CAPITALAND LIMITED

(Registration Number : 198900036N)

2007 FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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1(a)(i) Income Statement

	Note	Group 1Q 2007 S$'000	Group 1Q 2006 S$'000 (restated)	Group % Change
Revenue	A	**637,016**	**658,651**	**(3.3)**
Cost of sales	A	(420,893)	(505,230)	(16.7)
Gross profit		216,123	153,421	40.9
Other operating income	B	651,778	121,769	435.3
Administrative expenses	C	(95,990)	(91,183)	5.3
Other operating expenses	D	(3,124)	(696)	348.9
Profit from operations		**768,787**	**183,311**	**319.4**
Finance costs		(91,103)	(70,073)	30.0
Share of results (net of tax) of:				
- associates		26,479	28,763	(7.9)
- jointly-controlled entities		24,199	11,571	109.1
	E	50,678	40,334	25.6
Profit before taxation		728,362	153,572	374.3
Taxation	F	(37,624)	(11,484)	227.6
Profit after taxation		690,738	142,088	386.1
Attributable to:				
Equity holders of the Company ("PATMI")	G	**608,133**	**129,560**	**369.4**
Minority interests (MI)		82,605	12,528	559.4
		690,738	142,088	386.1

Note : The comparative income statement for 1Q 2006 had been restated to take into account the retrospective adjustments relating to FRS 16 – Property, Plant and Equipment. Please refer to Note 4.

1(a)(ii) Explanatory Notes to Income Statement – 1Q 2007 vs 1Q 2006

(A) Revenue, Cost of Sales

Revenue decreased by 3.3% in 1Q 2007. Sales from development projects were lower this quarter but the decrease was mitigated by the consolidation of revenue from Raffles City Shanghai, which was acquired in September 2006, as well as higher revenue from the serviced residence operations. This last was a result of a strong overall revenue per available apartment unit (“REVPAU”) growth in 1Q 2007 across most regions.

In line with the lower sales from development projects, the cost of sales also decreased but this was partially offset by the increase in cost of sales from Raffles City Shanghai and serviced residence operations.

(B) Other Operating Income

		Group		
		1Q 2007 S$'000	1Q 2006 S$'000	% Change
Other Operating Income		**651,778**	**121,769**	**435.3**
Investment income	(i)	1,078	–	NM
Interest Income		33,616	32,402	3.7
Other income (including portfolio gains)	(ii)	616,726	74,098	732.3
Foreign exchange gain	(iii)	358	15,269	(97.7)

NM : Not meaningful

(i) Investment income of $1.1 million arose mainly from the Group's investments in Hong Kong and Malaysia.

(ii) Other income included portfolio gains of $130.5 million and fair value gain of $477.9 million. The portfolio gains were mainly from the placement of Ascott Residence Trust (“ART”) units, the sale of office space in Samsung Hub as well as a gain arising from the dilution in CapitaLand's interest in ART as a consequence of ART's recent equity fund raising. The fair value gain was in respect of Temasek Tower for which the sale and purchase agreement was entered into in March 2007 and was completed on 16 April 2007 at a price of $1.039 billion.

(iii) The lower foreign exchange gain in 1Q 2007 was due to the RMB appreciating against the USD to a smaller extent compared to the same quarter last year.

(C) Administrative Expenses

	Group		
	1Q 2007 S$'000	1Q 2006 S$'000 (restated)	% Change
Administrative Expenses	**(95,990)**	**(91,183)**	**5.3**
Included in Administrative Expenses:-			
Depreciation and amortisation	(9,103)	(9,677)	(5.9)
Allowance for doubtful receivables	(9)	(35)	(74.3)

Administrative expenses comprise staff costs, depreciation expenses, rental expenses, travelling and other miscellaneous expenses. The increase was largely attributable to higher staff costs as the Group strengthened its human resources to meet the expanding business operations, particularly in China, and a donation of $3.7 million to CapitaLand Hope Foundation in the current quarter. The share-based expenses were also higher as fair values rose in tandem with the rising share price.

