



# CapitaLand Group Half Year 2006 Results



3 August 2006



# 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.

# Liew Mun Leong

## Group President & CEO



## Results Overview





# 1H 2006 – Solid Foundation for Long-Term Growth

- **Strong PATMI of S\$288.7 million, up 35% y-o-y**
- **Multi-local strategy drives sustainable overseas earnings**
  - Overseas: 73% of Group EBIT
  - Multi-sector China business: S\$228m EBIT, **↑ 63% YoY**
  - Singapore: S\$144m EBIT, **↑ 31% YoY**
- **Growing the Financial Services business unit**
  - Achieved AUM of S\$8.7b, **↑ 34% YoY**
  - Higher recurring fees led to 36% YoY increase in EBIT
- **Active capital management**
  - Paid 6 ¢ core dividend + 12 ¢ special dividend
  - Strong financial capacity: D/E of 0.55

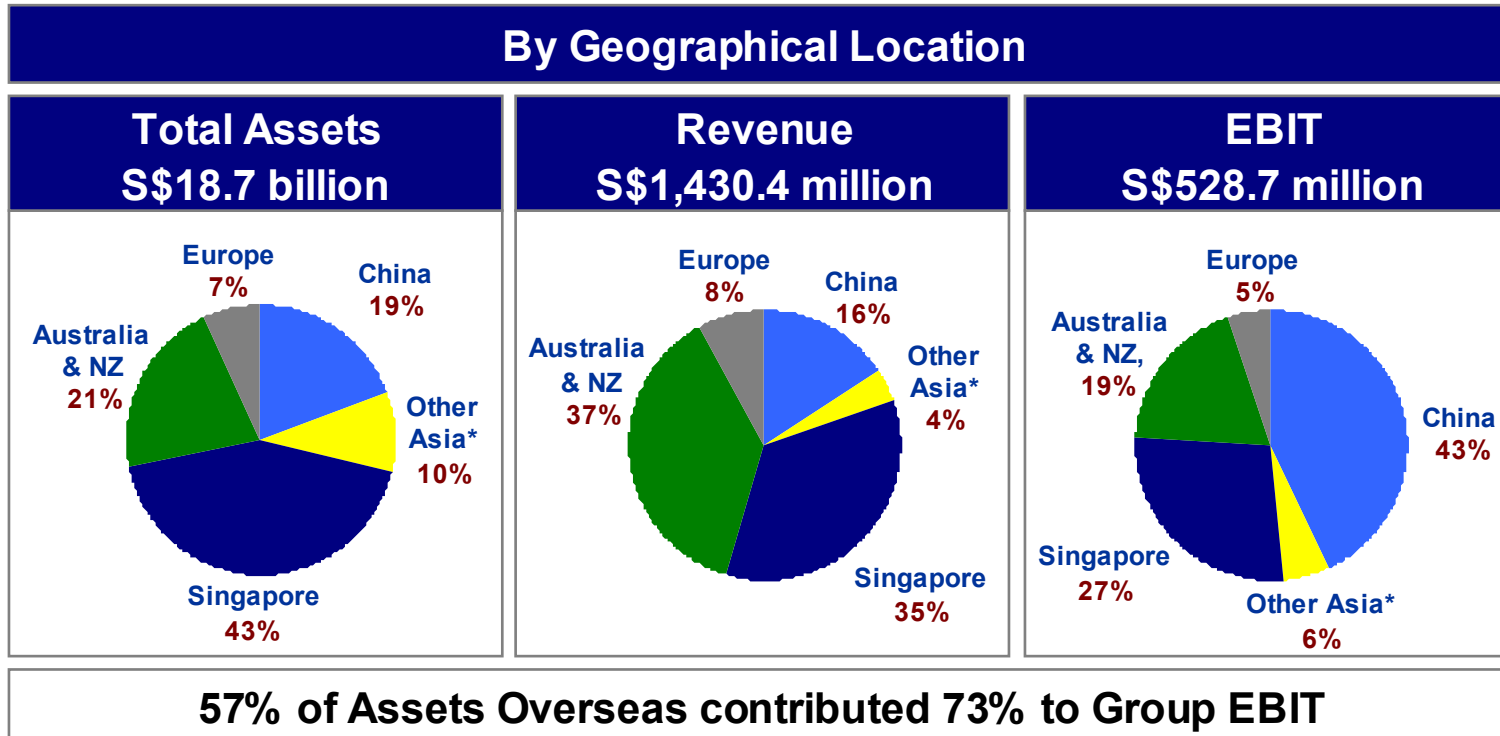


# 1H 2006 – Profit Growth

|                            | 1H 2005 | 1H 2006 | Change  |
|----------------------------|---------|---------|---------|
| <b>PATMI (S\$ million)</b> | 213.6   | 288.7   | ↑ 35.2% |
| <b>EPS (S cents)</b>       | 8.3     | 10.5    | ↑ 26.5% |
| <b>NTA / share (S\$)</b>   | 2.13    | 2.33    | ↑ 9.4%  |



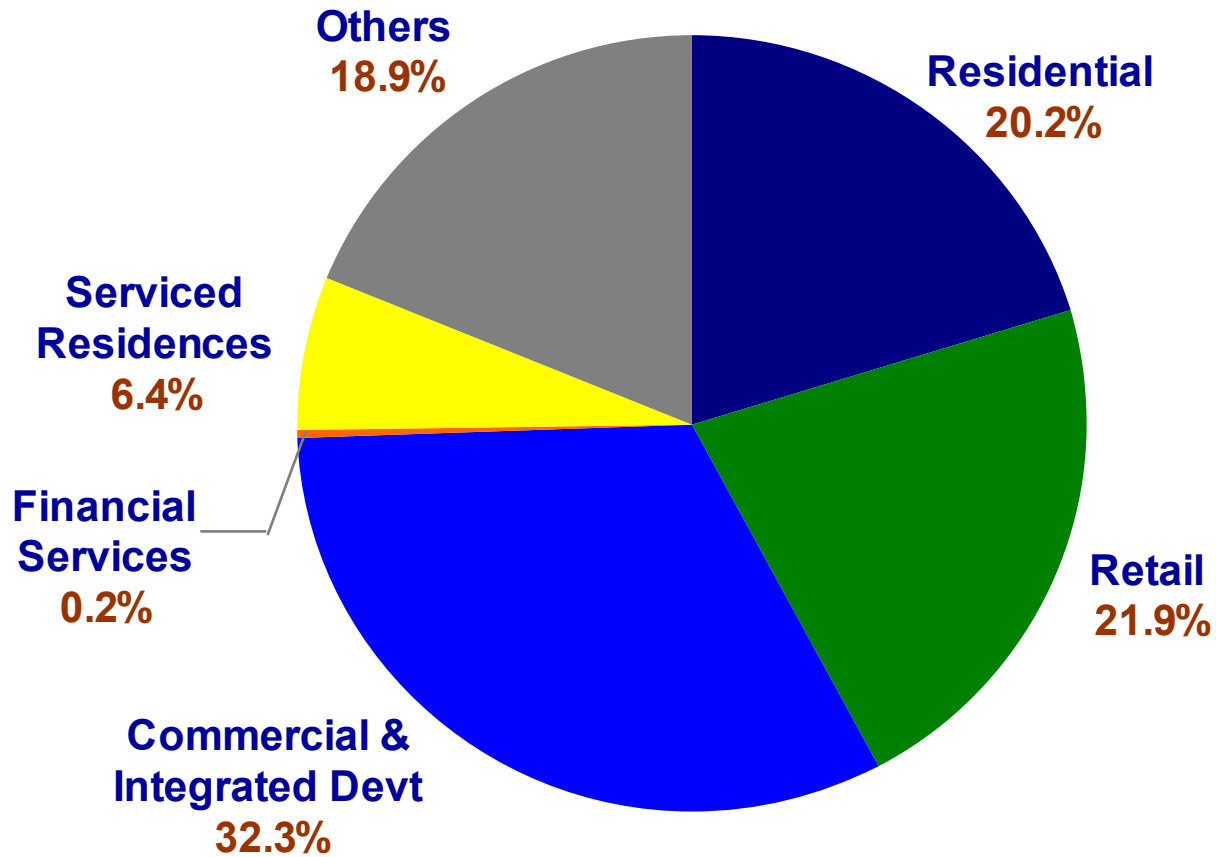
# 1H 2006 – Overseas Contribution



*\* Includes HK, Indonesia, Japan, Malaysia, Philippines, Thailand & Vietnam*

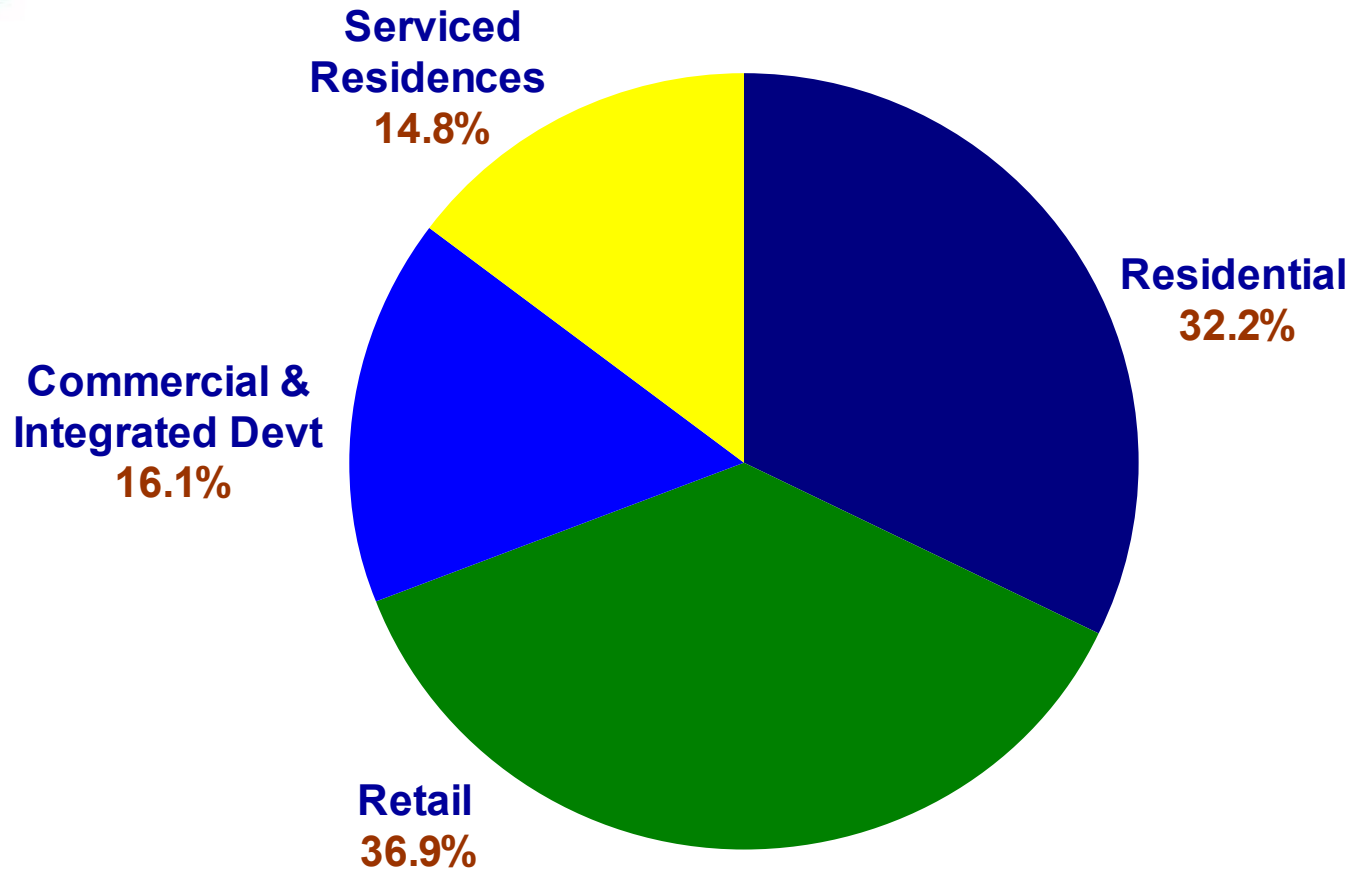


## Asset Allocation – Singapore (S\$ 8.1b)





## Asset Allocation – China (S\$ 3.6b)





# Highlights



Cap/taLand



## Residential – Healthy Sales

| Project  | Units sold<br>(1H 2006) | Total value<br>(S\$ million) |
|--|-------------------------|------------------------------|
| <b>Singapore</b>   | <b>327</b>              | <b>371</b>                   |
| <b>China</b>   | <b>770</b>              | <b>193</b>                   |
| <b>Thailand</b><br>(T.C.C. Capital Land<br>40% JV company) | <b>397</b>              | <b>153</b>                   |
| <b>Australia</b><br>(Australand:<br>54% subsidiary)        | <b>1,085</b>            | <b>491</b>                   |
| <b>Total</b>   | <b>2,579</b>            | <b>1,208</b>                 |





