CAPITALAND LIMITED

(Registration Number : 198900036N)

2012 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

TABLE OF CONTENTS

CapitaLand

CAPITALAND LIMITED
2012 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group					
	Note	2Q 2012 S$'000	2Q 2011 S$'000	Change %	1H 2012 S$'000	1H 2011 S$'000	Change %
Revenue	A	**862,454**	**740,437**	**16.5**	**1,503,578**	**1,351,957**	**11.2**
Cost of sales		(521,652)	(466,874)	11.7	(916,976)	(824,235)	11.3
Gross profit		340,802	273,563	24.6	586,602	527,722	11.2
Other operating income	B	212,938	287,571	(26.0)	312,323	341,422	(8.5)
Administrative expenses	C	(124,435)	(131,711)	(5.5)	(250,549)	(239,301)	4.7
Other operating expenses	D	(31,919)	(864)	NM	(21,447)	(8,797)	143.8
Profit from operations		397,386	428,559	(7.3)	626,929	621,046	0.9
Finance costs		(146,239)	(115,170)	27.0	(251,290)	(228,439)	10.0
Share of results (net of tax) of:	E						
- associates		268,607	224,647	19.6	355,606	295,145	20.5
- joint ventures		53,922	66,407	(18.8)	68,793	86,936	(20.9)
		322,529	291,054	10.8	424,399	382,081	11.1
Profit before taxation		573,676	604,443	(5.1)	800,038	774,688	3.3
Taxation	F	(49,304)	(69,102)	(28.7)	(78,021)	(97,425)	(19.9)
Profit for the period		524,372	535,341	(2.0)	722,017	677,263	6.6
Attributable to:							
Owners of the Company ("PATMI")		**385,901**	**398,988**	**(3.3)**	**519,138**	**500,499**	**3.7**
Non-controlling interests ("NCI")		138,471	136,353	1.6	202,879	176,764	14.8
Profit for the period		524,372	535,341	(2.0)	722,017	677,263	6.6

NM: Not meaningful

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2012 vs 2Q 2011

(A) Revenue

Revenue in 2Q 2012 rose on the back of higher contribution from the Group's development projects in the core markets of Singapore, China and Australia as well as higher income from our shopping malls. However, the increase was partially offset by lower fee-based income (Please see item 8 for details).

Cost of sales also increased in line with higher revenue but at a lower rate as projects costs were relatively lower this quarter.

(B) Other Operating Income

		Group		
		2Q 2012 S$'000	2Q 2011 S$'000	Change (%)
Other Operating Income		**212,938**	**287,571**	**(26.0)**
Investment income		175	961	(81.8)
Interest income	(i)	25,076	18,562	35.1
Other income (including portfolio gains)	(ii)	109,312	157,243	(30.5)
Fair value gains of investment properties	(iii)	78,375	110,805	(29.3)

(i) Interest income was higher mainly due to an increase in interest bearing loans to associates and joint ventures.

(ii) Other income included portfolio gains of $81.8 million mainly from the monetisation of two shopping malls, CapitaMall Tianfu and CapitaMall Meilicheng, by CapitaMalls Asia ("CMA") through injection into its 50%-owned CapitaMalls China Development Fund III ("CMCDF III").

2Q 2011's other income included divestment gains of $125.5 million and marked-to-market gains from financial instruments of $3.8 million.

(iii) The net fair value gains in respect of investment properties held through subsidiaries were lower in 2Q 2012. This was because the valuation for the investment properties in Singapore and China registered a smaller revaluation gain compared to last year. However, revaluation gains from the investment properties in Australia and Malaysia were higher this year.

The impact of revaluation of investment properties held through our associates and joint ventures is included in the Share of Results of Associates and Joint Ventures (see Note (D) below).

(C) Administrative Expenses

	Group		
	2Q 2012 S$'000	2Q 2011 S$'000	Change (%)
Administrative Expenses	**(124,435)**	**(131,711)**	**(5.5)**
Included in Administrative Expenses:-			
Depreciation and amortisation	(9,456)	(9,713)	(2.6)
(Allowance for) / Write back of doubtful receivables and bad debts written off	(21)	3,252	NM

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other administrative expenses. 2Q 2012's administrative expenses were lower due to lower professional fees, partially offset by higher staff costs due to increased headcount, mainly for our overseas operations. Professional fees were lower as 2Q 2011 included fees incurred in relation to CMA's secondary listing in Hong Kong.

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2012 vs 2Q 2011

(D) Other Operating Expenses

Other operating expenses included the following main items:

(a) foreign exchange losses arising from the revaluation of a JPY loan ($8.6 million) and AUD fixed deposits ($2.8 million) as the JPY strengthened against the SGD while the AUD depreciated against the SGD as at the end of this quarter;

(b) realised foreign exchange losses of $4.4 million in respect of dividend distribution made by a Hong Kong subsidiary; and

(c) impairment losses of $9.7 million in respect of certain investments in Japan and a serviced residence property in India.

(E) Share of Results (net of tax) of Associates and Joint Ventures

Share of results from associates in 2Q 2012 was higher. This was attributable to the share of CapitaMall Trust's ("CMT") gain from the divestment of Hougang Plaza and the absence of impairment charges made by the associates in Bahrain and Japan. The increase was however partially offset by lower fair value gains from the revaluation of investment properties held by our REITs and funds in China. The Group's share of fair value gains in 2Q 2012 was $184.8 million (2Q 2011: $223.8 million).

The fair value gains from the revaluation of investment properties held by joint ventures were similarly lower this quarter, resulting in a reduction of the share of results from joint ventures. The Group's share of fair value gains from joint ventures was $24.7 million as compared to $39.1 million in 2Q 2011.

(F) Taxation expense and adjustments for over or under-provision of tax in respect of prior years

The current tax expense is based on the statutory tax rates of the respective countries in which the companies operate and takes into account non-deductible expenses and temporary differences.

2Q 2012's tax expenses were lower due to a write back of over provision of tax for prior years amounting to $31.0 million. In 2Q 2011, write back of over-provision of tax for prior years was $0.8 million.

(G) Gain/(Loss) from the sale of investments

The gains from the sale of investments that are included in the Group's profit after tax and non-controlling interests ("PATMI") are as follows:

2Q 2012	**PATMI (S$M)**
CapitaMall Tianfu and CapitaMall Meilicheng	42.2
Hougang Plaza (accounted for in share of associates' results in item E)	15.8
Others	3.8
Total Group's share of gain after tax & NCI for 2Q 2012	**61.8**
2Q 2011	
Residential site in Shanghai	92.3
Blife units	13.0
New Minzhong Leyuan Mall	4.6
Others	(2.8)
Total Group's share of gain after tax & NCI for 2Q 2011	**107.1**

