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CAPITALAND LIMITED

(Registration Number : 198900036N)

2006 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

CAPITALAND LIMITED
2006 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group					
	Note	3Q 2006 S$'000	3Q 2005 S$'000	% Change	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	% Change
Continuing operations							
Revenue	**A**	**718,668**	**851,323**	**(15.6)**	**2,149,046**	**2,946,841**	**(27.1)**
Cost of sales	A	(510,025)	(650,591)	(21.6)	(1,572,983)	(2,327,202)	(32.4)
Gross profit		208,643	200,732	3.9	576,063	619,639	(7.0)
Other operating income	B	155,070	56,808	173.0	334,693	191,819	74.5
Administrative expenses	C	(115,289)	(99,678)	15.7	(197,857)	(273,912)	(27.8)
Other operating expenses	D	44,805	(256)	NM	43,080	(9,840)	NM
Profit from continuing operations		**293,229**	**157,606**	**86.1**	**755,979**	**527,706**	**43.3**
Finance costs		(85,634)	(61,518)	39.2	(229,241)	(192,196)	19.3
Share of results (net of tax) of:							
- associates	E	205,543	23,355	780.1	256,261	67,203	281.3
- jointly-controlled entities		31,657	10,536	200.5	46,859	10,438	348.9
- partnership		–	2	NM	–	514	NM
		237,200	33,893	599.8	303,120	78,155	287.8
Profit before taxation from continuing operations		444,795	129,981	242.2	829,858	413,665	100.6
Taxation	F	(23,063)	(23,115)	(0.2)	(77,127)	(80,143)	(3.8)
Profit after taxation from continuing operations		421,732	106,866	294.6	752,731	333,522	125.7
Discontinued operations							
Profit after taxation from discontinued operations	G	12,536	639,562	(98.0)	26,869	691,202	(96.1)
Profit for the period		434,268	746,428	(41.8)	779,600	1,024,724	(23.9)
Attributable to:							
Equity holders of the Company ("PATMI")	**H**	**273,426**	**443,760**	**(38.4)**	**562,168**	**657,330**	**(14.5)**
Minority interests ("MI")		160,842	302,668	(46.9)	217,432	367,394	(40.8)
Profit for the period		434,268	746,428	(41.8)	779,600	1,024,724	(23.9)

NM : Not meaningful

1(a)(ii) Explanatory Notes to Income Statement - 3Q 2006 vs 3Q 2005

(A) Revenue, Cost of Sales

The decreases in both revenue and cost of sales were largely attributable to lower sales from development projects in Australia, as well as the de-consolidation of assets divested in 2005. These decreases were partially offset by higher residential sales in China, higher fee-based income, higher revenue from serviced residences operations and revenue from retail malls in China.

(B) Other Operating Income

	Group		
	3Q 2006 S$'000	3Q 2005 S$'000	% Change
Other Operating Income	**155,070**	**56,808**	**173.0**
Investment income	6,887	4,350	58.3
Interest Income	35,818	24,011	49.2
Other income including portfolio gains	112,775	21,618	421.7
Foreign exchange (loss)/gain	(410)	6,829	NM

Investment income of $6.9 million arose mainly from the Group's investments in China, India and Hong Kong.

Interest income of $35.8 million was 49.2% higher than 3Q 2005. The increase was mainly attributable to higher interest income earned by Raffles Holdings Limited on its surplus funds which came from the balance of proceeds from the sale of its hotel business and the capital distribution from its 45% owned associated company, Tincel Properties (Private) Ltd, following the completion of the sale of Raffles City Singapore, as well as higher average interest rates.

3Q 2006's portfolio gains came mainly from the disposal of The Ascott Mayfair and 10 units of apartments in Hong Kong Parkview, as well as the dilution gain from CapitaMall Trust and CapitaCommercial Trust arising from their recent equity fund raisings.

(C) Administrative Expenses

	Group		
	3Q 2006 S$'000	3Q 2005 S$'000	% Change
Administrative Expenses	**(115,289)**	**(99,678)**	**15.7**
Included in Administrative Expenses:-			
Depreciation and amortisation	(9,319)	(8,638)	7.9
Allowance for doubtful receivables	(12,903)	(1,138)	NM

Administrative expenses comprise staff costs, depreciation expenses, rental expenses and other administrative expenses. 3Q 2006's administrative expenses were $115.3 million, about $15.6 million or 15.7% higher than 3Q 2005, largely attributable to impairments and allowances related to The Ascott Group's ("TAG") assets in Malaysia, higher staff costs, as well as higher depreciation and amortisation expenses. These were partially offset by lower expenses following the de-consolidation of some subsidiaries divested in 2005.

(D) Other Operating Expenses

	Group		
	3Q 2006 S$'000	3Q 2005 S$'000	% Change
Other Operating Expenses	**44,805**	**(256)**	**NM**
Write back of assets revaluation reserves previously charged to income statement	40,996	–	NM
Others	3,809	(256)	NM

3Q 2006's other operating expenses included a $41.0 million write back of assets revaluation reserves previously charged to the income statement and a $9.7 million write back of provision for profit warranty no longer required. These were offset by a $5.2 million expenditure incurred by Raffles Holdings Limited ("RHL") in relation to the review and implementation of strategic business options, sale of Raffles City Singapore and exit options for RHL.

(E) Share of results (net of tax) of Associates

The higher share of associates' results in 3Q 2006 was mainly attributable to the Group's share of a gain of $186.0 million from the disposal of Raffles City Singapore, contributing $92.2 million to the Group's profit after tax and minority interest.

(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 $23.1 million in 3Q 2006 is net of a $5.1 million over-provision of tax for prior years (3Q 2005: under-provision of $0.8 million).

(G) Profit after taxation from discontinued operations

	Group		
	3Q 2006 S$'000	3Q 2005 S$'000	% Change
Profit after Taxation from Discontinued Operations	**12,536**	**639,562**	**(98.0)**
Profit after taxation before gain on sale of discontinued operations	–	9,876	NM
Gain on sale of discontinued operations	12,536	629,686	(98.0)

3Q 2006's profit after taxation from discontinued operations came mainly from the write back of provisions relating to the sale of the hotel business by RHL that were no longer required. 3Q 2005's profit after taxation from discontinued operations comprised the operating profits and gain from the divestment of the hotel business.