## Retail – Leading Presence in Asia

| Country  | Operational Malls (excluding pipeline)  | # Malls   |
|--|---|-----------|
| <b>Singapore</b>   | <ul style="list-style-type: none"><li>● Largest retail mall manager &amp; operator</li><li>● NLA: over 5.3m sq ft</li><li>● Asset value of S\$5.6b</li></ul>          | <b>15</b> |
| <b>China</b>   | <ul style="list-style-type: none"><li>● Strong partners (Wal-mart; Beijing Hualian)</li><li>● NLA: Over 3.3m sq ft</li><li>● Asset value of approx S\$ 830m</li></ul> | <b>7*</b> |
| <b>Japan</b>   | <ul style="list-style-type: none"><li>● Malls located in Hokkaido, Osaka &amp; Tokyo</li><li>● NLA: 1.2m sq ft</li><li>● Asset value of S\$548m</li></ul>             | <b>4</b>  |
| <b>Malaysia</b>  | <ul style="list-style-type: none"><li>● Management of Gurney Plaza in Penang</li><li>● NLA: about 700,000 sq ft</li></ul>   | <b>1</b>  |
| <b>27 operational malls with over 10.3 million sq ft NLA</b> |   |           |



## Retail – Unique expertise creates value Clarke Quay transformed

- **Phase two of S\$80m revamp completed in May**
  - Revitalised into premier F&B, entertainment & lifestyle riverfront precinct
  - Final phase to be completed by October 2006
- **Preferred destination for tourists & locals**
  - 100% increase in visitors' traffic to 400,000 per month
  - More than 85% committed occupancy
  - Target occupancy: close to 100% by end-2006







# Retail – Strategic Beijing Expansion

## Xihuan Plaza Retail Mall Acquisition

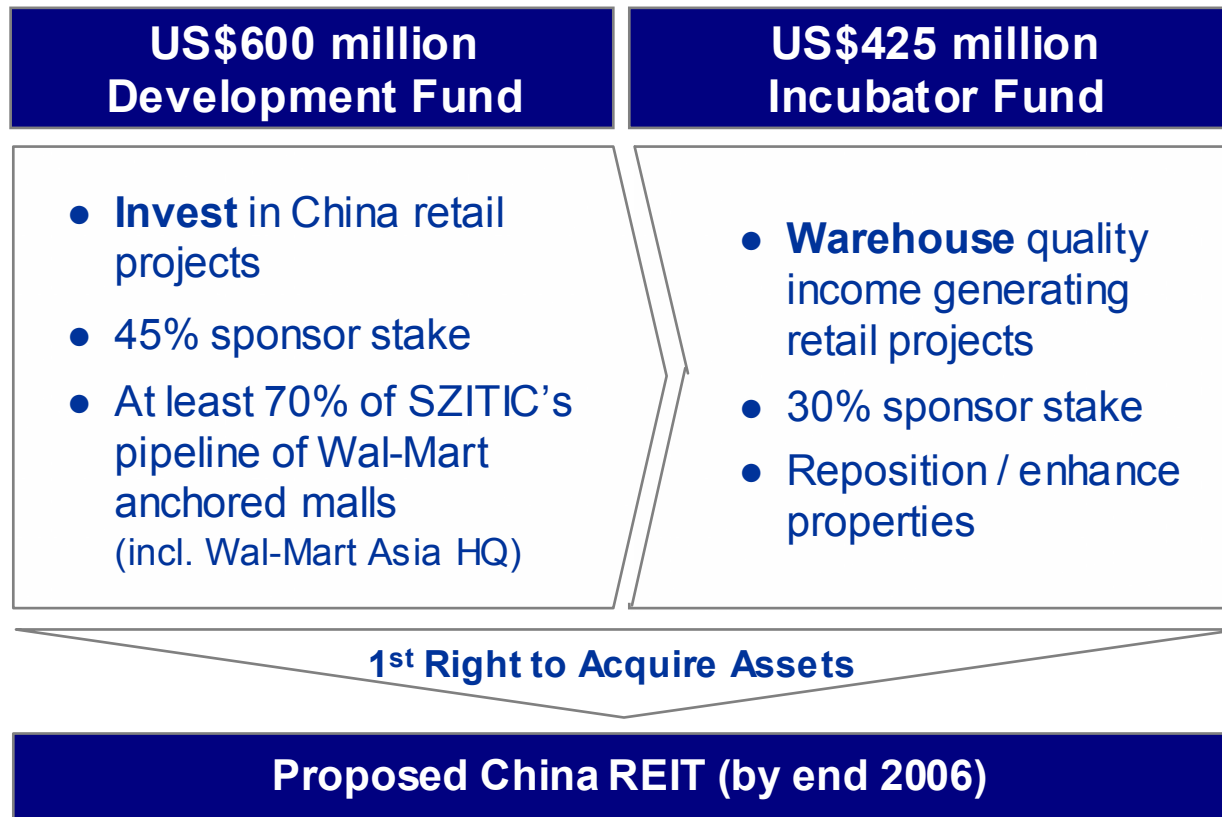
- **Integrated landmark development at key transportation hub (Xizhimen)**
  - Retail mall comprises 2 phases (780,000 sq ft & 150,000 sq ft respectively)
  - Phase 1: Currently completed (operational by Q1 2007)
  - Phase 2: Direct connectivity to MRT (completion by 2008)
- **Beijing Hualian as anchor tenant**





# Retail – Integrated Fund Strategy

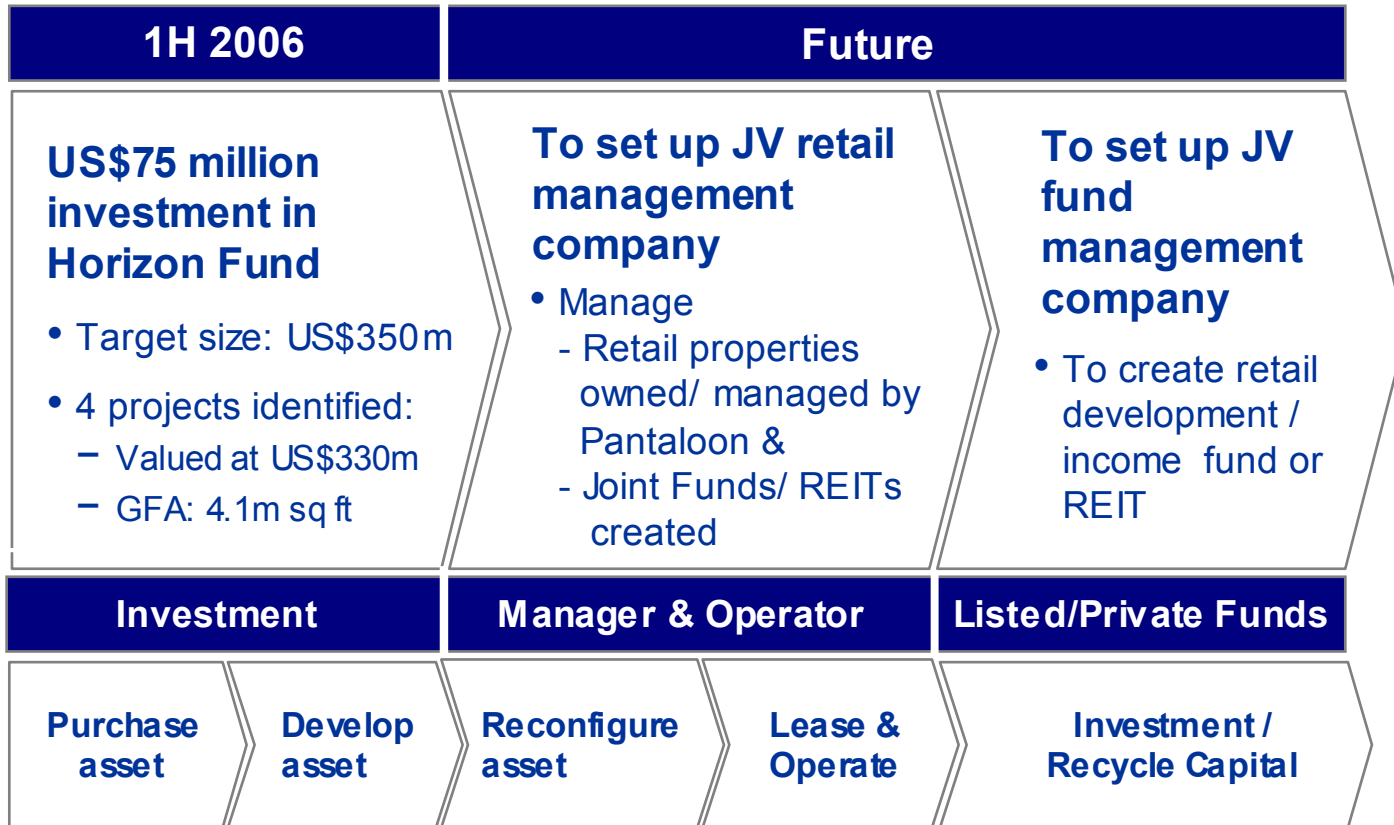
Capital efficient model





# Retail – Pantaloon Joint Venture (JV)

## Platform Replicates Integrated Retail Strategy





# Commercial – Quality Portfolio

## Singapore

- **Commercial portfolio of S\$4.8b\***
  - Net Lettable Area: 440,000 sq m \*
- **Strong office rental performance**
  - 95% occupancy: above island average
  - Committed rent outperformed micro-market
- **Close to 100% support for Raffles City acq.**
  - Affirms alignment of management & shareholders' interests

## Hong Kong

- **ALG Tower fully leased**
  - Rents achieved amongst the highest in Hong Kong

\* Total book value of wholly and non-wholly owned commercial properties





# Commercial – Quality Portfolio

## China

- **Raffles City Shanghai**
  - Close to full occupancy
- **Capital Tower Beijing: flagship office**
  - TOP in June 2006
  - International Grade ‘A’
  - One of the largest floor plate: 3,200 sq m
  - GFA: 100,000 sq m
  - Strong interest from Fortune 500 companies



Beijing Office Lobby



Capital Tower Beijing (Plaza)



