

CapitaLand Group

Executing the Strategy



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.



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- **Singapore – Residential and Office outlook**
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Executing the growth strategy

Extend leadership in Pan-Asian shopping mall business

- 87 malls in 5 countries
- Launch of IPO of CapitaMalls Asia
- ✓ **Successful IPO, market cap of S\$8.5bn**

Build Ascott's Global dominance

- Leverage hospitality for higher real estate value

Seek opportunities in Singapore

- Singapore's Global City opportunities

Expand in Vietnam

- 10% of CL's business
- ✓ **JVA for 2nd Hanoi project**

Grow China Business

- 40% of CL's business
- ✓ **OODL acquisition, China portfolio rise to 36%**

Grow Financial Services franchise

- Extend leadership in REITs & PE Funds

Singapore: A Global City - Cosmopolitan SuperHub





Strong growth for Singapore market

- 1Q2010 GDP  15.5% y-o-y
- IMF forecast 8.9% for 2010 & 6.8% for 2011
- **Employment continues to grow strongly**
 - 1Q2010 jobs up 36,500 (~90% services)
 - Unemployment rate dropped to seasonally adjusted 2.2% in Mar'10
- **Manufacturing output has increased significantly**
 -  51% y-o-y April 2010
- **Visitor arrivals grew in April 2010 by ~20% y-o-y**
 - Fifth consecutive month of record visitor arrivals



Singapore: A Global City - Cosmopolitan SuperHub

- **Tourism Drive Gaining Traction**
 - 2 integrated resorts opened
 - Record high of 938,000 visitor arrivals for the month of April in 2010
 - Singapore Tourism Board targets 17 million tourists in 2015 (2009: 9.6 million)
- **Global Events**
 - Youth Olympic Games in Aug'10
 - Formula 1 Singapore Grand Prix in Sep'10
- **International Air Traffic Satellite Hub**
 - Excellent connectivity to over 200 cities in 60 countries served by over 85 airlines
 - Top 10 busiest airport in the world for cargo traffic
 - World's Best Airport 2010
 - Growing passenger traffic to Asia at 7% y-o-y is 14x world average growth rate



Singapore: A Global City - Cosmopolitan SuperHub

- **Leading Biomedical Center of Asia**
 - Home to regional HQs of more than 30 leading biomedical science companies
 - Biomedical research hub to expand by 20% to over 3m sqf
- **Education Hub**
 - Foreign student population to triple to 150,000 by 2012
 - Preferred destination for tertiary education: INSEAD, University of Chicago, NUS, NTU, SMU, SIM
- **Rising medical tourism destination**
 - Targets 1 million foreign patients annually
 - Contribution of S\$2.6 billion of value-add and 1% of GDP by 2012
- **Center of Rising Asian Affluence**
 - Assets Under Management in Singapore has doubled to S\$864bn since 2002
 - Most competitive financial center in Asia (*The City of London's Global Financial Centre Index*)
 - Asia's wealth expected to rise by 50% to US\$10.6 trillion by 2010 (*CapGemini World Wealth Report 2009*)

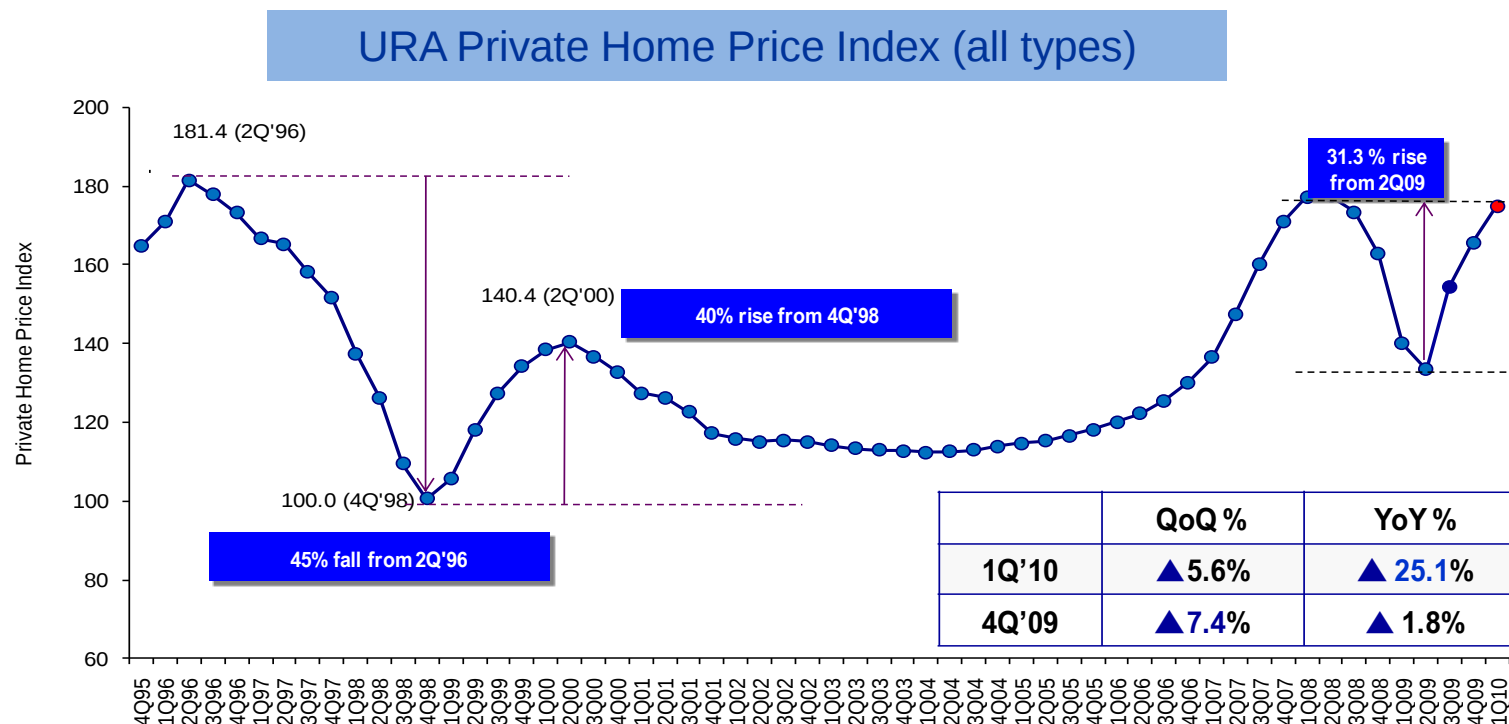
Singapore Residential





Strong recovery in home prices since 2H'09

- **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



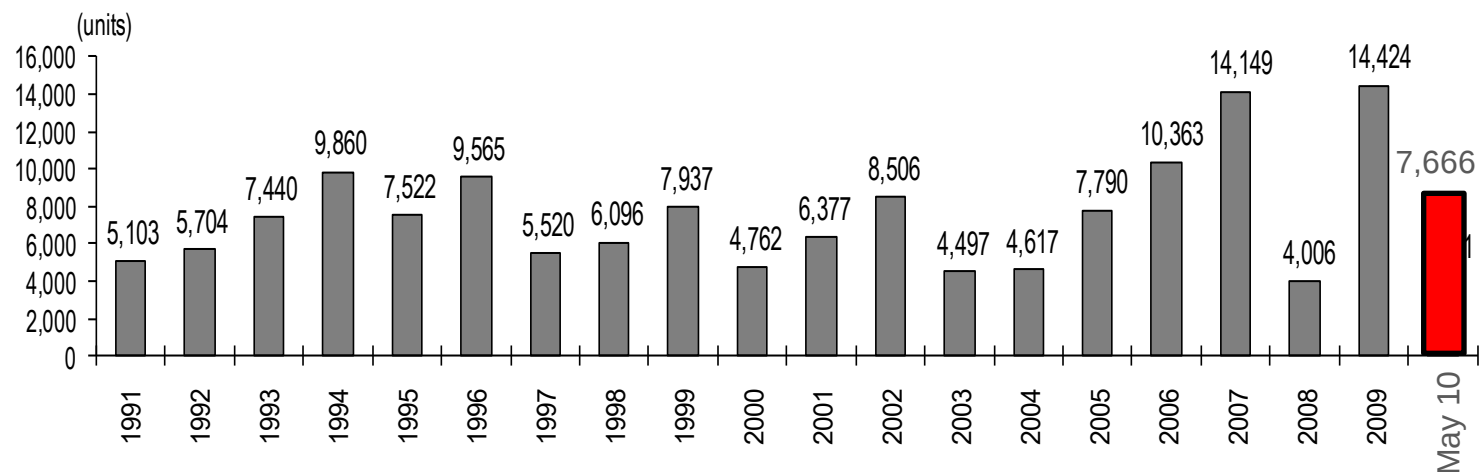
Source: URA and CapitaLand Research



Volume recovered in strength

- 7,666 uncompleted units sold in the first 5 months to May 2010

Uncompleted Residential Units Sold by Developers



Source: URA and CapitaLand Research



Government Initiatives to promote healthy & sustainable housing market

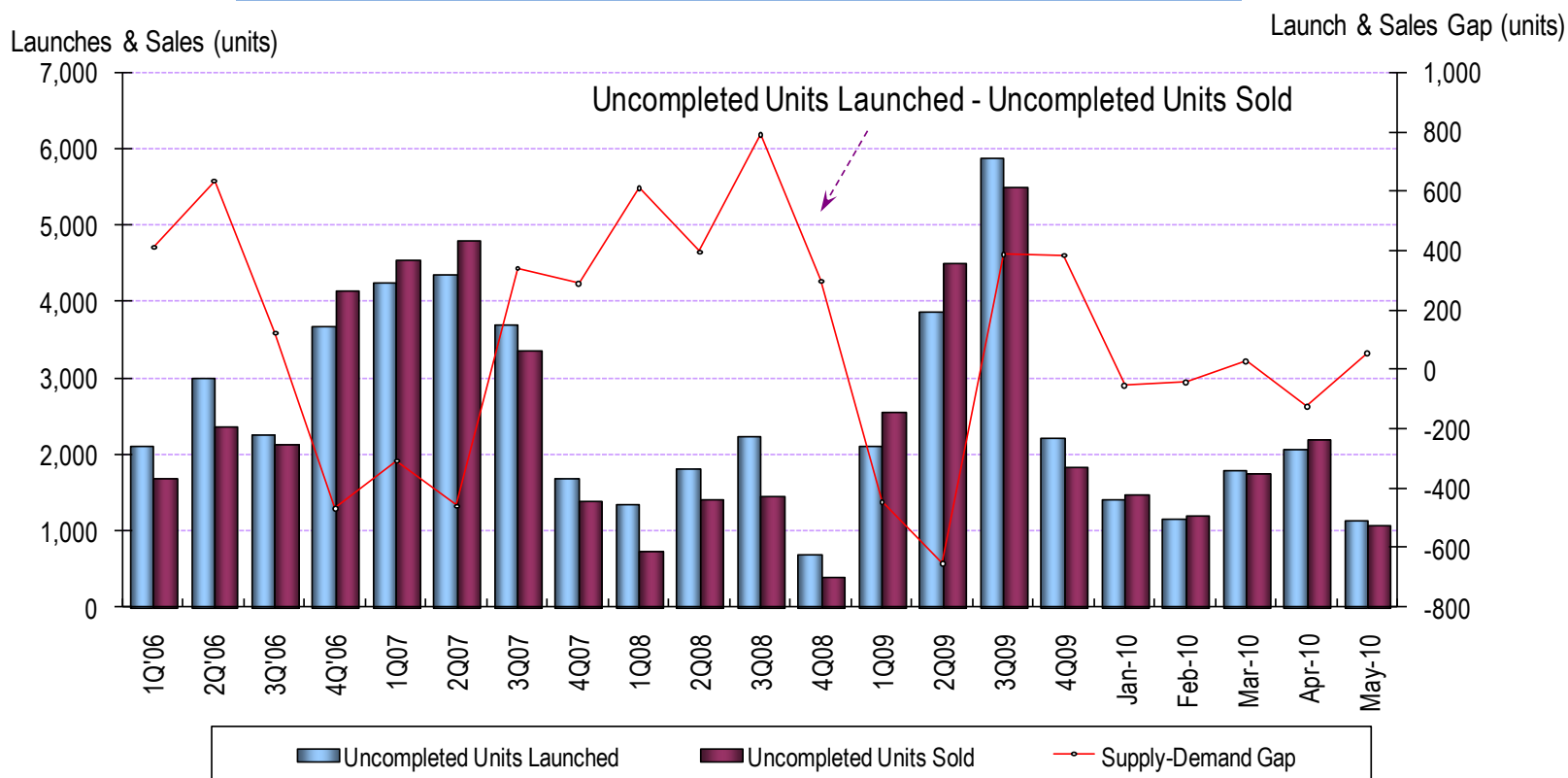
- **3.0% vendor stamp duty on residential properties sold within one year**
- **Loan-to-value limit is lowered from 90% to 80%**
- **Minimum Occupation Period (MOP) for HDB resale flats, revised from 1 yr to 3 yrs**
- **Increase land supply – place 18 new sites under the Confirmed list and 13 additional sites on the Reserved list in 2H'10, yielding 13,905 residential units**
- **Increasing supply of public housing units**



New home sales down in May

- New home sales fell 51% mom in May'10 on 46% decline in launches
- Take up rate of 95% in May'10

