CapitaLand Group

Nomura Asia Equity Forum 2010

June 2010

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.

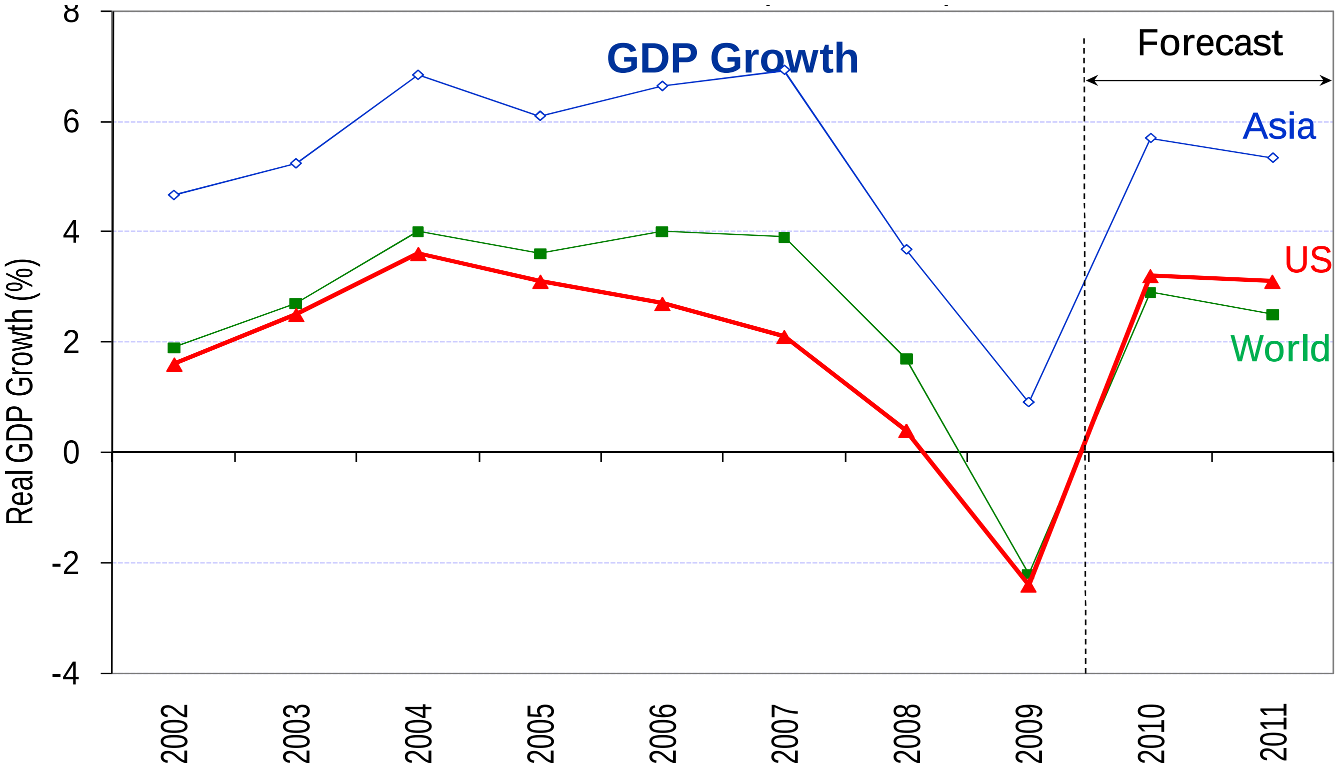
Contents

- Asia Leading Global Recovery
- Singapore Remaking
- Singapore Residential
- Singapore Office
- China Market Situation
- CapitaLand Results & Conclusion

Asia Leading Global Recovery

Asia leading the global recovery

- **International Monetary Fund (IMF) reports Asia leading the global recovery**
- **China, India and Australia avoided a recession**

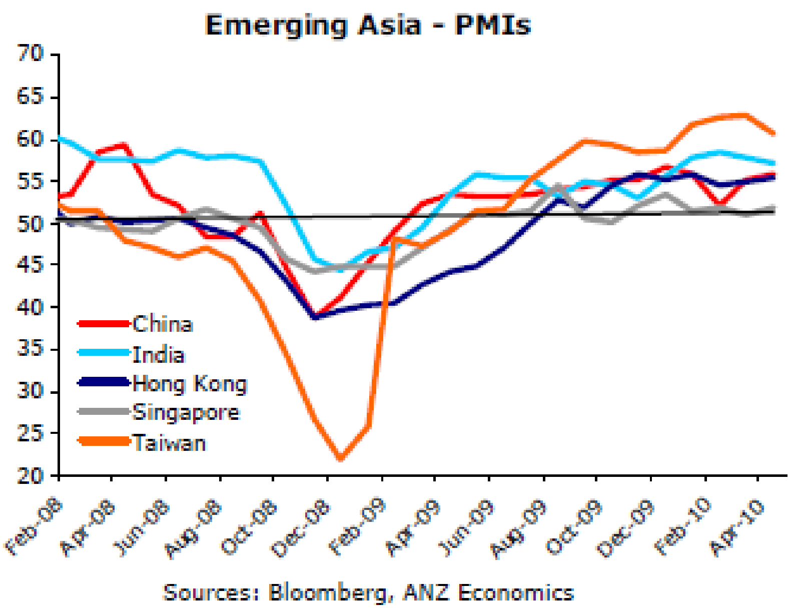


Source: Consensus Forecast & EIU (As at May 2010)

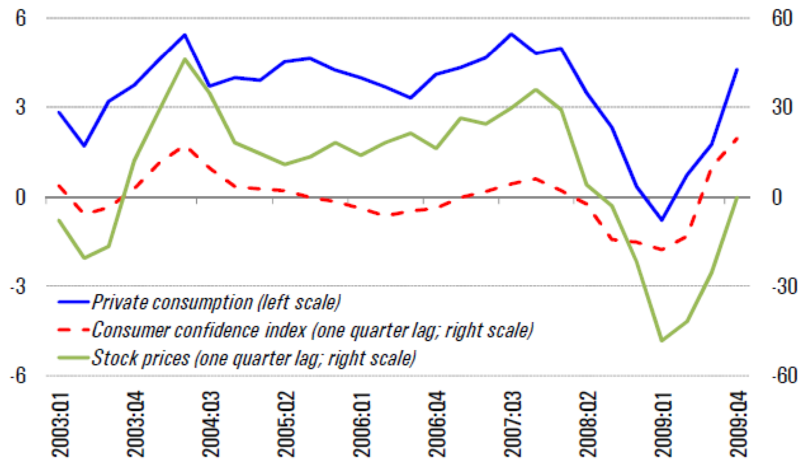
Positive signs emerge

- **Industrial Production in Asia has returned to pre-Global Financial Crisis (GFC) levels**
- **Consumer confidence trending upwards**

Industrial Production



Private Consumption, Consumer Confidence, and Stock Prices
Selected Asia, y-o-y % change



Source: IMF, Regional Economic Outlook report, April 2010

Singapore Remaking

Strong growth for Singapore market

- **1Q2010 GDP ⬆ 13.1% y-o-y**
- **IMF forecast 8.9% for 2010 & 6.8% for 2011**
- **Employment continues to grow strongly**
  - 1Q2010 jobs up 34,000 (~90% services)
  - Unemployment rate dropped to seasonally adjusted 2.1% in Dec'09
- **Manufacturing output has increased significantly**
  - ⬆ 43% y-o-y March 2010
- **Visitor arrivals grew in March 2010 by ~16% y-o-y**
  - Fourth consecutive month of record visitor arrivals

Singapore: A Global City - Cosmopolitan SuperHub

Tourism drive gaining traction

- **2 integrated resorts opened**
- **Visitor arrivals of 928,000 in March 2010, highest ever recorded in March**
- **Singapore Tourism Board targets 17 million tourists in 2015** (2009: 9.6 million)

Marina Bay Sands

Resort World S'pore

Global Events

- **Youth Olympic Games in Aug'10**
- **Formula 1 Singapore Grand Prix in Sep'10**

Education hub

- **Foreign student population to triple to 150,000 by 2012**

INSEAD

NANYANG TECHNOLOGICAL UNIVERSITY

THE UNIVERSITY OF CHICAGO

SMU SINGAPORE MANAGEMENT UNIVERSITY

NUS National University of Singapore

SIM UNIVERSITY

Medical Hub

Singapore MEDICINE

- **Targets 1 million foreign patients annually**
- **Contribution of S$2.6 billion of value-add and 1% of GDP by 2012**

Hospital Groups

Raffles Medical Group

National Healthcare Group

Singapore Health Services

Parkway Group Healthcare

Hospitals / Medical Centres

Novena Medical Center

Connexion

Camden Medical Centre

National University Hospital

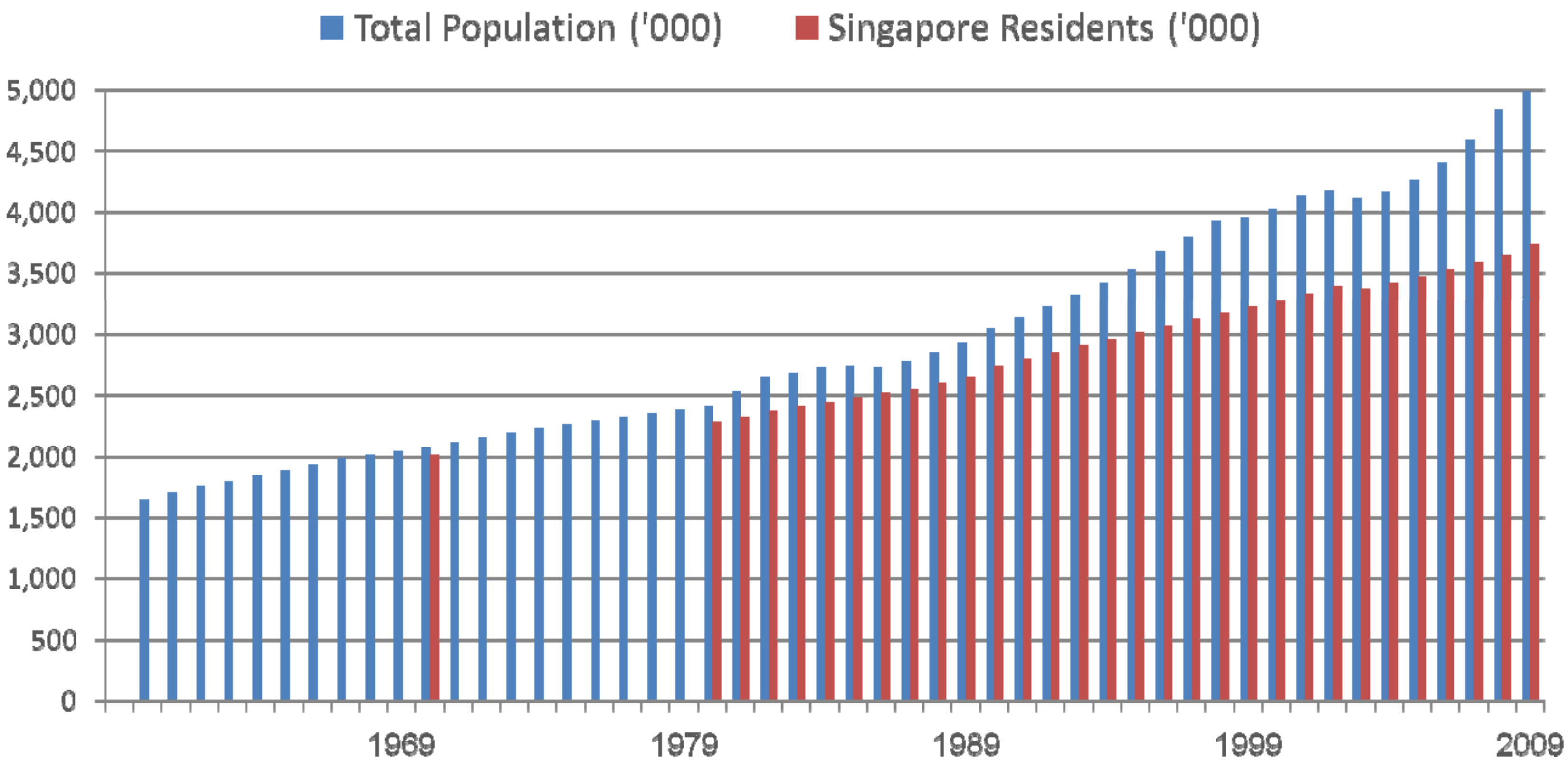
Thomson Medical Centre

Mount Alvernia Hospital

Alexandra Hospital

Population growth

- **Potential of 6.5 million population** (2009: 4.9 million)
- **To be driven mainly by immigration**