1(a)(iii) Statement of Comprehensive Income

	Group					
	2Q 2012 S$'000	2Q 2011 S$'000	Change %	1H 2012 S$'000	1H 2011 S$'000	Change %
Profit for the period	524,372	535,341	(2.0)	722,017	677,263	6.6
Other comprehensive income:						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations [1]	67,896	(64,255)	NM	(55,660)	(204,918)	(72.8)
Change in fair value of available-for-sale investments	(1,222)	(12,483)	(90.2)	533	(43,650)	NM
Effective portion of change in fair value of cash flow hedges	(71,152)	584	NM	(52,748)	(16,472)	220.2
Share of other comprehensive income of associates and joint ventures	(24,146)	21,213	NM	4,904	10,500	(53.3)
	(28,624)	(54,941)	(47.9)	(102,971)	(254,540)	(59.5)
Total comprehensive income	495,748	480,400	3.2	619,046	422,723	46.4
Attributable to:						
Owners of the Company	**440,943**	**336,654**	**31.0**	**475,820**	**248,936**	**91.1**
Non-controlling interests	54,805	143,746	(61.9)	143,226	173,787	(17.6)
	495,748	480,400	3.2	619,046	422,723	46.4

NM: Not meaningful

[1] *2Q 2012's exchange differences arose mainly from the depreciation of SGD against RMB and USD by 2.3% and 2.8% respectively, partly offset by appreciation of SGD against AUD by 7.4%.*
1H 2012's exchange differences arose mainly from the appreciation of SGD against AUD by 3.7%.

1(b)(i) Balance Sheet

	Group			Company		
	30/06/2012 S$'000	31/12/2011 S$'000	Change %	30/06/2012 S$'000	31/12/2011 S$'000	Change %
Non-current assets						
Property, plant & equipment[1]	963,336	1,075,505	(10.4)	13,443	12,830	4.8
Intangible assets	457,301	458,722	(0.3)	147	147	-
Investment properties[2]	7,417,153	7,074,617	4.8	-	-	-
Subsidiaries	-	-	-	10,606,566	10,605,809	0.0
Associates & joint ventures[3]	12,083,864	10,685,000	13.1	-	-	-
Other non-current assets	905,207	891,626	1.5	2,884	2,884	-
	21,826,861	**20,185,470**	**8.1**	**10,623,040**	**10,621,670**	**0.0**
Current assets						
Development properties for sale and stocks	*7,296,523*	*6,905,124*	*5.7*	-	-	-
Trade & other receivables [4]	*1,982,471*	*1,769,374*	*12.0*	*2,546,796*	*2,590,302*	*(1.7)*
Cash & cash equivalents	*5,074,773 [5]*	*6,264,473*	*(19.0)*	*111,709*	*326,539*	*(65.8)*
Other current assets	*197,096*	*195,000*	*1.1*	-	-	-
	14,550,863	**15,133,971**	**(3.9)**	**2,658,505**	**2,916,841**	**(8.9)**
Less: Current liabilities						
Trade & other payables [6]	*1,910,578*	*2,270,488*	*(15.9)*	*54,914*	*70,834*	*(22.5)*
Short-term borrowings	*1,076,891*	*860,239*	*25.2*	-	-	-
Current tax payable	*401,536*	*441,075*	*(9.0)*	*7,560*	*7,560*	-
	3,389,005	**3,571,802**	**(5.1)**	**62,474**	**78,394**	**(20.3)**
Net current assets	**11,161,858**	**11,562,169**	**(3.5)**	**2,596,031**	**2,838,447**	**(8.5)**
Less: Non-current liabilities						
Long-term borrowings	12,096,768	11,330,400	6.8	3,472,561	3,432,956	1.2
Other non-current liabilities[6]	1,353,570	1,177,768	14.9	63,365	72,182	(12.2)
	13,450,338	**12,508,168**	**7.5**	**3,535,926**	**3,505,138**	**0.9**
Net assets	**19,538,381**	**19,239,471**	**1.6**	**9,683,145**	**9,954,979**	**(2.7)**
Representing:						
Share capital	6,299,371	6,298,355	0.0	6,299,371	6,298,355	0.0
Revenue reserves	8,501,715	8,328,115	2.1	3,008,798	3,296,610	(8.7)
Other reserves	246,835	275,067	(10.3)	374,976	360,014	4.2
Equity attributable to Owners of the Company	15,047,921	14,901,537	1.0	9,683,145	9,954,979	(2.7)
Non-controlling interests	4,490,460	4,337,934	3.5	-	-	-
Total equity	**19,538,381**	**19,239,471**	**1.6**	**9,683,145**	**9,954,979**	**(2.7)**

Notes:

1. *The decrease was mainly due to the divestment of Hilton Double Tree Hotel in Kunshan.*
2. *The increase was mainly due to the revaluation gains of investment properties, acquisition of three shopping malls in Japan and an office building in China; partially offset by the injection of CapitaMall Tianfu in Chengdu into CMCDF III.*
3. *The increase was mainly due to the share of revaluations gains of investment properties held by associates and joint ventures, acquisition of a 50% stake in Minhang Plaza and Hongkou Plaza, Shanghai, as well as the establishment of CMCDF III by CMA.*
4. *The increase was mainly due to consideration receivable from the monetisation of assets into CMCDF III. The amount was subsequently received in July 2012.*
5. *Included cash balances of $2,975.0 million held at CapitaLand Limited and CapitaLand Treasury Limited. The decrease in cash was mainly due to the payment of dividends by CapitaLand in May 2012 and the utilisation of cash to fund the Group's new investments.*
6. *The decrease in trade and other payables was due to a reclassification of an amount due to non-controlling interests to non-current as the expected repayment is now assessed to be unlikely in the near term. See corresponding increase in other non-current liabilities.*

1(b)(ii) Group's borrowings (including finance leases)

	Group	
	As at 30/06/2012 S$'000	As at 31/12/2011 S$'000
Amount repayable in one year or less, or on demand:-		
Secured	173,575	136,479
Unsecured	903,316	723,760
Sub-Total 1	**1,076,891**	**860,239**
Amount repayable after one year:-		
Secured	2,483,042	2,345,703
Unsecured	9,613,726	8,984,697
Sub-Total 2	**12,096,768**	**11,330,400**
Total Debt	**13,173,659**	**12,190,639**
Total Debt less Cash	**8,098,886**	**5,926,166**

Details of any collateral

Secured borrowings are generally secured by mortgages on the borrowing subsidiaries' investment properties (including those under development) or development properties for sale and assignment of all rights and benefits with respect to the properties mortgaged.

