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CAPITALAND LIMITED

(Registration Number : 198900036N)

2006 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

CAPITALAND LIMITED
2006 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

	Group					
	2Q 2006 S$'000	**2Q 2005 S$'000**	**% Change**	**1H 2006 S$'000**	**1H 2005 S$'000**	**% Change**
Continuing operations						
Revenue	**771,727**	**1,359,203**	**(43.2)**	**1,430,378**	**2,095,518**	**(31.7)**
Cost of sales	(557,728)	(1,125,613)	(50.5)	(1,062,958)	(1,676,611)	(36.6)
Gross profit	213,999	233,590	(8.4)	367,420	418,907	(12.3)
Other operating income	57,854	91,373	(36.7)	179,623	136,836	31.3
Administrative expenses	7,137	(90,482)	NM	(82,569)	(174,463)	(52.7)
Other operating expenses	(1,028)	(11,097)	(90.7)	(1,724)	(11,181)	(84.6)
Profit from continuing operations	**277,962**	**223,384**	**24.4**	**462,750**	**370,099**	**25.0**
Finance costs	(73,534)	(66,475)	10.6	(143,607)	(130,678)	9.9
Share of results (net of tax) of:						
- associates	21,955	18,105	21.3	50,718	43,849	15.7
- jointly-controlled entities	3,631	2,203	64.8	15,202	(98)	NM
- partnerships	–	(540)	NM	–	512	NM
	25,586	19,768	29.4	65,920	44,263	48.9
Profit before taxation from continuing operations	230,014	176,677	30.2	385,063	283,684	35.7
Taxation	(42,580)	(36,941)	15.3	(54,064)	(57,029)	(5.2)
Profit after taxation from continuing operations	187,434	139,736	34.1	330,999	226,655	46.0
Discontinued operations						
Profit after taxation from discontinued operations	14,333	46,765	(69.4)	14,333	51,641	(72.2)
Profit after taxation	201,767	186,501	8.2	345,332	278,296	24.1
Attributable to:						
Equity holders of the Company ("PATMI")	**158,187**	**143,565**	**10.2**	**288,742**	**213,570**	**35.2**
Minority interests ("MI")	43,580	42,936	1.5	56,590	64,726	(12.6)
	201,767	186,501	8.2	345,332	278,296	24.1

NM : Not meaningful

Note : The comparative profit and loss accounts ("P/L") for 2Q and 1H 2005 had been re-presented in accordance with the presentation required under FRS 105 - Non-current Assets Held for Sale and Discontinued Operations. Please refer to Item 1(a)(iii).

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

2Q 2006 vs 2Q 2005

	Note	Group		
		2Q 2006 S$'000	**2Q 2005 S$'000**	**% Change**
Revenue	A	**771,727**	**1,359,203**	**(43.2)**
Cost of Sales		(557,728)	(1,125,613)	(50.5)
Gross Profit		**213,999**	**233,590**	**(8.4)**
Other Operating Income	B	**57,854**	**91,373**	**(36.7)**
Investment income		5,988	259	NM
Other income including interest income and portfolio gains		47,989	91,887	(47.8)
Foreign exchange gain		3,877	(773)	NM
Other Operating Expenses	C	**(1,028)**	**(11,097)**	**(90.7)**
Foreign exchange loss		–	(2,450)	NM
Others		(1,028)	(8,647)	(88.1)
Administrative Expenses	D	**7,137**	**(90,482)**	**NM**
Included in Administrative Expenses:-				
Depreciation and amortisation		(8,476)	(8,998)	(5.8)
(Provision) for/write back of bad and doubtful debts		(481)	1,622	NM
Negative goodwill on acquisition		77,000	820	NM
Profit after taxation from discontinued operations	E	**14,333**	**46,765**	**(69.4)**
Profit after taxation before gain on sale of discontinued operations		–	15,510	NM
Gain on sale of discontinued operations		14,333	31,255	(54.1)

(A) Revenue, Cost of Sales

The decrease in revenue was largely attributable to a reduction in revenue contribution from Australand. A significant component of this reduction can be attributed to the higher revenue in 2Q 2005, which arose from the completion of the sale of properties to Australand Wholesale Property Trust No. 4. In line with the lower revenue, cost of sales was also lower.

(B) Other Operating Income

Investment income of $6.0 million arose mainly from the Group's investments in China and Hong Kong.

Other income, including interest income and portfolio gains, of $48.0 million was about $43.9 million lower than 2Q 2005 despite the higher interest income of $12.3 million. The decrease was largely attributable to lower portfolio gains of $38.3 million as 2Q 2005 included divestment gains such as the sale of Pidemco Tower in Shanghai and CL Moorgate in the United Kingdom. There was also a mark-to-market loss of $7.3 million arising from the Group's financial instruments/assets in 2Q 2006.

The foreign exchange gain of $3.9 million arose mainly from the revaluation of certain USD denominated loans as a result of the RMB and SGD strengthening against the USD during the quarter.

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

Included in portfolio gains were the following gains on sale of investments in 2Q 2006:

Gain on sale of investments	$M
Shares in Sea View Hotel Limited	7.9
Liang Court Shopping Centre	2.1
Others (net)	(1.9)
Total Group's share of gain after tax & MI for 2Q 2006	**8.1**

(C) Other Operating Expenses

2Q 2006's other operating expenses of $1.0 million was $10.1 million or 90.7% lower than the $11.1 million recorded in 2Q 2005. Apart from the foreign exchange loss, 2Q 2005 operating expenses also included a loss of $5.4 million arising from the dilution of the Group's unit holding in CapitaCommercial Trust ("CCT") following CCT's equity fund raising to partly finance its acquisition of HSBC Building.

(D) Administrative Expenses

Administrative expenses comprise staff costs, depreciation expenses, operating lease expenses and other administrative expenses. 2Q 2006's administrative expenses included the recognition of a $77.0 million negative goodwill (which is the difference between the cost of the shares and the fair value of the underlying net tangible assets) upon completion of the subscription of a 20% stake in Lai Fung Holdings Limited. Excluding this negative goodwill, administrative expenses would be $69.9 million which were $20.6 million lower than 2Q 2005 mainly due to lower expenses following the de-consolidation of hotel operations.

