



CapitaLand Debt Investors' Day 2015

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Group CFO, CapitaLand Limited

7 September 2015



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.



Financial And Key Credit Highlights

Strong And Consistent Operating Track Record

Prudent Capital Management

Diversified Funding Sources

Multiple Platforms To Grow AUM And Recycle Assets

A low-angle photograph of the Capital Tower in Singapore, showing its distinctive stepped design and glass facade against a blue sky with white clouds. The tower is the central focus of the image, with its upper sections featuring a grid-like pattern of windows and a more complex, multi-tiered top.

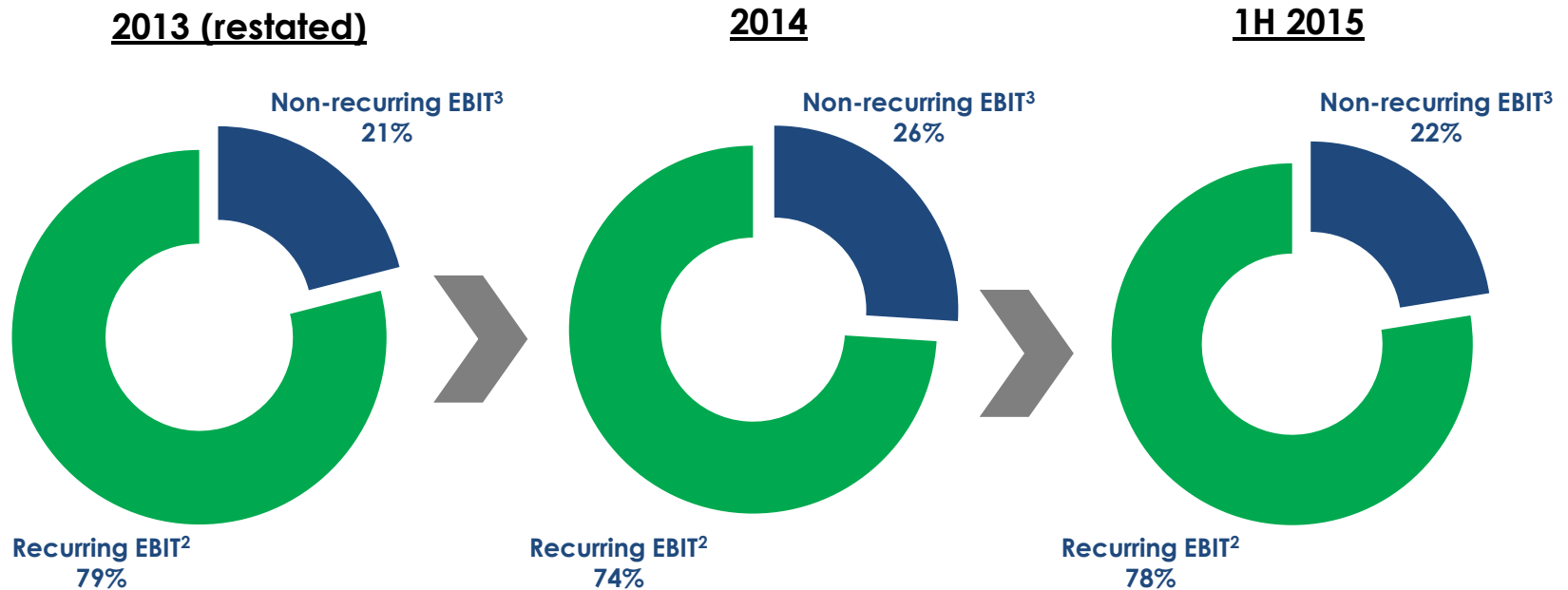
Strong And Consistent Operating Track Record

Capital Tower, Singapore



Strong And Consistent Operating Track Record

Strong Recurring Income Stream



Total EBIT¹

S\$2.6 billion

S\$2.4 billion

S\$1.2 billion

Recurring EBIT²

S\$2.1 billion

S\$1.8 billion

S\$1.0 billion

Stable Proportion Of EBIT From Recurring Sources

Notes:

1) Excludes corporate costs.

2) Includes EBIT generated from commercial & integrated developments, shopping malls, serviced residences and others.

3) Includes EBIT generated from residential assets and strata sales.

