CapitaLand Limited
 Positioned For Growth

Nomura Investment Forum Asia
12 June 2013
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Agenda

- Latest Update
- Improving Long-term ROE
- Capital Management
- Business Highlights
- Conclusion
1. Latest Update
Streamlined Organisation Structure

- Financial Products & Services
- Regional Investments*

Singapore
- Singapore residential & commercial projects
- Malaysia projects
- CCT
- QCT

China
- China residential & commercial projects
- Raffles City China & mixed development

CMA
- Shopping mall
  - CMT
  - CRCT
  - CMMT

Ascott
- Serviced Residence
  - ART

*Include Australand, Surbana, StorHub, Vietnam, India, Japan, GCC and UK
Jan 3, 2013

Announcement of New Organisational Structure

Key Tasks

- ✓ Reduce organisational complexity
  - Streamlined 4 SBUs
  - Improved resource mobility across SBUs

- ✓ Review businesses

- ✓ Set clear KPIs

- ✓ Improve processes

- ✓ Re-emphasize Innovation

Desired Outcome

- ✓ Improve visibility, clarity and profitability on core businesses

- ✓ Improve long-term ROE
Update On Other Markets And Businesses

- **Australand**
  - Financial investment undergoing strategic review
  - Strong market leader in C&I, in Australia
  - Residential portfolio focused on affordable segment; more than 90% of portfolio in Sydney, Melbourne and Perth
  - Experienced management team with deep bench

- **Vietnam**
  - Vista, Mulberry Lane, Parc Spring Phase 2 – to continue with development and sales
  - Remaining 3 sites to hold and develop only when market is ready
  - Explore new opportunities for first-time home buyers
  - Good on-ground execution capability

- **Post-restructuring, Surbana Consultancy (40% stake): financial investment**

- **Japan**
  - Shinjuku office – continue to hold
  - Nishi Azabu – sold 107 units, ahead of original plan

- **UK, GCC, India**
Focus on Singapore and China

Total Assets @ Mar 2013 : $35.4b\(^1\)
(73% of Group Assets in Singapore & China)

- Singapore: $12.3B, 35%
- China*: $13.6B, 38%
- Australia: $5.6B, 16%
- Other Asia**: $2.8B, 8%
- Europe: $1.1B, 3%

Group EBIT @ Mar 2013 : $386.1m
(82% of Group EBIT from Singapore & China)

- Singapore: $176.6m, 46%
- China*: $137.2, 36%
- Other Asia**: $25.2, 8%
- Others***: $47.1m, 12%
- Other Asia**: $2.8B, 8%

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

Singapore And China Will Continue To Be Key Drivers Of CapitaLand’s Business
2. Improving Long-term ROE
Strategic Road Map

- Leverage On CapitaLand’s Core Strengths
  - Singapore / China
  - Shopping Malls / Serviced Residences
  - Deep Market Understanding
  - Prudent Capital Management
  - Strong Balance Sheet

- Hunt As A Pack
- Find Good Opportunities/ Projects
- Build scale in key clusters
- Attract and develop talents

Improve Long-term ROE
## Focus On Execution

| Monitor Project Profitability | ▪ To track each project progress closely at the Corporate level  
▪ Explore ways to improve product design and time-to-market |
| Focus On Core Competency | ▪ Design and project management  
▪ Capital management – Funds and REITs  
▪ Mall and serviced residences’ operations  
▪ Mixed used developments |
| Multi-sector Expertise In Mixed Development | ▪ Explore ways to enhance CapitaLand’s competitive edge in Design and Project Management |
| Gain Access To Good Sites | ▪ Develop superior marketing sensing through market research and intelligence work |
## Capital Management

<table>
<thead>
<tr>
<th>Increase Assets Under Management</th>
<th>Diversifying Sources of Capital</th>
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<tbody>
<tr>
<td>▪ Broaden pool of capital partners</td>
<td>▪ Raise balance sheet efficiency</td>
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<tr>
<td>▪ Enhance synergies across Fund and REIT platforms</td>
<td>▪ Optimise funding cost</td>
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<tr>
<td>▪ Reaching out to existing and new investors</td>
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</table>
Improving Long-Term ROE