(D) Other Operating Expenses

The increase was largely attributable to a mark-to-market loss arising from the Group's derivative instruments, partially offset by the write back of provision for profit warranty no longer required.

(E) Share of results (net of tax) of Associates and Jointly-Controlled Entities

The increase in share of results from jointly-controlled entities was mainly attributable to higher contribution from a residential development joint venture in Singapore.

(F) Taxation expense and adjustments for over-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.

The higher tax expense was mainly due to a tax provision of $21.6 million for the gain from the placement of ART units. There was a $4.5 million over-provision of tax for prior years (1Q 2006: over-provision of $6.3 million).

(G) Gain from the sale of investments

Included in the Group's profit after tax and minority interests ("PATMI") for 1Q 2007 were the following gains (net) from the sale of investments:

	S$M
ART units	33.8
Office space in Samsung Hub	41.2
2 units of Hong Kong Parkview apartments	2.2
Somerset Chancellor Court	1.9
Others	1.7
Total Group's share of gain after tax & MI for 1Q 2007	**80.8**

1(b)(i) Balance Sheet

As at 31/03/2007 vs 31/12/2006

	Group			Company		
	31/03/2007 S$'000	31/12/2006 S$'000 (restated)	% Change	31/03/2007 S$'000	31/12/2006 S$'000	% Change
Non-Current Assets						
Property, Plant & Equipment	1,416,348	1,448,302	(2.2)	1,628	1,761	(7.6)
Intangible Assets	38,705	38,757	(0.1)	–	–	–
Investment Properties	4,841,077	5,372,184	(9.9)	–	–	–
Properties Under Devt	350,032	296,116	18.2	–	–	–
Interests in Subsidiaries	–	–	–	2,870,029	2,895,750	(0.9)
Interests in Associates & Jointly-Controlled Entities	5,245,443	4,747,291	10.5	–	–	–
Other Assets	448,743	363,248	23.5	231	231	–
	12,340,348	**12,265,898**	**0.6**	**2,871,888**	**2,897,742**	**(0.9)**
Current Assets						
Devt Properties for Sale	*4,004,618*	*3,622,665*	*10.5*	–	–	–
Trade & Other Receivables	*1,388,723*	*2,024,538*	*(31.4)*	*1,477,691*	*1,544,600*	*(4.3)*
Cash & Cash Equivalents	*3,104,137*	*2,684,851*	*15.6*	*1,419,718*	*1,477,510*	*(3.9)*
Other Current Assets	*622*	*806*	*(22.8)*	–	–	–
	8,498,100	**8,332,860**	**2.0**	**2,897,409**	**3,022,110**	**(4.1)**
Less: Current Liabilities						
Trade & Other Payables	*1,777,997*	*1,862,377*	*(4.5)*	*245,615*	*472,861*	*(48.1)*
Short-Term Borrowings	*2,104,986*	*1,793,390*	*17.4*	*233,367*	*208,939*	*11.7*
Finance Leases	*3,634*	*3,594*	*1.1*	–	–	–
Other Current Liabilities	*343,917*	*316,827*	*8.6*	*11,256*	*6,980*	*61.3*
	4,230,534	**3,976,188**	**6.4**	**490,238**	**688,780**	**(28.8)**
Net Current Assets	**4,267,566**	**4,356,672**	**(2.0)**	**2,407,171**	**2,333,330**	**3.2**
Less: Non-Current Liabilities						
Long-Term Borrowings	5,869,021	6,288,159	(6.7)	408,836	461,679	(11.4)
Finance Leases	43,707	44,685	(2.2)	–	–	–
Other Non-Current Liabilities	780,571	825,277	(5.4)	34,570	34,972	(1.1)
	6,693,299	**7,158,121**	**(6.5)**	**443,406**	**496,651**	**(10.7)**
Net Assets	**9,914,615**	**9,464,449**	**4.8**	**4,835,653**	**4,734,421**	**2.1**
Representing:						
Share Capital	4,330,056	4,304,907	0.6	4,330,056	4,304,907	0.6
Reserves	3,687,380	3,063,392	20.4	505,597	429,514	17.7
Equity attributable to Equity Holders of the Company	8,017,436	7,368,299	8.8	4,835,653	4,734,421	2.1
Minority Interests	1,897,179	2,096,150	(9.5)	–	–	–
Total Equity	**9,914,615**	**9,464,449**	**4.8**	**4,835,653**	**4,734,421**	**2.1**