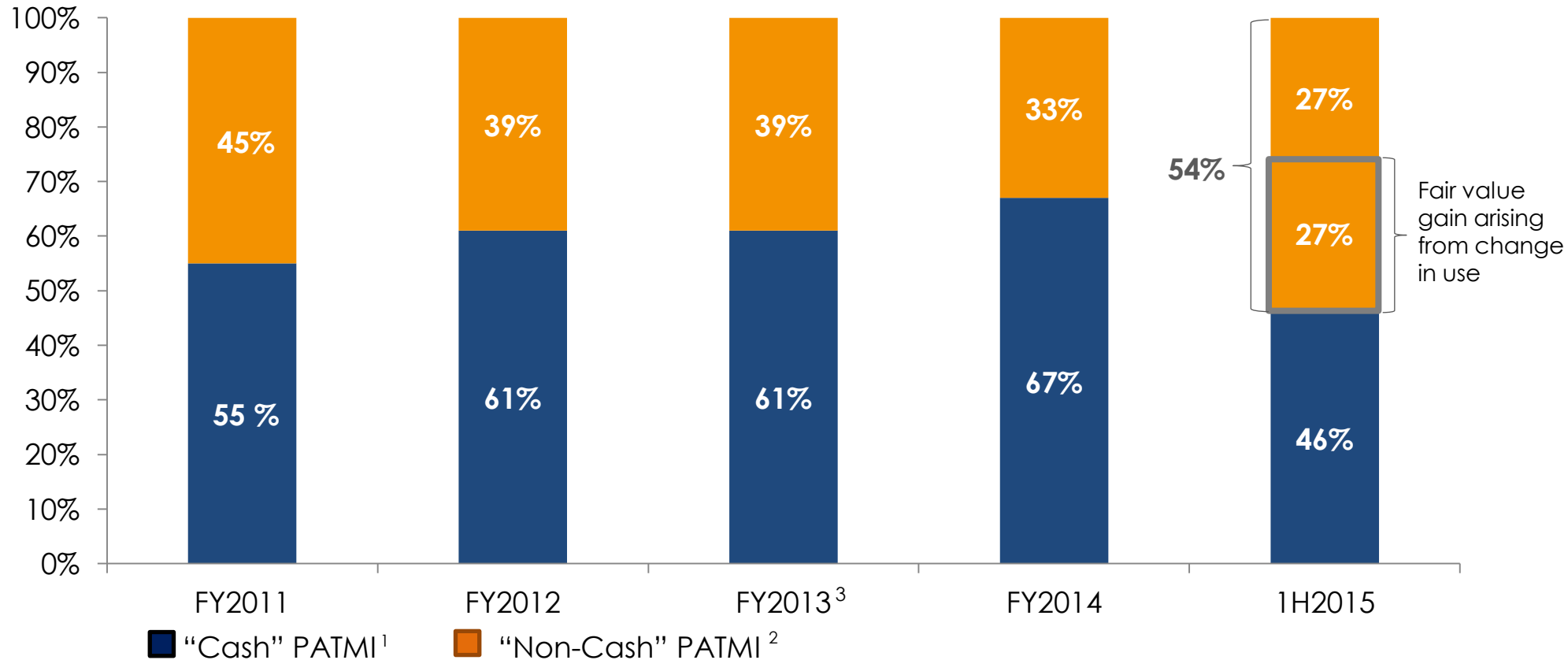




Strong And Consistent Operating Track Record

Strong And Consistent Operating Track Record

"Cash" PATMI¹ Vs "Non-Cash" PATMI²



Operating PATMI Is A Key PATMI Driver

Notes:

- 1) Cash PATMI comprises operating PATMI, portfolio gains/losses, realised revaluation gains and excludes fair value gains arising from change in use of 3 development projects from construction for sale to leasing as investment properties.
- 2) Non-cash PATMI comprises unrealised revaluation gains/losses, impairment/write-backs and fair value gains arising from change in use of 3 development projects from construction for sale to leasing as investment properties.
- 3) Restated for the adoption of FRS 110 Consolidated Financial Statements.

Prudent Capital Management



Raffles City Beijing, China



Prudent Credit Ratios

	FY 2013 (restated)	FY 2014	1H 2015
Cash (\$\$ billion)	6.3	2.7	3.5
Net Debt/Equity	0.39	0.57	0.53
Net Debt/Equity (ex-FRS 110) ¹	0.34	0.55	0.49
Net Debt/Total Assets ²	0.25	0.32	0.30
Interest Coverage Ratio ³	5.7	7.2	6.7
Interest Service Ratio ⁴	4.6	4.6	5.3
% Fixed Rate Debt	70%	75%	70%
Ave Debt Maturity(Yr) ⁵	3.6	3.3	3.6
NTA per share (\$)	3.68	3.83	3.93

**Balance Sheet Has Remained Robust Over The Years;
Demonstrates CapitaLand's Ability To Grow Prudently**

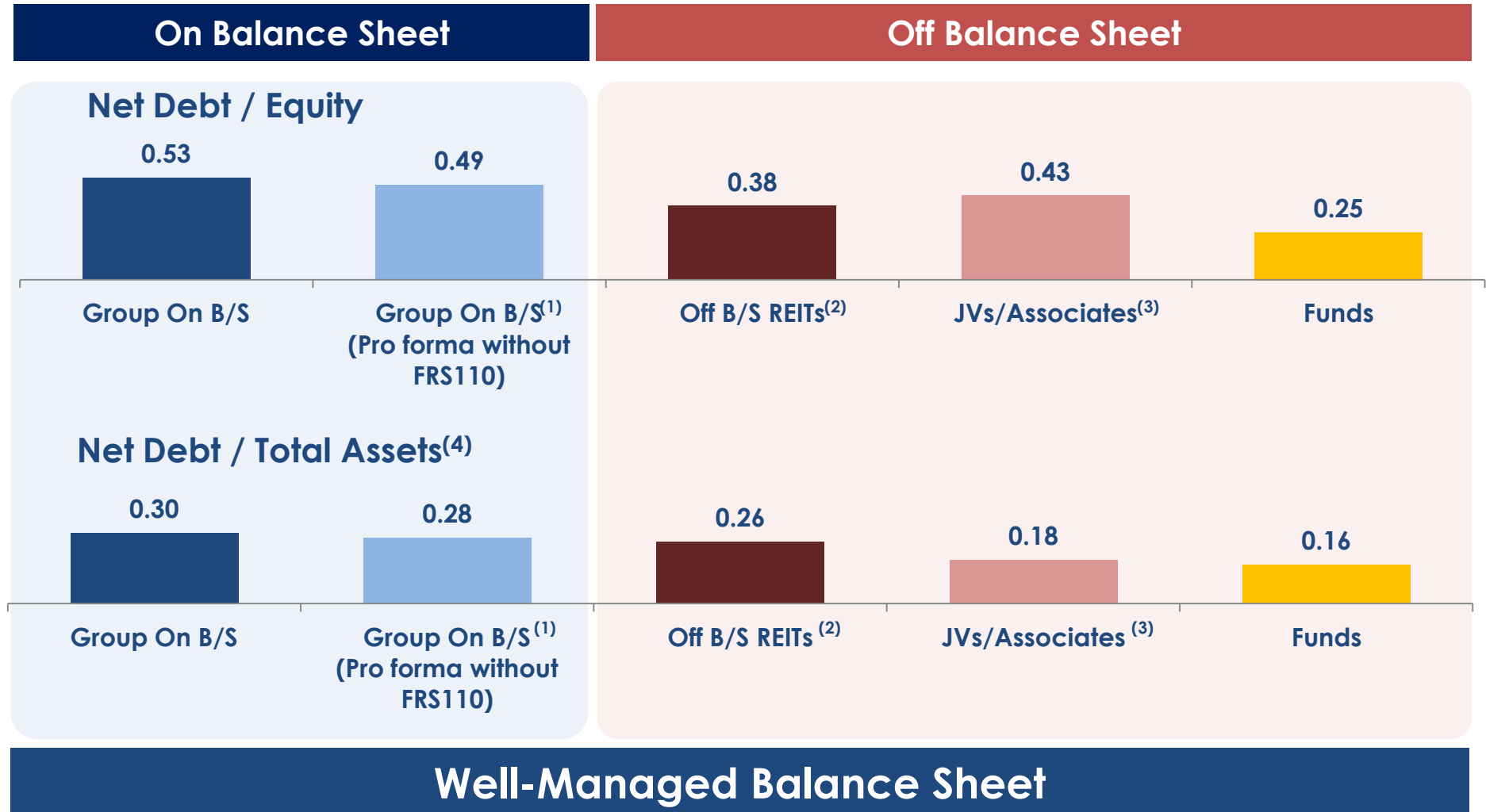
Notes:

- 1) The Group consolidated CCT, ART and CMMT under FRS 110, Consolidated Financial Statements.
- 2) Total assets excluding cash
- 3) On run rate basis. Interest Coverage Ratio = EBITDA/ Net Interest Expenses
- 4) On run rate basis. Interest Service Ratio = Operating Cashflow/ Net Interest Paid
- 5) Based on put dates of Convertible Bond holders.



Prudent Management Of Look-Through Debt

(As at 30 June 2015)



Well-Managed Balance Sheet

Notes:

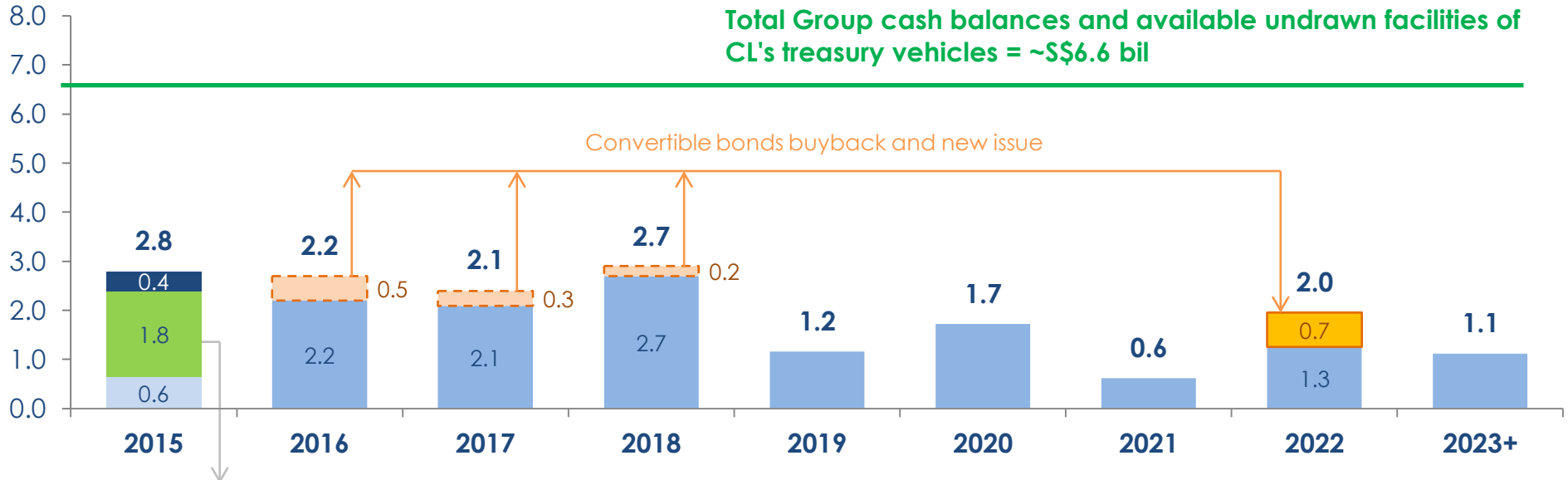
- (1) The Group consolidated Ascott Residence Trust, CapitaLand Commercial Trust (CCT) and CapitaMalls Malaysia Trust under FRS 110.
- (2) REITs data comprises CapitaLand Mall Trust (CMT), CapitaLand Retail China Trust and Raffles City Trust (Raffles City Singapore – an associate of CCT and CMT).
- (3) JVs/Associates exclude investments in Central China Real Estate Limited and Lai Fung Holdings Limited.
- (4) Total assets excluding cash.



Debt Maturity Profile (As at 30 June 2015)

77% Of Debt Maturing In 2015 Relates To Debt From REITs And Project-Related Debt

S\$' billion



Key Projects	Debt (\$B)	Refinancing Update
Westgate, Singapore	0.6	Completed
CapitaGreen, Singapore	0.9	Finalizing
The Paragon, Shanghai, China	0.1	In progress
Others (<\$100M Each)	0.2	To be repaid
Total	1.8	

- Key project debt to be repaid with sales proceeds or refinanced as planned
- REIT level debt (Existing, separate funding platforms)¹
- Convertible bonds transactions in 2015 1H