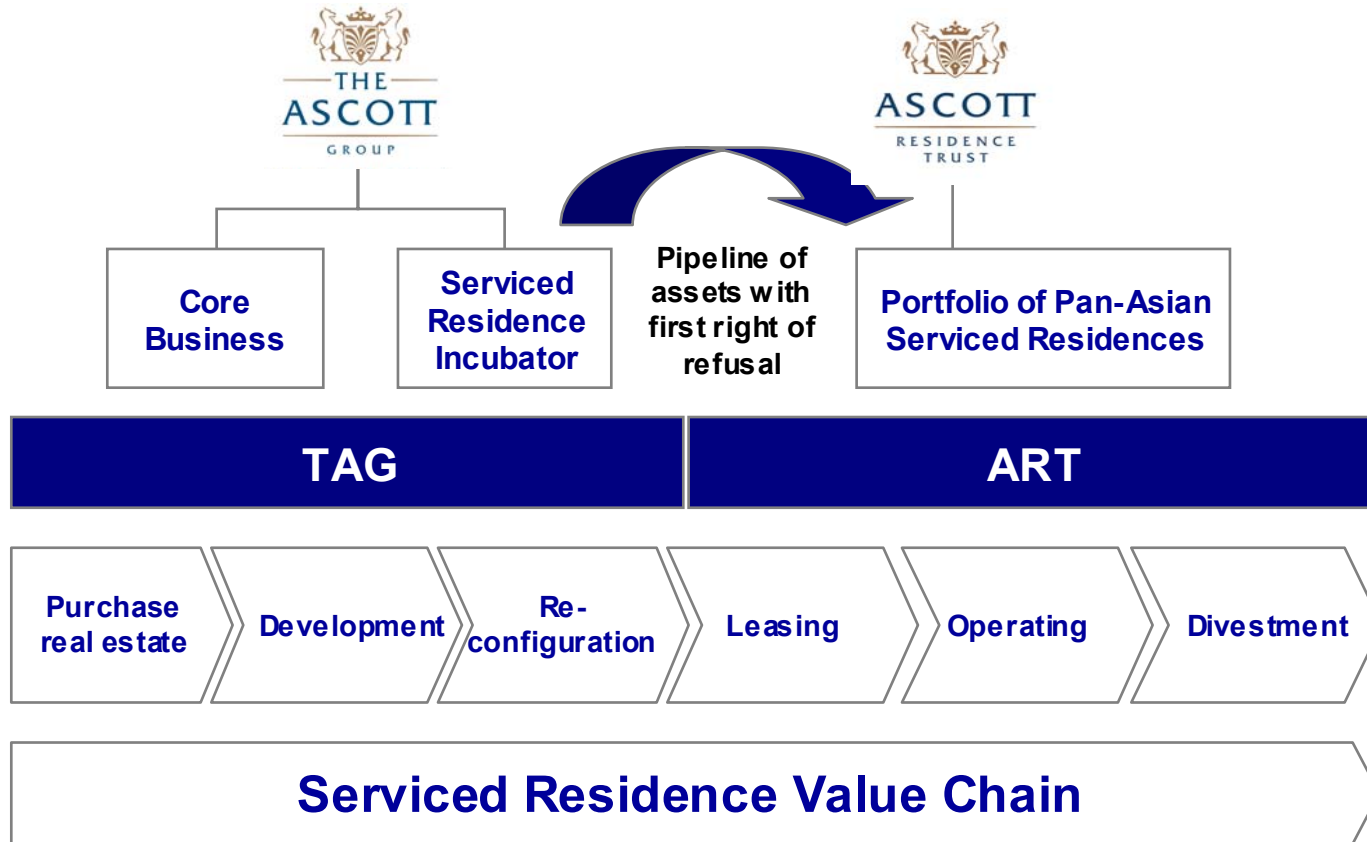
## Financial Services – Growing Strong

- **Strong EBIT growth**
  - S\$25.5m EBIT: ↑36% YoY
- **S\$8.7b AUM delivered higher recurring fund management fees**
- **Continued to build track record**
  - Joint advisor for successful listing of Ascott Residence Trust
  - Formed China retail development & incubator funds worth over US\$1b





# The Ascott Group – Capital Efficient Business Model





# The Ascott Group – Growth Strategy

- **Strategic divestments**
  - Liang Court Shopping Centre, Singapore
  - The Ascott Mayfair, London
    - › Expected completion in 2H 2006.
- **Acquired Asia Insurance Building**
  - Flagship for Ascott in Singapore's CBD
- **Aggressive Asian expansion via Citadines**
  - China: Secured 4 new Citadines properties (Suzhou, Hong Kong and Xi'an)
  - Thailand: Secured 3 new Citadines in Bangkok
- **Middle East & North Africa**
  - Agreement for 15 or more properties by 2010
  - Opened Somerset Jadaf (Dubai)



The Ascott Beijing



Citadines Jinqiao, Shanghai



# Olivier Lim

## Group Chief Financial Officer



## Group Financials





# 1H 2006 Financial Results – Strong Earnings

| S\$ million        | 1H 2005 | 1H 2006 | Change  |
|--------------------|---------|---------|---------|
| <b>Revenue</b>     | 2,095.5 | 1,430.4 | ↓ 31.7% |
| <b>EBIT</b>        | 414.4   | 528.7   | ↑ 27.6% |
| <b>PBT</b>         | 283.7   | 385.1   | ↑ 35.7% |
| <b>PATMI</b>       | 213.6   | 288.7   | ↑ 35.2% |
| <b>EPS (cents)</b> | 8.3     | 10.5    | ↑ 26.5% |



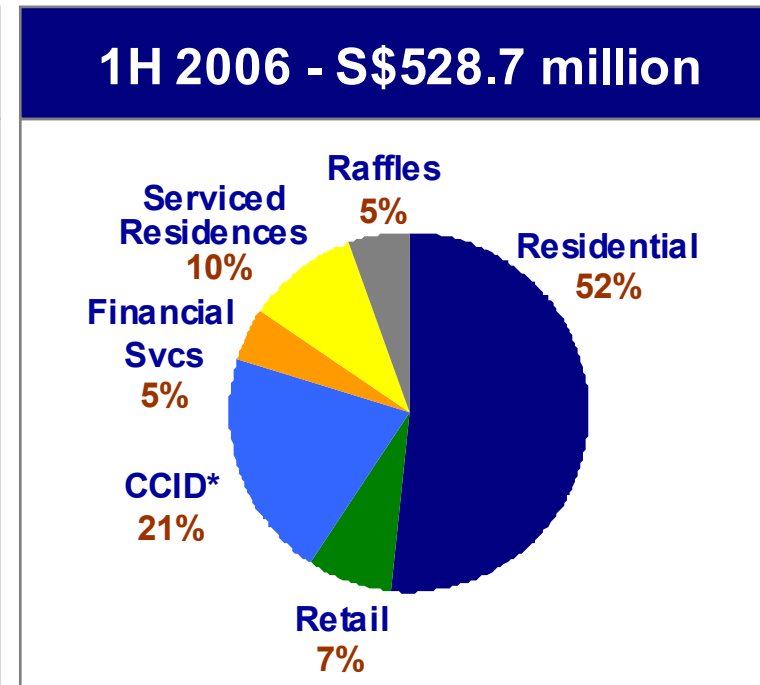
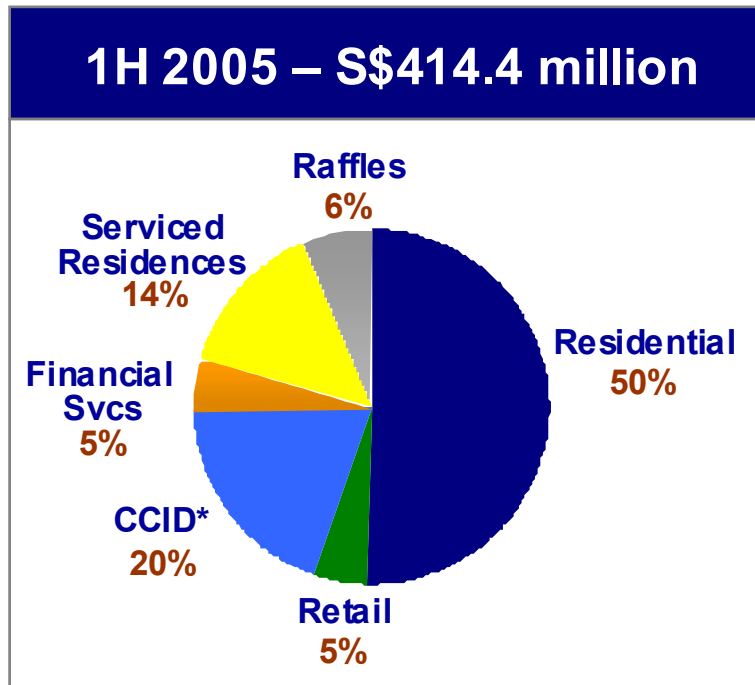
# Growth in Continuing Operations

| S\$ million               | 1H 2005 | 1H 2006 | Change  |
|---------------------------|---------|---------|---------|
| <b>PATMI</b>              | 213.6   | 288.7   | ↑ 35.2% |
| <b>PATMI (Cont. Ops)*</b> | 168.8   | 280.3   | ↑ 66.1% |

\* Excludes (1) contributions from PREMA S & the hotel business for 1H 2005 (S\$13.6m) and (2) divestment gains (1H 2005: S\$31.2m ; 1H 2006: S\$8.4m)



## EBIT Contributions by SBUs – Balanced Portfolio



\* CCID – Commercial & Integrated Development





## EBIT by SBUs

| (S\$ million)                          | 1H 2005 | 1H2006 | Change  |
|--|---------|--------|---------|
| <b>Residential</b>                     | 202.3   | 277.2  | ↑ 37.0% |
| <b>CCID *</b>                          | 78.2    | 111.2  | ↑ 42.1% |
| <b>Retail</b>                          | 20.8    | 39.9   | ↑ 91.7% |
| <b>Financial Svcs</b>                  | 18.7    | 25.5   | ↑ 36.4% |
| <b>Serviced Residences<sup>1</sup></b> | 57.9    | 53.6   | ↓ 7.5%  |
| <b>Raffles Holdings</b>                | 25.3    | 29.9   | ↑ 18.0% |
| <b>Others &amp; Consol Adj</b>         | 11.1    | (8.5)  | N.M.    |
| <b>Total EBIT</b>                      | 414.4   | 528.7  | ↑ 27.6% |

\* CCID – Commercial & Integrated Development

1. Inclusive of both The Ascott Group and Ascott Residence Trust



# Financial Capacity

|                               | 1H 2005 | 1H 2006 | Change       |
|-------------------------------|---------|---------|--------------|
| <b>Net Debt (S\$ billion)</b> | 5.13    | 4.97    | Improved     |
| <b>Equity (S\$ billion)</b>   | 7.90    | 9.09    | Improved     |
| <b>Net Debt / Equity</b>      | 0.65    | 0.55    | Improved     |
| <b>% Fixed Rate Debt</b>      | 75.0    | 61.0    | Satisfactory |



