CapitaLand Media/Analysts Trip: Harnessing An Integrated Platform

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Contents

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Recap On Strategic Roadmap

Key Tasks

Set Strategy/ Targets

Announcement of New Organisational Structure

- ✓ Reduce organisational complexity
  - Streamlined 4 SBUs
  - Improved resource mobility across SBUs
- ✓ Review businesses
- ✓ Set clear KPIs
- ✓ Improve processes
- ✓ Re-emphasize Innovation

- ✓ 2 core markets of Singapore and China
- ✓ 6 city clusters – Singapore/Malaysia; Beijing/Tianjin; Shanghai/Suzhou/Hangzhou/ Ningbo; Guangzhou/Shenzhen; Chengdu/Chongqing and Wuhan
- ✓ Set the ROE target of 8% to 12% on a sustainable basis
- ✓ Focus on operating PATMI and asset composition

Announced On Jan.13

Announced On Feb.13

Announced On Jul. 13

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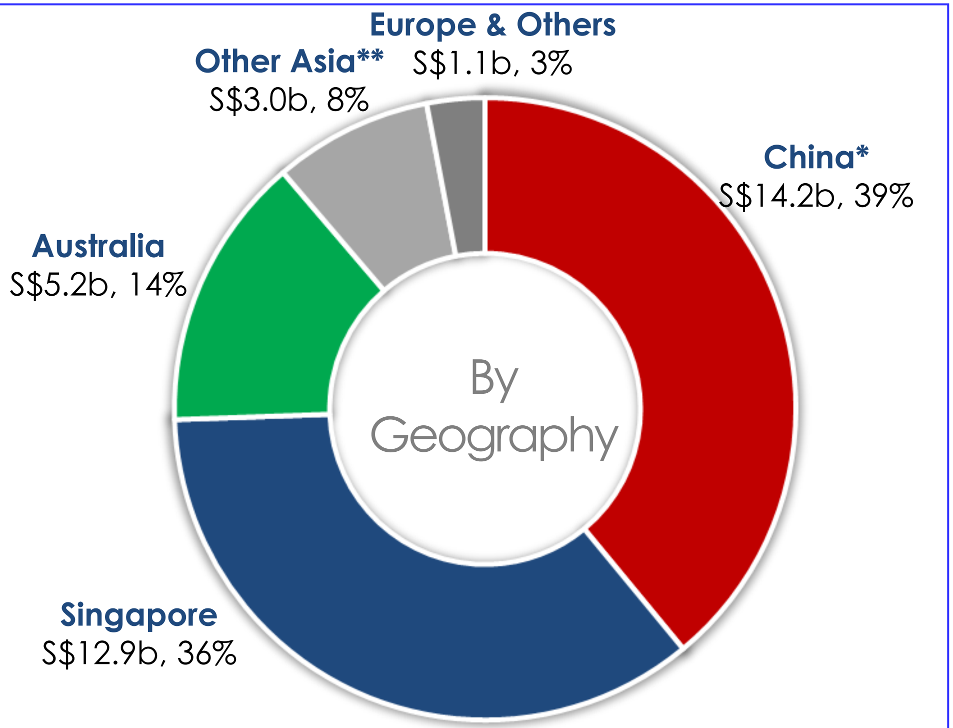
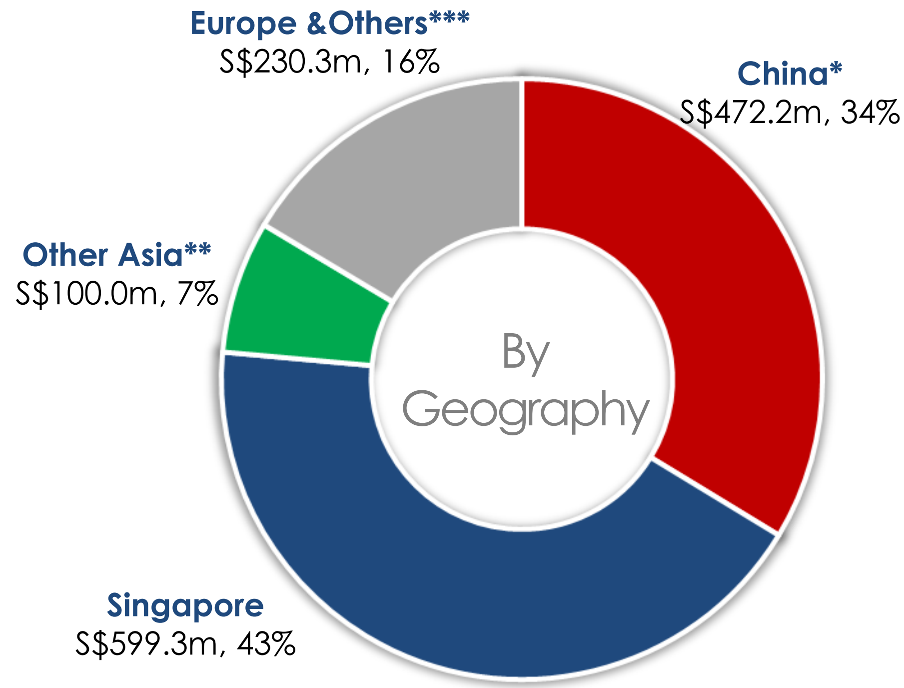
Focus On Singapore & China As Core Markets