Well-Managed Maturity Profile²

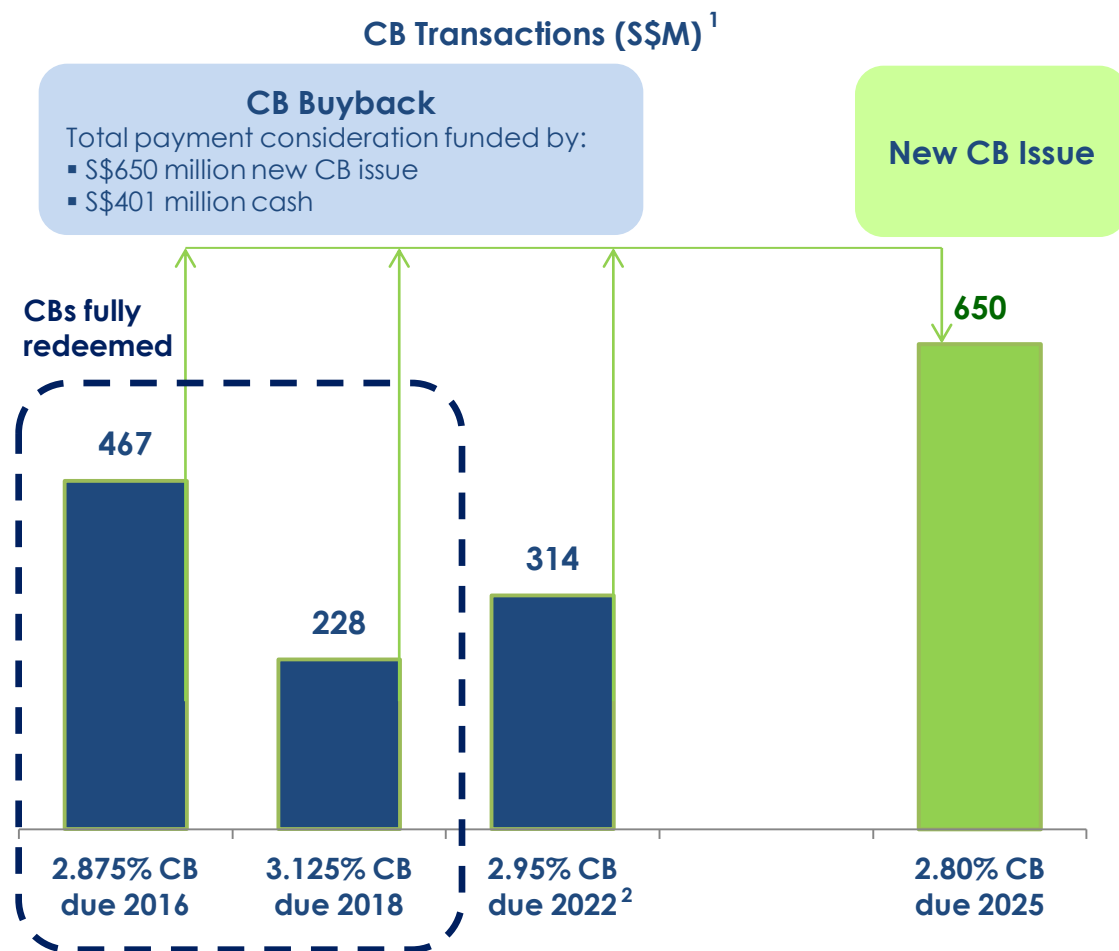
Note:

- 1) Ascott Residence Trust, CapitaLand Commercial Trust and CapitaMalls Malaysia Trust.
- 2) Based on the put dates of the convertible bonds,



Convertible Bond (CB) Transactions In 1H 2015

CB Transactions Extended Debt Maturities At Lower Interest Cost



Effects of CB transactions:

- **Extension of average debt maturity** – Buyback of CBs with shorter tenor largely funded by new longer-dated CB
- **Future interest savings** – New CB issued has lower effective interest rate than all 3 CBs which were repurchased; Estimated interest savings of ~S\$15 million in 2015
- **Recognition of one-time gain** – ~S\$23 million for financial year ending 31 December 2015

Note:

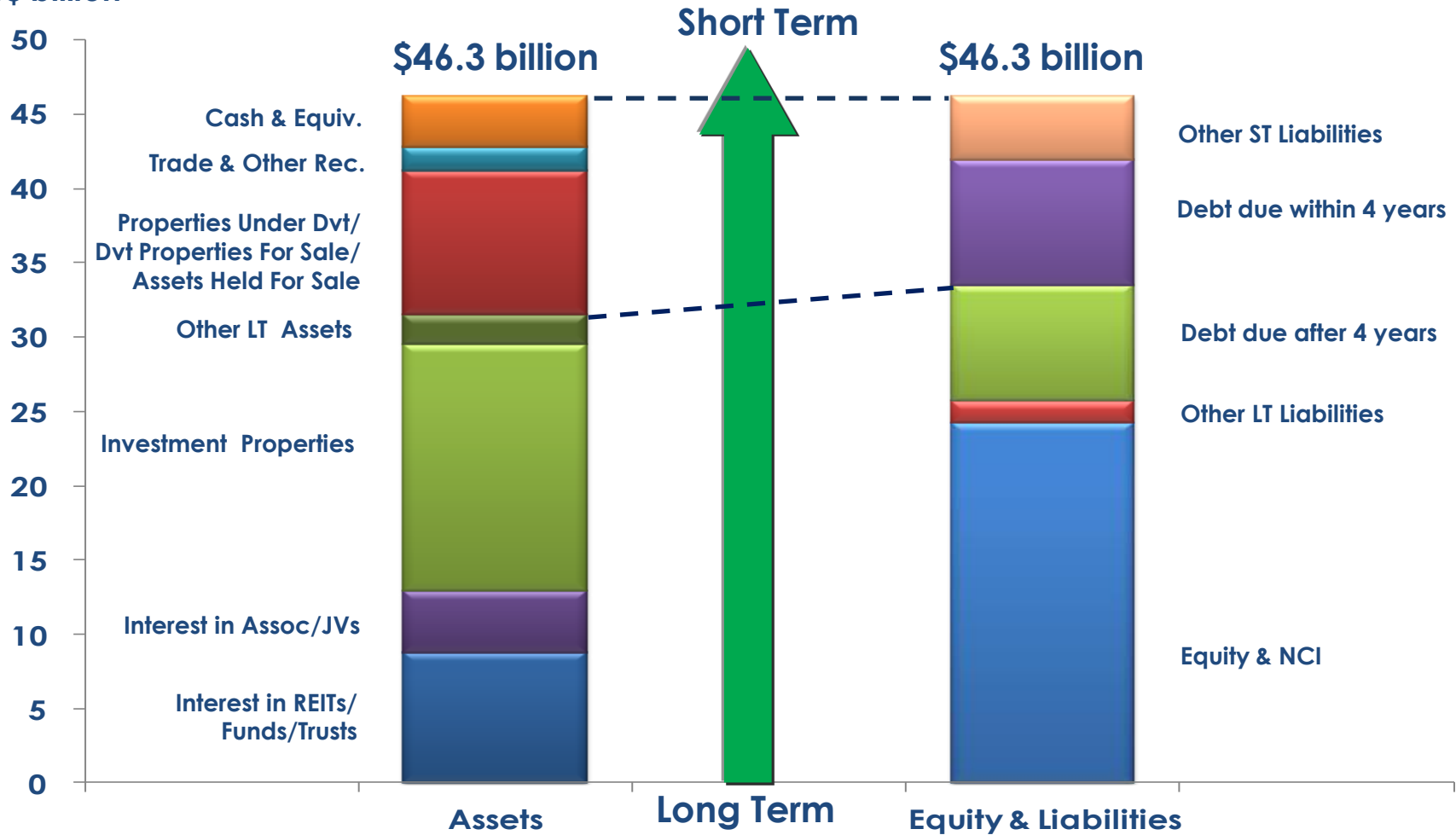
1) Principal amount of CBs.