Uncompleted Residential Units Launched & Sold



Source: URA and CapitaLand Research

CapitaLand Presentation *June 2010*

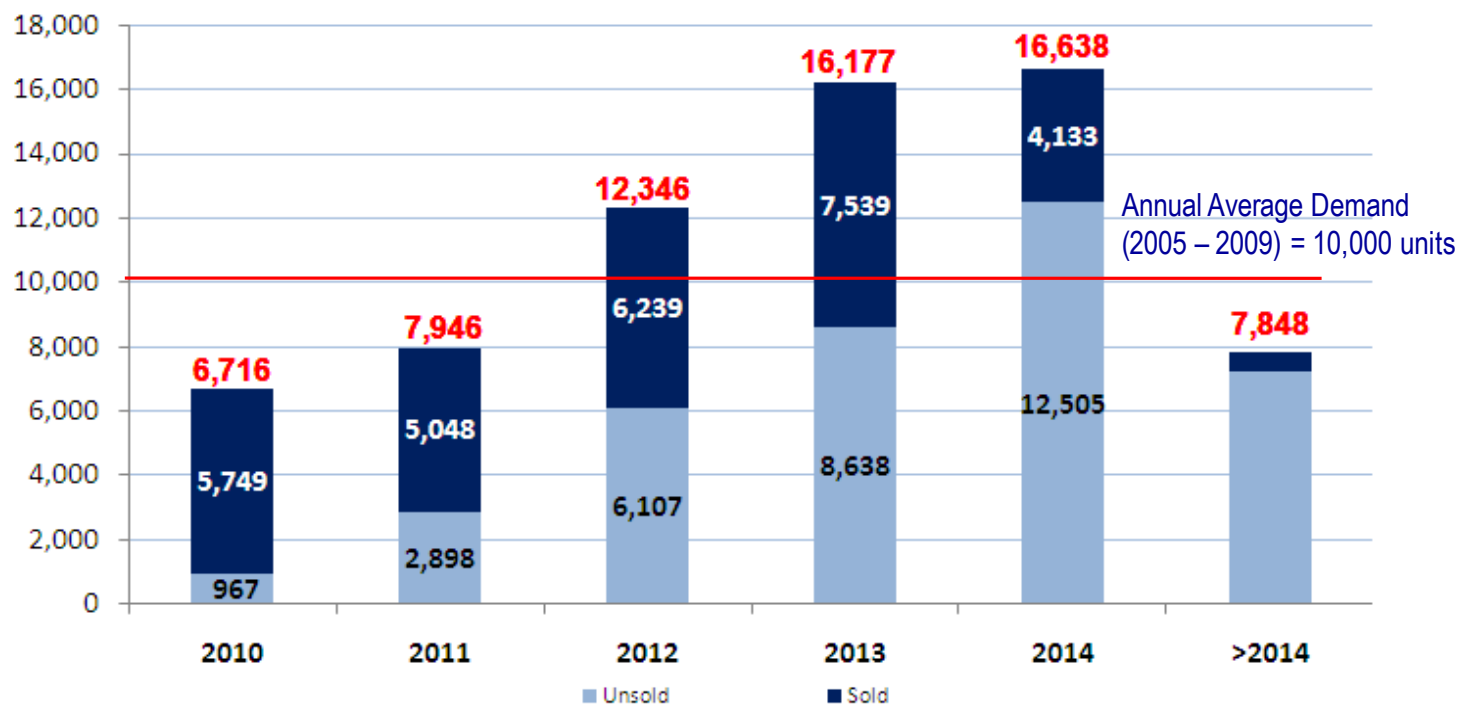




Balanced supply & demand

- Impending supply largely sold

Estimated Completion of Private Residential Units (under construction)



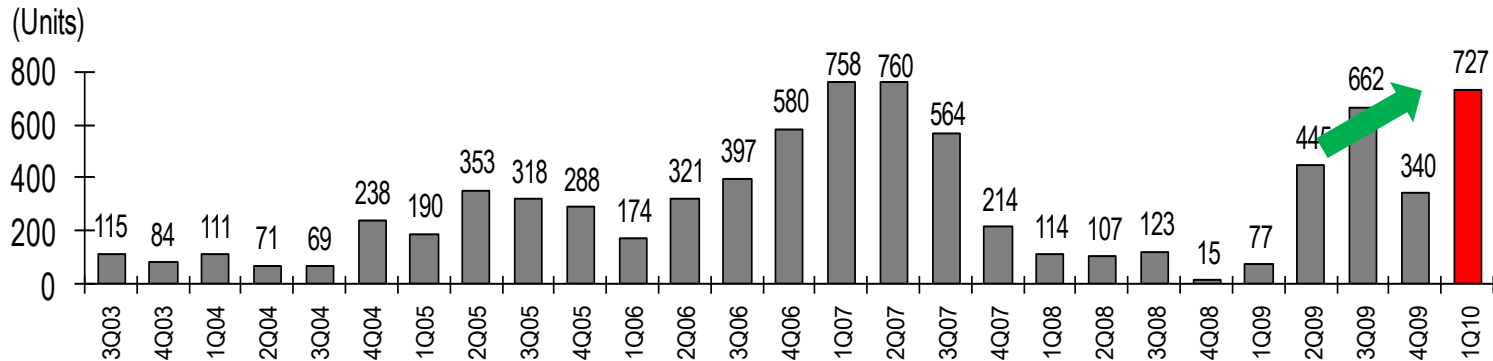
Source: URA and CapitaLand Research



Foreign buyers re-entering the market

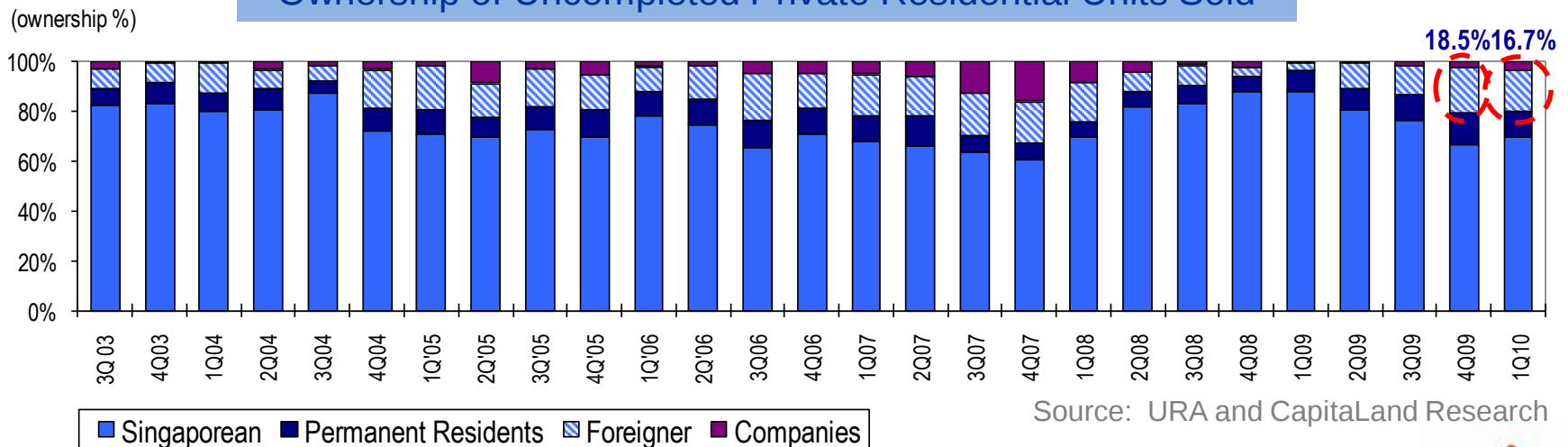
- 1Q'10 foreign buyers accounted for 16.7% of sales

Uncompleted Residential Units purchased by foreigners



Source: URA and CapitaLand Research

Ownership of Uncompleted Private Residential Units Sold



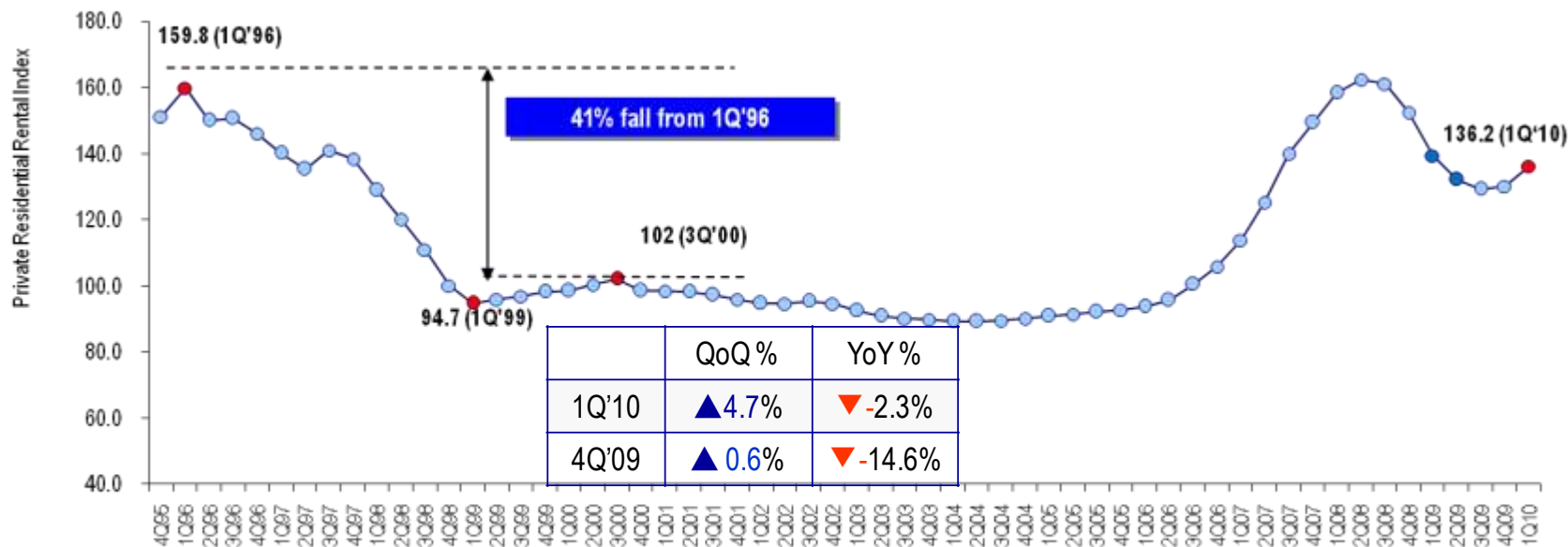
Source: URA and CapitaLand Research



Rental markets improving

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

Private Residential Rental Index (all types)

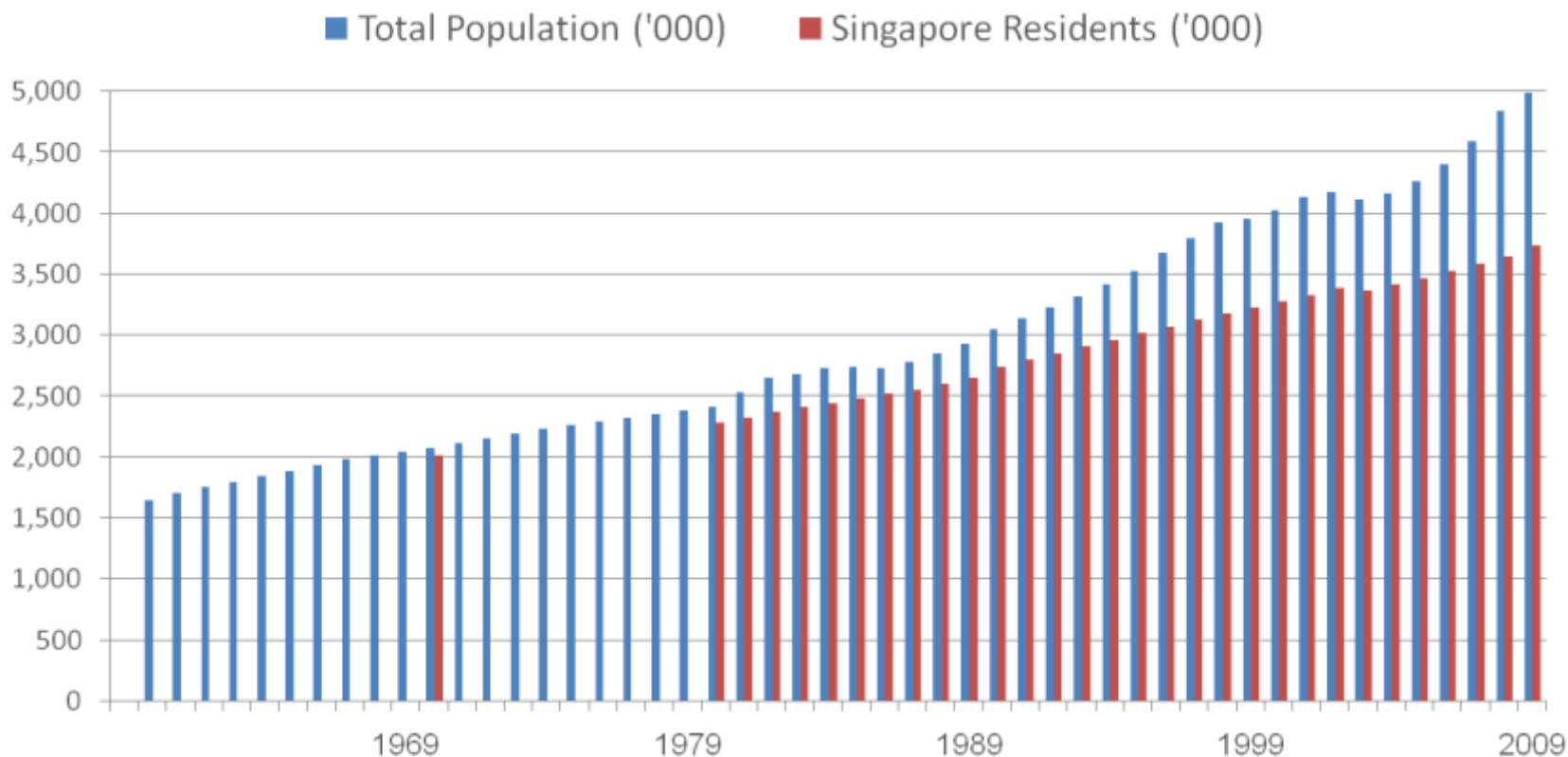


Source: URA and CapitaLand Research



Population growth, household formation

- **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.