(E) Profit after taxation from discontinued operations

2Q 2006's profit after taxation from discontinued operations for 2Q 2006 reflects the additional gain arising from the divestment of the hotel business by Raffles Holdings Limited. In 2Q 2005, the profit after taxation from discontinued operations included the operating profits from the hotel business and PREMAS International Limited, as well as the gain arising from the divestment of PREMAS International Limited.

(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.

Tax expense of $42.6 million in 2Q 2006 was higher than 2Q 2005's $36.9 million due to higher operating profit, as well as absence of tax relief. There was a $1.1 million over-provision of tax for prior years (2Q 2005 : over-provision of $0.3 million).

1(a)(iii) Discontinued Operations

The discontinued operations comprised PREMAS International Limited and the hotel business of Raffles Holdings Limited ("discontinued operations") which were sold in May 2005 and September 2005 respectively. In 2Q 2006, Raffles Holdings Limited recorded an additional gain of $14.3 million upon finalisation of the divestment accounts. A summary of the 2Q and 1H results of the discontinued operations are as follows:

	Group – Discontinued operations			
	2Q 2006 S$'000	2Q 2005 S$'000	1H 2006 S$'000	1H 2005 S$'000
Revenue	**–**	**153,522**	**–**	**325,809**
Cost of sales	–	(76,704)	–	(173,544)
Gross profit	–	76,818	–	152,265
Other operating income	–	2,139	–	4,898
Administrative expenses	–	(58,772)	–	(124,653)
Other operating expenses	–	465	–	(840)
Profit from operations	**–**	**20,650**	**–**	**31,670**
Finance costs	–	(1,928)	–	(3,995)
Share of results (net of tax) of associates	–	24	–	96
Profit before taxation	**–**	**18,746**	**–**	**27,771**
Taxation	–	(3,236)	–	(7,385)
Profit after taxation before gain on sale of discontinued operations	**–**	**15,510**	**–**	**20,386**
Gain on sale of discontinued operations	14,333	31,255	14,333	31,255
Profit after taxation	**14,333**	**46,765**	**14,333**	**51,641**

1(b)(i) Balance Sheet

As at 30/06/2006 vs 31/12/2005

	Group			Company		
	30/06/2006 S$'000	**31/12/2005 S$'000**	**% Change**	**30/06/2006 S$'000**	**31/12/2005 S$'000**	**% Change**
Non-Current Assets						
Property, Plant & Equipment	199,105	201,465	(1.2)	1,305	1,588	(17.8)
Intangible Assets	30,206	35,394	(14.7)	–	–	–
Investment Properties	6,019,020	5,914,905	1.8	–	–	–
Properties Under Devt	780,871	634,004	23.2	–	–	–
Interests in Subsidiaries	–	–	–	3,849,511	3,773,558	2.0
Interests in Associates and Jointly-Controlled Entities	4,155,263	3,928,670	5.8	–	–	–
Other Assets	305,386	323,874	(5.7)	4,187	4,211	(0.6)
	11,489,851	**11,038,312**	**4.1**	**3,855,003**	**3,779,357**	**2.0**
Current Assets						
Devt Properties for Sale	*3,513,136*	*3,542,494*	*(1.0)*	–	–	–
Trade & Other Receivables	*1,644,779*	*1,417,790*	*16.0*	*2,124,277*	*1,101,118*	*92.9*
Cash & Cash Equivalents	*1,957,188*	*2,111,277*	*(7.3)*	*410,163*	*987,736*	*(58.5)*
Other Current Assets	*72,998*	*73,180*	*(0.2)*	–	–	–
	7,188,101	**7,144,741**	**0.6**	**2,534,440**	**2,088,854**	**21.3**
Less: Current Liabilities						
Trade & Other Payables	*1,851,950*	*2,005,739*	*(7.7)*	*1,023,414* (1)	*206,882*	*394.7*
Short-Term Borrowings	*1,866,588*	*2,383,844*	*(21.7)*	*579,033*	*692,735*	*(16.4)*
Finance Leases	*3,514*	*3,448*	*1.9*	–	–	–
Other Current Liabilities	*202,940*	*237,664*	*(14.6)*	–	–	–
	3,924,992	**4,630,695**	**(15.2)**	**1,602,447**	**899,617**	**78.1**
Net Current Assets	**3,263,109**	**2,514,046**	**29.8**	**931,993**	**1,189,237**	**(21.6)**
Less: Non-Current Liabilities						
Long-Term Borrowings	5,006,005	4,228,011	18.4	91,000	125,500	(27.5)
Finance Leases	46,631	48,683	(4.2)	–	–	–
Other Non-Current Liabilities	610,684	247,296	146.9	128,669	149,597	(14.0)
	5,663,320	**4,523,990**	**25.2**	**219,669**	**275,097**	**(20.1)**
	9,089,640	**9,028,368**	**0.7**	**4,567,327**	**4,693,497**	**(2.7)**
Representing:						
Share Capital*	4,296,467	2,750,503	56.2	4,296,467	2,750,503	56.2
Reserves	2,202,194	3,907,207	(43.6)	270,860	1,942,994	(86.1)
Equity attributable to equity holders of the Company	6,498,661	6,657,710	(2.4)	4,567,327	4,693,497	(2.7)
Minority Interests	2,590,979	2,370,658	9.3	–	–	–
	9,089,640	**9,028,368**	**0.7**	**4,567,327**	**4,693,497**	**(2.7)**

Note : * Following the changes in the Companies (Amendment) Act 2005, the par value concept was abolished on 30/01/2006. As such, share premium and capital redemption reserve of the Company have been transferred to the share capital with effect from 31/01/06.

(1) Increase due to an inter-company payable to one of the subsidiaries. This amount will be eliminated on consolidation of the Group.

