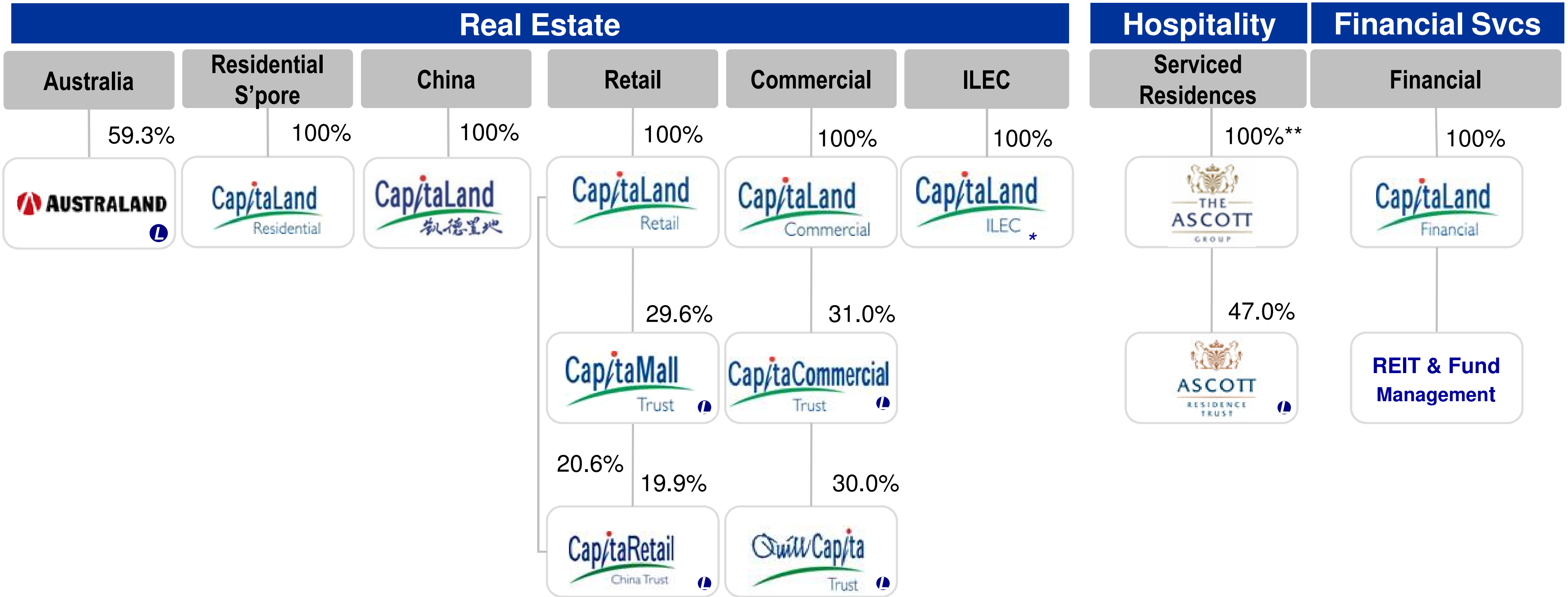
# Balanced Portfolio, Focused Business

Nov 2008

# 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




**CapitaLand Group comprises 7 listed Companies with total Market Capitalisation of S$14.9 billion** (6 Nov 08)

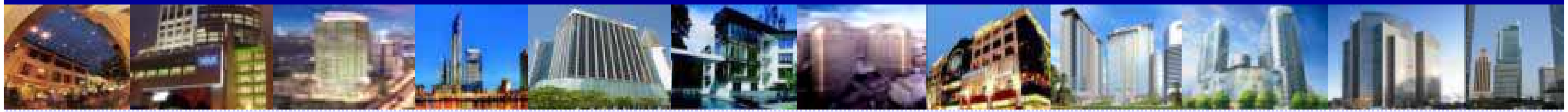
*Other Listed Entities* ** Integrated, Leisure, Entertainment & Conventions*

*** CL completed compulsory acquisition of The Ascott Group on 28 April 2008*

# Content

- **Prepared for Current Environment**
  - Strong and Sound Financials
  - Business Model: Focus on Capital Productivity
  - Balance: Multi-Geography, Multi-Sector
  - Stable Income Stream
  - Creating Value
- **Business Updates**
- **Prospects**

# Prepared for Current Environment



# Well Prepared for Current Environment

- **Pro-active Capital Management over the years**
- **Maintained consistently low Gearing**
  - — Resisted calls by market watchers to increase gearing
- **Generated Unusually High Cash Position**
  - — Entering difficult environment with high cash position
- **Extended Debt Maturities**
  - — Market leading average maturity profile of 4+ years
- **Locked in Fixed Rate for over 80% of debt**
  - — Reduced rate volatility
- **Diversified funding sources over the years**
  - — Developed strong reputation in credit markets

# Strong Financials

| | 2Q 2008 | 3Q 2008 | Change |
|---|---|---|---|
| Equity (S$ billion) | 12.0 | 12.3 | + 3% |
| Cash (S$ billion) | 3.4 | 4.2 | + 24% |
| Net Debt (S$ billion) | 8.2 | 6.2 | - 24% |
| Net Debt / Equity | 0.68 | 0.51 | Reduced |
| % Fixed Rate Debt | 76% | 82% | Increased |
| Avg Debt Maturity (Yr) | 4.4 | 4.5 | Increased |
| Interest Cover Ratio (ICR) | 10.3 | 5.2 | Satisfactory |
| Interest Service Ratio (ISR) | 5.6 | 3.8 | Satisfactory |

# Financial Performance

| (S$ million) | YTD Sep 2007 | YTD Sep 2008 | Change |
|---|---|---|---|
| Revenue | 2,468.4 | **2,048.6** | **-17.0%** |
| EBIT | 2,802.8 | **1,978.4** | **-29.4%** |
| PATMI | 2,084.7 * | **1,182.2** ** | **-43.3%** |
| EPS (cents) | 74.4 | **42.0** | **-43.5%** |
| NTA (S$) | 3.31 | **3.60** | **8.8%** |

* Includes unrealised fair value gains of S$650.6m

** Includes unrealised fair value gains of S$286.5m

# Sound Structures

## Comfortable Leverage for 5 REITs and 17 PE Funds

| 5 REITS | YTD Sep'07 DPU Cents | YTD Sep'08 DPU Cents | DPU Growth % | Debt/Assets Ratio % |
|---|---|---|---|---|
| CCT | 6.37 | 8.29 | 30 | 0.36 |
| CMT | 9.52 | 10.64 | 12 | 0.43 |
| CRCT | 4.92 | 5.26 | 7 | 0.28 |
| ART | 5.58 | 7.12 | 28 | 0.35 |
| QCT | 4.74 sen | 5.30 sen | 12 | 0.26 |

17 Private Equity Funds*

### 17 PE Funds "Look Through" Debt to Asset ratio as at 30 Sep'2008

- Gross Debt/Assets ratio was ~ **0.23** including equity bridges
- Excluding equity bridges, the Gross Debt/Assets figure was ~ **0.22**
- Absolute Gross Debt stood at ~ S$1.75 billion
- Cash at Funds level ~S$800 billion
- PE Funds available undrawn commitment ~S$3.1 billion

* This calculation takes (in respect of all the PE Funds) the aggregate of 100% of Gross Debt and 100% of Assets at Fund Projects level and adds any Gross Debt at the Fund Entity regardless of CL's share in the fund or the fund's share in the projects.

