



# CapitaLand Group Half Year 2007 Results



31 July 2007



## 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.

# Liew Mun Leong

## Group President & CEO



## Results Overview





## 1H 2007 – Record Earnings

- **Strong PATMI of S\$1.52 billion, ↑ 430% y-o-y**
  - Strong performance across all businesses
  - Singapore sterling results, EBIT ↑ 805% to S\$1.41 billion
- **Overseas business thriving**
  - Overseas EBIT ↑ 65% to S\$630 million
- **Financial Services business expanding**
  - Closed 3 private funds, raised US\$1.12 billion
- **Active capital management**
  - Raised S\$1 billion 15-yr convertible bond, achieving highest conversion premium of 72%
  - Financial capacity: D/E of 0.43



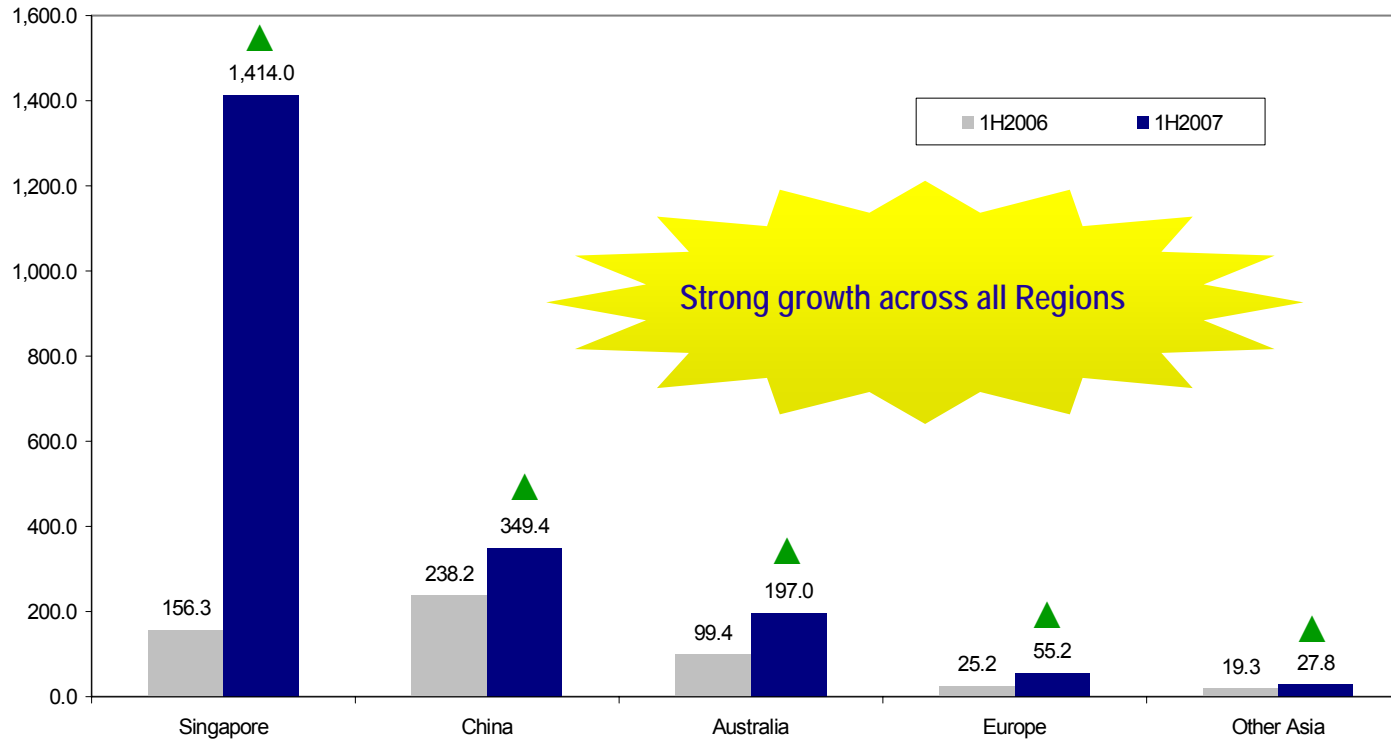
## 1H 2007 – Record Profits

	1H 2006	1H 2007	Change
<b>EBIT (S\$ million)</b>	538.3	2,044.2	↑ 279.8%
<b>PBT (S\$ million)</b>	394.7	1,855.9	↑ 370.3%
<b>PATMI (S\$ million)</b>	286.7	1,520.7	↑ 430.3%
<b>EPS (S cents)</b>	10.4	54.4	↑ 423.1%



