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CAPITALAND LIMITED

2004 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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1(a)(i) Income Statement

	<---------- Group ---------->			<---------- Group ---------->		
	3Q 2004 S$'000	**3Q 2003 S$'000 (Restated)**	**% Change**	**YTD Sep 2004 S$'000**	**YTD Sep 2003 S$'000 (Restated)**	**% Change**
Revenue	**807,435**	**895,955**	**(9.9)**	**2,577,981**	**2,513,498**	**2.6**
Cost of sales	(559,506)	(662,878)	(15.6)	(1,811,051)	(1,824,401)	(0.7)
Gross profit	247,929	233,077	6.4	766,930	689,097	11.3
Other operating income	132,746	47,652	178.6	256,561	182,018	41.0
Administrative expenses	(147,582)	(120,261)	22.7	(435,287)	(374,763)	16.1
Other operating expenses	(94,450)	458	NM	(127,443)	(18,909)	574.0
Profit from operations	138,643	160,926	(13.8)	460,761	477,443	(3.5)
Finance costs	(58,821)	(56,506)	4.1	(190,448)	(177,555)	7.3
Share of results of:						
- associated companies	35,420	7,648	363.1	60,637	29,509	105.5
- joint venture companies	14,918	8,799	69.5	50,480	19,341	161.0
- partnerships	-	-	-	-	5	NM
	50,338	16,447	206.1	111,117	48,855	127.4
Profit before taxation	130,160	120,867	7.7	381,430	348,743	9.4
Taxation	(31,937)	(34,406)	(7.2)	(102,710)	(100,998)	1.7
Profit after taxation	98,223	86,461	13.6	278,720	247,745	12.5
Minority interests (MI)	(24,423)	(17,451)	40.0	(86,359)	(62,373)	38.5
Profit after tax and MI	**73,800**	**69,010**	**6.9**	**192,361**	**185,372**	**3.8**

NM : Not meaningful.
Note : The comparative financial statements for 3Q & YTD Sep 2003 have been restated to take into account the retrospective reclassification of certain leasehold properties from "property, plant and equipment" to "investment properties" by a subsidiary. Please see Item 4 for details.

1(a)(ii) Breakdown and Explanatory Notes to Income Statement

	<---------- Group ---------->		
	3Q 2004 S$'000	**3Q 2003 S$'000 (Restated)**	**% Change**
Other Operating Income	**132,746**	**47,652**	**178.6**
Investment income	532	434	22.6
Other income including interest income and portfolio gains	34,398	45,894	(25.0)
Revaluation surplus realised to P/L	102,648	-	NM
Foreign exchange (loss)/gain	(4,832)	1,324	NM
Other Operating Expenses	**(94,450)**	**458**	**NM**
Revaluation deficits charged to P/L ($102.6M net of reversal $15.7M)	(86,885)	-	NM
(Impairment)/Write back in value of assets	(4,890)	766	NM
Reversal of foreign exchange loss	-	2,715	NM
Others	(2,675)	(3,023)	(11.5)

	<---------- Group ---------->		
	3Q 2004 S$'000	**3Q 2003 S$'000 (Restated)**	**% Change**
Administrative Expenses	**(147,582)**	**(120,261)**	**22.7**
Included in Administrative Expenses:-			
Depreciation and amortisation	(22,276)	(23,436)	(4.9)
Provision for doubtful debts and bad debts	(1,682)	(290)	480.0

Other Operating Income

3Q 2004's other operating income of $132.7 million included an amount of $102.6 million being realisation of Plaza Singapura's revaluation surplus upon its disposal to CapitaMall Trust. As this revaluation surplus had already been used in previous years to offset the revaluation deficits of other investment properties in Singapore, a corresponding charge was taken to the profit and loss account ("P/L") under "Other Operating Expenses". Excluding this item, other income for this quarter was $30.1 million compared to $47.7 million in 3Q 2003. This was mainly due to lower portfolio gains and foreign exchange loss in this quarter.

Other Operating Expenses

As mentioned above, 3Q 2004's other operating expenses of $94.5 million included a corresponding charge of $102.6 million to reverse the gain of disposal for Plaza Singapura. Conversely, there was a write back of $15.7 million being revaluation deficits previously charged to P/L upon the disposal of Scotts Shopping Centre and The Ascott Singapore which were disposed at above carrying values. Excluding this, other operating expenses for 3Q 2004 of $7.6 million were due mainly to provision of $4.9 million made in this quarter for diminution in value of investments.

Foreign exchange gain/(loss)

The foreign exchange loss of $4.8 million was mainly due to the revaluation of payables denominated in US$.

Administrative Expenses

Administrative expenses for 3Q 2004 were $147.6 million, about 22.7% higher than 3Q 2003. This was mainly due to higher staff cost and other expenses as a result of increased hospitality activities, consolidation of 3 months of Swissotêl Nankai Osaka's expenses, as well as one-off expenses related to the listing of CCT. In addition, the Group's subsidiaries in Australia were translated to S$ at higher amounts upon the consolidation of Group accounts due to higher exchange rate for A$.

Taxation expense

Although operating profit was higher, the tax expense ($31.9 million in 3Q 2004 vs $34.4 million in 3Q 2003) was lower as a result of lower Singapore tax rate of 20% this year vs 22% last year.