Total Assets @ Sept 2013 : $36.4b[1]
(75% of Group Assets in Singapore & China)



Group EBIT @ Sept 2013 : $1.4b
(77% of Group EBIT from Singapore & China)

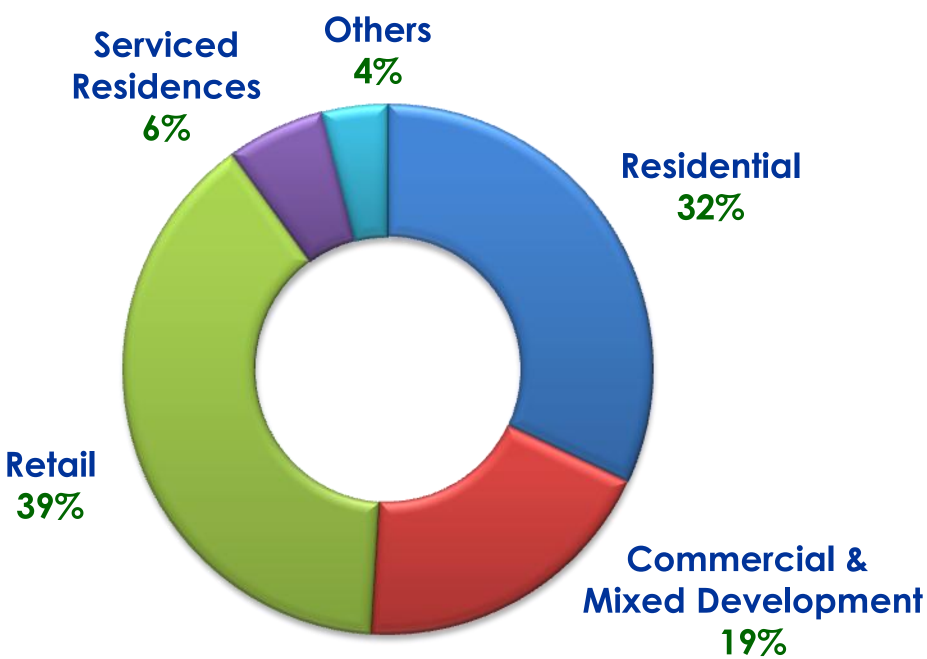


[1] *Excluding treasury cash*
**China including Hong Kong*
*** Excludes Singapore & China and includes projects in GCC*
**** Includes Australia*