1(c) Consolidated Statement of Cash Flows

	2Q 2012 S$'000	2Q 2011 S$'000	1H 2012 S$'000	1H 2011 S$'000
Cash Flows from Operating Activities				
Profit after taxation	**524,372**	**535,341**	**722,017**	**677,263**
Adjustments for :				
Amortisation and impairment of intangible assets	300	663	620	1,306
Allowance/(Write back) for:				
- Doubtful receivables	33	(3,218)	(104)	(3,988)
- Impairment on financial assets	4,800	-	4,800	-
- Impairment on property, plant and equipment	5,043	21	5,050	207
Gain from bargain purchase	(4,488)		(4,488)	
Share-based expenses	10,664	8,817	16,716	16,706
Changes in fair value of financial instruments	-	(3,813)	-	(6,229)
Depreciation of property, plant and equipment	9,173	9,181	20,398	19,874
Gain on disposal of property, plant and equipment	(17)	(194)	(683)	(229)
Net fair value gain from investment properties	(78,375)	(110,805)	(104,624)	(112,097)
Net gain on disposal/liquidation of equity investments and other financial assets	(81,029)	(125,481)	(104,616)	(121,584)
Realisation of reserves for pre-existing interests in acquirees	(663)	-	(5,146)	(20,329)
Share of results of associates and joint ventures	(322,529)	(291,054)	(424,399)	(382,081)
Accretion of deferred income	(15,811)	(6,895)	(15,811)	(16,118)
Interest expense	146,239	115,170	251,290	228,439
Interest income	(25,076)	(18,562)	(46,699)	(37,785)
Taxation	49,304	69,102	78,021	97,425
	(302,432)	**(357,068)**	**(329,675)**	**(336,483)**
Operating profit before working capital changes	**221,940**	**178,273**	**392,342**	**340,780**
Decrease/(Increase) in working capital				
Trade and other receivables	130,333	119,366	125,565	22,236
Development properties for sale	10,358	(583,071)	(85,714)	(585,795)
Trade and other payables	(90,910)	93,764	(204,700)	(3,651)
Restricted bank deposits	(2)	(647)	2,405	344
	49,779	**(370,588)**	**(162,444)**	**(566,866)**
Cash generated from/(used in) operations	**271,719**	**(192,315)**	**229,898**	**(226,086)**
Income tax paid	(49,149)	(77,383)	(82,630)	(95,072)
Net cash generated from/(used in) Operating Activities	**222,570**	**(269,698)**	**147,268**	**(321,158)**

1(c) Consolidated Statement of Cash Flows (cont'd)

	2Q 2012 S$'000	2Q 2011 S$'000	1H 2012 S$'000	1H 2011 S$'000
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	379	466	1,263	564
Purchase of property, plant and equipment	(11,551)	(25,232)	(22,978)	(85,287)
Investments in associates and joint ventures	(709,753)	(186,778)	(1,227,902)	(360,013)
Repayment from investee companies and other receivables	13,170	14,457	527	14,457
Prepayment for acquisition of an investment property	(38,091)	-	(38,091)	(17,677)
Deposits for new investments	(151,536)	(189,920)	(151,536)	(189,920)
Deposit for disposal of subsidiary	-	48,976	-	48,976
Acquisition of investment properties	(174,418)	(314,494)	(257,132)	(407,247)
Proceeds from disposal of investment properties	(1,745)	174,059	94,227	404,422
(Investment in)/Proceed from disposal of other financial assets	(19,244)	16,842	(22,673)	3,916
Dividends received from associates and joint ventures	140,579	244,817	234,380	338,965
Acquisition of subsidiaries, net of cash acquired	12,308	(132,192)	(110,414)	(392,715)
Disposal of subsidiaries, net of cash disposed off	(26,264)	413,852	(28,567)	583,175
Interest income received	11,775	11,593	25,731	21,729
Net cash (used in)/generated from Investing Activities	**(954,391)**	**76,446**	**(1,503,165)**	**(36,655)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	251	1,336	371	2,780
Borrowings from non-controlling interests	3,338	91,687	10,203	91,632
Contributions from non-controlling interests	77,692	72	72,868	100
Proceeds from bank borrowings	1,373,940	832,768	2,012,412	2,083,342
Repayments of bank borrowings	(1,198,804)	(849,134)	(1,502,378)	(2,063,026)
Proceeds from issue of debt securities	380	292,336	408,155	492,336
Repayments of debt securities	(2,705)	(18,378)	(133,054)	(783,967)
Dividends paid to non-controlling interests	(34,479)	(35,901)	(77,692)	(76,407)
Dividends paid to shareholders	(340,021)	(256,161)	(340,021)	(256,161)
Interest expense paid	(125,972)	(106,078)	(274,124)	(236,435)
Net cash (used in)/generated from Financing Activities	**(246,380)**	**(47,453)**	**176,740**	**(745,806)**
Net decrease in cash and cash equivalents	**(978,201)**	**(240,705)**	**(1,179,157)**	**(1,103,619)**
Cash and cash equivalents at beginning of the period	6,024,086	6,285,080	6,254,967	7,187,335
Effect of exchange rate changes on cash balances held in foreign currencies	21,787	(32,781)	(8,138)	(72,122)
Cash and cash equivalents at end of the period	**5,067,672**	**6,011,594**	**5,067,672**	**6,011,594**
Restricted cash deposits	7,101	2,385	7,101	2,385
Cash and cash equivalents in the balance sheet	**5,074,773**	**6,013,979**	**5,074,773**	**6,013,979**

Cash and cash equivalents at end of the year

The cash and cash equivalents of about $5,074.8 million as at 30/06/2012 included $3,082.3 million in fixed deposits and $128.5 million in Project Accounts whose withdrawals are restricted to the payment of development projects expenditure.

1(d)(i) Statement of Changes in Equity

For the period ended 30/06/2012 vs 30/06/2011 – Group

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/04/2012	**6,298,720**	**8,456,447**	**178,486**	**14,933,653**	**4,422,163**	**19,355,816**
Total comprehensive income						
Profit for the period		385,901		**385,901**	138,471	**524,372**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			125,020	**125,020**	(57,124)	**67,896**
Change in fair value of available-for-sale investments			(1,222)	**(1,222)**	-	**(1,222)**
Effective portion of change in fair value of cash flow hedges			(43,827)	**(43,827)**	(27,325)	**(71,152)**
Share of other comprehensive income of associates and joint ventures			(24,929)	**(24,929)**	783	**(24,146)**
Total other comprehensive income, net of income tax	-	-	55,042	**55,042**	(83,666)	**(28,624)**
Total comprehensive income	**-**	**385,901**	**55,042**	**440,943**	**54,805**	**495,748**
Transactions with owners, recorded directly in equity						
Issue of shares under the share plans of the Company and its subsidiaries	651		(185)	**466**	532	**998**
Contribution by non-controlling interests (net)				**-**	78,455	**78,455**
Changes in ownership interests in subsidiaries with a change in control				**-**	(110)	**(110)**
Dividends paid/payable		(340,021)		**(340,021)**	(67,231)	**(407,252)**
Share-based payments			7,547	**7,547**	1,931	**9,478**
Share of reserves of associates and joint ventures		(289)	5,742	**5,453**	12	**5,465**
Others		(323)	203	**(120)**	(97)	**(217)**
Total transactions with owners	**651**	**(340,633)**	**13,307**	**(326,675)**	**13,492**	**(313,183)**
Balance as at 30/06/2012	**6,299,371**	**8,501,715**	**246,835**	**15,047,921**	**4,490,460**	**19,538,381**

* Includes reserve for own shares, foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 30/06/2012 vs 30/06/2011 – Group (cont'd)