Note : The Group's comparative balance sheet as at 31 December 2006 had been restated to take into account the retrospective adjustments relating to FRS 16 – Property, Plant and Equipment. Please refer to Note 4.

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

	Group	
	As at 31/03/2007 S$'000	**As at 31/12/2006 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	462,165	244,525
Unsecured	1,646,455	1,552,459
Sub-Total 1	**2,108,620**	**1,796,984**
Amount repayable after one year:-		
Secured	2,350,413	2,889,854
Unsecured	3,562,315	3,442,990
Sub-Total 2	**5,912,728**	**6,332,844**
Total Debt	**8,021,348**	**8,129,828**

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 Flow Statement

	Group	
	1Q 2007 S$'000	**1Q 2006 S$'000 (restated)**
Cash Flows from Operating Activities		
Profit after taxation	**690,738**	**142,088**
Adjustments for :		
Amortisation of intangible assets	4	5
(Write back of)/Allowance for:		
- Foreseeable losses on development properties for sale	(20,217)	(333)
- Loans to associates and jointly-controlled entities	84	–
Share-based expenses	9,959	4,807
Changes in fair value of financial instruments and assets	4,712	(11,531)
Depreciation of property, plant and equipment	9,099	9,672
Loss/(Gain) on disposal/write off of property, plant and equipment	251	(210)
Gain on disposal of investment properties	(44,378)	(1,691)
Valuation gain on investment properties	(477,919)	–
Gain on disposal of non-current financial assets	(1,735)	(1,019)
Gain on disposal/dilution of subsidiaries and associates	(84,356)	(51,216)
Share of results of associates and jointly-controlled entities	(50,678)	(40,334)
Accretion of deferred income	(1,626)	(1,214)
Interest expense	91,103	70,073
Interest income	(33,616)	(32,402)
Tax expense	37,624	11,484
	(561,689)	**(43,909)**
Operating profit before working capital changes	**129,049**	**98,179**
(Increase)/Decrease in working capital		
Inventories, trade and other receivables	(36,423)	38,488
Development properties for sale	(323,633)	99,653
Trade and other payables	(158,713)	(121,234)
Financial assets	26,233	231
	(492,536)	**17,138**
Cash (used in)/generated from operations	**(363,487)**	**115,317**
Income tax paid	(27,377)	(31,490)
Customer deposits and other non-current payables received	5,077	3,400
Net cash (used in)/generated from Operating Activities	**(385,787)**	**87,227**