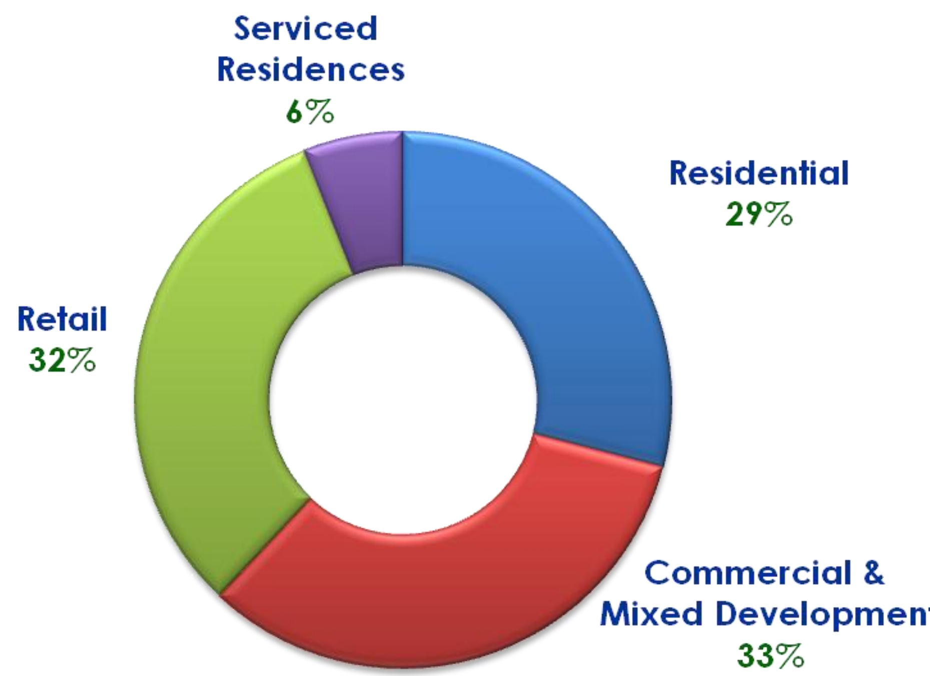
Singapore And China Will Continue To Be Key Drivers Of CapitaLand's Business

A Well-Diversified Portfolio In Singapore & China

Singapore Assets - S$13.0 billion (36% of Group's Total Assets*)



China Assets - S$14.2 billion (39% of Group's Total Assets*)



** Excluding treasury cash*

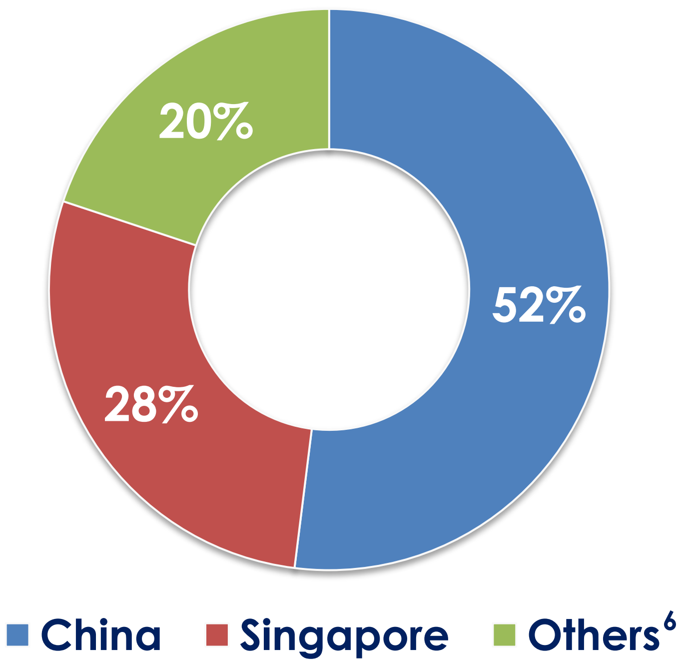
Well-balanced To Ride through Cycles

Progress So Far

Raffles City Beijing, China

YTD Investments Mainly In Singapore & China

New Investments Of S$1.63 billion (YTD Sept. 2013)



SINGAPORE			
Project Name	**Project Type**	**Total GFA (sqm)**	**Investment Amt[4] (S$'M)**
Coronation Road Site	Residential	37,441 (site area)	366.0[2]
Big Orange Self Storage Singapore	Self Storage	5	91.8[3]

CHINA			
Project Name	**Project Type**	**Total GFA (Sqm.)**	**Investment Amt[4] (S$M)**
Grand Canyon Mall, Beijing	Shopping Mall	70,000	373.0[1]
Hanzhonglu Site, Shanghai	Mixed Development	110,000	397.5[3]
No 138 Connaught Road West, Hong Kong	Serviced Residence	3,874	75.5

OTHERS			
Project Name	**Project Type**	**Total GFA (Sqm.)**	**Investment Amt[4] (S$M)**
Danga Bay Project	Mixed Development	1,021,925	324.0[2]

(1)Project Development Expenditure (2) Land cost only (3)Acquisition price of company (4) Based on a 100% basis (5) Post acquisition, more than 10,000 self storage units
(6) Includes Malaysia