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/04/2011	**6,296,984**	**7,613,089**	**40,446**	**13,950,519**	**3,999,579**	**17,950,098**
Total comprehensive income						
Profit for the period		398,988		**398,988**	136,353	**535,341**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(70,134)	**(70,134)**	5,879	**(64,255)**
Change in fair value of available-for-sale investments			(12,483)	**(12,483)**	-	**(12,483)**
Effective portion of change in fair value of cash flow hedges			688	**688**	(104)	**584**
Share of other comprehensive income of associates and joint ventures			19,595	**19,595**	1,618	**21,213**
Total other comprehensive income, net of income tax	-	-	(62,334)	**(62,334)**	7,393	**(54,941)**
Total comprehensive income	**-**	**398,988**	**(62,334)**	**336,654**	**143,746**	**480,400**
Transactions with owners, recorded directly in equity						
Issue of shares under the share plans of the Company	1,347			**1,347**	-	**1,347**
Contribution by non-controlling interests (net)				**-**	73	**73**
Changes in ownership interests in subsidiaries with a change in control			(320)	**(320)**	751	**431**
Changes in ownership interests in subsidiaries with no change in control				**-**	158	**158**
Dividends paid/payable		(256,161)		**(256,161)**	(73,643)	**(329,804)**
Share-based payments			7,420	**7,420**	958	**8,378**
Share of reserves of associates		(9,247)	2,152	**(7,095)**	-	**(7,095)**
Others		(1,786)	1,558	**(228)**	63	**(165)**
Total transactions with owners	**1,347**	**(267,194)**	**10,810**	**(255,037)**	**(71,640)**	**(326,677)**
Balance as at 30/06/2011	**6,298,331**	**7,744,883**	**(11,078)**	**14,032,136**	**4,071,685**	**18,103,821**

* Includes foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 30/06/2012 vs 30/06/2011 – Company

	Share Capital S$'000	Revenue Reserves S$'000	Reserve For Own Shares S$'000	Capital Reserves S$'000	Equity Comp Reserves S$'000	Total Equity S$'000
Balance as at 01/04/2012	**6,298,720**	**3,342,945**	**(49,366)**	**383,490**	**38,381**	**10,014,170**
Total comprehensive income						
Profit for the period		5,874				**5,874**
Transactions with owners, recorded directly in equity						
Issue of shares under the share plans of the Company	651				-	**651**
Dividends paid		(340,021)				**(340,021)**
Share-based payments					2,471	**2,471**
Total transactions with owners	**651**	**(340,021)**	**-**	**-**	**2,471**	**(336,899)**
Balance as at 30/06/2012	**6,299,371**	**3,008,798**	**(49,366)**	**383,490**	**40,852**	**9,683,145**
Balance as at 01/04/2011	**6,296,984**	**3,421,360**	**-**	**383,490**	**34,406**	**10,136,240**
Total comprehensive income						
Profit for the period		30,392				**30,392**
Transactions with owners, recorded directly in equity						
Issue of shares under the share plans of the Company	1,347					**1,347**
Dividends paid		(256,161)				**(256,161)**
Share-based payments					2,290	**2,290**
Total transactions with owners	**1,347**	**(256,161)**	**-**	**-**	**2,290**	**(252,524)**
Balance as at 30/06/2011	**6,298,331**	**3,195,591**	**-**	**383,490**	**36,696**	**9,914,108**

1(d)(ii) Changes in the Company's Issued Share Capital

Issued Share Capital

As at 30 June 2012, the Company's issued and fully paid up capital (excluding treasury shares) comprises 4,250,438,113 (30 June 2011: 4,269,407,912) ordinary shares. Movements in the Company's issued and fully paid-up share capital during the quarter were as follows:

	No. of Shares
As at 01/04/2012	4,249,995,818
Issue of new shares under Share Option Plans and payment of Directors' fees	442,295
As at 30/06/2012	**4,250,438,113**

Outstanding Options under CapitaLand Share Option Plan

	No. of Options
As at 01/04/2012	8,955,290
Exercised/Lapsed/Cancelled	(380,331)
As at 30/06/2012	**8,574,959**

Performance Share Plan

As at 30/06/2012, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 9,348,609 (30/06/2011: 9,733,858).

Under the PSP, the final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released up to a maximum of 200 per cent. of the baseline award. There is no vesting period for shares released under the PSP.

Restricted Stock/Share Plan

As at 30/06/2012, the number of shares comprised in contingent awards granted under the restricted stock/share plan ("RSP") in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 7,300,410 (30/06/2011: 6,535,320) and 5,393,597 (30/06/2011: 7,123,303) respectively, of which 271,610 (30/06/2011: 785,330) shares out of the former and 620,068 (30/06/2011: 931,079) shares out of the latter are to be cash-settled. With effect from FY2012, the cash-settled plan for non-managerial grade employees in Singapore has been replaced by a Restricted Cash Plan ("RCP").

Under the RSP, the final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released up to a maximum of 150 per cent. of the baseline award. Once the final number of shares has been determined, it will be released over a vesting period of three years. With effect from 2011, the awards to non-executive directors form part of the directors' fees and will be an outright grant with no performance and vesting conditions.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 30/06/2012:

Principal Amount Outstanding	Maturity Date	Put Dates	Conversion price per share	Convertible by holders on or after
$1.2 billion	3 September 2016	-	$4.6908	14 October 2009
$424.75 million	15 November 2016	15 November 2013	$6.01	26 December 2006
$1.05 billion	5 March 2018	5 March 2015	$7.1468	15 April 2008
$1.0 billion	20 June 2022	20 June 2017 & 20 June 2019	$11.5218	20 June 2008

Convertible Bonds (cont'd)

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

Assuming all the Bonds are fully converted based on their respective conversion prices, the number of new ordinary shares to be issued would be 560,204,672 (30 June 2011: 558,369,149) representing a 13.2% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2012.

1(d)(iii) Treasury Shares

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 2Q 2012. As at 30 June 2012, the Company held 19,611,437 treasury shares which represents 0.5% of the total number of issued shares (excluding treasury shares).

The Company did not hold any treasury shares as at 30 June 2011.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2011, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2012.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 January 2012 are:

Amendments to FRS 12 *Income Taxes: Deferred Tax Recovery of Underlying Assets*; and
Amendments to FRS 107 *Disclosures - Transfers of Financial Assets*;

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRS.

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued but will be effective for financial year beginning on or after 1 January 2013:

FRS 27 *Separate Financial Statements*
FRS 28 *Investments in Associates and Joint Ventures*
FRS 110 *Consolidated Financial Statements*
FRS 111 *Joint Arrangements*
FRS 112 *Disclosures of Interests in Other Entities*
FRS 113 *Fair Value Measurements*

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied (cont'd)

FRS 110 could potentially change the way in which an entity prepares its consolidated accounts. FRS 110 establishes a single control model as the basis for determining the entities that will be consolidated. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. This new control model requires the consideration of significantly more factors in the assessment, such as substantive potential voting rights, de facto power and agent versus principal concept, amongst other factors. Furthermore, the assessment of exposure to variability in returns would extend beyond mere distributions and fair value changes of the equity investments to any other form of benefits or cost savings enjoyed by the investor. The application of FRS 110 will require management to exercise significant judgment to determine which investees are controlled, and therefore are required to be consolidated by the Group.