1(b)(ii) Aggregate amount of group's borrowings (including finance leases)

	Group		
	As at 30/06/2006 S$'000	**As at 31/12/2005 S$'000**	**As at 30/06/2005 S$'000**
Amount repayable in one year or less, or on demand:-			
Secured	224,982	438,546	231,196
Unsecured	1,645,120	1,948,746	1,646,234
Sub-Total 1	**1,870,102**	**2,387,292**	**1,877,430**
Amount repayable after one year:-			
Secured	2,431,558	2,270,382	2,071,405
Unsecured	2,621,078	2,006,312	2,412,840
Sub-Total 2	**5,052,636**	**4,276,694**	**4,484,245**
Total Debt	**6,922,738**	**6,663,986**	**6,361,675**
Less : Cash and cash equivalents	(1,957,188)	(2,111,277)	(1,236,252)
Net Debt	**4,965,550**	**4,552,709**	**5,125,423**

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 of about $1,957.2 million as at 30/06/2006 included $1,683.0 million in fixed deposits and $18.7 million in Project Accounts whose withdrawals are restricted to the payment of development projects expenditure.

1(c) Consolidated Cash Flow Statement

	Group			
	2Q 2006 S$'000	**2Q 2005 S$'000**	**1H 2006 S$'000**	**1H 2005 S$'000**
Cash Flows from Operating Activities				
Profit before taxation from continuing operations	**230,014**	**176,677**	**385,063**	**283,684**
Profit before taxation from discontinued operations	**14,333**	**50,001**	**14,333**	**59,026**
Total profit before taxation	**244,347**	**226,678**	**399,396**	**342,710**
Adjustments for :				
Amortisation and write off of:				
- Intangible assets	4	309	9	582
- Leasehold investment property	192	400	1,095	846
Negative goodwill on acquisition	(77,000)	(820)	(77,000)	(820)
(Write back)/Allowance for:				
- Foreseeable losses on development properties for sale	(13,383)	(6,998)	(13,716)	(13,124)
- Non-current portion of financial assets	(11)	20	(11)	34
- Share-based expenses	5,488	2,998	10,295	5,233
Changes in fair value of financial instruments	7,204	(3,283)	(4,327)	(7,868)
Depreciation of property, plant and equipment	8,280	21,280	16,475	45,952
Loss/(Gain) on disposal/ Write off of property, plant and equipment	86	(1,632)	(123)	(1,736)
Gain on disposal of investment properties	(3,045)	(2,755)	(4,736)	(6,823)
Gain on disposal of non-current financial assets	(7,917)	(500)	(8,937)	(2,101)
Gain on disposal, liquidation and dilution of subsidiaries	(10,918)	(68,488)	(62,135)	(75,353)
Share of results of associates, jointly controlled entities and partnership	(25,586)	(19,792)	(65,920)	(44,359)
Accretion of deferred income	(1,132)	(721)	(2,346)	(1,411)
Interest expense	73,534	68,403	143,607	134,673
Interest income	(34,935)	(22,959)	(67,337)	(46,101)
	(79,139)	**(34,538)**	**(135,107)**	**(12,376)**
Operating profit before working capital changes	**165,208**	**192,140**	**264,289**	**330,334**
(Increase)/Decrease in working capital				
Inventories, trade and other receivables	(118,734)	(243,847)	(81,150)	(190,018)
Development properties for sale	(7,714)	469,917	91,940	773,212
Trade and other payables	107,080	(58,404)	(14,154)	(260,631)
Amount due from related corporations	–	2,589	–	(3,550)
Financial assets	–	35	231	34
	(19,368)	**170,290**	**(3,133)**	**319,047**
Cash generated from operations	**145,840**	**362,430**	**261,156**	**649,381**
Income tax paid	(21,849)	(6,795)	(53,338)	(57,667)
Customer deposits and other non-current payables (refunded)/received	(458)	5,755	2,942	8,817
Net cash generated from Operating Activities	**123,533**	**361,390**	**210,760**	**600,531**

1(c) Consolidated Cash Flow Statement (cont'd)

	Group			
	2Q 2006 S$'000	**2Q 2005 S$'000**	**1H 2006 S$'000**	**1H 2005 S$'000**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	8,953	18,467	9,210	18,712
Purchase of property, plant and equipment	(19,934)	(6,855)	(27,246)	(24,760)
Decrease/(Increase) in associates, jointly controlled entities and partnership	293,474	(64,012)	(598,371)	(47,587)
Increase in amounts owing by investee companies and other non-current receivables	(4,928)	(1,232)	(4,928)	(9,203)
Acquisition of investment properties and properties under development	(398,384)	(263,351)	(535,332)	(287,692)
Proceeds from disposal of investment properties	166,812	9,956	174,130	80,774
Disposal of non-current financial assets	17,055	5,852	17,055	6,911
Dividends received from associates and jointly controlled entities	12,916	18,095	32,708	48,490
Disposal/(Acquisition) of subsidiaries (net)	30,141	101,466	134,987	109,603
Acquisition of remaining interest in a subsidiary	–	(15,826)	–	(21,315)
Interest income received	39,196	31,290	61,785	41,573
Settlement of derivative	–	(15,002)	–	(15,002)
Net cash generated from/(used in) Investing Activities	**145,301**	**(181,152)**	**(736,002)**	**(99,496)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	16,563	13,986	30,728	29,291
Proceeds from loans from minority shareholders	1,761	12,771	11,912	12,997
Contribution from minority shareholders (net)	128,445	25,274	221,584	91,735
(Repayment of)/Proceeds from sales of future receivables	(65,526)	13,109	259,911	(277,640)
Proceeds from terms loans	1,236,578	985,956	2,016,424	1,131,554
Repayment of term loans	(825,045)	(1,239,143)	(1,763,832)	(1,739,046)
Proceeds from debt securities	31,944	–	397,408	–
Repayment of debt securities	(75,781)	(34,546)	(139,561)	(63,781)
Repayment of finance lease payables	(934)	(783)	(1,779)	(1,632)
Dividends paid to minority shareholders	(64,091)	(40,126)	(86,631)	(75,389)
Dividends paid to shareholders	(399,089)	(126,525)	(399,089)	(126,525)
Interest expense paid	(77,634)	(89,747)	(157,542)	(154,426)
Net cash (used in)/generated from Financing Activities	**(92,809)**	**(479,774)**	**389,533**	**(1,172,862)**
Net increase/(decrease) in cash and cash equivalents	**176,025**	**(299,536)**	**(135,709)**	**(671,827)**
Cash and cash equivalents at beginning of the year	1,784,527	1,526,578	2,105,015	1,904,831
Effect of exchange rate changes on cash balances held in foreign currencies	(3,364)	(3,623)	(12,118)	(9,585)
Cash and cash equivalents at end of the period	**1,957,188**	**1,223,419**	**1,957,188**	**1,223,419**