(H) Gain from sale of investments

Included in the Group's profit after tax and minority interest ("PATMI") for 3Q 2006 were the following gains (net) from the sale of investments:

	$M
Raffles City Singapore (accounted for in Share of Associates' results - refer to Item E)	92.2
The Ascott Mayfair in United Kingdom	52.8
10 units of Hong Kong Parkview apartments	8.5
Others (net)	(1.1)
Total Group's share of gain after tax & MI for 3Q 2006	**152.4**

1(a)(iii) Discontinued Operations

The discontinued operations comprised PREMAS International Limited and the hotel business of Raffles Holdings Limited ("discontinued operations") which were divested in May 2005 and September 2005 respectively. A summary of the 3Q and YTD Sep results of the discontinued operations is as follows:

	Group – Discontinued operations			
	3Q 2006 S$'000	3Q 2005 S$'000	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000
Revenue	**–**	**132,362**	**–**	**458,171**
Cost of sales	–	(63,844)	–	(237,388)
Gross profit	–	68,518	–	220,783
Other operating income	–	1,336	–	6,233
Administrative expenses	–	(54,926)	–	(179,807)
Other operating expenses	–	(1,340)	–	(1,952)
Profit from discontinued operations	**–**	**13,588**	**–**	**45,257**
Finance costs	–	(1,698)	–	(5,693)
Share of results (net of tax) of associates	–	–	–	96
Profit before taxation from discontinued operations	**–**	**11,890**	**–**	**39,660**
Taxation	–	(2,014)	–	(9,399)
Profit after taxation before gain on sale of discontinued operations	**–**	**9,876**	**–**	**30,261**
Gain on sale of discontinued operations	12,536	629,686	26,869	660,941
Profit after taxation from discontinued operations*	**12,536**	**639,562**	**26,869**	**691,202**

* Please refer to Item 1(a)(ii)(G) for details.

1(b)(i) Balance Sheet

As at 30/09/2006 vs 31/12/2005

	Group			Company		
	30/09/2006 S$'000	31/12/2005 S$'000	% Change	30/09/2006 S$'000	31/12/2005 S$'000	% Change
Non-Current Assets						
Property, Plant & Equipment	197,094	201,465	(2.2)	1,337	1,588	(15.8)
Intangible Assets	30,208	35,394	(14.7)	–	–	–
Investment Properties	6,725,456	5,914,905	13.7	–	–	–
Properties Under Devt	925,675	634,004	46.0	–	–	–
Interests in Subsidiaries	–	–	–	3,851,358	3,773,558	2.1
Interests in Associates & Jointly-Controlled Entities	3,973,772	3,928,670	1.1	–	–	–
Other Assets	360,619	323,874	11.3	4,187	4,211	(0.6)
	12,212,824	**11,038,312**	**10.6**	**3,856,882**	**3,779,357**	**2.1**
Current Assets						
Devt Properties for Sale	*3,584,815*	*3,542,494*	*1.2*	–	–	–
Trade & Other Receivables	*1,300,860*	*1,417,790*	*(8.2)*	*1,835,911*	*1,101,118*	*66.7*
Cash & Cash Equivalents	*3,239,090*	*2,111,277*	*53.4*	*294,919*	*987,736*	*(70.1)*
Other Current Assets	*74,495*	*73,180*	*1.8*	–	–	–
	8,199,260	**7,144,741**	**14.8**	**2,130,830**	**2,088,854**	**2.0**
Less: Current Liabilities						
Trade & Other Payables	*1,934,280*	*2,005,739*	*(3.6)*	*1,003,293*(1)	*206,882*	*385.0*
Short-Term Borrowings	*1,975,974*	*2,383,844*	*(17.1)*	*288,557*	*692,735*	*(58.3)*
Finance Leases	*3,552*	*3,448*	*3.0*	–	–	–
Other Current Liabilities	*197,303*	*237,664*	*(17.0)*	–	–	–
	4,111,109	**4,630,695**	**(11.2)**	**1,291,850**	**899,617**	**43.6**
Net Current Assets	**4,088,151**	**2,514,046**	**62.6**	**838,980**	**1,189,237**	**(29.5)**
Less: Non-Current Liabilities						
Long-Term Borrowings	5,908,029	4,228,011	39.7	91,000	125,500	(27.5)
Finance Leases	45,643	48,683	(6.2)	–	–	–
Other Non-Current Liabilities	735,361	247,296	197.4	23,669	149,597	(84.2)
	6,689,033	**4,523,990**	**47.9**	**114,669**	**275,097**	**(58.3)**
Net Assets	**9,611,942**	**9,028,368**	**6.5**	**4,581,193**	**4,693,497**	**(2.4)**
Representing:						
Share Capital*	4,300,887	2,750,503	56.4	4,300,887	2,750,503	56.4
Reserves	2,496,755	3,907,207	(36.1)	280,306	1,942,994	(85.6)
Equity attributable to equity holders of the Company	6,797,642	6,657,710	2.1	4,581,193	4,693,497	(2.4)
Minority Interests	2,814,300	2,370,658	18.7	–	–	–
Total Equity	**9,611,942**	**9,028,368**	**6.5**	**4,581,193**	**4,693,497**	**(2.4)**

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 31/01/2006.

(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 30/09/2006 S$'000	**As at 31/12/2005 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	207,642	438,546
Unsecured	1,771,884	1,948,746
Sub-Total 1	**1,979,526**	**2,387,292**
Amount repayable after one year:-		
Secured	2,891,224	2,270,382
Unsecured	3,062,448	2,006,312
Sub-Total 2	**5,953,672**	**4,276,694**
Total Debt	**7,933,198**	**6,663,986**

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.