# 1H 2007 – EBIT 4 times 1H 2006

EBIT S\$mil

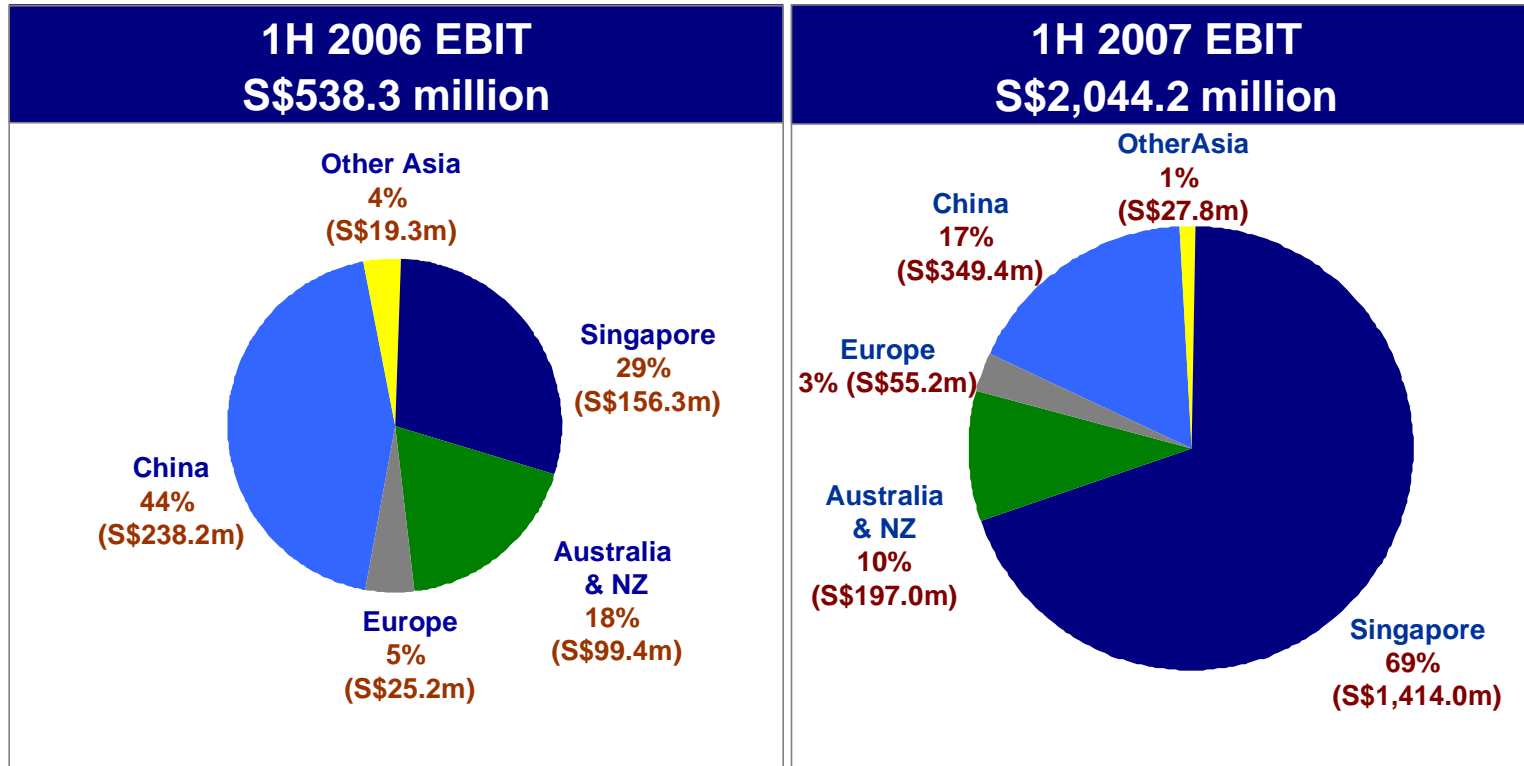


China : Includes Hong Kong and Macau

Other Asia : Includes Vietnam, Thailand, Malaysia, GCC, Japan, The Philippines, Indonesia



# 1H 2007 – Distribution By Geography



China : Includes Hong Kong and Macau

Other Asia : Includes Vietnam, Thailand, Malaysia, GCC, Japan, The Philippines, Indonesia

# Highlights



CapitaLand





## Residential SBU – Robust Performance

EBIT (S\$ million)	1H 2006	1H 2007	Change
Singapore	54	133	146%
China	132	167	27%
Australia	101	196	94%
<b>Total</b>	<b>287</b>	<b>493</b>	<b>72%</b>



Seafront, Singapore



Summit Residences,  
Ningbo



The Emporio,  
Bangkok



The Vista, Ho Chi Minh



## Residential – Singapore

### Sold 1,260 units YTD

- Sales value S\$2.87 billion

- **The Orchard**  
residences
  - Super-luxury product
  - Sold 123 of 175 units
  - Highest price: S\$5,500 psf for a penthouse
- **The Seafront on Meyer**
  - Sold 252 of 327 units
  - Price: S\$1,400 – S\$2,000 psf



The Orchard Residences, Singapore



## Residential – Singapore Pipeline

**1<sup>st</sup> Half Acquisitions : 4.37m sqft GFA  
S\$2.3 billion**

- **Gillman Heights**
  - GFA: 1.76m sqft leasehold site
  - S\$548m
  - S\$363 psf ppr (inclusive of differential premium)
- **Char Yong Gardens**
  - GFA: 261,167 sqft freehold site
  - S\$420m
  - S\$1,788 psf ppr (inclusive of development charge)
- **Farrer Court**
  - GFA: 2.35m sqft leasehold site
  - S\$1,338m
  - S\$783 psf ppr (inclusive of differential premium)