Adjustments for under or overprovision of tax in respect of prior years

The income tax expense is based on the statutory tax rates of the respective countries in which the companies are operating and after taking into account non-deductible expenses and temporary differences. The amount of over-provision of tax in respect of prior years included in the Group's tax charge for the 3Q 2004 is $0.9 million (3Q 2003 : under-provision of $3.4 million).

Gain on sale of investments

	$M
Scotts Shopping Centre and The Ascott Singapore	8.4
Shinjuku Square Tower	6.9
IP Thai Property Fund & others	3.1
Total Group's share of gain after tax & MI for 3Q 2004	**18.4**

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1(b)(i) Balance Sheet

As at 30/09/2004 vs 31/12/2003

	<---------- Group ---------->			<---------- Company ---------->		
	30/09/2004 S$'000	**31/12/2003 S$'000**	**% Change**	**30/09/2004 S$'000**	**31/12/2003 S$'000**	**% Change**
Non-Current Assets						
Property, Plant & Equipment	1,275,032	1,318,015	(3.3)	1,634	1,487	9.9
Intangible Assets	34,359	36,141	(4.9)	-	-	-
Investment Properties	3,533,503	6,583,170	(46.3)	-	-	-
Properties under Devt	152,518	156,635	(2.6)	-	-	-
Interests in Subsidiaries	-	-	-	5,738,194	7,430,563	(22.8)
Interests in Associated Companies, Joint Venture Companies and Partnerships	3,997,057	3,062,194	30.5	-	-	-
Other Assets	171,396	247,629	(30.8)	325	228	42.5
	9,163,865	**11,403,784**	**(19.6)**	**5,740,153**	**7,432,278**	**(22.8)**
Current Assets	**6,515,938**	**6,154,616**	**5.9**	**1,422,978**	**1,117,009**	**27.4**
Devt Properties for Sale	*3,764,612*	*3,552,375*	*6.0*	-	-	-
Trade & Other Receivables	*1,092,765*	*952,587*	*14.7*	*475,362*	*624,290*	*(23.9)*
Cash & Cash Equivalents	*1,611,535*	*1,476,486*	*9.1*	*947,616*	*492,719*	*92.3*
Other Current Assets	*47,026*	*173,168*	*(72.8)*	-	-	-
Less: Current Liabilities	**3,203,857**	**4,250,529**	**(24.6)**	**695,425**	**1,045,816**	**(33.5)**
Trade & Other Payables	*1,172,901*	*1,361,502*	*(13.9)*	*35,429*	*69,787*	*(49.2)*
Short-Term Borrowings	*1,631,986*	*2,692,522*	*(39.4)*	*659,996*	*976,029*	*(32.4)*
Other Current Liabilities	*398,970*	*196,505*	*103.0*	-	-	-
Net Current Assets	**3,312,081**	**1,904,087**	**73.9**	**727,553**	**71,193**	**921.9**
Less: Non-Current Liabilities						
Long-Term Borrowings	4,869,020	4,855,812	0.3	528,910	891,560	(40.7)
Other Non-Current Liabilities	343,964	390,452	(11.9)	1,841,832	1,717,045	7.3
	5,212,984	**5,246,264**	**(0.6)**	**2,370,742**	**2,608,605**	**(9.1)**
	7,262,962	**8,061,607**	**(9.9)**	**4,096,964**	**4,894,866**	**(16.3)**
Representing:						
Share Capital	2,522,395	2,517,350	0.2	2,522,395	2,517,350	0.2
Reserves	2,754,784	3,560,229	(22.6)	1,574,569	2,377,516	(33.8)
Share Capital and Reserves	5,277,179	6,077,579	(13.2)	4,096,964	4,894,866	(16.3)
Minority Interests	1,985,783	1,984,028	0.1	-	-	-
	7,262,962	**8,061,607**	**(9.9)**	**4,096,964**	**4,894,866**	**(16.3)**

NM *Not meaningful.*

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1(b)(ii) Aggregate amount of group's borrowings and debt securities

	< ---------- Group ---------->		
	As at 30/09/2004 S$'000	**As at 31/12/2003 S$'000**	**As at 30/09/2003 S$'000**
Amount repayable in one year or less, or on demand:-			
Secured	242,235	493,127	399,985
Unsecured	1,389,751	2,199,395	2,271,385
Sub-Total 1	**1,631,986**	**2,692,522**	**2,671,370**
Amount repayable after one year:-			
Secured	1,753,828	1,599,557	1,477,177
Unsecured	3,115,192	3,256,255	2,747,495
Sub-Total 2	**4,869,020**	**4,855,812**	**4,224,672**
Total Debt	**6,501,006**	**7,548,334**	**6,896,042**
Less : Cash and cash equivalents	(1,611,535)	(1,476,486)	(1,111,511)
Net Debt	**4,889,471**	**6,071,848**	**5,784,531**

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' land and buildings, investment properties, properties under development or development properties for sale and assignment of all rights and benefits with respect to the properties.

Cash and cash equivalents

The cash and cash equivalents as at 30/09/2004 totalling to about $1,611.5 million included approximately $1,218.0 million in fixed deposits and approximately $149.9 million in Project Accounts whose withdrawals are restricted to payment for expenditure incurred on development projects.