# Debt Coverage

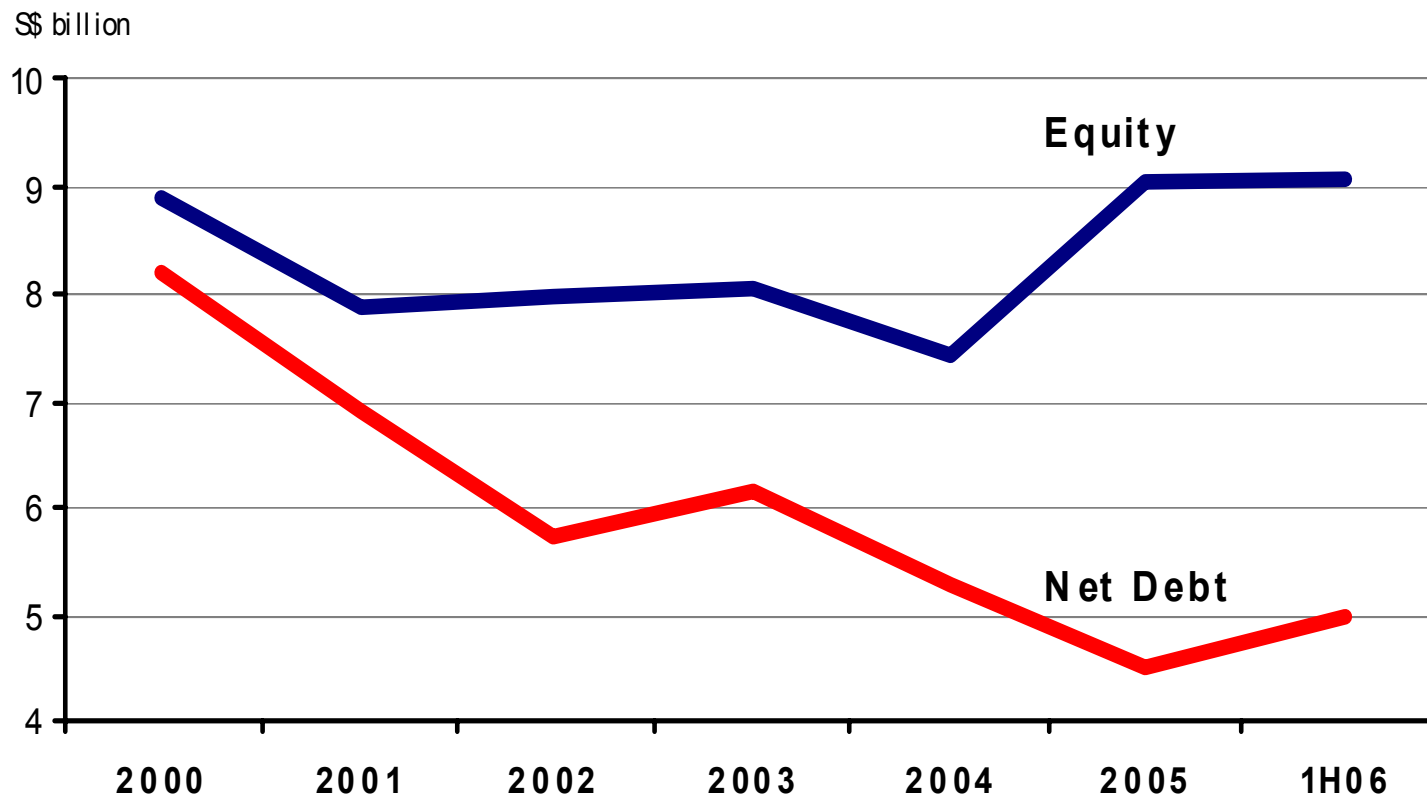
|                              | 1H 2005 | 1H 2006 | Change       |
|------------------------------|---------|---------|--------------|
| Finance Cost (S\$ million)   | 130.7   | 143.6   | + 9.9%       |
| Interest Cover Ratio (ICR)   | 5.55    | 6.47    | Improved     |
| Interest Service Ratio (ISR) | 8.57    | 3.63    | Satisfactory |

$$\text{ICR} = \frac{\text{EBITDA}}{\text{Net Interest Expense}}$$

$$\text{ISR} = \frac{\text{Operating cashflow}}{\text{Net Interest Paid}}$$



# Financial Capacity



# Latest Real Estate Policies in China



**Update**



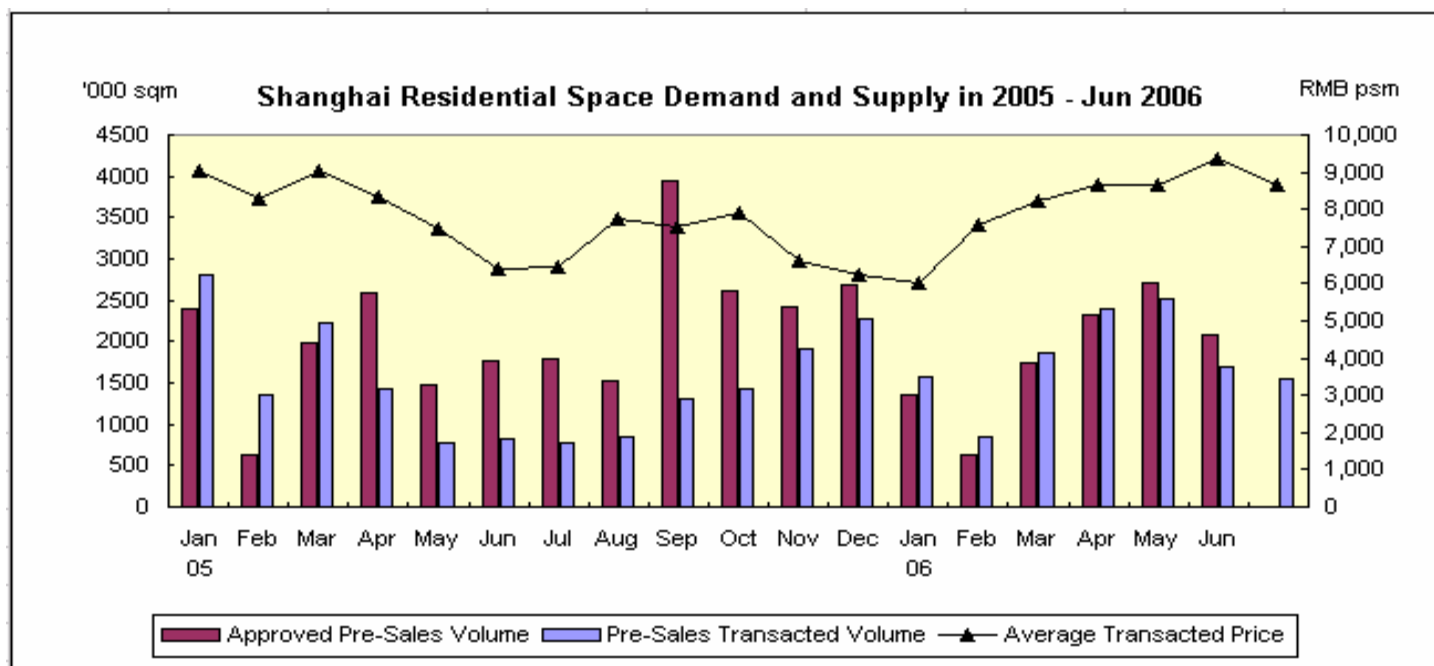


## **Outline of Brief**

- **Impact on Shanghai/Beijing/Guangzhou**
- **Impact on Our Business**
- **Our Action Plan**

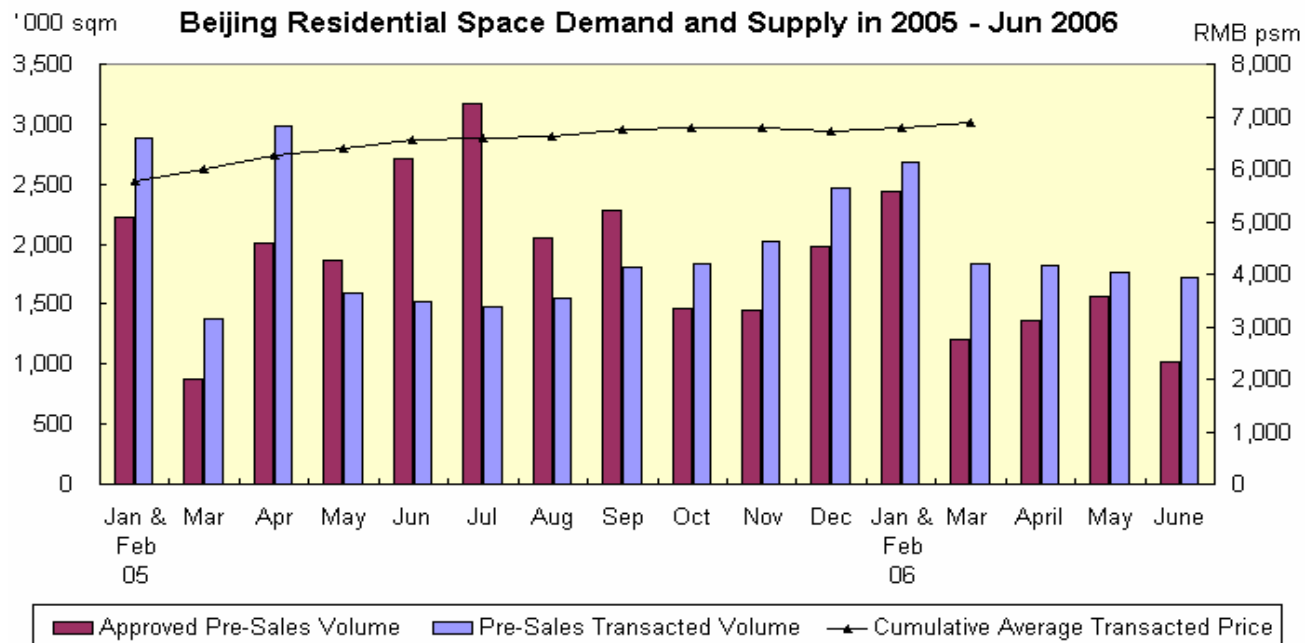
# The impact on Shanghai

| SH     | Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  |
|--------|------|------|------|------|------|------|------|
| Supply | 1350 | 640  | 1250 | 2320 | 2710 | 2070 |      |
| Demand | 1570 | 850  | 1860 | 2390 | 2510 | 1690 | 1540 |
| Price  | 6019 | 7583 | 8204 | 8645 | 8643 | 9330 | 8670 |



# The impact on Beijing

| BJ     | Jan&Feb | Mar  | Apr  | May  | Jun  |
|--------|---------|------|------|------|------|
| Supply | 2433    | 1198 | 1567 | 1024 | 2070 |
| Demand | 1682    | 1841 | 1767 | 1717 | 1690 |







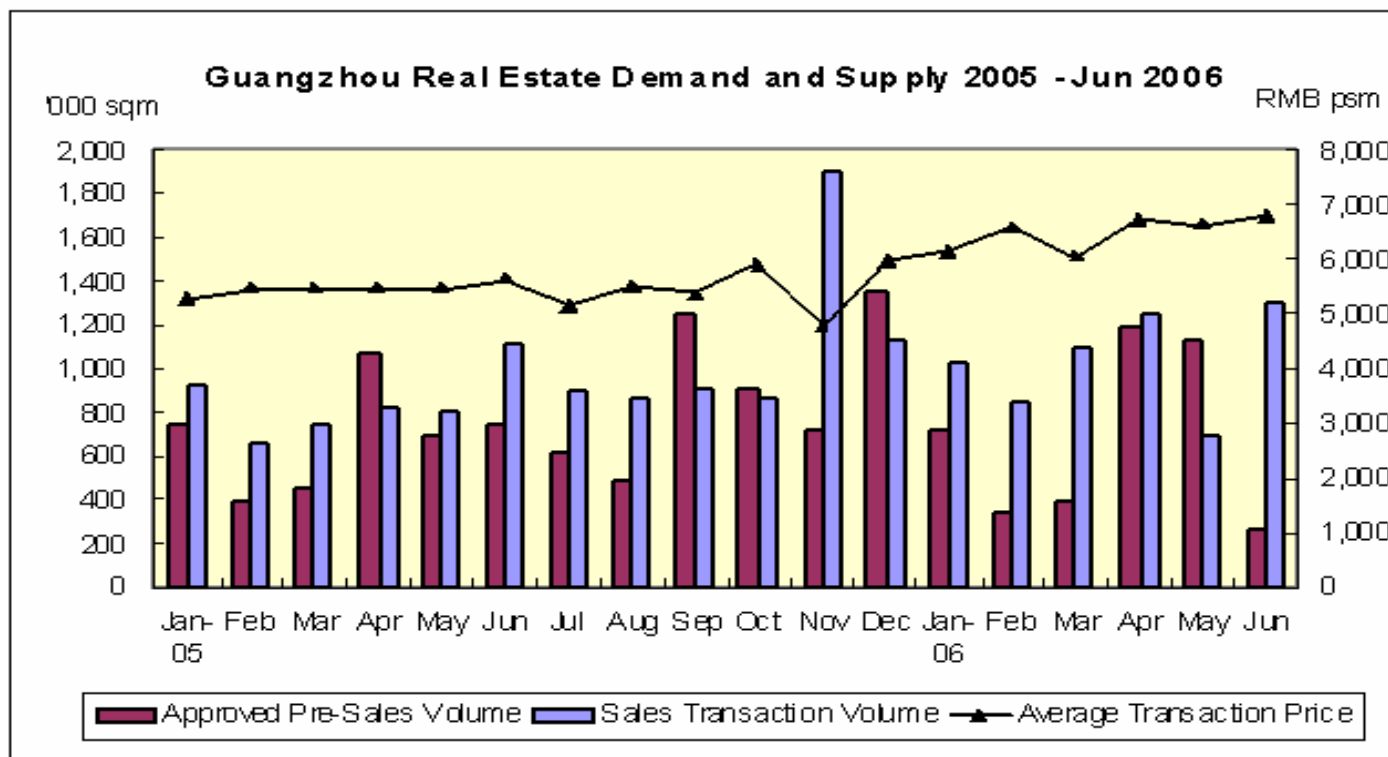
## The impact on Guangzhou

**GZ**

Demand

Price

|        | 06.Jan | 06.Feb | 06.Mar | 06.Apr | 06.May | 06.June |
|--------|--------|--------|--------|--------|--------|---------|
| Demand | 103    | 85     | 109    | 124    | 69     | 130     |
| Price  | 6134   | 6600   | 6043   | 6719   | 6629   | 6795    |