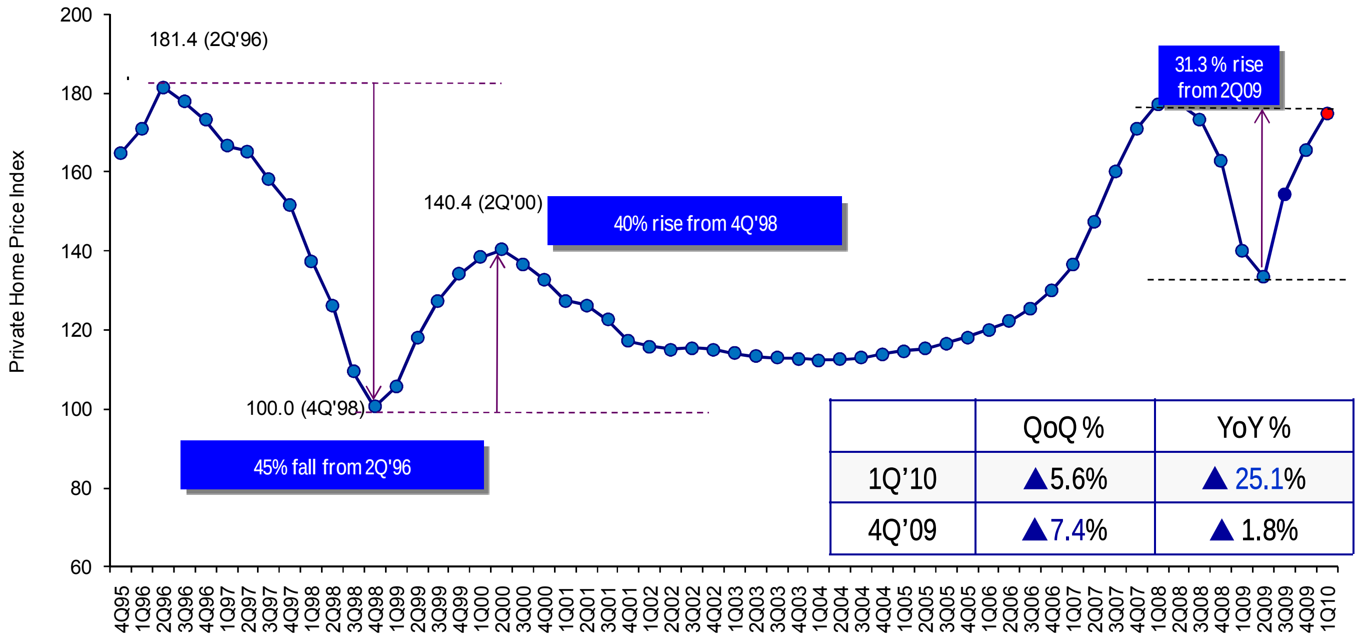
Source: Statistics Singapore
Data for 1980 and earlier Censuses refer to all persons present in Singapore and enumerated on Census Day. Data from 2000 onwards are based on the register-based approach. Data from 2003 - 2007 have been revised wef Feb 2008.
Total population comprises Singapore residents and non-residents. Resident population comprises Singapore citizens and permanent residents.

Singapore Residential

Strong recovery in home prices

- **Strong price growth from 2H'09 trough**
  - Prices have increased 5.6% q-o-q, a rebound of 31.3% from 2Q'09 trough
  - Prices have increased 25.1% yoy and it is only 1.4% below 2Q'08 peak
  - Underpinned by strong market fundamentals – improving economic conditions

URA Private Home Price Index (all types)



	QoQ %	YoY %
1Q'10	▲5.6%	▲ 25.1%
4Q'09	▲7.4%	▲ 1.8%

Source: URA and CapitaLand Research

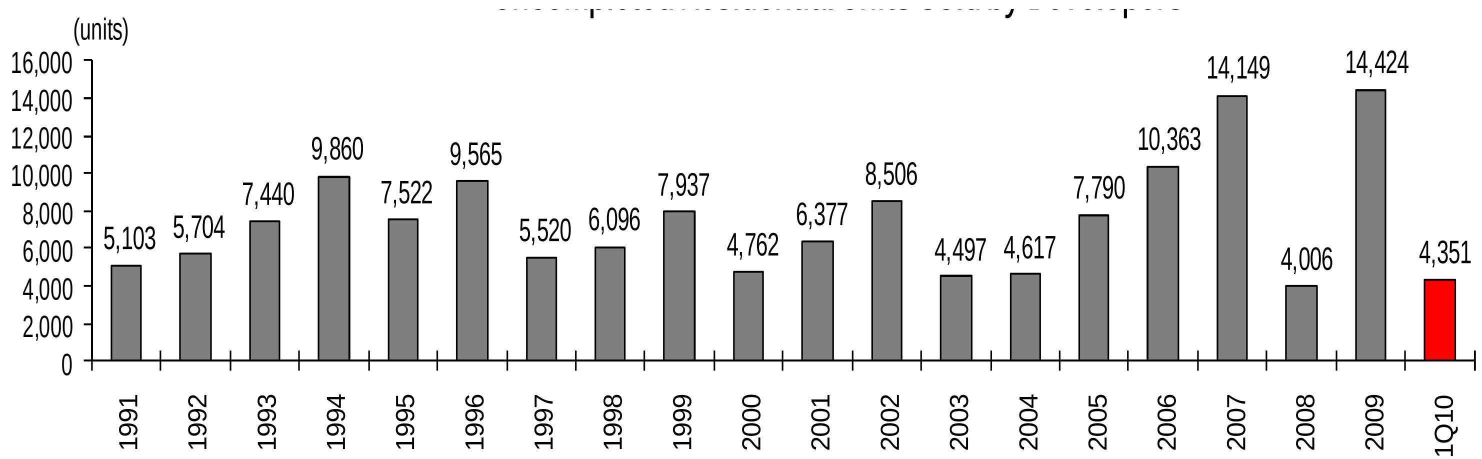
Government Initiatives to promote healthy & sustainable housing market

- 3.0% vendor stamp duty on residential properties sold within one year
- Loan-to-value limit is lowered from 90% to 80%
- Minimum Occupation Period (MOP) for HDB resale flats, revised from 1 yr to 3 yrs
- Increase land supply - through Confirmed and Reserved list
- Increasing supply of public housing units

Volume recovered in strength

- **4,351 uncompleted units sold in 1Q'10**

Uncompleted Residential Units Sold by Developers

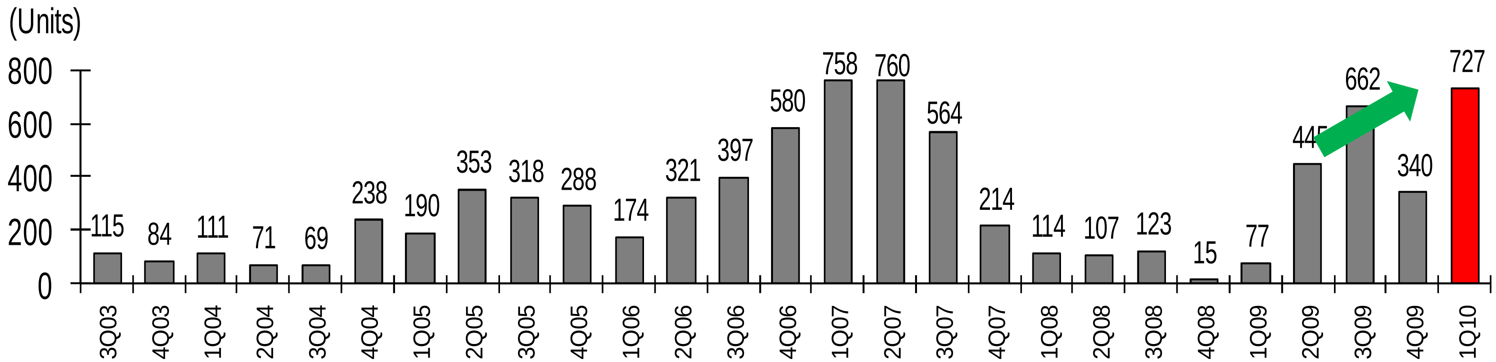


Source: URA and CapitaLand Research

Foreign buyers re-entering the market

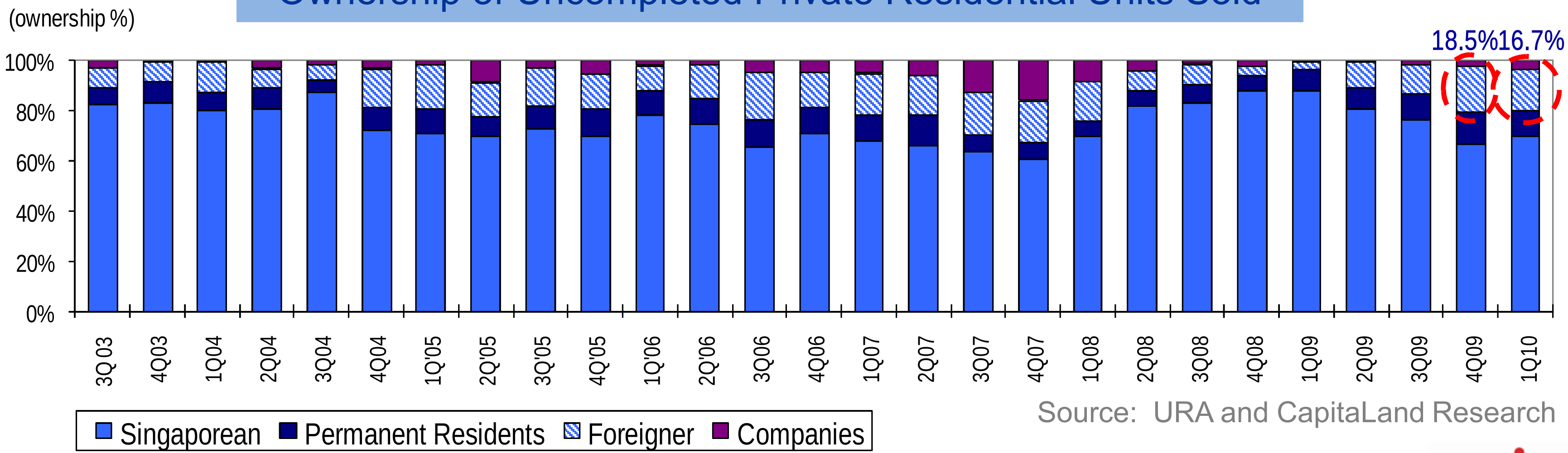
- **1Q'10 foreign buyers accounted for 16.7% of sales**