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1(c) Consolidated Cash Flow Statements

	< ---------- Group ---------->			
	3Q 2004 S$'000	**3Q 2003 S$'000 (Restated)**	**YTD Sep 2004 S$'000**	**YTD Sep 2003 S$'000 (Restated)**
Cash Flows from Operating Activities				
Profit before taxation	**130,160**	**120,867**	**381,430**	**348,743**
Adjustments for :				
Amortisation /(Write back) of intangible assets	453	779	1,845	(4,344)
Amortisation of leasehold investment property	-	31	124	93
Allowance/(Write-back) for:				
- Non-current portion of financial assets	4,975	-	26,914	(917)
- Loan to associated companies, joint ventures and partnerships	-	-	-	(291)
Non-current employee benefits	25	439	158	1,252
Depreciation of property, plant and equipment	21,833	22,603	66,679	69,775
(Gain)/Loss on disposal/write-off of property, plant and equipment	(515)	(227)	425	(1,814)
Impairment/(Write back) of property, plant and equipment	-	853	-	853
(Gain)/Loss on disposal of investment property	(12,196)	382	(12,196)	462
Gain on disposal of non-current financial assets	-	(436)	-	(436)
Gain on disposal of subsidiaries and associated companies	-	(10,386)	(6,559)	(50,707)
Share of results of associated companies, joint ventures and partnerships	(50,338)	(16,447)	(111,117)	(48,855)
Transfer of reserve on consolidation to the profit and loss account arising from cessation of business of subsidiaries	-	(10,406)	-	(29,051)
Accretion of deferred income	(72)	(1,421)	(3,037)	(2,768)
Interest expense	58,821	56,506	190,448	177,555
Interest income	(22,061)	(19,085)	(60,156)	(54,209)
	925	**23,185**	**93,528**	**56,598**
Operating profit before working capital changes	**131,085**	**144,052**	**474,958**	**405,341**
(Increase) /Decrease in working capital				
Inventories, trade and other receivables	14,204	(60,817)	(187,713)	(154,262)
Development properties for sale	81,513	145,407	5,560	178,551
Trade and other payables	(143,099)	(3,356)	(266,888)	58,170
Amount due from related corporations	117	(698)	40	(89)
Financial assets	11,591	(20,409)	125,052	(37,823)
	(35,674)	**60,127**	**(323,949)**	**44,547**
Cash generated from operations	**95,411**	**204,179**	**151,009**	**449,888**
Income tax paid	(23,134)	(1,844)	(144,027)	(102,629)
Customer deposits and other non-current payables refunded	(2,936)	(9,566)	(1,504)	(19,906)
Net Cash generated from Operating Activities	**69,341**	**192,769**	**5,478**	**327,353**

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	< ---------- Group ---------->			
	3Q 2004 S$'000	**3Q 2003 S$'000 (Restated)**	**YTD Sep 2004 S$'000**	**YTD Sep 2003 S$'000 (Restated)**
Cash Flows from Investing Activities				
Purchase of property, plant & equipment	(10,528)	(10,456)	(29,775)	(36,871)
Proceeds from disposal of property, plant & equipment	2,032	1,877	2,677	38,192
Increase in associated companies, joint ventures and partnerships	(317,633)	(74,109)	(299,377)	(348,071)
Decrease/(Increase) in amounts owing by investee companies and other non-current receivables	59,995	(10,592)	9,080	(8,008)
Additions to investment properties and property under development	(29,979)	(8,540)	(42,995)	(18,732)
Proceeds from disposal of investment properties and property under development	1,055,000	9,619	1,055,000	10,129
Proceeds /(Acquisition) of non-current financial assets	8,858	(448)	22,636	(952)
Dividends received from associated companies, joint ventures and partnerships	28,122	35,774	46,131	58,080
(Acquisition)/Disposal of subsidiaries (net)	(5,314)	206,121	22,578	195,700
Interest income received	9,158	7,588	40,523	34,798
Net Cash generated from/(used in) Investing Activities	**799,711**	**156,834**	**826,478**	**(75,735)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	2,937	-	5,423	-
(Repayment of)/Proceeds from loans from related corporations (net)	(14)	-	2	(26,645)
Proceeds from/(Repayment of) loans from minority shareholders (net)	1,326	(47,477)	16,748	(17,664)
Contribution from/(Capital distribution to) minority interests	-	2,147	(15,804)	7,678
Proceeds from sales of future receivables	33,997	42,865	248,483	113,422
Proceeds from term loans	230,323	408,337	1,616,459	1,638,353
Repayment of term loans	(562,077)	(280,537)	(1,496,259)	(964,826)
Proceeds from debt securities	136	147,528	38,498	555,979
Repayment of debt securities	(223,174)	(262,500)	(736,646)	(1,194,250)
Dividends paid to minority shareholders	(19,333)	(8,178)	(89,624)	(44,168)
Dividends paid to shareholders	-	-	(80,614)	(98,177)
Interest expense paid	(51,612)	(58,767)	(210,432)	(212,189)
Net Cash used in Financing Activities	**(587,491)**	**(56,582)**	**(703,766)**	**(242,487)**
Net increase in cash and cash equivalents	**281,561**	**293,021**	**128,190**	**9,131**
Cash and cash equivalents at beginning of the period	1,323,091	809,610	1,475,766	1,083,645
Effect of foreign exchange rate changes on cash balances	1,760	6,085	2,456	15,940
Cash and cash equivalents at end of the period	**1,606,412**	**1,108,716**	**1,606,412**	**1,108,716**