# Raised >S$5 Bn LT Money From Debt Market

## Debt Market

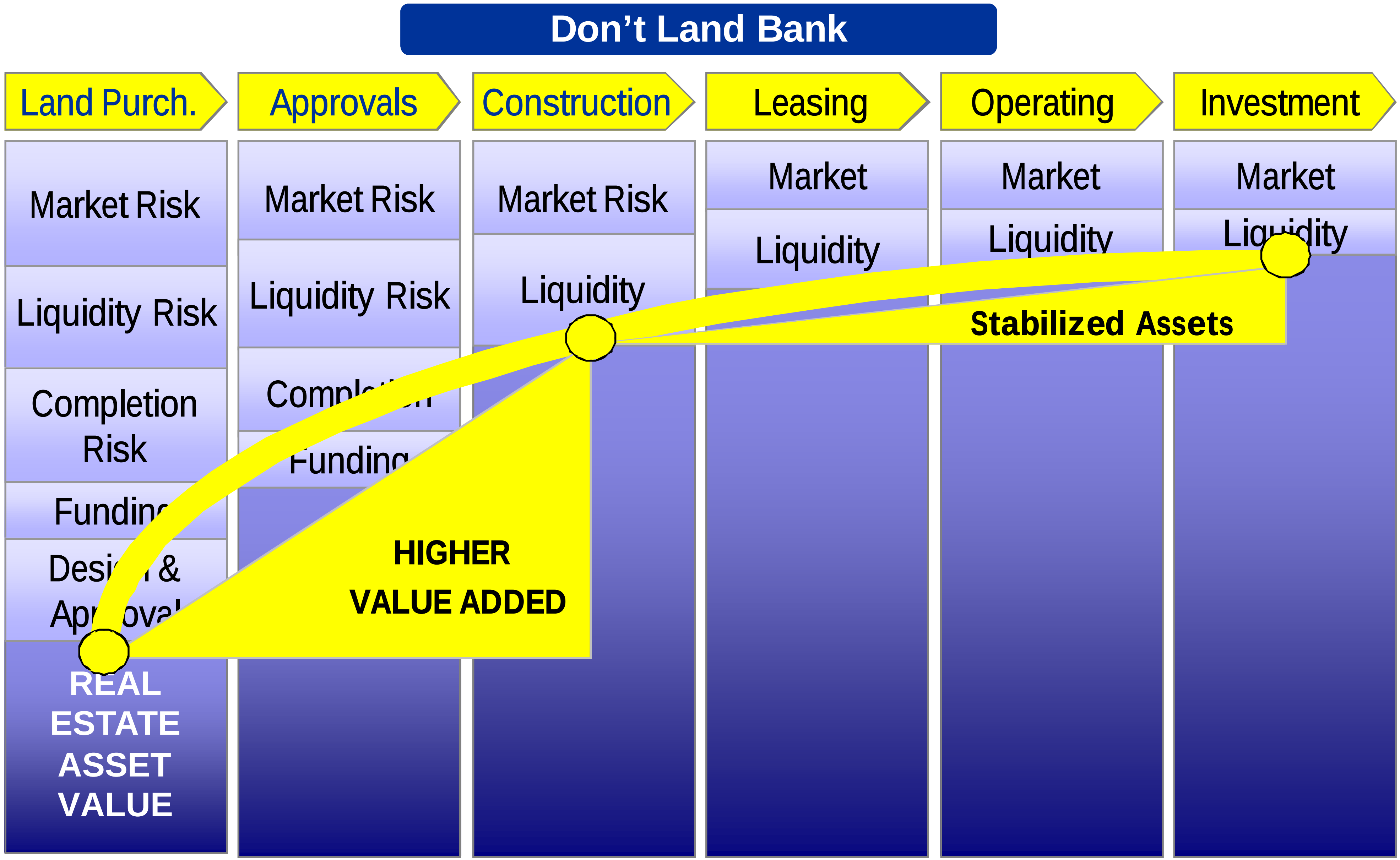
| | |
|---|---|
| **CapitaLand** | |
| Development Loan (Farrer Court) | S$1,996 mil |
| Convertible Bond | S$1,300 mil |
| **CapitaMall Trust** | |
| Medium Term Notes | S$150 mil |
| Convertible Bond | S$650 mil |
| **CapitaCommercial Trust** | |
| Convertible Bond | S$370 mil |
| 2-Yr Committed Secured Loan | S$650 mil |
| Medium Term Notes | S$85 mil |
| Medium Term Notes | S$250 mil |
| **CapitaRetail China Trust** | |
| Share Placement | S$182 mil |
| Term Loan | S$100 mil |

**Raised**

**>S$5 billion**

**YTD**

# Business Model Focuses on Capital Productivity



# Recycled Capital

Divested
Over
S$9 billion / attributed
profits of ~S$1.8b

## Divestments Past 2 Years

| Assets | Date | Divestments S$mil |
|---|---|---|
| Raffles City S'pore | Sept 06 | 2,085 |
| CRCT listing | Dec 06 | 218 |
| Samsung Hub | Feb 07 | 153 |
| Hotel Asia | Feb 07 | 140 |
| 8 Shenton Way | Mar 07 | 1,039 |
| CapitaRetail S'pore | April 07 | 710 |
| Raffles City Bahrain Fund | May 07 | 197 |
| Raffles Hospital | Jun 07 | 67 |
| Wilkie Edge | Jul 07 | 183 |

| Assets | Date | Divestments S$mil |
|---|---|---|
| AIG Tower (HK) | Sept 07 | 355 |
| Chevron House | Sept 07 | 366 |
| Hitachi Tower | Jan 08 | 403 |
| Xizhimen Mall, Beijing | Mar 08 | 341 |
| 1 George Street | Jul 08 | 1,165 |
| Raffles City China Assets | Aug 08 | 1,149 |
| Menara Citibank (KL) | Aug 08 | 75 |
| Capital Tower Beijing | Sept 08 | 498 |
| Somerset Orchard | Sept 08 | 100 |






# Recycled Capital

Invested Over S$4 billion

## Investments Past 2 Years

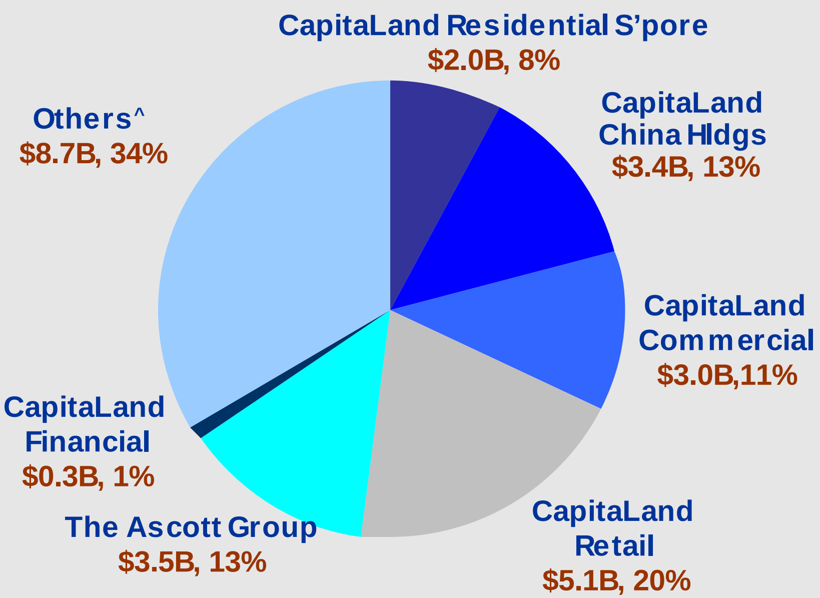
| Assets | Date | Attributable Amt S$mil |
|---|---|---|
| Silver Tower site | Sept 06 | 161 |
| Foshan sites | Oct 06 | 192 |
| Central China stake | Oct 06 | 220 |
| Raffles City Chengdu | Nov 06 | 173 |
| Vietnam site | Dec 06 | 21 |
| Chengdu site | Dec 06 | 25 |
| Chengdu site | May 07 | 233 |
| Capitala (Abu Dhabi) | Jun 07 | 238 |
| Char Yong Gardens site | Jun 07 | 210 |

| Assets | Date | Attributable Amt S$mil |
|---|---|---|
| Farrer Court site | Jun 07 | 469 |
| Malaysian retail malls | Aug 07 | 527 |
| Zhabei site | Aug 07 | 119 |
| Integrated Hub @ Vista Exchange | Sept 07 | 477 |
| Raffles City Hangzhou | Oct 07 | 202 |
| Chengdu site | Oct 07 | 68 |
| Ascott privatization | Dec 07 | 990 |
| JV: Prestige & AIPL | Feb 08 | n.a. |
| Navi Mumbai | Apr 08 | 38 |