Uncompleted Residential Units purchased by foreigners



Source: URA and CapitaLand Research

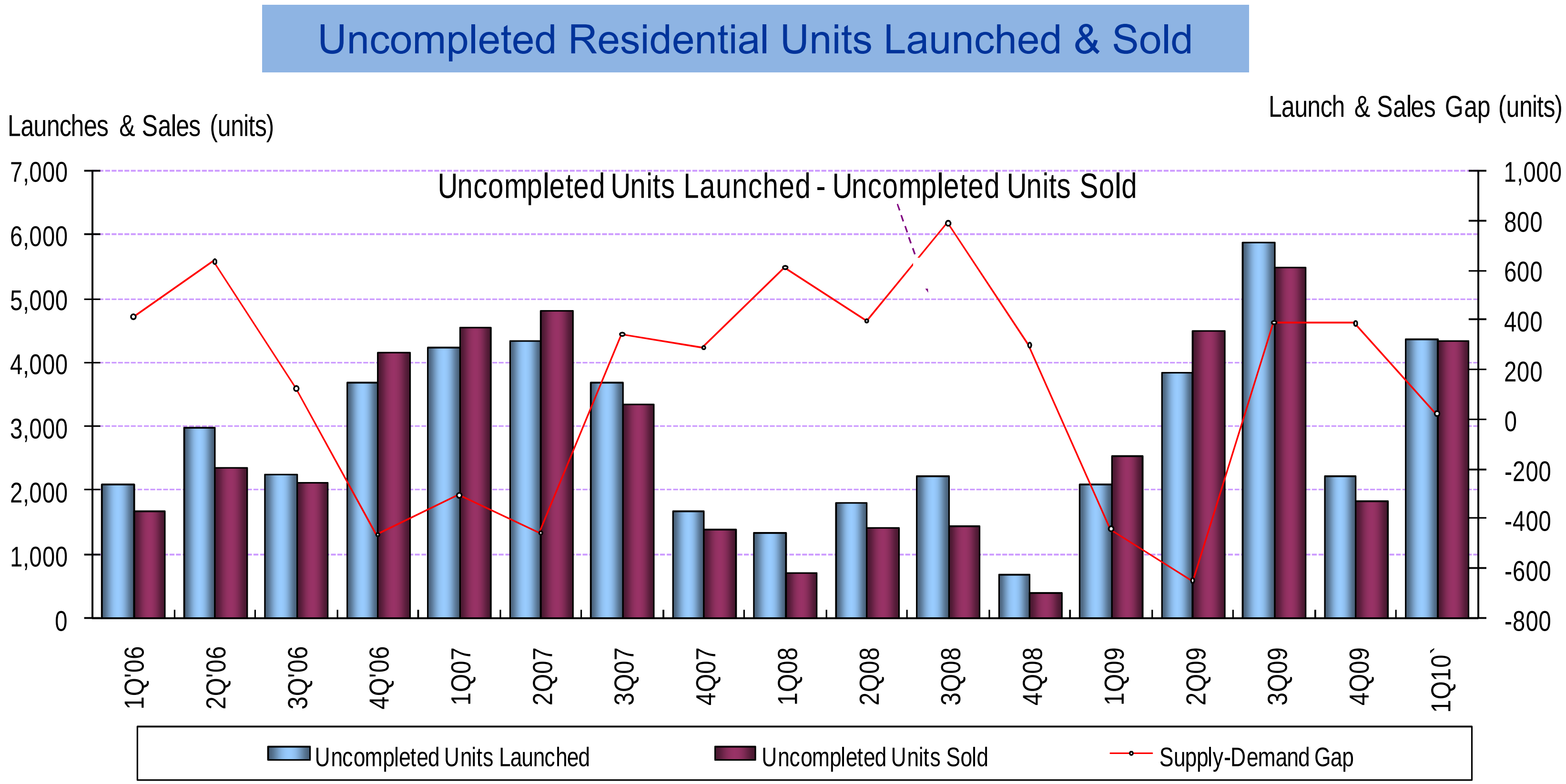
Ownership of Uncompleted Private Residential Units Sold



Source: URA and CapitaLand Research

Balanced supply & demand

- **Take-up equal to new launches**

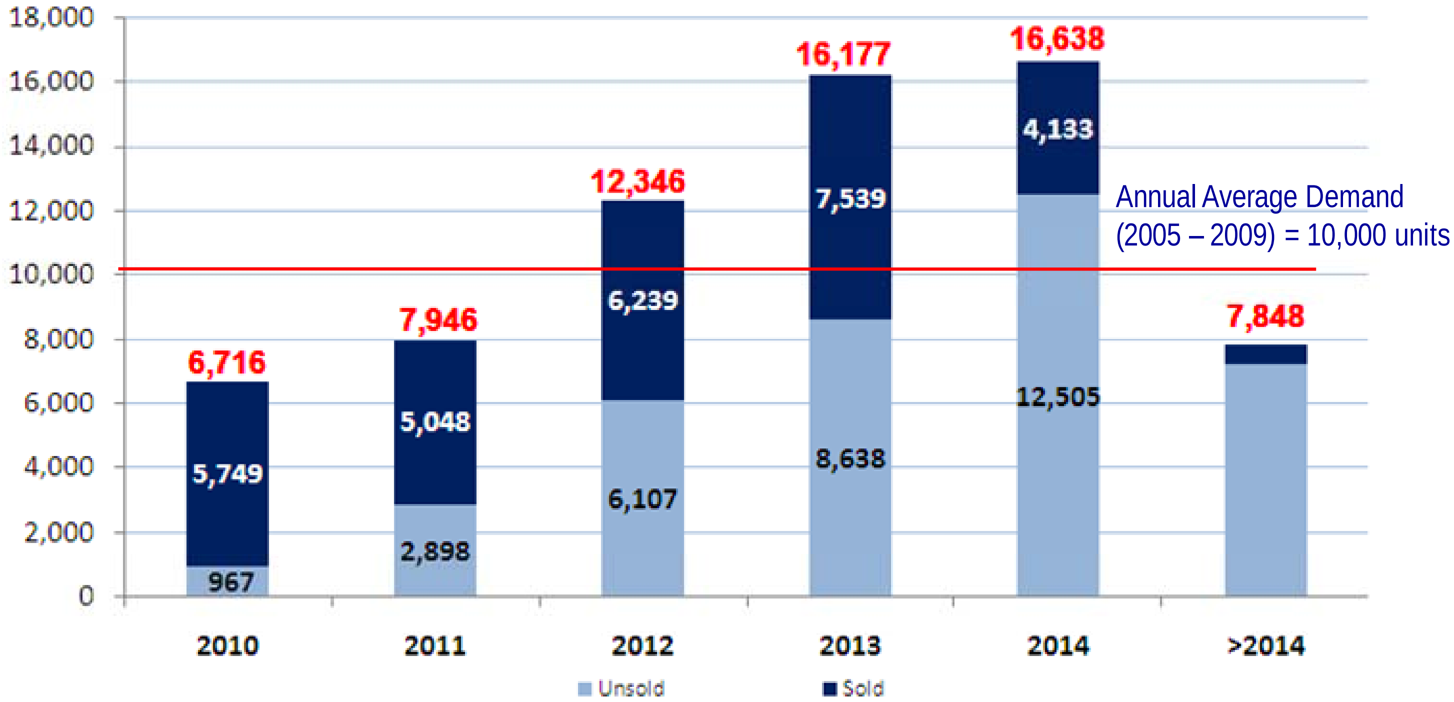


Source: URA and CapitaLand Research

Balanced supply & demand (cont.)

- **Impending supply largely sold**

Estimated Completion of Private Residential Units (under construction)

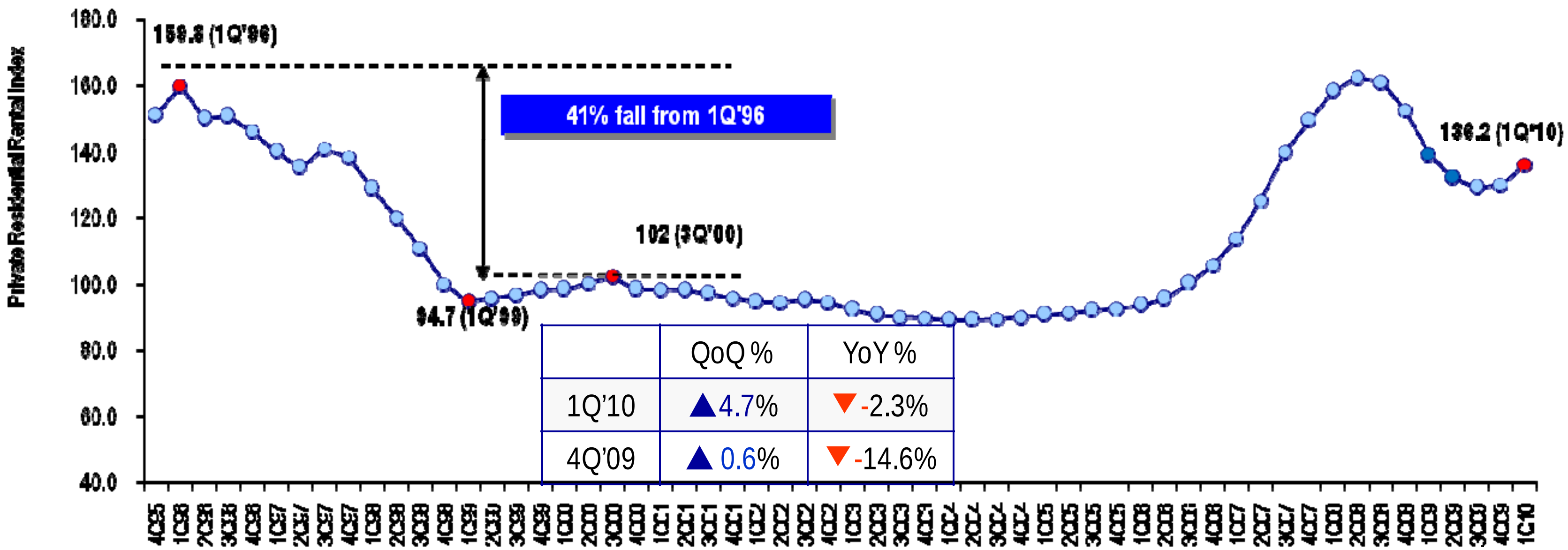


Source: URA and CapitaLand Research

Rental markets improving

- **Rentals improved for second straight quarter due to robust economic growth and better job market**