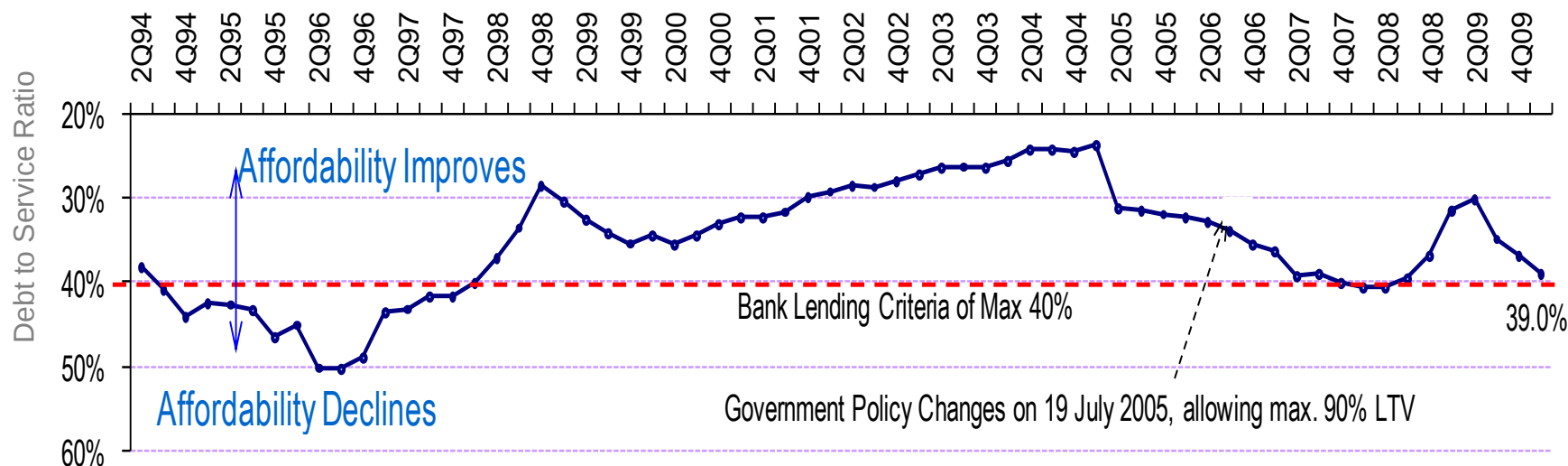
Total population comprises Singapore residents and non-residents. Resident population comprises Singapore citizens and permanent residents.



Affordability weakened, but remains healthy

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

Affordability of Private Homes in Singapore

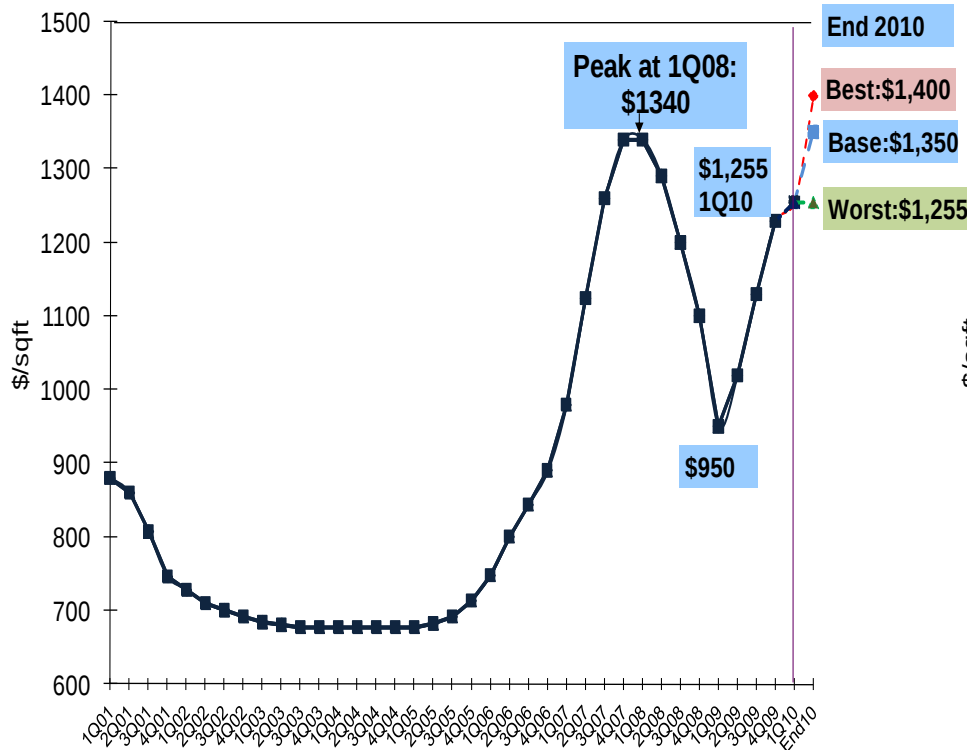


Source: MAS, URA, Department of Statistics and CapitaLand Research

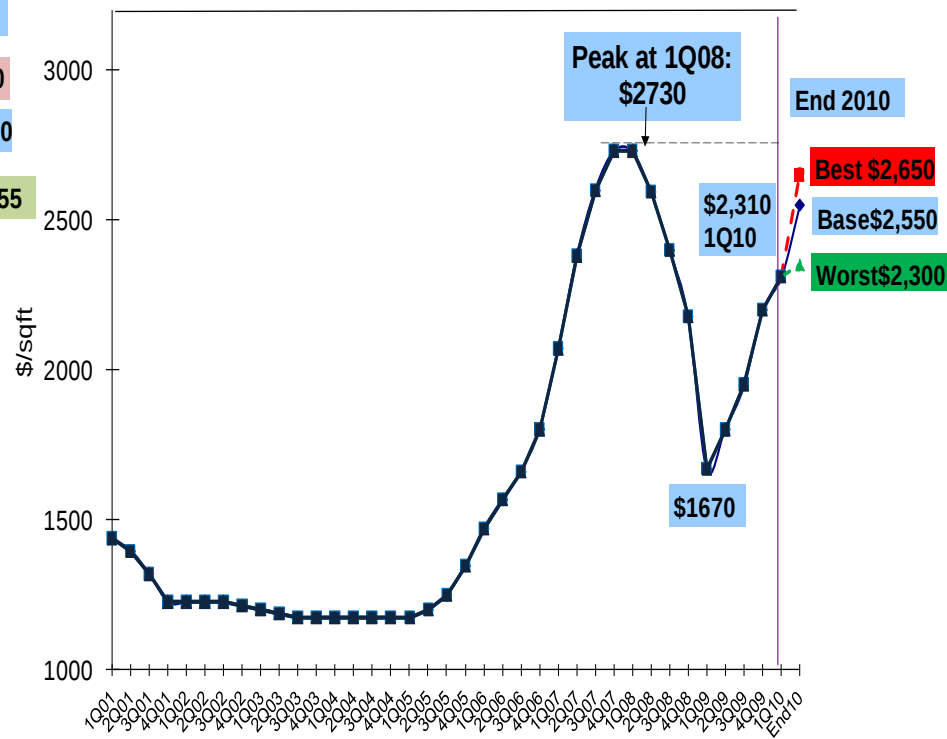


Expect prices rising by between 10%-20% for the mid-to high-mid segments of the market

Mid Market Residential Prices



High-end Market Residential Prices



Source: JLL and CapitaLand Research



Strong Sales Momentum



- **The Wharf Residence - 93% of 186 units sold**
- **Urban Suites - 95% of 165 units sold**



The Interlace condominium at Gillman Heights



- Sold ~85% of 590 units launched



Residential strategy

Residential market expected to do well with positive economic growth

Prices for high-end projects and those in city fringe projected to rise 10% - 20%

Projects that will be launch-ready: Farrer Road development and The Nassim

Remain focused on capital productivity

Seek opportunity to acquire well-located sites for development

Singapore Office





Office portfolio

- **CapitaLand is one of the largest owners/managers of prime office properties in Downtown Core area in Singapore**
 - The majority of the office portfolio is held by our sponsored REIT, CapitaCommercial Trust (CCT)



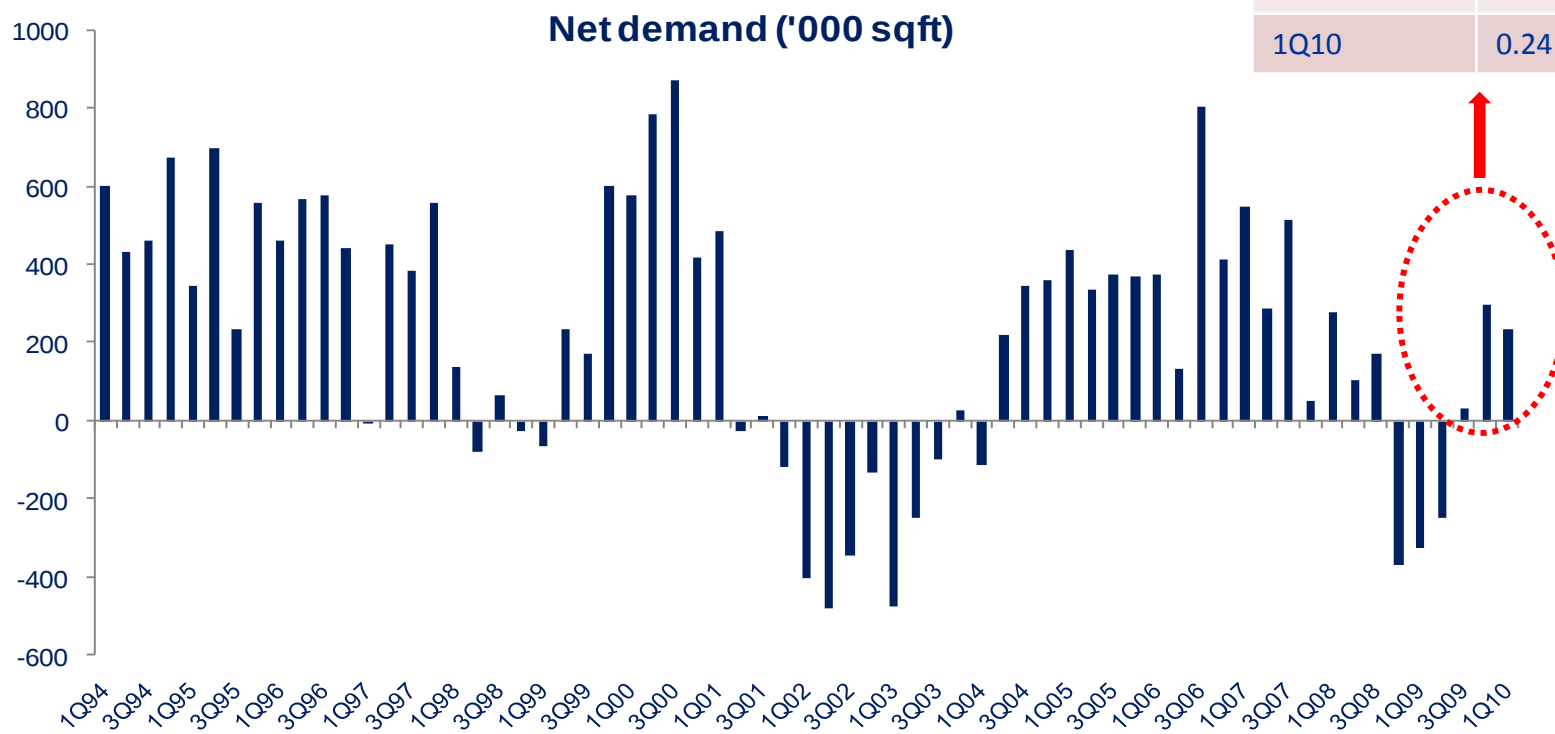
Capital Tower, Singapore



Prime office demand recovery

- **Drivers of office demand:**
 - Singapore's economic growth
 - Singapore as global financial centre and regional hub
 - Integrated Resorts effect
 - Services & knowledge-based economy

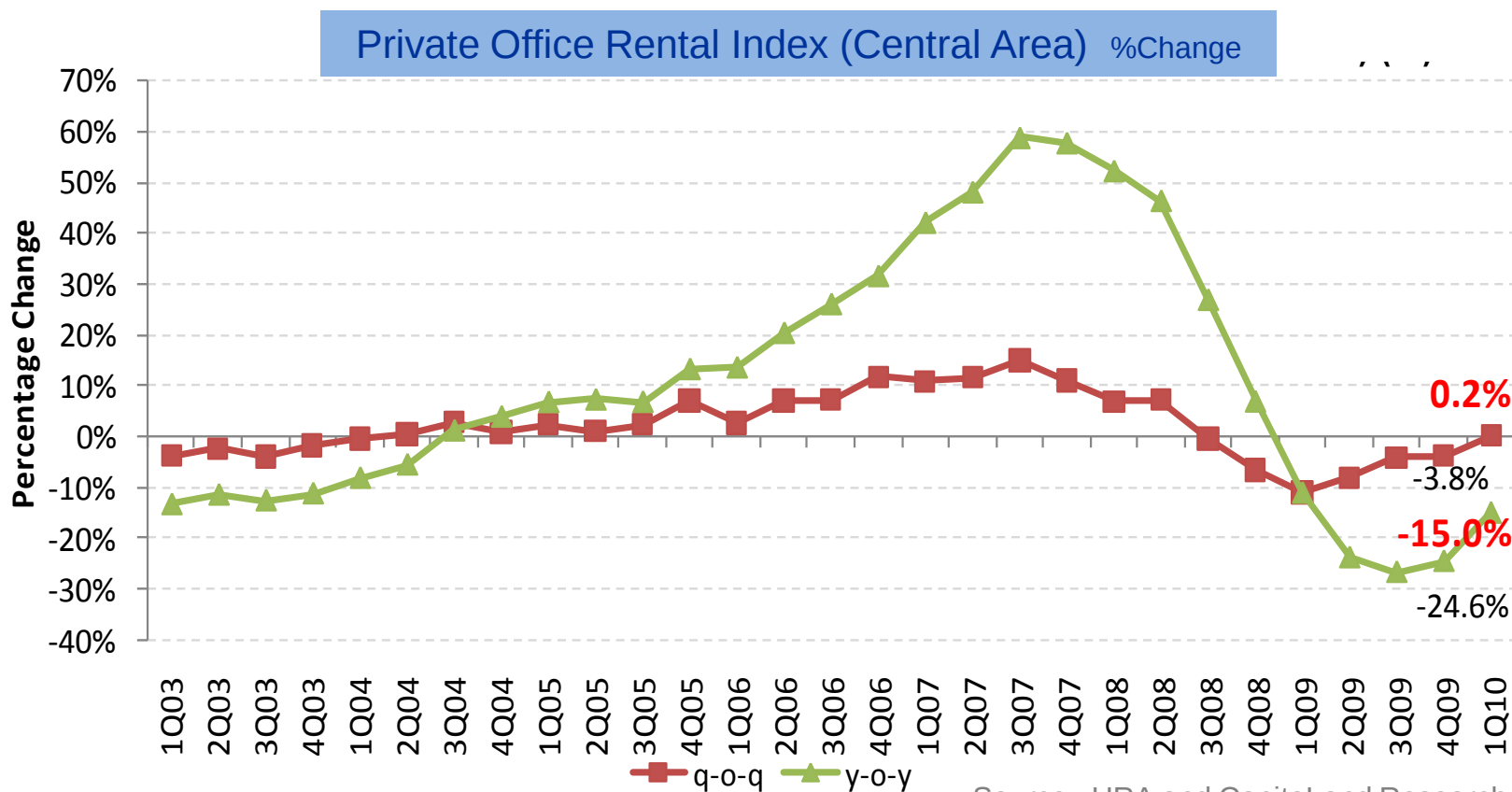
Qtr	Net demand
3Q09	0.03 mil sq ft
4Q09	0.30 mil sq ft
1Q10	0.24 mil sq ft