2) The aggregate outstanding principal amount of the 2.95% CB due 2022 is S\$686,250,000, following the completion of the above CB transactions.



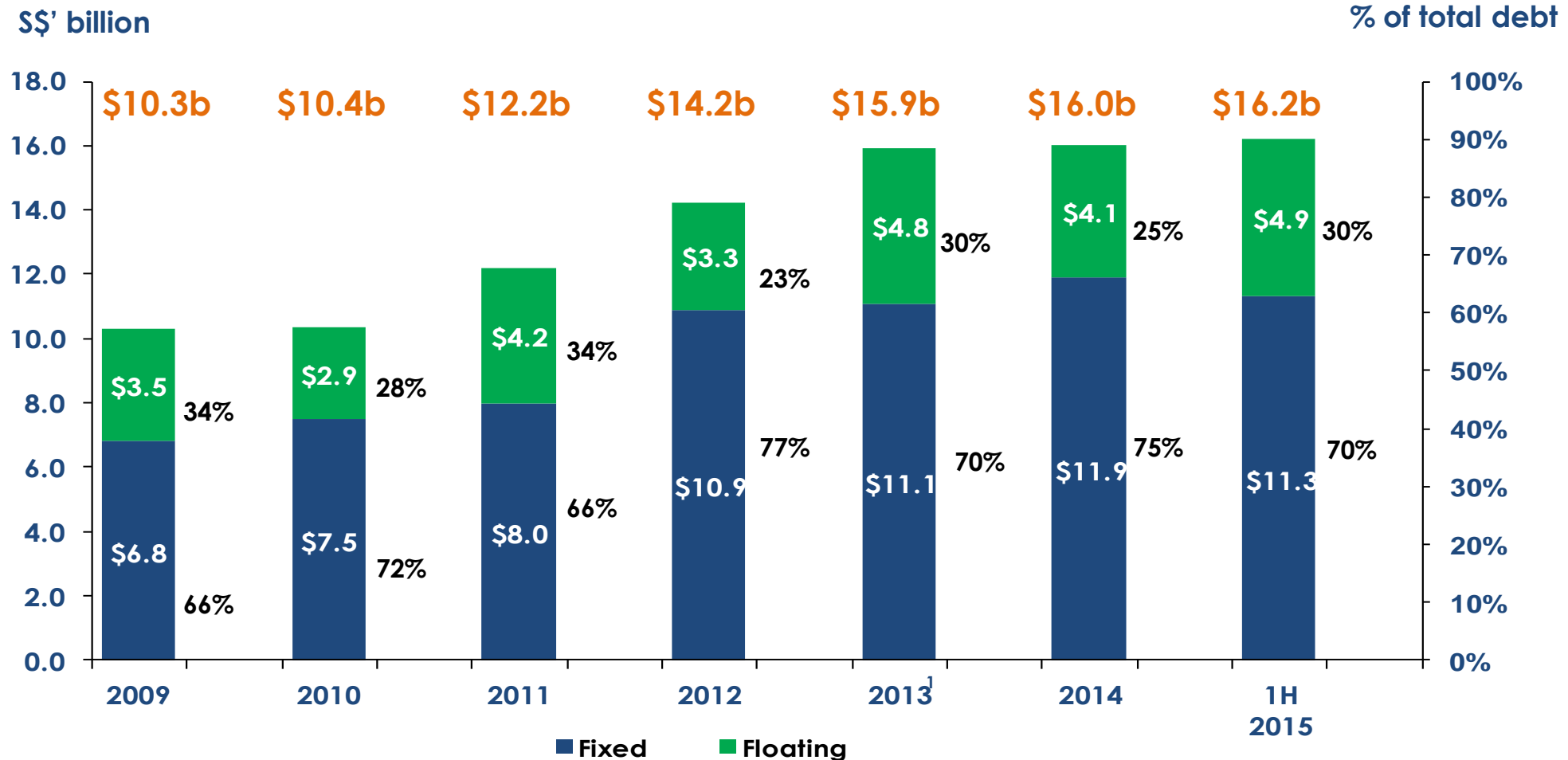
Well Matched Assets & Liabilities (As at 30 June 2015)