Private Residential Rental Index (all types)

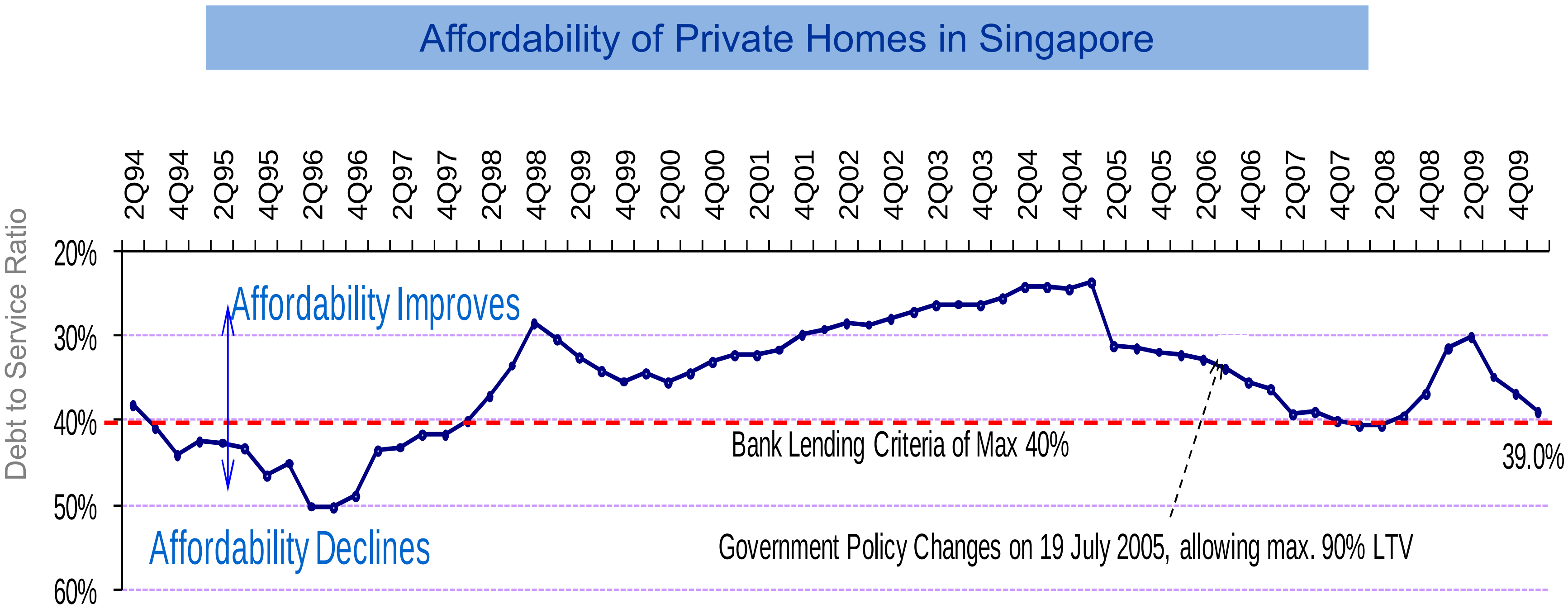


	QoQ %	YoY %
1Q'10	▲4.7%	▼-2.3%
4Q'09	▲ 0.6%	▼-14.6%

Source: URA and CapitaLand Research

Affordability weakened, but remains healthy

- **Affordability weakened due to higher property prices**
- **Debt service ratio of 39% at 1Q'10 remains healthy**



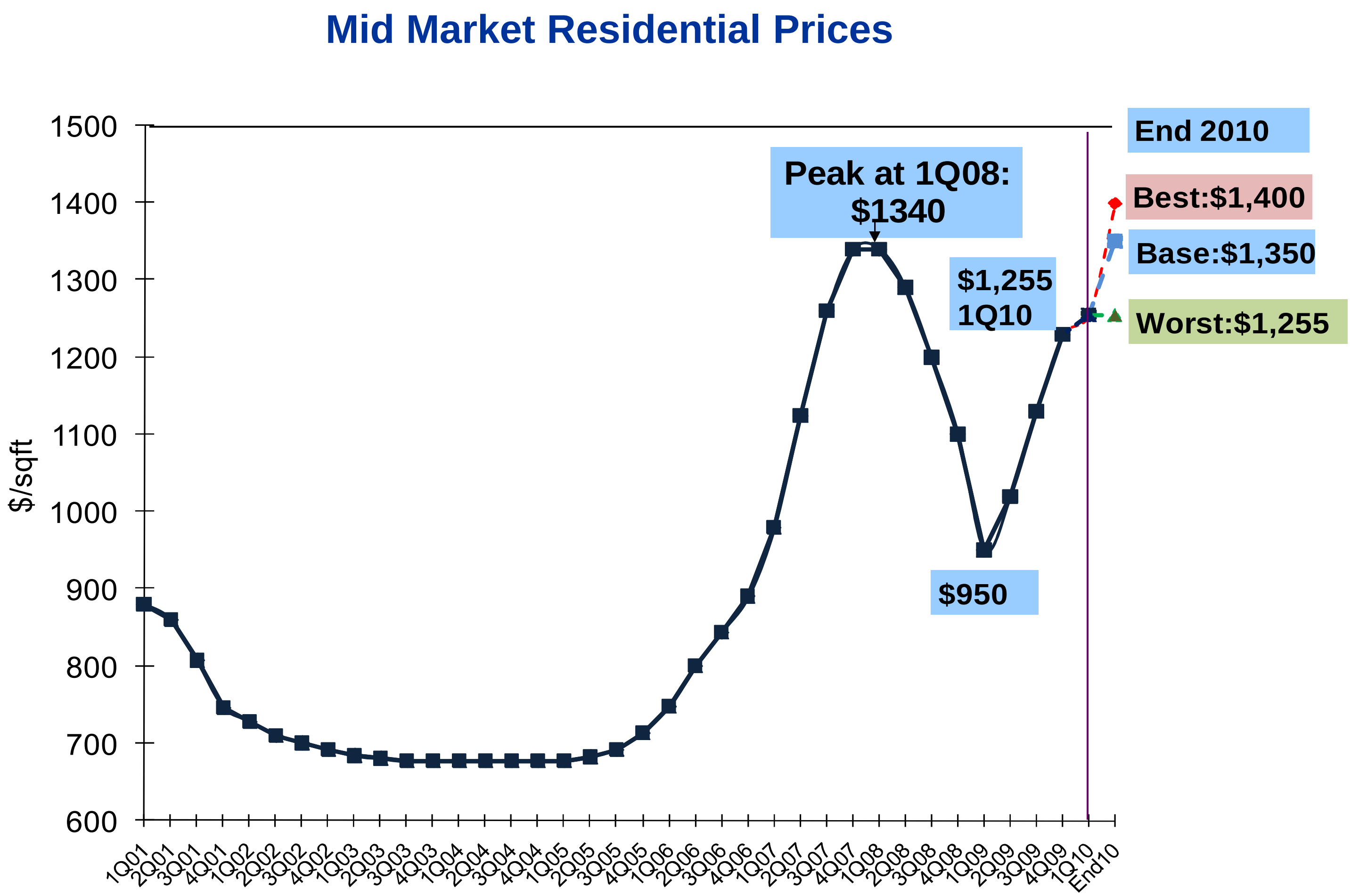
Source: MAS, URA, Department of Statistics and CapitaLand Research

Strong Buying sentiment in high-end segment

- **Demand for Singapore luxury residences fuelled by:**
  - Strong economic growth & healthy wealth growth
  - A second-home market from global HNWIs with opening of two Integrated Resorts
  - Large price "discount" from peak

Project	Total Units	Secondary Market Transacted Prices (S$/sqf)			
		Peak (S$/sqf)	Lowest since peak S$	Dec (2009) S$	Mar (2010) S$
St Regis	255	**3,989 (Jun 07)**	1,528 (Jan 09)	**2,450**	**2,450**
The Sail	1,111	**3,300 (Aug 07)**	1,100 - 1,200 (Jan 09)	**2,000 - 2,600**	**2,200 - 2,650**

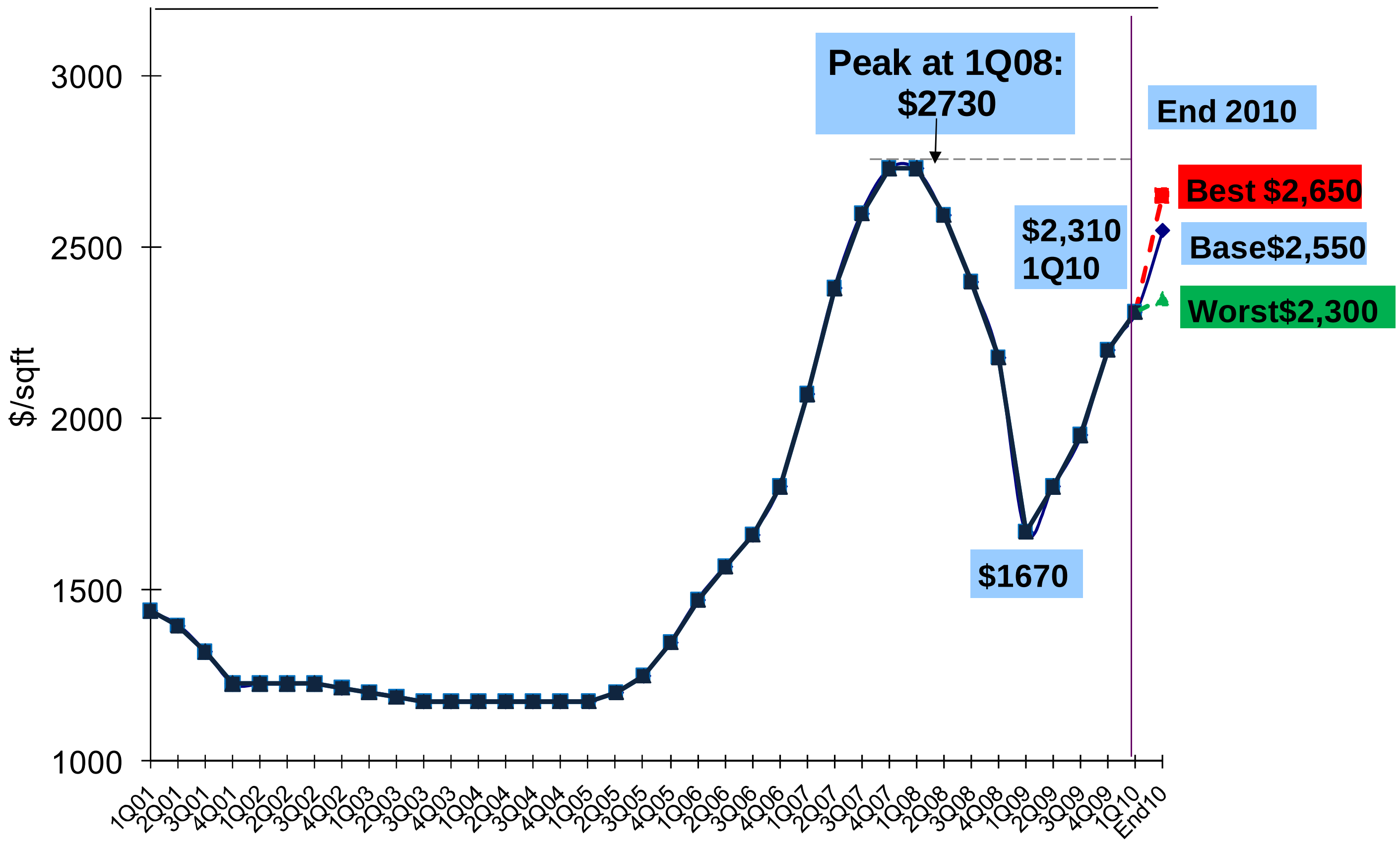
Expect prices rising by between 10%-20% for the mid-to high-mid segments of the market



Source: JLL and CapitaLand Research

Expect prices rising by between 10%-20% for the mid-to high-mid segments of the market (cont.)