The Group is presently assessing the impact arising from the adoption of these standards.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

6 Earnings per ordinary share (EPS) based on profit after tax & NCI attributable to the owners of the Company:

		Group			
		2Q 2012	2Q 2011	1H 2012	1H 2011
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	9.1	9.4	12.2	11.7
	Weighted average number of ordinary shares (in million)	4,250.3	4,269.2	4,248.2	4,267.0
6(b)	EPS based on fully diluted basis (in cents)	8.8	9.0	12.1	11.6
	Weighted average number of ordinary shares (in million)	4,610.6	4,629.5	4,354.0	4,373.7

7 Net asset value and net tangible assets per ordinary share based on issued share capital (excluding treasury shares) as at the end of the period

	Group		Company	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
NAV per ordinary share	$3.54	$3.51	$2.28	$2.35
NTA per ordinary share	$3.43	$3.40	$2.28	$2.35

8 Review of the Group's performance

Group Overview

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)
PBT	573.7	604.4	(5.1)	800.0	774.7	3.3
PATMI	385.9	399.0	(3.3)	519.1	500.5	3.7
PATMI excluding revaluations / impairments	179.5	171.3	4.8	286.7	271.4	5.6

2Q 2012 vs 2Q 2011

For the quarter under review, the Group achieved a PATMI of $385.9 million on a revenue of $862.5 million.

Turnover increased by 16.5%, predominantly from higher sales of development projects in Singapore, China and Australia as well as higher revenue from our shopping mall business, particularly the malls in Japan.

Revenue from the Singapore development projects which rose 13.8% to $239.7 million was underpinned by continued recognition from The Interlace. In China, revenue from development projects was also higher at $164.5 million, a 17.6% increase, mainly from The Pinnacle in Shanghai which was completed during the quarter. Similarly, sales from development projects in Australia was also higher with the increase coming from Australand's Residential division.

Our shopping mall business continued to register growth. The acquisition of three malls in Japan in 1Q 2012 has strengthened our presence there and brought about an increase in shopping malls' revenue in 2Q 2012.

Serviced residences' revenue declined marginally due to the absence of contribution from divested properties, namely New Minzhong Leyuan Mall and Ascott Beijing, but partially mitigated by revenue from newly-opened properties.

Fee-based income decreased during the quarter due to the absence of acquisition fees. In 2Q 2011, there were acquisition fees from CRCT and CMT earned in respect of New Minzhong Leyuan Mall and Bugis+ respectively.

For 2Q 2012, the Group recorded an EBIT of $719.9 million. Underlying 2Q 2012's EBIT were higher operating income and lower impairment charges. The revaluation gains and portfolio gains were lower this quarter vis-à-vis 2Q 2011.

Operating profit in 2Q 2012 came in stronger than in 2Q 2011 as a result of the higher revenue. This is despite some foreign exchange losses of $22.8 million recorded in 2Q 2012.

The revaluation gains at the EBIT level was $287.9 million compared to 2Q 2011's fair value gain of $372.7 million. This was primarily due to lower fair value gains from investment properties in Singapore and China but partially mitigated by higher fair value gains from the investment properties in Australia, Malaysia and Japan.

2Q 2012 vs 2Q 2011 (Cont'd)

For portfolio gains, the Group recognised $108.7 million in 2Q 2012 mainly from the injection of two China malls into CMCDF III and the share of CMT's gain from the divestment of Hougang Plaza. This was lower than the gain of $125.5 million in 2Q 2011 derived from the sale of a residential site in Shanghai, Blife units and New Minzhong Leyuan Mall.

The Group impaired certain investments in India and Japan amounting to $9.7 million during the quarter. In 2Q 2011, share of impairment charges taken up by our associates in Bahrain and Japan totaled $41.0 million.

After taking into account finance costs, taxes and non-controlling interests, the Group achieved a PATMI of $385.9 million in 2Q 2012. Excluding revaluations and impairments, the Group PATMI was $179.5 million. This was 4.8% higher than $171.3 million in 2Q 2011 due to higher development profits but partially offset by lower divestment gains and foreign exchange losses.

1H 2012 vs 1H 2011

In 1H 2012, the Group achieved a revenue of $1,503.6 million and a PATMI of $519.1 million.

Revenue grew 11.2% on higher contribution from developments projects in Singapore and Australia, increased shopping mall revenue and fee-based income.

For the six months ended June, revenue from the Singapore's development projects increased by 10.6% to $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. However, China registered a reduction as fewer projects were completed and handed over to home buyers in 1H 2012. The main contributors to 1H 2012's revenue from China were The Pinnacle in Shanghai and Beau Residences in Foshan.

Our shopping mall business also reported a rise in income with higher contributions from Queensbay Mall which was acquired in April 2011 and the three Japanese malls which were acquired in February 2012.

Serviced residences' revenue remained stable as the absence of contribution from divested properties was mitigated by contribution from newly opened properties.

Despite a decrease in 2Q 2012, fee-based income from the Group's fund management, property and project management services was higher in 1H 2012 due mainly to better performance of our properties and new project management contracts secured.

Geographically, our three core markets, Singapore, China and Australia, constituted 89.0% of the Group's revenue (1H 2011: 89.3%). Our overseas operations accounted for $949.8 million or 63.2% of total revenue versus $840.6 million or 62.2% in 1H 2011.

For the first half of the year, the Group achieved an EBIT of $1,051.3 million which was 4.8% higher than that of 1H 2011. 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.

In 1H 2012, impairment charges of $10.3 million were made for certain investments in India and Japan. This was lower than the impairment charges of $41.0 million taken up by the Group's associates in Bahrain and Japan in 1H 2011.

1H 2012 vs 1H 2011 (Cont'd)

The net fair value gains from the revaluation of investment properties were $326.2 million in 1H 2012 and these are in respect of the Group's investment properties in Singapore, China, Australia, Malaysia and Japan. In 1H 2011, fair value gains from the revaluation of investment properties were higher at $375.0 million.

In 1H 2012, the Group recorded portfolio gains of $137.5 million mainly from the injection of two China malls into CMCDF III and the divestments of Hilton Double Tree Hotel in Kunshan and Hougang Plaza in Singapore. 1H 2011's portfolio gains of $121.6 million were mainly from the divestments of a residential site in Shanghai, Blife units and New Minzhong Leyuan Mall as well as a gain of $20.3 million from the realisation of available-for-sale reserves in respect of LFIE Holding Limited.

The core markets of Singapore, China and Australia accounted for 86.9% of total EBIT (1H 2011: 98.9%). Singapore EBIT amounted to $419.0 million or 39.9% (1H 2011: $394.6 million or 39.3%) while overseas EBIT made up the remaining $632.3 million or 60.1% (1H 2011: $608.5 million or 60.7%) of the Group's total EBIT. EBIT from China and Australia was $301.7 million and $193.4 million respectively.

EBIT from Singapore was higher mainly due to higher development profits and share of CMT's gain from the sale of Hougang Plaza, partially offset by lower fair value gains from the revaluation of investment properties. EBIT from China was however lower on account of lower fair value gains from investment properties and lower portfolio gains. EBIT from Australia increased on higher fair value gains from the revaluation of investment properties and higher development profits.

