CapitaLand

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NEWS RELEASE

CapitaLand achieved 1H2012 net profit of S$519.1 million and revenue of S$1,503.6 million, up 3.7% and 11.2% y-o-y

Strong residential sales momentum for 2Q2012

Singapore, 1 August 2012 – CapitaLand Limited has achieved a net profit of S$519.1 million for the first half of 2012, a 3.7% increase from the same period last year. Group revenue grew 11.2% to S$1,503.6 million, driven by higher contribution from development projects in Singapore and Australia, increased shopping mall revenue and fee-based income.

Revenue from the Group's Singapore development projects increased by 10.6% to S$406.5 million, underpinned by continued recognition for The Interlace, The Wharf Residence and Urban Resort Condominium. Sales from Australand's residential division were also higher, while from China, The Pinnacle in Shanghai and Beau Residences in Foshan were the main contributors to revenue.

The Group achieved strong residential sales momentum in the second quarter compared with the preceding quarter, from 57 to 202 units and 255 to 812 units sold in Singapore and China, respectively.

For the first half of the year, the Group achieved an EBIT of S$1,051.3 million which was 4.8% higher than the same period last year. The strong EBIT was boosted by higher development profits and lower impairment charges, partially offset by lower fair value gains from investment properties and lower portfolio gains. The Group's core markets of Singapore, China and Australia contributed 86.9% to total EBIT, and its overseas operations made up 60.1% of total EBIT.

FINANCIAL HIGHLIGHTS

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	862.5	740.4	16.5	1,503.6	1,352.0	11.2
Earnings before interest and tax (EBIT)	719.9	719.6	0.0	1,051.3	1,003.1	4.8
Finance costs	(146.2)	(115.2)	(27.0)	(251.3)	(228.4)	(10.0)
PATMI	385.9	399.0	(3.3)	519.1	500.5	3.7

Mr Ng Kee Choe, Chairman of CapitaLand Group, said: "CapitaLand achieved a net profit of S$519.1 million and revenue of S$1,503.6 million for the first half of 2012. This is a good achievement considering uncertainties in the global economic environment. There are, however, opportunities in Asia, particularly China where the Group is well-positioned."

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said: "CapitaLand's financial performance for the first six months shows that the Group is on the right track with its multi-geography, multi-sector market asset strategy. In spite of the heightened global economic concerns, the Group spared no effort in driving its businesses, while remaining pragmatic and prudent in its investment decisions."

"Singapore and China will remain as the Group's key markets for new investments. The underlying fundamentals of the housing sector in the two markets remain sound, driven by new home formation, rising urbanisation and growing wealth creation. Buying sentiment has gradually improved in China. Residential transaction volume in the top 10 cities in China hit a 17-month record high in June, with year-on-year growth of more than 30%. Retail sales in China are expected to grow between 16% and 17% this year, a reflection of growing domestic demand in China."

"We have the financial strength, expertise and track record to manage growth through global economic uncertainties, and we've proven this with each crisis. We will continue to be on a constant lookout for opportunities while remaining cautious. I am confident we will be able to further our growth momentum."

In Singapore, following encouraging market reception, CapitaLand intends to release new phases from The Interlace and Sky Habitat over the remaining year. The Group will also continue to manage its existing properties and ongoing developments of CapitaGreen and Westgate proactively to generate long-term growth. The Group's shopping mall business will receive a boost from asset enhancement initiatives and new completions at Bugis+ in July 2012, The Star Vista in September 2012 and The Atrium@Orchard by the end of the year. This will increase the number of operational malls to 17 by end 2012.

In China, the Group is targeting to release for sale new units from Residences 77 in Beijing, as well as subsequent phases from existing projects, such as The Loft in Chengdu and Dolce Vita in Guangzhou, subject to market conditions. In addition, the Group's first value housing project in China which is located in Wuhan, is also targeted for launch towards the fourth quarter of 2012.

Positive lease renewals at Raffles City Shanghai and Beijing during the first half of 2012 are expected to continue given the robust retail and office markets in these two cities. Two more Raffles City projects in Chengdu and Ningbo are scheduled to open in phases from the third quarter of 2012, starting with retail operations which have received strong pre-commitment from tenants.

Meanwhile, the overall design of Raffles City Chongqing has been approved and the site resettlement is progressing as planned, with construction to start by the end of the year.

Retail sales in China have been growing. With its extensive presence and improving operational efficiency in China, the Group's shopping mall business is well-poised to capture the growing opportunities provided by the robust Chinese consumption trend, with a target to open six malls in China in 2012, adding to the 43 already in operation.

Ascott will seek new investments in key cities in Asia Pacific and Europe to expand its footprint, while continuing with its asset enhancement initiatives to strengthen its brand and improve its service standards.

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