For Immediate Release
27 October 2009

NEWS RELEASE

CapitaLand achieves 3Q2009 net profit of S$281.3 million

Increase of 127% quarter-on-quarter

Singapore, 27 October 2009 – CapitaLand posted profit after tax and minority interests (PATMI) of S$281.3 million for 3Q2009 compared to S$419.4 million in 3Q2008 which benefitted from substantial divestment gains.

Operationally, the Group has performed significantly better this quarter than the previous two quarters. Excluding the impact of revaluations and impairments taken in 2Q2009, PATMI grew 127% in 3Q2009 to reach S$281.3 million, compared to S$124.0 million in 2Q2009.

Revenue for 3Q2009 was up 75% on the back of strong revenue recognition for residential projects in Singapore, China and Vietnam. The Group recorded revenue of over S$1 billion this quarter, bringing revenue for the nine months ended 30 September 2009 to S$2.1 billion.

Group Earnings before Interest and Tax (EBIT) for 3Q2009 came in at S$450.6 million, largely driven by strong profit recognition from residential projects and gains from the divestment of Link REIT units. EBIT in 3Q2008 was greater due to gains of S$441.6 million arising from major transactions, namely the divestment of Capital Tower Beijing in China and One George Street in Singapore, as well as the injection of Raffles City properties in China into the Raffles City China Fund.

FINANCIAL HIGHLIGHTS

S$ million	**3Q2009**	**3Q2008**	**YTD Sep 2009 (9 months)**	**YTD Sep 2008 (9 months)**
Revenue	1,046.2	597.2	2,124.3	2,048.6
Earnings before interest and tax (EBIT)	450.6	691.9	490.8	1,978.4
Finance costs	(119.8)	(136.1)	(321.1)	(406.6)
Profit after tax and minority interests (PATMI)	281.3	419.4	167.2 [1]	1,182.2 [2]
PATMI excluding revaluations and impairments	**281.3**	**433.5**	**452.3**	**816.6**

[1] Includes realised fair value losses of S$4.7 million in respect of certain properties in Australia.
[2] Includes realised fair value gains of S$130.7 million in respect of Raffles City Shanghai.

Dr Richard Hu, Chairman of CapitaLand Group, said: “CapitaLand continues to maintain a strong financial position and has been consistently prudent in its capital management. Our capital raising was planned and purposeful. In July 2009, the Group took advantage of the recovering global economy to successfully launch a S$1.2 billion, 7-year convertible bond, its fifth CB issue since 2002. CapitaLand has now locked in more long-term money at attractive terms, thus having one of the longest debt maturity profiles of any real estate company in Asia. We are now accelerating the growth of the Group's respective businesses. About S$1 billion of the rights issue proceeds has been deployed to its key businesses with the greatest growth potential, and we are ready as a Group to embark on the next phase of growth. More recently, the Group has proposed listing its integrated shopping mall business, not only to accelerate the Group's business expansion and increase CapitaLand’s overall financial flexibility, but also to unlock value for our shareholders."

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said: “The Group has performed significantly better this quarter than the previous two quarters. Excluding revaluations and impairments in 2Q2009, PATMI has increased 127% quarter-on-quarter. We have had healthy residential sales volumes in Singapore, China and Vietnam. In Singapore, homebuyers showed strong support for the phase one launch of The Interlace, our latest residential project. In China, our key markets saw an increase in transaction volumes in response to an improvement in buyer confidence. In Vietnam, all 330 phase one units of Mulberry Lane, a residential project in Hanoi, were booked within two days. For our Singapore commercial properties, we are locking in higher rental commitment. Real estate investment trusts CapitaMall Trust and CapitaCommercial Trust have also done particularly well, achieving over 20% growth in distribution per unit in 3Q2009.”

Mr Liew added: “Our next phase of growth is multi-prong both in sectors and geographies. The Group proposes to list CapitaMalls Asia (CMA), its integrated shopping mall business, to accelerate its business’ expansion throughout Asia. We will be seeking shareholders’ approval at an Extraordinary General Meeting this week. Just as we formed a CapitaLand China Executive Committee, we have also established the CapitaLand Vietnam Executive Committee (CVEC) to better coordinate and align our investments, operations and resources in the country. Under Ascott, we will continue to expand our serviced residence business to maintain our pole position as the world’s largest international serviced residence owner-operator. The Group will remain focused on its long-term growth plans and maintain a robust balance sheet and healthy liquidity position as these plans are executed."

Issued by: CapitaLand Limited (Co. Regn.: 198900036N)
Date: 27 October 2009

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