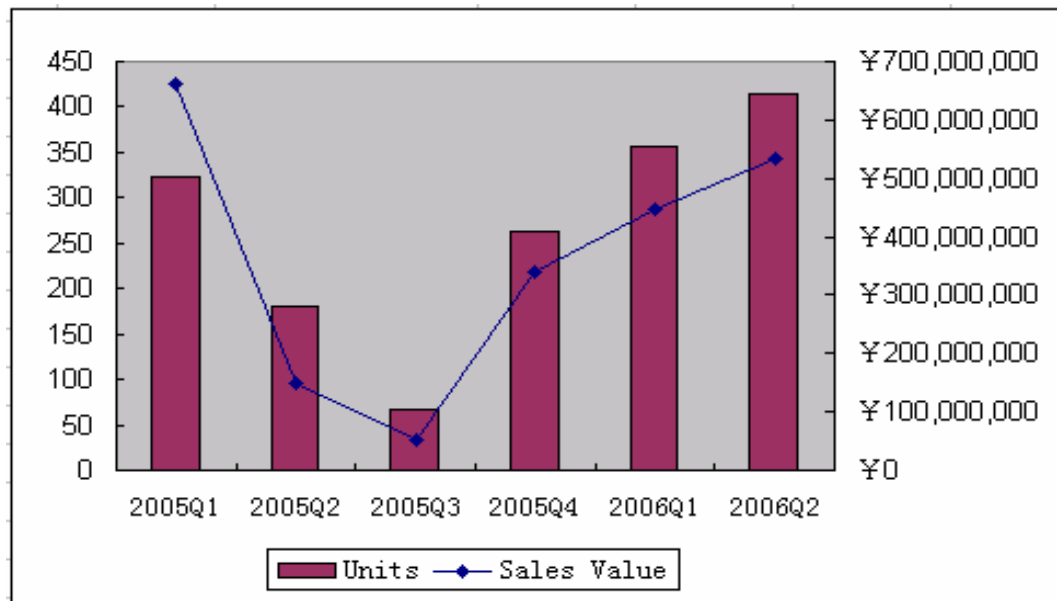




# Impact on CapitaLand

## 1. Residential sales

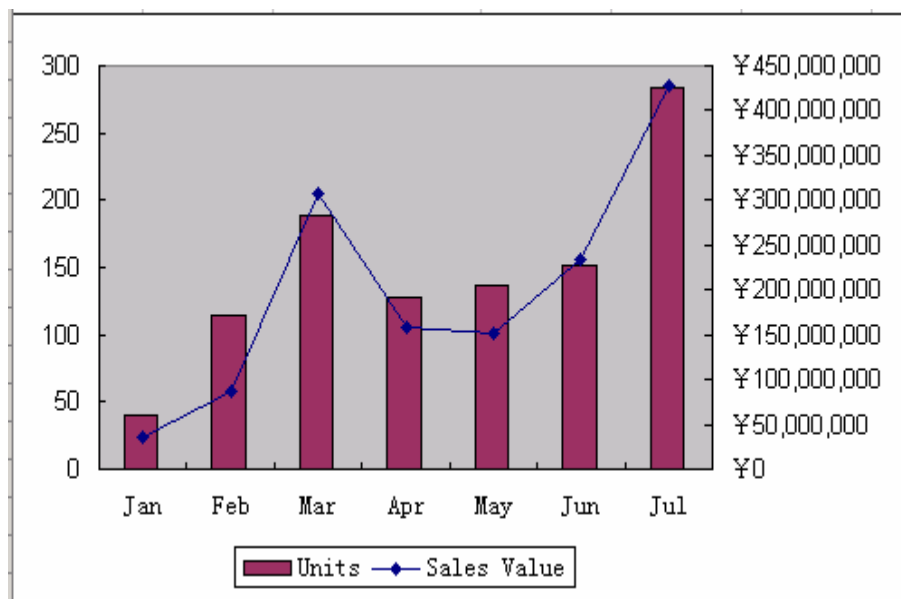
Quarter by Quarter sales figure since 2005





# Impact on CapitaLand

Month by month sales figure for 2006 up to July



## Buyer profile of CCH projects

|                         |       |
|-------------------------|-------|
| Local buyers            | > 90% |
| HK/Taiwanese/<br>Others | < 10% |

## Impact on PATMI

If sales price drop by 10%:

**S\$2 to S\$3 million**

If vol. drops by 30%:

**about S\$8 to S\$9 million**

If both impact:

**about S\$10 to S\$12 million**



# Impact on CapitaLand

## 2. Capital Structure – 50% registered capital

### For residential portfolio

- More onshore cash needed
- Impact may be mitigated via cash management onshore

### Retail, commercial projects

- Less tax shield
- Less shareholders' loan => harder to repatriate cash trapped onshore



## Impact on CapitaLand

- 3. Long-term investment opportunities at reasonable values**  
*Entry barrier significantly raised for both local and foreign players*
- 4. No significant impact on capital values of existing assets**



# **Our Actions**

## **Business Aspect:**

- 1. Continue to focus on owner occupation and local market**
- 2. Selective participation in Economical Housing projects**
- 3. Review capital structure in view of new requirement – particularly for long term commercial projects**

## **Our Business Position:**

- 1. Long term investor/developer**
- 2. Socially responsible developer/investor**

# Going Forward



Cap/taLand



# Drivers for Sustainable Growth

## Multi-Sector, Geographical Spread, Diversified Income Streams

### China Diversified Growth

Multi-sector; Multi-region;  
Long-term commitment

### Singapore Reflation

Multi-sector quality portfolio;  
43% of total assets

### Leading Mall Owner & Operator

Singapore, China, India & Japan

### Financial Services

1st mover; Integrated business model;  
Good flows & access to global capital

### New Markets

E.g. Thailand, India, Vietnam, Malaysia  
and Bahrain





# China Diversified Growth – Strategic Residential Expansion

**Pipeline of up to 35,000 units  
in high-growth regions**

- **South Western China**
  - Chengdu Zhixin JV
    - › 25,000 mid-end units
- **Pearl River Delta**
  - 20% stake in Lai Fung
    - › 1 million sqm landbank
  - Jinshazhou site, Guangzhou
    - › 3,000 units
- **Bohai Economic Rim**
  - 2 sites in Chaoyang, Beijing
    - › 1,100 units
- **Yangtze River Delta**
  - Hangzhou site
    - › 1,200 units

\* Above examples highlight only key devts in addition to existing developments.



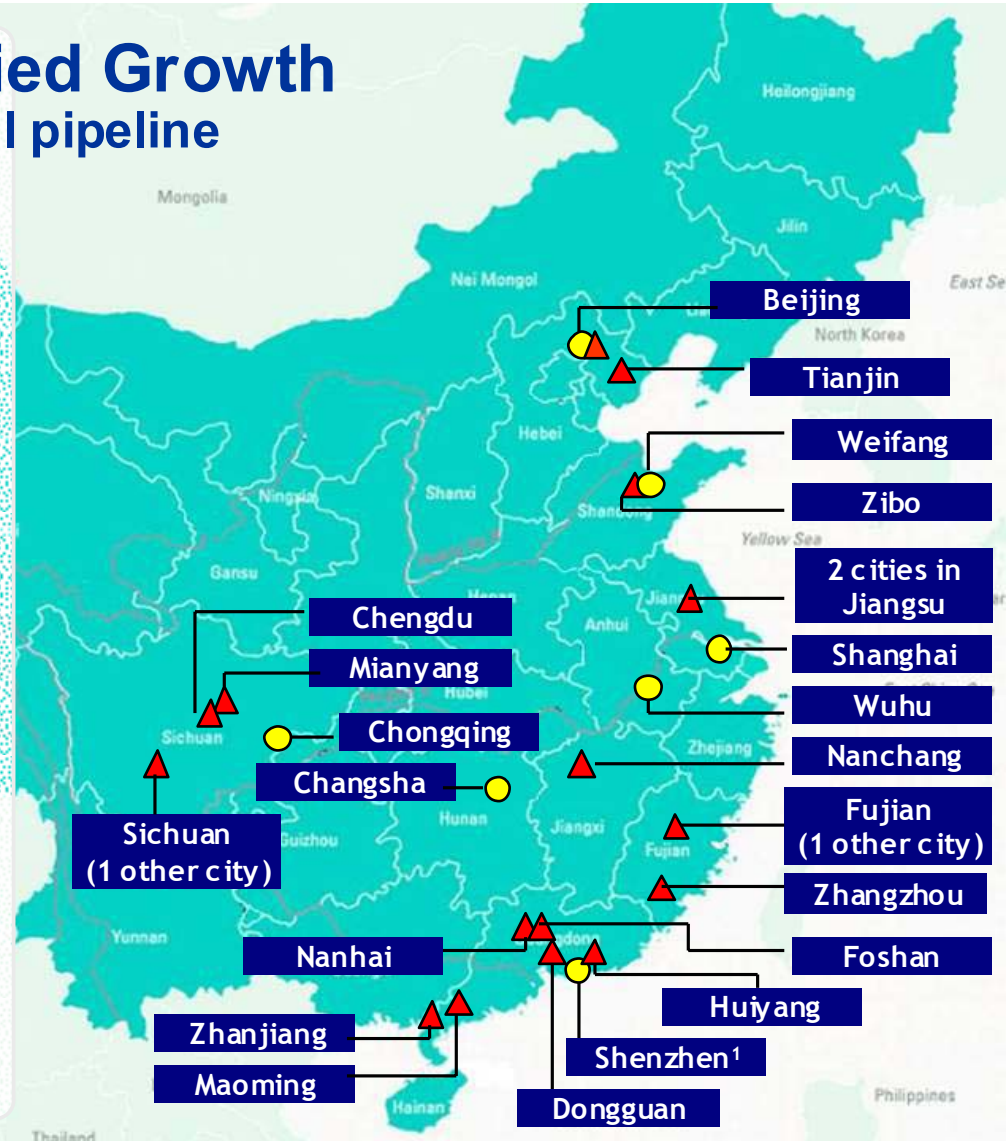


# China Diversified Growth – Secured mall pipeline

Approximately 30 malls in 25 cities (over 16 million sq ft)

● Operational (as at 1H 2006)

▲ Other retail malls in the pipeline



<sup>1</sup> Phase 1 of Wal-Mart Asia Pacific HQ





# China Diversified Growth

– Mixed Devt. Strategy using “Raffles City” brand

- **Mixed development (office, retail, residential & serviced residences)**
  - 97,665 sqm above ground; 48,263 sqm below ground
- **Diagonally across busiest transportation hub in Beijing**
  - Bustling area of Dongzhimen (东直门), 2nd Ring

