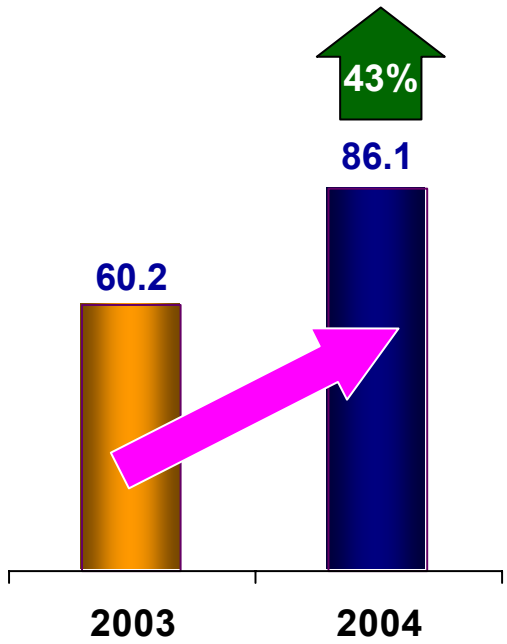
Revenue	EBIT	Comments
		• Increased revenue from higher sales in China • Higher EBIT from Singapore, China, Australia and HK

Strong margins from overseas operations

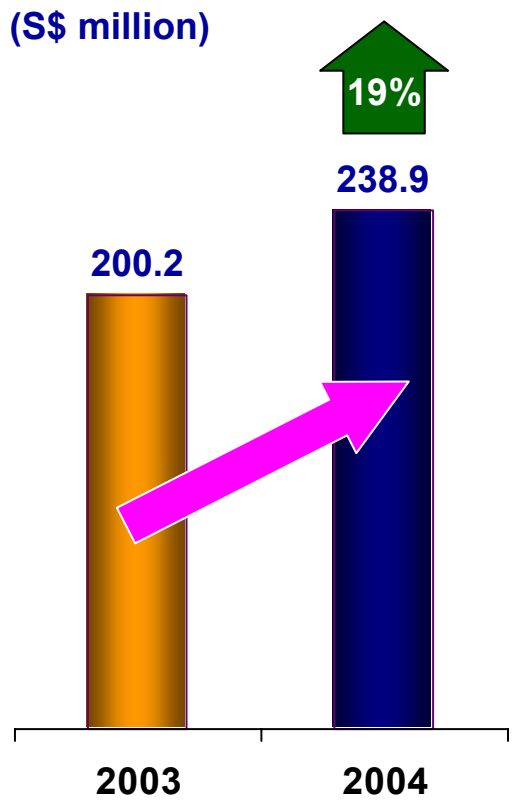
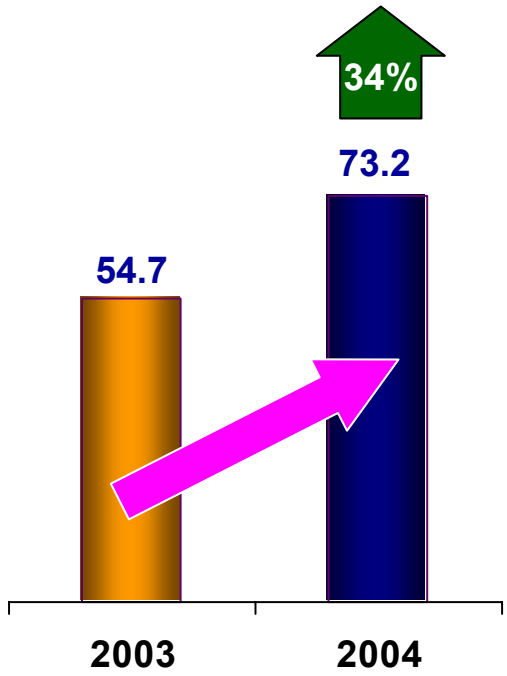
Commercial Analysis

