For immediate release

CapitaLand Limited posts a 27% increase in turnover, a 204% increase in earnings before interest and tax and exceeds full year divestment goal in 1H 2001

Singapore, 1 August 2001 -- CapitaLand Limited recorded turnover of $1.7 billion, a 27% increase from the $1.4 billion recorded for the same period last year. Including divestment gains and provisions, CapitaLand's earnings before interest and tax (EBIT) rose significantly to S$190 million from S$63 million for the same period last year. Operating profit amounts to $272.2 million.

The increase in turnover came largely from higher residential sales in Australia and China, consolidation of revenue from Canary Riverside, which became a subsidiary in November 2000, and higher contributions from serviced residences and hotels. Gains from divestments, including the sale of a 55% stake in Raffles City, contributed to the 204% increase in EBIT. Year to date, the company has divested assets totalling $1.2 billion. This amount exceeds the full-year divestment target of between $500 million and $1 billion. Operationally, commercial properties and property management services sectors have provided steady contributions. In addition, the average occupancy and room rates for the Group's serviced residences and hotels have shown improvement, compared to the same period last year.

Due to the difficult market conditions, especially in Singapore, the company has proactively taken provisions and write-downs totalling S$588.2 million, of which S$508 million was for Singapore residential assets. As a result, the company recorded a first

half 2001 net loss after tax and minority interest of S$268.3 million. Without the provisions, the Group would have recorded a net profit after tax and minority interests of S$310.1 million and reduced gearing to 0.84 from the 0.92 reported at year-end 2000. (Financial Highlights attached).

Said Liew Mun Leong, President and CEO, CapitaLand Limited, "We are focused and on track in strengthening our balance sheet. Our monetisation programme is ahead of schedule and exceeded our budget. This is reflected in our half-year financial performance. We took a realistic view of market conditions and have taken provisions now rather than wait until year-end. This will facilitate our cashflow-centric strategy and position us to take advantage of future opportunities. We will continue to pursue divestment opportunities, grow our fee-based income, extend our earnings base by exploiting overseas opportunities, and expand our global presence and network for sustained growth."

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FINANCIAL HIGHLIGHTS For the Six Months Ended 30 June 2001			
	1st Half 2001	1st Half 2000	% Change
Turnover (S$mil)	1,747.1	1,379.7	26.6
Earnings before interest and taxes (EBIT) (S$mil)	190.0	62.5	203.8
Profit attributable to shareholders (without provisions) (S$mil)	310.1	105.0	195.3
Profit attributable to shareholders (after provisions) (S$mil)	(268.3)	(195.8)	37.0
Earnings per share (cents)	(10.7)	(7.9)	35.4