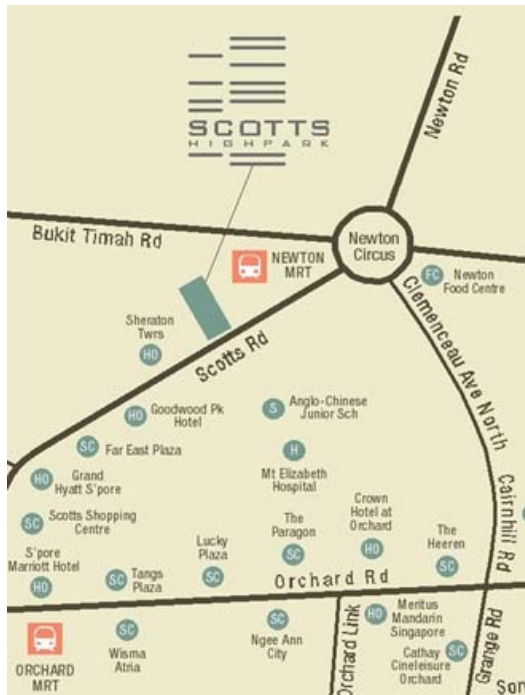




# Singapore Reflation

## – Quality Residential Projects

- **Scotts HighPark**
  - 2 residential towers (73 freehold units)
  - Penthouse series: 27-storey tower with luxurious apartments
    - › Unprecedented feature of private verandas across apartment frontages
  - TOP early 2010



Scotts HighPark





# Singapore Reflation

## – Orchard Turn Mixed Development

- Design & construction awarded to Penta-Ocean (S\$478m)
- Over 1 million sq ft retail space & super luxury homes on completion
  - Tallest residential block in Orchard Road
- Completed S\$1.56 billion Syndicated Credit Facilities





# Singapore Reflation

## – Selegie Complex Redevelopment

- **Future lifestyle hub**
  - Comprises office, retail, SOHO and serviced residence
- **Taps traffic from Orchard Road & communities from NAFA & SMU**
- **Expected completion: 2008**





# Singapore Reflation – Timely Enhancements

- **Market Street Car Park**

- Established operators
  - › e.g. Coffee Club, 7-Eleven etc.
- Forecast rent of S\$11.50 per sq ft per month (at 100% occupancy)
- September 2006 completion

- **Golden Shoe Car Park**

- Overwhelming demand for space
  - › e.g. Killiney Kopitiam, Times Bookshop etc.
- Targeting full occupancy by end-2006
- Forecast rent of S\$13.80 per sq ft per month (at 100% occupancy)
- Phased completion:
  - › December 2006 / March 2007





# Singapore Reflation

## – Sentosa Integrated Resort Bid

- **Partnering Kerzner (to bid & develop integrated family-oriented resort on Sentosa)**
  - Sol Kerzner: significantly transformed tourism industry in
    - › South Africa (Sun City Resort) ; Bahamas (Atlantis, Paradise Island)
  - The Atlantis brand: top warm weather family destination in North America
- **Legendary Frank O. Gehry appointed principal architect and designer**
  - Winner of Pritzker Architecture Prize (“Nobel Prize” of architecture)
  - Renowned for landmark tourist attractions like the:
    - › Guggenheim Museum (Bilbao, Spain) & Jay Pritzker Pavilion (Chicago)



Atlantis, Paradise Island (Bahamas)

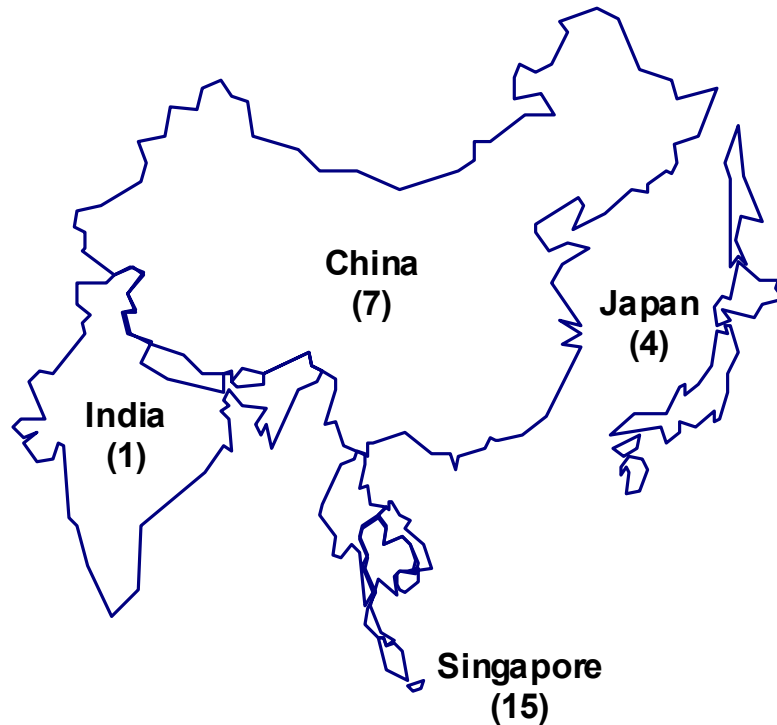


Guggenheim Museum (Bilbao, Spain)





# Asian Mall Growth – Strong Pipeline



( ) indicates operational malls as at 1H 2006

| Country          | Pipeline   |
|------------------|--|
| <b>Singapore</b> | <ul style="list-style-type: none"> <li>● <b>Raffles City</b> (by Aug 2006)</li> <li>● <b>VivoCity</b> (Oct 2006)               <ul style="list-style-type: none"> <li>– Retail devt. manager</li> </ul> </li> <li>● <b>Orchard Turn</b> (4Q 2008)</li> </ul> |
| <b>China</b>     | <ul style="list-style-type: none"> <li>● <b>&gt;50% of 21 Wal-Mart malls</b> to open by end 2006</li> <li>● Strong pipeline to grow</li> </ul>   |
| <b>Japan</b>     | <ul style="list-style-type: none"> <li>● Capacity to grow asset size to over US\$1.3b               <ul style="list-style-type: none"> <li>– CapitaRetail Japan Fund</li> </ul> </li> </ul>  |
| <b>India</b>     | <ul style="list-style-type: none"> <li>● 50 malls in 2 to 3 years               <ul style="list-style-type: none"> <li>– across 30 cities; 14 states</li> <li>– assets worth US\$1.2b.</li> <li>– GFA of over 15m sq ft</li> </ul> </li> </ul>               |

# Financial Services – High AUM Growth

- **S\$13 billion AUM by 2007: Ahead of target**
  - Additional S\$2.2b AUM on completion of Raffles City acquisition (3Q2006)
  - Further growth in AUM through 2 new China Retail Funds
- **Proposed China REIT (by end 2006)**
  - Listing on Singapore Exchange
- **Continue to seek yield accretive properties in Japan & Malaysia**
  - Strengthen existing private real estate fund portfolio



Market City, Mumbai (Artist's Impression)



## New Markets – Residential

- **India (Runwal Group JV)**
  - 1st project in Mumbai
  - 49% stake in development with over 500 units
  - Launch-ready in 2H 2006
- **Vietnam, Ho Chi Minh City**
  - 1st project in An Phu District 2 (80% stake)
  - Estimated 1,100 units to be built
  - 1<sup>st</sup> phase launch-ready in 1H 2007
  - Representative office currently operational
- **Malaysia**
  - Freehold development near KLCC (Jalan Mayang)
    - › CL - 30% stake & UM Land - 35% stake
  - Launch-ready in 2007







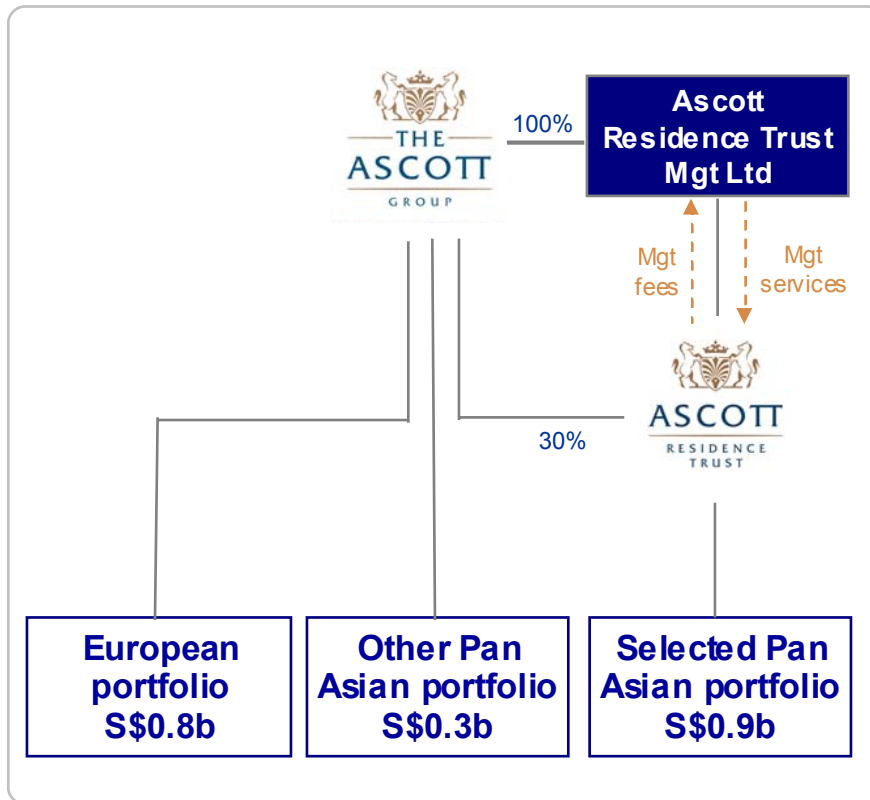
## New Markets – Commercial Manama, Bahrain

- **MOU – up to 30% stake in prime integrated development within Bahrain Bay**
  - Site area: 45,500 sqm; GFA: about 230,000 sq m
  - To comprise residential, serviced apartment, retail & leisure components
- **Bahrain Bay – landmark US\$1.5b development project**
  - Will span over 1.1m sq m when completed in 2010
  - Only real estate development in Bahrain with > US\$600m in foreign investments





# The Ascott Group – New Growth Platform



## The Ascott Group Ltd

- Achieve 25,000 units by 2010
- Focus on mgmt svcs & incubation of properties for injection into ART
- Deliver high returns through increasing fee-based income & unlocking portfolio value
  - Serviced residence revenue (owned & managed)
  - REIT manager fees
  - Gains from portfolio mgmt

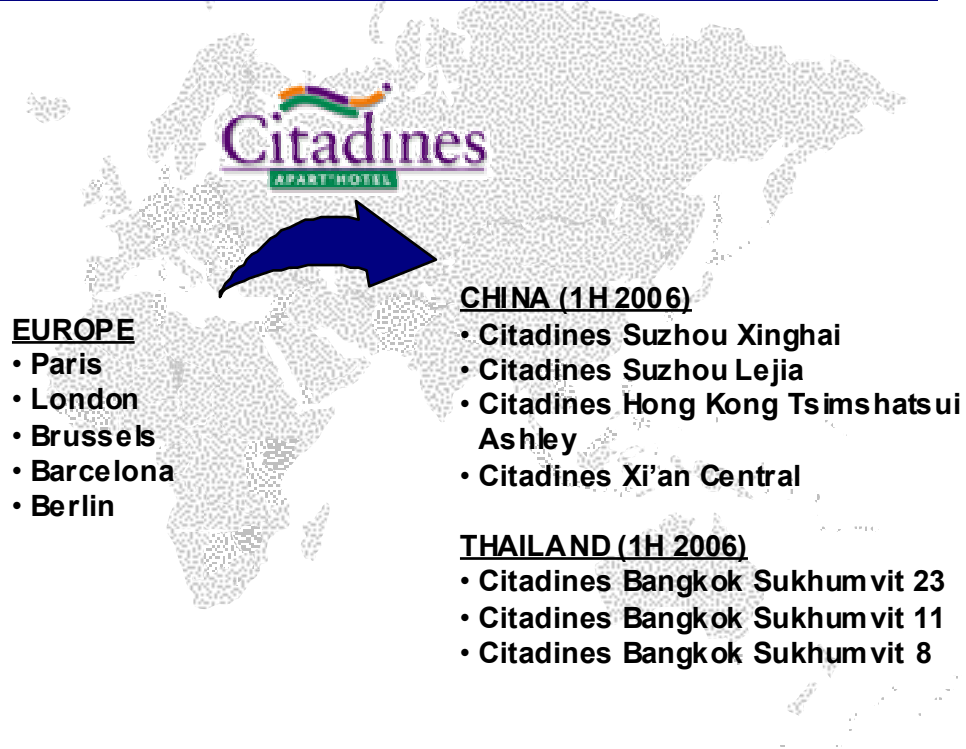
## Ascott Residence Trust

- Capital-efficient asset-owning vehicle
- Acquisition platform
- Deliver stable & growing distributions