Rental values have troughed

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

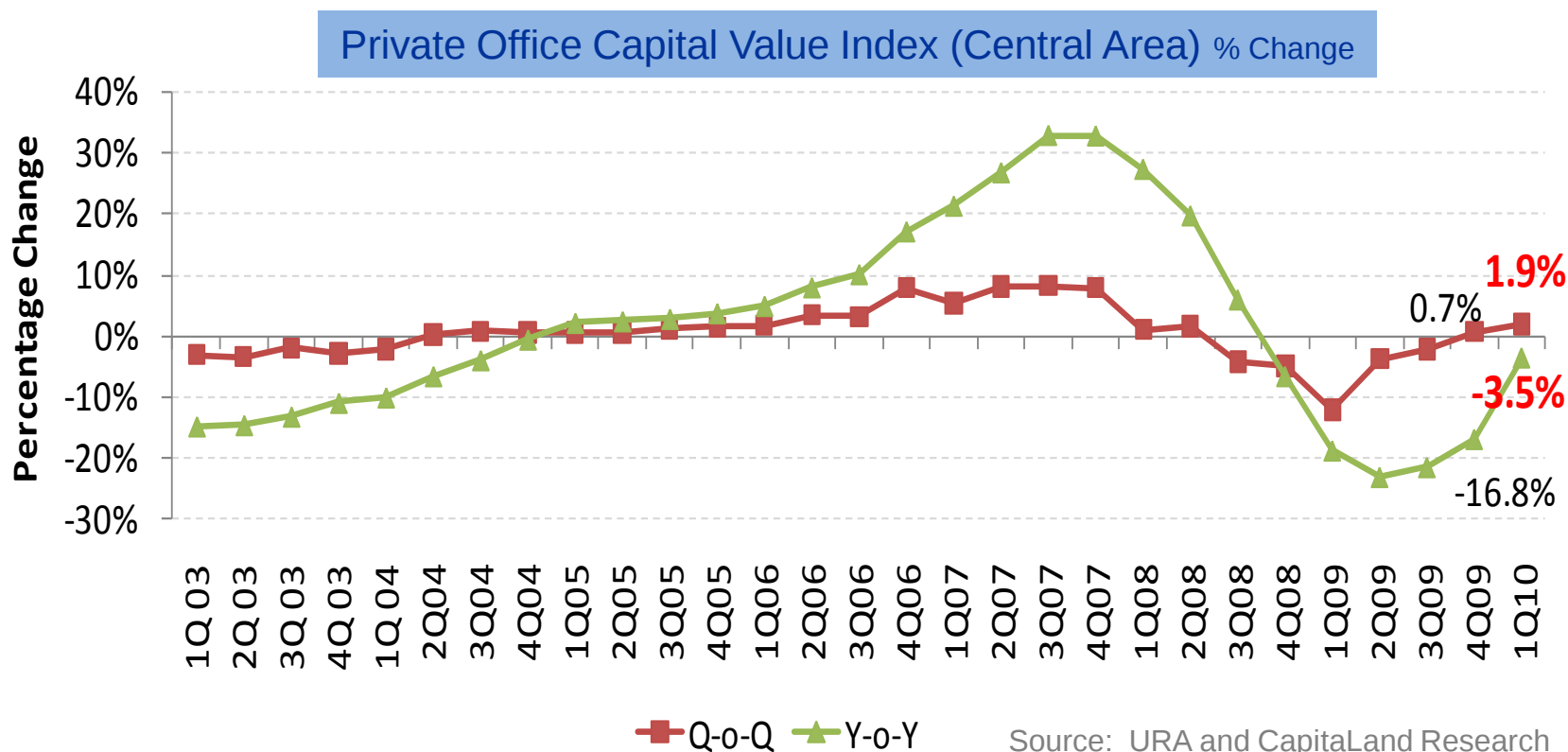


Source: URA and CapitaLand Research



Capital values have improved

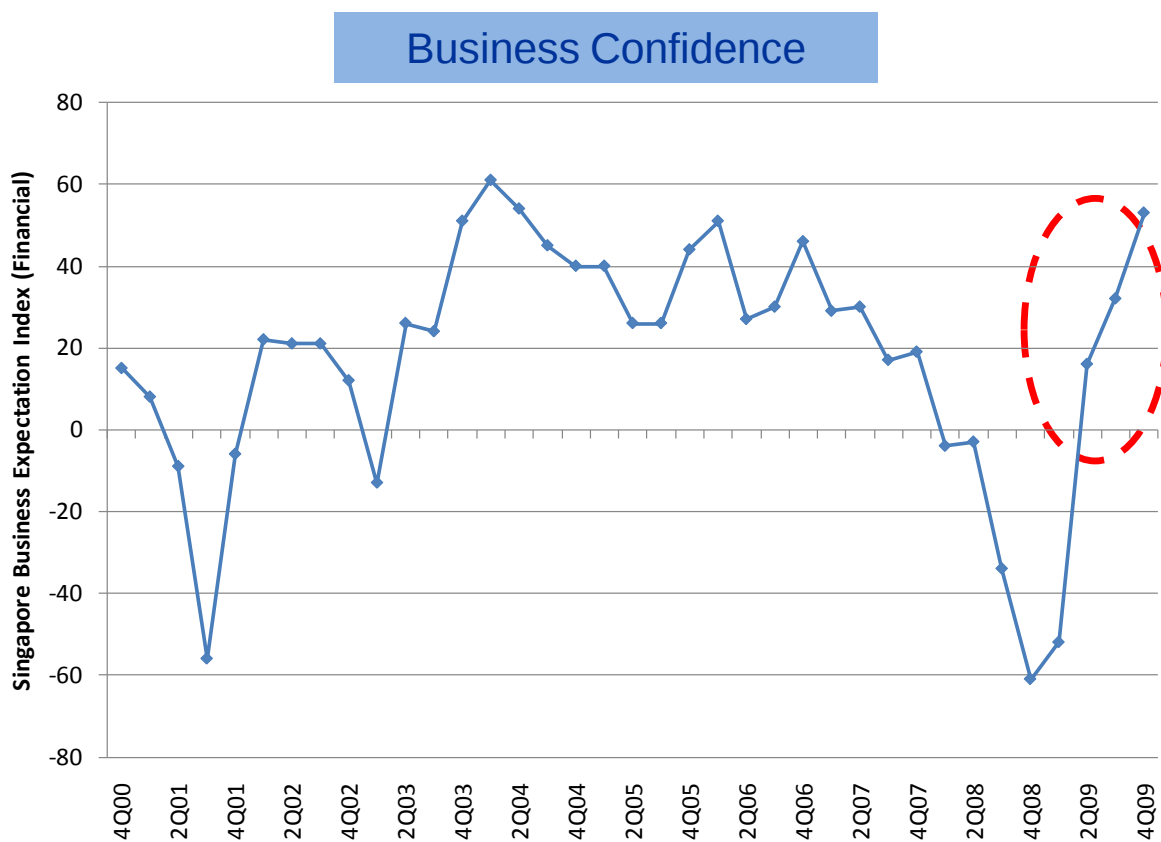
- Stronger q-o-q gain of 1.9% in 1Q'10





Business confidence rising

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

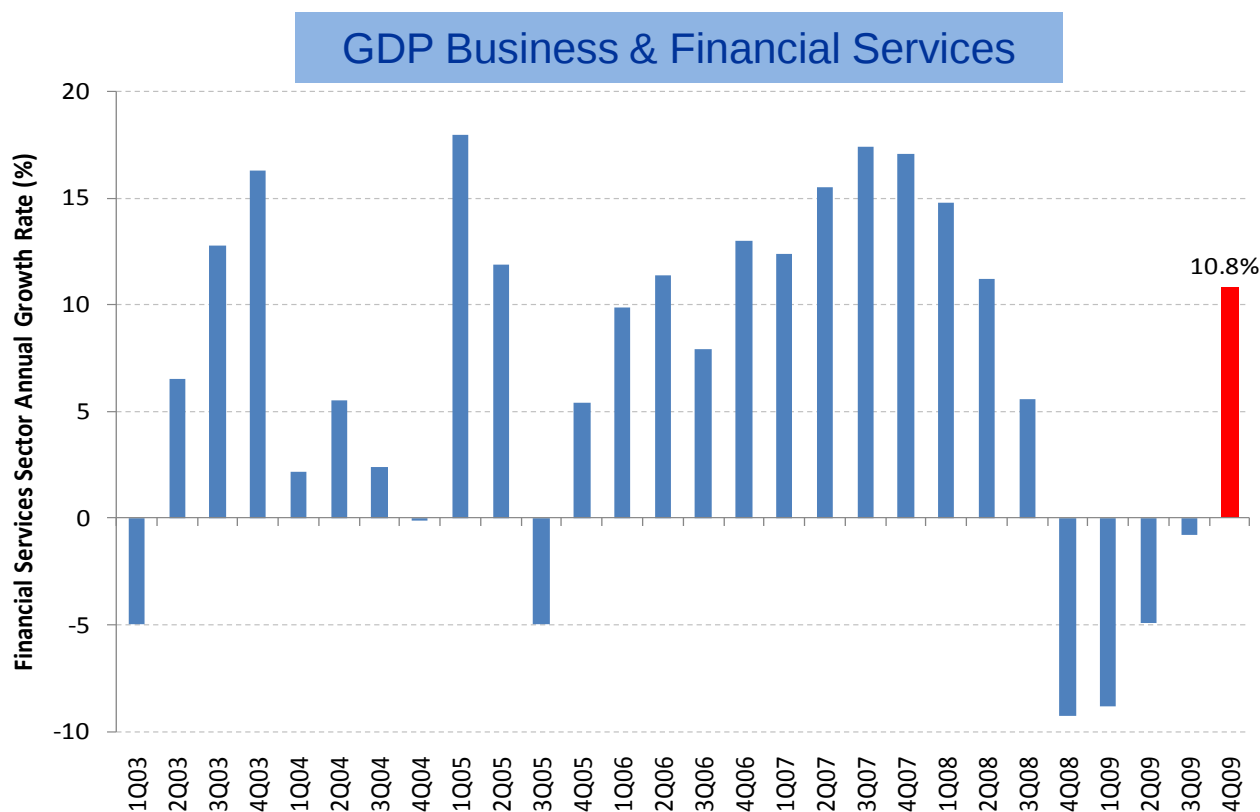


Source: Bloomberg and CapitaLand Research



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

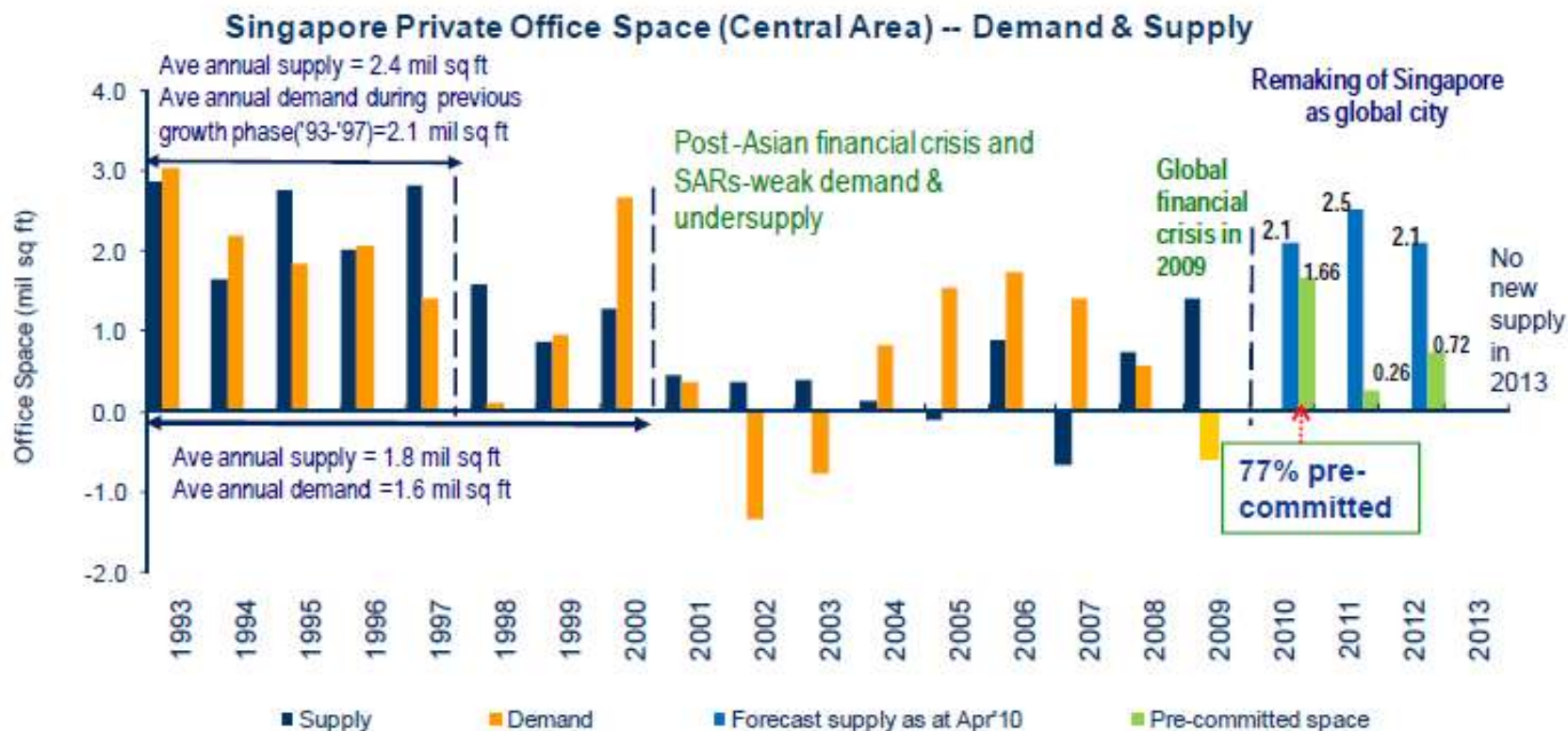


Source:
Bloomberg and
CapitaLand
Research



No new office supply in 2013

- 38% of forecast supply in next 3 years is pre-committed
- ~1.2 mil sqft of existing office to be converted into residential