High-end Market Residential Prices



Source: JLL and CapitaLand Research

Residential summary

New home sales supported by both owner occupiers and investors

Foreign buyers re-entering on improving fundamentals in Singapore

Sustainable growth signs on balanced demand/supply

Strong long term fundamentals - growth of PRs and foreigners, Singapore becoming a Global Hub City

Housing affordability weakened but still within healthy level

Mass segment expected to flatten, mid- end and luxury segments will rise

CapitaLand Residential Positioning

Strong Sales Momentum


Urban Suites

- **The Wharf Residence - 93% of 186 units sold**
- **Urban Suites - 95% of 165 units sold**
- **Pipeline of over 2,600 residential units**

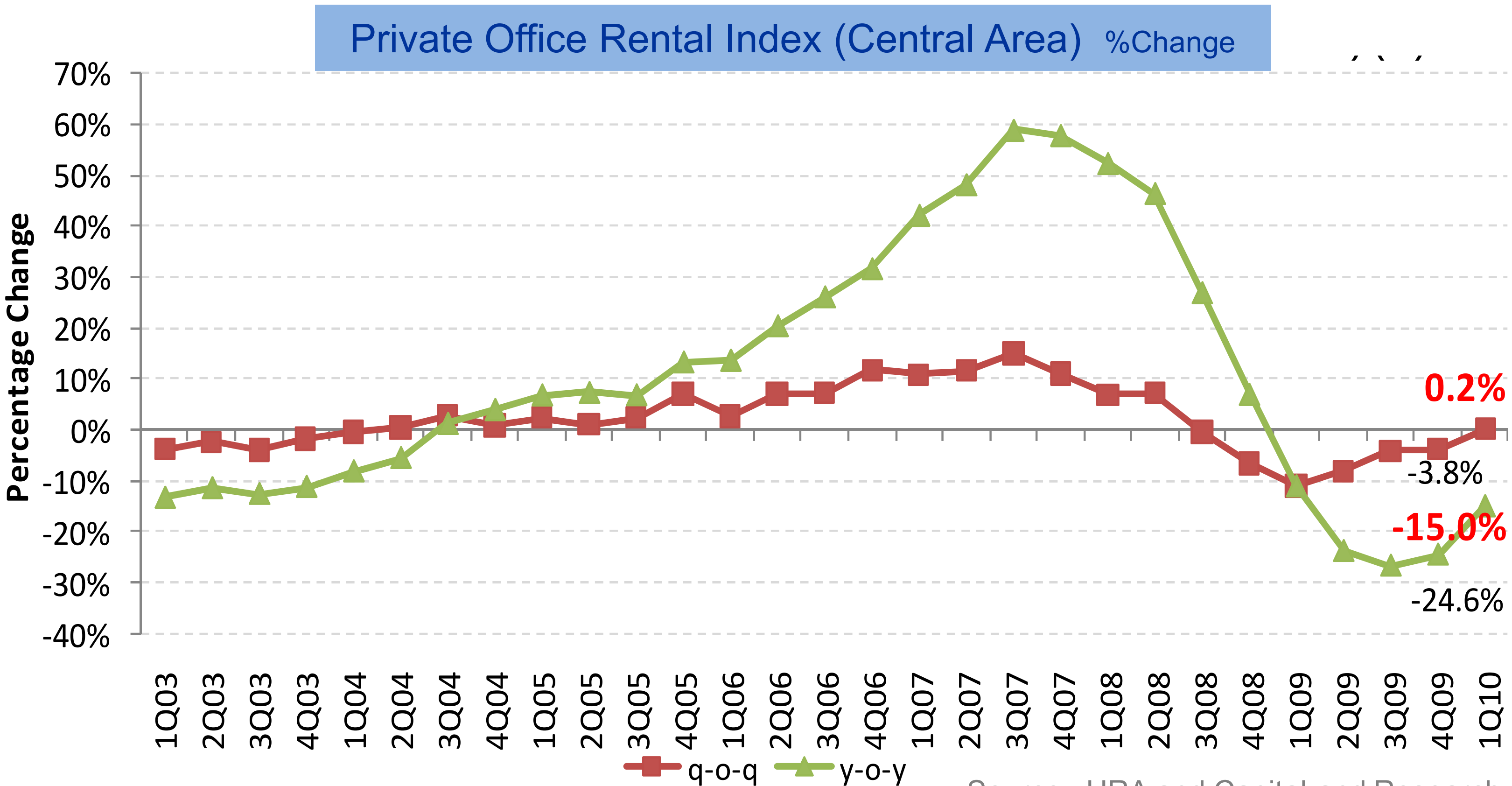
The Interlace condominium at Gillman Heights

- **Sold 75% of 590 units launched as at mid April 2010**

Singapore Office

Rental values have troughed

- **First Positive q-o-q growth of 0.2% in 1Q'10**

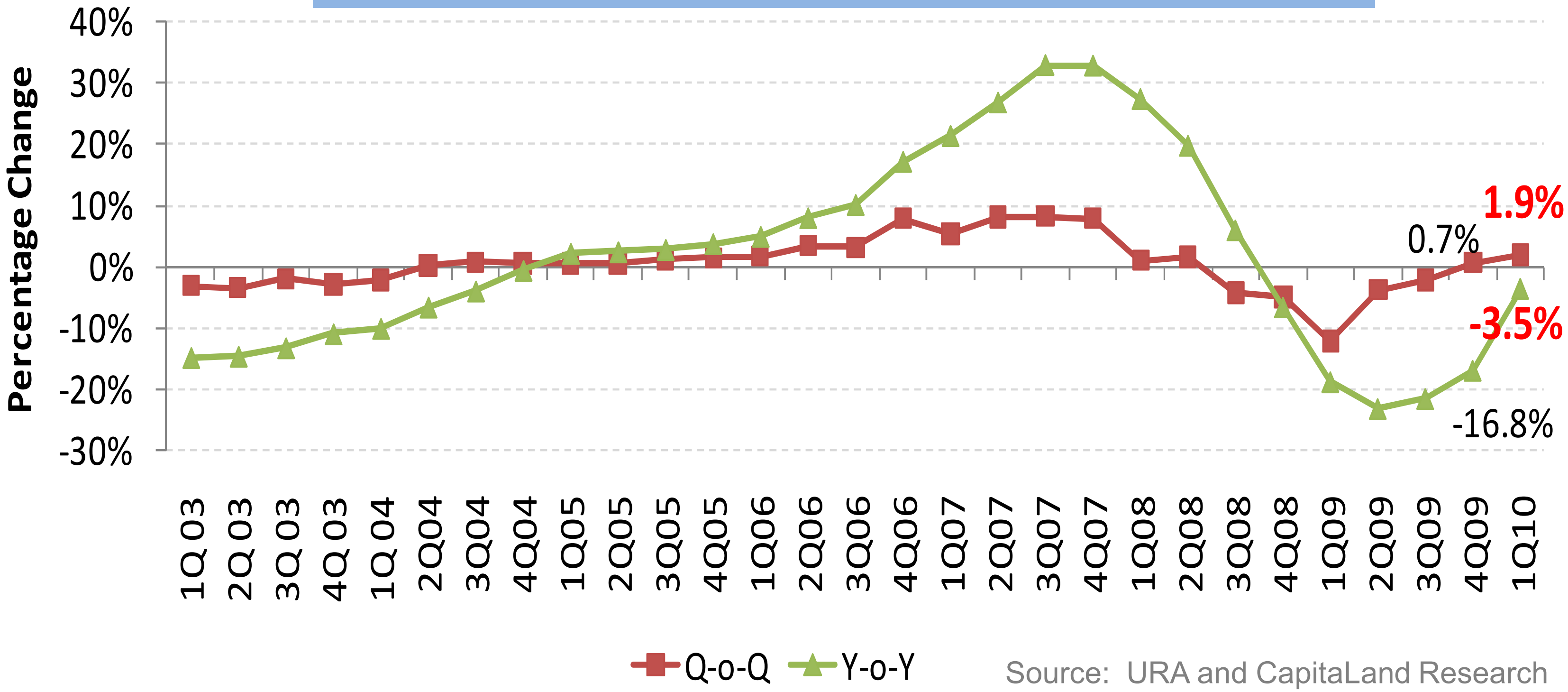


Source: URA and CapitaLand Research

Capital values have improved

- **Stronger q-o-q gain of 1.9% in 1Q'10**

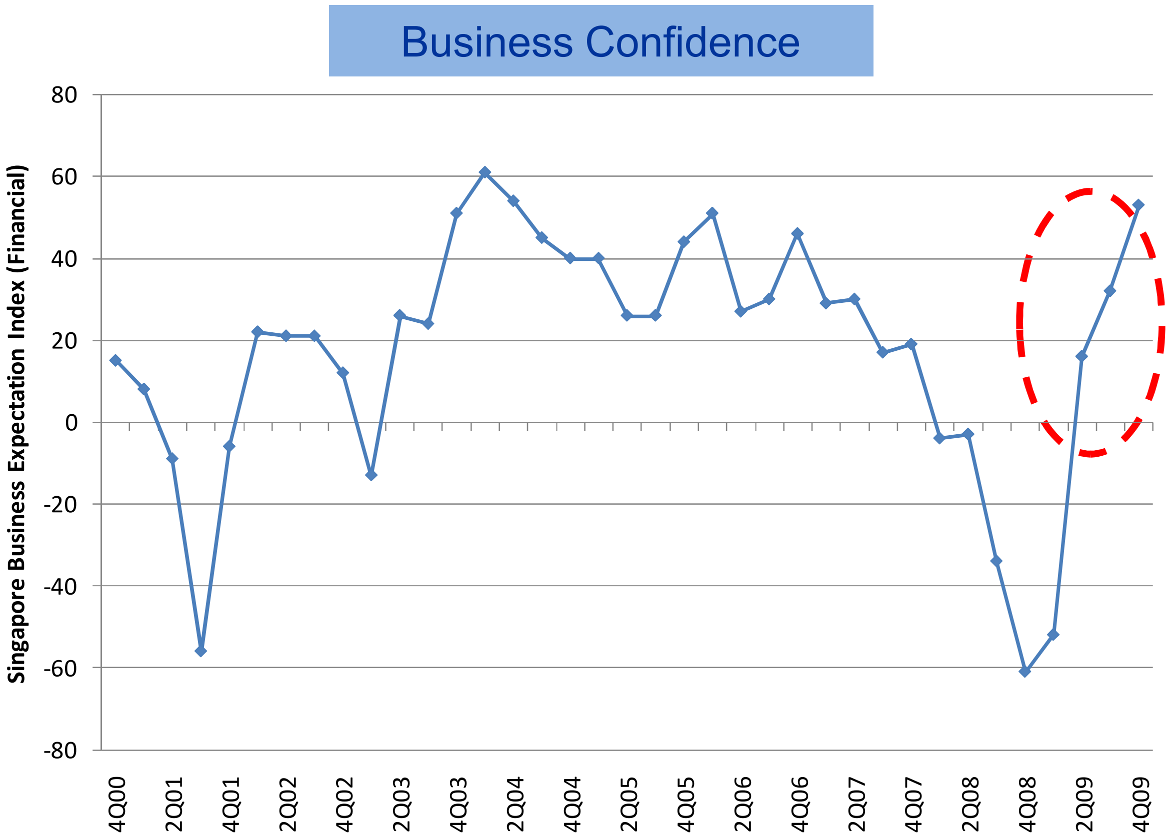
Private Office Capital Value Index (Central Area) % Change



