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NEWS RELEASE

CapitaLand's 2Q 2015 Group PATMI increased 5.8% to S\$464 million

Singapore, 5 August 2015 – CapitaLand Limited achieved Group PATMI of S\$464 million in 2Q 2015, a 5.8% increase compared to S\$438.7 million in 2Q 2014. This was due to improved operating PATMI, partially offset by an impairment for a development project in China.

The Group's 2Q 2015 operating PATMI was 87.6% higher at S\$256.1 million compared to the same quarter last year, on account of gains arising from the change in the use of development properties for sale in China, namely The Paragon (Tower 5 & 6) and Raffles City Changning (Tower 3). These projects are at prime locations in Shanghai and the Group has changed its business plans for these projects from strata-sale to leasing as investment properties.

Revenue increased by 17.8% in 2Q 2015 on the back of higher contribution from development projects in China, partially offset by lower revenue from development projects in Singapore and Vietnam. In addition, the Group also recorded higher rental revenue from its shopping mall and serviced residence businesses during the quarter. Collectively, the two core markets of Singapore and China accounted for 79.6% (2Q 2014: 72.9%) of the Group's revenue.

The Group achieved an EBIT of S\$875.1 million in 2Q 2015 (2Q 2014: S\$799.7 million). Singapore and China markets remain the key contributors to EBIT, accounting for 81.8% of total EBIT (2Q 2014: 78.6%).

Overall, CapitaLand achieved a PATMI from continuing operations of S\$625.3 million in 1H 2015, which was 6.7% higher than 1H 2014 PATMI of S\$586.1 million. The Group's operating PATMI for 1H 2015 of S\$411.3 million was 40.8% higher than that of the same period last year on account of gain arising from change in use of development properties for sale to investment properties.

FINANCIAL HIGHLIGHTS

	2Q 2015 (S\$ m)	2Q 2014 (S\$ m)	Variance (%)	1H 2015 (S\$ m)	1H 2014 (S\$ m)	Variance (%)
Revenue	1,031.3	875.3	17.8	1,946.3	1,487.9	30.8
Earnings before interest and tax (EBIT)	875.1	799.7	9.4	1,256.6	1,219.2	3.1
PATMI from continuing operations	464.0	438.7	5.8	625.3	586.1	6.7
Total PATMI	464.0	438.7	5.8	625.3	621.5	0.6
Operating PATMI	256.1 ⁽¹⁾	136.5	87.6	411.3 ⁽¹⁾	292.2	40.8

⁽¹⁾ Operating PATMI for 2Q 2015 and 1H 2015 included fair value gains of S\$125.9 million and S\$170.6 million respectively which arose from the change in use of three development projects in China, namely The Paragon Tower 5 and 6 (S\$110.3 million) and Raffles City Changning Tower 3 (\$15.6 million) in 2Q 2015 as well as Ascott Heng Shan Shanghai (S\$44.7 million) in 1Q 2015, from construction for sale to leasing as investment properties. These projects are located at prime locations in Shanghai and the Group has changed its business plan to hold these projects for long term use as investment properties.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: “CapitaLand’s well-balanced portfolio of investment properties and residential projects will continue to generate recurring income and trading profits for the Group. While CapitaLand remains focused on Singapore and China as core markets, it is exploring opportunities to expand in growth markets such as Vietnam, Indonesia and Malaysia. CapitaLand has built a significant scale across diversified asset classes and strong expertise in integrated developments, shopping malls, serviced residences and capital management. Coupled with its technology efforts, CapitaLand continues to strengthen its position for growth.”

He added: “CapitaLand is set to scale up with a target of six new funds up to S\$10 billion in assets by 2020. The first, a joint venture between our wholly owned serviced residence business unit, The Ascott Limited (Ascott), and Qatar Investment Authority, is a serviced residence fund with an equity commitment of US\$600 million (approximately S\$809 million). This is part of our plan to grow our assets under management through funds, joint ventures and listed real estate investment trusts (REITs). Meanwhile, capital recycling continues to be an integral part of CapitaLand’s overall strategy. Our robust capital recycling strategy will allow us to realise our investment value and development profit; as well as enhance our financial flexibility as we redeploy our capital into other ventures that will generate strong returns for our shareholders. Our developments also provide a pipeline of quality assets to our family of REITs.”

On capital recycling, CapitaLand has announced the divestment of its 30% stake in PwC building, Bedok Mall to CapitaLand Mall Trust as well as serviced residences in Australia and Japan to Ascott Residence Trust.

The Group has formed a new Technology Council to sharpen its technology focus and customer-centric approach to develop real estate of the future. As part of its technology efforts, Ascott has led a consortium to invest in Tujia, a Beijing-based online apartment-sharing business valued at more than US\$1 billion. Ascott has also formed a joint venture with Tujia to operate and franchise a new brand of serviced apartments in China.

About CapitaLand Limited (www.capitaland.com)

CapitaLand is one of Asia's largest real estate companies headquartered and listed in Singapore. The company leverages its significant asset base, design and development capabilities, active capital management strategies, extensive market network and operational capabilities to develop high-quality real estate products and services. Its diversified global real estate portfolio includes integrated developments, shopping malls, serviced residences, offices and homes. Its two core markets are Singapore and China, while Indonesia, Malaysia and Vietnam have been identified as new growth markets. The company also has one of the largest real estate fund management businesses with assets located in Asia.

CapitaLand's listed real estate investment trusts are Ascott Residence Trust, CapitaLand Commercial Trust, CapitaLand Mall Trust, CapitaLand Retail China Trust and CapitaMalls Malaysia Trust.

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For the full CapitaLand Limited financial statement and presentation, please visit www.capitaland.com.

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