	Group	
	1Q 2007 S$'000	**1Q 2006 S$'000 (restated)**
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	177	256
Purchase of property, plant and equipment	(26,490)	(7,312)
Decrease/(Increase) in associates and jointly-controlled entities	7,597	(891,845)
Decrease in amounts owing by investee companies	1,502	–
Deposit for new investments	–	(20,611)
Acquisition of investment properties and properties under development	(106,834)	(116,337)
Proceeds from disposal of investment properties	337,994	7,317
Acquisition of non-current financial assets (net)	(36,816)	–
Dividends received from associates and jointly-controlled entities	28,589	19,792
Disposal of subsidiaries (net)	327,622	104,846
Acquisition of remaining interest in a subsidiary	(3,605)	–
Interest income received	29,225	22,590
Net cash generated from/(used in) Investing Activities	**558,961**	**(881,304)**
Cash Flows from Financing Activities		
Proceeds from issue of shares under share option plan	24,715	14,165
(Repayment of)/Proceeds from amounts owing to/by minority interests	(34,120)	10,151
Capital contribution from minority interests (net)	139,706	93,139
Proceeds from sales of future receivables	4,261	325,436
Proceeds from borrowings	232,425	142,744
Repayment of finance leases payables	(926)	(845)
Dividends paid to minority interests	(7,288)	(22,540)
Interest expense paid	(105,940)	(79,908)
Net cash generated from Financing Activities	**252,833**	**482,342**
Net increase/(decrease) in cash and cash equivalents	**426,007**	**(311,735)**
Cash and cash equivalents at beginning of the year	2,684,851	2,105,015
Effect of exchange rate changes on cash balances held in foreign currencies	(6,721)	(8,753)
Cash and cash equivalents at end of the period	**3,104,137**	**1,784,527**

Cash and cash equivalents	3,104,137	1,790,579
Bank overdraft	–	(6,052)
Cash and cash equivalents at end of the period	**3,104,137**	**1,784,527**

Cash and cash equivalents at end of the period
The cash and cash equivalents of about $3,104.1 million as at 31/03/2007 included $2,424.3 million in fixed deposits and $62.2 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 31/03/2007 vs 31/03/2006 – GROUP

S$'000	Share Capital	Share Premium	Revaluation Reserve	Accumulated Profits	Other Reserves*	**Total**	Minority Interests	**Total Equity**
Balance as at 01/01/2007, as previously reported	**4,304,907**	**–**	**289,043**	**1,348,156**	**1,458,040**	**7,400,146**	**2,112,604**	**9,512,750**
Effect of change in accounting policy #			(17,811)	(14,036)		**(31,847)**	(16,454)	**(48,301)**
Balance as at 01/01/2007, as restated	**4,304,907**	**–**	**271,232**	**1,334,120**	**1,458,040**	**7,368,299**	**2,096,150**	**9,464,449**
Effect of adopting FRS 40 #			(271,232)	241,570		**(29,662)**	**–**	**(29,662)**
	4,304,907	**–**	**–**	**1,575,690**	**1,458,040**	**7,338,637**	**2,096,150**	**9,434,787**
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans					4,084	**4,084**	(5,626)	**(1,542)**
Change in fair value of available-for-sale investments					46,270	**46,270**	**–**	**46,270**
Effective portion of changes in fair value of cash flow hedge					(4,830)	**(4,830)**	(813)	**(5,643)**
Realisation of available-for-sale reserve transferred to income statement					(1,884)	**(1,884)**	**–**	**(1,884)**
Net gains/(losses) recognised directly in equity					43,640	**43,640**	(6,439)	**37,201**
Profit for 1Q 2007				608,133		**608,133**	82,605	**690,738**
Total recognised gains/(losses) for the period				**608,133**	**43,640**	**651,773**	**76,166**	**727,939**
Issue of shares under share option and performance share plans	25,149				(557)	**24,592**	123	**24,715**
Cost of share-based payment					9,090	**9,090**	628	**9,718**
Effects of acquisition/ disposal, dilution and liquidation of subsidiaries (net)					(6,656)	**(6,656)**	(408,306)	**(414,962)**
MI Contribution (net)						**–**	139,706	**139,706**
Dividends paid to MI						**–**	(7,288)	**(7,288)**
Balance as at 31/03/2007	**4,330,056**	**–**	**–**	**2,183,823**	**1,503,557**	**8,017,436**	**1,897,179**	**9,914,615**

* Includes foreign currency translation reserve, capital reserve, available-for-sale reserve, equity compensation reserve and hedging reserve.
# Please refer to Note 4.