Source: URA and CapitaLand Research

Business confidence rising

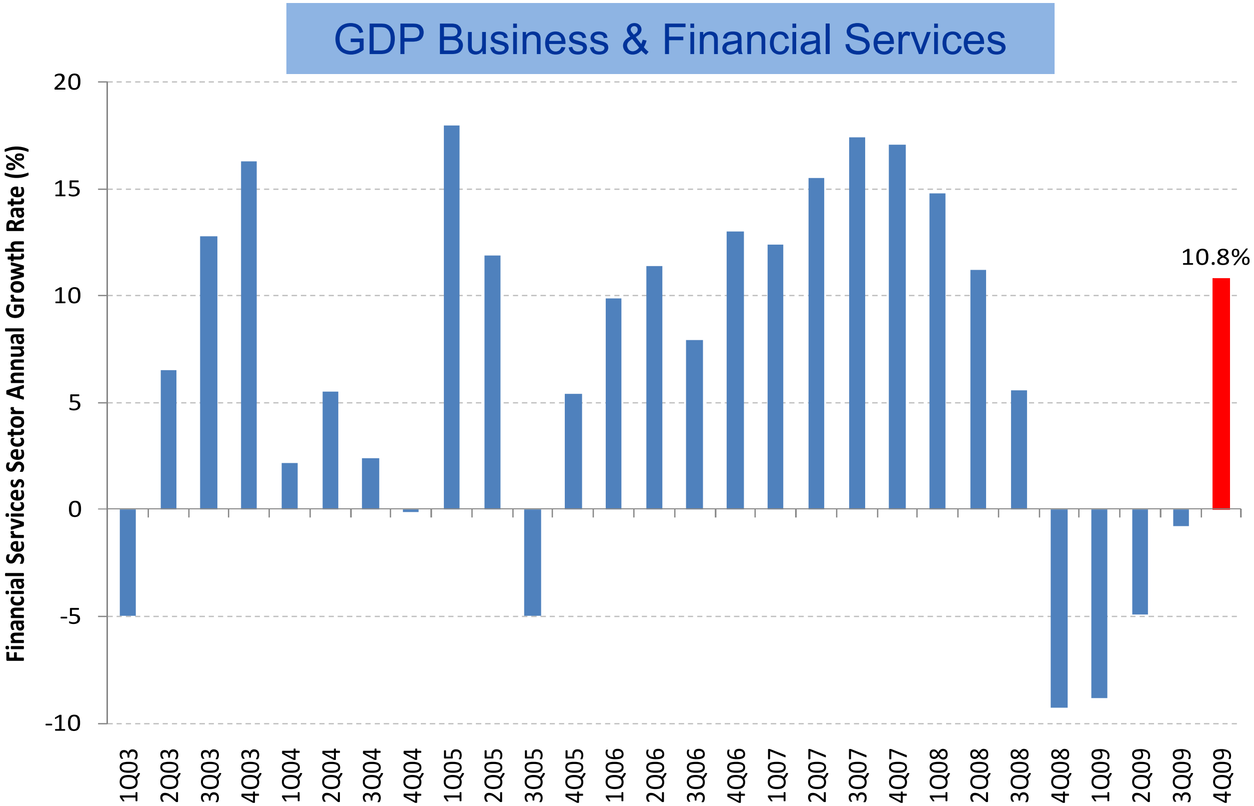
- 3 consecutive months of net positive take-up of prime office space



Source: Bloomberg and CapitaLand Research

Singapore global niche financial centre

- **Singapore attractive business destination;**
  - Ranked 3rd most competitive economy by the World Economic Forum
  - Ranked within top 10 financial centres globally

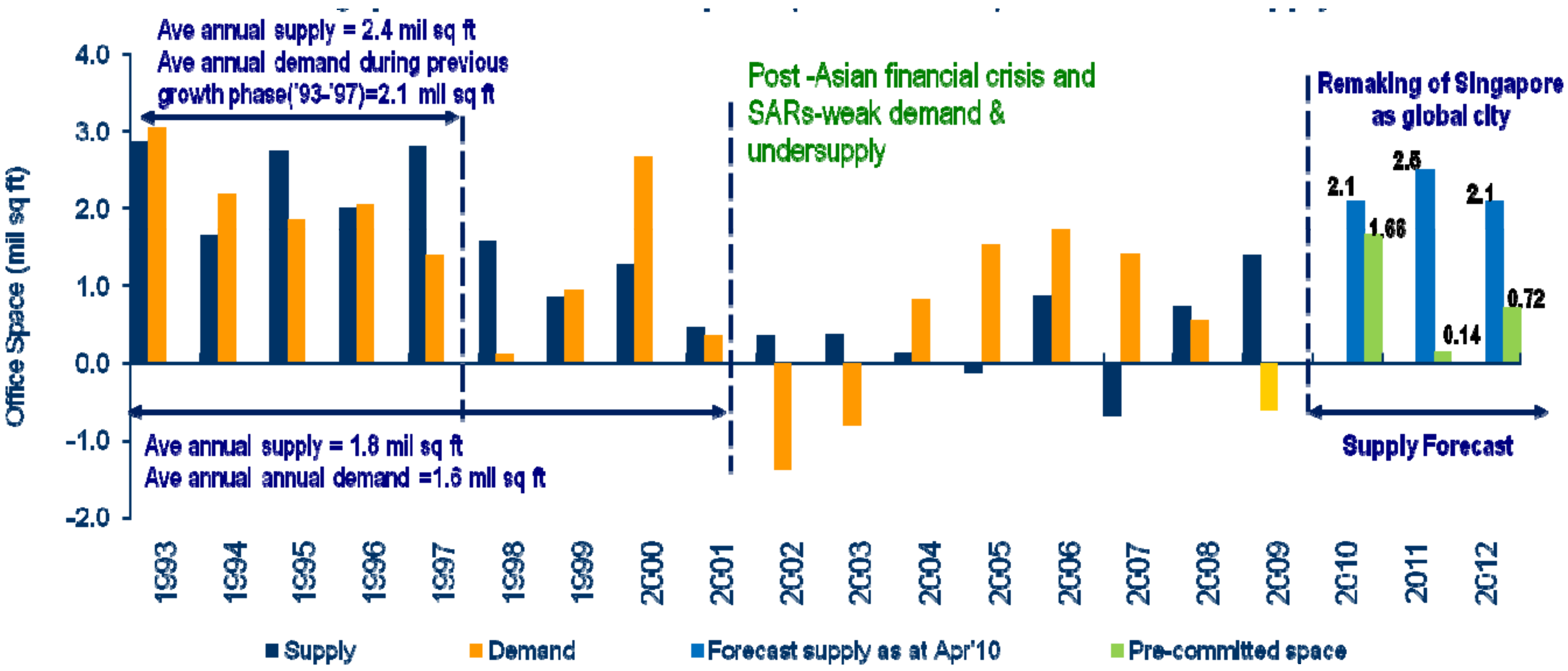


Source: Bloomberg and CapitaLand Research

Pre-leasing of future supply progressing

- **38% of forecast supply in next 3 years is pre-committed**
- **No new supply in 2013**

Singapore Private Office Space (Central Area)



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

Source: Consensus Compiled from URA, CBRE & JLL (April 2010)

Office conversion to residential

- **~1.2 million sqft offices (to 2013) to be converted to residential use**
  (Source: CBRE)

Building	Type	Net Leasable Area (sqft)
Marina House	Redevelopment to Residential	170,000
VTB Building	Redevelopment to Residential	90,000
Cecil House	Redevelopment to Residential	50,000
Aviva Building	Redevelopment to Residential	70,000
UIC Building	Redevelopment to Residential (Possibly small office component)	320,000

Positive outlook for Prime Office Space

- Rental values expected to improve modestly in 2010, however stronger in 2011
- Capital values for A-grade office expected to continue to improve

Rental Value

S$ psf pm	2008 Peak	End 2009	2010	2011	2012
CBRE	16.1	6.8	6.9	7.5	8.0
Colliers	17.0	6.8	7.1	7.9	9.3
JLL	15.6	6.1	5.0	5.3	6.2

Capital Value

S$ psf	2008 Peak	End 2009	2010	2011	2012
Colliers	3,000	1,700	1,780	1,960	2,250
JLL	2,900	1,700	1,700	1,800	1,901