Scaling Up Ascott's Presence In China

Leverage On Brand Equity To Increase Hospitality Fee Income

CHINA		
Property	**Target Opening Date**	**No. of Units**
Somerset Riviera Guangzhou	1Q 2014	32
Citadines LiZhiWan Guangzhou	1Q 2014	34
Citadines Baijia Lake Nanjing	2H 2014	290
Citadines Intime City Hangzhou	2H 2014	100
Ascott Central Wuxi	2H 2015	134
Somerset Wuxi	2H 2015	169
Ascott Nanbin Chongqing	2015	150
Somerset Software Park Xiamen	2015	167
Somerset Swan Lake Hefei	2017	250

Somerset Software Park Xiamen


Citadines Intime City Hangzhou

Somerset Swan Lake Hefei


Ascott Nanbin Chongqing

Total 9 Management Contracts Signed (1,326 units YTD Sep 13)

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Progress So Far

Recycling Capital To Higher Return Projects

(A) Reconstitution Of Portfolio

- Eg. Divestment of 81 units in Somerset Grand Fortune Garden, Beijing

(B) Sale Of Non-core Assets – Total ~S$215 mil. Of Capital Recycled

- Eg. Sale of Technopark@Chai Chee for S$193 million to The Trust Company (Asia) Limited (in its capacity as trustee of Viva Industrial REIT)
  - Sale completed as of 4 November 2013
- Eg. Sale of entire indirect one-third interest in investment properties in the UK
  - Resulted in portfolio gains of S$16.4 million in 3Q 2013

Somerset Grand Fortune Garden

750 to 750E Chai Chee Road

Three properties around Kensington, London

Reduced Financing Costs & Improving Organisational Effectiveness

Reduce Financing Costs	• Two CBs buyback exercises in May and September 2013 • Shaved off maturity towers in 2015 and 2016 • Extended maturities of CBs to 2023 • Incur meaningful interest savings (more than S$35 million in 2014)
Improving Organisational Effectiveness	• Streamlined business units into 4 core businesses - Singapore, China, CMA and Ascott • Integration of Surbana Township business into CL China • Further streamlining within the corporate office eg. re-organisation of Legal, HR, IT and Corporate Communications departments; creation of iHub and Innovation Hub

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Examples Of Integrated/ Mixed-Use Developments In China

Raffles City Shanghai, China

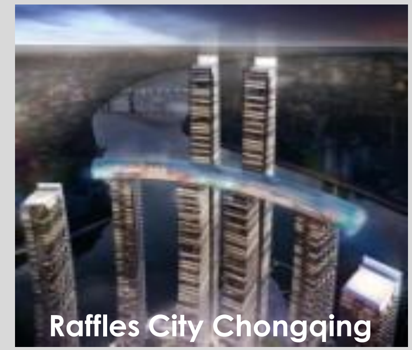
Raffles City Portfolio

Pipeline of Quality Assets with Stable Rental Income

Stabilized

Newly Opened

Under Construction



Year	2012	2015/2016	2018

- 8 Raffles City development with a construction floor area of 3.1m sqm

Hanzhonglu, Zhabei District In Shanghai

- A prime site centrally located within the Inner Ring of Shanghai (~15 min drive from Shanghai's CBD)
- To be developed into a mixed-use development comprising residential, office and retail components

Project construction will commence in 2015. Target completion by 2017

Artist impression of Hanzhonglu site

Project details:	
GFA (Sqm)	Commercial use : ~ 75,000 Residential use : ~ 30,000 Total: ~ 105,000
Acquisition price	S$397.5 million ~ RMB25,500 per sqm
CLC's Stake	70%

Datansha Island

Urban Renewal Project In Liwan District, Guangzhou

Artist impression of Datansha Island

- Datansha Island which comprises of a land area of 3.55 km^2 is located in the western part of downtown Guangzhou.
- The Project will be developed in three main phases.
- CapitaLand has been assisting the Liwan District Government in the urban planning of the Project.
- The Master Plan was approved in Oct 2012.
- CapitaLand has entered into a framework cooperation agreement with Guangzhou Liwan District Government to jointly develop the island project of approximately 3.55 km^2.