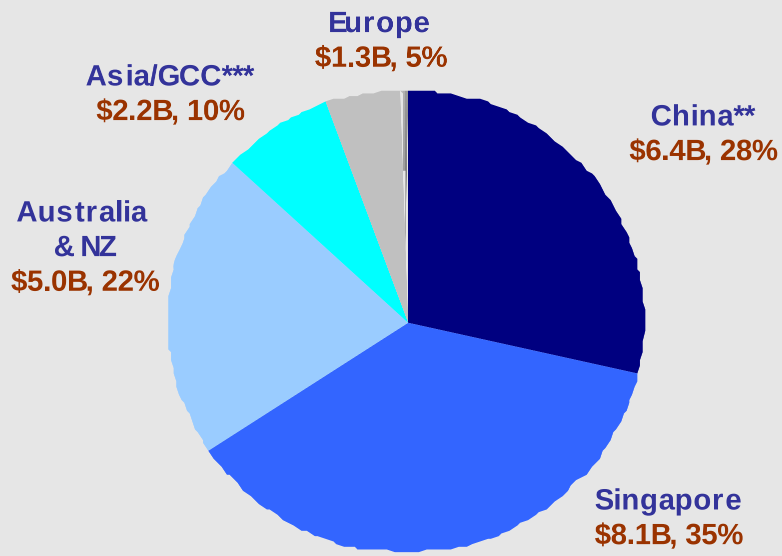



# Balance: Multi-Geography, Multi-Sector

## SBU: S$26.0 billion




## Geography: S$23.1billion *

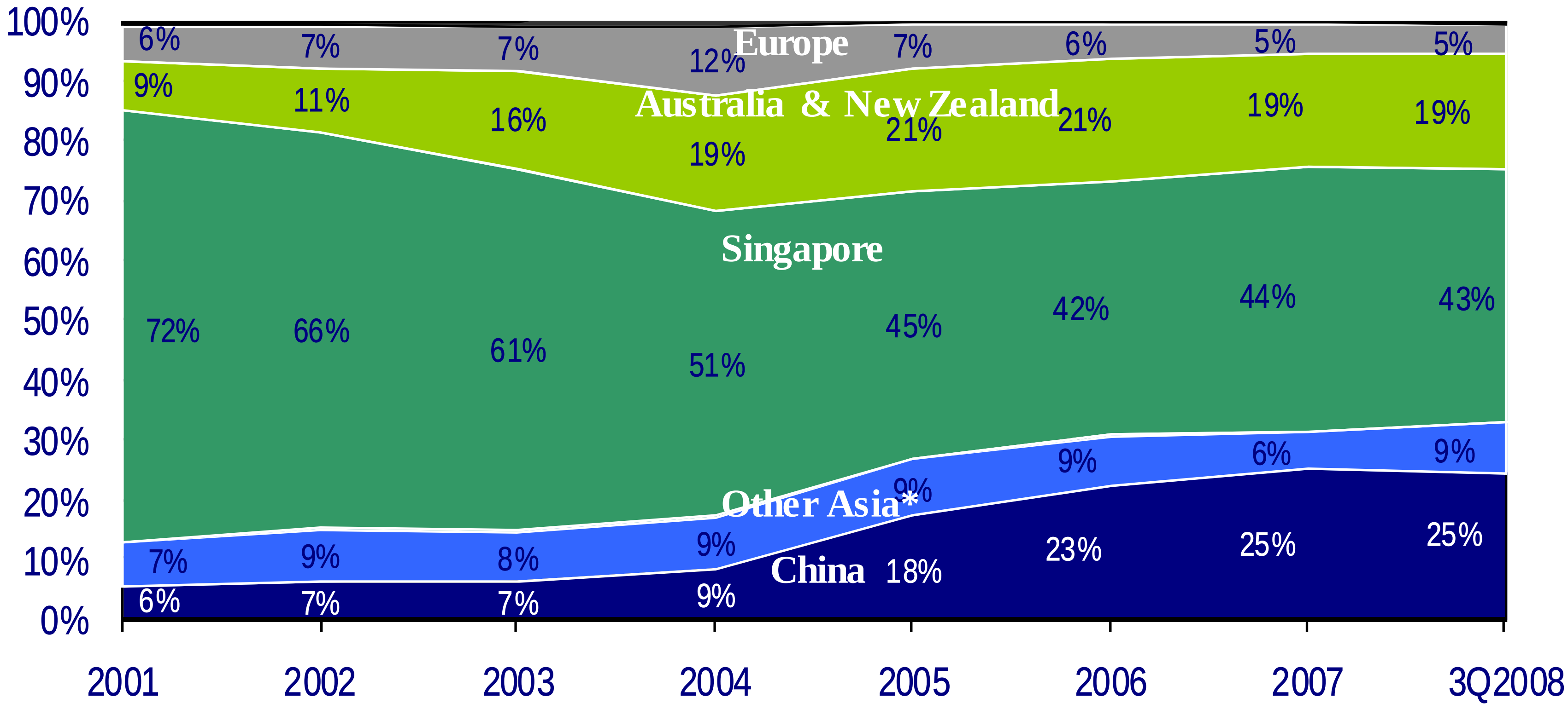



** Excluding cash held at Singapore Treasury ** Greater China including Macau & Hong Kong ***Excludes Singapore & China*
*^ Includes Corporate Office and Australia*

| | YTD Sep 2007 | | YTD Sep 2008 | |
|---|---|---|---|---|
| | S'pore | Overseas | S'pore | Overseas |
| **ASSETS** | 41% | 59% | 35% | 65% |
| **REVENUE** | 28% | 72% | 30% | 70% |
| **EBIT** | 62% | 38% | 38% | 62% |

# Asset Allocation

## Focus on Core Markets




* Before 1H2007, includes HK, India, Vietnam, Malaysia, Thailand and Japan
From 1H2007, includes Vietnam, Thailand, Malaysia, GCC, Japan, The Philippines, and Indonesia (HK is part of China from 1H2007)

# Stable Income Stream

REITs share of distribution : S$112 million YTD Sep'08
Fund and Property Management Fees : S$287 million YTD Sep'08

GCC (1)
- Raffles City Bahrain Fund

Pan-Asian (3)
- Ascott Reit
- IP Property Fund
- CapitaLand AIF

India (1)
- CapitaRetail India Devt Fund

Malaysia (3)
- QCT
- Mezzo Capital
- Malaysia Commercial Development Fund

Japan (2)
- CapitaRetail Japan Fund
- Arc-CapitaLand Residences Japan

Singapore (2)
- CMT
- CCT

China (10)
- created 3 new funds
- CITIC CapitaLand Business Park Fund
- Raffles City China Fund
- CapitaLand China Development Fund II
- CRCT
- CapitaRetail China Development Fund
- CapitaRetail China Devt Fund II
- CapitaRetail China Incubator Fund
- CapitaLand China Development Fund
- CapitaLand China Residential Fund
- Ascott China Fund

CapitaLand

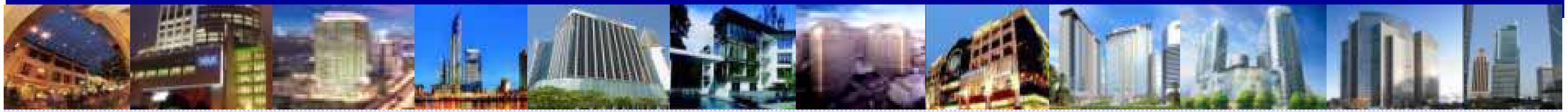
# Creating Value

| | 2004 | 2005 | 2006 | 2007 | YTDSep2008 |
|---|---|---|---|---|---|
| EBIT (S$ million) | 812.4 | 860.3 | 1,814.1 | 3,824.0 | 1,978.4 |
| PATMI (S$ million) | 305.7 | 750.5 | 1,012.7 | 2,759.3 | 1,182.2 |
| NAV (S$ per share) | 2.13 | 2.42 | 2.67 | 3.54 | 3.81 |

# Much Stronger Company Than Before

| | 2000 | YTDSep'08 |
|---|---|---|
| EBIT | S$754m | S$1,978m |
| Overseas EBIT Contribution | 23% (S$173m) | 62% (S$1,233m) |
| No. of Cities | 33 | >120 |
| Listed REITS & RE Funds | 1 | 22 |
| Assets Under Management | S$265m | S$24.8b |
| No. of Retail Malls | 7 | 115 |
| Units of Serviced Residences | 6,000 | 22,000 |
| ROE | 1.5% | 15.2% |
| Cash | S$879m | S$4.2b |
| Net Debt / Equity | 0.92x | 0.51x |
| Interest Cover Ratio | 1.8 | 5.2 |

# Business Updates



# CapitaLand Residential Singapore - CRS

**Significant part of '08/'09 earnings achieved from strong '06-'07 sales**

- No unsold completed units
- To progressively release units at The Wharf Residence and Latitude condominiums for sale
- **OUTLOOK**
  - Buying sentiment to remain cautious
  - Expect low sales volume