Note:

(1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'

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



Office strategy

Prime office rents appear to have reached a trough

Portfolio reconstitution

Divest assets that have reached optimal stage of life cycle:
reserve sales proceeds for acquisition

Change of use of property for optimal returns

Asset enhancement to improve rents and cost efficiency

Acquisition of Grade A office assets

China Update

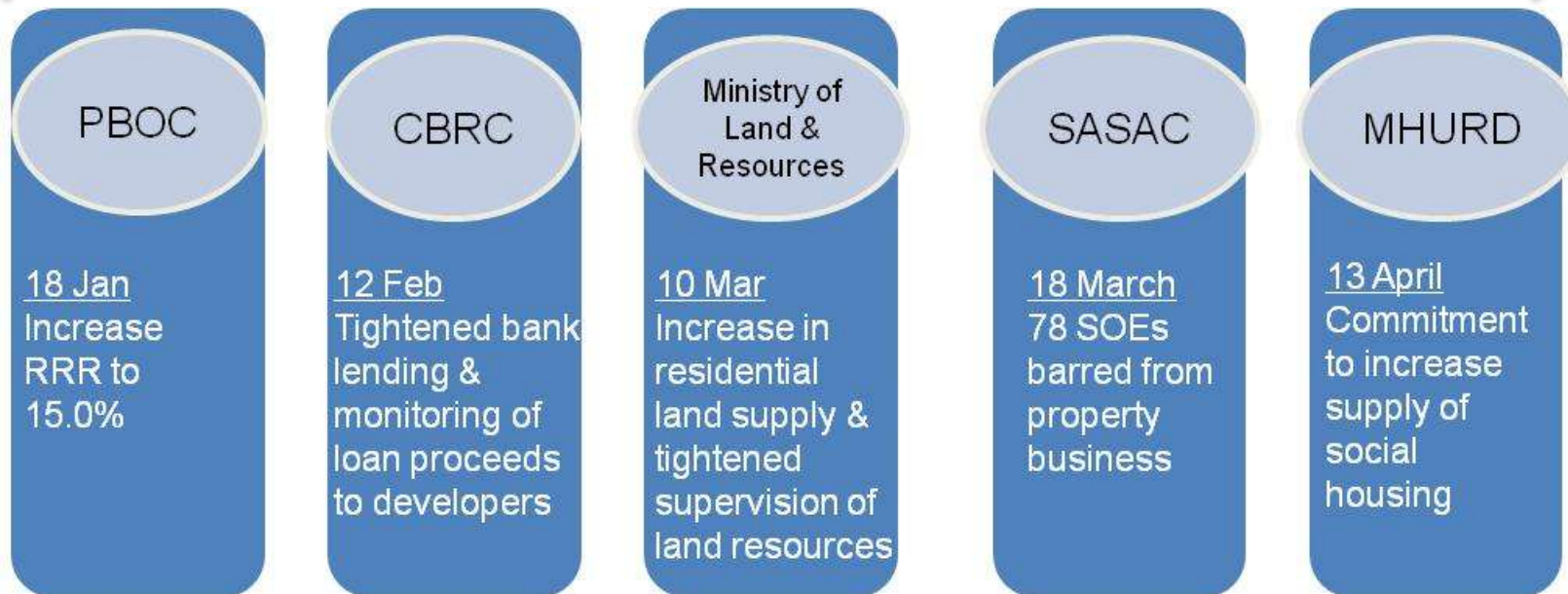




Government policies introduced in 2010

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

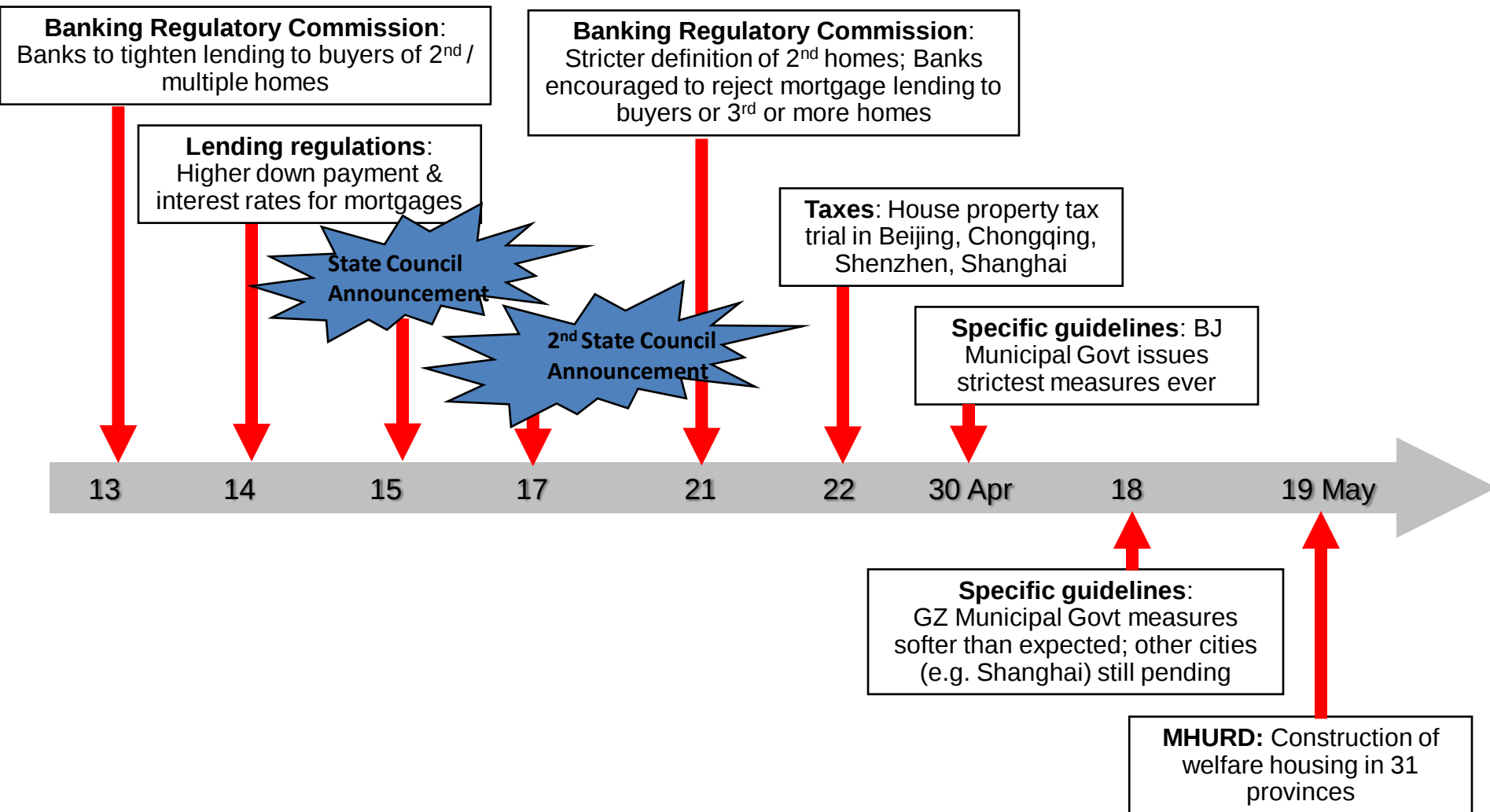
2010: Stepped-up guidance on property and to counter speculation



* 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 & May 2010





Objectives of government policies

Focus on real needs

- Address housing needs

Curb speculators

- Mortgage tightening

Market sustainability

- Tuning policies to sustain rather than to crash the residential market

Home ownership

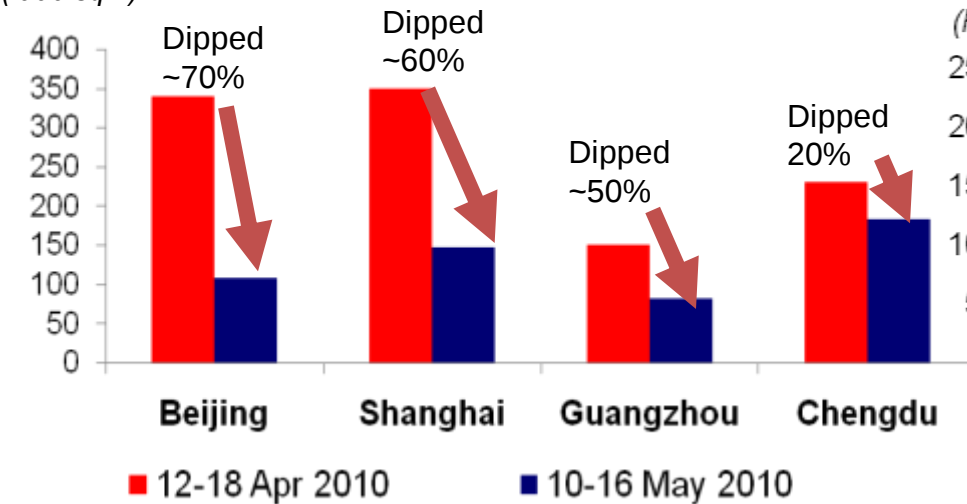
- Encouraging home ownership rather than feverish speculation



Buyers on sideline, but prices stayed firm

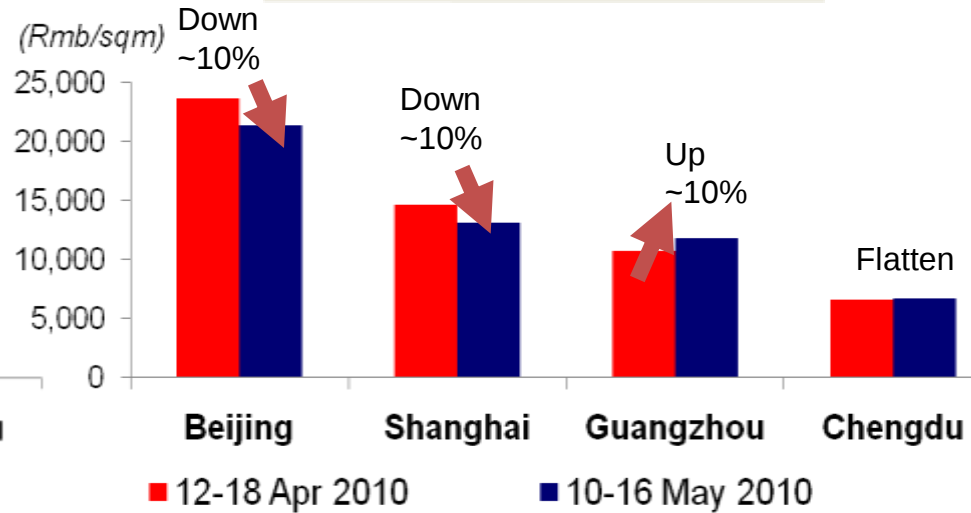
Weekly Transaction Volume

('000 sqm)



Average Transaction Price

(Rmb/sqm)