Office summary

Moderate recovery in URA rental index

Earlier than expected bottoming of rents

Capital value showing improving signs

Strong evidence of office expansions by existing tenants

China market situation

Government policies introduced in 2010

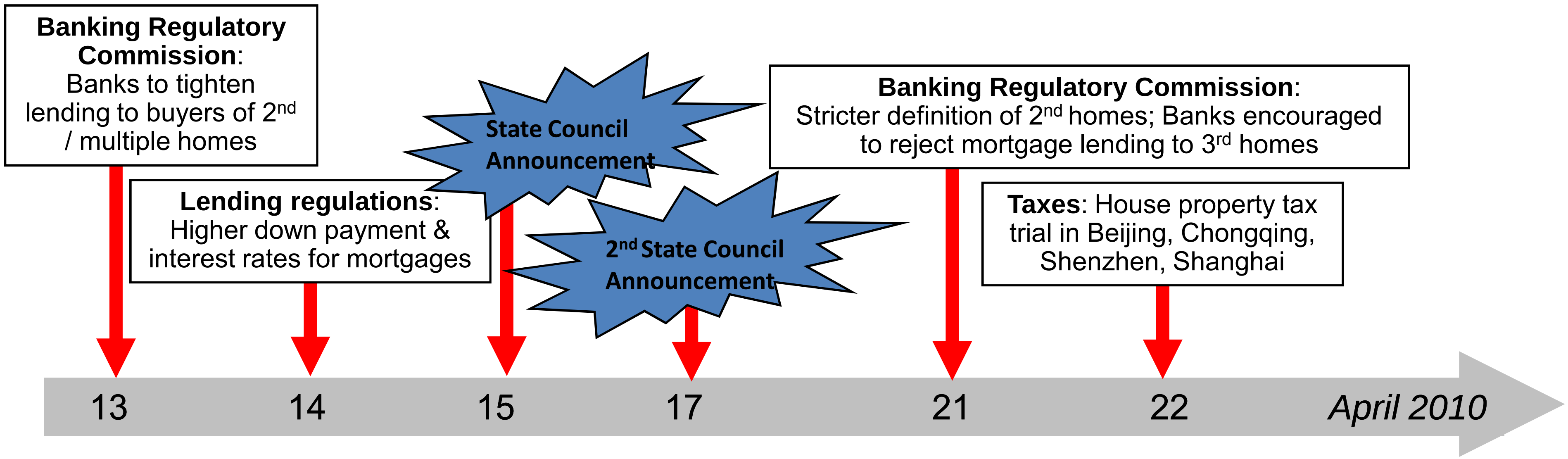
- Tightened controls on real estate market to **boost market stability**

2010: Stepped-up guidance on property and to counter speculation

PBOC	CBRC	Ministry of Land & Resources	SASAC	MHURD
18 Jan Increase RRR to 15.0%	12 Feb Tightened bank lending & monitoring of loan proceeds to developers	10 Mar Increase in residential land supply & tightened supervision of land resources	18 March 78 SOEs barred from property business	13 April Commitment to increase supply of social housing

* SASAC: State-owned Assets Supervision and Administration Commission
MHURD: Ministry of Housing and Urban-Rural Development
RRR: Reserve ratio requirement

Intensified new measures in April 2010



Objective of measures

1. Mortgage tightening on speculators
2. Accelerate construction of social welfare housing
3. Increase effective / real housing supply
4. Strengthen market supervision system

Measure 1
Toughest mortgage rules since 2007

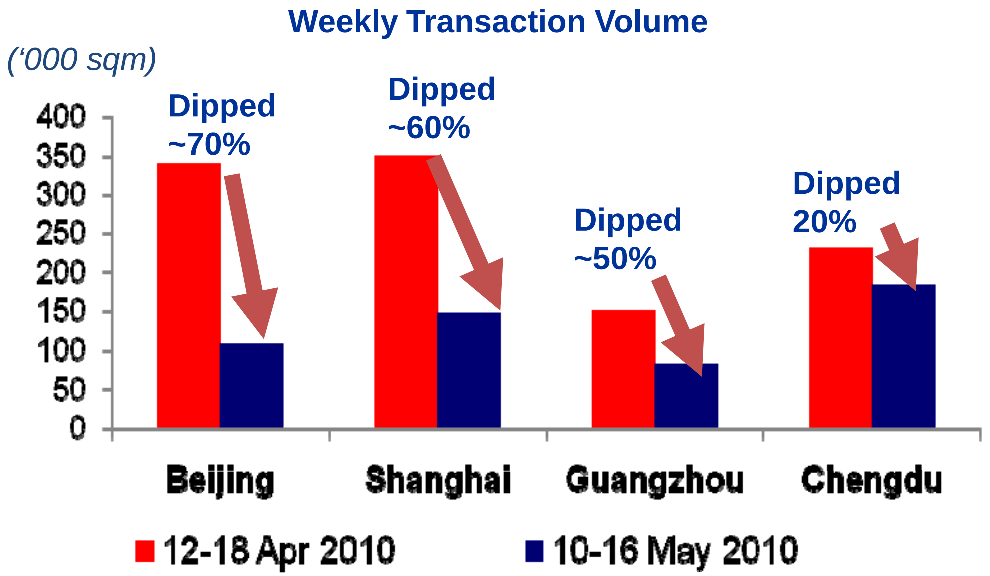
Purpose: To Curb Speculative Demands

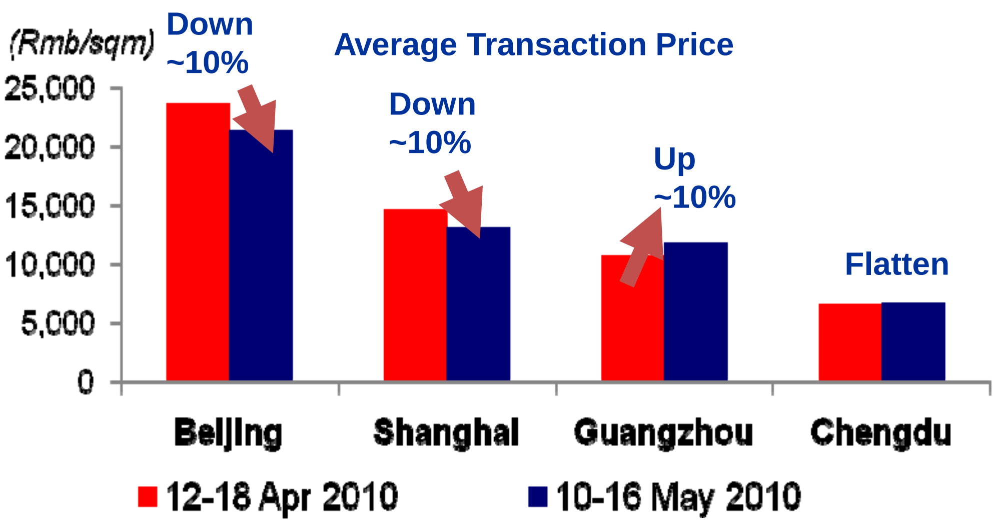
	First Time Buyers		Second Home Buyers*		Third & Above Home Buyers	
	Before	**Current**	Before	**Current**	Before	**Current**
Down payment	20% or 30%	**30% if GFA > 90sqm**	30% or 40%	**50%**	30% or 40%	**Banks encouraged to reject**
Mortgage Rate	0.7x PBOC benchmark	**0.7x PBOC benchmark**	< 0 .7x PBOC benchmark	**1.1x PBOC benchmark**	< 0.7x PBOC	**Banks encouraged to reject**

Note: PBOC benchmark: 5.94%

Note: Banks cannot approve mortgages release to non-local residence homebuyers who fail to provide at least one year tax or social insurance payment records
* Second home buyers who own properties regardless whether the previous purchases are mortgaged or not

Near-term sales impact, especially Tier 1 cities





- Knee-jerk reaction in top-tier cities which has experienced significant price increase
- Some cities less affected, e.g. Chengdu
- Investors on side-line for time being

Note:
For 1st-hand market only
Source: CRIC & Soufan

Key objectives of the Government

Focus on real needs	• **Focusing** on **Real** Housing Needs
Sustainability of market	• **Tuning policies** to **sustain** rather than to crash the residential market
Home ownership	• **Encouraging home ownership** rather than feverish speculation

Underlying market fundamentals remain strong

Government

1. Aim to cool NOT kill market
2. Focus on subsidized housing community and curb excessive price increase

→ **Counter speculation**

Banks

1. Still prepared to lend
2. Control lending to speculators

→ **Avoid excessive liquidity and risk**

Buyers

1. Near-term: “Wait-and-see”
   (a) price; (b) financing and down-payment; (c) taxes
2. Long term
   (a) Inflation expectations; (b) limited investment options in place of real estate

→ **“Flight to quality”**

Developers

1. Better capitalized
2. Potential acquisition opportunities emerging from market tightening
3. Share price factored in policy risk; attractive valuation

→ **Long-term sustainable growth**

CapitaLand China Holdings' strategy

Long-term fundamentals and investor demand remain

Focus on product and positioning

Action plan

- Maintain selling price
- Prepare relevant projects to be "launch-ready", creating awareness in meantime

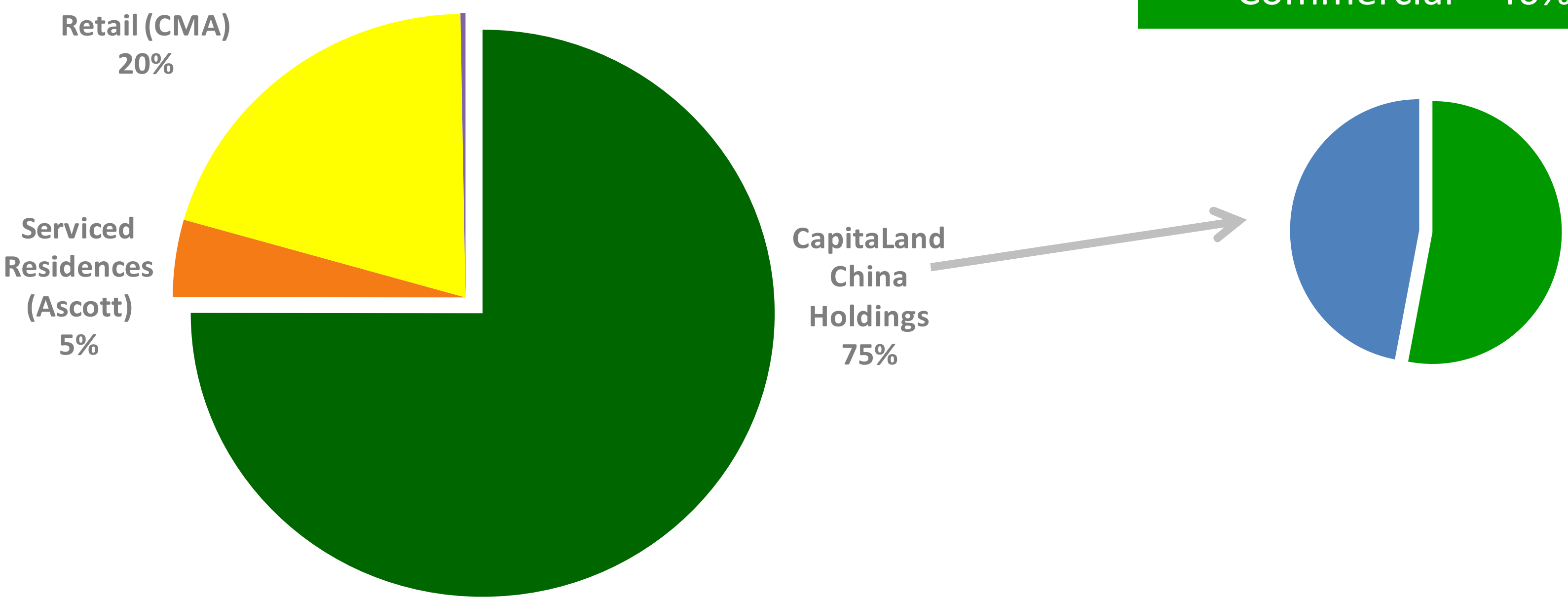
Flexibility to plan launches and allocate resources accordingly

CapitaLand's balanced portfolio in China

- **Good mix of commercial and residential assets**
- **Sold 2,300 residential units in 2009 valued at RMB5 billion**

