CapitaLand Group 3Q 2008 Results

October 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.

Content

- Results Overview
- Review of Operations
- Prospects

Results Overview

YTD Sep'08 – Strong Profits, Robust Balance Sheet

- **PATMI crossed billion-dollar mark to reach S$1.18 billion**
  - Strong YTD contributions from China, Retail and Financial segments
- **Monetised assets of over S$2.9 billion in 3Q08**
  - Capital Tower Beijing, Menara Citibank, Somerset Orchard and 1 George Street
  - Raffles City China projects partially recycled through Raffles City China Fund
- **Increasing recurrent income flow**
  - REITs YTD Sep'08 share of distributions up 28% to S$112 million
  - AUM rose to S$24.8 billion from S$21.1 billion in the previous quarter
  - Fund and property management fees of ~S$287 million YTD Sep' 08
- **Proactive capital management delivers robust balance sheet**
  - Group cash reserves up to a high S$4.2 billion
  - Net D/E ratio improved to 0.51x from 0.68x in 1H08
  - Average debt maturity increased to 4.5 years

Financial Performance

(S$ million)	YTD 2007	YTD 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

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 a significant amount of Debt**
  — Reduced rate volatility
- **Diversified funding sources over the years**
  — Developed strong reputation in credit markets

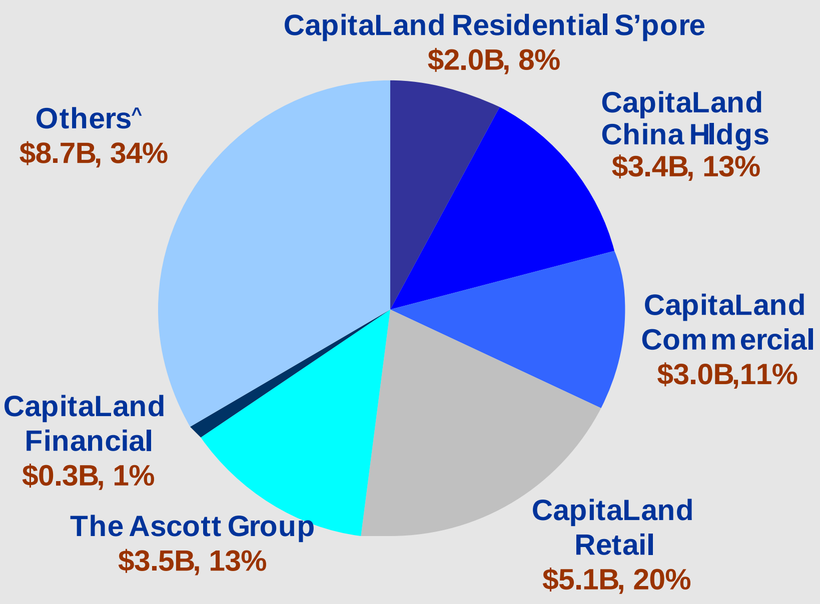
Capital Management

	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

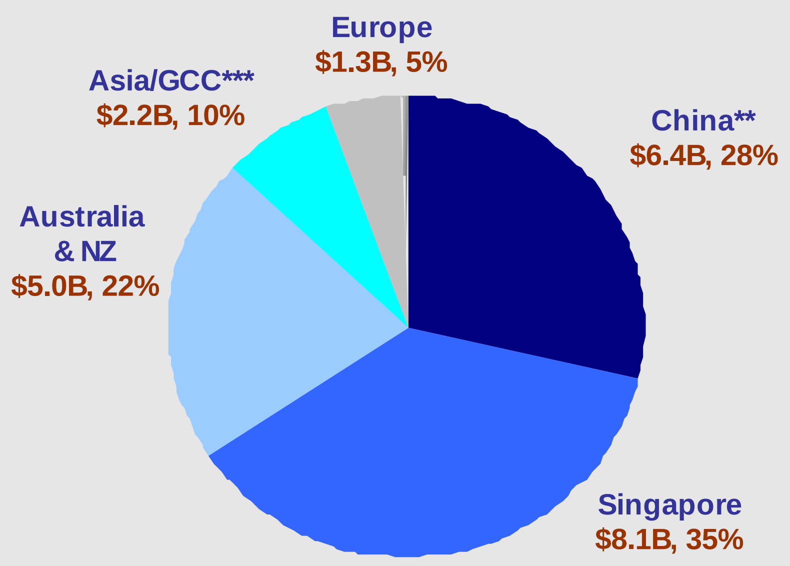
$$\text{ICR} = \frac{\text{EBITDA}}{\text{Net Interest Expense}} \qquad \text{ISR} = \frac{\text{Operating cashflow}}{\text{Net Interest Paid}}$$