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

As at 31/03/2007 vs 31/03/2006 – GROUP

S$'000	Share Capital	Share Premium	Revaluation Reserve	Accumulated Profits	Other Reserves*	**Total**	Minority Interests	**Total Equity**
Balance as at 01/01/2006, as previously reported	**2,750,503**	**2,780,247**	**246,921**	**730,439**	**149,600**	**6,657,710**	**2,370,658**	**9,028,368**
Effect of change in accounting policy #			4,519	(20,399)		**(15,880)**	(9,771)	**(25,651)**
Balance as at 01/01/2006, as restated	**2,750,503**	**2,780,247**	**251,440**	**710,040**	**149,600**	**6,641,830**	**2,360,887**	**9,002,717**
Realisation of revaluation reserve transferred to income statement			(58,335)			**(58,335)**	–	**(58,335)**
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans					(48,419)	**(48,419)**	(35,790)	**(84,209)**
Change in fair value of available-for-sale investments					25,700	**25,700**	–	**25,700**
Effective portion of changes in fair value of cash flow hedge					3,188	**3,188**	2,981	**6,169**
Net gains/(losses) recognised directly in equity			(58,335)		(19,531)	**(77,866)**	(32,809)	**(110,675)**
Profit for 1Q 2006 (restated)				129,560		**129,560**	12,528	**142,088**
Total recognised gains/(losses) for the period			**(58,335)**	**129,560**	**(19,531)**	**51,694**	**(20,281)**	**31,413**
Transfer (to)/from @	1,512,328	(2,780,247)			1,267,919	–	–	–
Issue of shares under share option and performance share plans	17,073				(2,908)	**14,165**	–	**14,165**
Cost of share-based payment					4,553	**4,553**	945	**5,498**
Effects of acquisition/ disposal, dilution and liquidation of subsidiaries (net)						–	3,124	**3,124**
MI Contribution (net)						–	93,139	**93,139**
Dividends paid to MI						–	(22,540)	**(22,540)**
Others			(1,857)	(2,657)	2,911	**(1,603)**	717	**(886)**
Balance as at 31/03/2006	**4,279,904**	**–**	**191,248**	**836,943**	**1,402,544**	**6,710,639**	**2,415,991**	**9,126,630**

* Includes foreign currency translation reserve, capital reserve, available-for-sale reserve, equity compensation reserve and hedging reserve.
@ The transfer of share premium and capital redemption reserve of the Company to share capital was due to the abolishment of the par value concept with effect from 30/01/2006.
\# Please refer to Note 4.

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

As at 31/03/2007 vs 31/03/2006 – COMPANY

S$M	Share Capital	Share Premium	Capital Reserve	Capital Redem. Res.	Accumulated Profits	Equity Comp. Res	Total
Balance as at 01/01/2007	**4,304,907**	**–**	**41,831**	–	**363,353**	**24,330**	**4,734,421**
Profit for 1Q 2007					73,994		**73,994**
Total recognised gains for the period					73,994		**73,994**
Issue of shares under share option and performance share plans	25,149					(298)	**24,851**
Cost of share-based payment						2,387	**2,387**
Balance as at 31/03/2007	**4,330,056**	**–**	**41,831**	**–**	**437,347**	**26,419**	**4,835,653**
Balance as at 01/01/2006	**2,750,503**	**1,512,015**		**313**	**411,225**	**19,441**	**4,693,497**
Profit for 1Q 2006					183,554		**183,554**
Total recognised gains for the period					183,554		**183,554**
Transfer (to)/from @	1,512,328	(1,512,015)		(313)			**-**
Issue of shares under share option and performance share plans	17,073					(2,908)	**14,165**
Cost of share-based payment						4,086	**4,086**
Others					(1,415)	1,415	**-**
Balance as at 31/03/2006	**4,279,904**	**–**	**–**	**–**	**593,364**	**22,034**	**4,895,302**

@ The transfer of share premium and capital redemption reserve of the Company to share capital was due to the abolishment of the par value concept with effect from 30/01/2006.