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

As at 30/09/2004 vs 30/09/2003

	<---------- Group ---------->								
S$M	Share Capital	Share Prem.	Cap. Res.	Cap. Redem Res.	Reval. Res.	For. Curr. Tran. Res.	Res. On Conso.	Rev. Res.	Total
Balance as at 1/07/2004	**2,520**	**2,544**	**94**	**4**	**87**	**(12)**	**(11)**	**(17)**	**5,207**
Profit for 3Q 2004								74	**74**
Issue of ordinary shares	2	^							**3**
Revaluation reserve transferred to P/L (net)					(5)				**(5)**
Transfer to revenue reserve			^					^	**-**
Foreign currency translation differences						(1)			**(1)**
Others			^				^	(1)	**(1)**
Balance as at 30/09/2004	**2,522**	**2,544**	**94**	**4**	**82**	**(13)**	**(11)**	**55**	**5,277**
Balance as at 1/07/2003	**2,517**	**3,429**	**121**	**4**	**81**	**5**	**(4)**	**(70)**	**6,084**
Profit for 3Q 2003								69	**69**
Realised to P&L			(8)				(10)	8	**(10)**
Foreign currency translation differences						(9)			**(9)**
Balance as at 30/09/2003	**2,517**	**3,429**	**113**	**4**	**81**	**(4)**	**(14)**	**7**	**6,134**

As at 30/09/2004 vs 30/09/2003

	<---------- Company ---------->								
S$M	Share Capital	Share Prem.	Cap. Res.	Cap. Redem Res.	Reval Res.	For. Curr. Tran. Res.	Res. On Conso.	Rev. Res.	Total
Balance as at 1/07/2004	**2,520**	**1,275**	**30**	^	**-**	**-**	**-**	**225**	**4,050**
Gain for 3Q 2004								45	**45**
Issue of ordinary shares	2	^							**3**
Others								(1)	**(1)**
Balance as at 30/09/2004	**2,522**	**1,276**	**30**	^	**-**	**-**	**-**	**268**	**4,097**
Balance as at 1/07/2003	**2,517**	**2,161**	**30**	^	**-**	**-**	**-**	**165**	**4,874**
Loss for 3Q 2003								(15)	**(15)**
Balance as at 30/09/2003	**2,517**	**2,161**	**30**	^	**-**	**-**	**-**	**150**	**4,859**

^ *Less than $1.0 million.*

1(d)(ii) Details of any changes in the Company's issued share capital

Issued Share Capital
During the quarter under review, the Company issued 2,727,787 ordinary shares of $1.00 each for cash upon the exercise of share options granted under the CapitaLand Share Option Plan.

Share Options
In 3Q 2004, 1 batch of share options totalling 863,600 at the exercise price of $1.55 per share was granted. The options may be exercised one year after the date of grant and in accordance with a vesting schedule as laid down in the CapitaLand Share Option Plan rules. In the same quarter, 2,150,000 (30/09/2003 : 2,578,110) options lapsed or were cancelled. As at 30/09/2004, there were 85,642,290 (30/09/2003 : 70,092,969) unissued shares under options.

Performance Shares
In view of the Company's capital reduction and distribution in specie of CapitaCommercial Trust units to existing shareholders, adjustments were made to the performance shares previously awarded to executives. In this regard, conditional awards of additional 3,264,700 performance shares were granted to 23 executives of the Group. In the corresponding quarter last year, 960,000 new performance shares were granted to 10 executives.

Todate, no release of performance shares has been made as the three-year performance cycle of the first grant will end in 2004 and any release of performance shares will be in 2005. As at 30/09/2004, there were 6,914,700 (30/09/2003 : 3,650,000) performance shares outstanding under conditional awards.

$380 million Convertible Bonds
As at 30/09/2004, there are existing $380 million convertible bonds due 2007 issued by the Company which are convertible into 190,285,428 (30/09/2003 : 162,685,161) new ordinary shares at the adjusted conversion price of $1.9970 (30/09/2003 : $2.3358) per new ordinary share.

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 compared with the audited financial statements for the year ended 31/12/2003.

In prior years, The Ascott Group Limited ("Ascott"), a listed subsidiary of the Group, accounted for its leasehold land and buildings in China, Indonesia and Vietnam as "property, plant and equipment" and the properties were depreciated over the respective lease periods. In 4Q 2003, they were reclassified to "investment properties" to better reflect the economic substance of the Ascott's investment in these properties and to be aligned more closely to CapitaLand Group's accounting policy on investment properties. The adjustments were put through retrospectively. Accordingly, the comparative 3Q & YTD Sep 2003 profits for the Group have been restated upwards by $2.0 million and $6.1 million respectively due to the reversal of depreciation expenses.

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 see Item 4 above.

6. Earnings per ordinary share (EPS) based on profit after tax & MI above after deducting any provision for preference dividends:-

In computing the EPS for 6(a) below, the weighted average number of ordinary shares in issue is 2,519.2 million (YTD Sep 2003 : 2,517.3 million) during the financial period under review.