**Total landbank,  
5.5m sqft GFA**

## Residential – China

### Sold 1,130 units YTD

- Total sales value RMB2.64 billion (S\$550 million)

- **Shanghai**

Oasis Riviera : 93% sold

Parc Trésor : 96% sold

Westwood Green : 73% sold

Summit Residences : 53% sold  
(Ningbo)

- **Beijing**

La Forêt : 90% sold

Beijing Orchid Garden : 72% sold

- **Guangzhou**

Beau Monde : 98% sold

(Based on the number of units launched to-date)



Summit Residences, Ningbo



Beau Monde, Guangzhou



Parc Trésor, Shanghai

# Residential – China Pipeline

## 1<sup>st</sup> Half Acquisitions:

- **Chengdu City** : RMB1.42 billion
  - Secured site for RMB1.17 b
    - ~414,000 sqm GFA
    - ~3,800 homes
  - JV secured 1<sup>st</sup> site for RMB251.9m
    - 222,596 - 242,832 sqm GFA
    - ~1,600 homes
- **Shanghai**
  - Prime Qingpu District
    - ~62,887 sqm GFA
    - ~200 low-density homes
- **Beijing**
  - 1-km N.E. of Forbidden City
    - ~15,130 sqm GFA
    - ~ 80 homes





## Residential - New Markets



- **Vietnam – Ho Chi Minh City**
  - 'The Vista', 273 units launched in Phase 1 fully booked
- **Thailand – Bangkok**
  - Total units launched since 2004: 1,746\*
    - Athenee Residence : 97% sold
    - Villa Rachakru : 100% sold
    - The Empire Place : 62% sold
    - The Emporio Place : 91% sold
    - Villa Rachtewi : 94% sold
- **India – Mumbai**
  - 70% of 295 units released sold in 1H 2007



\*(Based on the number of units launched to-date)

## Residential SBU – Australia

### AUSTRALAND

- EBIT  29% to A\$173 million in 1H 2007
- PATMI  34% to A\$119.6 million
- Residential Div net profit grew 5% to A\$34.3m
- Commercial & Industrial Div net profit, up 55% to A\$24.1m
- Investment Property Div net profit, up 36% to A\$118.5m





## Commercial – Singapore

### ● Wilkie Edge Development

- Sold to CCT
  - Price: S\$262.0m or S\$1,177 psf NLA
- Mixed Development:
  - Office : 9,588 sqm
  - Retail : 3,396 sqm
  - Serviced apartments : 154 units
- Fringe of Downtown Core, within the planned Arts, Culture, Learning & Entertainment hub

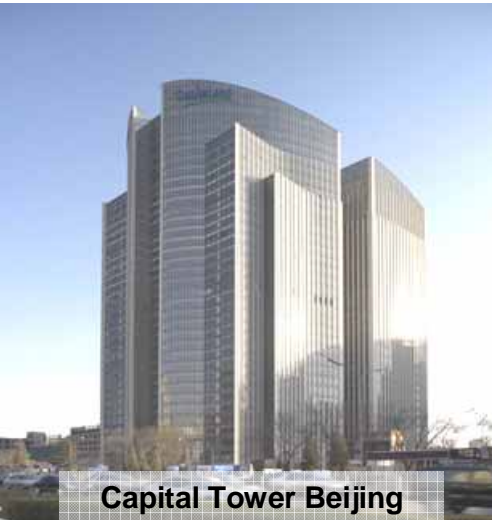




## Commercial – China

**Total GFA: 813,121 sqm**

- **Raffles City Chengdu** : 195,431 sqm GFA  
: Iconic design by world renowned architect, Steven Holl
- **Other Properties** : Raffles City Beijing  
: Capital Tower Beijing  
: Raffles City Shanghai



## Commercial – Malaysia

### Expanding Footprint

- **Quill Capita Trust (“QCT”)**
  - Placement of up to 251.44m new units in progress
  - Acquisition of:
    - Wisma Technip : RM125m
    - Plaza Mont’ Kiara : RM90m



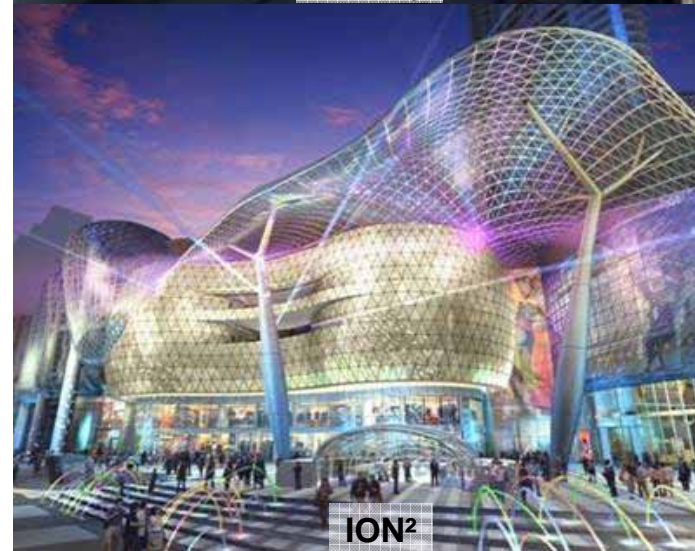


## Retail - Singapore

**ION**  
ORCHARD

### 'CENTRE OF GRAVITY' FOR RETAIL

- World's finest retail offering & flagship concept
- NLA of 660,000 sqft
- **ION<sup>2</sup>**
  - 33,000 sqft, sheltered public venue
- **ION Sky**
  - Observation deck on 55<sup>th</sup> and 56<sup>th</sup> floors
  - Venue for international shows and product launches
- **ION Art**
  - 5,300 sqft, Arts exhibition space