1(c) Consolidated Cash Flows Statement

	Group			
	3Q 2006 S$'000	3Q 2005 S$'000	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000
Cash Flows from Operating Activities				
Profit before taxation from continuing operations	**444,795**	**129,981**	**829,858**	**413,665**
Profit before taxation from discontinued operations	**12,536**	**641,576**	**26,869**	**700,601**
Total profit before taxation	**457,331**	**771,557**	**856,727**	**1,114,266**
Adjustments for :				
Amortisation and write off of:				
- Intangible assets	514	169	524	752
- Leasehold investment property	558	455	1,653	1,301
Negative goodwill on acquisition	–	–	(77,000)	(820)
(Write back)/Allowance for:				
- Foreseeable losses on development properties for sale	(3,997)	(23,045)	(17,713)	(36,169)
- Loans to associates	11,500	–	11,500	–
- Non-current portion of financial assets	13	(917)	2	(883)
Share-based expenses	7,339	4,216	17,634	11,596
Changes in fair value of financial derivatives and assets	(3,665)	(2,428)	(7,992)	(10,296)
Depreciation of property, plant and equipment	8,707	17,657	25,181	63,610
Loss/(Gain) on disposal/Write off of property, plant and equipment	773	(2,804)	649	(4,540)
Gain on disposal of investment properties	(92,201)	(210)	(96,938)	(7,033)
Write back in value of investment properties	(40,996)	–	(40,996)	–
Gain on disposal of non-current financial assets	–	–	(8,937)	(2,101)
Gain on disposal, liquidation and dilution of subsidiaries	(38,691)	(632,146)	(100,825)	(707,499)
Share of results of associates, jointly-controlled entities and partnership	(237,200)	(33,893)	(303,120)	(78,251)
Accretion of deferred income	(1,153)	(634)	(3,499)	(2,045)
Interest expense	85,634	63,216	229,241	197,889
Interest income	(35,818)	(24,215)	(103,154)	(70,317)
	(338,683)	**(634,579)**	**(473,790)**	**(644,806)**
Operating profit before working capital changes	**118,648**	**136,978**	**382,937**	**469,460**
Decrease/(Increase) in working capital				
Inventories, trade and other receivables	107,165	73,828	26,016	(118,335)
Development properties for sale	(31,345)	202,181	60,595	975,393
Trade and other payables	112,260	(42,358)	98,106	(302,989)
Amount due from related corporations	–	315	–	(3,236)
Financial assets	(331)	4,074	(100)	4,108
	187,749	**238,040**	**184,617**	**554,941**
Cash generated from operations	**306,397**	**375,018**	**567,554**	**1,024,401**
Income tax paid	(21,206)	(24,587)	(74,545)	(82,254)
Customer deposits and other non-current payables (refunded)/received	(956)	(4,600)	1,986	4,217
Net cash generated from Operating Activities	**284,235**	**345,831**	**494,995**	**946,364**

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

	Group			
	3Q 2006 S$'000	3Q 2005 S$'000	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	2,229	3,010	11,439	21,722
Purchase of property, plant and equipment	(12,428)	(34,421)	(39,674)	(59,181)
Decrease/(Increase) in associates, jointly-controlled entities	44,600	(19,260)	(553,771)	(66,847)
Decrease/(Increase) in amounts owing by investee companies and other non-current receivables	9,257	228	4,330	(8,975)
Acquisition of investment properties and properties under development	(414,485)	(386,316)	(949,817)	(674,009)
Proceeds from disposal of investment properties	257,533	184	431,663	80,959
(Acquisition)/Proceeds from disposal of non-current financial assets	(43,187)	(5,026)	(26,133)	1,885
Dividends received from associates and jointly-controlled entities	564,502	23,478	597,210	71,968
(Acquisition)/Disposal of subsidiaries (net)	(23,688)	1,374,517	111,300	1,484,119
Acquisition of remaining interest in a subsidiary	–	–	–	(21,315)
Interest income received	34,922	14,256	96,707	55,829
Settlement of derivative	–	–	–	(15,002)
Net cash generated from/(used in) Investing Activities	**419,255**	**970,650**	**(316,746)**	**871,153**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	4,420	13,677	35,148	42,967
Proceeds from loans from minority shareholders	21,743	31,042	26,403	44,039
Contribution from minority shareholders (net)	51,539	243,479	280,375	335,214
(Repayment of)/Proceeds from sales of future receivables	(116,944)	–	142,967	(277,640)
Proceeds from terms loans	1,408,603	266,607	3,425,027	1,398,162
Repayment of term loans	(948,763)	(376,950)	(2,712,595)	(2,115,996)
Proceeds from debt securities	443,480	106,625	840,888	106,625
Repayment of debt securities	(159,120)	(103,797)	(298,681)	(167,577)
Repayment of finance lease payables	(772)	(894)	(2,551)	(2,526)
Dividends paid to minority shareholders	(37,384)	(21,867)	(124,015)	(97,256)
Dividends paid to shareholders	–	–	(399,089)	(126,527)
Interest expense paid	(93,633)	(81,214)	(251,175)	(235,640)
Net cash generated from /(used in) Financing Activities	**573,169**	**76,708**	**962,702**	**(1,096,155)**
Net increase in cash and cash equivalents	**1,276,659**	**1,393,189**	**1,140,951**	**721,362**
Cash and cash equivalents at beginning of the period	1,957,188	1,223,419	2,105,015	1,904,831
Effect of exchange rate changes on cash balances held in foreign currencies	5,219	9,850	(6,900)	265
Cash and cash equivalents at end of the period	**3,239,066**	**2,626,458**	**3,239,066**	**2,626,458**

Cash and cash equivalents	3,239,090	2,632,506	3,239,090	2,632,506
Bank overdraft	(24)	(6,048)	(24)	(6,048)
Cash and cash equivalents at end of the period	**3,239,066**	**2,626,458**	**3,239,066**	**2,626,458**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $3,239.1 million as at 30/09/2006 included $2,755.2 million in fixed deposits and $75.2 million in Project Accounts whose withdrawals are restricted to the payment of development projects expenditure.

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

As at 30/09/2006 vs 30/09/2005 – GROUP

S$'000	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserves*	**Total**	Minority Interest	**Total Equity**
Balance as at 01/07/2006	**4,296,467**	**–**	**1,329,237**	**204,941**	**(90,365)**	**618,931**	**139,450**	**6,498,661**	**2,590,979**	**9,089,640**
Net fair value changes on available-for-sale investments							16,009	**16,009**	–	**16,009**
Net fair value changes on cash flow hedge							(9,559)	**(9,559)**	(3,959)	**(13,518)**
Foreign currency translation differences					10,031			**10,031**	9,654	**19,685**
Net gains/(losses) recognised directly in equity					*10,031*		*6,450*	***16,481***	*5,695*	***22,176***
Profit for 3Q 2006						273,426		**273,426**	160,842	**434,268**
Realised reserves transferred to income statement				(2,516)	(623)		126	**(3,013)**	(1,071)	**(4,084)**
Total recognised gains/(losses) for the period				**(2,516)**	**9,408**	**273,426**	**6,576**	**286,894**	**165,466**	**452,360**
Issue of shares under Share Option Plan	4,420							**4,420**	–	**4,420**
Cost of share-based payment							6,299	**6,299**	209	**6,508**
Capital contribution from MI								**–**	51,539	**51,539**
Dividend paid to MI								**–**	(37,384)	**(37,384)**
Acquisition/(Disposal) of subsidiaries (net)								**–**	43,491	**43,491**
Others			55	50		1,311	(48)	**1,368**	–	**1,368**
Balance as at 30/09/2006	**4,300,887**	**–**	**1,329,292**	**202,475**	**(80,957)**	**893,668**	**152,277**	**6,797,642**	**2,814,300**	**9,611,942**

