CapitaLand Investors’ Day

Arthur Lang, Group CFO

12 November 2013
Contents

• Key Highlights

• Focus For 2014
Key Highlights
### Financial Overview

#### Key Highlights

<table>
<thead>
<tr>
<th>Operating Profit Item</th>
<th>YTD Sep 2012 (S$'million)</th>
<th>YTD Sep 2013 (S$'million)</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,190.5</td>
<td>2,892.4</td>
<td>32</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,434.7</td>
<td>1,401.9</td>
<td>2 [0%]¹</td>
</tr>
<tr>
<td>PATMI</td>
<td>667.6</td>
<td>706.9</td>
<td>6 [10%]²</td>
</tr>
<tr>
<td>Operating Profits</td>
<td>258.4</td>
<td>343.1</td>
<td>33 [43%]²</td>
</tr>
<tr>
<td>Portfolio Gains /(Impairments)</td>
<td>176.8</td>
<td>124.3</td>
<td>30</td>
</tr>
<tr>
<td>Revaluation Gains /(Impairments)</td>
<td>232.4</td>
<td>239.5</td>
<td>3</td>
</tr>
</tbody>
</table>

**YTD Sep 2013 PATMI Up 6% To S$706.9 million**

Note:
1. Excluding the S$33.1 million one-off loss incurred on repurchase of CBs in June 2013, EBIT for YTD Sept 2013 will be S$1,435 million, no change from YTD Sept 2012.
2. Excluding the S$27.7 million one-off loss incurred on repurchase of CBs in June 2013, PATMI and operating profits for YTD Sept 2013 will be S$734.6 million and S$370.8 million, 10% and 43% higher than YTD Sept 2012 respectively.
Key Highlights
A Well-Diversified Portfolio

Singapore Assets - S$13.0 billion (36% of Group’s Total Assets*)
- Commercial & Mixed Development: 19%
- Residential: 32%
- Retail: 39%
- Serviced Residences: 6%
- Others: 4%

China Assets - S$14.2 billion (39% of Group’s Total Assets*)
- Commercial & Mixed Development: 33%
- Residential: 29%
- Retail: 32%
- Serviced Residences: 6%

* Excluding treasury cash

Well-balanced To Ride through Cycles
## Key Highlights

### Balance Sheet & Liquidity Position

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>YTD Sep 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (S$ billion)</td>
<td>19.4</td>
<td>20.2</td>
</tr>
<tr>
<td>Cash (S$ billion)</td>
<td>5.5</td>
<td>5.6</td>
</tr>
<tr>
<td>Net Debt (S$ billion)</td>
<td>8.7</td>
<td>8.9</td>
</tr>
<tr>
<td>Net Debt/Equity</td>
<td>0.45</td>
<td>0.44</td>
</tr>
<tr>
<td>% Fixed Rate Debt</td>
<td>77%</td>
<td>71%</td>
</tr>
<tr>
<td>Ave Debt Maturity(Yr)</td>
<td>3.7</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Robust Balance Sheet, Well-positioned To Grow Our Business

(1) Based on put dates of Convertible Bond holders
### Active Liability Management

#### Key Highlights

<table>
<thead>
<tr>
<th></th>
<th>S$650 million CB</th>
<th>S$800 million CB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date Of Issue</strong></td>
<td>20 May 2013</td>
<td>19 September 2013</td>
</tr>
<tr>
<td><strong>Coupon</strong></td>
<td>1.85%</td>
<td>1.95%</td>
</tr>
<tr>
<td><strong>Conversion Price</strong></td>
<td>S$5.00</td>
<td>S$4.212</td>
</tr>
<tr>
<td><strong>Conversion Premium</strong></td>
<td>32.63%</td>
<td>30.0%</td>
</tr>
<tr>
<td><strong>Maturity Date</strong></td>
<td>19 June 2020 (7 yr)</td>
<td>17 October 2023 (10yr)</td>
</tr>
<tr>
<td><strong>Put Option</strong></td>
<td>None</td>
<td>5 yr put</td>
</tr>
<tr>
<td><strong>Total buyback/tender Amt (S$ million)</strong></td>
<td>722.0(^1)</td>
<td>877.7(^2)</td>
</tr>
</tbody>
</table>

**Note:**

1. Consists of S$493 million of existing S$1.3 billion 3.125% CB due 2018, S$229 million of existing S$1.2 billion 2.875% CB due 2016
2. Consists of S$77.7 million of existing S$424.8 million 2.1% CB due 2016, S$300 million of existing S$1.3 billion 3.125% CB due 2018, S$500 million of existing S$1.2 billion 2.875% CB due 2016

**Two New CB Issuances Together With Buyback/Tender Offers In 2013**
Two CB Exercises In May And Sept 2013 Have Resulted In Meaningful Interest Savings And Extended Maturities

Note:
(1) CB Transactions comprising new issue of S$800M 1.95% CB due 2023 and CB Tender Offer launched on 19 Sep 2013 and settled on 17 Oct 2013.
(2) Total tender consideration excluding accrued interest.
(3) Based on put dates of CB holders.
(4) As at 30 Sept. 2013
Key Highlights

Active Liability Management (Cont’d)

- Availability of good window to repurchase more expensive CBs as prices of outstanding CBs had declined during recent period of market volatility

- Proactive Liability Management
  - Reduce CL’s concentration of debt maturing in next 3 years
  - Extend average debt maturity of the Group
  - Reduce effective finance costs, estimated P&L savings of more than S$35 million in 2014

- Limited supply of CB paper allowed for competitive terms
Key Highlights

Manageable Group Debt Maturity Profile

Debt mainly includes project loans (Bedok & Sky Habitat), outstanding CL’s CB and ALZ loans

Debt mainly includes Westgate, CL’s CB, corporate loans from CL, CMA and ALZ

Note:
(1) Based on put dates of CB holders.
(2) As at 30 Sept. 2013 (before the Sept 2013 CB exercise)
Focus For 2014
## Improve Capital Productivity
- Capital allocation to reach targeted ROEs
- Recycle at right time, and at right price
- Reduce finance costs
- Minimise cash traps

## Prudent Capital Management
- Continue to spread out maturities
- Diversify funding sources (by type, tenure, currency)
Focus For 2014

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
<table>
<thead>
<tr>
<th>Name of REITs</th>
<th>SBU</th>
<th>SBU's Effective Stake*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascott Residence Trust</td>
<td>Ascott</td>
<td>45.22%</td>
</tr>
<tr>
<td>CapitaMalls Malaysia Trust</td>
<td>CMA</td>
<td>36.01%</td>
</tr>
<tr>
<td>CapitaCommercial Trust</td>
<td>CLS</td>
<td>32.10%</td>
</tr>
<tr>
<td>CapitaMall Trust</td>
<td>CMA</td>
<td>27.61%</td>
</tr>
<tr>
<td>CapitaRetail China Trust</td>
<td>CMA</td>
<td>25.74%</td>
</tr>
<tr>
<td>Quill Capital Trust</td>
<td>CLS</td>
<td>9.63%</td>
</tr>
</tbody>
</table>

* 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

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**Overall Financial Impact Not Expected To Be Significant**
Thank You