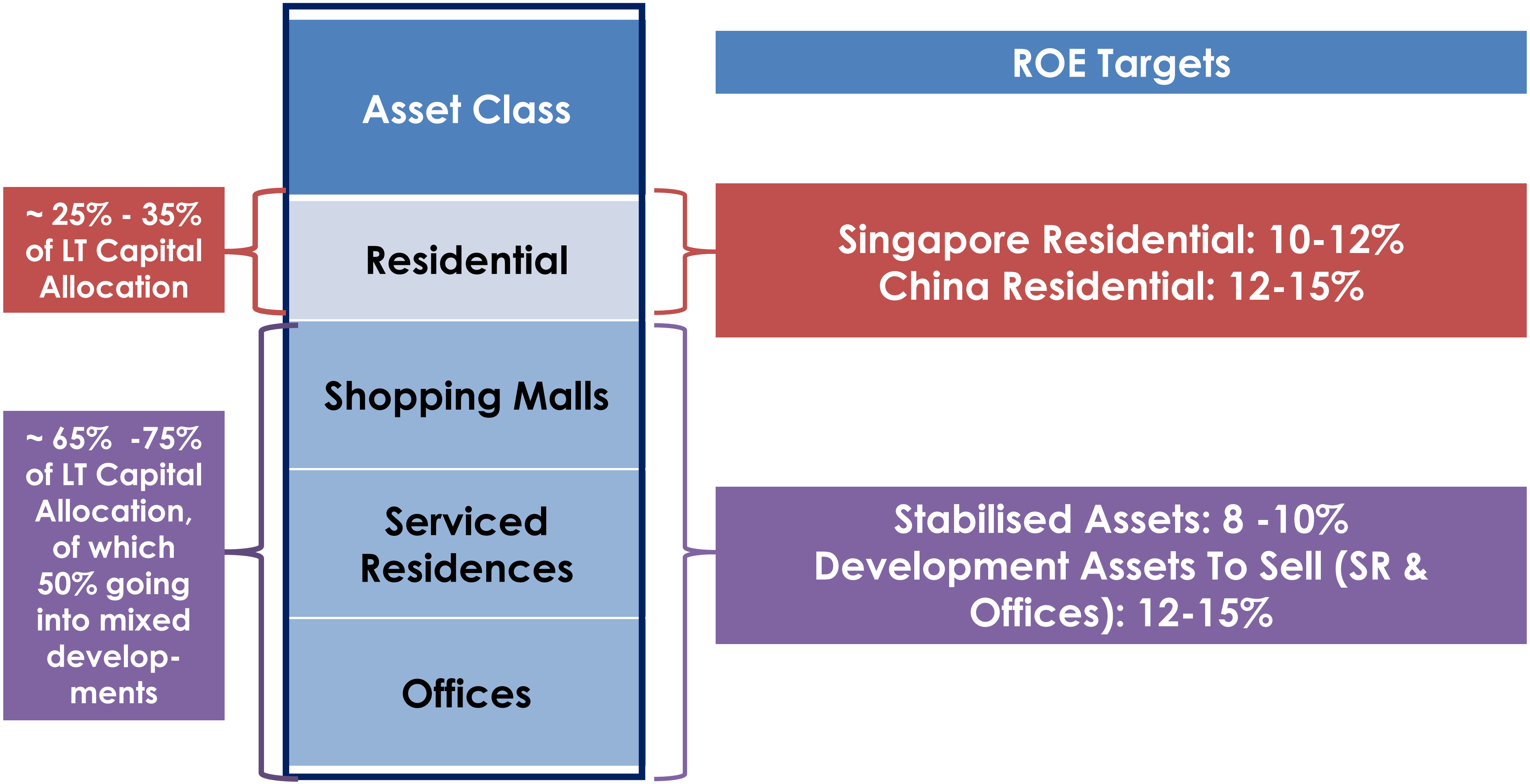
Outlook For ROE Target

Raffles City Beijing, China

Overall Strategy For CL

- Right mix of PUDs (1/3) vs. operating assets (2/3)
- Investment property to form the base with optimal capital structure
- ROE "kicker" to come from development profits