Revenue	EBIT	Comments
(S$ million) 400.9 14% 342.9 2003 2004	72.7 51% 109.7 2003 2004	• Lower revenue due to divestment of 7 CCT's properties & Plaza Singapura • Stronger EBIT due to new contributions from Raffles City Shanghai and lower revaluation deficits charged to P&L Better EBIT from higher yielding assets overseas

Hotels Analysis

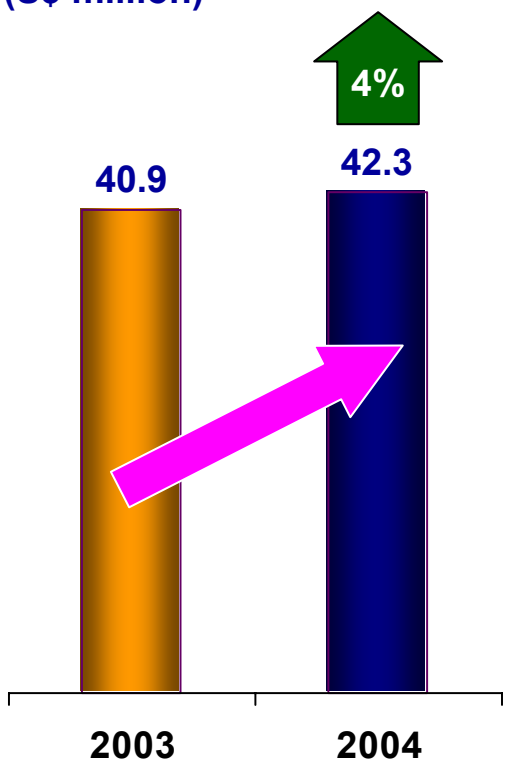
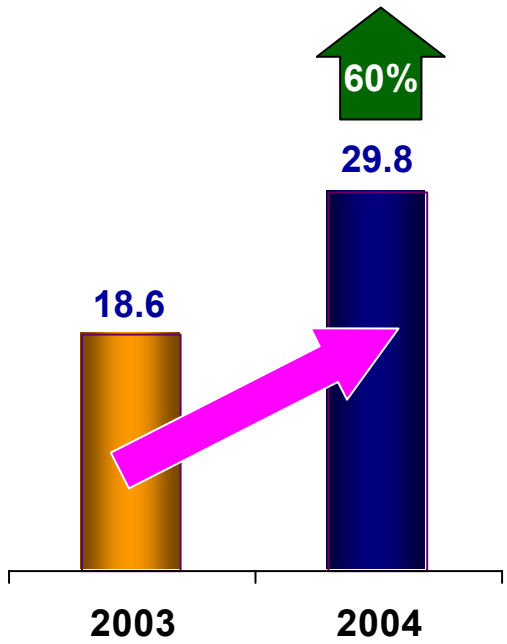
Revenue	EBIT	Comments
(S$ million) 		• Robust growth in revenue due to 16% increase in RevPAR & contributions from Nankai Osaka • Better performance due to initiatives to grow revenue & manage costs efficiently Beneficiary of global hospitality recovery

Serviced Residences Analysis

Revenue	EBIT	Comments
		• Strong revenue growth of 34% to S$202m, from serviced residence operations across all regions • EBIT up 34%, net profit surged 184% to S$52.5m