CapitaLand



## Retail – CMT Expanding

- **CMT acquired remaining stake in CapitaRetail Singapore**
  - Added Lot One, Bukit Panjang Plaza & Rivervale Mall, increasing portfolio to 13 retail malls
  - Assets grew 18.8% to S\$5.7 billion
- **Raised target asset size to S\$8 billion by 2010**





## Retail – China Pipeline Increasing

- **Signed Co-operative Agreement with China Vanke Co.,Ltd**
  - Pipeline to strengthen retail footprint
  - Strategic partnership with China's largest residential developer
  - Acquire existing and new retail components within Vanke's townships
  - Strong endorsement of retail platform & on-ground delivery capabilities



1H 2007 Results \* 31 July 2007 \* Singapore





## Financial Services – 3 New Private Funds

- **Malaysia Commercial Development Fund**
  - Fund size US\$270m
- **Raffles City Bahrain Fund**
  - Fund size US\$350m
- **Ascott Serviced Residence (China) Fund**
  - Fund size US\$500m



Mont' Kiara

**Group Assets Under Management (AUM) comprise  
5 REITs, 14 private real estate funds**



Raffles City Bahrain

## Financial Services

- All 4 S-REITs' DPU exceeded forecast
- Total Return outperformed STI

REIT	DPU		Total Return (%)	
	1H07 Actual (cents)	% above forecast	Since Listing	Past 12mths
CCT	4.23	↑ 11.9 <sup>1</sup>	+218	+77
CMT	6.12	↑ 8.1 <sup>2</sup>	+391	+97
CRCT	3.21	↑ 9.6 <sup>3</sup>	+180	nm*
ART	3.60	↑ 5.0 <sup>4</sup>	+210	+97
QCT	n.a.**	n.a.**	+ 66	nm*
			<b>STI</b>	<b>+63%</b>



1 : CCT Circular dated 15Aug'06

2 : CMT Offer Information Statement dated 29Aug'06

3 : CRCT Prospectus dated 29Nov'06

4. ART Information Statement dated 12Mar'07

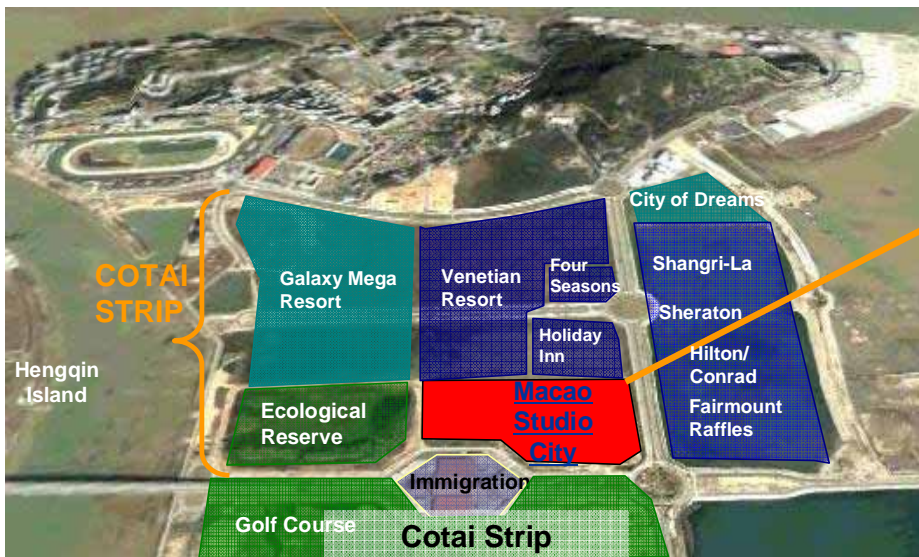
\* Listed for less than 12 months

\*\* To be announced later



# ILEC – Macao Studio City

- **1<sup>st</sup> ILEC project**
  - Centrally located in Macao's upcoming Cotai Strip
  - Total cost estimated at US\$2b (Effective stake of 20%)
  - Operator partners : Playboy Enterprises; Ritz Carlton & Marriott
  - Commenced piling on site: end May 2007







## GCC – Abu Dhabi

- **JV (49/51) with Mubadala Development Company**
  - Prime 140 hectares integrated development, 15 minutes from city centre
  - Total project cost of US\$4 billion – US\$5 billion
  - Develop ~ 9,000 residential units over phases
  - Phase 1A cost ~ S\$480 million