Latitude

The Wharf Residence

# CapitaLand China Holdings - CCH

**Successfully Monetised over S$1.6b in 3Q08**

- Divested Capital Tower Beijing, and injected four Raffles City developments into Raffles City China Fund in 3Q08
- Projects in Beijing, Foshan and Chengdu to be launch-ready in 4Q08
- **OUTLOOK**
  - Good leasing demand for Raffles City Beijing (ready 1H'09)
  - CCH will time the release of its residential projects for sale according to market conditions
  - Government recent measures positive for property sector:
    - Mortgage rates lowered to 70% of prime rate and downpayment to 20% for 1st time buyers
    - Transaction fee lowered to 1% from 1.5%
    - Scrap stamp duty temporarily
    - Local government free to set transaction fees

Capital Tower, Beijing

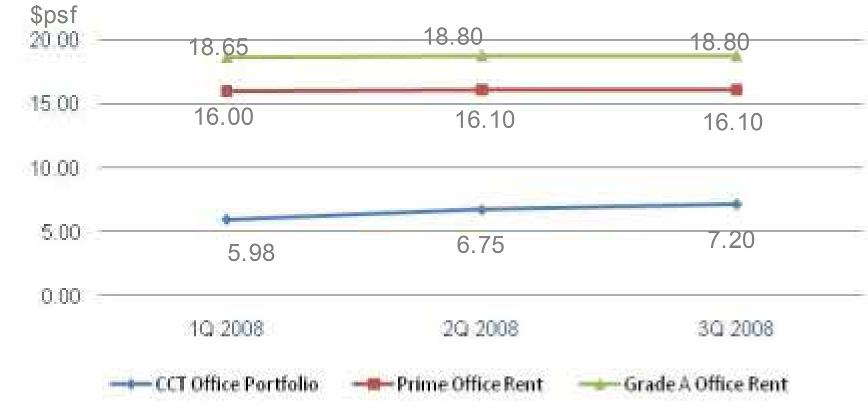
Raffles City Beijing

# CapitaLand Commercial - CCL

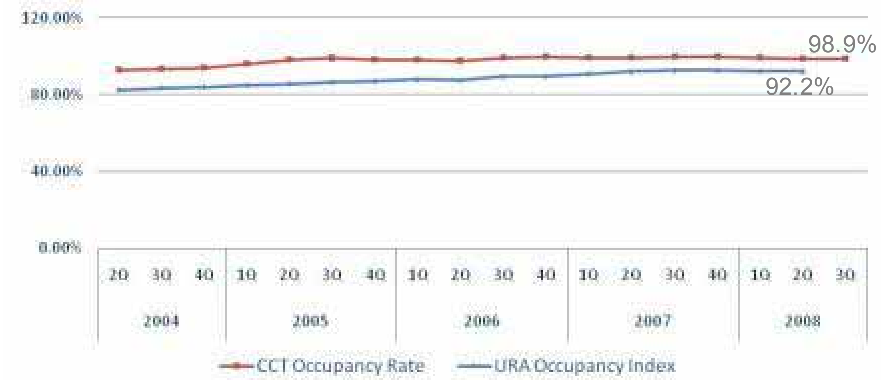
**Stable rental income from quality office assets**

- Majority of Office properties held by CapitaCommercial Trust (CCT)
- Average passing rent of CCT's portfolio below current market level
- **OUTLOOK**
  - Office rentals could face some downward pressure but mitigated by:
    - Tight overall office supply in the next 2 years
    - CCT enjoys 99% committed occupancy with well spread lease expiries
    - 53% of CCT's gross rental income contributed by top 10 blue-chip tenants with average lease term to expiry of 6.7 years

**Average passing rent below market level**




**CCT's Committed Occupancy Since Inception**



# CapitaLand Commercial - CCL

**Overseas operations will seek opportunistic acquisitions**

- Residential launches in Asian growth markets doing well:
  - Vietnam : 750 residential units at The Vista, currently close to fully booked/sold
  - India: >50% of 590 residential units at The Orchard Residency sold
  - Thailand: TCC Capital Land sold over 2,400 homes from 2004 till to-date

- **OUTLOOK**
  - Seek opportunistic acquisitions especially in Vietnam
    - Vietnam portfolio currently accounts for ~1% of Group's assets
    - Pipeline of 4,200 homes in Ho Chi Minh City

The Vista, Ho Chi Minh City

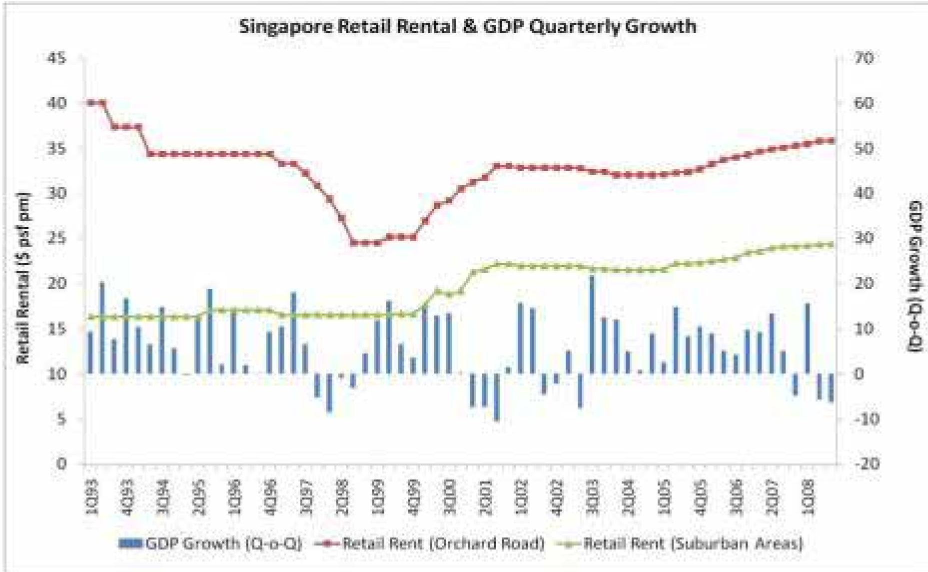
The Royal Residence, Bangkok

# CapitaLand Retail - CRTL

## Rolling out the pipeline

- Contributions from 3 recently acquired Malaysia malls
- Higher management fees from new China malls
- CRCT secured refinancing for US$105m loan facility due in November 2008

- **OUTLOOK**
  Singapore:
  – Resilient suburban retail rents
  – ION Orchard on track to open in Spring 2009 with more than 50% committed leases
  – Integrated Hub at Vista Exchange, one-north commences construction
  China:
  – 27 operational malls with 2 more malls to open by end-2008
  India:
  – First 2 malls to open by 2Q-4Q 2009





Integrated Hub @ Vista Exchange


Retail & Entertainment Zone, Integrated Hub

THE ASCOTT GROUP
A Member of CapitaLand

# The Ascott Group - Ascott

## To leverage on hospitality and real estate platform

- Overall REVPAU growth remains healthy
- Acquired historic building in Paris for €21.5m
- Management contracts secured in Oct'08
  - Ascott Bahrain (200 units)
  - Ascott Beijing Raffles City (175 units)

- **OUTLOOK**
  - Current financial turmoil likely to have an impact on the hospitality industry
  - However, relative resilience of the extended business stay model coupled with Ascott's geographical diversification should mitigate the impact
  - To stay focused on its strategy and leverage on its hospitality and real estate platforms to grow fee-based revenue and portfolio gains

ASCOTT THE RESIDENCE

SOMERSET SERVICED RESIDENCES

Citadines APART'HOTEL

CapitaLand

# ILEC - GCC

## Timely investments in Abu Dhabi and Bahrain

- **CAPITALA: 49/51 JV WITH MUBADALA IN ABU DHABI**
  - Total development ~9,000 homes
  - Phase 1, “Rihan Heights”
    - 854 apartment units & 14 villas
    - About 85% (734 units) booked since Sept 08
    - Average price AED25,000 - AED27,050psm (S$930-S$1,000psf)
    - Estimated handover date 1Q2011
  - Demand in Abu Dhabi underpinned by shortage of 74,000 residential units over the next 2 years

Arzanah, Abu Dhabi

- **RAFFLES CITY BAHRAIN (37% STAKE)**
  - Total development over 600 apartments, 50 villas, 200 serviced residences and 92,000 sqm of retail space
  - Total 115 residential units booked following the private launch in June 08 and public launch at Cityscape Dubai in October 2008
  - Average price of BHD1,750psm (S$650psf)
  - Phased completion from 4Q2010