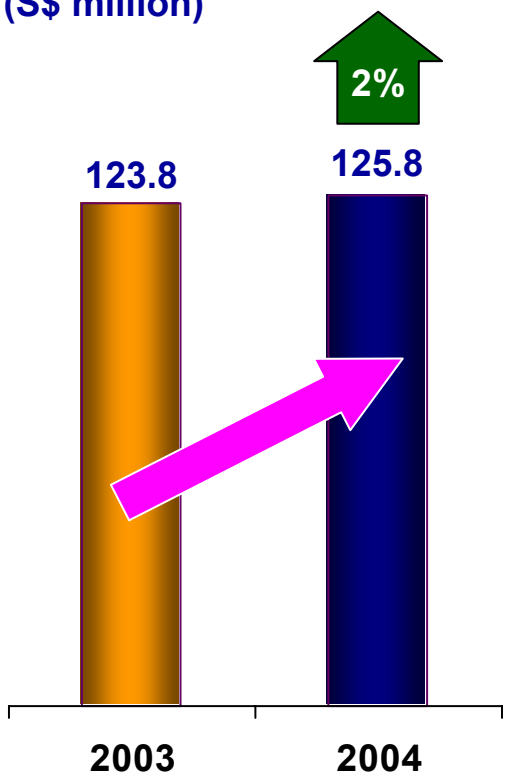
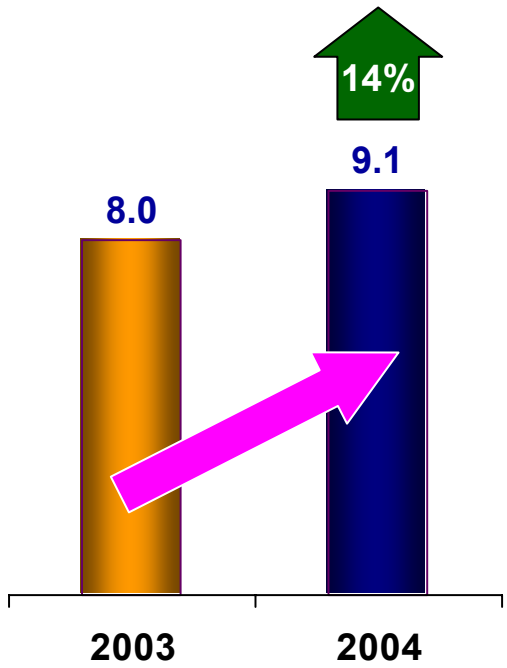
Higher contributions from S'pore, China and Europe

Financial Services Analysis

Revenue	EBIT	Comments
(S$ million) 		• Higher revenue as a result of doubling of AUM • Higher EBIT due to increased fund management income from enlarged AUM Assets Under Management Doubled

Property Services Analysis

PREMAS INTERNATIONAL

Revenue	EBIT	Comments
(S$ million) 		• 2004 revenue stable • Higher EBIT due to better cost management Better cost controls

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Analysis of Profit after Tax and MI

(S$ million)	FY 2003	FY 2004	Change
EBIT	589.0	901.8	↑ 53.1%
Finance Costs	(240.8)	(272.1)	↑ 13.0%
PBT	348.2	629.7	↑ 80.8%
Tax	(148.3)	(153.1)	↑ 3.2%
MI	(97.3)	(163.6)	↑ 68.2%
PATMI	102.6	313.0	↑ 205.1%

Key Financial Ratios

	FY 2003	FY 2004	Change
NTA per Share (S$)	2.39	**2.11***	**Decreased**
Net Debt / Equity	0.77	**0.71**	**Improved**
EPS (S cents)	4.1	**12.4**	**Improved**
Interest Cover Ratio (ICR)	3.63	**4.83**	**Improved**
Interest Service Ratio (ISR)	5.13	**5.27**	**Improved**

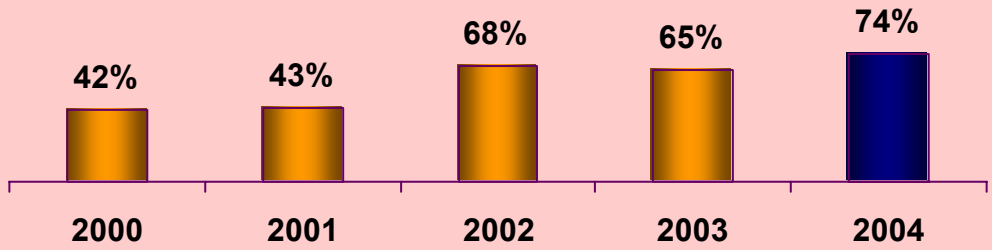
* Decrease mainly due to capital reduction upon distribution in specie of CCT