Finance costs for 1H 2012 increased 10.0% to $251.3 million, mainly attributable to higher borrowings and higher marked to market losses on interest rate swaps which were entered into to hedge interest rate fluctuations. As more loans were drawn down to fund some of the new investments, the Group's gross debt increased to $13.2 billion as at 30 June 2012 (30 June 2011: $10.1 billion). Notwithstanding the higher debt, the Group's net debt equity ratio as at end June 2012 remained within an acceptable range at 0.41 (30 June 2011: 0.23).

Overall, the Group achieved a PATMI of $519.1 million in 1H 2012. Excluding revaluations and impairments, the Group PATMI in 1H 2012 stood at $286.7 million, 5.6% higher than the PATMI of $271.4 million achieved in 1H 2011.

Segment Performance

CapitaLand Residential Singapore ("CRS")

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	239.7	210.6	13.8	406.5	367.7	10.6
EBIT	97.4	74.2	31.3	149.4	132.9	12.5

Revenue for 2Q 2012 and 1H 2012 was higher than the corresponding periods last year due to higher progressive revenue recognition and sales of additional units from The Interlace. This was partly offset by lower sales of units in Latitude.

In line with higher revenue, EBIT for 2Q 2012 and 1H 2012 was also higher than previous corresponding periods.

In 2Q 2012, CRS sold 202 units, bringing the total number of units sold in 1H 2012 to 259 with a total sales value of $467 million.

CapitaLand China Holdings ("CCH")

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	164.5	139.9	17.6	200.1	269.7	(25.8)
EBIT	100.2	170.2	(41.2)	149.4	247.1	(39.5)

In 2Q 2012, CCH released Phase 3 of Beaufort in Beijing and sold more than 50% of the 228 units released. For the six months ended June 2012, CCH achieved sales of over 1,000 units with total sales value of RMB2.2 billion (approximately S$0.4 billion). This represents an increase of 18% in units and 21% in sales value over 1H 2011.

A total of 269 units was delivered to home buyers in 2Q 2012 mainly for The Pinnacle (234 units). Including the 180 units handed over in 1Q 2012, CCH delivered a total of 449 units in 1H 2012. In the previous year, CCH delivered 960 units and 1,316 units in 2Q 2011 and 1H 2011 respectively, including The Loft in Chengdu (651 units), The Riviera, Riverside Ville and Beau Residences in Foshan (643 units).

The higher revenue for 2Q 2012 was mainly attributable to higher sales value for units at The Pinnacle. On a six months basis, revenue was lower mainly due to fewer units delivered to home buyers as compared to 1H 2011.

EBIT for 2Q 2012 was lower than 2Q 2011 as higher development profit was offset by lower fair value gains recorded in June 2012 and lower portfolio gains. There was a one-off divestment gain from the sale of a residential site in Shanghai in 2Q 2011. EBIT for 1H 2012 was also lower than previous corresponding period mainly due to lower fair value gains and lower portfolio gains.

For the period ended June 2012, Raffles City Shanghai and Raffles City Beijing, continue to do well, achieving higher rental rates as compared to 1H 2011. Occupancy in both of the properties stands at an average of 98% for Retail and Office, and 85% for Raffles City Beijing's Ascott Serviced Apartments.

CapitaLand Commercial ("CCL")

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	21.0	23.0	(8.6)	40.9	46.6	(12.2)
EBIT	30.2	63.4	(52.3)	67.8	88.3	(23.2)

Lower revenue for 2Q 2012 and 1H 2012 was due to the absence of contribution from divested properties, partially mitigated by fee income from new projects under construction. Two properties, The Adelphi and Corporation Place, were divested in January and December 2011 respectively.

In addition to aforementioned, EBIT for 2Q 2012 and 1H 2012 was lower due to lower fair value gains from the revaluation of investment properties and foreign exchange losses. The decrease in EBIT was however mitigated by the absence of loss from the divestment of a Thai joint venture last year, as well as an improvement in operating results from associates and joint ventures.

Ascott

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	97.1	99.3	(2.3)	179.9	181.4	(0.8)
EBIT	71.3	70.7	0.8	81.6	74.3	9.9

Revenue for 2Q 2012 and 1H 2012 was slightly lower compared to the corresponding periods in 2011 mainly due to the absence of revenue from properties divested in mid-2011, partially mitigated by contributions from newly opened properties in 2011.

EBIT in 2Q 2012 was slightly higher mainly due to share of higher fair value gain from Ascott Residence Trust ("Ascott Reit"), which included the increase in the valuation of Somerset Grand Cairnhill. This increase was partially offset by lower portfolio gain as compared to 2Q 2011. The higher EBIT in 1H 2012 was also due to receipt of settlement in respect of an insurance claim in 1Q 2012.

CapitaValue Homes ("CVH")

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	0.3	0.1	99.3	0.5	1.1	(49.3)
EBIT	(8.8)	(5.8)	(52.6)	(15.5)	(11.3)	(37.6)

Revenue comprises fee income from projects in Vietnam.

Higher losses for 2Q 2012 and 1H 2012 at the EBIT level were mainly due to operating costs for business expansion in China, partially mitigated by lower share of losses from a joint venture.

CapitaLand Financial ("CFL")

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	27.6	29.1	(5.3)	58.3	53.3	9.3
EBIT	17.0	32.7	(47.9)	40.0	56.1	(28.7)

Revenue for 2Q 2012 was lower mainly due to the absence of one-off carried interest earned from the divestment of one of the funds.

Higher revenue in 1H 2012 was mainly due to acquisition fees from our REITs and higher interest income from new financial products.

EBIT for 2Q 2012 and 1H 2012 decreased by $15.7m and $16.1m respectively mainly due to the absence of a gain from the disposal of an investment.

CapitaMalls Asia ("CMA")

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	73.3	62.8	16.6	143.0	113.0	26.5
EBIT	281.6	212.8	32.3	365.7	277.6	31.7

Revenue for 2Q 2012 and 1H 2012 was higher than the corresponding periods in 2011. This was mainly due to contribution from the Investment Business segment, following the acquisition of the three malls in Japan in February 2012. Revenue from the Management Fee Business segment also improved mainly due to higher project and property management fees due to better performance of shopping malls and new projects undertaken.

EBIT for 2Q 2012 and 1H 2012 was higher than the corresponding periods in 2011. This was largely contributed by the gain recorded on the monetisation of assets to CMCDF III, share of CMT's gain arising from the disposal of Hougang Plaza and contribution from the three Japan malls, Minhang Plaza and Hongkou Plaza, all of which were acquired this year. The increase was partially offset by the lower revaluation gain from the investment properties in China.

Others

S$M	2Q 2012	2Q 2011	Variance (%)	1H 2012	1H 2011	Variance (%)
Revenue	239.1	175.5	36.2	474.5	319.1	48.7
EBIT	131.0	101.5	29.1	212.8	138.1	54.1

Others include the Corporate Office, Australand, Surbana and others.

The higher revenue in both 2Q 2012 and 1H 2012 was attributable to higher sales from the development projects in Australia.

The increase in EBIT in 2Q 2012 and 1H 2012 was due to the absence of impairment loss taken up by an associate in Bahrain in 2Q 2011 as well as higher fair value gains from the investment properties in Australia.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the first quarter 2012 financial results were announced.