S$'000	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserves*	**Total**	Minority Interest	**Total Equity**
Balance as at 01/07/2005	**2,640,206**	**2,660,629**	**80,964**	**87,325**	**(12,849)**	**197,520**	**28,984**	**5,682,779**	**2,217,986**	**7,900,765**
Revaluation surplus on investment properties				2,006				**2,006**	1,758	**3,764**
Foreign currency translation differences					24,725			**24,725**	12,915	**37,640**
Net gains recognised directly in equity				*2,006*	*24,725*			***26,731***	*14,673*	***41,404***
Profit for 3Q 2005						443,760		**443,760**	302,668	**746,428**
Realised revaluation reserve transferred to income statement					(39,359)			**(39,359)**	(26,175)	**(65,534)**
Total recognised gains/(losses) for the period				**2,006**	**(14,634)**	**443,760**		**431,132**	**291,166**	**722,298**
Issue of shares under Share Option Plan	9,349	4,865						**14,214**	–	**14,214**
Conversion of convertible bonds	78,243	90,500	(12,492)					**156,251**	–	**156,251**
Cost of share-based payment							6,739	**6,739**	2,052	**8,791**
Capital contribution from MI								**–**	243,479	**243,479**
Dividend paid to MI								**–**	(21,867)	**(21,867)**
Acquisition/(Disposal) of subsidiaries (net)								**–**	(53,770)	**(53,770)**
Transfer to/(from) reserves			181			(181)		**–**	–	**–**
Others			(4,129)			3,220	(243)	**(1,152)**	–	**(1,152)**
Balance as at 30/09/2005	**2,727,798**	**2,755,994**	**64,524**	**89,331**	**(27,483)**	**644,319**	**35,480**	**6,289,963**	**2,679,046**	**8,969,009**

* Includes available-for-sale, equity compensation and hedging reserves

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

As at 30/09/2006 vs 30/09/2005 – COMPANY

S$'000	Share Capital	Share Premium	Capital Reserve	Revenue Reserve	Equity Comp. Reserve	Total
Balance as at 01/07/2006	**4,296,467**	**–**	**–**	**244,058**	**26,802**	**4,567,327**
Profit for 3Q 2006				3,784		**3,784**
Total recognised gains for the period				**3,784**		**3,784**
Issue of shares under Share Option Plan	4,420					**4,420**
Cost of share-based payment					5,662	**5,662**
Others				(34)	34	**–**
Balance as at 30/09/2006	4,300,887	–	–	247,808	32,498	**4,581,193**
Balance as at 01/07/2005	**2,640,206**	**1,392,397**	**15,450**	**193,761**	**10,032**	**4,251,846**
Profit for 3Q 2005				21,469		**21,469**
Total recognised gains for the period				**21,469**		**21,469**
Issue of shares under Share Option Plan	9,349	4,865				**14,214**
Conversion of convertible bonds	78,243	90,500	(12,492)			**156,251**
Cost of share-based payment					3,729	**3,729**
Balance as at 30/09/2005	2,727,798	1,487,762	2,958	215,230	13,761	**4,447,509**

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

Issued Share Capital

As at 30/09/2006, the issued and fully paid-up share capital of the Company was $4,300.9 million (30/09/2005: $2,727.8 million). Movements in the Company's issued and fully paid-up share capital during 3Q 2006 were as follows:

	$'000
As at 01/07/2006	4,296,467
Issue of shares under CapitaLand Share Option Plan	4,420
As at 30/09/2006	**4,300,887**

As at 30/09/2006, the issued ordinary shares of the Company numbered 2,776,377,521 (30/09/2005: 2,727,797,613). During 3Q 2006, the Company issued 2,969,029 ordinary shares under the Share Option Plan.

Share Options

As at 30/09/2006, the number of outstanding share options under the Company's Share Option Plan was 60,947,447 (30/09/2005: 67,086,771).

Performance Shares

As at 30/09/2006, the number of outstanding performance shares under the Company's Performance Share Plan was 9,003,801 (30/09/2005: 7,526,300).

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			
		3Q 2006	3Q 2005	YTD Sep 2006	YTD Sep 2005
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents) from:				
	- continuing operations	9.6 cents	2.8 cents	19.7 cents	9.3 cents
	- discontinued operations	0.3 cents	13.7 cents	0.6 cents	15.9 cents
	Total	**9.9 cents**	**16.5 cents**	**20.3 cents**	**25.2 cents**
	- weighted average number of ordinary shares (in million)	2,774.7	2,687.6	2,766.6	2,613.4
6(b)	EPS based on fully diluted basis (in cents) from:				
	- continuing operations	9.4 cents	2.8 cents	19.5 cents	9.3 cents
	- discontinued operations	0.3 cents	13.4 cents	0.5 cents	15.5 cents
	Total	**9.7 cents**	**16.2 cents**	**20.0 cents**	**24.8 cents**
	- weighted average number of ordinary shares (in million)	2,817.9	2,745.8	2,807.9	2,669.6

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	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
NAV per ordinary share	$2.45	$2.42	$1.65	$1.71
NTA per ordinary share	$2.44	$2.41	$1.65	$1.71

8. Review of the performance of the group

GROUP OVERVIEW

	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Revenue	718,668	851,323	(15.6)	2,149,046	2,946,841	(27.1)
EBIT	530,429	191,499	177.0	1,059,099	605,861	74.8
Finance costs	(85,634)	(61,518)	(39.2)	(229,241)	(192,196)	(19.3)
PBT	444,795	129,981	242.2	829,858	413,665	100.6
PATMI*	273,426	443,760	(38.4)	562,168	657,330	(14.5)

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

3Q 2006 vs 3Q 2005

Revenue for 3Q 2006 at $718.7 million was $132.7 million or 15.6% lower than the $851.3 million recorded in the corresponding quarter last year. The decrease was mainly attributable to lower sales from development projects in Australia and the de-consolidation of assets divested in 2005. The decrease was partially cushioned by higher residential sales from China, higher fee-based income, higher revenue from serviced residences operations and revenue from retail malls in China.