Cash at banks and in hand at end of the period	1,957,188	1,236,252	1,957,188	1,236,252
Bank overdraft at end of the period	–	(12,833)	–	(12,833)
Cash and cash equivalents in the consolidated cash flow statement	**1,957,188**	**1,223,419**	**1,957,188**	**1,223,419**

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

As at 30/06/2006 vs 30/06/2005 – GROUP

S$M	Share Capital	Share Prem.	Cap. Res.	Reval. Res.	For. Curr. Tran. Res.	Rev. Res.	Equity Comp. Res.	Other Res.*	Total	MI	Total Equity
Balance as at 01/04/2005	**2,558**	**2,573**	**93**	**56**	**(20)**	**177**	**11**	**21**	**5,469**	**2,187**	**7,656**
Revaluation surplus on investment properties				20					**20**	18	**38**
Net fair value changes on cash flow hedge								(4)	**(4)**	–	**(4)**
Foreign currency translation differences					10				**10**	(10)	**^**
Net gains/(losses) recognised directly in equity				*20*	*10*			*(4)*	***26***	*8*	***34***
Profit for 2Q 2005						144			**144**	43	**187**
Realised revaluation reserve transferred to P/L				11					**11**	**–**	**11**
Total recognised gains/(losses) for the period				**31**	**10**	**144**		**(4)**	**181**	**51**	**232**
Issue of shares under Share Option Plan	10	4							**14**	–	**14**
Conversion of convertible bonds	72	84	(12)						**144**	–	**144**
Cost of share-based payment							2		**2**	–	**2**
Capital contribution from MI									**–**	25	**25**
Dividend paid to MI									**–**	(40)	**(40)**
Dividends paid						(127)			**(127)**	–	**(127)**
Others					(2)	4		(1)	**1**	(5)	**(4)**
Balance as at 30/06/2005	**2,640**	**2,661**	**81**	**87**	**(12)**	**198**	**13**	**16**	**5,684**	**2,218**	**7,902**

^ Less than $1.0 million
* Includes available-for-sale, capital redemption and hedging reserves

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

As at 30/06/2006 vs 30/06/2005 – GROUP

S$M	Share Capital	Share Prem.	Cap. Res.	Reval. Res.	For. Curr. Tran. Res.	Rev. Res.	Equity Comp. Res.	Other Res.*	**Total**	MI	**Total Equity**
Balance as at 01/04/2006	**4,280**	**–**	**1,330**	**187**	**(69)**	**858**	**28**	**114**	**6,728**	**2,425**	**9,153**
Revaluation surplus on investment properties				18					**18**	16	**34**
Net fair value changes on available-for-sale investments								(20)	**(20)**	–	**(20)**
Net fair value changes on cash flow hedge								14	**14**	9	**23**
Foreign currency translation differences					(22)				**(22)**	(12)	**(34)**
Net gains/(losses) recognised directly in equity				*18*	*(22)*			*(6)*	***(10)***	*13*	***3***
Profit for 2Q 2006						158			**158**	44	**202**
Total recognised gains/(losses) for the period				**18**	**(22)**	**158**		**(6)**	**148**	**57**	**205**
Issue of shares under Share Option Plan	16								**16**	–	**16**
Cost of share-based payment							5		**5**	^	**5**
Capital contribution from MI									**–**	128	**128**
Dividend paid to MI									**–**	(64)	**(64)**
Dividend paid						(399)			**(399)**	–	**(399)**
Acquisition/(disposal) of subsidiaries (net)									**–**	44	**44**
Others			^	^	1	1		(1)	**1**	^	**1**
Balance as at 30/06/2006	**4,296**	**–**	**1,329**	**205**	**(90)**	**618**	**33**	**107**	**6,499**	**2,591**	**9,090**

^ Less than $1.0 million
* Includes available-for-sale, capital redemption and hedging reserves

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

As at 30/06/2006 vs 30/06/2005 – COMPANY

S$M	Share Capital	Share Prem.	Cap. Res.	Reval. Res.	For. Curr. Tran. Res.	Rev. Res.	Equity Comp. Res.	Other Res.	Total
Balance as at 01/04/2005	**2,558**	**1,305**	**27**	**–**	**–**	**296**	**8**	**^**	**4,193**
Profit for 2Q 2005						25			**25**
Total recognised gains for the period						25			**25**
Issue of shares under Share Option Plan	10	4							**14**
Conversion of convertible bonds	72	84	(12)						**144**
Cost of share based payment								3	**3**
Dividend paid						(127)			**(127)**
Balance as at 30/06/2005	**2,640**	**1,393**	**15**	**–**	**–**	**194**	**8**	**3**	**4,252**
Balance as at 01/04/2006	**4,280**	**–**	**–**	**–**	**–**	**593**	**22**	**–**	**4,895**
Profit for 2Q 2006						50			**50**
Total recognised gains for the period						50			**50**
Issue of shares under Share Option Plan	16								**16**
Cost of share-based payment							5		**5**
Dividend paid						(399)			**(399)**
Balance as at 30/06/2006	**4,296**	**–**	**–**	**–**	**–**	**244**	**27**	**–**	**4,567**

^ Less than $1.0 million

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

Issued Share Capital

As at 30/06/2006, the issued and fully paid-up share capital of the Company was $4,296.5 million (30/06/2005: $2,640.2 million). Movements in the Company's issued and fully paid-up share capital were as follows:

	$'000
As at 01/04/2006	4,279,905
Issue of shares under CapitaLand Share Option Plan	16,562
As at 30/06/2006	**4,296,467**

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

As at 30/06/2006, the issued ordinary shares of the Company numbered 2,773,408,492 (30/06/2005: 2,640,206,047). During 2Q 2006, the Company issued 10,208,734 ordinary shares under the Share Option Plan.

Share Options

The number of outstanding share options under the Company's Share Option Plan as at 30/06/2006 was 63,630,987 (30/06/2005 : 78,350,424).

