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NEWS RELEASE

CapitaLand's year-to-date net profit crosses billion-dollar mark to reach S$1.18 billion

Singapore, 31 October 2008 – CapitaLand posted profit after tax and minority interests (PATMI) of S$419.4 million for 3Q2008, compared to S$515.2 million in 2Q2008, enabling year-to-date PATMI to cross the S$1 billion mark. PATMI for the first nine months of this year was S$1.18 billion, a significant profit achievement in view of the difficult market conditions.

Revenue in 3Q2008 was S$597.2 million compared to S$895.8 million in 3Q2007. Lower sales revenue from development projects in the core markets were mitigated by stronger rentals from investment properties and higher fee-based income from real estate investment trusts (REITs) and funds under the Group's management. The Group's assets under management stood at S$24.8 billion as at 30 September 2008, up 18% (S$3.7 billion) compared to the previous quarter.

Group Earnings before Interest and Tax (EBIT) came in at S$691.9 million for 3Q2008 compared to S$758.6 million for 3Q2007. Contributing to 3Q2008 earnings were gains from the divestment of Capital Tower Beijing in China and 1 George Street in Singapore, as well as the injection of the Raffles City properties in China into the Raffles City China Fund.

Overseas operations continued to contribute significantly to Group revenue and EBIT in 3Q2008. Overseas revenue of S$403.4 million accounted for 68% of total revenue while overseas EBIT of S$537.9 million accounted for 78% of total EBIT. China remained the top contributor to EBIT, accounting for 58% of total EBIT in 3Q2008.

FINANCIAL HIGHLIGHTS

S$ million	**3Q2008**	**3Q2007**	**YTD Sept 2008 (9 months)**	**YTD Sept 2007 (9 months)**
Revenue	597.2	895.8	2,048.6	2,468.4
Earnings before interest and tax (EBIT)	691.9	758.6	1,978.4	2,802.8
Finance costs	(136.1)	(100.2)	(406.6)	(288.4)
Profit after tax and minority interests (PATMI)	419.4	563.9#	1,182.2*	2,084.7#

** Includes unrealised fair value gains of S$286.5 million and provision for foreseeable losses on development projects in Australia of S$24.1 million.*
 # Includes unrealised fair value gains of S$55.8 million and S$650.6 million in 3Q2007 and YTD September 2007 respectively.

Dr Richard Hu, Chairman of CapitaLand Group, said, “CapitaLand is well-positioned to ride out the global financial and economic uncertainties. It has the strong balance sheet, liquidity and diversified sources of funding necessary to act on investment opportunities that will arise in the current capital-constrained environment. The Group’s multi-sector real estate portfolio and multi-local presence in diversified geographies continue to be our strength. Our model, developed and honed over the years, has allowed us to be very nimble and quick in unlocking value in stable assets and maintaining high liquidity and financial flexibility to take advantage of the market situation. Today, the Group has also built up a portfolio of investment and development properties in its various private equity funds and joint ventures. At the right time they can be monetised for good returns to our shareholders.”

Liew Mun Leong, President and CEO of CapitaLand Group said, “The Group has continued to maximise capital productivity by divesting mature properties in Singapore, China and Malaysia for gains. These divestments have strengthened our balance sheet by increasing our cash position to a high S$4.2 billion and improving net debt to equity ratio to a healthy 0.51 as at 30 September 2008. This strong balance sheet will be particularly useful in the current global financial crisis which has brought down not only Wall Street’s blue chip financial institutions but also created in its wake a global recessionary environment. With the situation deteriorating rapidly, we are strategically watching the distressed markets, very carefully seeking out opportunities to make the right acquisitions at the right price.”

Mr Liew added, “In the meantime, the fundamentals in the Group’s core markets of Singapore, China and Australia are strong, despite the current slowdown. While residential sales have slowed in these countries, a significant part of our 2008 and 2009 earnings will be from sales already achieved in 2006 and 2007. At the same time, the Group’s timely foray two years ago into new growth markets like the Gulf Cooperation Council (GCC) countries, as well as in Asian countries like Vietnam, and India has paid off. In the GCC region, we achieved about S$1 billion worth of residential sales since June 2008. We will continue to seek out opportunities as before, focusing capital and human resources into our existing established sectors of residential, retail, commercial, hospitality, integrated developments and financial services in our core markets. We were disciplined last year, selling when target returns were met and not buying when target returns were not met. This disciplined aggression is the hallmark of the management team.”

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For the full 3Q2008 CapitaLand Limited Financial Statements announcement and slides, please visit our website www.capitaland.com.