Assets by Strategic Business Units & Geography

SBU: S$26.0 billion



Geography: S$23.1billion *

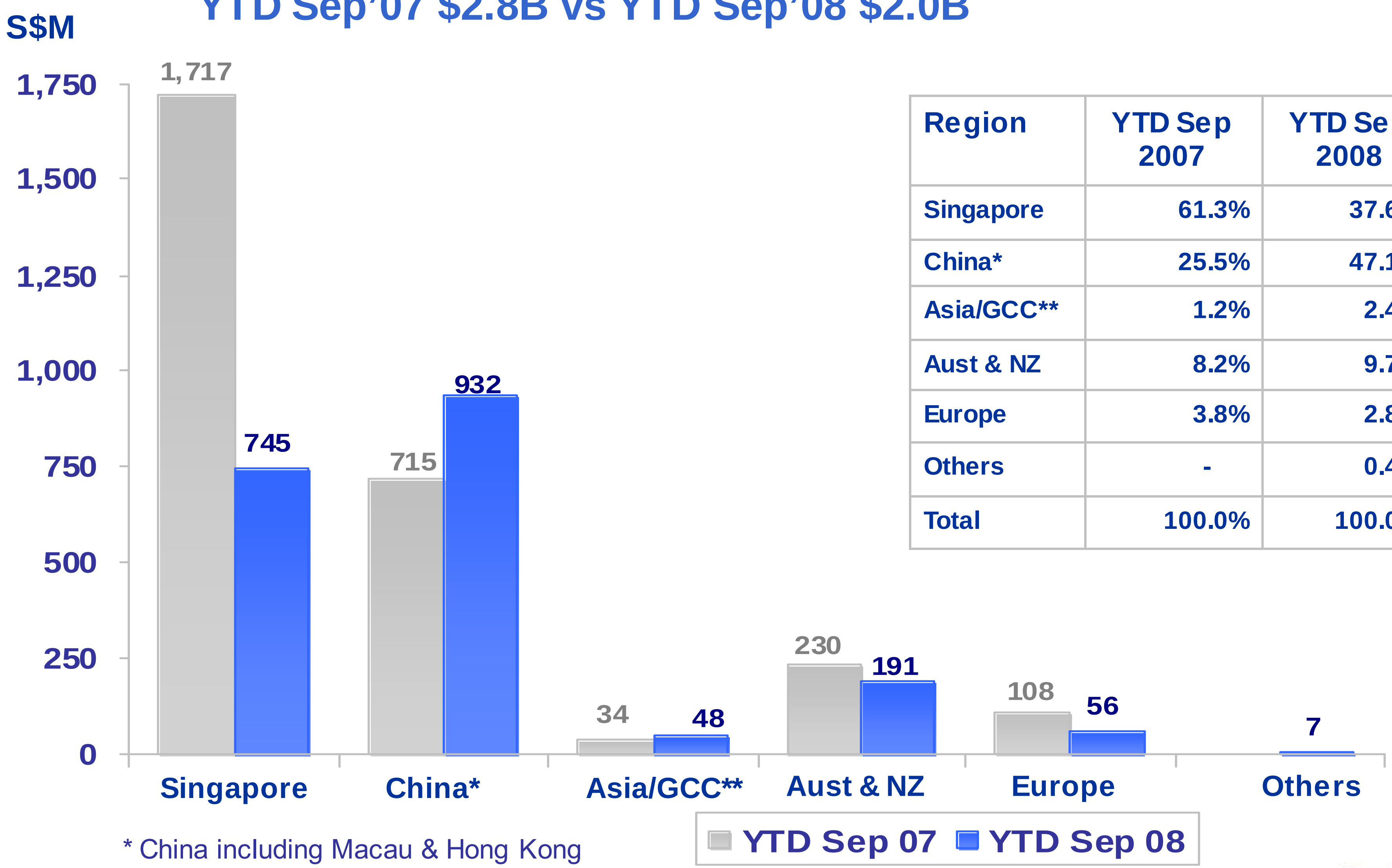


** Excluding cash held at Singapore Treasury ** Greater China including Macau & Hong Kong ***Excludes Singapore & China*
^ Includes Corporate Office and Australia