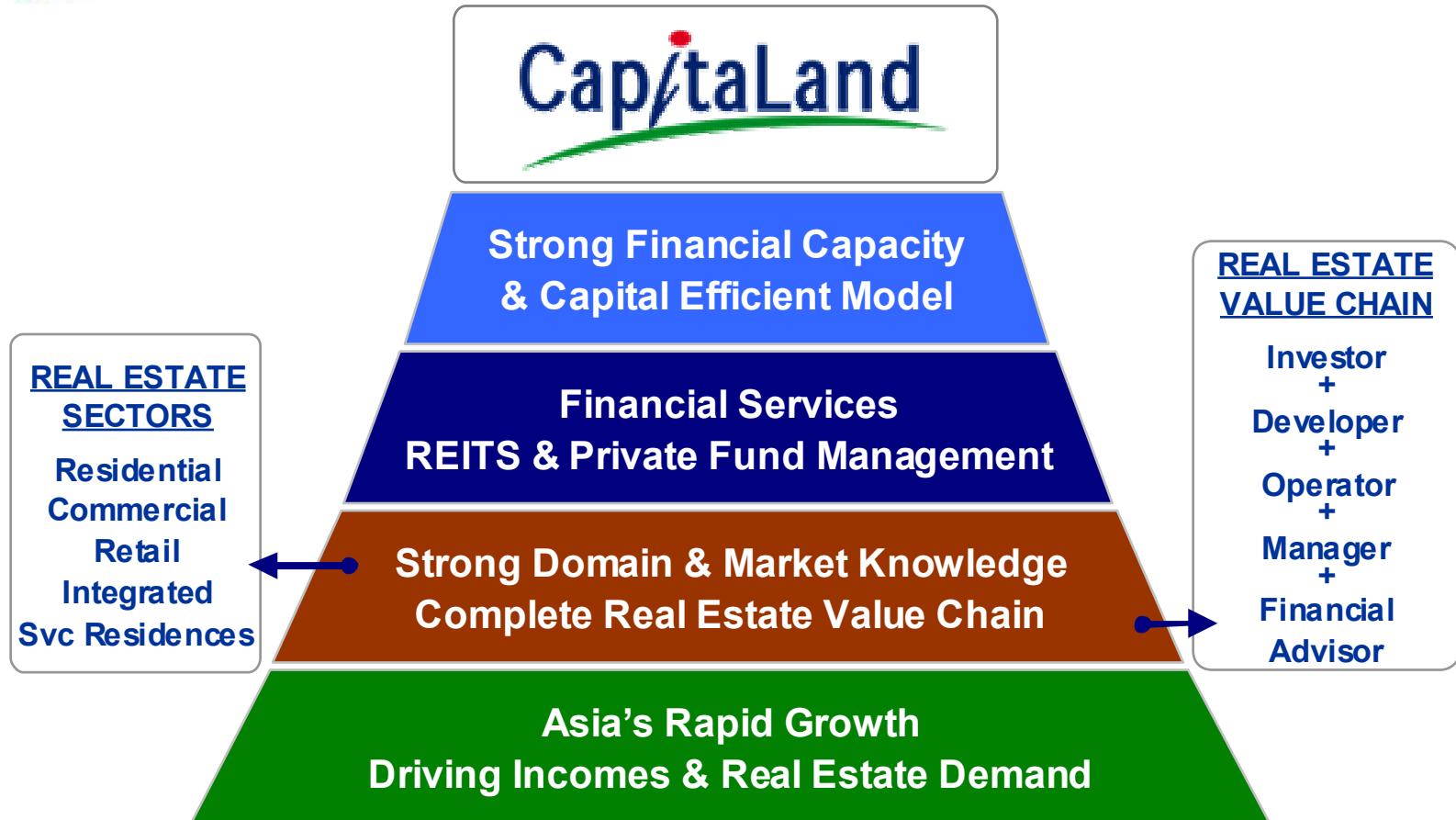
# The Ascott Group – Citadines’ Asia Expansion

## Accelerate Expansion of Citadines

- 4 new Citadines in China, bringing total to 6
- 3 new Citadines in Thailand, bringing total to 4



# Summary – Solid foundation for Vision 2010





# Human Capital underpins our business

- **CapitaLand Institute of Management and Business**
  - Invest in management bench strength
- **Learning & development institute to**
  - Imbue CapitaLand's core values in employees
  - Equip employees with the knowledge, skills & attitudes needed to excel in a dynamic environment



**Networking**

**Leadership Development**

**Learning & Development Programs**  
(General executive management programs)

**Reinforcing CapitaLand's Core Values**



# Thank You



## Questions and Answers



# Supplementary Slides





## Stages of Income Recognition - Singapore

| PROJECT   | UNITS                           | % Sold Jun-06 | % Completed Jun-06 |
|---|---------------------------------|---------------|--------------------|
| <b>Launched in 2003</b><br>The Imperial                           | 187                             | 96%           | 100%               |
| <b>Launched in 2004</b><br>Varsity Park Condominium<br>Citylights | 530<br>390 (launched)           | 80%<br>76%    | 35%<br>47%         |
| <b>Launched in 2005</b><br>RiverGate<br>RiverEdge                 | 370 (launched)<br>77 (launched) | 89%<br>31%    | 12%<br>17%         |

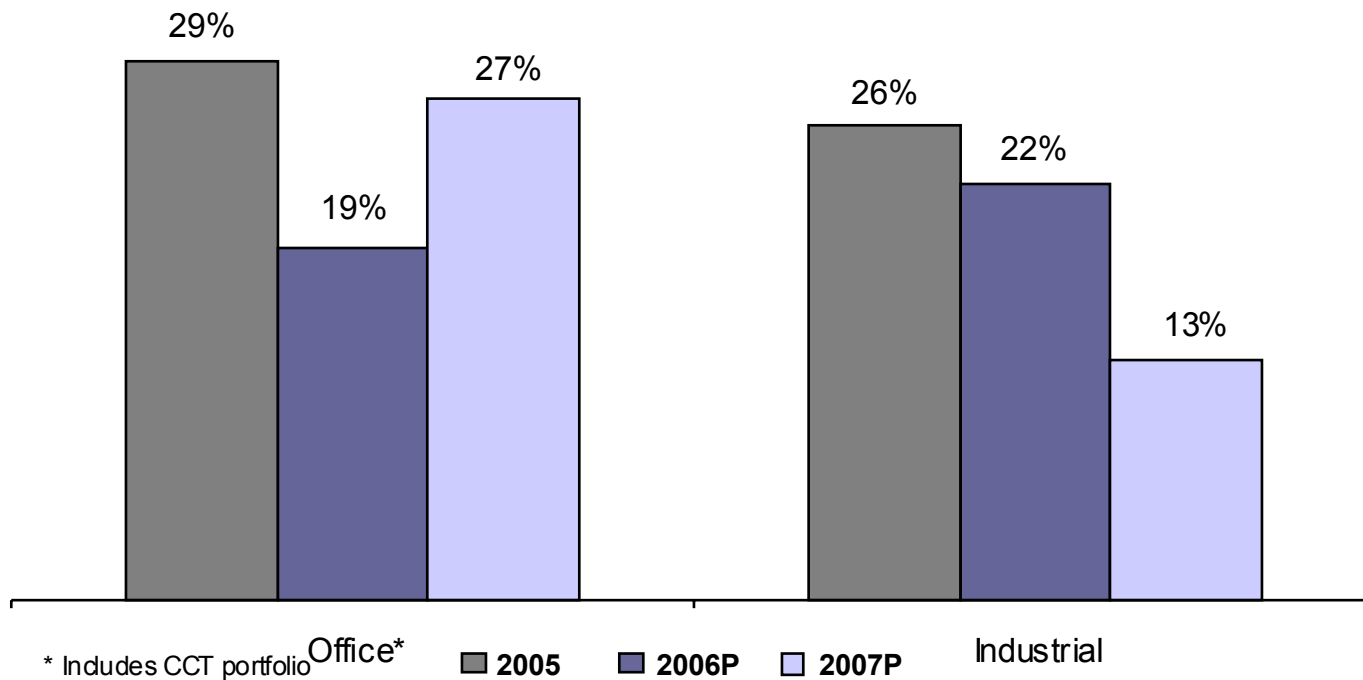


## Stages of Income Recognition - China

| PROJECT               | UNITS<br>LAUNCHED | % Sold | % Completed |
|-----------------------|-------------------|--------|-------------|
|                       |                   | Jun-06 | Jun-06      |
| Oasis Riviera II      | 446               | 100%   | 100%        |
| Oasis Riviera III     | 328               | 53%    | 84%         |
| La Forêt (Zone B)     | 495               | 96%    | 75%         |
| La Forêt (Zone C4)    | 357               | 85%    | 74%         |
| Parc Tresor           | 387               | 58%    | 68%         |
| Westwood Green        | 141               | 78%    | 65%         |
| Beijing Orchid Garden | 119               | 12%    | 92%         |
| Beau Monde            | 87                | 77%    | 26%         |