Performance Shares

As at 30/06/2006, the number of outstanding performance shares under the Company's Performance Share Plan was 9,336,822 (30/06/2005 : 5,019,300).

The final number of performance shares given will depend on the achievement of pre-determined targets over a three-year performance period. Recipients who do not meet the threshold targets at the end of the performance period will not be given any performance shares. On the other hand, if superior targets are met, more performance shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.

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 31/12/2005.

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 & MI attributable to the equity holders of the Company after deducting any provision for preference dividends:

		Group			
		2Q 2006	**2Q 2005**	**1H 2006**	**1H 2005**
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents) from:				
	- continuing operations	5.4 cents	3.9 cents	10.2 cents	6.6 cents
	- discontinued operations	0.3 cents	1.6 cents	0.3 cents	1.7 cents
	Total	**5.7 cents**	**5.5 cents**	**10.5 cents**	**8.3 cents**
	- weighted average number of ordinary shares (in million)	2,770.3	2,617.0	2,762.5	2,575.5
6(b)	EPS based on fully diluted basis (in cents) from:				
	- continuing operations	5.3 cents	3.8 cents	10.0 cents	6.4 cents
	- discontinued operations	0.3 cents	1.5 cents	0.3 cents	1.7 cents
	Total	**5.6 cents**	**5.3 cents**	**10.3 cents**	**8.1 cents**
	- weighted average number of ordinary shares (in million)	2,814.8	2,747.0	2,806.3	2,705.1

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	
	30/06/2006	**31/12/2005**	**30/06/2006**	**31/12/2005**
NAV per ordinary share	$2.34	$2.42	$1.65	$1.71
NTA per ordinary share	$2.33	$2.41	$1.65	$1.71

8. <u>Review of the performance of the group</u>

GROUP OVERVIEW

S$M	2Q 2006 (3 mths)	2Q 2005 (3 mths)	Variance %	1H 2006 (6 mths)	1H 2005 (6 mths)	Variance %	1Q 2006 (3 mths)
Revenue	771.7	1,359.2	(43.2)	1,430.4	2,095.5	(31.7)	658.7
EBIT	303.5	243.2	24.8	528.7	414.4	27.6	225.1
Finance costs	(73.5)	(66.5)	(10.6)	(143.6)	(130.7)	(9.9)	(70.1)
PBT	230.0	176.7	30.2	385.1	283.7	35.7	155.0
PATMI	158.2*	143.6*	10.2	288.7*	213.6*	35.2	130.6

** Include profit for the period from discontinued operations. Please refer to Item 1(a)(iii).*

<u>2Q 2006 vs 2Q 2005</u>

Revenue for 2Q 2006 at $771.7 million was $587.5 million or 43.2% lower than the $1,359.2 million recorded in the same quarter last year. The decrease was mainly attributable to a reduction in revenue contribution from Australand. A significant component of this reduction can be attributed to the higher revenue in 2Q 2005, which arose from the completion of the sale of properties to Australand Wholesale Property Trust No. 4. The de-consolidation of assets divested in 2005 such as Pidemco Tower in Shanghai and Four Seasons Hotel in London also contributed to the revenue decrease. The decrease was partially cushioned by the higher fee-based income, higher revenue from serviced residences operations and revenue from the retail malls in China.

Despite the lower revenue, earnings before interest and tax ("EBIT") for 2Q 2006 at $303.5 million were 24.8% higher compared to 2Q 2005. The higher EBIT was mainly attributable to the recognition of a $77.0 million negative goodwill on the acquisition of a 20% stake in Lai Fung Holdings Limited and higher interest income, partially offset by lower portfolio gains.

<u>1H 2006 vs 1H 2005</u>

For 1H 2006, revenue decreased by 31.7% to $1,430.4 million for the same reasons mentioned above. EBIT was however higher at $528.7 million compared to the same period last year due to overall improved contributions from our strategic business units.

On the back of the higher EBIT, the Group achieved a year-to-date profit after tax and minority interest ("PATMI") of $288.7 million, about $75.1 million or 35.2% higher than the profit of $213.6 million recorded in 1H 2005.

Finance costs for 1H 2006 at $143.6 million, were $12.9 million higher than the $130.7 million recorded in 1H 2005, mainly attributable to a higher proportion of foreign currency loans drawn down to finance new overseas investment projects, as well as higher average interest rates.

The Group's net debt and gearing (net debt to equity ratio) as at end June 2006 were $5.0 billion and 0.55 respectively compared to a net debt of $4.6 billion and gearing of 0.50 as at end December 2005. The increase in net debt of about $0.4 billion was due to new loans drawn down, as well as lower cash balance as cash was utilised for new investments projects.

As at end June 2006, the Group's net tangible assets stood at $2.33 per share, following the payment of a special dividend in May 2006.

During the quarter, the Group continued its overseas expansions, particularly in China. Overseas revenue at $927.5 million accounted for 64.8% of the Group's revenue, while overseas EBIT of $385.0 million contributed 72.8% of the Group's EBIT.

Segment Performance

Residential Strategic Business Unit ("SBU"): CapitaLand Residential Limited ("CRL")

	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Revenue	588,486	1,141,053	(48.4)	1,075,280	1,682,611	(36.1)
EBIT	210,057	113,356	85.3	277,188	202,327	37.0

2Q 2006's revenue of $588.5 million was $552.6 million or 48.4% lower than 2Q 2005. This was mainly due to a reduction in revenue contribution from Australand. A significant component of this reduction can be attributed to the higher revenue in 2Q 2005, which arose from the completion of the sale of properties to Australand Wholesale Property Trust No. 4.

Despite the lower revenue, 2Q 2006's EBIT of $210.1 million was higher than that achieved for the same period last year due to the recognition of a $77.0 million negative goodwill on acquisition of a 20% stake in Lai Fung Holdings Limited in June 2006 and a $7.9 million gain on sale of shares in Sea View Hotel Limited.

In China, CRL expanded strategically into western China with a 50:50 joint venture agreement with a leading Sichuan developer, Chengdu Zhixin Industrial Co., Ltd to undertake development activities. It also broadened its reach in the Yangtze River Delta growth region with the acquisition of its first residential site in Hangzhou. Separately, CRL's first residential project in Guangzhou, Beau Monde, was launched in 2Q 2006 which was well-received.

