For immediate release

NEWS RELEASE

CapitaLand's 3Q 2018 PATMI increases 13.6% to S$362.2 million

Singapore, 14 November 2018 – CapitaLand Limited achieved a PATMI of S$362.2 million in 3Q 2018, 13.6% higher as compared to 3Q 2017, on account of higher operating PATMI and gains from asset recycling. Operating PATMI improved by 13.3% to S$233.7 million mainly attributed to contributions from newly acquired and opened investment properties in Singapore, China and Germany.

Revenue for 3Q 2018 was S$1,260.0 million, lower than 3Q 2017 mainly due to lower contributions from development projects in Singapore and China. The decrease in revenue was partially mitigated by higher rental revenue from newly acquired and opened properties in Singapore, China and Germany, as well as the consolidation of revenue from CapitaLand Mall Trust (CMT), CapitaLand Retail China Trust (CRCT) and Raffles City Singapore Trust (RCST)[1] with effect from August 2017. The development projects which contributed to the revenue this quarter were The Metropolis in Kunshan, CapitaMall Westgate integrated development in Wuhan, as well as The Interlace and Sky Habitat in Singapore.

The Group achieved an EBIT of S$796.3 million in 3Q 2018, attributed to recurring income from investment properties and contribution from development projects, fair value uplift arising from Westgate in Singapore, and portfolio gains from the completion of divestment of 18 malls[2] in China. Singapore and China markets remain the key contributors to EBIT, accounting for 84.2% of total EBIT, up from 83.5% in 3Q 2017.

Financial highlights

	3Q 2018 (S$ m)[1]	**3Q 2017 (S$ m)** (Restated)[3]	**Variance (%)**	**YTD Sep 2018 (S$ m)**[1]	**YTD Sep 2017 (S$ m)** (Restated)[3]	**Variance (%)**	**Variance (%)** (Excluding gain from sale of The Nassim)
Revenue	1,260.0	1,515.7	(16.9)	3,978.0	3,405.6	16.8	16.8
Earnings before interest and tax (EBIT)	796.3	794.7	0.2	2,867.9	2,409.5	19.0	27.5
Total PATMI	362.2	318.8	13.6	1,286.8	1,291.7	(0.4)	13.8
Operating PATMI[4]	233.7	206.3	13.3	658.4	757.6	(13.1)	10.3

[1] The Group consolidated CMT, CRCT and RCST into the Group's results with effect from August 2017. The consolidation of three trusts increased the Group's revenue and EBIT by S$86.9 million and S$32.2 million respectively for 3Q 2018 and S$611.1 million and S$446.9 million respectively for YTD September 2018. However, PATMI for 3Q 2018 and YTD September 2018 were lower by S$12.0 million due to absence of the re-measurement gain arising from consolidation of the three trusts in 3Q 2017.

[2] CapitaLand announced in January 2018 the divestment of its share of interest in a group of companies that hold 20 retail assets in China. Following the completion of the divestment of 18 malls in 3Q 2018, divestment of the two remaining malls was completed on 9 October 2018.

[3] 3Q 2017 and YTD September 2017 results have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from contracts with customers.

[4] Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations and impairments. Operating PATMI for YTD September 2017 included a gain of S$160.9 million from the sale of 45 units of The Nassim.

Mr Lee Chee Koon, President & Group CEO of CapitaLand Group, said: “CapitaLand’s disciplined capital recycling continues to gain momentum. We have divested S$4 billion worth of assets and deployed the capital into S$6.1 billion worth of new investments to date this year. These include acquisitions to secure a good development pipeline as well as higher yielding assets that are immediately income producing.”

Mr Lee added: “We are actively building a resilient and diversified portfolio across asset classes and key geographies where we already have dominant footholds. With our primary pieces in place, we have expanded into complementary asset segments including the deep and scalable U.S. multifamily asset class. Our moves are in line with our strategy of maintaining a balance between emerging and developed markets, while targeting an optimal mix between trading and investment properties.”

In 3Q 2018, CapitaLand acquired a mixed-use site at Sengkang Central in Singapore, a site to build the first coliving property in one-north, two prime residential sites in Guangzhou, China which will yield 1,300 units and a prime site in District 2 of Ho Chi Minh City, Vietnam which will yield 100 landed residential units.

CapitaLand received strong take-up from its new launches in 3Q 2018 for La Botanica, Xi’an, La River, Guangzhou and Park Botanica, Chengdu, China. More than 95% of launched units were sold for the nine months ended 30 September 2018. In terms of handovers, CapitaLand handed over 1,279 units in 3Q 2018, mainly from Citta Di Mare in Guangzhou, The Metropolis in Kunshan, as well as the strata apartments of CapitaMall Westgate in Wuhan and Skyview in Raffles City Hangzhou. As at 30 September 2018, the Group has 7,000 units valued at RMB15.9 billion that have been sold in China. About 40% of this value is expected to be recognised in 4Q 2018.