Notwithstanding the lower revenue, earnings before interest and tax ("EBIT") for 3Q 2006 at $530.4 million were $338.9 million or 177.0% higher compared to the $191.5 million recorded in 3Q 2005. The higher EBIT was mainly attributable to higher portfolio gains, higher fee-based income, a write back of assets revaluation reserves previously charged to the income statement, higher share of joint ventures' profits and higher interest income. These were partially offset by impairments and allowances related to The Ascott Group's assets in Malaysia, higher staff costs, as well as higher depreciation and amortisation expenses.

Profit after tax and minority interest ("PATMI") for 3Q 2006 included the write back of provisions of $7.4 million, while 3Q 2005 included the operating contributions and strategic divestment gains of $369.0 million from the sale of the Raffles' hotel business. Excluding the contributions (operating contributions and strategic divestment gains) from the hotel business, the Group's 3Q 2006 PATMI was $266.1 million versus the $74.8 million recorded in 3Q 2005.

YTD Sep 2006 vs YTD Sep 2005

Revenue for YTD Sep 2006 decreased by $797.8 million or 27.1% to $2,149.0 million mainly attributable to lower sales from development projects in Australia, loss of revenue from assets divested in 2005 such as Four Seasons Hotel in London and Pidemco Tower in Shanghai. The decrease in Australia revenue was mainly attributed to the higher revenue recorded in 2005, as a result of the completion of the sale of properties to Australand Wholesale Property Trust No. 4. The decrease in the Group's revenue was partially cushioned by higher fee-based income, higher revenue from serviced residences operations and revenue from retail malls in China.

Despite the lower revenue, the Group achieved a higher EBIT of $1,059.1 million. This was a 74.8% increase over the corresponding period last year. The higher EBIT was mainly attributable to higher portfolio gains, the recognition of a $77.0 million negative goodwill on the acquisition of a 20% stake in Lai Fung Holdings Limited, higher fee-based income, higher operating margins from Singapore residential operations, a write back of assets revaluation reserves previously charged to the income statement and higher interest income.

Finance costs incurred for YTD Sep 2006 were $229.2 million. This was an increase of $37.0 million or 19.3% compared to the $192.2 million recorded in YTD Sep 2005. The increase was mainly attributable to higher loans drawn down (predominantly foreign currency loans) to finance new overseas investment projects, as well as higher average interest rates.

The Group achieved a year-to-date profit after tax and minority interest ("PATMI") of $562.2 million which included a $15.8 million gain from the write back of provisions relating to the sale of Raffles' hotel business that were no longer required as well as additional proceeds on final settlement. This was 14.5% lower than the $657.3 million PATMI recorded a year ago. However, it should be noted that in YTD Sep 2005, the PATMI included the operating contributions and divestment gains of $413.8 million from the strategic divestments of PREMAS International Limited and Raffles' hotel business. Excluding these, the Group's PATMI was about 124.4% higher than the $243.5 million recorded in YTD Sep 2005.

Overseas revenue at $1,421.7 million accounted for 66.2% of the Group's total revenue. This was 6.3% lower compared to the 72.5% recorded a year ago, mainly attributable to higher revenue from Australia in YTD Sep 2005 due to the completion of the sale of properties to Australand Wholesale Property Trust No. 4. We continue to see strong contributions from our overseas operations with overseas EBIT growing by 42.0% to $600.3 million. At the same time we have seen a very strong recovery in Singapore with EBIT growing 150.7% to $458.8 million and as a consequence, overseas EBIT accounted for 56.7% of the Group's EBIT.

The Group's net debt and gearing (net debt to equity ratio) as at end September 2006 were $4.7 billion and 0.49 respectively compared to a net debt of $4.6 billion and gearing of 0.50 as at end December 2005. As at end September 2005, the Group's net debt and gearing were $3.2 billion and 0.36 respectively. Although the Group was actively drawing down loans to fund new overseas investments, the increase in net debt was only about $0.1 billion. This was mainly due to the receipt of additional consideration from the sale of the hotel business upon finalisation of the completion accounts, as well as proceeds from other divestments. As at end September 2006, the Group's net tangible assets were $2.44 per share.

Segment Performance

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

	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Revenue	509,071	636,747	(20.1)	1,584,351	2,319,358	(31.7)
EBIT	137,866	92,602	48.9	415,054	294,929	40.7

3Q 2006's revenue of $509.1 million was $127.7 million or 20.1% lower than 3Q 2005. This was mainly due to lower revenue from Australia operations, partially offset by higher sales from China operation.

Despite the lower revenue, EBIT for 3Q 2006 at $137.9 million was higher than 3Q 2005's $92.6 million due to higher profit margins in Singapore and Australia, as well as the higher sales in China.

In Singapore, CRL signed a Sale and Purchase Agreement to acquire Silver Tower, located in the heart of the Orchard Road district through a collective sale. This freehold site is expected to be redeveloped into a luxurious 20-storey condominium with 100 apartments.

In Vietnam, CRL has recently signed a Memorandum of Understanding with South Saigon Development Corporation to jointly develop a residential site located in District 7 in Ho Chi Minh City, adjacent to the Phu My Hung Urban area. This is CRL's second residential project in Vietnam.

YTD Sep 2006's revenue of $1,584.4 million was $735.0 million or 31.7% lower than last year, mainly attributed to the higher revenue recorded in 2005, as a result of the completion of the sale of properties to Australand Wholesale Property Trust No. 4.

EBIT of $415.1 million represented an increase of $120.1 million over the same period last year. This was mainly contributed by higher EBIT from the Singapore residential operations and the recognition of a $77.0 million negative goodwill arising from the acquisition of a 20% stake in Lai Fung Holdings Limited in June 2006.

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

	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Revenue	31,115	28,662	8.6	92,165	94,811	(2.8)
EBIT	22,337	23,999	(6.9)	133,492	102,196	30.6

Revenue for 3Q 2006 of $31.1 million was $2.5 million or 8.6% higher than 3Q 2005. The increase in revenue was largely attributable to higher rental from Singapore office properties and higher property management fee income, partially offset by the loss of revenue from the Four Seasons Hotel in London which was divested in November 2005.