	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%

EBIT by Geography

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



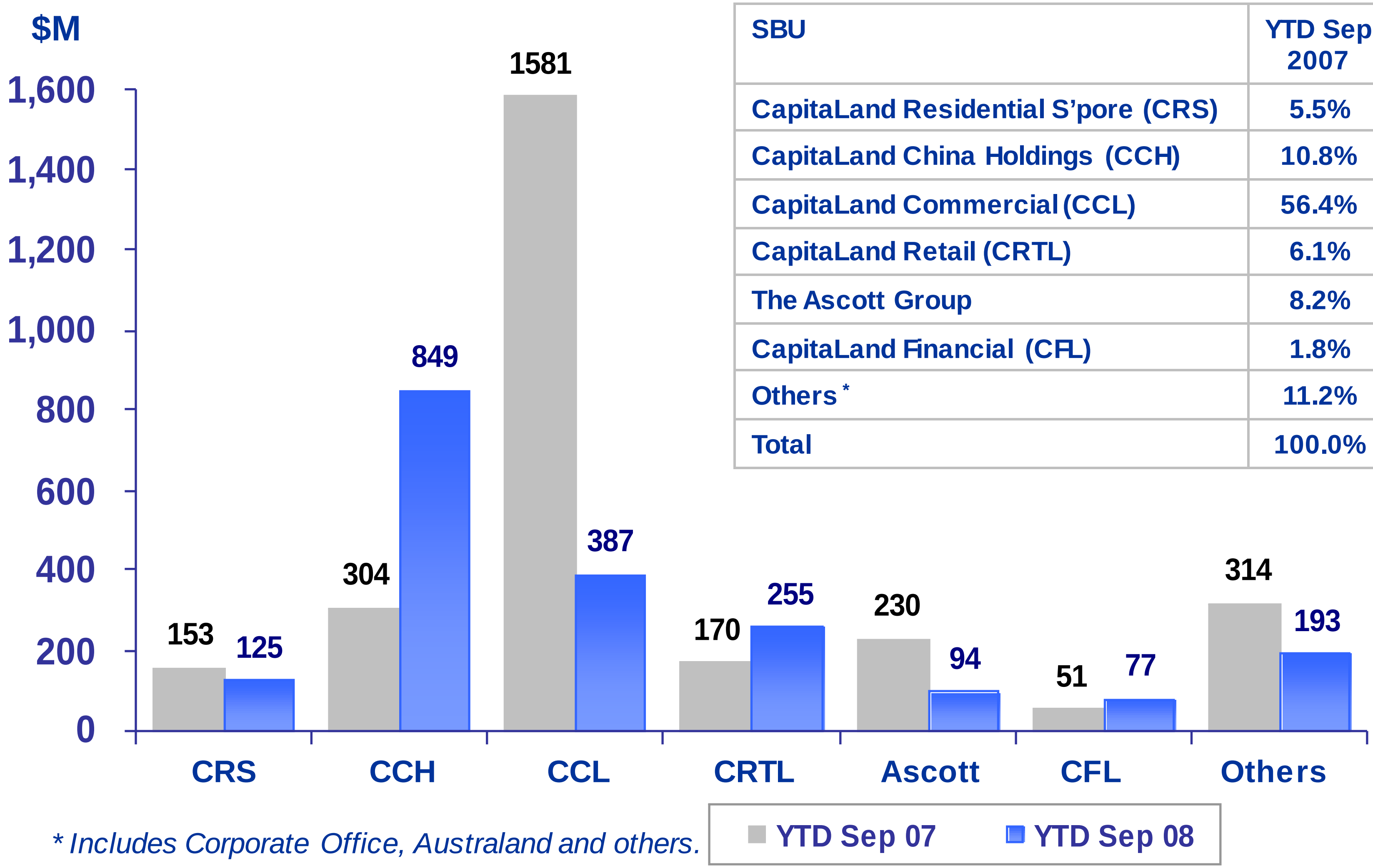
Region	YTD Sep 2007	YTD Sep 2008
Singapore	61.3%	37.6%
China*	25.5%	47.1%
Asia/GCC**	1.2%	2.4%
Aust & NZ	8.2%	9.7%
Europe	3.8%	2.8%
Others	-	0.4%
Total	100.0%	100.0%

* 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.*

Review of Operations

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

Stages of Income Recognition – CRS

PROJECT	UNITS	% Sold	% Completed
		Sep-08	Sep-08
Launched in 2004			
Varsity Park Condominium	530	100%	100%
Launched in 2005			
RiverGate	545	99%	89%
RiverEdge	135	100%	100%
Launched in 2006			
Scotts HighPark	73	100%	68%
The Metropolitan	382	100%	56%
Launched in 2007			
The Seafront on Meyer*	327	88%	21%
The Orchard Residences*	175	77%	11%

* Revenue recognition for The Seafront on Meyer and The Orchard Residences to commence in 2009.