Raffles City Bahrain





CapitaLand

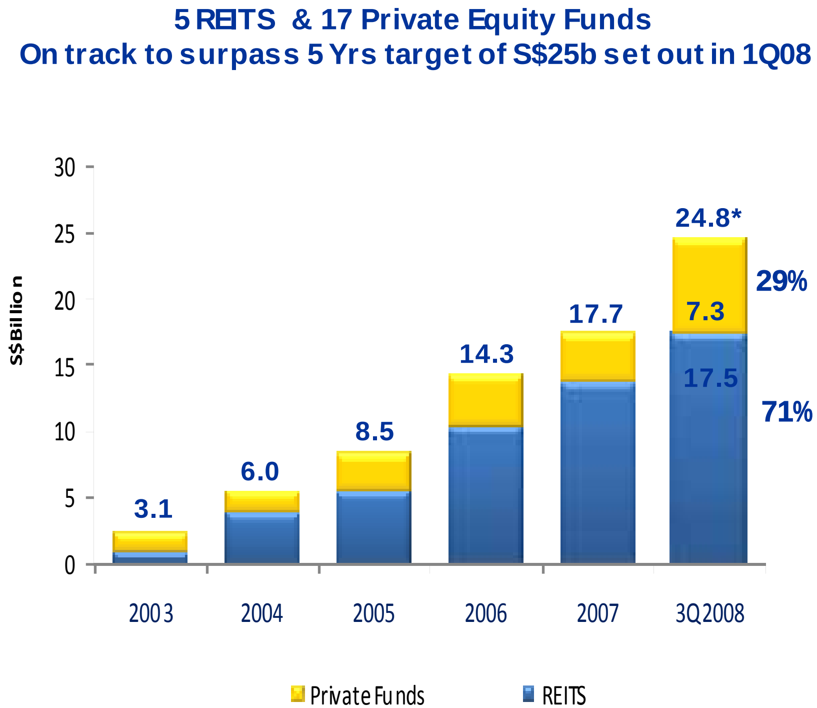
# CapitaLand Financial - CFL

## Growing recurrent fee income

- AUM of S$24.8b on track to surpass 5 years target of S$25b set in 1Q'08
  - Closed 2 funds in 3Q08:
    - Raffles City China Fund (US$1.0bn)
      - Purchased 4 Raffles City-branded integrated developments in Shanghai, Beijing, Chengdu and Hangzhou in China
    - CapitaLand China Development Fund II (US$239.8m)
  - CRCT entered into conditional S&P for acquisition of Phase II of Xizhimen Mall, Beijing, for RMB163.5m
- **OUTLOOK**
  - PE Funds have undrawn committed capital of ~S$3.1bn, cash of ~S$800m and Debt/Asset of ~0.23**
  - REITs to focus on proactive asset management
  - Continue to monitor markets for accretive acquisition opportunities

** Including equity bridges

## AUM S$24.8 billion




* AUM is computed based on each REIT's or Fund's beneficial share of total assets.

# Others – Australand

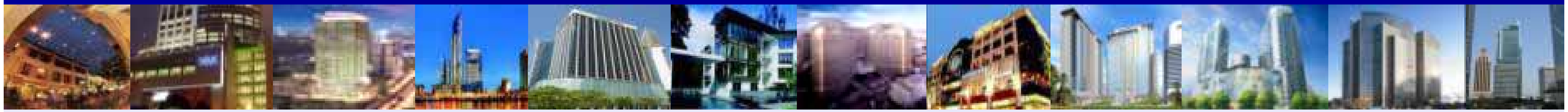
**Timely Recapitalization of Australand's balance sheet**

- Australand successfully raised A$461m in 3Q2008
- Pro-forma gearing improved to the lower end of the target range of 35% - 40%
- **OUTLOOK**
  - Market conditions continue to remain challenging
  - Government initiatives to increase first home buyer grants and lower interest rates could provide some stimulus in 2009

Erskine Park Industrial Estate, NSW

East Central, Botany, NSW

# Prospects



# Prospects

## Strengthening Relative Position in Turbulent Times

- **CapitaLand is well-positioned to ride out the challenges**
  - Good liquidity with cash of S$4.2bn
  - Average debt maturity of 4.5 years
  - Total amount of debts due for the remainder period of 2008 and year 2009 is ~S$360m and ~S$450m
  - Strong balance sheet with a healthy net D/E of 0.51
  - Stable recurrent income stream from REITs distribution and fund management fees etc
- **Refocus on core markets and core businesses**
  - Core Markets: Singapore, China and Australia
  - Core Businesses: Residential, Retail, Commercial, Hospitality and Financial Services
- **Competitive position strengthened**
  - Benefit from flight to quality in capital-constrained environment
  - Seeking out opportunities to make right acquisition at the right price
  - Strong companies with low gearing and financial flexibility will leap-frog weaker competitors

# Growing Our Real Estate Franchise

**Extend Market Leadership**

- One of Asia's LARGEST Real Estate Company
- LEADING Foreign Real Estate Developer In China
- LARGEST Retail Mall Owner/ Manager In Asia
- LARGEST International Serviced Residence Owner-Operator
- LEADING Asia-Based RE Fund & REIT Manager

