



NEWS RELEASE

For immediate release  
3 August 2006

## CapitaLand achieves 1H2006 profit of S\$288.7 million, up 35.2%

**Singapore, 3 August 2006** – The CapitaLand Group posted profit after tax and minority interests (PATMI) of S\$288.7 million for 1H2006, a 35.2% increase compared to the S\$213.6 million recorded in 1H2005. The higher PATMI was achieved despite the lower Group revenue of S\$1,430.4 million for 1H2006.

The better profit performance was due to the higher earnings before interest and tax (EBIT) of S\$528.7 million arising from broad improvement by the Group's Residential, Commercial and Integrated Development, Retail and Financial Services business units.

CapitaLand's overseas EBIT for 1H2006 of S\$385.0 million remained strong, representing 72.8% of the Group's total EBIT. Overseas revenue at S\$927.5 million continued to be significant, accounting for 64.8% of the Group's total revenue.

| <b>FINANCIAL HIGHLIGHTS</b>                      |                             |                             |                             |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>\$ million</b>                                | <b>2Q 2006<br/>(3 mths)</b> | <b>2Q 2005<br/>(3 mths)</b> | <b>1H 2006<br/>(6 mths)</b> | <b>1H 2005<br/>(6 mths)</b> |
| Revenue  | 771.7                       | 1,359.2                     | 1,430.4                     | 2,095.5                     |
| EBIT   | 303.5                       | 243.2                       | 528.7                       | 414.4                       |
| Finance costs                                    | (73.5)                      | (66.5)                      | (143.6)                     | (130.7)                     |
| PBT  | 230.0                       | 176.7                       | 385.1                       | 283.7                       |
| PATMI *<br>(Profit attributable to shareholders) | 158.2                       | 143.6                       | 288.7                       | 213.6                       |

*\*Includes profit for the period from discontinued operations.*

Dr Richard Hu, Chairman, CapitaLand Group, said, "For the first half of 2006, the performance of our three key markets, Singapore, China and Australia, remained positive despite concerns arising from the increase in oil prices, higher interest rates and the risk of a slowdown in the US economy. The Group will continue to pursue its multi-local strategy, the expansion of its overseas footprint and the growth of its real estate investment trust and fund management businesses. It will maintain a stringent focus on active capital management to achieve the best risk-adjusted returns for its shareholders. Going forward, the Group will benefit from the economic opportunities presented by high-growth countries such as China, India and Vietnam and a recovering Japan."

Liew Mun Leong, President and CEO, CapitaLand Group, said, "Our multi sector presence in the key markets has contributed to a stable and diversified income stream for the Group. In Singapore, the strong economic growth has benefited all our business units. In China, by taking a long term view of our investments, we have built strong foundations in the key cities of Shanghai, Beijing and Guangzhou. We have also expanded our footprint to Chengdu to widen the base for our homebuyer markets in the secondary cities. In Australia, Australand continues to be a steady contributor to our income stream. In these countries including Thailand, we have sold over 2,500 homes in the first half of the year.

In the next few years, the earnings profile will be enhanced by increasing contributions from our Asian retail mall operations for which we are a market leader, and our fund management businesses. Upon the completion of the acquisition of Raffles City by CapitaCommercial Trust and CapitaMall Trust, and the rolling out of our fund pipeline, we are likely to be ahead of our assets under management (AUM) target of S\$13 billion by 2007. The long-term outlook for our businesses in Singapore and the other overseas markets remains favourable. The Group is confident that it 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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