10 Commentary of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

CapitaLand Residential Singapore ("CRS")

Based on Urban Redevelopment Authority's ("URA") statistics, new homes sold by the developers for the first six months of 2012 totaled 11,928 units. We expect the total number of units sold for 2012 to exceed last year's sales of 15,904 units.

The URA's latest Residential Property Price Index also shows that prices island-wide have remained relatively stable, increasing slightly by 0.4% in 2Q 2012.

With the strong underlying demand for homes, projects that are well-located and have strong sale attributes will continue to do well, barring any major disruptions in the Singapore market. We expect the Singapore Government to continue monitoring the property market.

CRS plans to release new phases of The Interlace and Sky Habitat in 2H 2012. The Wharf Residence is expected to attain Temporary Occupation Permit in 3Q 2012 while Urban Suites and Urban Resort Condominium are expected to complete by 1H 2013. Revenue contribution from Bedok Residences and Sky Habitat are expected to commence in 1H 2013.

CapitaLand China Holdings ("CCH")

To curb speculation in real estate, China had adopted several measures including tightening lending policies, imposing higher down payments and property tax. The Chinese Government is determined to retain these measures to steer housing prices to "reasonable" levels and is unlikely to lift the purchase restriction policies in the short term. However, some fine tunings have been made to existing policies. As a consequence, residential sales volume and prices in certain key cities have seen an increase in recent months.

CCH remains positive about the property market in the long term as urbanisation, strong domestic consumption and increasing affluence will continue to underpin demand. The Chinese Government's measures to ensure stable and sustainable growth are conducive for long-term prospects.

CCH plans to release new launches and phases of existing projects subject to regulatory approval and will time them according to the market conditions. It will also explore opportunities to acquire new sites.

CCH currently has a portfolio of 8 Raffles City developments. Raffles City Shanghai and Raffles City Beijing are currently operational; and Raffles City Chengdu and Raffles City Ningbo will be operational by 3Q 2012. The latter two projects are well received with strong pre-commitment from tenants. By 2015, 7 Raffles Cities will be operational while Raffles City Chongqing will be completed in 2017.

CapitaLand Commercial ("CCL")

Office vacancy rate in Singapore's Central Business District ("CBD") declined to 8.4% in 2Q 2012 from 9.3% in 1Q 2012. However, the current economic uncertainty continues to weigh on the office market rentals. The average monthly Grade A office rent declined by approximately 4.7% to $10.10 per square foot in 2Q 2012, which is 8.7% below the peak rent of $11.06 per square foot in 3Q 2011. Looking ahead, Singapore CBD's new office supply from 2013 to 2015 is estimated to be less than 1 million square feet annually, thus limiting any concern of oversupply.

For CCL's office portfolio which is held through CapitaCommercial Trust ("CCT"), the committed occupancy rate has held steady at 96.2%. CCT has only about 4% of office leases (by portfolio gross rental income) expiring in the second half of 2012.

CCL will continue to focus on active portfolio management and capital recycling. To strengthen its commercial portfolio, CCL will seek to increase its office footprint in Singapore's Central Business District and in the regional commercial hubs located next to the Mass Rapid Transit stations.

CCL also intends to expand its self-storage business under the "StorHub" brand in Singapore and China to meet increasing demand for such facilities. StorHub's facilities in Guangzhou and Shanghai have commenced operations in May and July 2012 respectively. The new facilities in Woodlands, Singapore, will be operational from 3Q 2012.

Ascott

As announced on 9th July 2012, Ascott together with CapitaLand Residential Singapore would acquire Somerset Grand Cairnhill from Ascott Reit for a consideration of $359 million; and would jointly redevelop the site into a newly integrated development comprising a serviced residence with a hotel licence and a high-end residential development.

At the same time, Ascott would also divest Ascott Raffles Place and Ascott Guangzhou for a total consideration of $283.3 million to Ascott Reit. Earlier, Ascott has also announced the divestment of Citadines Ashley Hongkong for a cash consideration of $50 million to an external party. These divestments are part of its active capital recycling strategy.

With the divestment proceeds, Ascott will seek new investment opportunities in key cities in Asia and Europe and focus on improving the quality of its portfolio through asset enhancements. Ascott will also continue to grow its fee-based income through securing management contracts. Ascott has recently secured a contract to manage its third property in Chengdu, which further enhances Ascott's leadership position as the largest international serviced residence owner-operator in China.

CapitaValue Homes ("CVH")

CVH remains positive on the long term outlook of the value housing market in China and Vietnam. The continued economic growth and rapid urbanisation in these countries would lend support to the demand for value homes. CVH will focus on growing its pipeline to between 10,000 and 15,000 value homes through the acquisition of new sites. It plans to launch both its maiden value housing projects in Wuhan, China and Ho Chi Minh City, Vietnam in 4Q 2012 subject to regulatory approval.

CapitaLand Financial ("CFL")

CFL will continue to seek accretive acquisitions and initiate asset enhancement to grow its Asset Under Management.

At the same time, CFL will explore the origination of new real estate structured financial products and property funds.

CapitaMalls Asia ("CMA")

Growth in the Asian economies has moderated on the back of uncertainty in the Eurozone debt crisis. In China, growth has slowed from 9.2% in 2011 to 7.8% in 1H 2012 and policymakers have responded by easing the monetary, fiscal and regulation fronts. Singapore's economy is expected to grow between 1% and 3% for 2012, supported by pharmaceutical and tourism-related segments. Malaysia's economy is expected to grow between 4% and 5% for 2012, supported by robust economy, consumption demand and private investment activities. The global economic environment remains fragile, with downside risks mainly emanating from Europe.

With a robust balance sheet and a strong pipeline of malls under development, CMA will continue to strengthen its presence in the region, when opportunities arise.

For further details, please refer to CMA's 2012 Second Quarter Financial Statements Announcement released on the Singapore Exchange on 26 July 2012.

Australand

In Australia, the impact of the recent interest rate reductions on the consumer remains uncertain, particularly as unemployment levels have begun to rise. However, Australand expects to deliver 3-4% growth in operating earnings for 2012, underpinned by high occupancy, minimal lease expiry and fixed rental growth from its investment portfolio combined with its strong level of residential contracts on hand.

For further details, please refer to Australand's Appendix 4D and Financial Report for the half year ended 30 June 2012 released on the Australian Securities Exchange on 26 July 2012.

GROUP OVERALL PROSPECTS

The global economic climate remains uncertain as the Eurozone debt crisis is dragging down economic growth prospects. US economic recovery remains sluggish with increasing concerns over the US fiscal health, weak retail sales and slow job creation. Asia is showing signs of moderation in growth momentum. Notwithstanding the slower pace of growth, the likelihood of a hard landing of China's economy remains low as the Chinese government has taken proactive steps towards sustainable GDP growth by easing monetary policy and increasing fiscal spending.

Singapore and China will remain the Group's key markets for new investments. The underlying fundamentals of the housing sectors in both Singapore and China remain sound, driven by new home formations, rising urbanisation and growing wealth creation. We continue to monitor the risks of further government interventions in these two markets.