Total Assets in China
S$10.0 billion (1Q2010)

CapitaLand China	
Residential	54%
Commercial	46%



CapitaLand Results & Conclusion

Strong Financial Performance in 1Q2010

- **PATMI up 169% y-o-y to S$115.4 million**
  - Despite the reduced shareholding in CapitaMalls Asia pursuant to its public listing
- **Improved performance attributed to:**
  - Higher contributions from residential projects in Singapore, China and Vietnam
  - Strong performance by CapitaMalls Asia ("CMA")
  - Higher revenue contribution from serviced residences operations
- **Group managed real estate assets[1] expanded**
  - Up from S$47.7 billion to S$50 billion in 1Q2010
- **Proactive Capital Management**
  - Good financial flexibility even after US$2.2 billion acquisition of Orient Overseas Developments Limited (OODL)
  - Cash balance of S$5.7 billion
  - Healthy Net Debt/Equity ratio of 0.27x

[1] This is the value of all real estate assets managed by CapitaLand Group entities stated at 100% of the property carrying value

1Q 2010 Net Profit (PATMI) up 169% to S$115 million

(S$ million)	1Q 2009	1Q 2010	Change
Revenue	487.0	687.3	41%
EBIT	176.4	309.5	75%
PATMI	42.9	115.4	169%
EPS (cents)	1.2	2.7	125%
NTA per share (S$)	2.84	3.03	7%

Balance Sheet Strength Intact

Despite US$2.2 billion acquisition of OODL

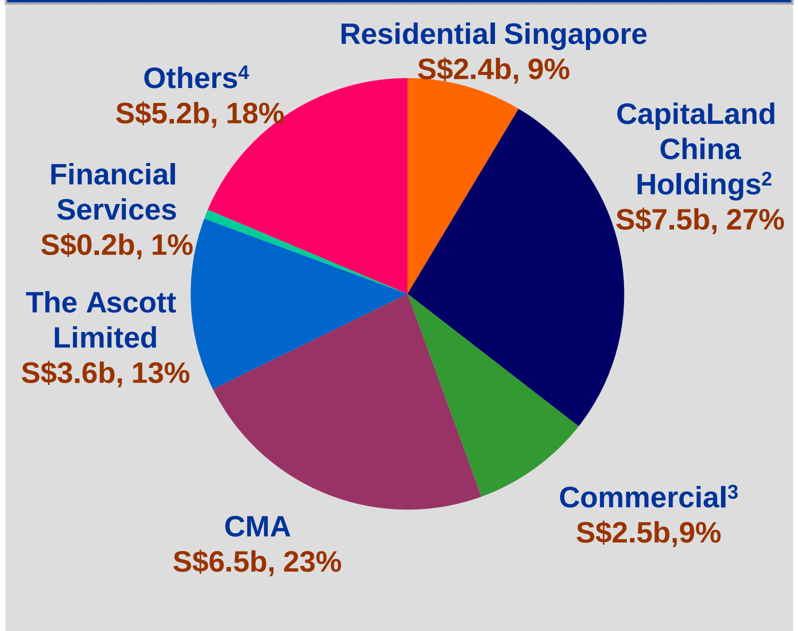
	FY2009	1Q 2010	Change
Equity (S$bn)	16.9	17.1	1%
Cash (S$bn)	8.7	5.7	-34%
Net Debt (S$bn)	1.6	4.7	194%
Net Debt/Equity	0.09	0.27	Satisfactory
% Fixed Rate Debt	66%	70%	Satisfactory
Ave Debt Maturity(Yr)*	4.4	4.2	Satisfactory

** Based on final maturity of the convertible bonds, if all convertible bonds are redeemed on their respective put option dates, the average debt maturity of the Group will be 3.3 years as at 31 March 2010*

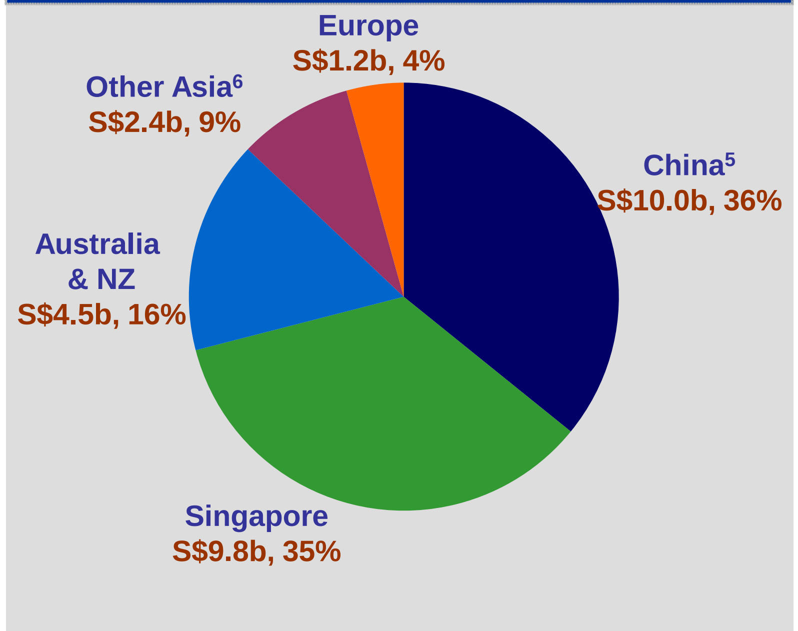
Diversified business operations

1Q 2010 Assets by SBUs and Geography (ex treasury cash): S$27.9 billion

SBUs[1]



Geography[1]



[1] Excludes cash at Group Treasury of S$2.9bn
[2] Excludes Retail and Serviced Residences in China
[3] Includes residential projects in India, Malaysia, Thailand and Vietnam
[4] Includes Corporate office, Australand and others
[5] China including Macau and Hong Kong
[6] Excludes Singapore and China

CELEBRATING 10 YEARS

Listed on Singapore Stock Exchange 21st Nov 2000

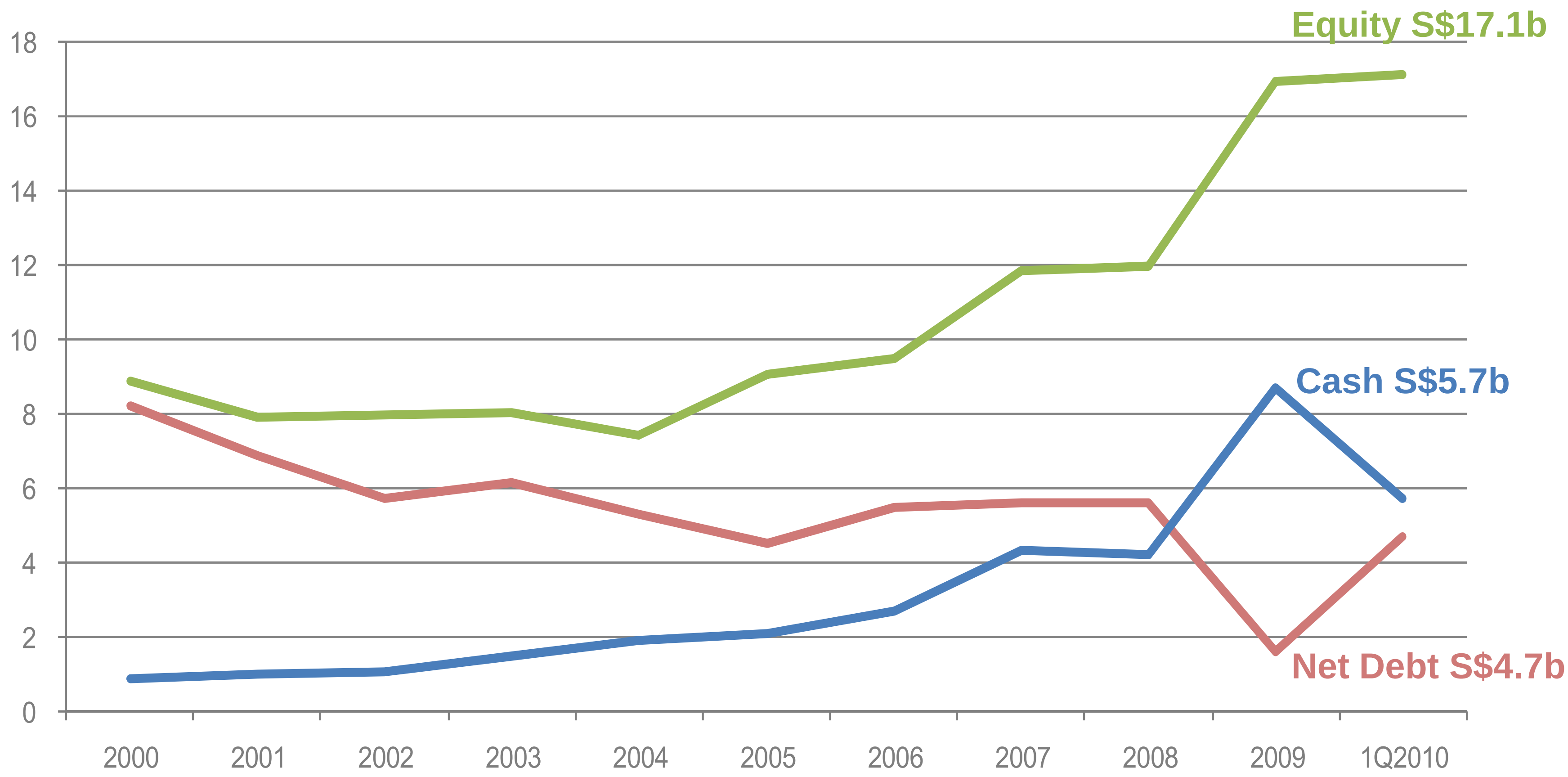
CapitaLand's transformation in 9 years

Total Net Profit (2000 – 2009): S$6.95 billion

Total Distribution to Shareholders (2000 – 2009): S$2.6 billion

2000		2009
- S$287m	Net Profit	S$1.05bn
S$879m	Cash	S$8.7bn
1.5%	Return on Shareholders' Funds	8.7%
0.92x	Net Debt / Equity	0.09x

Capital Management: Our value driver



Executing the Next Phase of Growth

FOCUS

- Core Real Estate Sectors in Core Markets of China, Singapore, Australia & Vietnam

BALANCE

- Balanced Exposure across Core Real Estate Sectors, Countries and Products

SCALE

- Increase Scale & Scalability of Businesses

Positioned for Asia’s growth

- **CapitaLand is well-positioned to ride on the recovery of real estate markets and improved business confidence**
  - Healthy pipeline of over 2,600 residential units in Singapore
  - Doubled China property portfolio with the acquisition of Orient Overseas Developments Limited (OODL)
  - 7 Raffles City integrated developments (3 in operation and 4 under construction)
  - Retail platform grown to 87 properties
  - World's largest international serviced residence owner-operator with over 25,000 units
  - Strong fund management platform with AUM of S$26bn

- **Financial Capacity for growth**
  - Low gearing of 0.27x and healthy cash reserves of S$5.7 billion
  - Capacity to seek strategic investments
  - Remain disciplined in our investment management

Thank You

CapitaLand