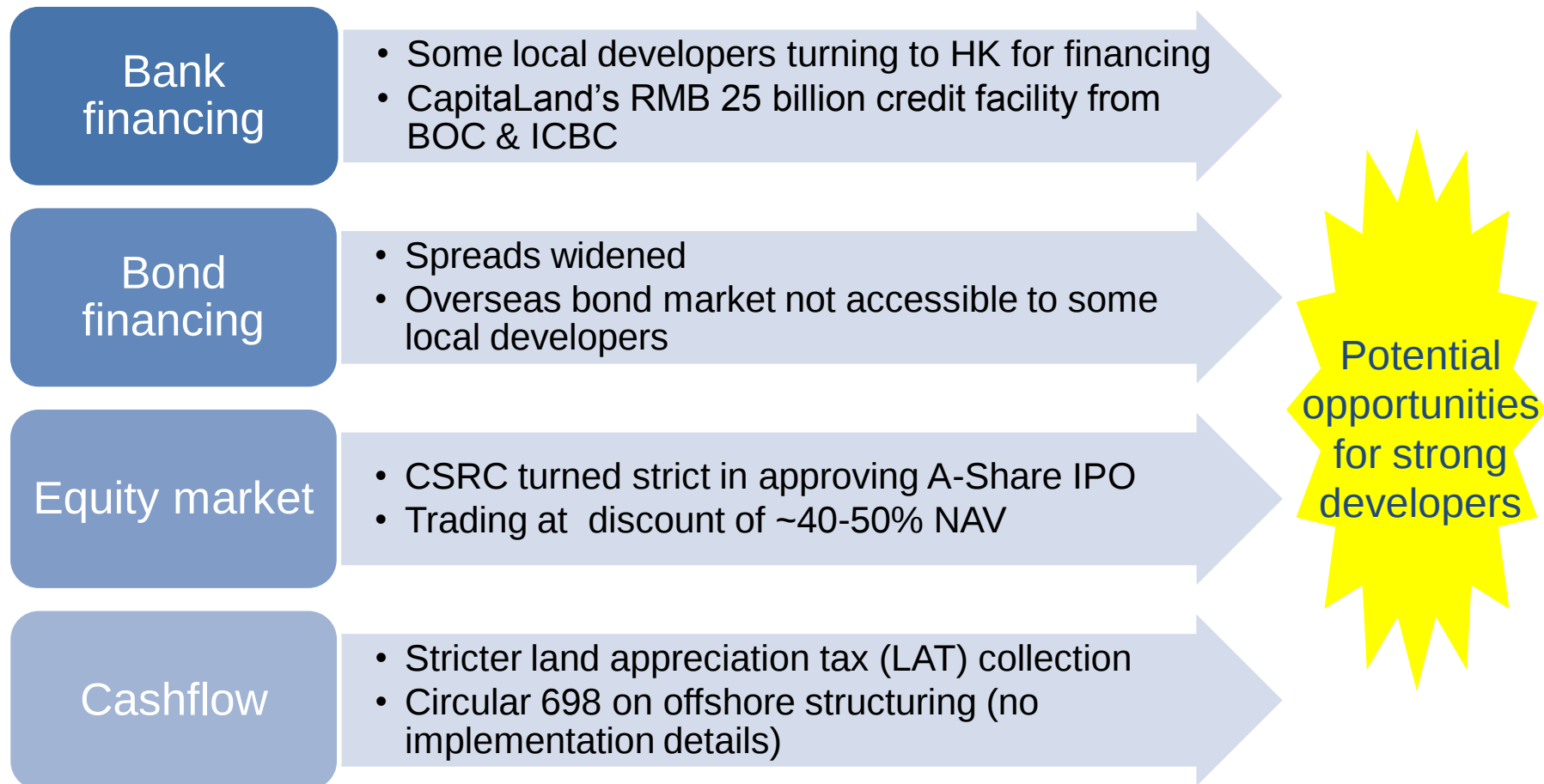


* Source: CRIC & Soufan; For 1st – hand market only, city-wide transactions

- **Top-tier cities**
 - City-wide: price growth moderated
 - Mid-to-high end property in core city area: prices stayed firm
- **Some cities less affected**
 - E.g. Chengdu, Guangzhou



Liquidity tightening but better than 2008





CapitaLand's portfolio in China



111 projects in 40 cities

Residential: 20 projects (20,000 units) with a total GFA of 2,900,000 sqm

Commercial and Mixed: 14 projects*, with a total GFA of 1,900,000 sqm

Retail: 52 malls, with a total GRA of 4,100,000 sqm

Serviced Residences: 28 projects, with 5,200 units

Financial Services: 8 private equity funds & 2 REITs**

* Inclusive of JV projects

** Ascott Residence Trust is a pan-Asian REIT

- 住宅房产
RESIDENTIAL
- 商务房产
COMMERCIAL
- 商用房产
RETAIL
- 房地产金融
FINANCIAL
- 服务公寓
SERVICED RESIDENCES
- 综合房产
INTEGRATED DEVELOPMENTS
- 来福士房产
RAFFLES CITY DEVELOPMENTS

中国 CHINA

- 长三角地区 Yangtze River Delta - 上海 Shanghai - 杭州 Hangzhou - 宁波 Ningbo - 苏州 Suzhou - 扬州 Yangzhou - 昆山 Kunshan	- 环渤海湾地区 Bohai Economic Rim - 北京 Beijing - 天津 Tianjin - 沈阳 Shenyang - 呼和浩特 Hohhot - 大连 Dalian - 潍坊 Weifang - 淄博 Zibo	- 珠三角地区 Pearl River Delta - 广州 Guangzhou - 深圳 Shenzhen - 佛山 Foshan - 东莞 Dongguan - 惠州 Huizhou - 茂名 Maoming - 肇庆 Zhaoqing	- 西南地区 Southwest China - 成都 Chengdu - 重庆 Chongqing - 宜宾 Yibin - 德阳 Deyang - 绵阳 Mianyang	- 其他地区 Others - 哈尔滨 Harbin - 西安 Xi'an - 郑州 Zhengzhou - 武汉 Wuhan - 长沙 Changsha - 南昌 Nanchang - 安阳 Anyang	- 新乡 Xinxiang - 株洲 Zhuzhou - 衡阳 Hengyang - 岳阳 Yiyang - 常德 Wuhu - 马鞍山 Maanshan
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Raffles City integrated developments in China

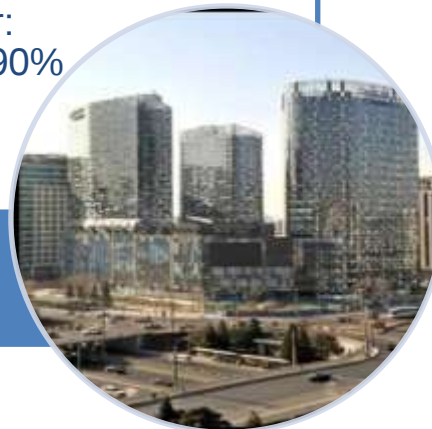
- Located at People's Square, Huangpu District, Shanghai
- 7 years operating experience
- Popular retail mall with near-full occupancy
- Office tower with occupancy >90% and strong tenants

Raffles City Shanghai (RCS)



- Located @Dongzhimen transportation hub, Dongcheng District, Beijing
- June 2010: 1st anniversary
- Retail mall & office tower: committed occupancy >90%
- Ascott RCB ramping up revpar

Raffles City Beijing (RCB)



- Latest project announced in May 2010
- Located @Nanshan District, Shenzhen
- One-stop dining, shopping, lifestyle destination
- Comprises office, retail, hotel and serviced residence components

Raffles City Shenzhen (RCSZ)



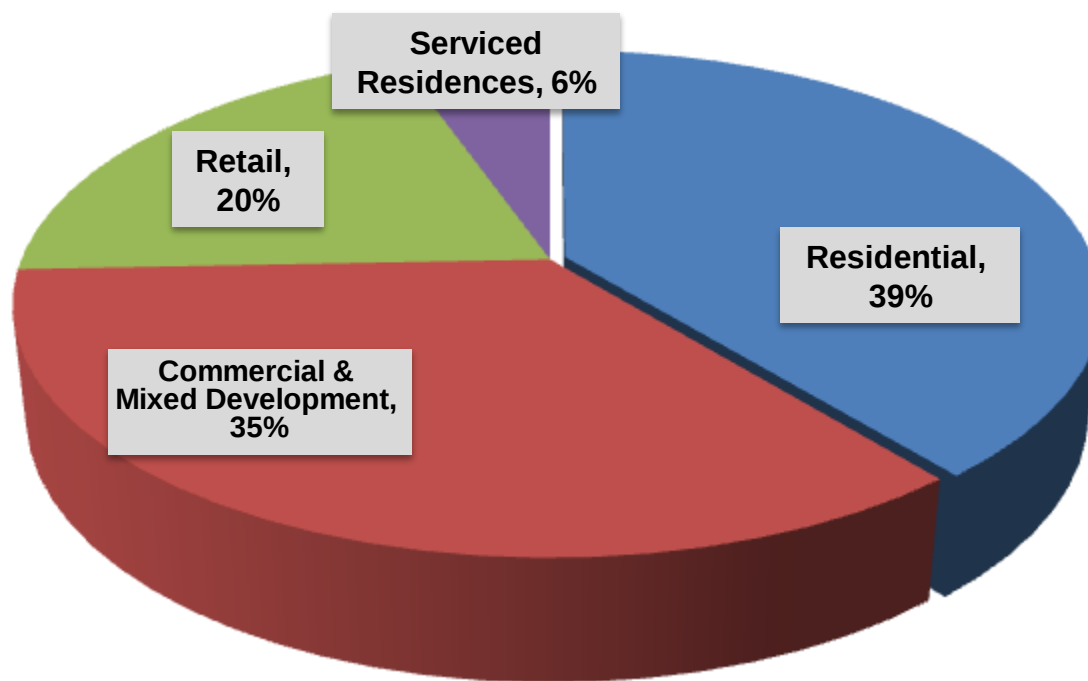
3 other projects under development



CapitaLand's diversified presence in China

- Good mix of commercial and residential assets
- Opportunity for continued growth

China Assets: S\$10 Billion* (36% of Group's Balance Sheet)



* Figures Q1 2010



China strategy

Robust long-term fundamentals and investor demand

Residential sales targets remain: 3,000 units

Action plan: (i) flexibility to plan launches; (ii) allocate resources accordingly

Strong balance sheet; capitalize opportunities

Focused on product and positioning; balanced business:

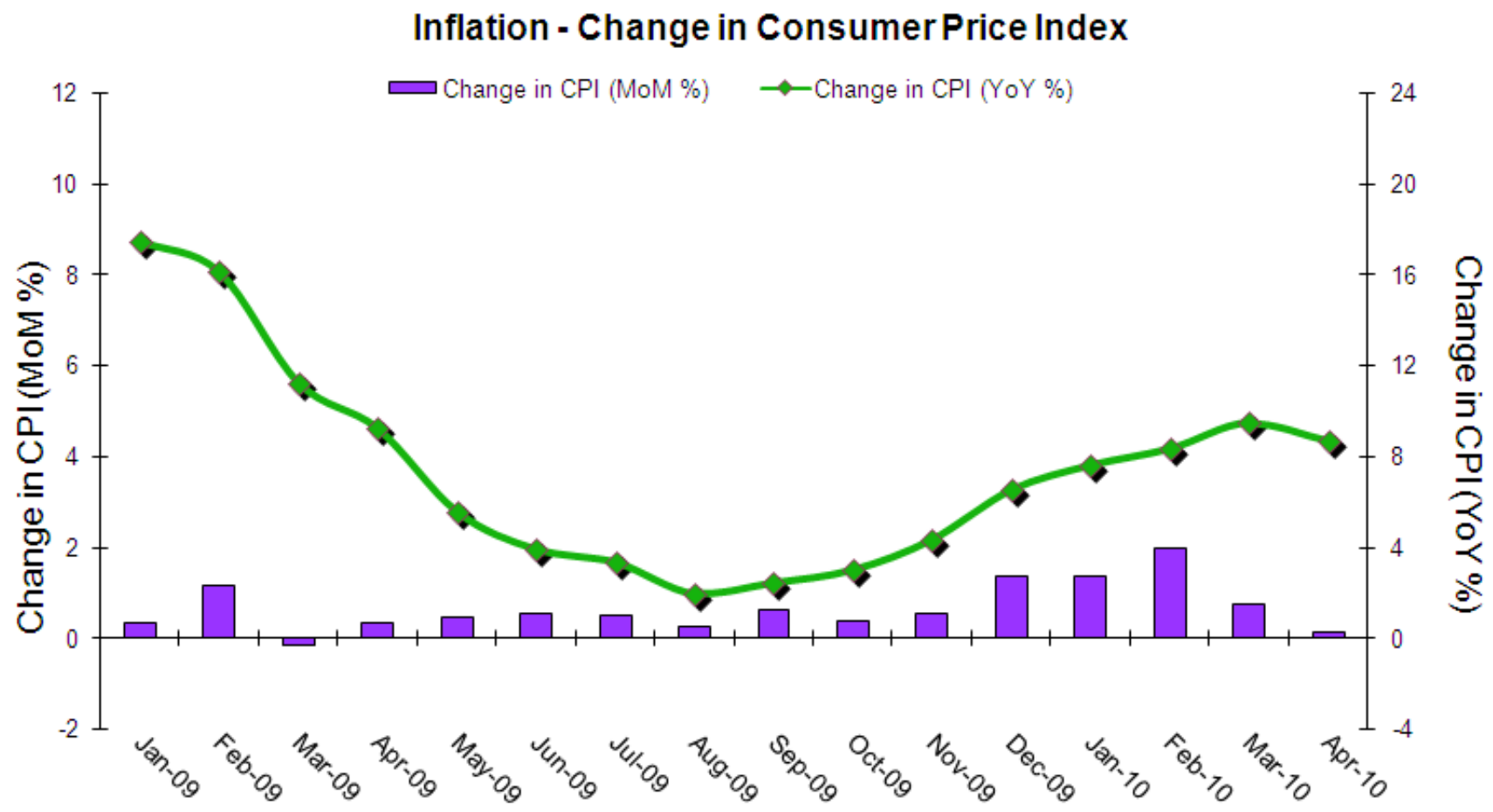
Residential, Mixed Developments, Retail, and Serviced Residences