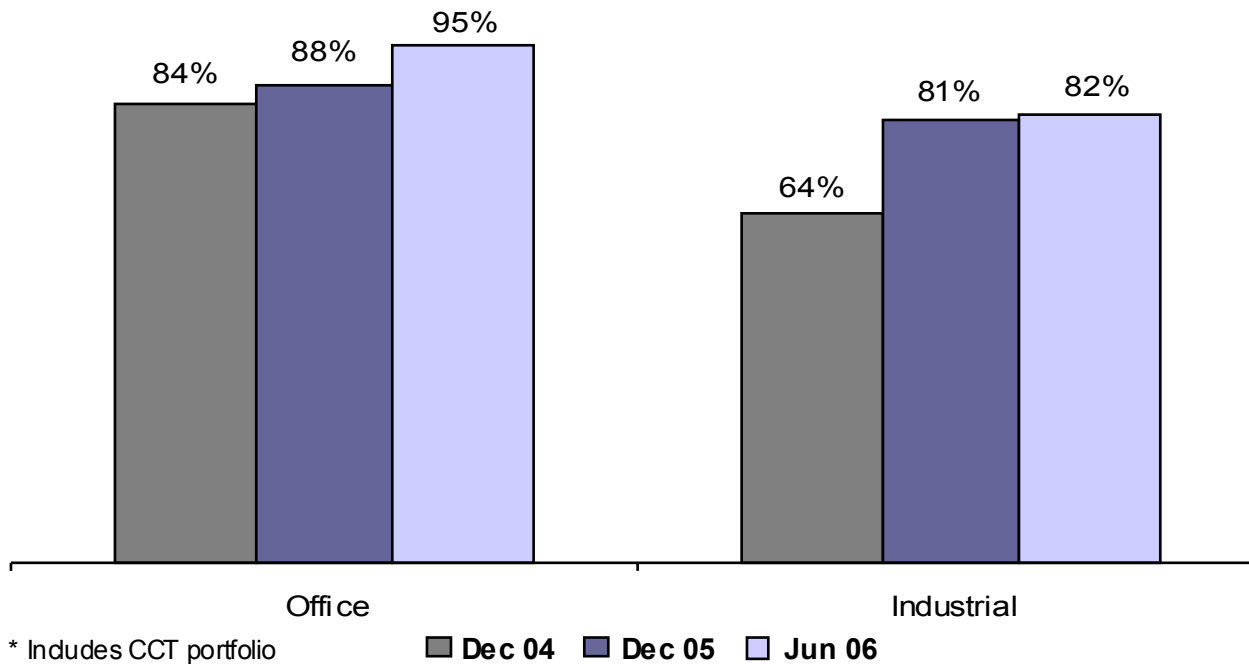
# Portfolio Leases Up For Renewal

## CapitaLand's Singapore Commercial Properties (% of Area)



# Portfolio Occupancy

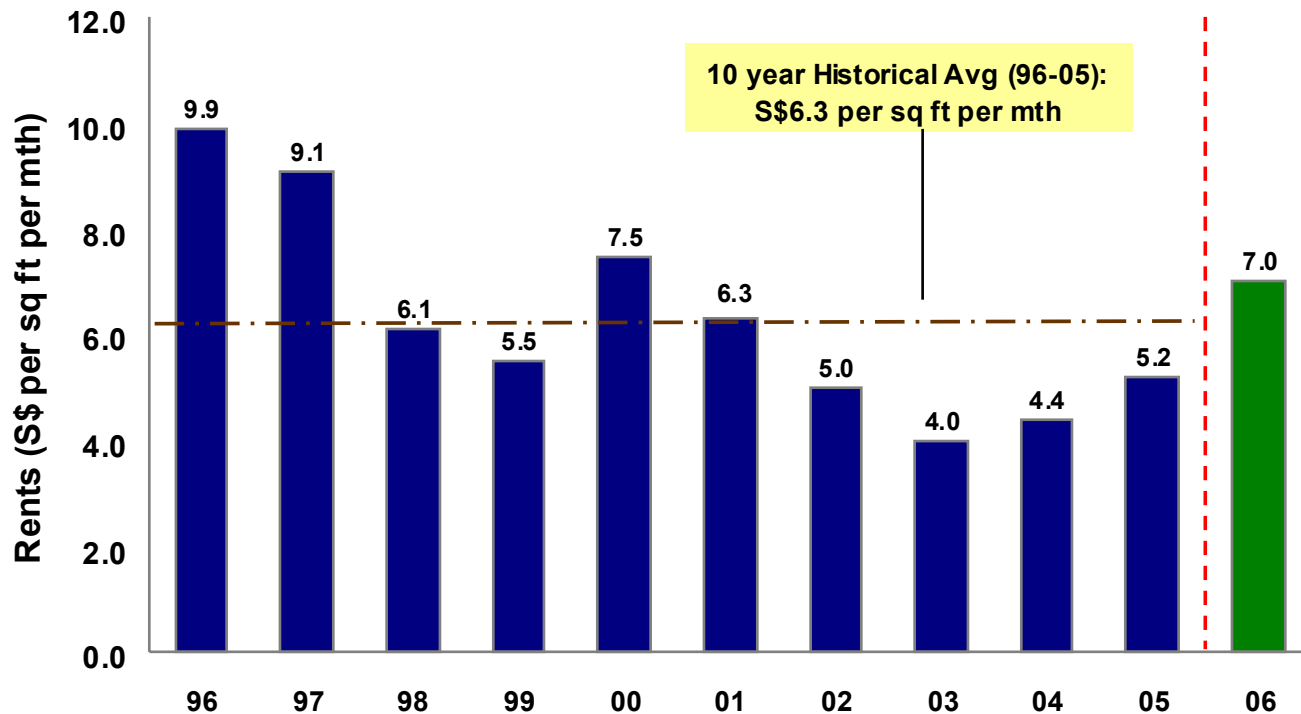
## CapitaLand's Singapore Commercial Properties (% of Area)





# Rents Trending Upwards

**CBRE projection: Prime Office Rents to hit S\$7.00 per sq ft per month by end 2006**



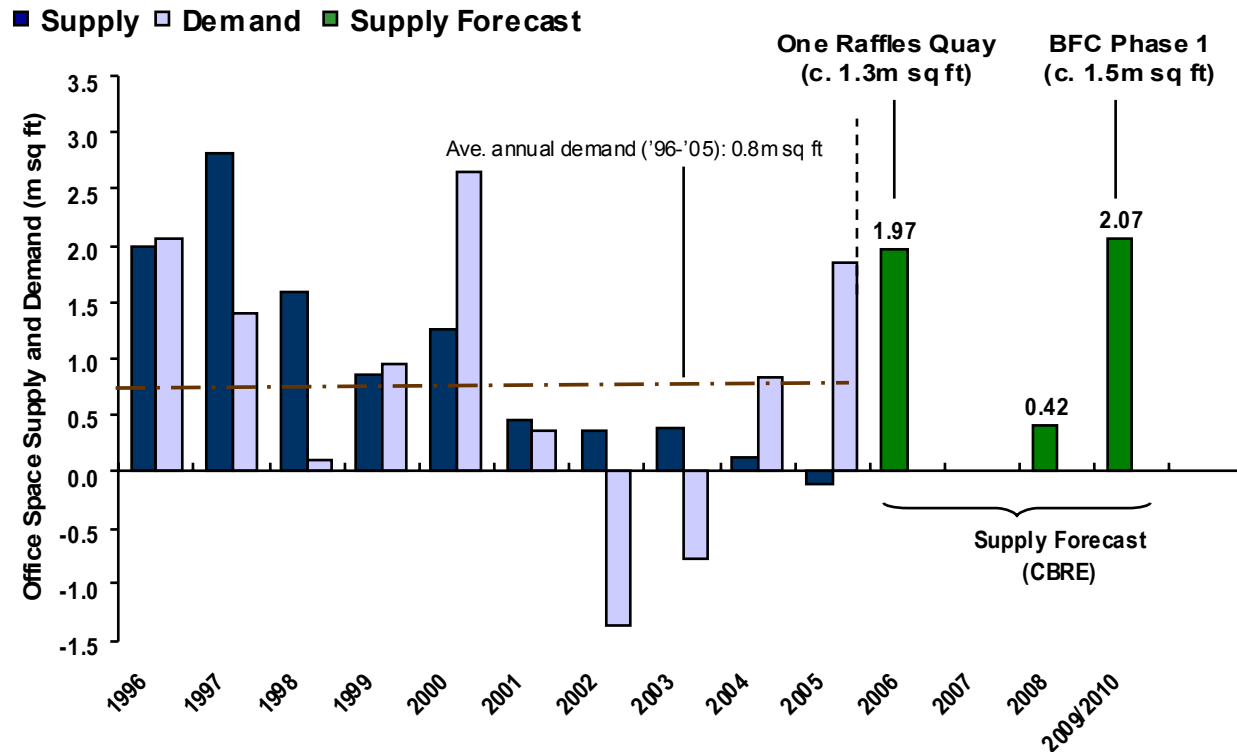
Source: CBRE and CapitaLand Research



# Limited supply until 2010

## Singapore Private Office Space (Central Area<sup>1</sup>) -- Demand & Supply

Source: URA, CBRE & CapitaLand Research



1. Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area' Planning Areas





# EBIT by Geography

| (S\$ million)             | 1H 2005 | 1H 2006 | Change  |
|---------------------------|---------|---------|---------|
| <b>Singapore</b>          | 110.0   | 143.7   | ↑ 30.7% |
| <b>Australia &amp; NZ</b> | 100.7   | 99.4    | ↓ 1.3%  |
| <b>China</b>              | 139.6   | 227.5   | ↑ 63.0% |
| <b>Other Asia*</b>        | 29.8    | 29.9    | ↑ 0.3%  |
| <b>Europe</b>             | 34.2    | 28.2    | ↓ 17.7% |
| <b>Others</b>             | 0.0     | (0.1)   | N.M.    |
| <b>Total EBIT</b>         | 414.4   | 528.7   | ↑ 27.6% |

\* Includes HK, Indonesia, Japan, Malaysia, Philippines, Thailand & Vietnam



# Revenue Analysis by SBU

| SBU                         | 1H '05<br>(S\$'M) | 1H '06<br>(S\$'M) | Change         | Comments   |
|-----------------------------|-------------------|-------------------|----------------|--|
| Residential                 | 1,682.6           | <b>1,075.3</b>    | <b>(36.1%)</b> | <ul style="list-style-type: none"> <li>• Lower rev fr Australand, mainly attributable to the higher rev in 2Q 2005 fr the sale of properties to AWPT 4</li> </ul>  |
| Commercial & Integrated Dev | 66.1              | <b>61.1</b>       | <b>(7.7%)</b>  | <ul style="list-style-type: none"> <li>• Decrease due to loss of rev from Pidemco Tower (Shanghai) &amp; Four Seasons Hotel (London) - divested in May &amp; Nov 2005 respectively</li> </ul>                                |
| Retail                      | 18.3              | <b>39.2</b>       | <b>113.9%</b>  | <ul style="list-style-type: none"> <li>• Rev from China retail malls &amp; higher retail management fees</li> </ul>  |
| Financial Svcs              | 27.2              | <b>37.2</b>       | <b>36.7%</b>   | <ul style="list-style-type: none"> <li>• Higher recurring fund mgmt fees from enlarged AUM &amp; contributions from financial advisory fees</li> </ul>   |
| Serviced Residences         | 219.2             | <b>227.9</b>      | <b>4.0%</b>    | <ul style="list-style-type: none"> <li>• Double digit REV PA U increase from Singapore, Philippines and the United Kingdom operations and consolidation of results from The Ascott Beijing and The Ascott Mayfair</li> </ul> |
| Raffles Holdings            | 93.6              | <b>2.2</b>        | <b>(97.7%)</b> | <ul style="list-style-type: none"> <li>• Deconsolidation of hotel's revenue following divestment in September 2005</li> </ul>  |
| Others & Consol Adj         | (11.6)            | <b>(12.5)</b>     | <b>(8.4%)</b>  | -  |
| <b>Revenue</b>              | 2,095.5           | <b>1,430.4</b>    | <b>(31.7%)</b> |  |



## EBIT Analysis by SBU

| SBU                         | 1H '05<br>(S\$'M) | 1H '06<br>(S\$'M) | Change | Comments  |
|-----------------------------|-------------------|-------------------|--------|---|
| Residential                 | 202.3             | 277.2             | 37.0%  | <ul style="list-style-type: none"> <li>Recognition of \$77.0m negative goodwill on acquisition of 20% Lai Fung, higher contributions from Singapore operations</li> </ul>   |
| Commercial & Integrated Dev | 78.2              | 111.2             | 42.1%  | <ul style="list-style-type: none"> <li>Divestment gain from Shanghai Xin Mao, higher share of profits from associates &amp; jointly-controlled entities</li> </ul>  |
| Retail                      | 20.8              | 39.9              | 91.7%  | <ul style="list-style-type: none"> <li>Foreign exchange gains from revaluation of USD loans (strengthening of SGD &amp; RMB), higher share of associates' profit &amp; distribution income from a Hong Kong investment</li> </ul>                         |
| Financial Svcs              | 18.7              | 25.5              | 36.4%  | <ul style="list-style-type: none"> <li>Mark-to-market gain of \$5m from an investment in Hong Kong, one-off gain &amp; a distribution income from a Hong Kong investment offsets increase in operating expenses due to expansion of operations</li> </ul> |
| Serviced Residences         | 57.9              | 53.6              | (7.5%) | <ul style="list-style-type: none"> <li>Higher administrative expenses and foreign exchange losses from revaluation of USD denominated receivables</li> </ul>  |
| Raffles Holdings            | 25.3              | 29.9              | 18.0%  | <ul style="list-style-type: none"> <li>Higher interest income</li> </ul>  |
| Others & Consol Adj         | 11.1              | (8.5)             | NM     | -   |
| <b>EBIT</b>                 | 414.4             | 528.7             | 27.6%  |   |