**Enlarge Geographical Footprint**

More Than 120 Cities in Over 20 Countries

**Leverage on Winning Competencies**

Complete Real Estate Value Chain

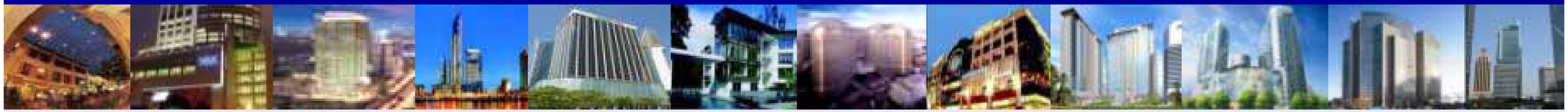
**Seize Opportunities**

Asian Growth

Strategic Partnerships

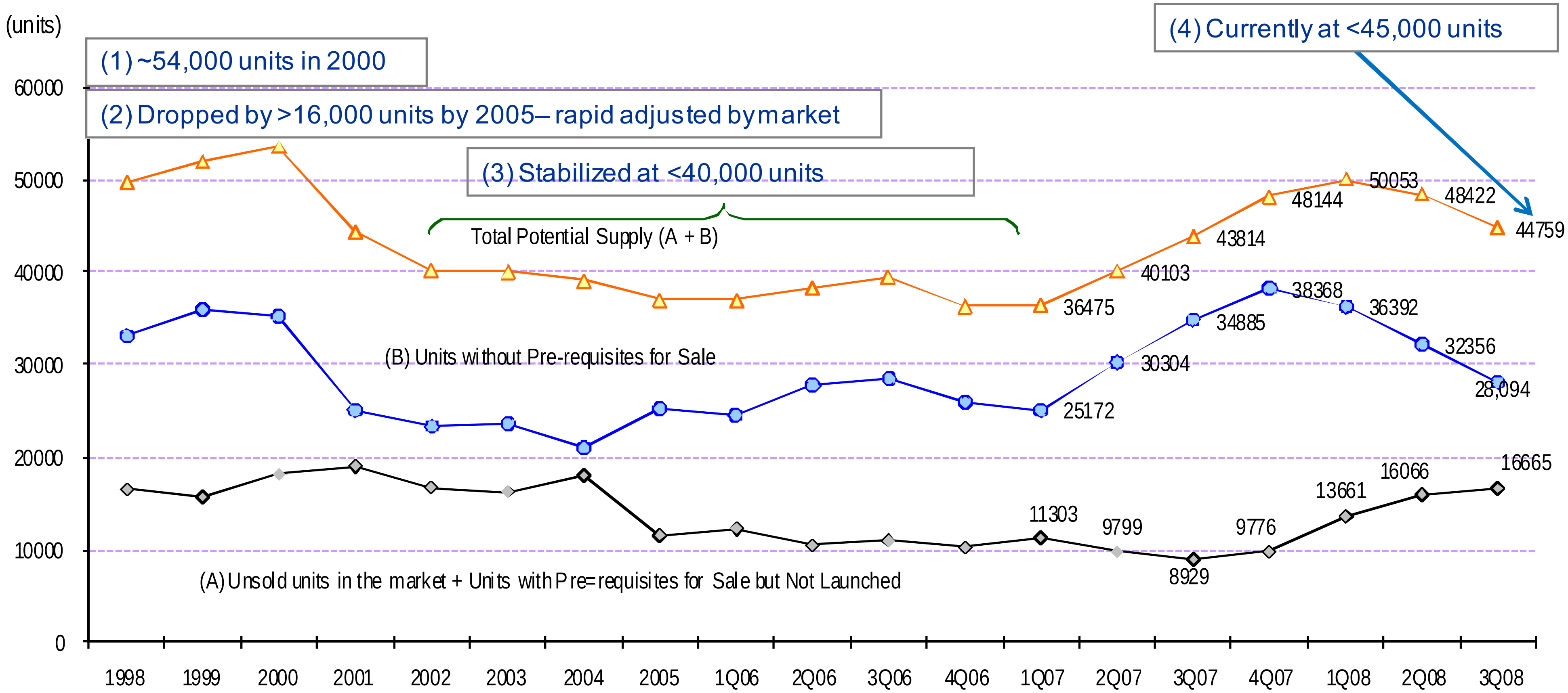
Distressed Assets

# Thank You



# Supplementary Slides

# Singapore Private Residential Market –
## Total Potential Supply Pipeline (1998 to 3Q2008)

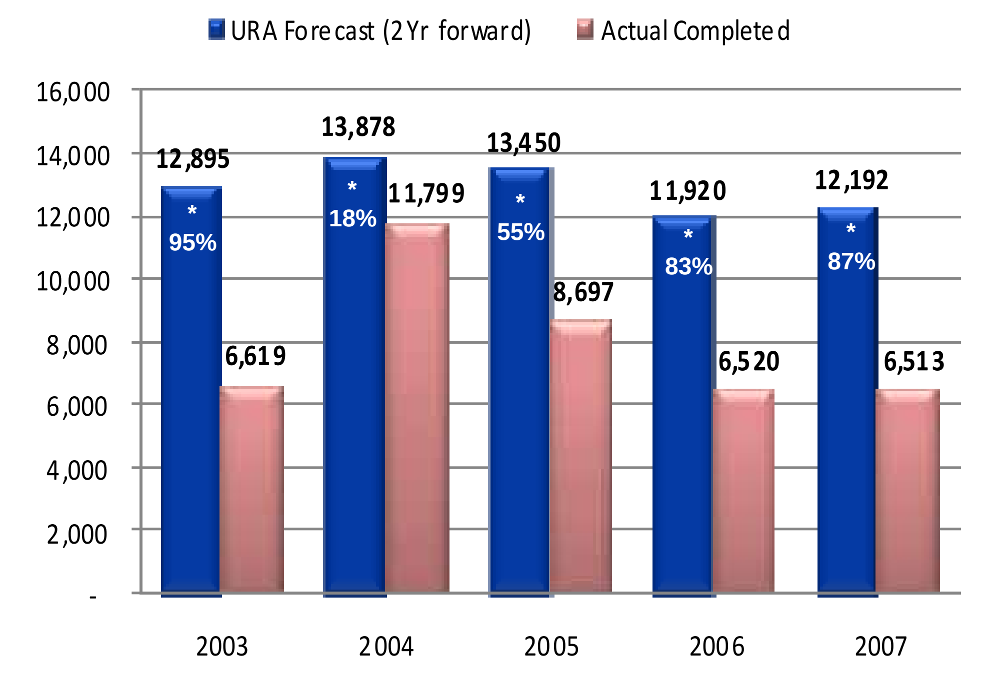



Source: URA

# Singapore Private Residential – Manageable Supply

- Actual completion historically lower than URA forecast
- Residential units completion over next 4 years manageable

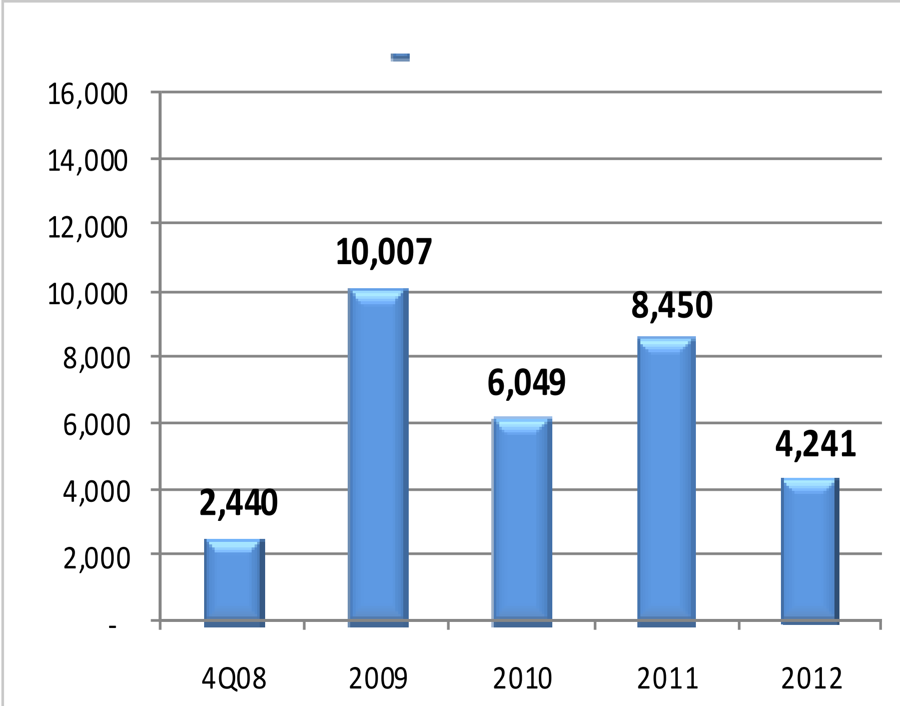
**URA Forecast vs Actual Completion (2003 – 2007)**




* Overestimation

Source: URA, UOB Kay Hian

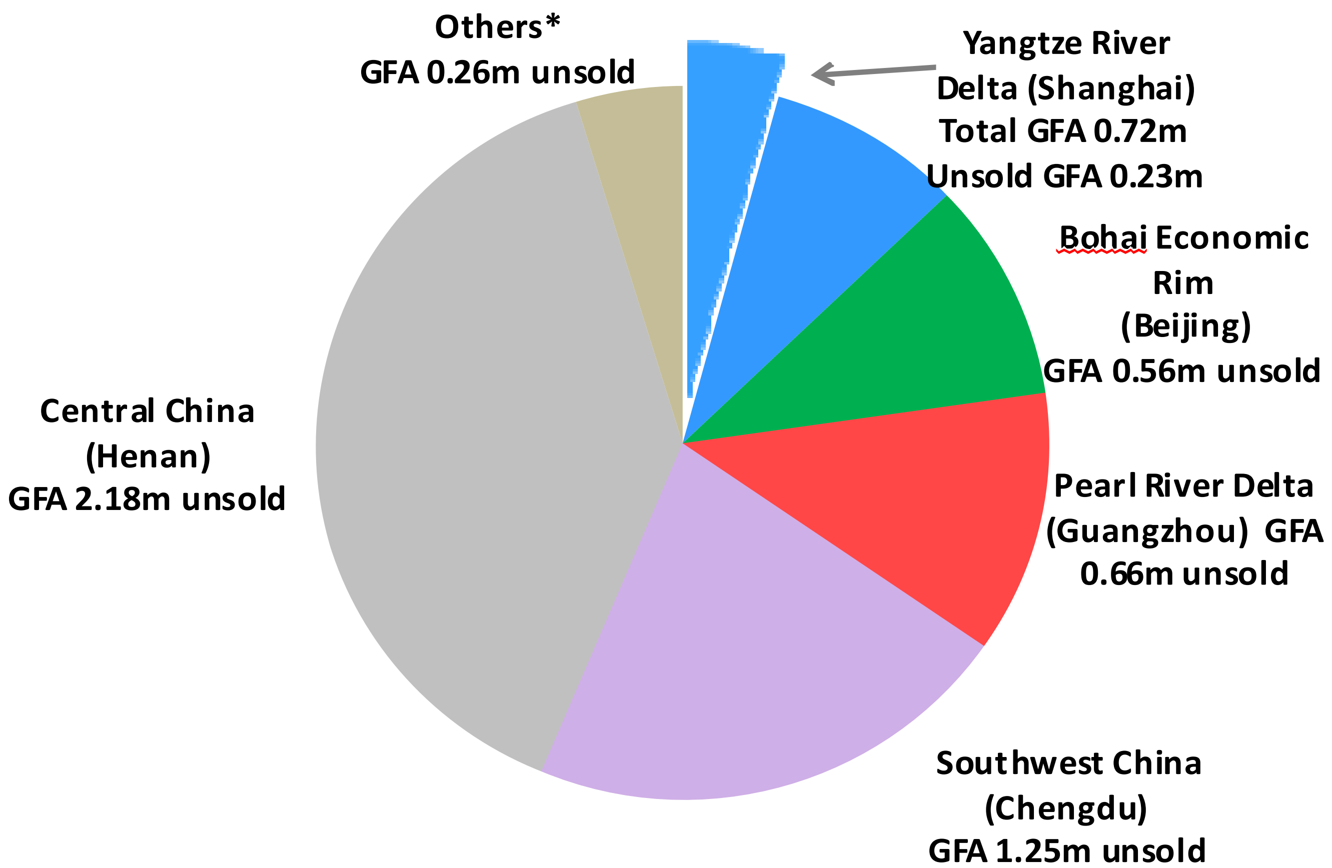
**Expected completion of units under construction**