In computing the EPS for 6(b) below, share options and convertible bonds whose exercise or conversion prices are equal to or above $1.79, the market share price of the Company as at 30/09/2004, are disregarded. The weighted average number of shares used for the computation for the EPS on fully diluted basis for 3Q & YTD Sep 2004 is 2,539.0 million (3Q & YTD Sep 2003 : 2,522.3 million).

		<---------- Group ---------->			
		3Q 2004	**3Q 2003**	**YTD Sep 2004**	**YTD Sep 2003**
6(a)	EPS based on weighted average number of ordinary shares in issue	2.9 cts	2.7 cts	7.6 cts	7.4 cts
6(b)	EPS based on fully diluted basis	2.9 cts	2.7 cts	7.6 cts	7.4 cts

7. Net asset value and net tangible assets per ordinary share based on issued share capital as at the end of the period reported on

	<-------- Group -------->		<------- Company ------>	
	30/09/2004	**31/12/2003**	**30/09/2004**	**31/12/2003**
NAV per ordinary share	$2.09	$2.41	$1.62	$1.94
NTA per ordinary share	$2.08	$2.40	$1.62	$1.94

8. Review of the performance of the group

GROUP OVERVIEW

$M	**3Q 2004 (3 mths)**	**3Q 2003 (3 mths)**	**YTD Sep 2004 (9 mths)**	**YTD Sep 2003 (9 mths)**	**2Q 2004 (3 mths)**
Revenue	807.4	896.0	2,578.0	2,513.5	1,002.2
EBIT	189.0	177.4	571.9	526.3	209.8
Finance costs	(58.8)	(56.5)	(190.4)	(177.6)	(67.0)
PBT	130.2	120.9	381.4	348.7	142.8
PATMI	73.8	69.0	192.4	185.4	70.1

EBIT (excl. net gains/provns)	171.8	156.2	548.1	441.1	206.5
PATMI (excl. net gains/provns)	58.8	48.5	170.4	122.4	66.4

3Q 2004 vs 3Q 2003

For 3Q this year, the Group achieved a profit after tax and minority interests ("PATMI") of $73.8 million. This was $4.8 million or 6.9% better than 3Q 2003's PATMI of $69.0 million. The better performance was achieved despite a drop in revenue and reduced share of profits from 100% to about 40% for the 7 properties injected into CapitaCommercial Trust ("CCT") prior to CCT's listing in May 2004. Operating profit at $171.8 million was $15.6 million or 10.0% better than the $156.2 million recorded in 3Q last year. The higher operating profit was contributed mainly by better margins in our hospitality businesses, new contribution from Raffles City Shanghai, as well as higher fee income from our financial services sector. The lower tax expenses by $2.5 million also helped to boost a stronger PATMI for this quarter.

Revenue for 3Q 2004 was $807.4 million, about $88.5 million or 9.9% lower than 3Q 2003. This was mainly due to the deconsolidation of revenue from the 7 properties under CCT, as well as lower contributions from Australia operations. These decreases were mitigated by improved performances from the hotels and serviced residences sectors, higher residential sales in Singapore and China, as well as higher advisory and management fee income.

YTD Sep 2004 vs YTD Sep 2003

For year-to-date Sep 2004, the Group achieved a revenue of $2,578.0 million. This was $64.5 million or 2.6% higher than the revenue of $2,513.5 million recorded for the corresponding period a year ago. Although there was deconsolidation of CCT's revenue and sales from Australia residential operations were much lower, these were offset by the higher residential sales in China and Singapore, improved hospitality performances and higher fee income.

For the first 9 months, the Group achieved a PATMI of $192.4 million. This was higher than YTD Sep 2003's PATMI of $185.4 million by $7.0 million or 3.8%. The higher PATMI was achieved despite much lower portfolio gains in this year.

Earnings before interest and tax ("EBIT") at $571.9 million was $45.6 million or 8.7% better than YTD Sep 2003. Operationally, the improvement was even more significant with operating profit higher by $107.0 million ($548.1 million for YTD Sep 2004 vs $441.1 million for YTD Sep 2003). The biggest contributor came from China where the improvement was across the board in all our operations, namely residential projects in Shanghai, commercial projects such as Raffles City Shanghai and Pidemco Tower Shanghai, as well as our serviced residences and hotels in various cities. Higher fee income from financial services and retail malls management in Singapore, as well as higher contributions from Singapore residential operations also contributed to the improvement in operating profit.

Finance costs incurred to-date were $190.4 million, about $12.9 million higher than YTD Sep 2003. This was largely due to higher interest expenses from the enlarged stapled Australand Property Group which were also translated at higher amounts to S$ due to higher exchange rates compared to YTD Sep 2003. Net debt stood at $4.9 billion vs $5.8 billion a year ago as a result of repayment of borrowings largely from divestments proceeds. As such, the debt-equity ratio decreased to 0.67 at end-Sep 2004 compared to 0.72 a year ago. This was achieved despite a reduction of $886 million in the equity base, resulting from the distribution in specie of CCT units. The capital reduction coupled with the dividend payment of 4 cents per share in May 2004 reduced the Group's net tangible assets per share to $2.08 compared to $2.42 a year ago.