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

Issued Share Capital

As at 31/03/2007, the issued and fully paid-up share capital of the Company was $4,330.1 million (31/03/2006: $4,279.9 million). Movements in the Company's issued and fully paid-up share capital during 1Q 2007 were as follows:

	$'000
As at 01/01/2007	4,304,907
Issue of shares under CapitaLand Share Option Plan	24,715
Issue of shares under CapitaLand Performance Share Plan	434
As at 31/03/2007	**4,330,056**

As at 31/03/2007, the issued ordinary shares of the Company numbered 2,795,251,349 (31/03/2006: 2,763,199,758). During the quarter, the Company issued 15,905,242 ordinary shares, of which 13,985,494 shares were issued under the Share Option Plan and 1,919,748 shares were under the Performance Share Plan.

Shares under Share Option Plan

As at 31/03/2007, the number of outstanding share options under the Company's Share Option Plan was 43,464,708 (31/03/2006: 74,836,541).

Shares under Performance Share Plan

As at 31/03/2007, the number of outstanding performance shares under the Company's Performance Share Plan was 9,081,841 (31/03/2006: 9,058,500).

The final number of performance shares given will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. 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.

Shares under Restricted Stock Plan

With effect from 2007, the Company has ceased granting share options under the Company's Share Option Plan and has granted awards of shares under the Company's Restricted Stock Plan in place of stock options. This change is part of the Company's efforts to further align the employees' performance with the long term shareholders value creation objectives.

Under the Restricted Stock Plan, the awards granted are conditional on performance targets set at the start of each performance qualifying period which is currently set at one year. A minimum threshold performance must be achieved before any shares can be awarded and the awards are to be released over a vesting period. The restricted stock awards could be equity or cash settled at the end of each vesting period. Awards to directors and managerial staff are equity settled while awards to non-managerial staff are cash settled.

As at 31/03/2007, the number of shares awarded and outstanding under the Company's Restricted Stock Plan was 4,821,450 (31/03/2006: Nil), of which 670,750 are to be cash settled.

The final number of shares to be released will depend on the achievement of threshold performance level at the end of one-year performance period and the release shall be over a vesting period of two to three years. No shares will be released if the threshold targets are not met at the end of the one-year performance period. On the other hand, if superior targets are met, more shares than the original award could be released up to a maximum of 150% of the original award.

Convertible Bonds

As at 31/03/2007, there existed $430 million of Convertible Bonds ("Bonds") due in 2016. These Bonds are convertible by holders into ordinary shares of the Company at any time on or after 26 December 2006 at a conversion price of $7.3136 per share. At this conversion price, and assuming the Bonds are fully converted, the number of new ordinary shares to be issued for the conversion would be 58,794,574, representing a 2.1% increase over the total number of issued shares of the Company as at 31/03/2007.

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

Adoption of New & Revised Financial Reporting Standards

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 31/12/2006, except for the adoption of the following Financial Reporting Standard ("FRS") or Interpretation of Financial Reporting Standard ("INT FRS") that became effective for financial years beginning on or after 1 January 2007.

FRS 40 – Investment Property

FRS 40 *Investment Property*, which became mandatory for the Group 2007's financial statements, permits investment properties to be stated at either fair value or cost less accumulated depreciation and impairment losses.

With the adoption of FRS 40, the Group continues to classify its investment properties which met the recognition criteria under FRS 40 as investment properties and stated them at fair value. Investment properties which do not meet the FRS 40 recognition criteria are reclassified as property, plant and equipment under FRS 16 *Property, Plant and Equipment*. This change has resulted in the Group measuring its serviced residences properties at cost less accumulated depreciation and impairment losses, after considering the serviced residences properties' residual values.

In accordance with the transitional provisions of FRS 40, the Group has elected to recognise the effects of FRS 40 adoption as an adjustment to the opening balance of retained earnings as at 1 January 2007. In respect of the Group's serviced residences properties accounted under the cost model of FRS 16, the change in accounting policy was recognised retrospectively in accordance with the provisions of FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comparatives have been restated.

