NEWS RELEASE

CapitaLand 1Q 2016 total PATMI up 35.4% to S$218.3 million

Singapore, 20 April 2016 – CapitaLand Limited recorded total PATMI of S$218.3 million in 1Q 2016, 35.4% higher than the S$161.3 million in 1Q 2015. This was mainly attributable to the fair value gain realised from the divestment of a property in China, Somerset ZhongGuanCun Beijing.

CapitaLand's operating PATMI for 1Q 2016 was S$152.8 million, 1.6% lower than the same quarter last year. Excluding the gains from the change in use of properties in both 1Q 2015 and 1Q 2016, operating PATMI grew 10.6% in 1Q 2016 on account of higher contributions from development projects in China, new contribution from CapitaGreen, and better operating performance for the shopping mall and serviced residence businesses.

Group revenue decreased 2.3% to S$894.2 million mainly due to the absence of a fair value gain of S$59.6 million arising from the change in use of Ascott Heng Shan Shanghai in 1Q 2015, and lower contributions from the Group’s development projects in Singapore and Vietnam. The decrease was partially mitigated by higher residential sales revenue in China, as well as higher rental revenues from CapitaGreen and the serviced residence business.

The Group achieved EBIT of S$458.2 million in 1Q 2016, 20.1% higher than 1Q 2015. The increase was mainly attributable to the fair value gain from the divestment of Somerset ZhongGuanCun Beijing; improved contributions from CapitaGreen, shopping malls and development projects in China; as well as lower divestment losses.

Financial highlights

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<tr>
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<th>1Q 2016 (S$ m)</th>
<th>1Q 2015 (S$ m)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>894.2</td>
<td>915.0</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Earnings before interest and tax (EBIT)</td>
<td>458.2</td>
<td>381.5</td>
<td>20.1</td>
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<tr>
<td>Total PATMI</td>
<td>218.3</td>
<td>161.3</td>
<td>35.4</td>
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<tr>
<td>Operating PATMI¹</td>
<td>152.8</td>
<td>155.3</td>
<td>(1.6)</td>
</tr>
</tbody>
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¹ Operating PATMI for 1Q 2016 included fair value gain of S$30.5 million (1Q 2015: S$44.7 million) which arose from the change in use of a development project in China, Raffles City Changning Tower 2 (1Q 2015: Ascott Heng Shan Shanghai), from construction for sale to leasing as an investment property. The project is located at a prime location in Shanghai and the Group has changed its business plan to hold the project for long term use as an investment property. The Group commenced marketing of the property in 1Q 2016 and has achieved a committed occupancy rate of 34% as at 31 March 2016.
Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: “CapitaLand is well positioned to ride through current market challenges and to seize opportunities given our strong balance sheet and resilient recurring income stream. We will seek attractive investment opportunities to grow our recurring income and to maintain development gains from trading assets. The Group will maintain our focus on core markets of Singapore and China, growth markets of Vietnam and Indonesia, as well as our serviced residence global platform. In addition to capital recycling and portfolio reconstitution, we will also leverage our fund management platform and management contracts to grow our assets under management.”

Residential sales in Singapore, China and Vietnam performed well in 1Q 2016. CapitaLand received strong interest for Cairnhill Nine in Singapore with 193 of the 268 units sold as at 14 April – building on its achievement as Singapore’s best-selling private residential development in March. The Group continued to achieve strong residential sales in China in 1Q 2016, moving 3,377 units with a sales value of RMB4.5 billion or about S$1 billion, mainly from The Metropolis in Kunshan and Tianjin International Trade Centre. Demand for its Vietnam residential developments remained strong, with 240 units worth a total of S$36 million sold in 1Q 2016. Notably, the Group achieved high sales of two projects in Ho Chi Minh City – 91% of the recently launched 128-unit Kris Vue and 77% of the 1,152 units at Vista Verde.

Ascott added over 1,000 units to its China portfolio with the unveiling of a new Tujia Somerset brand of serviced residences, to be managed by Ascott’s joint venture with Tujia.com International. Ascott Residence Trust announced the acquisition of its second property in United States of America – Sheraton Tribeca New York Hotel – for US$158 million. The transaction is expected to be completed in 2Q 2016.

In 1Q 2016, CapitaLand Limited and Collective Works Pte Ltd forged a joint venture and leased approximately 22,000 square feet on the 12th storey of Capital Tower to offer premium co-working spaces. This, together with other new leases signed, took Capital Tower’s committed occupancy rate to 98.1% as at 31 March 2016.

The Group is also redeveloping Funan DigitalLife Mall into a new-generation integrated development where communities can work, play and possibly live in a collaborative and interactive space. The new integrated development will feature a ‘mall of the future’ that responds to customers’ growing needs to engage in more enriching experiences, beyond just consuming goods and services.

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 CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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