Segment Performance

Commercial SBU: CapitaLand Commercial Limited ("CCL")

Revenue for 3Q 2004 was $88.9 million or 22.3% lower than 3Q 2003. The decrease was largely due to the deconsolidation of revenue from the 7 properties under CapitaCommercial Trust ("CCT") as CCT became an associate in May 2004, as well as lower construction income from One George Street project. These decreases were mitigated by the sales of trading properties in Canary Riverside, United Kingdom.

EBIT for 3Q 2004 of $44.0 million was also lower by 24.8% due to our reduced stake in CCT's properties, lower contributions from some of our commercial properties and lower construction income from One George Street project. Cushioning the decreases were divestment gain from the sale of Shinjuku Square Tower in Japan and higher contribution from Raffles City Shanghai.

For YTD Sep 2004, revenue of $287.8 million was comparable to the same period last year. EBIT was however lower at $146.5 million compared to $170.9 million. This was mainly due to one-off expenses incurred in the listing of CCT, lower contributions from some of our commercial properties and reduced share of CCT's profit. The decreases were partially mitigated by the divestment gain of Shinjuku Square Tower in Japan and higher contribution from Raffles City Shanghai.

Financial SBU: CapitaLand Financial Limited ("CFL")

CFL's 3Q 2004 revenue of $12.6 million was more than double that recorded in 3Q 2003. A significant portion of the increase was attributed to the advisory fee earned from CapitaMall Trust ("CMT") for its acquisition of Plaza Singapura in August 2004. The higher revenue was also due to higher recurring fund management fee of $7.4 million in this quarter vs $4.5 million in 3Q 2003 as the assets under management grew from $2.6 billion a year ago to $6 billion as at September 2004. EBIT for this quarter was also significantly higher at $12.3 million vs $3.0 million for the same period last year due to higher fee income and recognition of our share of divestment gain from an associate which divested its property fund in Bangkok.

As a result of the above acquisition advisory fee, increased fund management fees, share of divestment gain and absence of any provision, the first 9 months' revenue of $32.0 million and EBIT of $24.3 million were significantly higher than the revenue of $27.0 million and EBIT of $4.8 million recorded for the same period last year.

Residential SBU: CapitaLand Residential Limited ("CRL")

3Q 2004 revenue of $465.2 million was $111.5 million or 19.3% lower than 3Q 2003, mainly due to lower sales contributions from Australia operations. Despite the lower revenue, EBIT was higher compared to 3Q 2003 and this improvement was mainly contributed by Singapore operations.

In Singapore, Tanamera Crest obtained Temporary Occupation Permit ("TOP") in July 2004.

In China, 7 blocks of Summit Residences obtained TOP in August 2004. Launches in this quarter are La Forêt, our maiden project in Beijing, Phase 2 of Oasis Riviera and the final block of La Cité.

Likewise for YTD Sept 2004, revenue of $1,531.5 million was $86.0 million or 5.3% lower than YTD Sept 2003 due to lower contributions from Australia operations but EBIT of $279.0 million was $80.1 million or 40.3% higher compared to the corresponding period last year.

Serviced Residences SBU: The Ascott Group ("Ascott")

Revenue for 3Q 2004 was $51.2 million vs $46.6 million for 3Q 2003, an improvement of 9.7%. Revenue for the core serviced residence business grew 14% from the corresponding period last year, largely due to the addition of new properties in Australia and higher contributions from Singapore, China and Europe.

In 3Q 2004, Ascott completed the divestment of Scotts Shopping Centre and The Ascott Singapore and recorded a gain of $30.9 million. At CapitaLand Group level, the gross gain was $12.2 million (gain net of minority interests was $8.4 million). Higher contributions from serviced residences in Singapore, China, Vietnam and Europe helped to offset the start-up losses from the three new properties in Australia. As a result, EBIT achieved for 3Q 2004 was $23.3 million, higher than 3Q 2003 by $5.2 million or 28.7%.

Comparing YTD Sep 2004 with YTD Sep 2003, revenue was $156.6 million vs $147.8 million. The higher revenue from the core serviced residence business was partially offset by lower contribution from Liang Court Shopping Centre, loss of contribution from divested assets and phasing out of the residential business. In tandem, EBIT achieved to-date was $65.9 million, a 26.0% increase over the same period last year.

Hotels SBU: Raffles Holdings Group and RC Hotels ("The Hotels SBU")

Revenue of $164.8 million for 3Q 2004 was $34.2 million or 26.2% higher than 3Q 2003. The growth was mainly generated by the Hotels & Resorts segment as a result of successful sales and marketing initiatives implemented, the 3-month vs 1-month consolidation of Swissotêl Nankai Osaka's revenue and the recovery in the global lodging industry. In tandem, EBIT achieved was $18.4 million, an improvement of $3.5 million or 23.1% over the corresponding period of last year.

During the quarter, the Hotels SBU clinched a contract to manage a luxury resort in French Polynesia. This contract, the SBU's sixth in the past 16 months, marked its maiden presence in the South Pacific. The resort, to be named "Raffles Resort Taimana Tahaa", is scheduled to open in mid-2007. In the third quarter, the SBU also received a bumper crop of awards for its achievements in several areas such as hotel excellence, corporate transparency and contribution to Arts.

As a result of improved performance in all 3 quarters, revenue of $503.7 million for YTD Sep 2004 was $134.2 million or 36.3% higher than YTD Sep 2003. For the first 9 months, the SBU achieved an overall revenue per available room ("RevPar") of $152, a 18.2% increase over the same period last year, with the highest growth of 43.2% in Asia Pacific. This compared well against industry-wide RevPar.