Accordingly, subject to year end audit, the effects on the Group's financial statements arising from the change in accounting policy and the adoption of FRS 40 are as follows:

	Increased/(Decreased)	
	2007 S$M	**2006 S$M**
Change in accounting policy - FRS 16		
Equity - as at 1 January		
Assets Revaluation Reserve	(17.8)	4.5
Accumulated Profits	(14.0)	(20.4)
Minority Interests	(16.5)	(9.8)
Income Statement		
First Quarter PATMI	(1.5)	(1.4)

	Increased /(Decreased)
	2006 S$M
Non-Current Assets - as at 31 December	
Investment Properties	(1,181.5)
Properties under Development	(117.6)
Property, Plant and Equipment	1,266.3
Other Assets	(15.5)

	Increased/(Decreased) 2007 S$M
Adoption of new accounting standard – FRS 40	
Equity - as at 1 January	
Assets Revaluation Reserve	(271.2)
Accumulated Profits	241.6
Income Statement	
First Quarter PATMI	429.5
Non-Current Assets - as at 1 January	
Interest in Associates	(29.6)

Other Improvements to FRS applicable from 1 January 2007

Apart from FRS 40, the Group also adopted various revised or new FRS and INT FRS, applicable from 1 January 2007. These do not have a significant financial impact on the Group.

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

		Group	
		1Q 2007	1Q 2006 (restated)
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	21.8	4.7
	Weighted average number of ordinary shares (in million)	2,785.2	2,754.6
6(b)	EPS based on fully diluted basis (in cents)	21.1	4.6
	Weighted average number of ordinary shares (in million)	2,895.6	2,801.4

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	
	31/03/2007	31/12/2006 (restated)	31/03/2007	31/12/2006
NAV per ordinary share	$2.87	$2.65	$1.73	$1.70
NTA per ordinary share	$2.85	$2.64	$1.73	$1.70

8. **Review of the performance of the group**

GROUP OVERVIEW

S$M	1Q 2007	1Q 2006 (restated)	Variance %
Revenue	637.0	658.7	(3.3)
EBIT	819.5	223.6	266.4
Finance costs	(91.1)	(70.1)	(30.0)
PBT	728.4	153.6	374.3
PATMI	608.1	129.6	369.4

1Q 2007 vs 1Q 2006

The Group made a strong start this year. Despite slightly lower revenue, the Group achieved a profit after tax and minority interests ("PATMI") of $608.1 million, about $478.6 million or 369.4% higher than the profit of $129.6 million recorded in 1Q 2006. The increase in profitability was achieved on the back of higher portfolio gains, fair value gain related to a divestment and better results from jointly-controlled entities.

The slight decrease in revenue was mainly due to lower sales from development projects, partially mitigated by the consolidation of revenue from Raffles City Shanghai as well as higher contribution from the serviced residence operations on account of strong REVPAU growth.

The higher earnings before interest and tax ("EBIT") was mainly due to higher other operating income (as mentioned in Note 1(a)(ii)(B)) and better results from jointly-controlled entities.

Interest expense was also higher mainly due to an increase in foreign currency loans drawn down to finance new overseas investment projects.

The Group's net debt and gearing (net debt to equity ratio) as at end March 2007 were $4.9 billion and 0.50 respectively compared to a net debt of $4.8 billion and gearing of 0.53 as at end March 2006.

Tax expense for 1Q 2007 was higher at $37.6 million compared to $11.5 million recorded in 1Q 2006 mainly due to higher taxable income which included the gain on the placement of units in Ascott Residence Trust.

Overseas revenue at $373.1 million accounted for 58.6% of the Group's revenue, up from 52.0% a year ago. The higher overseas revenue was mainly due to the higher contribution from China operations. Overseas EBIT contribution at $135.0 million dropped from 70.6% to 16.5% of the Group's EBIT due to the exceptional performance in Singapore which had the benefit of the substantial fair value gain on Temasek Tower.