## – Increased Presence, Greater Reach

- Achieved PATMI of S\$97.8m in 1H 2007, ↑ 6%
- Ascott Serviced Residence (China) Fund
  - raised US\$500m
  - incubator fund to expedite development in China
- Committed S\$371m investments in 1H 2007
  - 7 properties in China, India, Japan, Germany and UK
  - JV with Amtel Properties Development in Russia
- Increased portfolio by 1,300 units through new investments and new management contracts
  - Total of 19,500 units in 50 cities



Somerset Al Fateh, Manama



Ascott Singapore Raffles Place



# Olivier Lim

## Group Chief Financial Officer



## Group Financials





# 1H2007 Financial Results

S\$ million	1H 2006	1H 2007	Change
<b>Revenue</b>	1,430.4	1,572.6	↑ 9.9%
<b>EBIT</b>	538.3	2,044.2	↑ 279.8%
<b>PBT</b>	394.7	1,855.9	↑ 370.3%
<b>PATMI</b>	286.7	1,520.7	↑ 430.3%
<b>EPS (cents)</b>	10.4	54.4	↑ 423.1%



## FRS40 – Investment Property

**1**

Effective 1 January 2007

**2**

Adopted Fair Value Model

**3**

Revalue twice a year (June & December)

**4**

All gains/(losses) taken into the P/L



## Excluding Revaluations

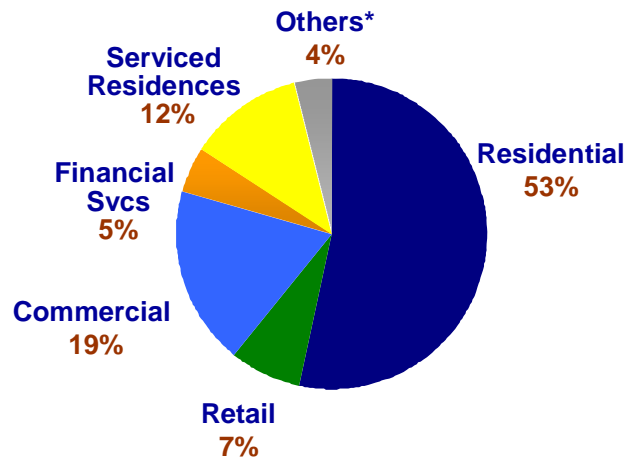
S\$ million	1H 2006	1H 2007	Change
<b>PATMI</b>	286.7	1,520.7	↑ 430.3%
<b>PATMI Ex. Reval.</b>	286.7	873.3*	↑ 204.6%

\* Excludes 1H 2007 revaluations of S\$647.4m.

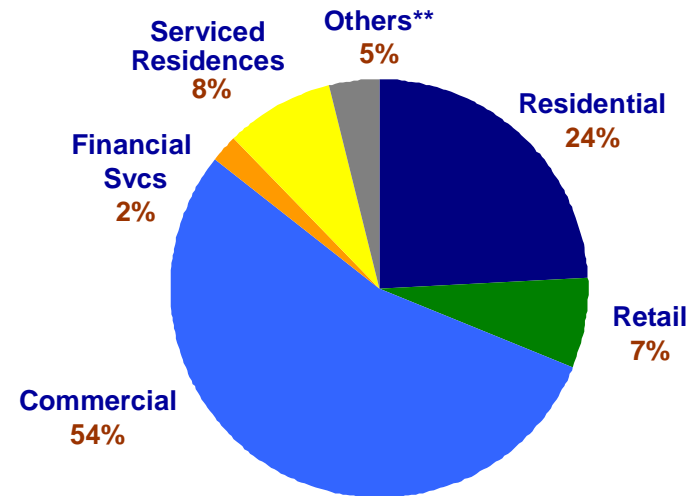


# EBIT Contributions by SBUs

**1H 2006 – S\$538.3 million**



**1H 2007 – S\$2,044.2 million**



\* Includes results from Raffles Holdings Limited Group

\*\* Primarily consisting of gain from placement of ART units



## EBIT by SBUs

(S\$ million)	1H 2006	1H 2007	Change
<b>Residential</b>	286.9	492.5	↑ 71.7%
<b>Commercial</b>	101.4	1,110.5	↑ 994.9%
<b>Retail</b>	39.9	144.2	↑ 261.3%
<b>Financial Svcs</b>	25.5	45.4	↑ 78.2%
<b>Serviced Residences<sup>1</sup></b>	63.2	170.3	↑ 169.7%
<b>Others &amp; Consol Adj<sup>2</sup></b>	21.4	81.3	↑ 279.7%
<b>Total EBIT</b>	<b>538.3</b>	<b>2,044.2</b>	<b>↑ 279.8%</b>

1. Inclusive of both The Ascott Group and Ascott Residence Trust
2. 1H07 primarily consisting of gain from placement of ART units  
1H06 includes results from Raffles Holdings Limited Group





