



NEWS RELEASE

10 May 2006
For Immediate Release

CapitaLand's profit up by 86.5% to S\$130.6 million for 1Q2006

Singapore, 10 May 2006 – The CapitaLand Group posted profit after tax and minority interests (PATMI) of S\$130.6 million for the first quarter of 2006, a 86.5% increase from the S\$70.0 million recorded in the first quarter of 2005. The increase was 96.6%, when compared to PATMI of S\$66.4 million in the first quarter of 2005 on a continuing basis, i.e. excluding contributions and divestment gains from businesses that have been sold. The increase in profit was achieved on the back of higher portfolio gains, fee-based income and mark-to-market gains from the Group's investments.

The Group's revenue for the first quarter of 2006 was S\$658.7 million, a 10.5% decrease from the corresponding quarter a year ago. This decrease was largely attributable to lower contributions from the China and Australia operations. Overseas revenue at S\$342.5 million accounted for 52.0% of the Group's revenue for the quarter. Despite the drop in revenue, earnings before interest and tax (EBIT) of S\$225.1 million were 31.5% higher than the corresponding period last year. Overseas EBIT of S\$159.3 million remained strong and contributed 70.8% of the Group's EBIT.

FINANCIAL HIGHLIGHTS

S\$ million	1Q 2006	1Q 2005
Revenue	658.7	736.3
Earnings before interest and tax (EBIT)	225.1	171.2
Finance costs	(70.1)	(64.2)
Profit before tax	155.0	107.0
Profit after tax and minority interests (PATMI)	130.6	70.0*

*Includes PATMI of S\$3.6 million from discontinued operations



Dr Richard Hu, Chairman, CapitaLand Group, said: "The Group has performed well in the first quarter and continues to see strong long-term growth trends in Asia underpinned by concurrent high growth in China, India and a recovering Japan. For the first quarter, we have expanded significantly into India, China, Vietnam and Malaysia. Our serviced residence arm, The Ascott Group, is also on track to grow its global network. Our real estate fund management business will continue to grow through launching more private equity funds and REITs, the latest being the first Pan-Asian serviced residence REIT. Overall, going forward, the business units in the Group should perform well."

Liew Mun Leong, President and CEO, CapitaLand Group, said: "Over the last few quarters, the Group has improved its focus on capital productivity and financial capacity, strengthening its competitive advantage to tap into the growing Asian markets. In particular, we have made great strides in India with our joint ventures for residential, retail and fund management projects. We announced that we would take a significant stake in a Hong Kong-listed property company to scale up our presence in China. We are also on track to launch new property funds in China and other Asian countries. In Singapore, we are fast-tracking our development of the premier Orchard Turn integrated retail-cum-residential project, and we are also competing to secure the Marina Bay and Sentosa integrated resorts in partnership respectively with two of the world's leading developers and operators of integrated resorts.

"We are confident that the Group will be profitable in 2006."

This release 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 the current view of management on future events.

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For the 1Q2006 CapitaLand Limited Financial Statement announcement and slides, please visit our website www.capitaland.com