$$\text{ICR} = \frac{\text{EBITDA}}{\text{Net Interest Expense}}$$

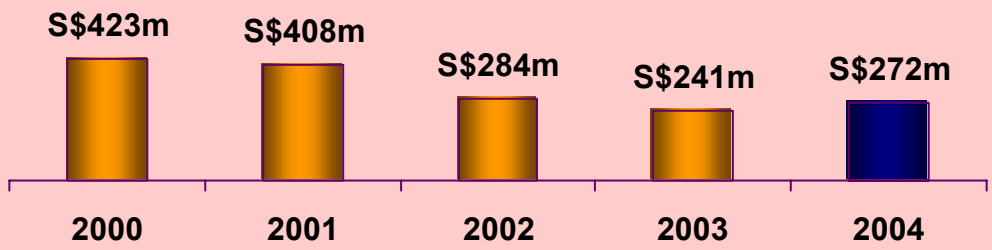
$$\text{ISR} = \frac{\text{Operating cashflow}}{\text{Net Interest Paid}}$$

Robust Balance Sheet

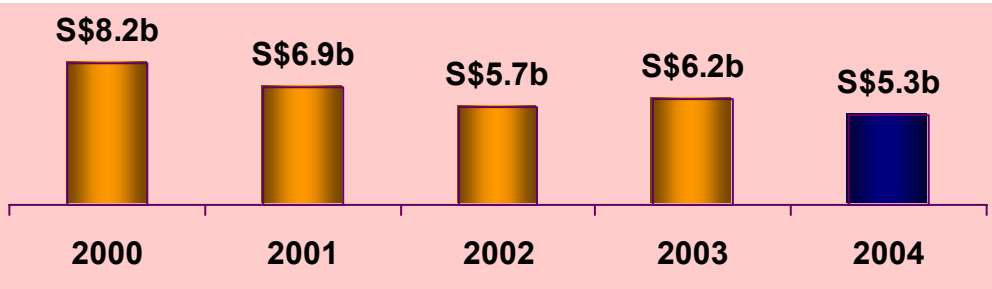
% of Fixed Rate Loans



Finance Costs

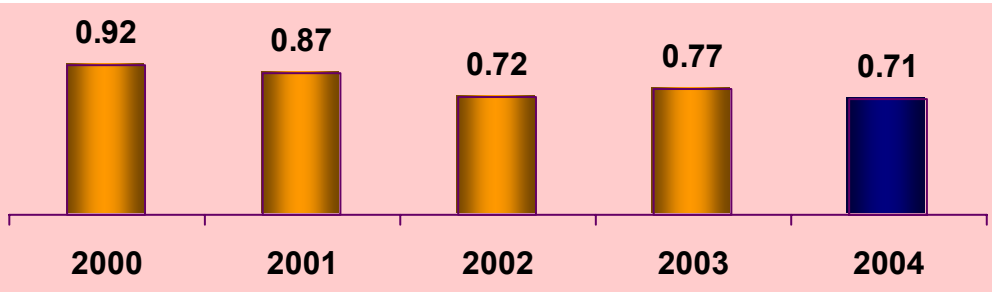


Net Debt

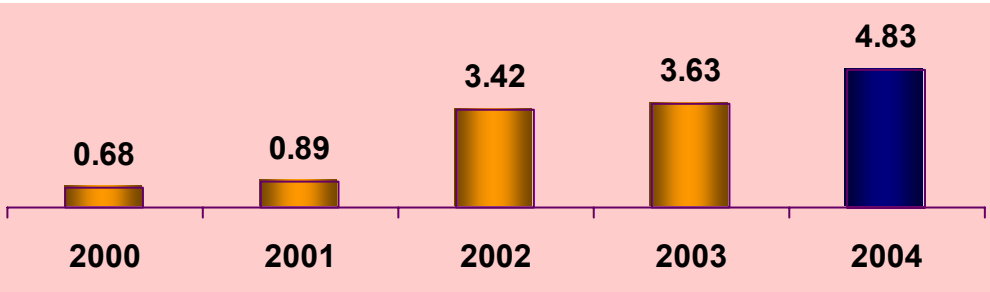


Improved Financial Profile

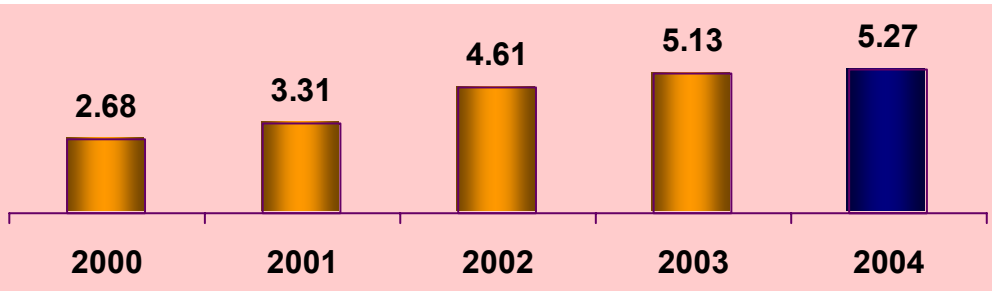
Gearing



Interest Cover Ratio



Interest Servicing Ratio



Going Forward



Pursuing Profitable Growth in 2005

Growth Strategy – New Residential Launches





- Singapore
  - 2 new projects
    - → Rivergate
    - →Tanglin Residences
- China
  - 4 new projects in Shanghai, Beijing and Guangzhou

Growth Strategy – Product & Services

New Business Segment

- **Integrated Leisure, Entertainment (including Gaming) & Conventions (iLEC)**
  - Leverage on Group's development, hospitality and asset management expertise
  - Two MOUs with 2 leading integrated resort operators
    * Kerzner International for Sentosa
    * MGM Mirage for Marina Bayfront





Growth Strategy – Products & Services

- **Business & Financial Centre (BFC)**
  - Offer long term potential; only 60% of GFA for office use, 40% as 'white site'
  - Office sector recovery aided by limited supply - 2.7 mil sq ft over next 4 years





Growth Strategy – Products & Services

- **Business Financial Centre**



Growth Strategy – New Markets

- **Thailand – Development**
  - Athenee Residence, Bangkok (78% sold)
  - Launching 2 more projects (1 condo & 1 integrated township)
- **Middle East – Serviced residence & property services**
  - Management contracts in Dubai (Ascott Burj Dubai & Somerset Al Majarah)
  - PREMAS JV with Tricon - facilities management & consulting services
- **Eastern Europe – Hotels**
  - Opening hotel in Moscow
- **India / Vietnam – New markets**
  - More in-depth study





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Growth Strategy – Fund Management & Financial Services

Real Estate Landscape in Asia is fast changing

CapitaLand Financial formed in late 2001 to capitalise on the changing real estate landscape in Asia

- **Emergence of real estate as an asset class**
  - Greater institutional ownership
  - Stronger focus on yield
- **Real estate securitisation more important source of funding**