CapitaLand China Holdings - CCH

Successfully Monetised over S$1.6b in 3Q08

- **3Q 2008**
  - Gains from divestment of Capital Tower Beijing, and injected four Raffles City developments into Raffles City China Fund
  - Raffles City Shanghai continues to trade well
- **PROJECTS**
  - Projects in Beijing, Foshan and Chengdu to be launch-ready in 4Q08
- **OUTLOOK**
  - Response to Raffles City Beijing is good (ready 1H'09)
  - CCH will time the release of its residential projects for sale according to market conditions
  - Government recent measures to boost 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

Stages of Income Recognition - CCH

PROJECT	UNITS LAUNCHED	% Sold Sep-08	% Completed Sep-08
SHANGHAI			
Westwood Green (East Zone)*	150	80%	99%
BEIJING			
The Pines	157	8%	61%
NINGBO			
Summit Residences	362	60%	54%
CHENGDU			
Luff Egret ^	433	70%	58%
HANGZHOU			
I-World	580	80%	49%

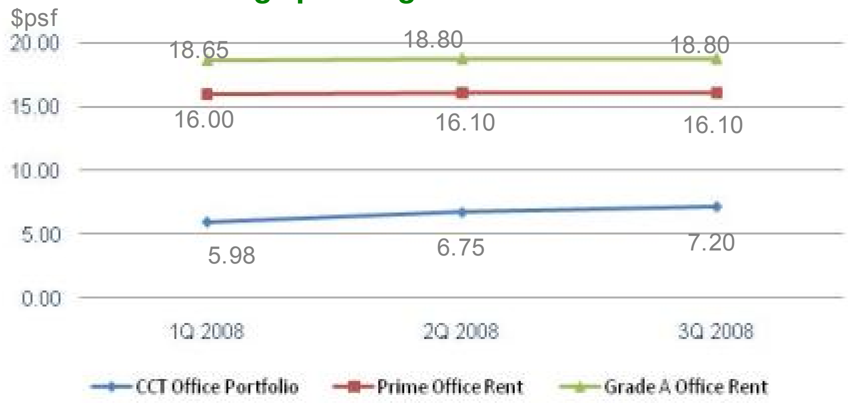
* Fully launched ^ JV projects w ith Chengdu Zhixin

CapitaLand Commercial - CCL

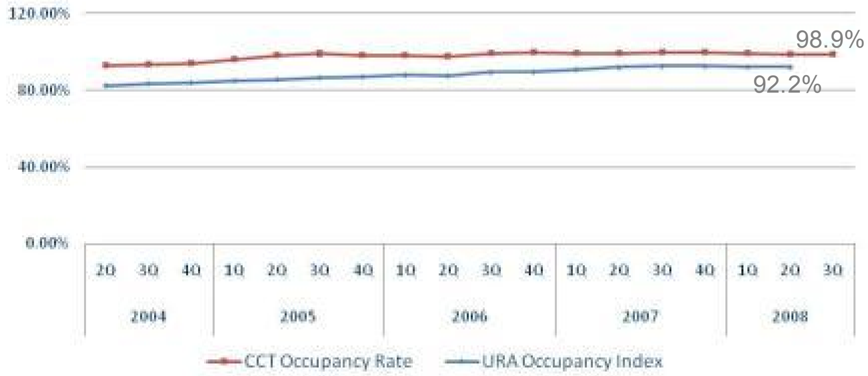
Stable rental income from quality office assets

- **3Q 2008**
  - Strong growth in office revenue
    - CapitaCommercial Trust (CCT) YTD Sept 2008 distribution per unit up 30% y-o-y
  - Earnings decreased due to lumpy divestments and revaluation gains in previous year (AIG Tower and Chevron House)
- **OUTLOOK**
  - CCT's office portfolio average passing rent of S$7.20psf is significantly below market rents
  - Office rentals to 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