1H 2006's revenue of $1,075.3 million was $607.3 million or 36.1% lower than 1H 2005 mainly due to lower sales from Australia operation. However, this was partially offset by higher sales from the Singapore residential operations.

EBIT of $277.2 million was $74.9 million or 37.0% higher than 1H 2005.

Commercial SBU: CapitaLand Commercial and Integrated Development Limited ("CCID")

	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Revenue	28,895	31,975	(9.6)	61,050	66,149	(7.7)
EBIT	18,054	50,817	(64.5)	111,155	78,197	42.1

Revenue for 2Q 2006 of $28.9 million was $3.1 million or 9.6% lower than 2Q 2005. The decrease was largely attributable to the loss of revenue from Pidemco Tower in Shanghai and Four Seasons Hotel in London which were divested in May 2005 and November 2005 respectively.

EBIT for 2Q 2006 of $18.1 million was 64.5% lower than 2Q 2005, as 2Q 2005 results included the recognition of the gains from the disposal of Pidemco Tower in Shanghai and CL Moorgate in United Kingdom. These were partially offset by higher share of profits from associates.

Similarly, revenue for 1H 2006 at $61.1 million was $5.1 million or 7.7% lower than 1H 2005.

EBIT for 1H 2006 was however $33.0 million or 42.1% higher than 1H 2005, mainly attributable to the recognition of the gain from the sale of Shanghai Xin Mao Property Development Co., Ltd, as well as higher share of profits from associates and jointly-controlled entities.

Retail SBU: CapitaLand Retail Limited ("CRTL")

	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Revenue	20,558	9,572	114.8	39,227	18,341	113.9
EBIT	19,746	9,598	105.7	39,915	20,826	91.7

Revenue for 2Q 2006 was $11.0 million or 114.8% higher than 2Q 2005. The increase came from the China malls businesses, as well as higher retail management fees.

EBIT for 2Q 2006 also increased by $10.1 million or 105.7% compared with the same period last year mainly attributable to foreign exchange gains from the revaluation of USD denominated loans arising from the strengthening of the SGD and RMB against the USD, coupled with higher share of associates' profit and distribution income from an investment in Hong Kong. These were partially offset by net operating losses from the newly set up China malls.

Likewise, revenue for 1H 2006 was $20.9 million or 113.9% higher than 1H 2005. EBIT for 1H 2006 increased by $19.1 million or 91.7%.

Financial Services SBU: CapitaLand Financial Limited ("CFL")

	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Revenue	18,256	14,534	25.6	37,239	27,237	36.7
EBIT	5,891	7,833	(24.8)	25,457	18,666	36.4

2Q 2006's revenue at $18.3 million was 25.6% higher than 2Q 2005. The increase was mainly attributable to higher recurring fund management fee, which was in tandem with the higher assets under management ("AUM"). AUM as at end June 2006 was $8.7 billion, up by $2.2 billion from $6.5 billion a year ago.

2Q 2006's EBIT of $5.9 million was $1.9 million lower than 2Q 2005 due to a mark-to-market loss on an investment. This was partially offset by a one-off gain, distribution income from an investment in Hong Kong, as well as higher share of associates' profit.

For 1H 2006, revenue of $37.2 million was 36.7% or $10.0 million higher than the corresponding period last year. The improvement was largely attributable to the higher recurring fund management fees resulting from the enlarged AUM. Financial advisory fees on various real estate financial deals also contributed to the increase in revenue.

EBIT for 1H 2006 of $25.5 million represented a 36.4% or $6.8 million increase over the corresponding period last year, mainly due to the mark-to-market gain of $5.0 million on an investment, the one-off gain and higher distribution income which more than offset the increase in operating expenses due to the expansion of operations.

Serviced Residences SBU: The Ascott Group & Ascott Residence Trust ("Serviced Residences Group")

	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Revenue	121,408	119,512	1.6	227,948	219,174	4.0
EBIT	37,455	40,706	(8.0)	53,553	57,896	(7.5)

Revenue for 2Q 2006 of $121.4 million increased by 1.6% over that of the corresponding period last year. The increase in revenue was underpinned by overall revenue per available apartment unit ("REVPAU") growth on a same store basis, with the serviced residences operations in Singapore, Philippines and the United Kingdom achieving double digit REVPAU increase. The consolidation of results from The Ascott Beijing in China and The Ascott Mayfair in United Kingdom also contributed to the increase in revenue.

EBIT for 2Q 2006 of $37.5 million decreased by 8.0% over that of the corresponding quarter last year. The decrease in EBIT was mainly attributable to higher administrative expenses in 2Q 2006 and foreign exchange losses arising from the revaluation of USD denominated receivables as a result of the SGD strengthening against the USD.

Likewise, revenue for 1H 2006 of $227.9 million increased by 4.0% over that of the corresponding period last year. EBIT for 1H 2006 of $53.6 million decreased by 7.5% over that of the corresponding period last year.

Raffles Holdings Group and RC Hotels ("Raffles")

	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Revenue	1,316	47,777	(97.2)	2,181	93,583	(97.7)
EBIT	14,226	13,899	2.4	29,884	25,316	18.0

Revenue for 2Q 2006 of $1.3 million was significantly lower than 2Q 2005 mainly due to the de-consolidation of a hotel's revenue following the divestment of the hotel business in September 2005.

Despite the lower revenue, 2Q 2006's EBIT at $14.2 million was $0.3 million or 2.4% higher than the $13.9 million recorded in the same quarter last year. The improved earnings were mainly due to higher interest income.

Similarly, revenue achieved for 1H 2006 was also lower at $2.2 million compared to 1H 2005. 1H 2006's EBIT improved by $4.6 million or 18.0% to $29.9 million for the same reasons mentioned above.

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 first quarter 2006 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

Residential SBU: CapitaLand Residential Limited ("CRL")

In Singapore, foreign buying interest remains strong for distinctive projects that are well-located in the prime districts. CRL continues to see strong sales for its developments. It will launch the Scotts HighPark, as well as the Alexandra Rise development in the second half of this year.