EBIT for 3Q 2006 of $22.3 million was 6.9% lower than 3Q 2005, mainly due to a decrease in share of profits from associates.

For YTD Sep 2006, revenue of $92.2 million was $2.6 million or 2.8% lower than YTD Sep 2005 mainly due to the divestment of Pidemco Tower in Shanghai and Four Seasons Hotel in London last year, partially offset by higher rental from Singapore office properties and higher property management fee income.

EBIT for YTD Sep 2006 was however $31.3 million or 30.6% higher than YTD Sep 2005, mainly attributable to the recognition of the gain from the sale of Shanghai Xin Mao Property Development Co., Ltd, as well as higher contributions from associates and jointly-controlled entities.

Retail SBU: CapitaLand Retail Limited ("CRTL")

	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Revenue	21,150	13,287	59.2	60,377	31,628	90.9
EBIT	28,416	12,053	135.8	68,331	32,879	107.8

Revenue for 3Q 2006 at $21.2 million was $7.9 million or 59.2% higher than 3Q 2005. The increase was mainly due to higher revenue from Clarke Quay and China properties, as well as higher retail management fees from CapitaMall Trust ("CMT").

EBIT for 3Q 2006 at $28.4 million showed an increase of $16.4 million or 135.8% compared with 3Q 2005, mainly attributable to a $21.8 million gain arising from the dilution of the Group's unit holding in CMT following CMT's equity fund raising to part finance its acquisition of Raffles City Singapore. These were partially offset by higher administrative and operating expenses due to business expansion, particularly in China.

Revenue for YTD Sep 2006 was $28.7 million or 90.9% higher than YTD Sep 2005, for the same reasons mentioned above.

EBIT for YTD Sep 2006 increased by $35.5 million or 107.8% compared with YTD Sep 2005 mainly attributable to the $21.8 million dilution gain from CMT, foreign exchange gains from the revaluation of the USD denominated loans arising from the strengthening of the SGD and RMB against the USD, higher share of associates' profits, distribution income from an investment in Hong Kong, partially offset by higher administrative and operating expenses due to business expansion, particularly in China.

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

	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Revenue	39,392	13,876	183.9	76,631	41,113	86.4
EBIT	24,531	6,298	289.5	49,988	24,964	100.2

3Q 2006's revenue of $39.4 million was 183.9% or $25.5 million higher than 3Q 2005. The increase was mainly attributable to a one-off acquisition fee of $21.6 million arising from the joint acquisition of Raffles City Singapore by CapitaMall Trust ("CMT") and CapitaCommercial Trust ("CCT"). The recurring fund management fees also increased in tandem with the higher assets under management ("AUM"). AUM as at end September 2006 was $11.1 billion, up by $4.3 billion from $6.8 billion a year ago.

EBIT for 3Q 2006 of $24.5 million was significantly higher by 289.5% or $18.2 million compared to 3Q 2005. The increase in EBIT was mainly due to higher revenue from the acquisition fee, a mark-to-market gain of $2.1 million on an investment in Hong Kong, a gain of $1.5 million from the disposal of a short term investment, partially offset by higher operating expenses due to the expansion of both local and overseas operations.

Revenue for YTD Sep 2006 of $76.6 million represented an increase of 86.4% or $35.5 million over the corresponding period last year. The increase was largely contributed by the higher acquisition fees and the increase in recurring fund management fees as mentioned above.

EBIT for YTD Sep 2006 of $50.0 million represented a 100.2% or $25.0 million increase over the corresponding period last year, arising from higher revenue, a mark-to-market gain of $7.1 million on an investment in Hong Kong, a one-off gain and higher distribution income which more than offset the increase in operating expenses due to business expansion.

TAG & ART: The Ascott Group & Ascott Residence Trust

	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Revenue	121,742	112,200	8.5	349,690	331,374	5.5
EBIT	80,261	36,687	118.8	133,814	94,583	41.5

Revenue for 3Q 2006 of $121.7 million increased by 8.5% over the same period last year. This increase was underpinned by the growth in the overall revenue per available apartment unit ("REVPAU") on a same store basis, with the serviced residence operations in Singapore, Vietnam, Indonesia, Philippines and the United Kingdom achieving double digit REVPAU increases. The consolidation of results from The Ascott Beijing in China, as well as The Ascott Mayfair ("TAM") in United Kingdom until August 2006 when it was sold, also contributed to the revenue increase.

EBIT for 3Q 2006 of $80.3 million increased by 118.8% over that of the corresponding period last year. The increase in EBIT was mainly attributable to the divestment of TAM for a total cash consideration of GBP65.8 million (approximately S$197.1 million). This was partially offset by impairments and allowances related mainly to TAG's assets in Malaysia.

Similarly, revenue for YTD Sep 2006 of $349.7 million increased by 5.5% over that of the corresponding period last year on account of the REVPAU growth.

EBIT for YTD Sep 2006 of $133.8 million increased by 41.5% over that of the corresponding period last year. Besides higher portfolio gains, the increase in EBIT was also a result of the better operating performances, partially offset by the transaction costs relating to the establishment of Ascott Residence Trust ("ART").

Raffles Holdings Group and RC Hotels ("Raffles")

	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Revenue	1,449	51,068	(97.2)	3,630	144,651	(97.5)
EBIT	247,804	18,691	1,225.8	277,688	44,007	531.0

3Q 2006's revenue of $1.4 million was significantly lower than the $51.1 million recorded in 3Q 2005, mainly attributable to the divestment of the hotel business in September 2005.

EBIT for 3Q 2006 at $247.8 million, on the other hand, was significantly higher than the $18.7 million recorded in the corresponding period last year. The higher EBIT was mainly attributable to higher share of an associate's profit arising from the sale of Raffles City Singapore by Tincel Properties (Private) Limited which was completed on 1 September 2006 and higher interest income.

For the same reasons mentioned above, YTD Sep 2006 revenue was 97.5% lower at $3.6 million. On the other hand, YTD Sep 2006's EBIT improved 531.0% to $277.7 million mainly attributable to higher share of an associate's profit and higher interest income, partially offset by loss of earnings from divestment of the hotel business in September 2005.

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 second 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, the outlook for the real estate industry is expected to remain positive as both local and foreign buyers continue to purchase quality homes that are well-located. CRL's recent preview for The Metropolitan saw strong demand with 75% of the phase one units released sold at an average price of S$780 psf. The project is expected to be officially launched on 11 November 2006.