In Singapore, the Group sold 14 residential units worth S$52 million in 3Q 2018. In Vietnam, CapitaLand sold 171 residential units with a sales value of S$53 million in 3Q 2018, mainly from De La Sol, Seasons Avenue and Vista Verde. In the quarter, the Group handed over 482 units valued at S$96 million, mainly from Seasons Avenue and Vista Verde. This is 70% higher than 3Q 2017 in terms of sales value. As at 30 September 2018, the Group has 2,369 units valued at approximately S$712 million that have been sold in Vietnam. More than 10% of this value is expected to be recognised in 4Q 2018.

Please refer to the **Annex** for recent business highlights.

About CapitaLand Limited (www.capitaland.com)
CapitaLand is one of Asia’s largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth over S$92 billion as at 30 September 2018, comprising integrated developments, shopping malls, lodging, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 160 cities in over 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand’s competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

Follow @CapitaLand on social media

Facebook: @capitaland / facebook.com/capitaland
Instagram: @capitaland / instagram.com/capitaland
Twitter: @capitaLand / twitter.com/capitaland
LinkedIn: linkedin.com/company/capitaland-limited
YouTube: youtube.com/capitaland

Issued by: **CapitaLand Limited (Co. Regn.: 198900036N)**

Analyst contact
Grace Chen
Head, Investor Relations &
Capital Markets Compliance
Tel: +65 6713 2883
Email: grace.chen@capitaland.com

Media contact
Tan Bee Leng
Head, Group Communications
Tel: +65 6713 2871
Email: tan.beeleng@capitaland.com

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

This release 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 the current view of management on future events.

Annex

CapitaLand continued to build its pipeline through the acquisition of two prime residential sites in Guangzhou, South China, at a price of RMB2.05 billion (about S$409.3 million). The sites, measuring about 150,000 square metres (sqm) in total GFA, is set to build up to 1,300 homes by 2021, catering to first-time home buyers and upgraders. Within two days of the acquisition in Guangzhou, CapitaLand and joint venture partner City Developments Limited clinched an attractive mixed-use residential and commercial site in Singapore's vibrant Sengkang Central at a tender price of S$777.78 million. The joint venture will transform the 3.7-hectare site – the largest commercial and residential site awarded since 2015 – into an integrated community hub with 700 residential apartments in 2022.

As part of CapitaLand's capital recycling strategy, it entered into a sale and purchase agreement to divest its 70% stake in Westgate to CapitaLand Mall Trust (CMT) for S$789.6 million. The acquisition will reinforce CMT's market leadership in Singapore's Jurong Lake District while boosting the resilience of its portfolio and diversifying its income.

Continuing its steady expansion in Vietnam, CapitaLand acquired a prime site in Ho Chi Minh City for VND1,380 billion (about S$81.4 million). Measuring over 60,000 sqm in total area, CapitaLand will build on the site its 13th residential development in Vietnam. The development is expected to yield more than 100 landed residential units and is targeted for completion by 2021.

To diversify the Group's portfolio beyond its core markets of Singapore and China, and to grow new businesses, CapitaLand International acquired a portfolio of 16 freehold multifamily properties for US$835 million (S$1.14 billion) in the U.S. It marks the Group's foray into the country's multifamily asset class to ride on the growing demand for long-term rental housing. The portfolio, comprising 3,787 apartment units, is located in well-connected suburban communities of the metropolitan areas of Seattle, Portland, Greater Los Angeles and Denver.

Seizing opportunities in the fast-growing middle-class business hotel segment, Ascott invested about US$26 million for a 70% stake in TAUZIA Hotel Management (TAUZIA), one of Indonesia's leading hotel operators. The acquisition gave Ascott an instant boost of close to 20,000 units spanning 123 hotels across Indonesia, Malaysia and Vietnam. Ascott also entered a strategic alliance with one of the Philippines' top real estate developers, Cebu Landmasters Inc. (CLI), to manage 1,600 units by 2022. Under the alliance, both parties will seek properties for CLI to develop into serviced residences to be managed by Ascott.

To cater to the rising millennial segment, Ascott Residence Trust acquired a greenfield site for S$62.4 million to build the first coliving property in Singapore's research and innovation business hub, one-north. This will be Ascott Reit's maiden development project which will allow it to enjoy development profits. The property is expected to be managed by its sponsor Ascott under the coliving brand, lyf. To be named lyf one-north Singapore, it is slated to open in 2021.

As CapitaLand expands, it is also gearing up to open Funan, Singapore's first online-and-offline shopping mall, ahead of schedule in 2Q 2019. Two thirds of Funan's retail and office components have been pre-leased. The opening of lyf Funan Singapore, the coliving component of Funan, has also been brought forward from 2020 to 4Q 2019.