Secondary Placement of Securities in Australand Property Group

21 November 2013
CapitaLand Completed An Overnight Secondary Placement Of 20% In Australand

- Placement increases free float by ~50%
  - Significantly improves Australand’s ranking in the ASX 200 and ASX 200 A-REIT indices

- Australand remains a key investment for CapitaLand
  - Benefit from strong recurring income from Australand’s C&I portfolio and improvement in the residential market

- Proceeds of S$485M\(^1\) from the placement will be available for redeployment towards new opportunities

- Divestment gain of S$9M\(^1\) and fair value gain of S$27M\(^1\)

- Realisation of Foreign Currency Translation Reserve (FCTR) and hedging reserve losses of S$163M to P&L due to the deconsolidation of Australand
  - No impact on CapitaLand’s NTA
  - Unrealised FCTR losses on CapitaLand’s balance sheet will be reduced from S$177M to S$55M

- Deconsolidation of Australand improves CapitaLand Group’s balance sheet

Note:
(1) Based on exchange rate of 1.14 as at September 2013.
## Transaction Highlights (Con’t)

<table>
<thead>
<tr>
<th>Securities Placed</th>
<th>Australand Property Group (all secondary shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller</td>
<td>CapitaLand (through Ausprop and Austvale)</td>
</tr>
<tr>
<td>Number of Securities Offered</td>
<td>115.66M</td>
</tr>
<tr>
<td>Offer Size as a % of TSO</td>
<td>20%</td>
</tr>
<tr>
<td>Remaining Stake held by CapitaLand</td>
<td>39.1%</td>
</tr>
<tr>
<td>Offer Price</td>
<td>A$3.685</td>
</tr>
<tr>
<td>Total Proceeds</td>
<td>A$426M (approximately S$485 M¹)</td>
</tr>
<tr>
<td>Use of Proceeds</td>
<td>Proceeds of the sale will be available for redeployment towards new opportunities and for general working capital purposes</td>
</tr>
<tr>
<td>Investors</td>
<td>Institutional investors</td>
</tr>
<tr>
<td>Sole Underwriter and Bookrunner</td>
<td>Citigroup Global Markets Australia Pty Ltd</td>
</tr>
</tbody>
</table>

Note:
(1) Based on exchange rate of 1.14 as at September 2013.
Australand Performance And Liquidity

- Australand’s share price is up 39%\(^2\) since a year ago and up 52% since 2009
- Despite this, liquidity in Australand is significantly lower compared to other A-REITs
  - Year to date, average daily turnover in Australand is 0.14% which is less than half of peers (0.38%)\(^3\)

Note:

(1) Source: IRESS.
(2) 12 months beginning 16 November 2012 to 18 November 2013.
(3) Based on daily trading data in 2013 up to 15 November. Source: IRESS.
(4) Calculated as 5-day average daily market trading volume as a percentage of total shares outstanding.
(5) Peers in the benchmark include other A-REITs like Dexus, Stockland and Mirvac.
• Expects to deliver an operating profit after tax of approximately A$148M for the full year of 2013; this is the upper end of previous guidance of 3-4% EPS growth for 2013

• Expects to pay out a full year distribution of 21.5 cent per stapled security

• Budgeting to deliver growth in 2014 earnings; supported by high occupancy and fixed increases in rental income from its Investment Property portfolio and a strong level of Residential contracts on hand

CapitaLand remains confident of Australand’s prospects and the Australand management team to grow its business
Financial Impact to CapitaLand

Financial Impact (S$M)

<table>
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<tr>
<th>Divestment and fair value gains</th>
<th>36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realisation of FCTR &amp; Hedging Reserve</td>
<td>(163)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(127)</strong></td>
</tr>
</tbody>
</table>

Key notes

- The realisation of the FCTR and hedging reserve losses is the result of the deconsolidation of Australand upon the sale of 20% stake in Australand, where both FCTR and hedging reserves are transferred from CapitaLand’s equity to P&L

- The FCTR and hedging reserve losses are:
  - One-off
  - Relate to the entire investment in Australand (not just the 20% that is being sold)
  - ~1%\(^1\) of CapitaLand’s equity

FCTR and hedging reserve losses have no impact on CapitaLand’s NTA as these are already accounted for in the Group’s equity

Note:
(1) Based on equity attributable to owners of CapitaLand, excludes non-controlling interests as at 30 Sept 2013.
Impact On CapitaLand Group FCTR

Unrealised FCTR losses as at 30 Sep 2013
Total: S$177M

- AUD, 130.0
- Other currencies, 47.0

Pro forma Unrealised FCTR losses Post Transaction
Total: S$55M

- AUD, 8.0
- Other currencies, 47.0

The deconsolidation of Australand flushes out the bulk of CapitaLand’s AUD$ FCTR to the P&L; Remaining FCTR on CapitaLand’s balance sheet is S$55M (~0.4% of CapitaLand’s equity)

Note:
(1) Based on equity attributable to owners of CapitaLand, excludes non-controlling interests as at 30 Sept 2013.
**Key Conclusion**

**Australand remains a Key Investment for CapitaLand**
- The placement is expected to significantly improve liquidity in Australand and improve its position in major indices.
- CapitaLand remains Australand’s largest shareholder with a 39.1% stake post placement.
- Australand will remain CapitaLand’s single largest investment outside its core markets of Singapore and China.
- CapitaLand will continue to benefit from strong recurring income from Australand’s C&I portfolio and improvement in the residential market.

**Losses are primarily one-off accounting losses**
- The FCTR & hedging reserve losses have no impact on CapitaLand’s NTA.
- The deconsolidation of Australand flushes out hedging and FCTR losses primarily held in equity in CapitaLand’s balance sheet.
- Bulk of financial impact on CapitaLand’s PATMI attributed to hedging reserve and FCTR losses.

**CapitaLand is comfortable with its remaining interest in Australand and is confident of Australand’s prospects.**
Thank You