Source: URA

# China Residential

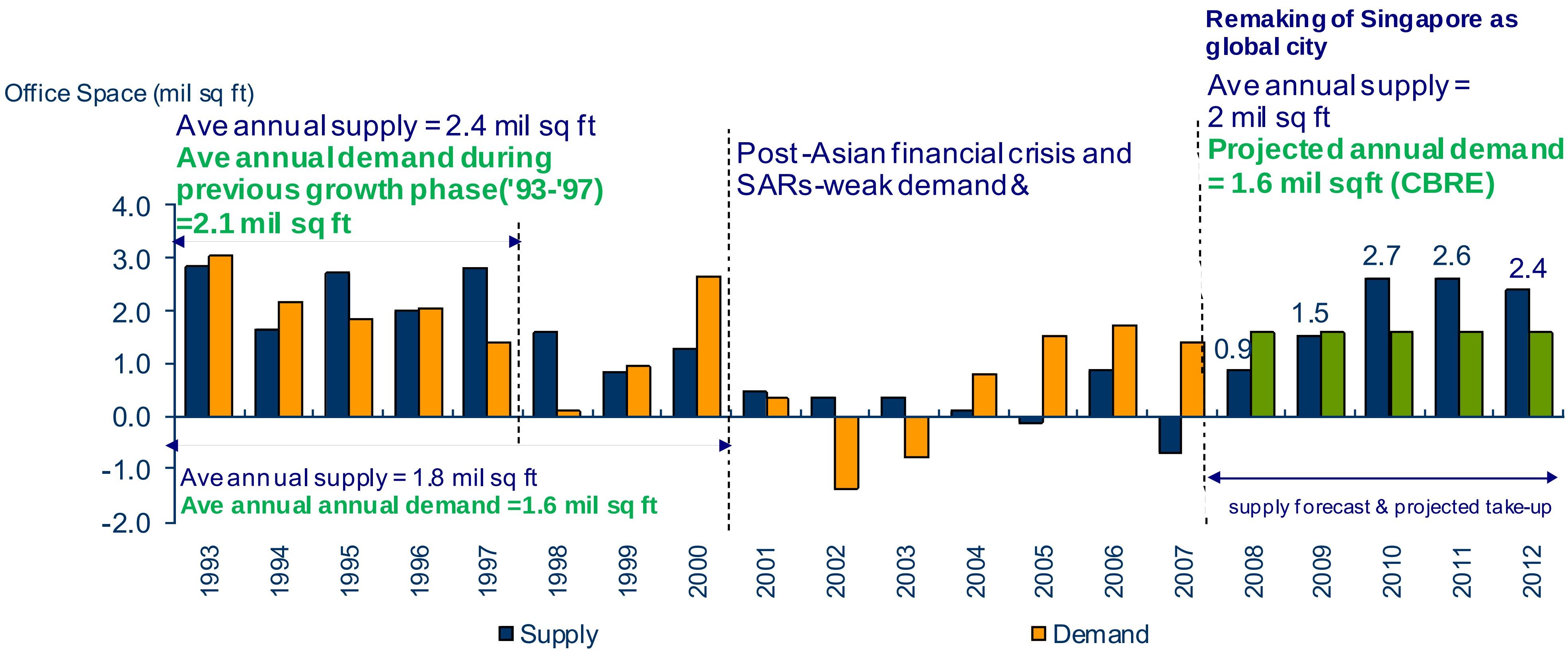
## Balanced portfolio across regions




*Others: Lai Fung Holdings (20%)