## EBIT by SBUs (excluding revaluations)

(S\$ million)	1H 2006	1H 2007	Change
<b>Residential</b>	286.9	396.4	↑ 38.2%
<b>Commercial</b>	101.4	602.9	↑ 494.6%
<b>Retail</b>	39.9	44.7	↑ 12.0%
<b>Financial Svcs</b>	25.5	45.4	↑ 78.0%
<b>Serviced Residences<sup>1</sup></b>	63.2	169.7	↑ 168.5%
<b>Others &amp; Consol Adj<sup>2</sup></b>	21.4	81.3	↑ 279.9%
<b>Total EBIT</b>	<b>538.3</b>	<b>1,340.4</b>	<b>↑ 149.0%</b>

1. Inclusive of both The Ascott Group and Ascott Residence Trust
2. 1H07 primarily consisting of gain from placement of ART units  
1H06 includes results from Raffles Holdings Limited Group



## Financial Capacity

	1H 2006	1H 2007	Change
Net Debt (S\$ billion)	4.97	4.56	Decreased
Equity (S\$ billion)	9.06	10.74	Increased
Net Debt / Equity	0.55	0.43	Decreased
% Fixed Rate Debt	61	78	Increased
Ave Debt Maturity (Yr)	2.77	4.25	Increased



# Debt Coverage

	1H 2006	1H 2007	Change
<b>Finance Cost (S\$ million)</b>	143.6	188.3	↑ 31.1%
<b>Interest Cover Ratio (ICR)*</b>	6.8x	10.4x	Improved
<b>Interest Service Ratio (ISR)</b>	3.6x	4.1x	Improved

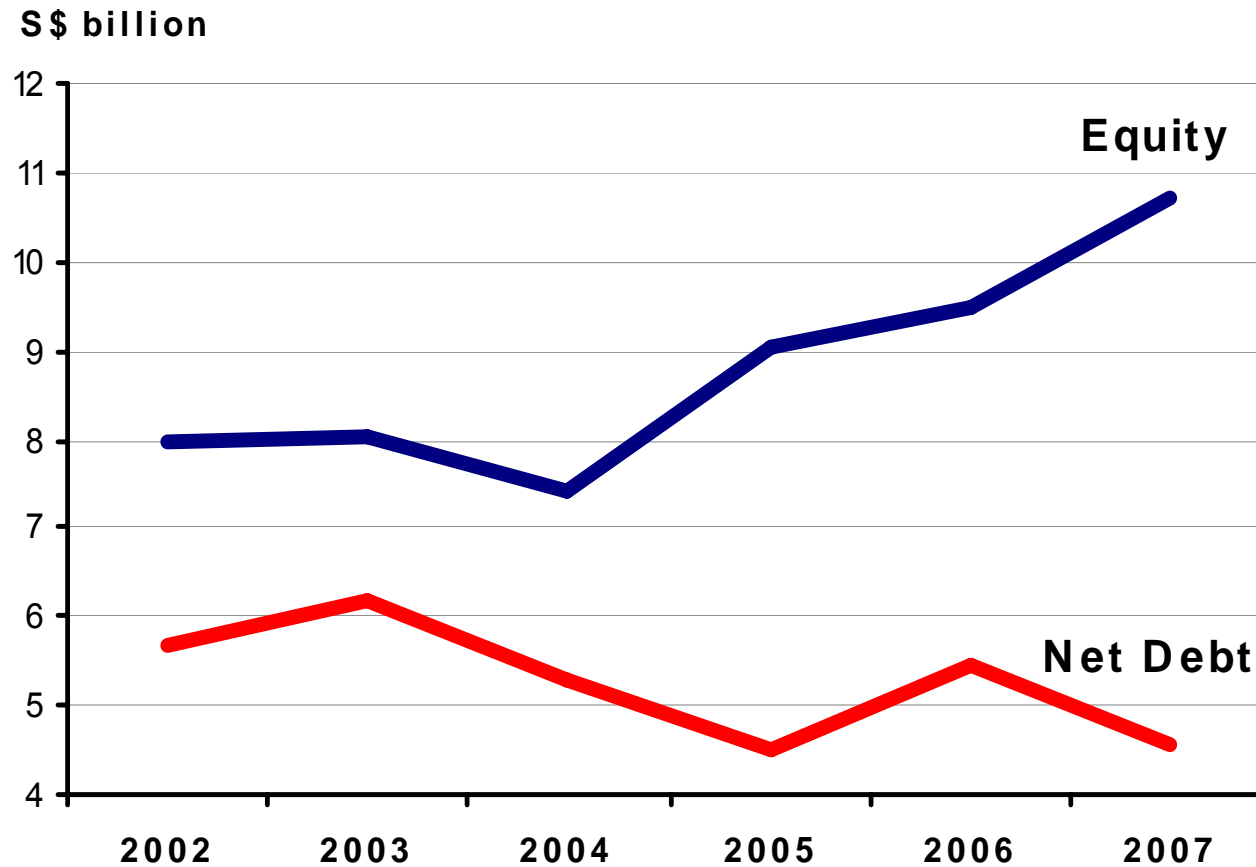
\* Excludes unrealised revaluations of S\$703.8m (EBIT) in 1H07.