CapitaLand’s Four Key Businesses

- CL Singapore
- CL China
- CMA
- Ascott

Clear Performance Metrics

Drive Operational Performance & Profitability

CL Group ROE
3. Capital Management
Overview On Capital Management

Balance Sheet And Capital Management

Sustainable ROE With A Robust Capital Structure

PATMI Considerations

Counter-Cyclical Investing
Sustainable Capital Structure

- An Implied “A-area” Rating Company

- Diversify debt sources, maturities and currencies
- Make capital more efficient and “flexible”
- Optimise finance costs
- Monitor total group debt
## PATMI Considerations

<table>
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<tr>
<th><strong>ROE</strong></th>
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<tr>
<td>▪ Focus on long-term, 3 year rolling ROE</td>
<td></td>
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<tr>
<td>▪ Comparable to peers</td>
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<tr>
<td>▪ Meets, or exceeds, investor expectations</td>
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<table>
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<tr>
<th><strong>PATMI Composition</strong></th>
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<td>▪ Profitability largely from business fundamentals and operations (realised vs unrealised PATMI)</td>
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<tr>
<td>▪ One-off cost cutting efforts help, but only in the short term</td>
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<td>▪ Stable income stream helps to buffer any volatility (trading vs. non-trading)</td>
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Counter-Cyclical Investing

- Growth cannot stop
- Strategic overlay in investing
- Long gestation period for properties under development (PUDs vs. IPs)
- Continue to invest even during market downturn
Outcome To Be Achieved

- Increased cash “fluidity” and diversified debt give more visibility for lower cash buffer and increased capital allocation to profitable projects

- Operating profits to have a higher contribution of PATMI

- Good mix of PUD with IP ensure steady pipeline for future growth

- Maintain a sustainable and flexible capital structure
4. Business Highlights
CapitaLand Singapore

- **Residential:**
  - Continue to participate in land tenders
  - Increase value to customers
  - Economies of scale in procurement

- **Office:**
  - Be opportunistic and aim for best value

- **REITs:**
  - Look for opportunities for growth

- **Compete as one integrated platform**

- **Develop superior market sensing by tracking and dissecting policy directions more closely**

- **Malaysia: to focus primarily on Iskandar region**

![d’ Leedon](image1)
![CapitaGreen](image2)
![Iskandar – Draft Master Plan](image3)
CapitaLand China

- **Focus on key cities in China**
- **Residential strategy:**
  - Target first-time home buyers and upgraders
  - Leverage on branding of integrated developments and convenient access to amenities
  - Open to larger projects with multiple launch phases
  - Review of existing mass housing projects in China
- **Compete as an integrated platform – One CapitaLand local team**
- **Build scale and brand awareness**
CapitaLand China – Mixed Used Developments

- Build a core holding in China with steady recurring income stream and potential for capital appreciation

<table>
<thead>
<tr>
<th>Raffles City Shanghai</th>
<th>Raffles City Beijing</th>
<th>Raffles City Chengdu</th>
<th>Raffles City Hangzhou</th>
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<tbody>
<tr>
<td>Raffles City Ningbo</td>
<td>Raffles City Shenzhen</td>
<td>Raffles City Changning</td>
<td>Raffles City Chongqing</td>
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CapitaMalls Asia

- Strengthen leadership position in Singapore
- Continue to deepen presence in key cities in China

### PIPELINE OF MALLS OPENING (No. Of Properties As At 25 April 2013)

<table>
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<tr>
<th>Operational</th>
<th>Target to be opened in 2013</th>
<th>Target to be opened in 2014</th>
<th>Target to be opened in 2015 &amp; beyond</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>81</td>
<td>5</td>
<td>3</td>
<td>13</td>
<td>102</td>
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Ascott Limited

- Growth through investments and M&A in existing and new markets
- Enhance products and branding
- Leverage on brand equity
- Continue recycling capital for optimal returns

Target To Reach 40,000 units By 2015
5. Conclusion
We Are Well-Positioned For 2013 And Beyond

Summary

- Positive outlook for our businesses
- Simplified organisation helps us scale-up
- Focus on execution excellence to capture more value
- Disciplined capital management will help CapitaLand to grow, even in volatile times
- Efficient cost management to optimise resources
Thank You