NEWS RELEASE

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CapitaLand posts record profit of over S$1 billion for FY2006

Record profit achieved for third consecutive year

Singapore, 14 February 2007 – The CapitaLand Group posted profit after tax and minority interests (PATMI) of S$1.018 billion for FY2006, a 35.6% jump from the S$750.5 million recorded in FY2005. This is the third consecutive year of record profit. The FY2006 performance is especially significant as it was achieved in the absence of strategic divestment gains which boosted the FY2005 results. In 2005, the record profits included S$424.8 million of divestment gains from the sale of Raffles Holdings' hotel business and the property services arm, PREMAS International.

Earnings before interest and tax (EBIT) for FY2006 were S$1,822.0 million, an increase of 111.8% from S$860.3 million in FY2005. The increase in EBIT was mainly due to better operating margins from the Singapore residential operations, stronger fee-based and interest income, higher portfolio gains and a write-back of revaluation deficits.

The EBIT for all SBUs increased, as did the EBIT for both Singapore and overseas segments. Overseas EBIT was S$889.6 million, 31% higher than last year's figure of S$680.9 million. Revenue contribution from overseas remained strong at S$2,241 million, accounting for 71.2% of the Group's total revenue.

FINANCIAL HIGHLIGHTS				
$ million	**4Q 2006 (3 mths)**	**4Q 2005 (3 mths)**	**FY2006**	**FY2005**
Revenue	998.7	898.8	3,147.7	3,845.6
EBIT	762.9	254.4	1,822.0	860.3
Finance costs	(98.8)	(82.4)	(328.0)	(274.6)
PBT	664.2	172.0	1,494.0	585.7
PATMI (Profit attributable to shareholders)	455.8	93.2	1,018.0	750.5

Dr Richard Hu, Chairman, CapitaLand Group, said, “Achieving record profits for the third consecutive year is an affirmation of the corporate strategy that the Group has laid out and assiduously executed over the last several years. We are the first Singapore property company listed on the Singapore Exchange to have exceeded the S$1 billion profit mark. We have created S$17.3 billion of shareholder value since the formation of CapitaLand in November 2000.

“Looking ahead, the Singapore property market is experiencing an exceptionally strong upturn in the private residential, office, retail, entertainment and serviced residence segments. On top of this, positive macro drivers continue to be seen in the region. The Group will continue to expand its geographic footprint and step up its presence in new markets, while maintaining a significant Singapore footprint to enjoy the full benefits of the strong property market recovery.”

Liew Mun Leong, President and CEO, CapitaLand Group, said, "We have delivered a sterling set of results in 2006. All our core businesses – residential, commercial, retail, financial and serviced residences – recorded strong performance. At the same time, the Group has continued to invest for the future, by strengthening our presence and project pipeline in high-growth cities, and penetrating new markets and embarking on new businesses. We created a new business unit, CapitaLand Integrated Leisure, Entertainment and Conventions (ILEC); listed three REITs in Singapore and abroad; launched four property funds; and expanded our presence in several countries through acquisitions, partnerships and organic growth. These strategic initiatives are a testament to our increasing dominance as a leader in our respective business areas and in the countries where we operate.

“Our assets under management (AUM), including Ascott Residence Trust, have reached S$14.3 billion as at end 2006, exceeding our 2007 AUM target of S$13 billion. We have now set ourselves an AUM target of S$18 billion by end 2007. We intend to double our REIT portfolio to 10 by 2010. Our success in integrated developments has encouraged us to target 10 Raffles City properties around the world, up from the five existing or planned Raffles City branded developments.

“We recently doubled our Singapore residential landbank, not only catering to the luxury and high-end market but also catering to professionals and their families in Singapore. In China, we currently have a pipeline to build, together with our partners, 35,000 homes in the inner cities such as Chengdu and cities in Henan Province. We have increased our presence in new markets like Vietnam and the Gulf Cooperation Council (GCC) countries, with our serviced residence business exploring opportunities in Moscow and St Petersburg. The Group is well-poised to ride the many opportunities arising from the economic growth, urbanisation and growing affluence of Asia and leveraging on oil-rich countries, such as the GCC and Russia.”

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