Vietnam Update





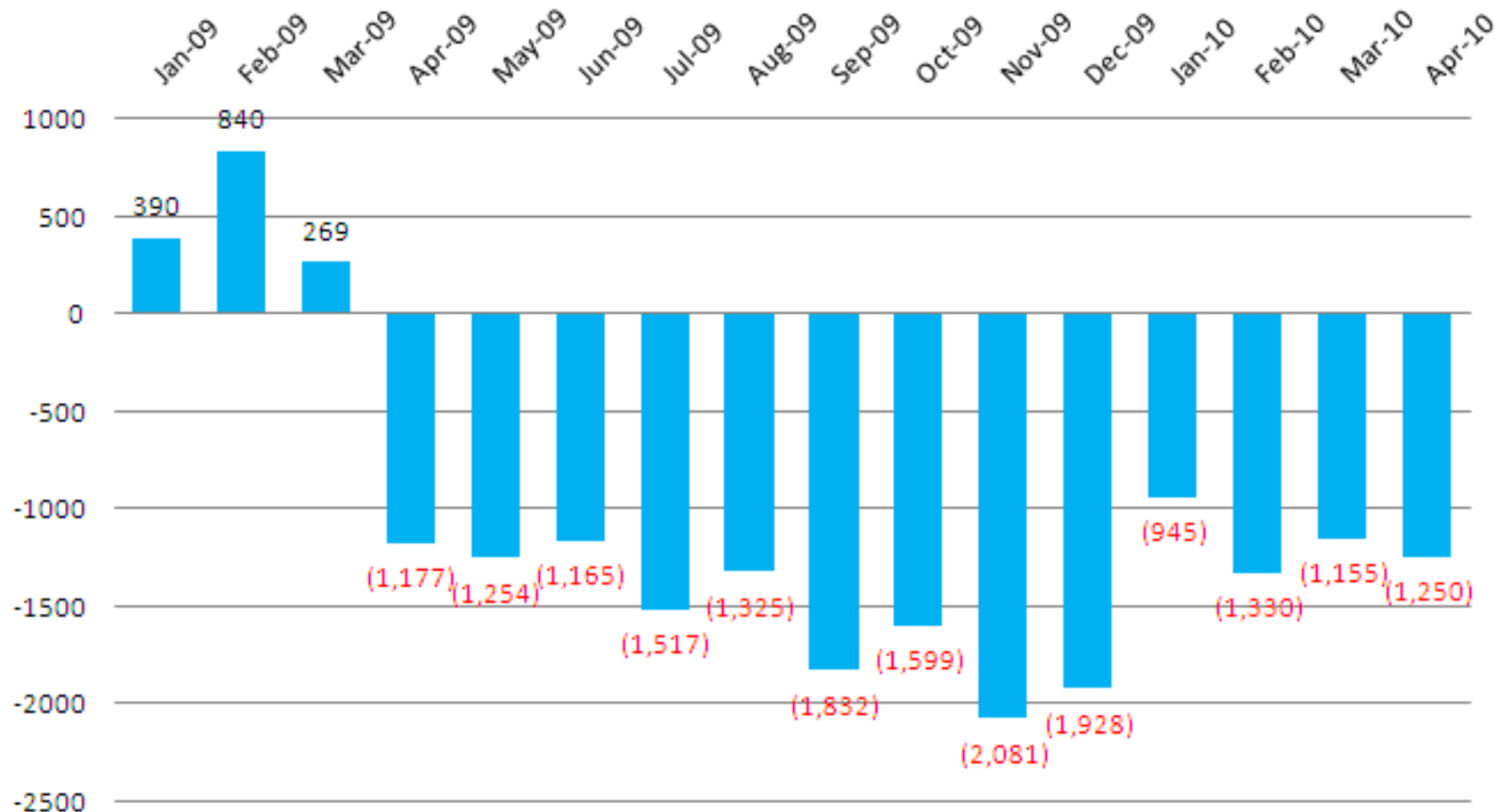
Inflation trending down





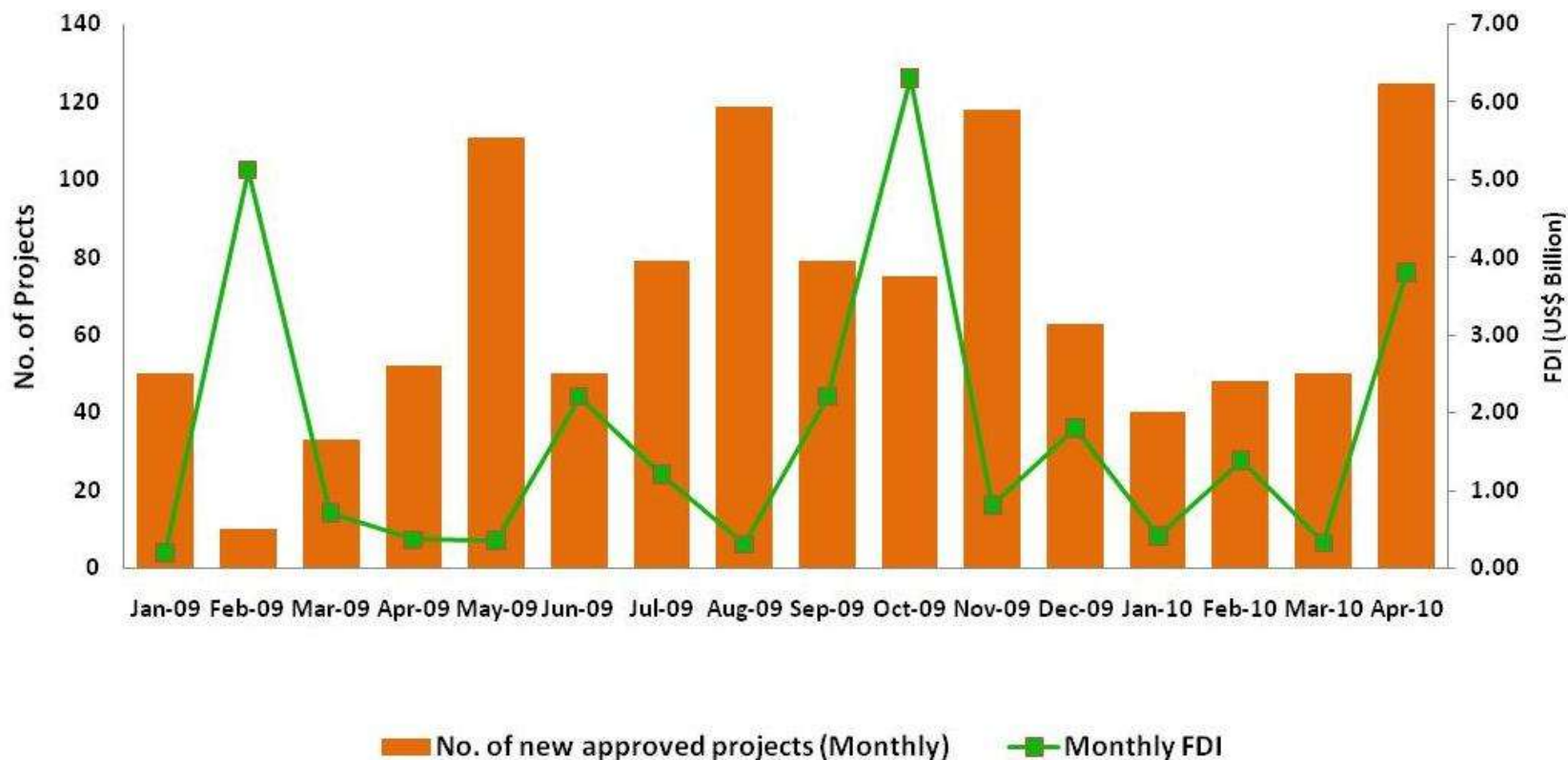
Stabilizing trade deficits

- Trade imbalance sustained mainly by healthy FDI.





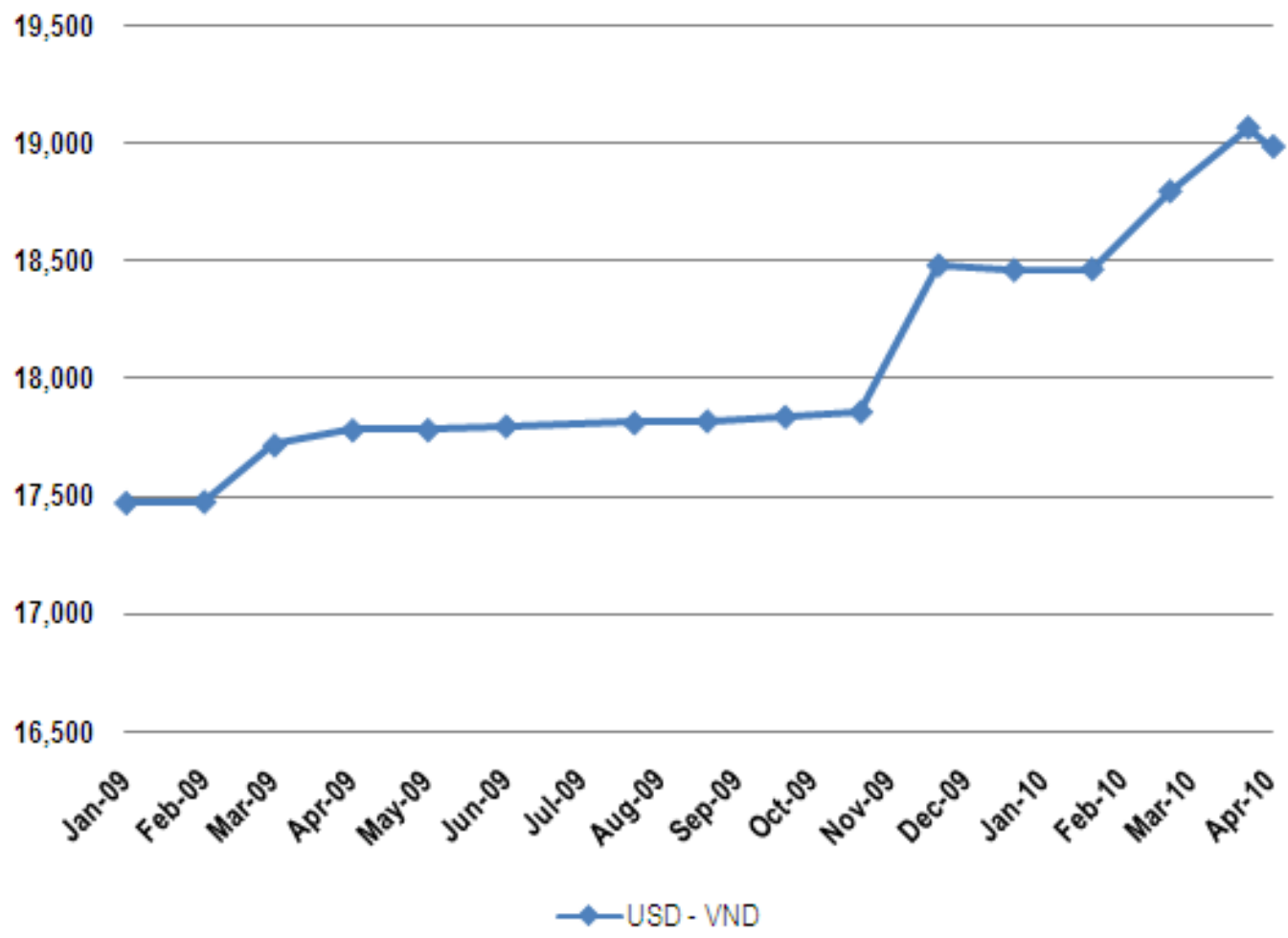
Significant improvement in Foreign Direct Investment



- Committed FDI YTD2010: US\$3.4 billion
- Interested FDI YTD2010: US\$5.9 billion
- Target FDI YTD2010: US\$13.1 billion

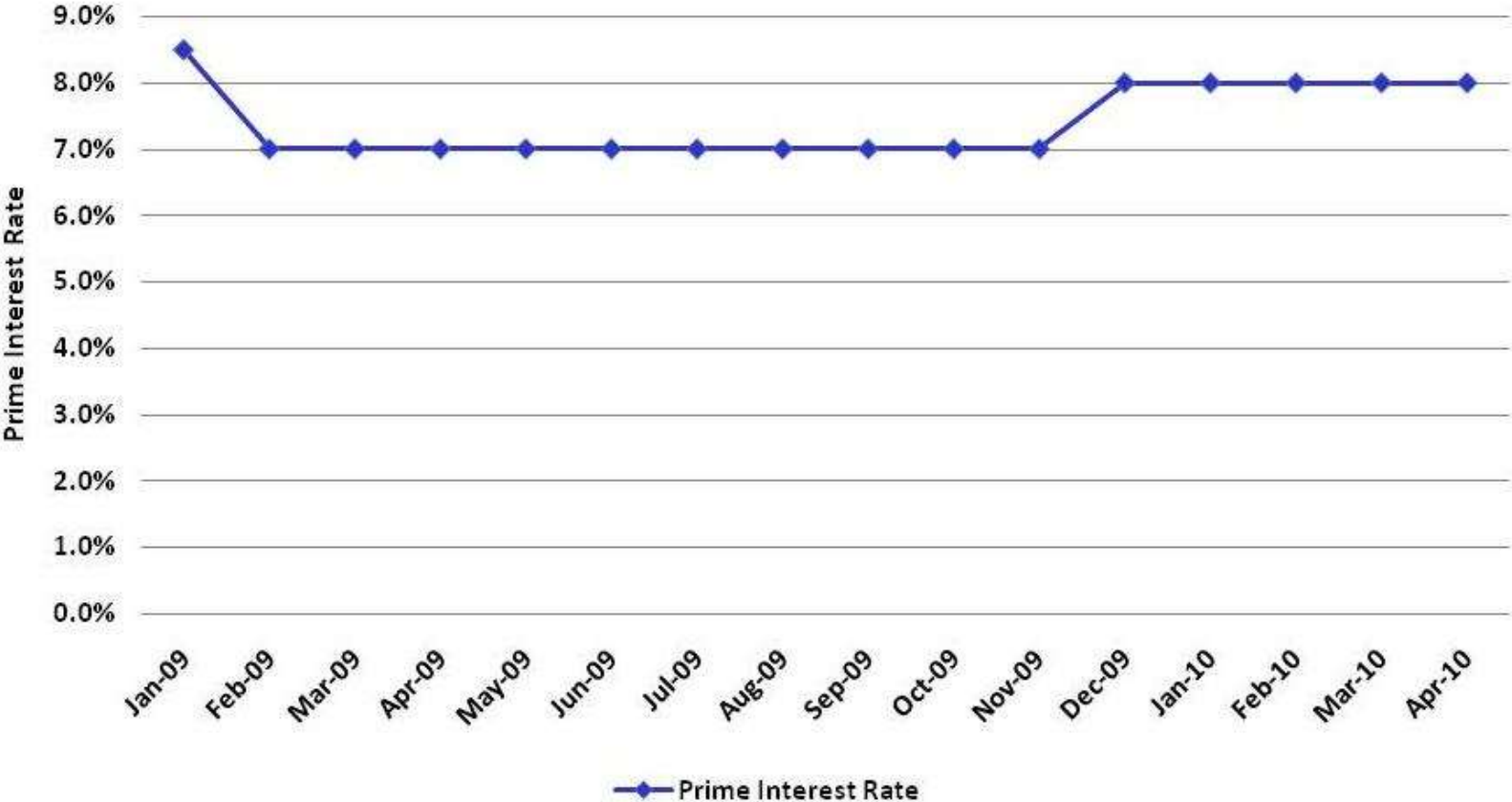


VND managed depreciating against USD





Stabilizing interest rates





Gaining traction in Vietnam

Residential

- **Strong demand for residential apartments**
 - Annual demand of ~ 120,000 units against supply of ~ 18,700 units per annum over next 3 years in Ho Chi Minh City and Hanoi
- **4 quality residential projects with over 4,000 units in Ho Chi Minh City & Hanoi**
 - The Vista (HCMC): 850 residential/serviced apartment units
 - Mulberry Lane (Hanoi): ~1,500 residential units
 - 2 prime sites in HCMC and Hanoi with development pipeline of ~1,900 units