S\$'billion





Good Mix Of Fixed And Floating Interest Rates



Well-Mitigated Against Any Interest Rate Increase

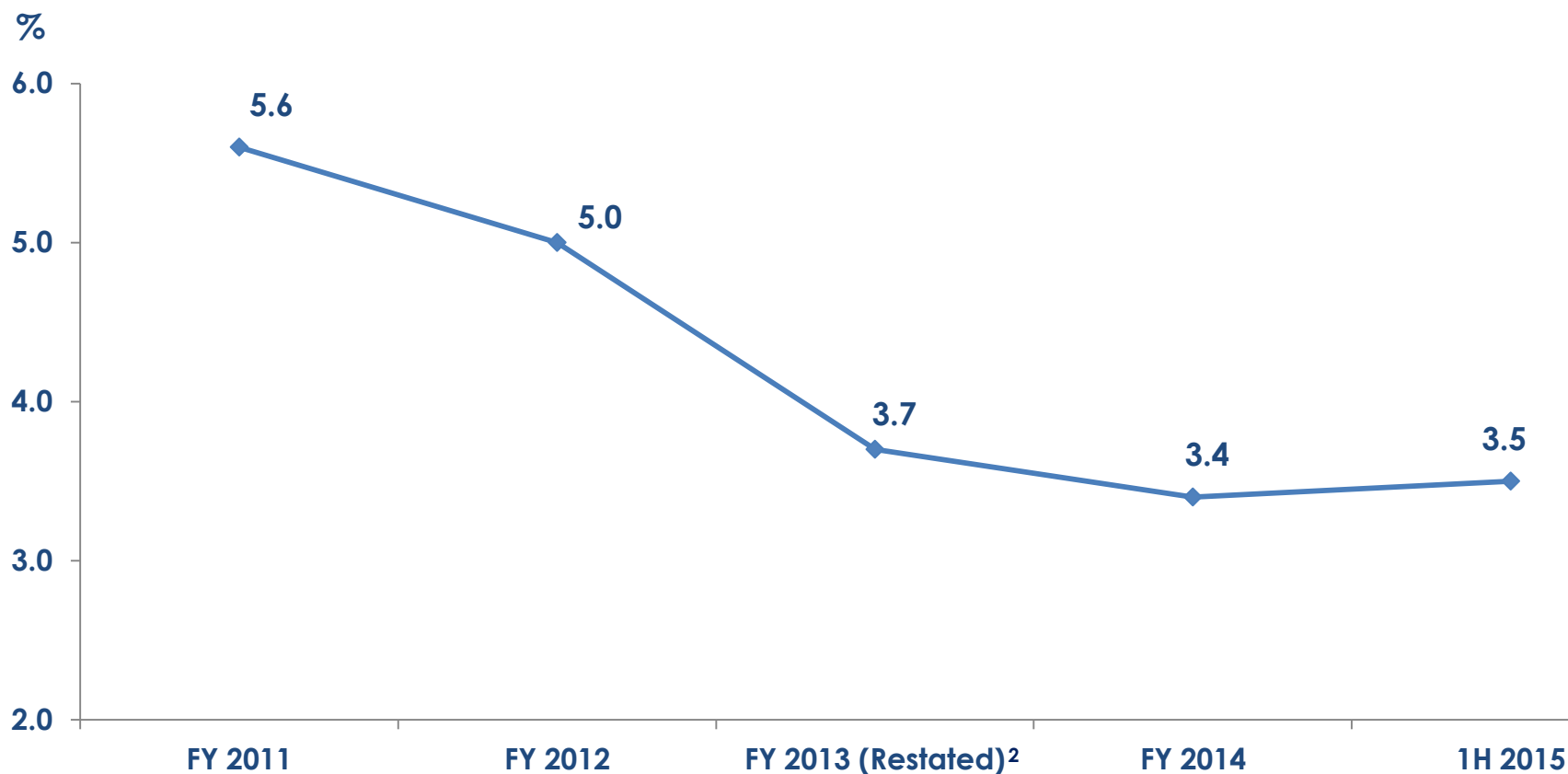
Note:

1) Restated balance to take into account the retrospective adjustments arising from FRS 110.



Disciplined Cost Management

Implied Interest Rates¹ Kept Low at 3.5%



Note:

1) Implied interest rate = Finance costs before capitalisation/Average debt.

2) Implied interest rate before restatement was 4.2%.



Impact Of Recent RMB Depreciation Against SGD

1. Income Statement	<ul style="list-style-type: none">• Comes from translation of results from China operations• Estimated impact: 1% RMB depreciation against SGD results in <1% drop in net profit¹
2. Balance Sheet	<ul style="list-style-type: none">• Comes from translation of net investments in China• Impact is “unrealised” until assets are sold• Estimated impact: 1% RMB depreciation against SGD results in <1% drop in shareholders’ fund¹

- The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the Group operates

Limited Impact Of RMB/SGD Devaluation On CapitaLand Group

Note

1) Based on 1H 2015 PATMI of S\$625.3 million and 1H 2015 Equity Attributable to Shareholders of S\$17.3 billion