Based on statistics from the URA, developers in Singapore sold 11,928 new units in 1H 2012 – a 48% increase from the 8,039 private homes sold during the same period in 2011. Sales during 1H 2012 are about 75% of the 15,904 new units sold for the whole of last year. Over the remaining year, CapitaLand intends to release new phases from The Interlace and Sky Habitat in Singapore following encouraging market reception to our projects.

In China, buying sentiment has gradually improved since April 2012 with transaction volume registering year-on-year growth in May and June. The Group is targeting to release new units for sale 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 first value housing project in Wuhan is also slated for launch towards 4Q 2012.

Retail sales continue to grow in Singapore, China and Malaysia. In Singapore, CMA's malls will receive a boost from the asset enhancement initiatives and new completions at Bugis+ in July 2012, The Star Vista in September 2012 and The Atrium@Orchard by end of the year. This will increase the number of operational malls to 17 by end 2012. Retail sales in China have been robust, a sign that government efforts to boost domestic demand to drive economic growth may be working. With its extensive presence and improving operational efficiency in China, CMA is well poised to capture the growing opportunities provided by the robust Chinese consumption trend. CMA is targeting to open 6 malls in China in 2H 2012, adding to the 43 malls already in operation.

Positive lease renewals at Raffles City Shanghai and Beijing during 1H 2012 are expected to persist 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 3Q 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 construction is expected to commence by the end of the year.

Office demand in Singapore is still positive, dominated by the leasing of small to mid-size office space. The occupancy for CapitaLand's portfolio of completed projects held through CCT has stabilised at 96.2%, which is higher than market occupancy of 91.6% for the core CBD in end-June 2012. The Group will continue to manage its existing properties and ongoing development of CapitaGreen and Westgate proactively to generate long term growth.

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.

The Group will also continue to evaluate opportunities to originate new private equity funds and real estate financial products to complement its core real estate business in China and South East Asia.

The Group's on-going capital recycling and prudent capital management initiatives will ensure its balance sheet is optimised amidst the current market volatility. We will continue to explore investment opportunities primarily in Singapore and China.

11 Dividend

11(a) Any dividend declared for the present financial period? No.

11(b) Any dividend declared for the previous corresponding period? No.

11(c) Date payable : Not applicable.

11(d) Books closing date : Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared or recommended in the current reporting period.

13 Interested Person Transactions

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 June 2012 and the results of the business, changes in equity and cash flows of the Group for the six months ended on that date, to be false or misleading in any material respect.

On behalf of the Board

Ng Kee Choe
Chairman

Liew Mun Leong
Director

15 Segmental Revenue and Results

15(a)(i) By Strategic Business Units (SBUs) – 2Q 2012 vs 2Q 2011

	Revenue			Earnings before interest & tax		
	2Q 2012 S$'000	2Q 2011 S$'000	Variance %	2Q 2012 S$'000	2Q 2011 S$'000	Variance %
CapitaLand Residential Singapore	239,659	210,630	13.8	97,411	74,205	31.3
CapitaLand China Holdings (1)	164,465	139,881	17.6	100,168	170,216	(41.2)
CapitaLand Commercial (2)	20,989	22,970	(8.6)	30,200	63,359	(52.3)
Ascott	97,050	99,338	(2.3)	71,257	70,669	0.8
CapitaValue Homes	295	148	99.3	(8,805)	(5,771)	(52.6)
CapitaLand Financial	27,586	29,129	(5.3)	17,033	32,679	(47.9)
CapitaMalls Asia	73,304	62,843	16.6	281,624	212,791	32.3
Others (3)	239,106	175,498	36.2	131,027	101,465	29.1
Total	**862,454**	**740,437**	**16.5**	**719,915**	**719,613**	**0.0**

15(a)(ii) By Strategic Business Units (SBUs) – 1H 2012 vs 1H 2011

	Revenue			Earnings before interest & tax		
	1H 2012 S$'000	1H 2011 S$'000	Variance %	1H 2012 S$'000	1H 2011 S$'000	Variance %
CapitaLand Residential Singapore	406,483	367,674	10.6	149,440	132,868	12.5
CapitaLand China Holdings (1)	200,060	269,666	(25.8)	149,448	247,108	(39.5)
CapitaLand Commercial (2)	40,918	46,621	(12.2)	67,822	88,315	(23.2)
Ascott	179,906	181,430	(0.8)	81,582	74,252	9.9
CapitaValue Homes	540	1,065	(49.3)	(15,509)	(11,271)	(37.6)
CapitaLand Financial	58,262	53,321	9.3	39,962	56,073	(28.7)
CapitaMalls Asia	142,953	113,031	26.5	365,742	277,639	31.7
Others (3)	474,456	319,149	48.7	212,841	138,143	54.1
Total	**1,503,578**	**1,351,957**	**11.2**	**1,051,328**	**1,003,127**	**4.8**

Note :
(1) *Excludes Retail and Serviced Residences in China.*
(2) *Includes residential projects in Malaysia.*
(3) *Includes Corporate Office, Australand, Surbana and others.*

15(b)(i) By Geographical Location – 2Q 2012 vs 2Q 2011

	Revenue			Earnings before interest & tax		
	2Q 2012 S$'000	2Q 2011 S$'000	Variance %	2Q 2012 S$'000	2Q 2011 S$'000	Variance %
Singapore	314,655	287,739	9.4	290,200	263,075	10.3
China [(1)]	200,102	174,845	14.4	243,814	324,300	(24.8)
Other Asia [(2)]	30,462	19,441	56.7	45,205	(21,913)	NM
Australia	257,000	196,271	30.9	118,290	134,023	(11.7)
Europe	52,861	53,983	(2.1)	22,406	19,965	12.2
Others	7,374	8,158	(9.6)	-	163	(100.0)
Total	**862,454**	**740,437**	**16.5**	**719,915**	**719,613**	**0.0**

15(b)(ii) By Geographical Location – 1H 2012 vs 1H 2011

	Revenue			Earnings before interest & tax		
	1H 2012 S$'000	1H 2011 S$'000	Variance %	1H 2012 S$'000	1H 2011 S$'000	Variance %
Singapore	553,779	511,354	8.3	418,969	394,619	6.2
China [(1)]	272,600	338,220	(19.4)	301,652	416,863	(27.6)
Other Asia [(2)]	56,998	34,190	66.7	117,157	(151)	NM
Australia	512,277	358,067	43.1	193,372	180,721	7.0
Europe	93,132	93,571	(0.5)	20,178	10,606	(90.3)
Others	14,792	16,555	(10.6)	-	469	(100.0)
Total	**1,503,578**	**1,351,957**	**11.2**	**1,051,328**	**1,003,127**	**4.8**

Note : [(1)] *China including Macau and Hong Kong.*
[(2)] *Excludes Singapore and China and includes projects in GCC.*

16 In the review of performance, the factors leading to any material changes in contributions to revenue and earnings by the business or geographical segments

Please refer to Item 8.

17 Breakdown of Group's revenue and profit after tax for first half year and second half year

Not applicable.

18 Breakdown of Total Annual Dividend (in dollar value) of the Company

Not applicable.

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
1 August 2012