In China, CRL will continue to develop distinctive projects and meet the steady demand from the local homebuyers. In the second half of this year, CRL targets to launch its first mixed development project in Ningbo and its maiden residential development project in Chengdu.

In Australia, Australand will continue to focus on mainstream land and housing market segments while reducing the exposure to the apartment sector. Australand expects a significant increase in investment property income and a strong profit contribution from the Commercial and Industrial Division and will continue to increase activity in Commercial and Industrial Division to grow the pipeline for the investment property portfolio.

Commercial SBU: CapitaLand Commercial and Integrated Development Limited ("CCID")

In Singapore, the office property market has moved beyond the recovery phase into a strengthening mode, whereby rents are poised to rise at a faster pace. Average prime office rents as at end June 2006 reached S$6.00 psf per month, up from S$5.60 psf per month in the last quarter. According to URA statistics, island-wide office occupancy reached 88% as at March 2006, up from 85% a year ago. The industrial sector also saw some positive signs as a result of a buoyant economy. We expect our office and industrial properties to perform better.

The Group is also currently working with Kerzner International Limited on the proposed bid for the Integrated Resort project on the Sentosa site.

CCID also expects its overseas properties in Hong Kong, China and United Kingdom to continue to do well.

In Hong Kong, Grade A rents registered a 10.5% quarter on quarter increase and are expected to continue to improve further on the back of the continued robust expansion in the financial market and a dearth of new supply.

Similarly, in China, especially Shanghai, there is also robust growth, supported by the growing requirement of the city's financial industry.

In the United Kingdom, the CB Richard Ellis Central London rent index rose by 2.4% in the first quarter of 2006, the highest quarterly increase in five years. With the limited new supply in the short term, the Central London office market is expected to perform well.

Retail SBU: CapitaLand Retail Limited ("CRTL")

In Singapore, the retail property market is expected to remain resilient with rentals expected to be stable as domestic consumption continues to grow on the back of a strengthening employment.

In China, CRTL will continue to expand its business through acquisitions and management of malls anchored by Wal-Mart and other China malls.

As part of the overall strategic plan for the retail business in China, the Group has established CapitaRetail China Development Fund and CapitaRetail China Incubator Fund. The Development Fund which has a fund size of USD600 million will invest in retail mall development projects in China while the Incubator Fund with a fund size of USD425 million will warehouse retail properties with the potential to generate quality income after the repositioning of the property. CRTL will invest 45% and 30% in the Development Fund and the Incubator Fund respectively.

In Japan, CRTL will continue to expand through acquisitions of retail malls.

Financial Services SBU: CapitaLand Financial Limited ("CFL")

CFL will continue to focus on increasing its assets under management ("AUM") to boost its recurring fund management fees. It is well ahead in achieving its target AUM of $13.0 billion by 2007.

In Singapore, upon the completion of Raffles City acquisition by CapitaCommercial Trust ("CCT") and CapitaMall Trust ("CMT") which CFL expects to be in the third quarter of 2006, its total AUM will increase by $2.2 billion to $10.9 billion.

In China, two new private funds, namely CapitaRetail China Development Fund and CapitaRetail China Incubator Fund have been established and CFL is proposing to list a China Retail REIT by end 2006.

In Japan and Malaysia, CFL will continue to seek yield accretive properties to strengthen the existing private real estate funds' portfolio.

Serviced Residences Group: The Ascott Group & Ascott Residence Trust ("Serviced Residences Group")

The business environment in Asia and Europe remains positive. Demand for business and leisure accommodation is expected to continue to be strong.

The Ascott Group had transformed its business model into a comprehensive platform where Ascott Residence Trust ("ART") is a capital-efficient and asset-owning vehicle while The Ascott Group will focus on growing fee-based income and incubating assets for ART. With this new business model, The Ascott Group is well-poised to capitalise on attractive investment opportunities. This is in line with its strategy to achieve higher value-add in the property value chain. The Ascott Group has increasingly taken equity stakes in the development of Serviced Residences businesses.

The Serviced Residences Group's full year 2006 net profit will include the portfolio gain from the divestment of The Ascott Mayfair by The Ascott Group, upon completion in the second half of 2006.

Raffles Holdings Group ("Raffles")

On 13 July 2006, at the Extraordinary General Meeting ("EGM") of Raffles Holdings Limited ("RHL"), a resolution was duly passed to approve the sale of Raffles City by its 45% associated company, Tincel Properties (Private) Limited. The transaction is expected to be completed on 1 September 2006.

RHL expects to distribute a total of $0.70 to its shareholders on 13 October 2006. It also expects to finalise and announce the terms of the exit for its shareholders in 4Q 2006.

RHL expects its performance in 2006 to be profitable.

GROUP OVERALL PROSPECTS FOR 2006

The CapitaLand Group has built a solid foundation for sustained growth in Asia and Australia.

We remain committed to our strategy to grow a balanced and diversified business with operations in numerous countries and in different real estate sectors as follows :

- focus on the residential, retail, commercial and integrated development sectors, while growing our serviced residence business through The Ascott Group and Ascott Residence Trust;

- continue to pursue our multi-local strategy by expanding our overseas footprint, in particular in China, India, Thailand, Vietnam, Malaysia, Japan and Australia;

- grow our real estate investment trust (REIT) and private equity fund management business to increase our assets under management; and

- maintain our stringent focus on capital management to achieve the best risk-adjusted returns for our shareholders, underpinned by our disciplined and independent risk management processes.

For first half 2006, our three key markets of Singapore, China and Australia performed satisfactorily despite the concerns arising from higher oil prices, higher interest rates and the risk of a slowdown in the US economy.

As part of its strategy, the Group is expanding overseas as it continues to see sustainable long term growth trends in Asia underpinned by the concurrent high growth in China, India and a recovering Japan.

We are also expanding our footprint in China beyond Shanghai, Beijing and Guangzhou as demonstrated by our recent joint venture with a leading developer in Chengdu and the acquisition of a stake in Lai Fung Holdings Limited. The Group's balanced approach to investment and growth in China in different real estate sectors is further underscored by our well distributed asset allocation in Retail (36.9%), Residential (32.2%), Commercial and Integrated Development (16.1%) and Serviced Residences (14.8%) sectors.