In China, CRL has marked its maiden entry into the central China residential market through its recent partnership with a leading developer in Zhengzhou, Henan.

The recent measures imposed by the Chinese government had some impact on properties prices and transaction volumes in the general Shanghai market. However, prices and volume achieved for our Shanghai projects as well as the property markets in the rest of China have remained stable. CRL believes in the long term growth of China including Shanghai and it will continue to expand into China's key growth areas in the Bohai, Yangtze River Delta, Pearl River Delta, Southwest and Central China regions, to develop quality and distinctive homes.

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

In Singapore, there is strong demand for premium office space as the shortage in supply intensifies. Average monthly prime rents climbed 15% to S$6.90 psf per month in 3Q 2006, up from S$6.00 psf per month in the previous quarter. Average Grade A rents rose 11.8% to S$7.60 psf per month over the same period. According to CB Richard Ellis, occupancy for Grade A office space reached 99.3%, surpassing the previous high of 98.8% in 2000. The industrial sector also saw some positive signs as a result of the buoyant economy. CCID expects its office and industrial properties to perform better than 2005.

CCID also expects its overseas properties to continue to do well.

In Hong Kong, overall net effective rentals increased by 7.2% with the largest increase of 9.1% observed in Central Hong Kong. Office properties are expected to perform well on the back of limited supply.

In China, particularly in Shanghai, demand in the office leasing market continued to be strong, backed by expansion of companies which are in the service, finance, technology and consumer goods sectors.

Retail SBU: CapitaLand Retail Limited ("CRTL")

In Singapore, the demand for retail space is expected to be robust as retailers' sentiment continues to ride high on the expected growth in consumer spending. According to a report by Knight Frank, rents for retail space in Singapore will rise by as much as 9% year-on-year despite new properties coming into the market.

In China, economic growth is expected to slow slightly but remain high. Retail sales are expected to grow 13.5% for the full year. Against this backdrop, CRTL will continue to expand its China business through acquisitions and management of malls anchored by Wal-Mart and other China malls.

As part of its integrated retail mall strategy for China, the Group has set up a private trust CapitaRetail China Trust ("CRCT") which has received eligibility to list on the Singapore Exchange Securities Trading Limited. CRCT will be the first pure-play China Retail REIT, when listed. The initial portfolio comprises seven assets valued at approximately S$690 million.

In Japan, CapitaRetail Japan Fund acquired the fifth mall located in Hokaido anchored by Ito-Yokado for approximately JPY4.2 billion (SGD56.4 million) in September 2006. With this acquisition, CapitaRetail Japan Fund has achieved close to a third of the fund's targeted portfolio size of JPY150 billion (SGD2.0 billion). Japan remains a key and long term retail property market for the Group. CRTL will continue to actively pursue acquisition opportunities to expand its presence there further.

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

CFL will continue to grow its assets under management ("AUM") and it is well on track to exceeding its 2007 AUM target of S$13.0 billion.

A proposed China Retail REIT, CapitaRetail China Trust, is targeted to be listed by end December 2006.

CapitaLand had earlier announced that it had signed a Memorandum of Understanding to develop an integrated project in Manama, Bahrain. This integrated project of more than 3 million square feet will comprise residential, serviced residence, retail and leisure components. CFL is planning to launch a private equity fund to invest in the project. Separately, CFL is exploring to raise property funds to invest in commercial projects in Malaysia.

The 10 existing private equity funds will continue to seek accretive properties in the Asian region to strengthen their existing portfolio. In tandem with the growth in assets under management ("AUM") , CFL's recurring fund management fees will continue to increase.

TAG & ART: The Ascott Group & Ascott Residence Trust

The Ascott Group ("TAG") has transformed its business model into a comprehensive platform where it will focus on growing fee-based income and incubating assets for ART. TAG is expected to benefit from the strong demand for business and leisure accommodation in Europe and the growing economies of Asia. It will continue to acquire and develop quality serviced residence properties in Europe and the Asia-Pacific regions, with a view to incubate the latter for potential injection into ART.

For full year 2006, the net profit including portfolio gains from TAG, together with ART will be higher than last year.

Raffles Holdings Group ("Raffles")

On 1 October 2006, Raffles Holdings Limited ("RHL") announced that the High Court of the Republic of Singapore has given its approval and confirmation for RHL's capital distribution ($0.37 per share). The payment for the capital distribution together with a special dividend ($0.33 per share) was made on 17 October 2006 to RHL's shareholders.

At the same time, RHL together with CapitaLand Limited has proposed to delist RHL from the Official List of the Singapore Exchange Securities Trading Limited. CapitaLand Limited will make a conditional cash offer of S$0.06 per share in cash to acquire all the issued ordinary shares in the capital of RHL not currently held by it. RHL will seek the approval of its shareholders at an extraordinary general meeting on 17 November 2006.

GROUP OVERALL PROSPECTS FOR 2006

The Group is growing a solid, long term pan-Asian footprint with its unique expertise in the real estate value chain.

We remain committed to our strategy to grow a balanced and diversified business with the drivers for sustainable growth as follows:

- broad geographical footprint and multi-local operations with competencies across multiple-sectors. We are a leading developer and manager of homes, offices, integrated developments and serviced residences (through The Ascott Group and Ascott Residence Trust). We are also one of Asia's leading mall owners and operators;

- robust real estate growth in our key Asian markets in tandem with the very strong recovery in the Singapore market;

- increasing our assets under management through our strong network and reputation to attract global capital to grow our real estate investment trust ("REIT") and private equity fund management business;

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

- investment in human capital with emphasis on nurturing a spirit of innovation, creativity and entrepreneurship among our more than 6,000 strong global staff under our international brand name.

For the first nine months of 2006, all our strategic business units performed well. In particular, the retail and financial services business units doubled their earnings year-on-year. By geographical location, our key markets of Singapore and China delivered good financial results despite the impact of higher fuel prices, higher interest rates and the administrative measures on the real estate sector imposed by the Chinese government. Australia, our other key market, also performed satisfactorily with its balanced portfolio of development assets and investment properties.

The Group will continue to expand overseas as it sees a long term growth trend in Asia underpinned by robust growth in China, India and a recovering Japan. We continue to expand our presence in our chosen geographies, including India and Vietnam.