Diversified Funding Sources

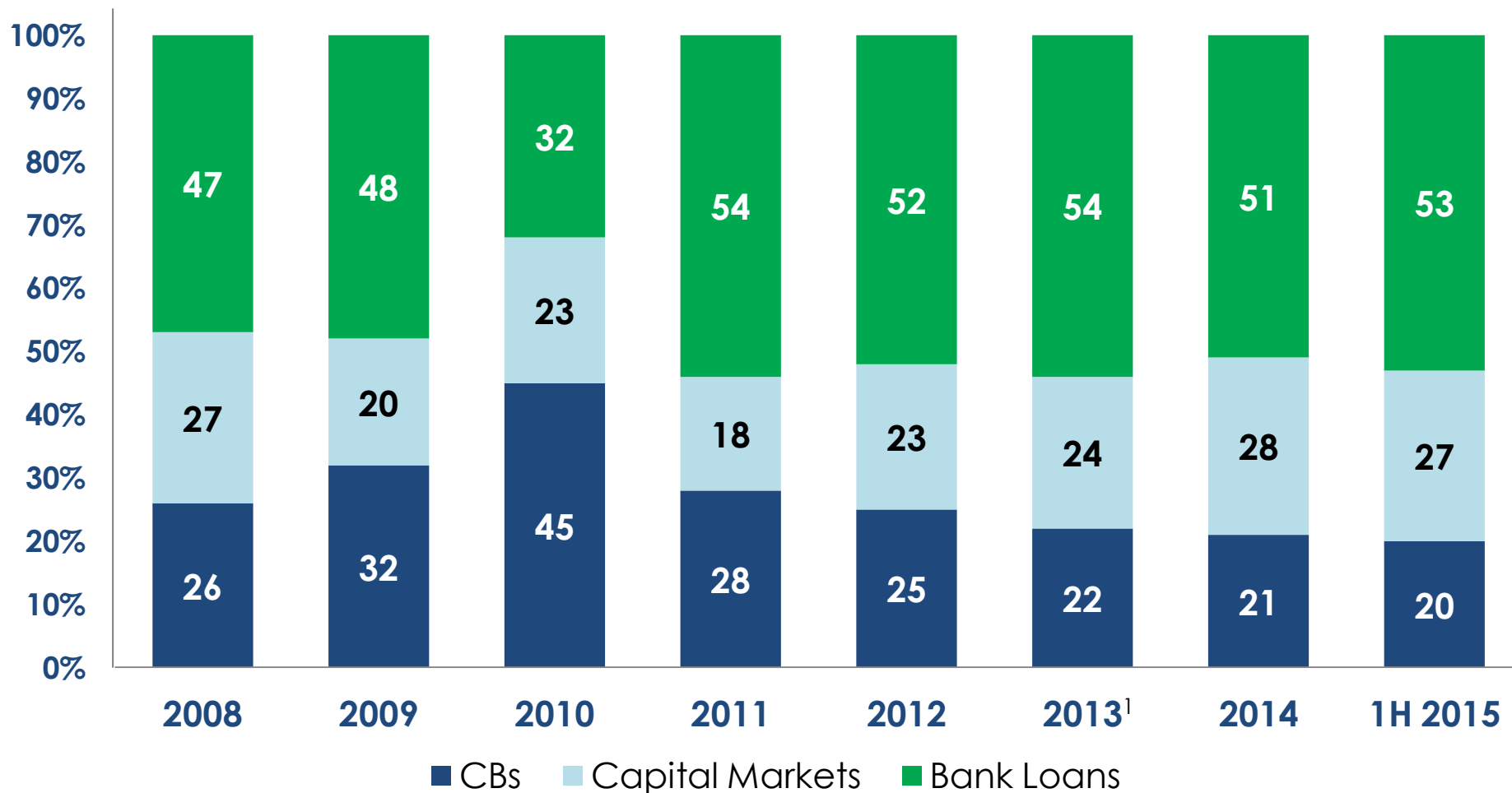


Plaza Singapura, Singapore



Strong Ability To Access Capital Markets

% of total debt



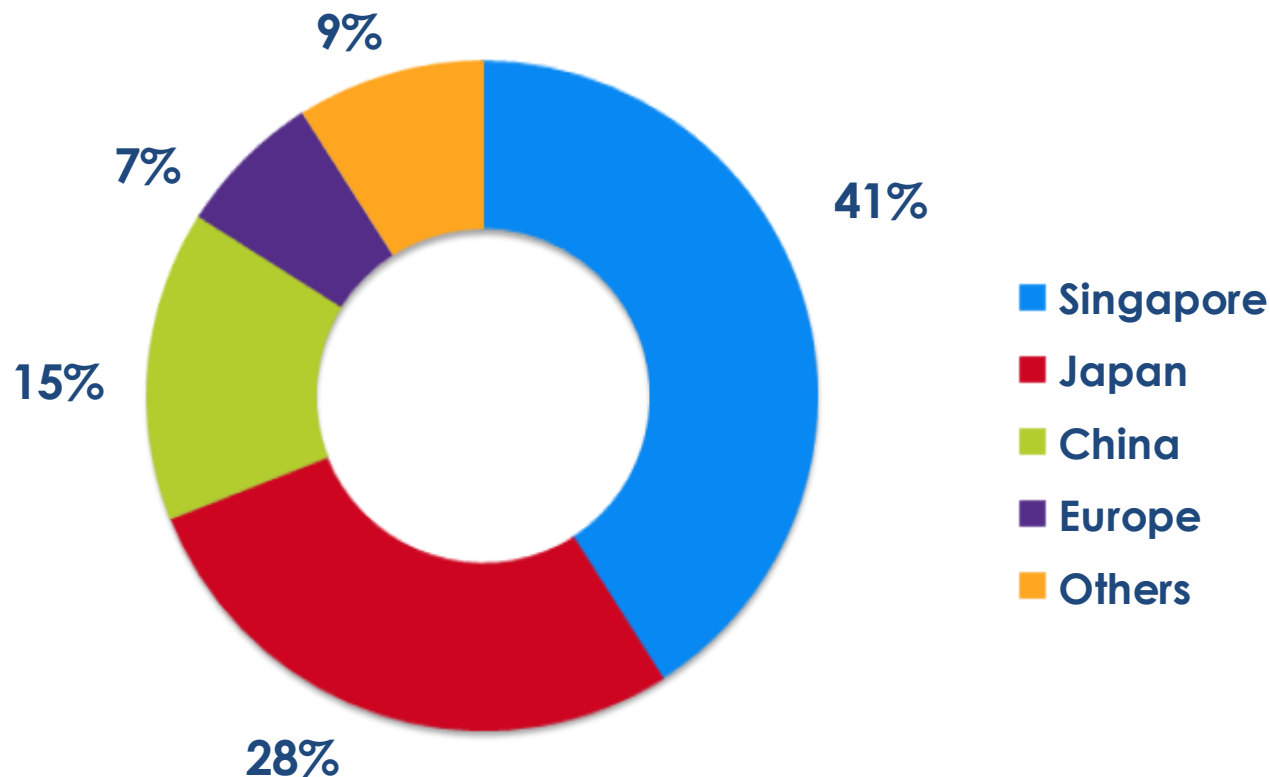
Note:

1) Restated balance to take into account the retrospective adjustments arising from FRS 110.