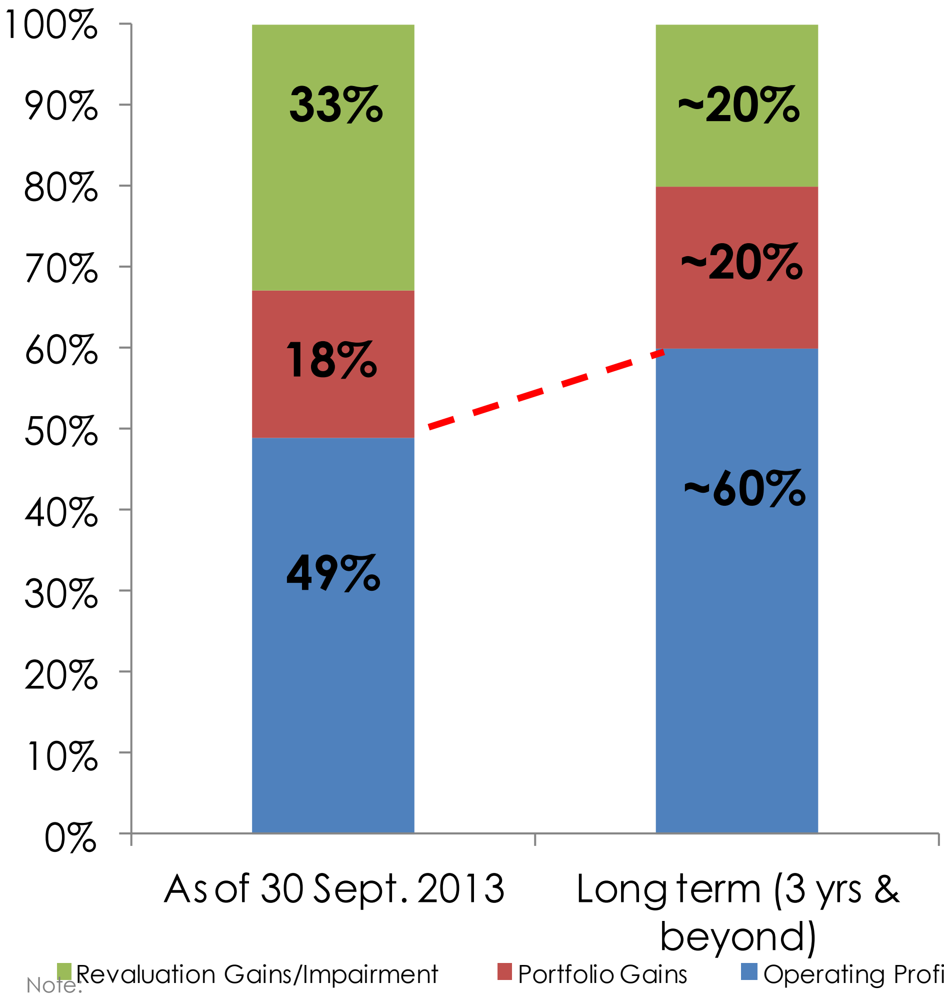
Target Capital Allocation



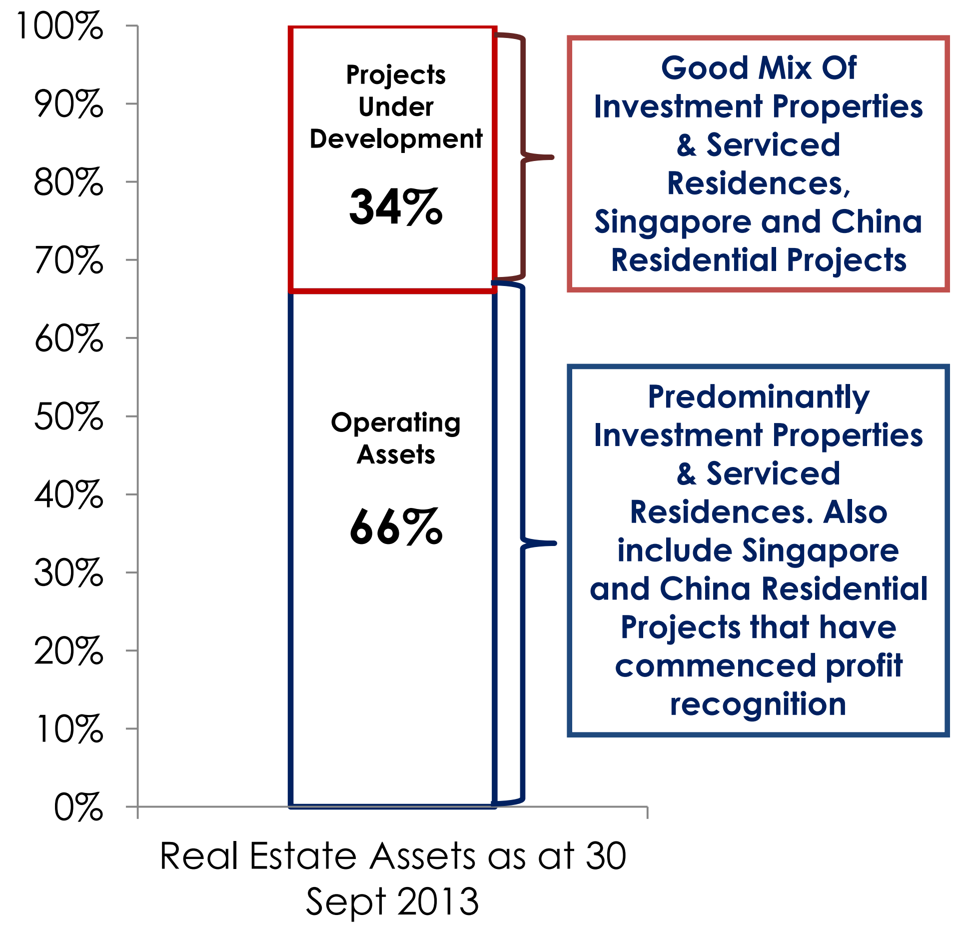
8% - 12% ROE Target Is Achievable With Long-Term Capital Allocation Plan & Return Targets