The Vista, Ho Chi Minh City



Mulberry Lane, Hanoi



Expanding serviced residences footprint

- **Strong presence in Vietnam**
 - Ascott is the largest serviced residences owner-operator in Vietnam
 - Started operation in 1994
 - Over 1,300 apartment units in Hanoi, Ho Chi Minh City, Hai Phong and Danang
- **Expanding the footprint**
 - Portfolio to increase to 1,800 apartment units over the next 3 years



Somerset West Lake, Hanoi



Vietnam strategy

To grow presence in Vietnam from current 1% to 10% of Group's total assets in 3-5 years

Large population of 86 million, of which 60% are <30 years of age

Housing market is in its infancy

Residential: Strong growth potential

Serviced Residences: Continue to expand presence

Retail: Poses great opportunities for CapitaLand now

Office: Monitoring this segment

The Ascott Limited





The Ascott Limited

25,000 units spanning 69 cities in 22 countries



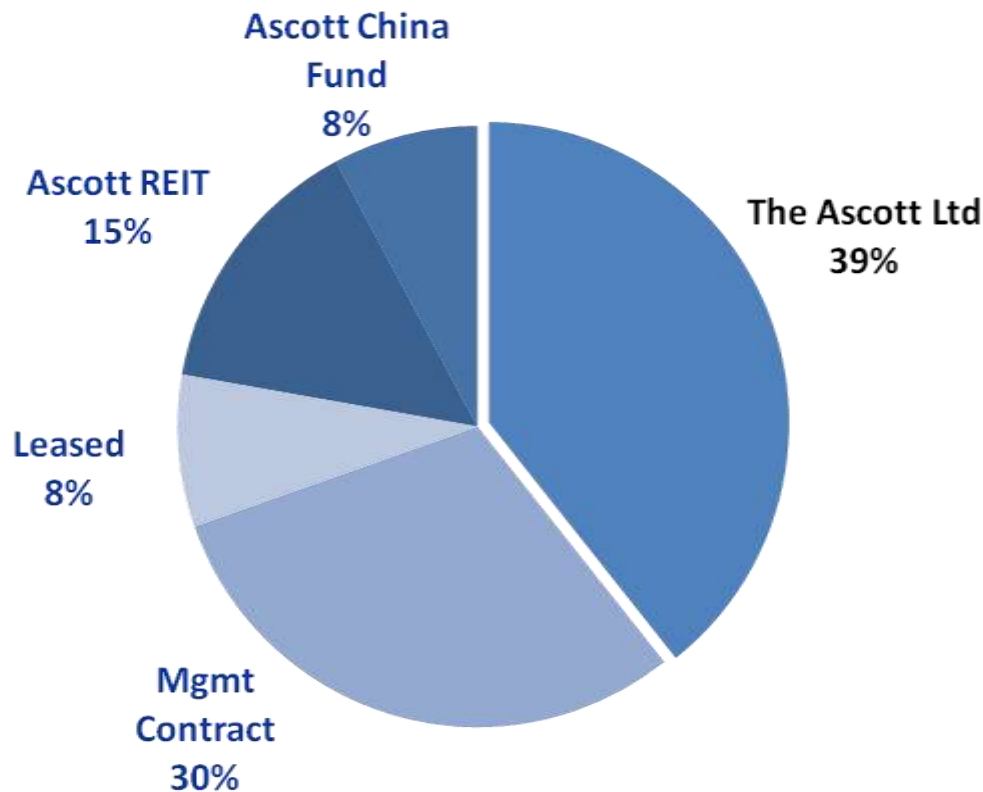
Proportion of Units By Region (%)	
North Asia	39%
Southeast Asia	25%
Europe	21%
South Asia	6%
Singapore	4%
Australia	3%
Gulf	2%

World's largest international serviced residence owner-operator



The Ascott Limited's Portfolio of over 25,000 rooms

- 20,095 operational rooms and 5,191 under development (15 Jun 2010)

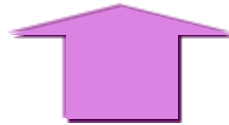




Leveraging Hospitality Capabilities To Enhance Real Estate Value

Real Estate Value

Hospitality
Management
Income

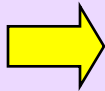


Ascott's Value Add:



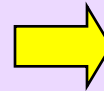
Development stage

- Product quality through design
- Cost discipline



Operations stage

- Branding, Marketing & Sales to achieve higher revenue
- Efficient operations to ensure higher margins



Divestment stage

- Stronger cash flow = higher real estate value = higher divestment gains

CapitaLand Results





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 assets¹ 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

Even after US\$2.2 billion acquisition of OODL

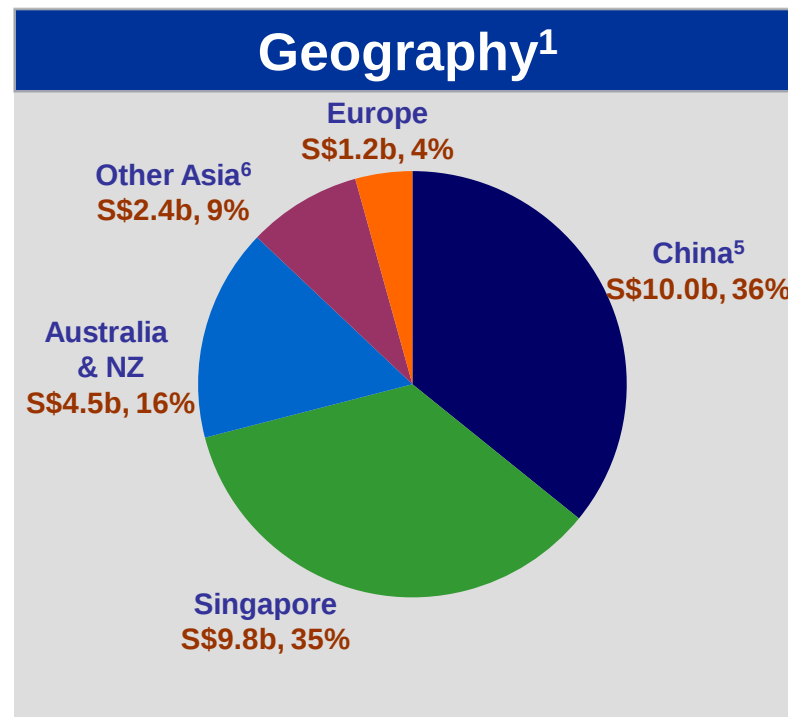
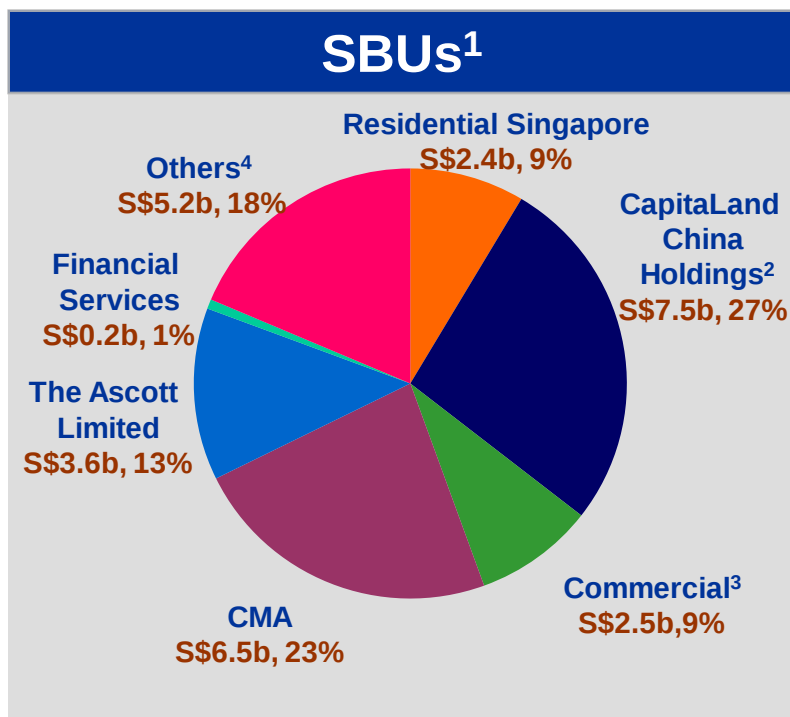
	FY2009	1Q 2010	Change
Equity (S\$bn)	16.9	17.1	1%
Cash (S\$bn)	8.7	5.7	-34%
Net Debt (S\$bn)	1.6	4.7	194%
Net Debt/Equity	0.09	0.27	Satisfactory
% Fixed Rate Debt	66%	70%	Satisfactory
Ave Debt Maturity(Yr)*	4.4	4.2	Satisfactory

** 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



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

Conclusion





Listed on Singapore Stock Exchange 21st Nov 2000



CapitaLand's transformation in 9 years

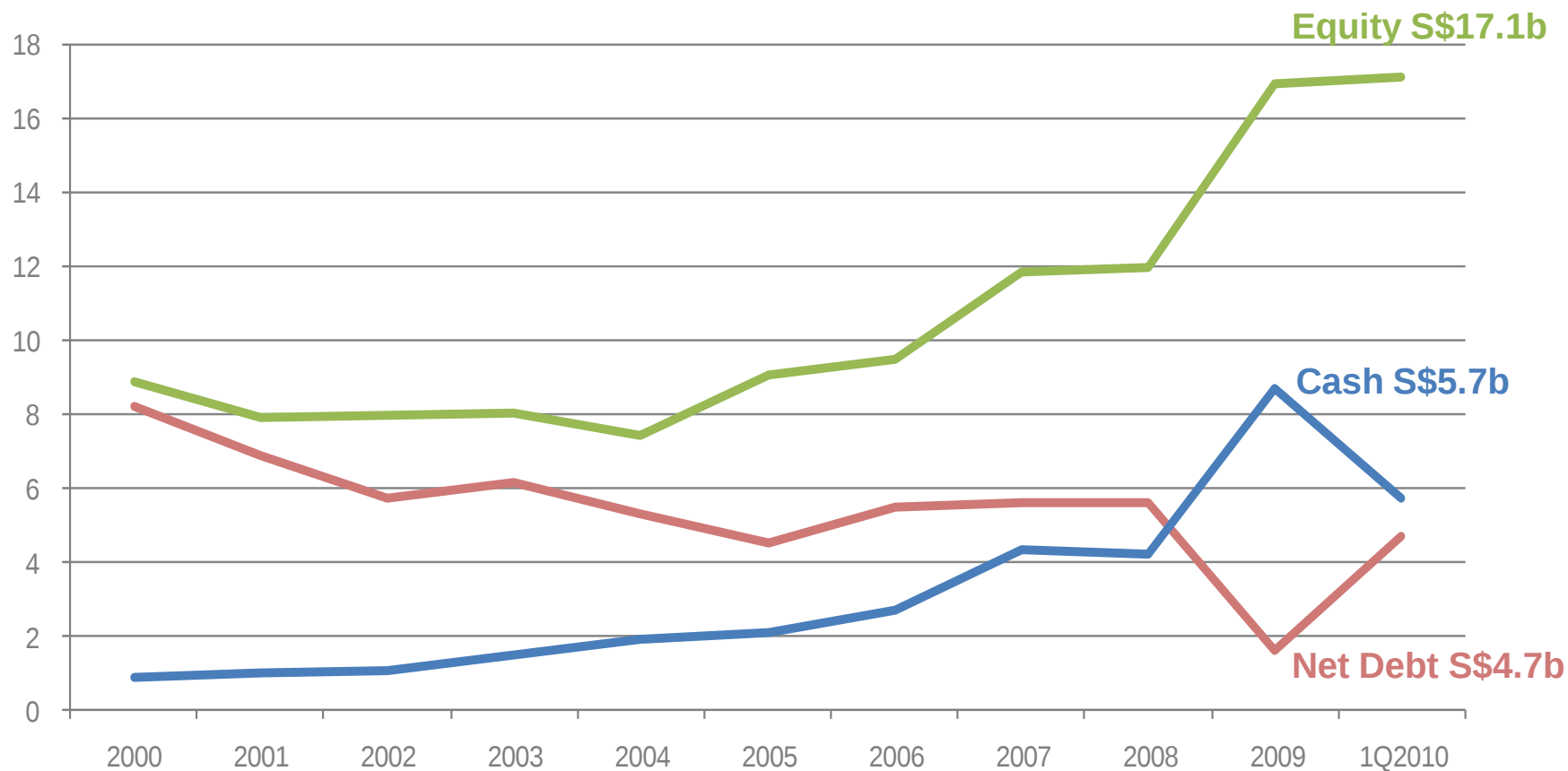
Total Net Profit (2000 – 2009): S\$6.95 billion

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





Capital Management a key value driver





Executing the growth strategy

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)
 - 8 Raffles City integrated developments (3 in operation and 5 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