Strong Support From Our Principal Bankers

Available Lines By Nationality Of Banks¹



As Of 1H 2015, ~ S\$3 Billion Available Undrawn Facilities By CL's Treasury Vehicles²; With An Active Relationship With > 30 Banks

Note:

1) As indicated in the CapitaLand Annual Report 2014.

2) Comprising CapitaLand Treasury Limited, CapitaMalls Asia Treasury Limited and The Ascott Capital Pte Ltd.

Multiple Platforms To Grow AUM And Recycle Assets

One George Street, Singapore





Strategic Contributions To CL's Businesses

- **AUM Growth**

- CapitaLand believes in achieving scale in the business, and fund management provides the financial backing to build up scale
- E.g. The private funds business helps build up the Raffles City and retail mall portfolio in China

- **Capital Recycling**

- REITs and fund management allow capital recycling and the matching of right type of capital to risk-return trade off
- CapitaLand's established platform enables seeding of private funds with assets
- Keeps CapitaLand's balance sheet "liquid" and efficient

- **ROE Enhancement**

- Fee income from REITs and fund management will extract further value out of CapitaLand's real estate platform



New Trends In RE Funds Management

Rise Of Large-Scale, Long-term Institutional Investors – SWFs, Pension Funds

Investors are more demanding and sophisticated

- New pools of capital
- Reducing the number of fund managers/partners they work with, sticking to better performers
- Large investors, with in-house capabilities, increasingly prefer to go “direct”
- Important to invest alongside like-minded investors and partners

Investors increasing core real estate exposure in Asia

- Shift in Asia strategy, going for portfolio diversification
- Build-for-core strategies

Shifting geographic focus

- Singapore continues to be attractive, with variety of core and opportunistic commercial real estate opportunities
- China remains important to investors who want a diversified global portfolio. Fund managers with established local network, execution capabilities and track records, can differentiate themselves
- Investors starting to explore opportunities in other parts of Asia e.g. Indonesia, Korea, Japan



CapitaLand's Value Proposition As Fund Manager

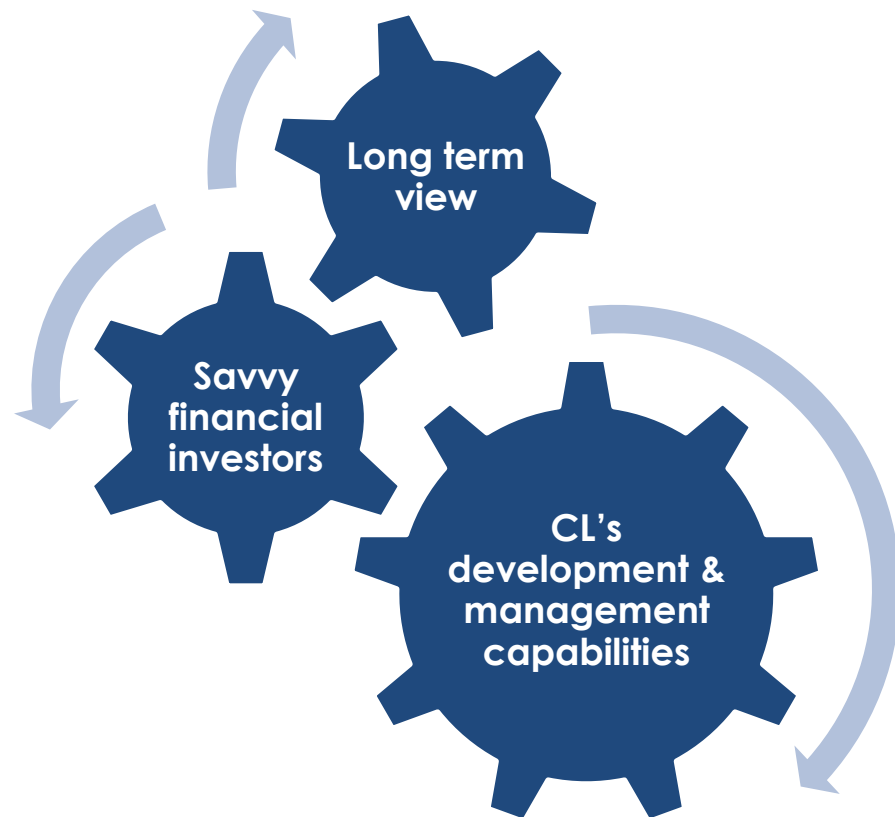
How Does CapitaLand Differentiate Itself From Other Peers?

- **Significant sponsor stake and strong alignment of interest with investors**
- **One-stop real estate solution for investors**
 - Large and deep real estate footprint across Asia
 - Intimate market insights and deal flow access
 - Multi-sector focus
 - Developer-operator capabilities
- **Demonstrated ability to create liquidity options e.g. REITs**
- **Strong balance sheet**
- **Desire to maintain high governance standards and minimise conflicts of interests**
- **Sustainability focus**



Going Forward

- Deepen existing relationships; cultivate more relationships
- More Funds/Partnerships/JVs with existing and new partners
- Capital partnership for both CL and REITs
- To work on 6 new vehicles with AUM of up to \$10 billion by 2020



Conclusion

Six Battery Road, Singapore



Conclusion

- Well-balanced portfolio enables the Group to maintain a consistent operating track record
- Prudent capital management ensures sustainable future growth
- Ability to tap on diversified sources for funds helps to preserve financial flexibility
- Able to access multiple platforms to grow AUM and recycle assets



CapitaLand

Thank You