Excluding exceptional gains, provisions and one-off expenses, YTD Sep 2004 operating EBIT increased by almost 3.6 times to $47.7 million resulting from better performance of hotels and resorts. EBIT for YTD Sep 2004 was $48.0 million vs $62.2 million in the same period last year as 2003 included the divestment gain from Raffles Brown's Hotel. The gross divestment gain booked in at CapitaLand Group level was $44.8 million and after minority interests, the gain was $26.9 million.

Property Services SBU: PREMAS

Revenue of $32.2 million for 3Q 2004 was $1.1 million or 3.4% better than 3Q 2003. The increase was largely due to higher revenue from project works. Accordingly, EBIT improved by $0.2 million or 10.0%. Likewise for YTD Sep 2004 vs YTD Sep 2003, revenue of $93.5 million was $0.7 million higher and EBIT of $6.7 million was $0.4 million higher.

9. Variance between the forecast or prospect statement (if disclosed previously) and the actual results

The current results are broadly in line with the prospect statement made when the 2004 second quarter 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

Commercial SBU: CapitaLand Commercial Limited ("CCL")

With the improvement in the overall economic outlook, we expect our office and industrial sector's performance to be fairly stable in the last quarter of this year. Our retail sector is also expected to sustain its healthy performance for the rest of the year. Overall, CCL expects its operations to be profitable for the full year of 2004.

Financial SBU: CapitaLand Financial Limited ("CFL")

CFL's recurring fund management fee income has been growing year on year and this now constitutes 77% of CFL's revenue compared to 55% a year ago. To widen its recurring base of fee income and also increase its advisory fees, CFL will continue its strategy to pursue accretive acquisitions for the existing funds under management, as well as to originate new property funds and products, with particular focus on Malaysia, China and Thailand. For full year 2004, CFL expects its profits to be higher than 2003.

Residential SBU: CapitaLand Residential Limited ("CRL")

In Singapore, the economic recovery and improved job market will continue to underpin the demand in the residential market. In China, CRL will continue to release new units of La Forêt and Phase 2 of Oasis Riviera. Australand's full year 2004 profit is expected to be higher than its 2003 results. Overall, CRL expects full year 2004 to be profitable.

Serviced Residences SBU: The Ascott Group ("Ascott")

The economic and business outlook for the global hospitality industry remain positive for the fourth quarter of this year. Ascott is well positioned to benefit from this environment with the various strategic initiatives taken to raise the level of service, product consistency, brand awareness and aggressive sales and market strategy.

Ascott will complete the acquisition of the remaining interest in Citadines in October 2004. The integration of Citadines will contribute positively to performance in the fourth quarter. For 2004, Ascott expects its full year net profit to be higher than 2003.

Hotels SBU: Raffles Holdings Group and RC Hotels ("The Hotels SBU")

The International Monetary Fund has forecast global Gross Domestic Product ("GDP") to grow at 5%. Various bodies such as the International Air Transport Association projected growth in international passenger traffic and Bear Stearns and PricewaterhouseCoopers also projected. RevPar to grow for the rest of the year.

In 4Q 2004, the Hotels SBU will continue to launch various marketing initiatives, drive revenue growth and enhance brand equity to benefit from the industry recovery. It will also continue to rigorously manage costs and efficiency, as well as pursue its asset-light growth strategy by expanding its network of hotels and resorts in key gateway cities and resort destinations worldwide through an appropriate mix of management contracts, leases and equity.

For full year 2004, the SBU expects results from operations to be profitable. However, the overall level of profitability is expected to be lower than that of 2003, which included a very significant net exceptional divestment gain of $33.7 million. The SBU does not expect any significant exceptional gain in the current financial year and in line with the Group's practice, a review of the carrying values of assets for any impairment will be conducted at the end of the year.

Property Services SBU: PREMAS

PREMAS will intensify its efforts overseas through its new processes and products. For full year 2004, PREMAS is expected to make a positive contribution to the Group's results.

GROUP OVERALL PROSPECTS FOR 2004

The Group's 2004 performance will continue to be driven by contributions from its overseas operations, particularly from Australia and China. Australia's full year 2004 profit is expected to be higher than the previous year. In China, our recent launches, La Forêt, our maiden project in Beijing, and Phase 2 of Oasis Riviera in Shanghai have been well received. Being less reliant on local bank funding and with a strong balance sheet, the tightened lending to developers has given us a competitive edge over others in the mid to high-end residential segment.

In Singapore, the Government has maintained that the economy is on track for a full year growth of 8% to 9%. The improving economy has boosted business confidence and has reversed the slide in prime office rentals after three straight years of decline. Occupancy rates and rentals are expected to strengthen. As for the residential market, the Urban Redevelopment Authority has reported price recovery in two consecutive quarters, after six quarters of decline. The positive economic outlook and improved job market is expected to support further price recovery in 2005. The Singapore retail sector is also expected to sustain its healthy performance for the rest of the year.

Coupled with the global economic recovery, our hospitality sectors should similarly benefit from the pick-up in global business and leisure travel.