# Average Annual Supply of 2 mil sq ft (2008 – 2012) is Lower Than Historical Average

## Singapore Private Office Space (Central Area) -- Demand & Supply

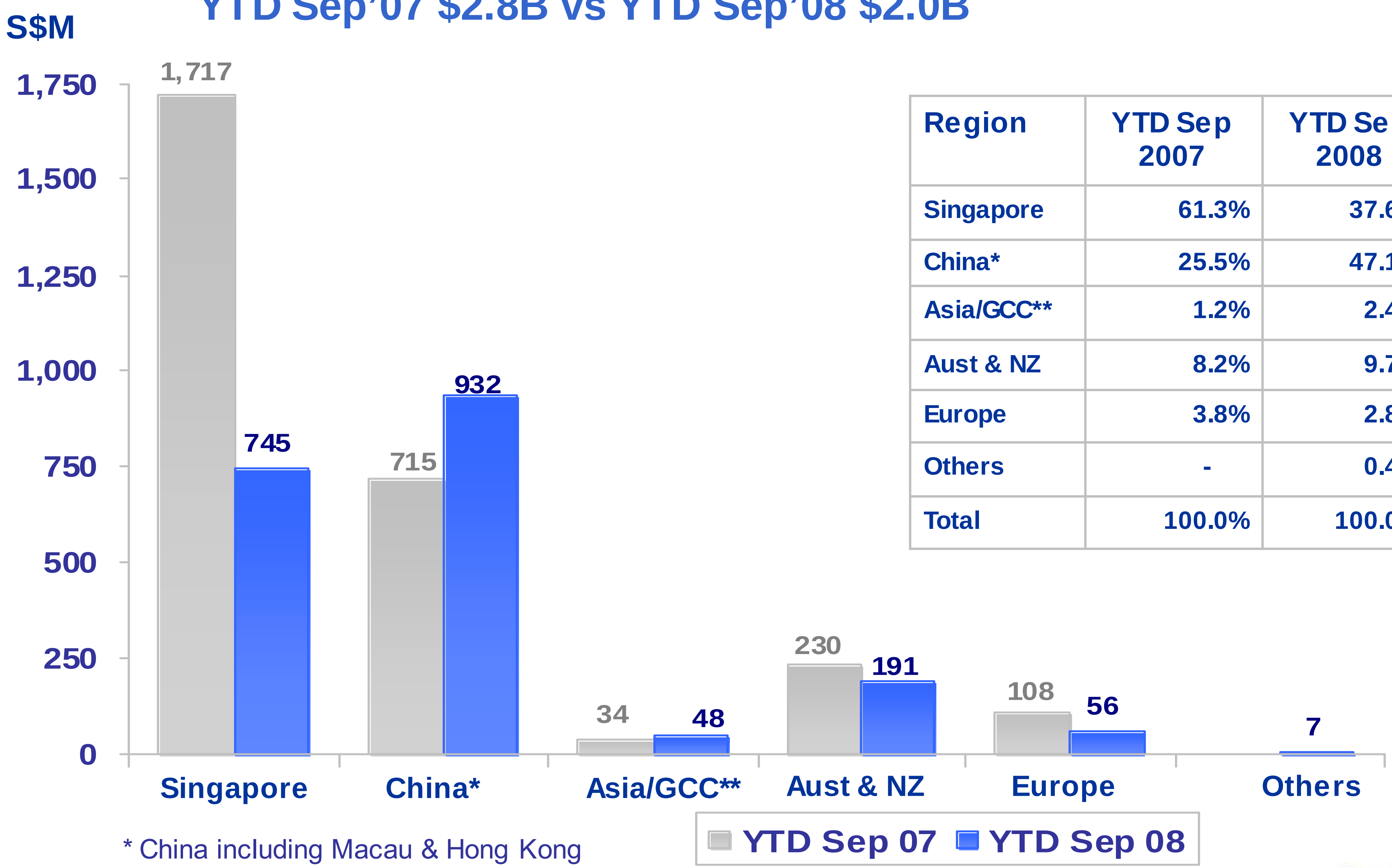



*Note: Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'*

*Source: URA, CBRE & CapitaLand Research (July 2008)*

# EBIT by Geography

## YTD Sep'07 $2.8B vs YTD Sep'08 $2.0B



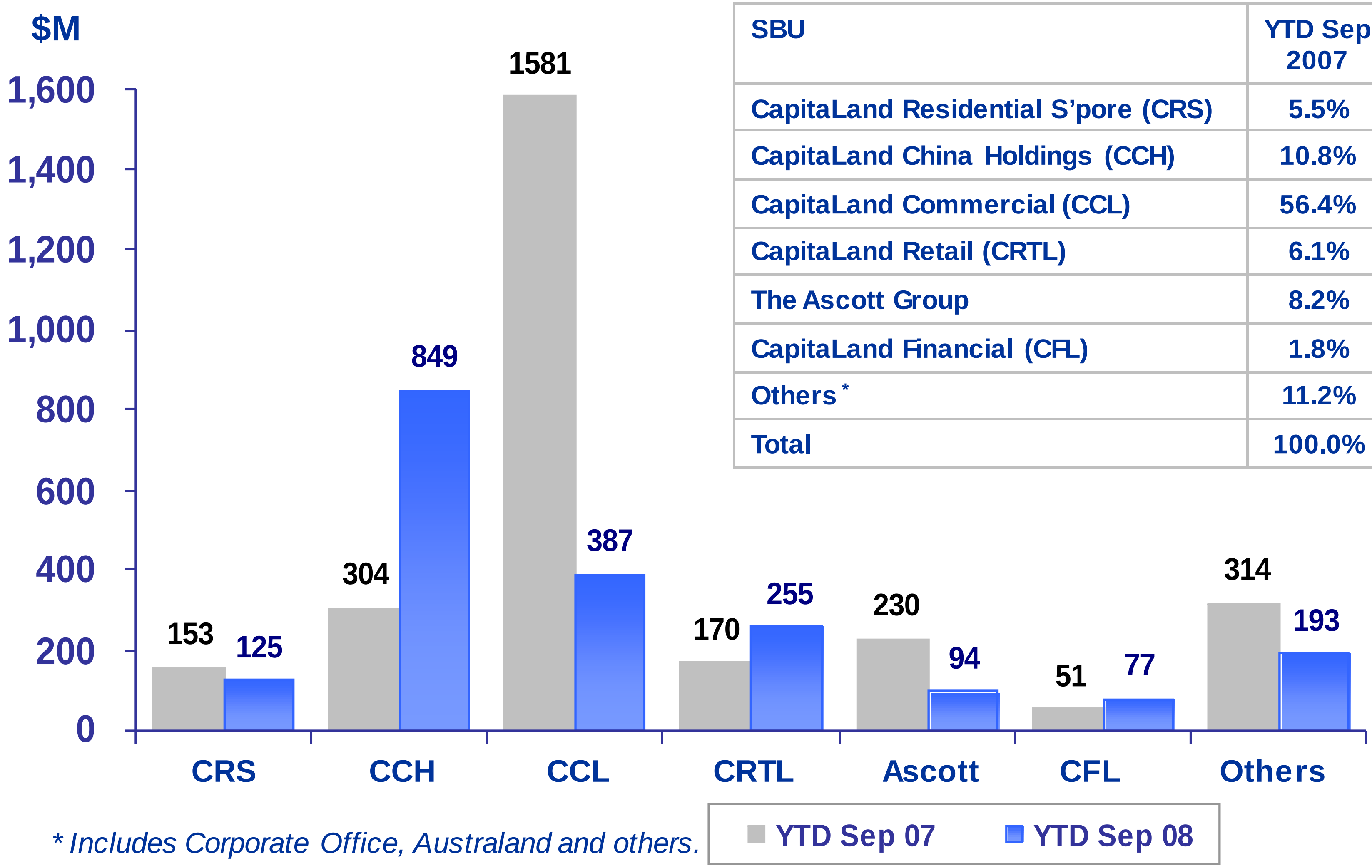

| Region | YTD Sep 2007 | YTD Sep 2008 |
|---|---|---|
| Singapore | 61.3% | 37.6% |
| China* | 25.5% | 47.1% |
| Asia/GCC** | 1.2% | 2.4% |
| Aust & NZ | 8.2% | 9.7% |
| Europe | 3.8% | 2.8% |
| Others | - | 0.4% |
| Total | 100.0% | 100.0% |

* China including Macau & Hong Kong

**Excludes Singapore and China

# EBIT by Strategic Business Units

## YTD Sep'07 $2.8B vs YTD Sep'08 $2.0B




| SBU | YTD Sep 2007 | YTD Sep 2008 |
|---|---|---|
| CapitaLand Residential S'pore (CRS) | 5.5% | 6.3% |
| CapitaLand China Holdings (CCH) | 10.8% | 42.9% |
| CapitaLand Commercial (CCL) | 56.4% | 19.5% |
| CapitaLand Retail (CRTL) | 6.1% | 12.9% |
| The Ascott Group | 8.2% | 4.7% |
| CapitaLand Financial (CFL) | 1.8% | 3.9% |
| Others * | 11.2% | 9.8% |
| Total | 100.0% | 100.0% |

** Includes Corporate Office, Australand and others.*

# EBIT by SBU – 3Q 2008

| S$' Million | 3Q 2007 | 3Q 2008 | Better/(Worse) Variance | | Remarks |
|---|---|---|---|---|---|
| **Total EBIT** | **758.6** | **691.9** | (66.7) | -8.8% | |
| **CapitaLand Residential S'pore** | 19.9 | **25.1** | 5.2 | 26.2% | Due to profit from sales achieved in 2006 and 2007 |
| **CapitaLand China Holdings** | 97.9 | **409.8** | 311.9 | 318.6% | Due to the divestment gains from the sale of Capital Tower Beijing and Raffles City properties in China and FX gains |
| **CapitaLand Commercial** | 513.4 | **68.0** | (445.4) | -86.7% | Due to lower divestment gains |
| **CapitaLand Retail** | 25.5 | **14.0** | (11.5) | -45.0% | Due to unrealised foreign exchange losses, partially mitigated by contribution from the retail malls in Malaysia |
| **The Ascott Group** | 59.3 | **36.3** | (23.0) | -38.7% | Due to absence of divestment gains |
| **CapitaLand Financial** | 5.9 | **34.1** | 28.2 | 478.0% | Due to higher revenue, partially offset by impairment losses made on investments, higher operating expenses and lower share of profit from associates |
| **Others *** | 36.7 | **104.4** | 67.7 | 183.9% | Mainly due to negative goodwill arising from the rights issue by Australand |

* *Includes Corporate Office, Australand and others.*

# EBIT by SBU – YTD Sep 2008

| S$' Million | YTD Sep-07 | YTD Sep-08 | Better/(Worse) Variance | | Remarks |
|---|---|---|---|---|---|
| **Total EBIT** | **2,802.8** | **1,978.4** | (824.4) | -29.4% | |
| **CapitaLand Residential S'pore** | 153.3 | **125.0** | (28.3) | -18.5% | Revenue yet to be recognised for The Seafront on Meyer and The Orchard Residences |
| **CapitaLand China Holdings** | 303.7 | **848.8** | 545.1 | 179.5% | Due mainly to the divestment gains from the sale of Capital Tower Beijing, Raffles City China properties and FX gains |
| **CapitaLand Commercial** | 1,581.5 | **386.4** | (1,195.1) | -75.6% | Due to lower divestment and fair value gains |
| **CapitaLand Retail** | 169.7 | **254.7** | 85.0 | 50.1% | Due to higher divestment and fair value gains, net unrealised FX gains and contribution from the retail malls in Malaysia |
| **The Ascott Group** | 229.7 | **93.7** | (136.0) | -59.2% | Due to lower portfolio gains and deconsolidation of ART's results |
| **CapitaLand Financial** | 51.2 | **76.6** | 25.4 | 49.5% | Due to higher revenue, partially offset by impairment losses made on investments, higher operating expenses and lower share of profits from associates |
| **Others *** | 313.7 | **193.3** | (120.4) | -38.4% | Due to provision for foreseeable losses and lower fair value gains from the investment properties held in Australia but partially mitigated by the recognition of negative goodwill arising from Australand's rights issue |

* *Includes Corporate Office, Australand and others.*