We have a positive long term view of China and will continue to adopt a balanced approach to investment and growth in different real estate sectors. This is underscored by our well distributed asset allocation in Retail (34.4%), Residential (30.8%), Commercial and Integrated Development (23.1%) and Serviced Residences (11.7%) sectors. With the recent partnership with a leading developer in Zhengzhou, Henan, the residential footprint will extend beyond the Bohai, Yangtze River Delta and Pearl River Delta into Central China regions. Our China integrated retail strategy of investing, managing and listing funds is on track. The Group has announced that a China retail REIT listed in Singapore is to be launched by the end of the year.

In Singapore, the economy is enjoying strong growth and this augurs well for the Group with our well balanced portfolio across the Commercial and Integrated Development (25.7%), Residential (18.1%), Retail (17.3%) and Serviced Residences (8.8%) sectors. Private residential prices are rising at their fastest pace in more than six years, driven largely by the high-end segment. Our prime office portfolio is seeing strong, positive rent reversions as office demand remains robust against a backdrop of tightening supply. Together with our partner, Kerzner International, we have jointly submitted a proposal to the Singapore Government for an integrated resort to be named Atlantis Sentosa, with a total investment of $5.28 billion. Our submission is one of three bids. The announcement of the award is expected by the end of the year.

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) By Strategic Business Units (SBUs) – 3Q 2006 vs 3Q 2005

	Revenue			Earnings before interest & tax		
	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	3Q 2006 S$'000	3Q 2005 S$'000	Variance %
Continuing operations						
Residential	509,071	636,747	(20.1)	137,866	92,602	48.9
Commercial & Integrated Devt.	31,115	28,662	8.6	22,337	23,999	(6.9)
Retail	21,150	13,287	59.2	28,416	12,053	135.8
Financial Services	39,392	13,876	183.9	24,531	6,298	289.5
TAG & ART	121,742	112,200	8.5	80,261	36,687	118.8
RHL Group & RCH	1,449	51,068	(97.2)	247,804	18,691	1,225.8
Others and Consolidation adjms	(5,251)	(4,517)	(16.2)	(10,786)	1,169	(1,022.7)
Total – Continuing operations	**718,668**	**851,323**	**(15.6)**	**530,429**	**191,499**	**177.0**
Total – Discontinued operations	**–**	**132,362**	**NM**	**12,536**	**643,274**	**(98.1)**

13(b) By Strategic Business Units (SBUs) – YTD Sep 2006 vs YTD Sep 2005

	Revenue			Earnings before interest & tax		
	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Continuing operations						
Residential	1,584,351	2,319,358	(31.7)	415,054	294,929	40.7
Commercial & Integrated Devt.	92,165	94,811	(2.8)	133,492	102,196	30.6
Retail	60,377	31,628	90.9	68,331	32,879	107.8
Financial Services	76,631	41,113	86.4	49,988	24,964	100.2
TAG & ART	349,690	331,374	5.5	133,814	94,583	41.5
RHL Group & RCH	3,630	144,651	(97.5)	277,688	44,007	531.0
Others and Consolidation adjms	(17,798)	(16,094)	(10.6)	(19,268)	12,303	NM
Total – Continuing operations	**2,149,046**	**2,946,841**	**(27.1)**	**1,059,099**	**605,861**	**74.8**
Total - Discontinued operations	**–**	**458,171**	**NM**	**26,869**	**706,294**	**(96.2)**

The Ascott Group's ("TAG") results as shown above are different from that reported by TAG due to the following :

(a) ART is an associate of TAG, but its results are consolidated at the CapitaLand Group level due to additional holding that CapitaLand Limited has in ART;
(b) adjustment of the gain recognised by TAG on the disposal of properties and investments to ART, as ART remains a subsidiary of the Group; and
(c) adjustment of the revaluation surplus by TAG on the sale of the Liang Court Shopping Centre as this net revaluation surplus was not realisable at the Group level.

Raffles Holding Limited ("RHL Group") 3Q and YTD Sep 2006's EBIT as shown above are different from that reported by RHL Group, as the Group has adjusted a portion of the revaluation surplus realised by Tincel Properties (Private) Limited on the sale of Raffles City Singapore which was not realisable at the Group level.

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		
	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Ascott Residence Trust	60,684	–	–	21,820	–	–
The Ascott Group	303,723	331,374	(8.3)	182,676	94,584	93.1
Raffles Holdings Group*	3,630	2,677	35.6	502,933	31,945	1,474.4

* Includes only revenue and EBIT from continuing operations.

13(c) By Geographical Location – 3Q 2006 vs 3Q 2005

	Revenue			Earnings before interest & tax		
	3Q 2006 S$'000	3Q 2005 S$'000	Variance %	3Q 2006 S$'000	3Q 2005 S$'000	Variance %
Continuing operations						
Singapore	224,463	331,705	(32.3)	315,088	72,999	331.6
Australia & New Zealand	228,101	338,219	(32.6)	52,012	38,916	33.7
China	173,651	90,732	91.4	46,793	36,994	26.5
Asia (excl. S'pore/China)	24,383	18,850	29.4	16,106	20,202	(20.3)
Europe	68,032	71,817	(5.3)	100,457	22,388	348.7
Others	38	–	NM	(27)	–	NM
Total	**718,668**	**851,323**	**(15.6)**	**530,429**	**191,499**	**177.0**

13(d) By Geographical Location – YTD Sep 2006 vs YTD Sep 2005

	Revenue			Earnings before interest & tax		
	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %	YTD Sep 2006 S$'000	YTD Sep 2005 S$'000	Variance %
Continuing operations						
Singapore	727,340	811,173	(10.3)	458,796	182,976	150.7
Australia & New Zealand	759,000	1,508,559	(49.7)	151,457	139,644	8.5
China	400,227	359,629	11.3	274,339	176,602	55.3
Asia (excl. S'pore/China)	78,095	54,380	43.6	46,023	50,036	(8.0)
Europe	184,322	213,100	(13.5)	128,608	56,603	127.2
Others	62	–	NM	(124)	–	NM
Total	**2,149,046**	**2,946,841**	**(27.1)**	**1,059,099**	**605,861**	**74.8**

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

Please refer to Item 8.

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

Not applicable.

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

Not applicable.

17. Confirmation Pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of changes in equity and consolidated cash flows statement, together with their accompanying notes) as at 30 September 2006 and the results of the business, changes in equity and cash flows of the Group for the nine months ended on that date, to be false or misleading in any material respect.

On behalf of the Board

Dr Hu Tsu Tau
Chairman

Liew Mun Leong
Director

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
9 November 2006

This announcement 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.