Target PATMI And Asset Composition

PATMI Composition



PUDs[1] vs. Operating Assets[2]



Note:
1. PUDs are non P/L contributing assets comprising either projects which are under development or land sites which have not commenced development or residential projects which have been launch for sale or will be launched within the current year but profit recognition will not be in current year.
2. Operating assets are P/L contributing assets comprising office , shopping malls, serviced residences and residential projects which have commenced profit recognition or whose units will be handed over to buyers within the current year.

Outlook For ROE Target

Short term (2 yrs)

Execution

- Sale of approx. 1,700[1] resi units in SG and completion of approx 4,100[2] units in CN
- Opening of 6 shopping malls in Singapore, China and India
- Opening of about 25 – 30 properties worldwide by Ascott
- Continue to divest non-core assets/recycling of stabilised assets

Long term (3 yrs & beyond)

Execution

- Opening 4 Raffles Cities – Changning, Hangzhou, Shenzhen and Chongqing
- Opening of 14 shopping malls in China, Malaysia and India
- To achieve 40,000 operational units by Ascott
- New mixed-use / residential developments

Note:
1. Sales pipeline of ~1,700
2. Estimate of completions of launched units in 2H 2013 and 2014 (does not include CL Township)
3. Pipeline data accurate as of 4 Nov. 2013.

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Moving Forward

Raffles City Chengdu, China

Moving Forward

- **Focus on integrated/mixed-use developments**
  - Through harnessing synergies across competencies in our 4 core business: Singapore, China, CMA and Ascott
- **To be nimble and flexible to undertake asset recycling**
  - Redeploy capital to higher return projects
- **Continue with processes to improve organisational effectiveness**
- **Improve capital productivity**

Thank You

Supplementary Slides

Ascott Huai Hai Road Shanghai, China

Upcoming Implementation Of FRS 110
Consolidated Financial Statements

Background

- Changes to the definition of an investor's **control** over an investee
- Affects consolidation of REITs as Sponsors deemed to have control over REITs based on its significant stake and involvement as REIT manager
- Most countries have adopted FRS 110 in 2013, except for Singapore and Europe
- Singapore has deferred implementation by 1 year to 1st January 2014

How Is "Control" Established

- A) Investor is exposed, or has rights, to variable returns from its involvement with the investee; and
- B) Investor has the ability to affect returns through its power with the investee

CL’s Current Holding In Various REITs

Name of REITs	SBU	SBU's Effective Stake*
Ascott Residence Trust	Ascott	45.22%
CapitaMalls Malaysia Trust	CMA	36.01%
CapitaCommercial Trust	CLS	32.10%
CapitaMall Trust	CMA	27.61%
CapitaRetail China Trust	CMA	25.74%
Quill Capital Trust	CLS	9.63%

* As at 30 Sept 2013

Potential Implications Of FRS110 On CL

Impact On Assets & Equity	• Assets and liabilities of REITs will be consolidated at each line of CL Group's balance sheet • Resultant debt, asset and equity will be higher
Impact On Debt	• Slightly different credit ratios • Higher consolidated debt level
Impact On Profit & Loss	• Transactions with the REITs will be considered intra-company transactions. Eg. fee revenue from REITs will be eliminated in full against REITs management fees • Not expected to have impact on bottom line

Overall Financial Impact Not Expected To Be Significant