The recent measures announced by the Chinese government are aimed at promoting the healthy development of the real estate market in the long run. The Group believes in the long term growth of China and will maintain its long term investment strategy in it. In the short term, we will take the new market dynamics into consideration.

Our balanced Asian retail mall strategy continues to progress well and has expanded beyond just Singapore, China and Japan. We are now moving into India with our joint venture with the Pantaloon Group.

In Singapore, the broad recovery in the real estate markets continued in 1H 2006 with residential prices and sales performing well particularly in the high-end segment. Prime office rents continued to recover faster than expected. We expect the overall momentum of this recovery to continue to benefit the Group which has 43% of its assets in Singapore amounting to S$8.1 billion. The Singapore portfolio is well balanced across the Commercial and Integrated Developments (32.3%), Retail (21.9%), Residential (20.2%) and Serviced Residences (6.4%) sectors.

The long term outlook for our businesses remains favourable.

The Group is confident that it will be profitable in 2006.

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)(i) By Strategic Business Units (SBUs) – 2Q 2006 vs 2Q 2005

	Revenue			Earnings before interest & tax		
	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %
Continuing operations						
Residential	588,486	1,141,053	(48.4)	210,057	113,356	85.3
Commercial & Integrated Devt.	28,895	31,975	(9.6)	18,054	50,817	(64.5)
Retail	20,558	9,572	114.8	19,746	9,598	105.7
Financial Services	18,256	14,534	25.6	5,891	7,833	(24.8)
Serviced Residences [1]	121,408	119,512	1.6	37,455	40,706	(8.0)
RHL Group & RCH	1,316	47,777	(97.2)	14,226	13,899	2.4
Others and Consolidation adjms	(7,192)	(5,220)	(37.8)	(1,881)	6,943	NM
Total – Continuing operations	**771,727**	**1,359,203**	**(43.2)**	**303,548**	**243,152**	**24.8**
Total – Discontinued operations	**–**	**153,522**	**NM**	**–**	**51,929**	**NM**

13(a)(ii) By Strategic Business Units (SBUs) – 1H 2006 vs 1H 2005

	Revenue			Earnings before interest & tax		
	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Continuing operations						
Residential	1,075,280	1,682,611	(36.1)	277,188	202,327	37.0
Commercial & Integrated Devt.	61,050	66,149	(7.7)	111,155	78,197	42.1
Retail	39,227	18,341	113.9	39,915	20,826	91.7
Financial Services	37,239	27,237	36.7	25,457	18,666	36.4
Serviced Residences [1]	227,948	219,174	4.0	53,553	57,896	(7.5)
RHL Group & RCH	2,181	93,583	(97.7)	29,884	25,316	18.0
Others and Consolidation adjms	(12,547)	(11,577)	(8.4)	(8,482)	11,134	NM
Total – Continuing operations	**1,430,378**	**2,095,518**	**(31.7)**	**528,670**	**414,362**	**27.6**
Total - Discontinued operations	**–**	**325,809**	**NM**	**–**	**63,021**	**NM**

[1] Included both The Ascott Group ("TAG") and Ascott Residence Trust's ("ART") results (net of inter-company transactions).

In 1Q 2006, the Group had reversed the gain recognised by TAG on the disposal of properties and investments to ART, as ART remains a subsidiary of the Group.

In 2Q 2006, the Group had also reversed the realisation of net revaluation surplus by TAG on the sale of the Liang Court Shopping Centre as this net revaluation surplus had already been utilised by the Group in the previous years to offset the revaluation deficits of other investment properties in Singapore.

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

	Revenue			Earnings before interest & tax		
	1H 2006 S$'000 (6 mths)	1H 2005 S$'000 (6 mths)	Variance %	1H 2006 S$'000 (6 mths)	1H 2005 S$'000 (6 mths)	Variance %
Ascott Residence Trust	26,175	–	NM	9,581	–	NM
The Ascott Group	204,513	219,174	(6.7)	111,327	57,896	92.3
Raffles Holdings Group	2,181	1,763	23.7	29,884	21,405	39.6

13(b)(i) By Geographical Location – 2Q 2006 vs 2Q 2005

	Revenue			Earnings before interest & tax		
	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %	2Q 2006 (3 mths) S$'000	2Q 2005 (3 mths) S$'000	Variance %
Continuing operations						
Singapore	186,740	250,965	(25.6)	77,902	57,694	35.0
Australia & New Zealand	332,987	893,523	(62.7)	67,963	70,528	(3.6)
China	158,708	119,854	32.4	127,794	73,629	73.6
Asia (excl. S'pore/China)	26,600	17,376	53.1	8,036	16,161	(50.3)
Europe	66,668	77,485	(14.0)	21,950	25,140	(12.7)
Others	24	–	NM	(97)	–	NM
Total	**771,727**	**1,359,203**	**(43.2)**	**303,548**	**243,152**	**24.8**

13(b)(ii) By Geographical Location – 1H 2006 vs 1H 2005

	Revenue			Earnings before interest & tax		
	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %	1H 2006 (6 mths) S$'000	1H 2005 (6 mths) S$'000	Variance %
Continuing operations						
Singapore	502,877	479,468	4.9	143,708	109,977	30.7
Australia & New Zealand	530,899	1,170,340	(54.6)	99,445	100,727	(1.3)
China	226,576	268,897	(15.7)	227,546	139,608	63.0
Asia (excl. S'pore/China)	53,712	35,530	51.2	29,917	29,834	0.3
Europe	116,290	141,283	(17.7)	28,151	34,216	(17.7)
Others	24	–	NM	(97)	–	NM
Total	**1,430,378**	**2,095,518**	**(31.7)**	**528,670**	**414,362**	**27.6**

14. <u>In the review of performance, the factors leading to any material changes in contributions to revenue and earnings by the business or geographical segments</u>

Please refer to Item 8.

15. <u>Breakdown of Group's revenue and profit after tax for first half year and second half year</u>

Not applicable.

16. <u>Breakdown of Total Annual Dividend (in dollar value) of the Company</u>

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

Ng Chooi Peng
Assistant Company Secretary
3 August 2006