- **3Q 2008**
  - 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

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

  <u>Singapore</u>:
  - 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

  <u>China</u>:
  - 27 operational malls with 2 more malls to open by end-2008

  <u>India</u>:
  - First 2 malls to open by 2Q-4Q 2009

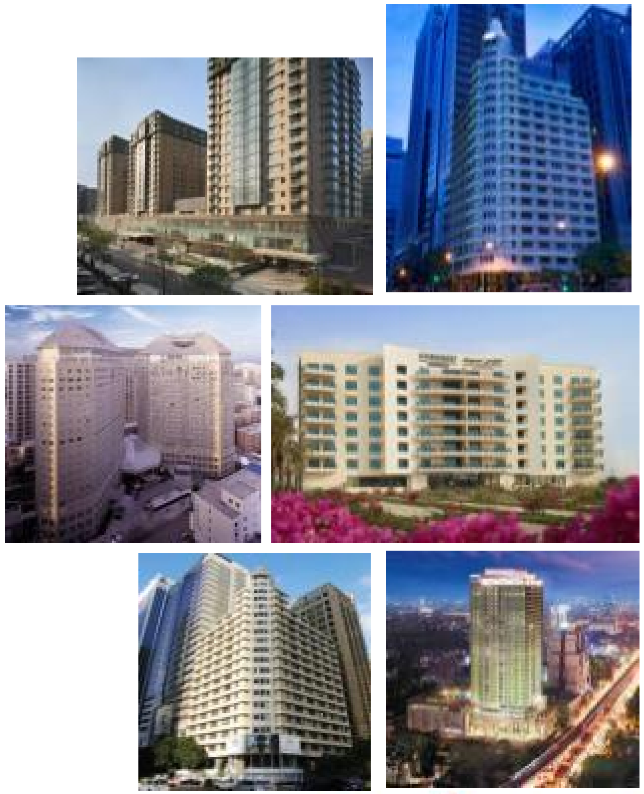
Integrated Hub @ Vista Exchange

Retail & Entertainment Zone, Integrated Hub

The Ascott Group - Ascott

To leverage on hospitality and real estate platform

- **3Q 2008**
  - Healthy REVPAU growth in Europe
  - New properties in Singapore and China
  - 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



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

- **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

Arzanah, Abu Dhabi

Raffles City Bahrain

CapitaLand

CapitaLand Financial - CFL

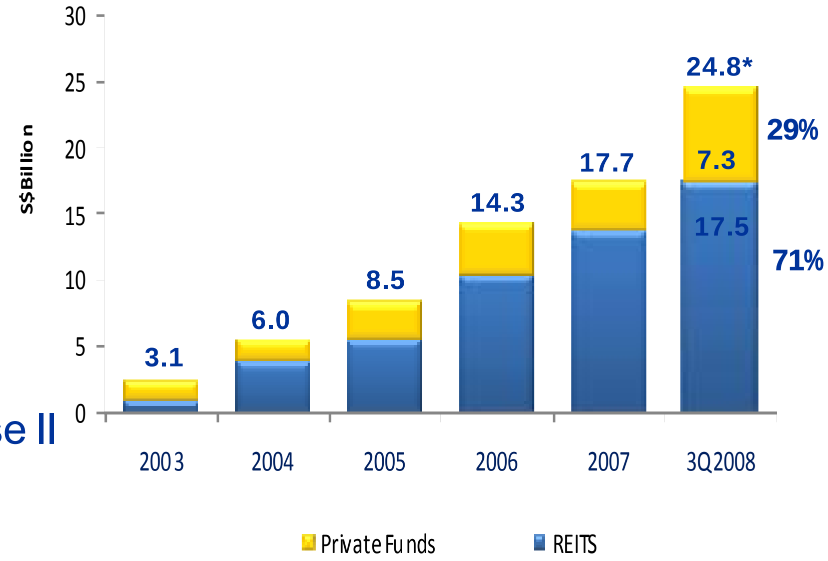
Growing recurrent fee income

- **3Q 2008**
  - AUM grew to S$24.8bn from 5 REITs and 17 PE Funds
  - Higher fund mgmt and acquisition fees
  - Closed 2 funds:
    - 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$2.2bn and cash of S$1bn
  - REITs to focus on proactive asset management
  - Continue to monitor markets for accretive acquisition opportunities

AUM S$24.8 billion

5 REITS & 17 Private Equity Funds
On track to surpass 5 Yrs target of S$25b set out in 1Q08



* 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

- **3Q 2008**
  - Australand successfully raised A$461m
  - 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
  - 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

Thank You