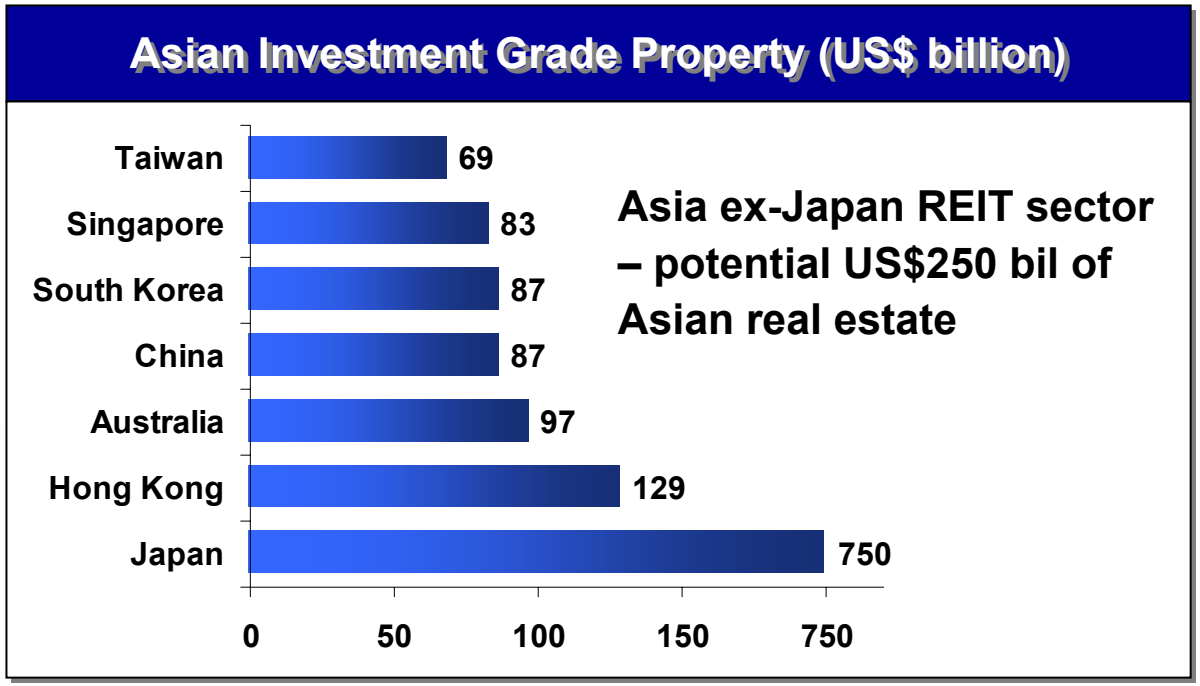
Growth of REITs in Asia – Dramatic change in landscape

The Asia REIT Landscape

Estimated (US$ bil)	Investment grade of real estate	Actual amount invested in REITs
Asia	1,300	21
United States	2,500	220

Source: CapitaLand Research





Source: UBS AG & CapitaLand Research

Strong Factors Driving Demand for REITs

- High savings rates in Asia
- High yielding nature of REITs – appeal to pension funds & ageing population
- Shifting paradigm from capital growth to yields
- Governments promoting REITs in Asia
- Easing regulatory barriers to foreign investments

Growth Strategy – Fund Management & Financial Services

- **CapitaLand Financial built solid track record in 3 years**
  - Eureka Office Fund (wholesale fund with ERGO)
  - CMT
  - CCT
  - CapitaLand China Residential Fund
  - CapitaRetail Japan Fund
  - CapitaRetail Singapore, etc …
- **Will build on momentum to expand AUM to S$13 billion in 3 years**

Growth Strategy – Fund Management & Financial Services

- **REITs**
  - CMT & CCT
    - → Accretive acquisitions
    - → Pro-active asset management
- **Fund Management**
  - Preparing to launch new property funds for Japan and China
- **Financial Advisory & Structuring**
  - Continues as strategic partner to LINK REIT; Committed to investing US$180m as cornerstone investor
  - Targets transaction values of S$6 bil, principally S'pore, M'sia & China





Growth Strategy – Fund Management & Financial Services

- **China Retail Fund – Targeting 28 Shopping Malls in China**
  - Invest in pipeline of retail malls anchored by Wal-Mart supercenters (6 firm with option for 14 more)
  - Acquire retail malls anchored by Beijing Hualian Group (2 firm with option for 6 more)
  - Potential for creation of property funds / REITs in future





In Conclusion …

… achievements in 4 years demonstrated viability of our strategy

Record profit	**S$313M PATMI**
Strong balance sheet	**Debt down 35%**
Successful overseas growth	**68% earnings**
Rapidly growing fund management business	**S$6B AUM**

Market increasingly recognises not only our real estate competencies but also our growing track records in innovating financial products in real estate industry

CapitaLand

In Conclusion …

Asia is recovering. Our strategies are working.
The anticipated Asia economic recovery in the next few years will create a huge window of opportunity for real estate investment and development.

CapitaLand has

- proven competencies across multiple property segments
- skills in innovating financial products
- market presence & networks in key Asian markets
- capital resources
- track records & brands

to capitalise on this boom

CapitaLand

CapitaLand today

–A unique and innovative real estate company in Asia.



Thank You