$$\text{ICR} = \frac{\text{EBITDA}}{\text{Net Interest Expense}}$$

$$\text{ISR} = \frac{\text{Operating cashflow}}{\text{Net Interest Paid}}$$



# Financial Capacity



1H 2007 Results \* 31 July 2007 \* Singapore



# Going Forward



CapitaLand



## Residential – Singapore

- Target of 1,000 to 1,200 units in 2007 on track
- Landbank of 5.5m sqft GFA

Site	GFA (Sqft)	Units	Class
The Orchard Residences	406,000	175	Super Luxury
The Seafront on Meyer	565,000	327	Mid-end/High-end
Botannia*	652,000	493	Mid-end
Latitude (plan to launch in 2H07)	263,000	127	High-end

\* JV project

- Total to be launched in 2007 = 1.89 million sqft of GFA
- Landbank acquired in 1H 2007 = 4.37 million sqft of GFA



# Residential - China

Target to launch about 2,000 units in 2007

## Presence in 25 cities

- Yangtze River Delta
  - Hangzhou site > 1,200 units
  - Ningbo site > 1,100 units
- Bohai Economic Rim
  - Beijing 2 sites > 1,100 units
- Pearl River Delta
  - Guangzhou site > 3,000 units
  - Foshan 3 sites > 1,900 units
- South Western China
  - Chengdu Zhixin JV > 25,000 units
- Central China
  - Central China Holdings >4 mil sqm (Zhengzhou)



>35,000 units in high-growth regions



## Residential - New markets

- **Thailand, Bangkok**
  - Launches for 2H 2007:
    - Villa Sathorn : 642 units (60% booked)
    - Rajpruek Place : 133 units
- **Vietnam, Ho Chi Minh City**
  - Launching remaining 477 units in 'The Vista'
  - 2<sup>nd</sup> development in District 7 (600 units)
    - Slated for launch in 4Q 2007



Villa Sathorn, Bangkok

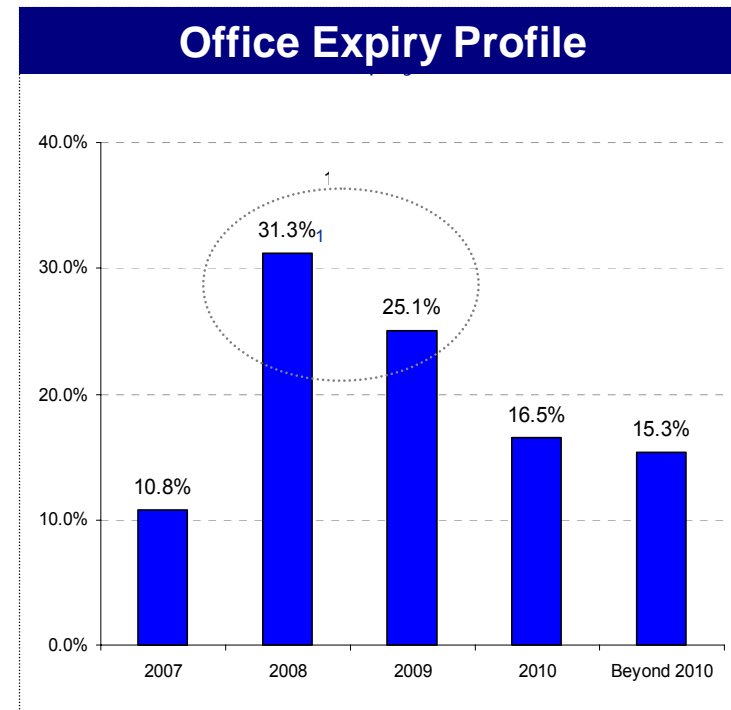






## Commercial – Singapore

- Singapore Office sector will remain a core holding
- Reconstitute office portfolio
  - Divesting some existing assets and investing in new developments
  - eg. sale of Temasek Tower, bid for Beach Road site
- Benefit from rising rental & appreciating capital values
  - Over 56% of leases due for renewal in 2008-2009



*(1) Excludes a rent review case appr. 3.4% of NLA which is reflected under "Beyond 2010", the relevant period for which this lease expires*



## Retail – Regional Dominance

Will manage over 92 malls, 42.3 million sqft, across Asia

### Singapore

Buoyant retail market generates investment & development opportunities

Strengthen position as largest retail mall owner/manager in Singapore

### China

Extending footprint beyond 70 malls across 28 cities via CapitaRetail China Development Fund II (US\$600m)