Our real estate financial services, undertaken by CFL have shown significant growth, though from a small base. We are successfully scaling up our fund management model to drive recurring fee based income. CFL aims to broaden its recurring base of fee income and also increase its advisory fees by pursuing accretive acquisitions for the existing funds under management, and to originate new property funds and products, with particular focus on Malaysia, China and Thailand.

Overall, the Group is confident that the full year 2004 operating profit will be higher than 2003.

11. Dividend

11(a) Any dividend declared for the present financial period? Nil
11(b) Any dividend declared for the previous corresponding period? Nil
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. Segmental Revenue & Results

13(a)(a) By Strategic Business Units (SBUs) – 3Q 2004 vs 3Q 2003

	<----------Turnover ---------->			<---Profit before interest & tax--->		
	3Q 2004 (3 mths) S$'000	3Q 2003 (3 mths) S$'000	% Change	3Q 2004 (3 mths) S$'000	3Q 2003 (3 mths) S$'000	% Change
Commercial	88,949	114,469	(22.3)	44,022	58,574	(24.8)
Financial	12,632	5,994	110.7	12,331	2,993	312.0
Residential	465,165	576,710	(19.3)	89,801	69,537	29.1
The Ascott Group	51,176	46,644	9.7	23,299	18,109	28.7
RHL Group & RCH	164,802	130,617	26.2	18,414	14,958	23.1
Property Services Group	32,225	31,161	3.4	2,416	2,197	10.0
Others and consolidation adjms	(7,514)	(9,640)	(22.1)	(1,302)	11,005	NM
Group	**807,435**	**895,955**	**(9.9)**	**188,981**	**177,373**	**6.5**

13(a)(b) By Strategic Business Units (SBUs) – YTD Sep 2004 vs YTD Sep 2003

	<----------Turnover ---------->			<---Profit before interest & tax--->		
	YTD Sep 2004 S$'000	YTD Sep 2003 S$'000	% Change	YTD Sep 2004 S$'000	YTD Sep 2003 S$'000	% Change
Commercial	287,835	287,102	0.3	146,473	170,884	(14.3)
Financial	32,049	26,970	18.8	24,331	4,798	407.1
Residential	1,531,542	1,617,522	(5.3)	279,010	198,881	40.3
The Ascott Group	156,598	147,811	5.9	65,949	52,320	26.0
RHL Group & RCH	503,741	369,505	36.3	48,005	62,245	(22.9)
Property Services Group	93,491	92,815	0.7	6,652	6,286	5.8
Others and consolidation adjms	(27,275)	(28,227)	(3.4)	1,458	30,884	(95.3)
Group	**2,577,981**	**2,513,498**	**2.6**	**571,878**	**526,298**	**8.7**

Strictly for information only, the numbers reported by The Ascott Group and Raffles Holdings Group to their respective shareholders are:-

	<----------Turnover ---------->			<-- Profit before interest & tax --> (including exceptional items)		
	YTD Sep 2004 S$'000	YTD Sep 2003 S$'000	% Change	YTD Sep 2004 S$'000	YTD Sep 2003 S$'000	% Change
The Ascott Group	156,598	147,811	5.9	84,644	52,320	61.8
Raffles Holdings Group	385,732	284,222	35.7	46,122	66,734	(30.9)

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13(a)(c) By Geographical Location – 3Q 2004 vs 3Q 2003

	<----------Turnover ---------->			<--Profit before interest & tax-->		
	3Q 2004 (3 mths) S$'000	3Q 2003 (3 mths) S$'000	% Change	3Q 2004 (3 mths) S$'000	3Q 2003 (3 mths) S$'000	% Change
Singapore	351,199	313,287	12.1	100,040	101,866	(1.8)
Australia & New Zealand	225,776	418,373	(46.0)	19,779	32,664	(39.4)
China	88,665	69,198	28.1	30,977	26,649	16.2
Asia (excl. Sgp & China)	45,867	27,730	65.4	22,948	21,393	7.3
Europe	87,504	58,993	48.3	14,898	(5,387)	NM
Others	8,424	8,374	0.6	339	188	80.3
Group	**807,435**	**895,955**	**(9.9)**	**188,981**	**177,373**	**6.5**

13(a)(d) By Geographical Location – YTD Sep 2004 vs YTD Sep 2003

	<----------Turnover ---------->			<--Profit before interest & tax-->		
	YTD Sep 2004 S$'000	YTD Sep 2003 S$'000	% Change	YTD Sep 2004 S$'000	YTD Sep 2003 S$'000	% Change
Singapore	1,000,020	944,090	5.9	245,901	239,449	2.7
Australia & New Zealand	846,196	1,107,501	(23.6)	115,785	112,907	2.5
China	325,794	170,005	91.6	123,991	64,511	92.2
Asia (excl. Sgp & China)	150,748	75,123	100.7	55,872	65,676	(14.9)
Europe	230,184	190,077	21.1	29,571	36,964	(20.0)
Others	25,039	26,702	(6.2)	758	6,791	(88.8)
Group	**2,577,981**	**2,513,498**	**2.6**	**571,878**	**526,298**	**8.7**

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

Please refer to Item 8.

15. Breakdown of Group's sales and operating profit for first half year and second half year

Not applicable.

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

Not applicable.

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 current view of management on future events.

BY ORDER OF THE BOARD

Tan Wah Nam
Company Secretary
29 October 2004