Strengthen position as the leading retail mall player

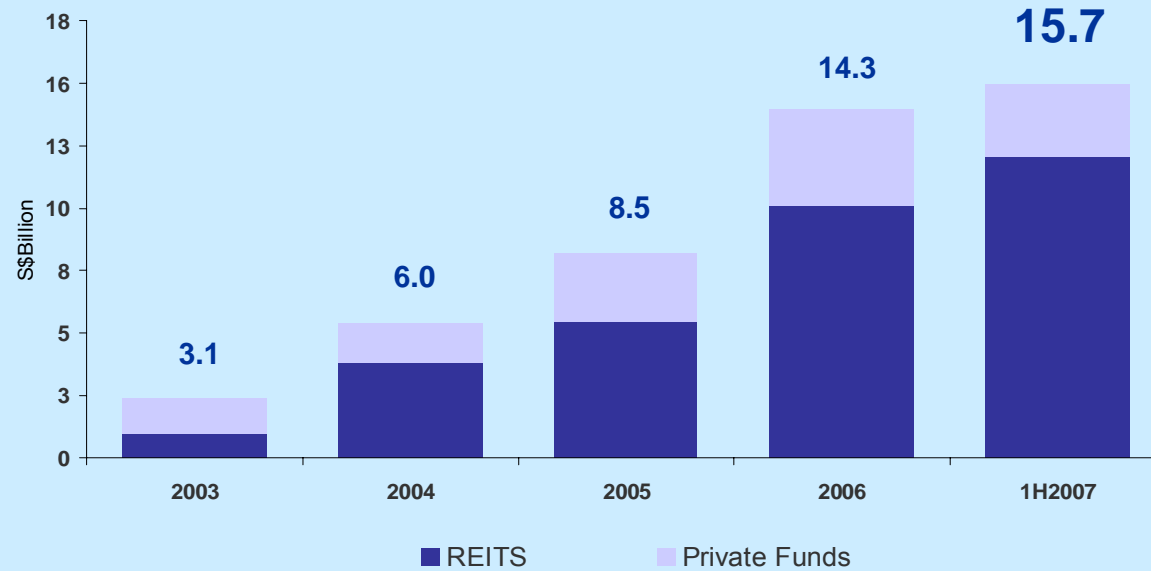
### India

Positioned to capture opportunities via CapitaRetail India Development Fund (US\$600m)

Replicate successful China retail business platform in India

# Financial Services

2 new retail property funds (US\$1.2 billion)  
by end '07 to invest in China & India



AUM includes ART & Ascott Serviced Residence (China) Fund, which are managed by CapitaLand's subsidiary, The Ascott Group

## - Bright Prospects

- **Pole position to benefit from robust demand**
  - Business travellers who stay for extended periods
  - Increasing preference for comfortable residential accommodation
- **Strong pipeline for portfolio gains**
  - Acquiring and incubating properties with ready exit
- **Growing fee income**
  - From enlarged serviced residence portfolio
  - Recurring REIT & fund management fees



Somerset Zhong Guan Cun, Beijing



Somerset West Lake, Hanoi



# CSR - Green Initiatives

- Achievements to date:
  - 4 ASEAN Energy Awards
  - 13 S'pore BCA Green Mark Awards
  - 1 HK-BEAM Award
  - 1 Green Building Award (China)
- Green Committee to spearhead initiatives
- To attain ISO14000 certification Group-Wide (for environmental management systems)



HK-BEAM

**Property giant CapitaLand's green efforts pay off as it clinches 10 out of 27 Green Mark awards**  
 The Straits Times, 11 May 2007





## CSR – Corporate Philanthropy

- Focus on underprivileged children
  - Supported charities – Beyond Social Services, Pathlight School, Children’s Cancer Foundation, Rainbow Centre, S’pore Autism School, Mainly I Love Kids (MILK)
- 3rd CapitaLand Hope School was opened in April in Huangmaoling, Yunnan
- Volunteer teaching by CapitaLand staff over 10 days
- " Building for Tomorrow" Book - inspired by the online interest on the 10 day volunteer programme



# Building People

- **CapitaLand Institute of Management and Business**

- Invest in management bench strength
- Imbue CapitaLand's core values in employees
- Equip employees with the knowledge, skills & attitudes needed to excel in a dynamic environment
- School premise ready before end '07



**Networking**

**Leadership Development**

**Learning & Development Programs**  
(General executive management programs)

**Reinforcing CapitaLand's Core Values**

## SUMMARY

- ✓ **Actively reconstitute Singapore office portfolio**  
which remains a core holding of CapitaLand
- ✓ **Increase pace of residential launches in Singapore**  
to meet buoyant demand
- ✓ **Broaden presence in China in both main and secondary cities**  
to capitalise on urbanisation and growing affluence across the country
- ✓ **Expand footholds in New Markets**  
building on the success of the initial projects
- ✓ **Step up serviced residence growth momentum**  
in Asia, Europe and Gulf region to take advantage of soaring demand
- ✓ **Grow REITs and private property funds,**  
capitalising on core competencies and strong regional presence



# CAPITALAND - Unique Market Leader

**Market Leadership**

**LARGEST**  
Real Estate  
Company  
in S.E. Asia

**LARGEST**  
Retail Mall  
Owner/  
Manager  
In Asia

**LEADING**  
Foreign  
Real Estate  
Developer  
In China

**LARGEST**  
Serviced  
Residence  
Company  
Outside USA

**LEADING**  
Asia- Based  
Property  
Fund/REIT  
Manager

**Footprint**

Presence in More Than 90 Cities in Over 20 Countries

**Competencies**

Real Estate Domain Knowledge

Financial Skills

Capital-Efficient Business Model

**Asia's Booming  
Real Estate**

Urbanisation

Consumption  
Growth

Evolving  
Capital  
Markets

Investment  
Inflow

# Thank You



## Questions and Answers