Segment Performance

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

S$M	1Q 2007	1Q 2006	Variance %
Revenue	427.2	486.8	(12.3)
EBIT	121.2	67.1	80.6

The decrease in revenue was mainly due to lower revenue from Singapore, partially offset by higher sales contributions from China.

Despite the lower revenue, EBIT was $54.1 million higher than 1Q 2006 mainly due to the write back of previous provisions and higher profit contribution from Singapore operations.

In 1Q 2007, CRL acquired the Gillman Heights Condominium, which would double its current residential landbank area in Singapore. The Orchard Residences, a joint venture development, was launched with Phase One fully sold.

In China, CRL's first residential project in Ningbo, Summit Residences, was launched in March 2007.

Commercial SBU: CapitaLand Commercial Limited ("CCL")

S$M	1Q 2007	1Q 2006	Variance %
Revenue	53.3	32.2	65.7
EBIT	560.9	93.1	502.4

The increase in revenue was mainly due to the consolidation of revenue of Raffles City Shanghai, which became a subsidiary in September 2006, as well as higher rental income from Singapore office and industrial properties and higher property management fee income.

The increase in EBIT was mainly due to the fair value gain arising from the sale of Temasek Tower and the gain from the divestment of the office space in Samsung Hub. In 1Q 2006, there was a gain of $55.9 million from the sale of Shanghai Xin Mao Property Development Co., Ltd.

Retail SBU: CapitaLand Retail Limited ("CRTL")

S$M	1Q 2007	1Q 2006	Variance %
Revenue	21.0	18.7	12.6
EBIT	23.7	20.2	17.3

The increase in revenue was mainly due to Clarke Quay following the completion of asset enhancement works in 4Q 2006 as well as higher retail management and project management fees from CapitaMall Trust.

EBIT was higher than 1Q 2006 for the same reasons as mentioned above.

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

S$M	1Q 2007	1Q 2006	Variance %
Revenue	23.3	19.0	22.9
EBIT	12.1	19.6	(38.0)

The increase in revenue is mainly attributable to higher fund management fees from the enlarged assets under management ("AUM") of $13.3 billion (excludes AUM under Ascott Residence Trust) as at March 2007 compared to $8.5 billion a year ago. The AUM increase was a result of the acquisition of Raffles City, Singapore, by CapitaCommercial Trust and CapitaMall Trust and new funds and real estate investments trusts ("REIT") such as CapitaRetail China Development Fund, CapitaRetail China Incubator Fund and CapitaRetail China Trust.

The decrease in EBIT was mainly due to the absence of an $11.0 million mark-to-market gain on an investment which was divested in December 2006. There were also higher operational expenses, which were partially offset by higher revenue, higher dividend income and higher share of profits from associates in 1Q 2007.

TAG & ART: The Ascott Group & Ascott Residence Trust

S$M	1Q 2007	1Q 2006 (restated)	Variance %
Revenue	119.3	106.5	12.0
EBIT	29.2	14.6	99.6

The increase in revenue was underpinned by a strong overall REVPAU growth to $124 in 1Q 2007 from $109 in 1Q 2006 on a same store basis. The double digit REVPAU increases were achieved in most regions.

The improvements in the EBIT were driven by the robust REVPAU growth as well as the absence of transaction costs relating to the establishment of ART previously charged to the income statement in 1Q 2006.

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 full year 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, CRL expects to launch another two projects this year.

In China, with a rising urban population and strong economic growth, the demand for quality housing, especially in the second tier cities, is expected to continue to grow. To meet this demand, CRL intends to launch its maiden projects in Hangzhou and Chengdu by the end of the year.

In Australia, Australand will continue its strategy of increasing its recurrent income from investment properties.

Riding on Asia's rising growth, CRL will continue to build its presence in Vietnam and India. In Vietnam, CRL expects to launch its maiden project in 2Q 2007 and a second project by the end of the year.

Commercial SBU: CapitaLand Commercial Limited ("CCL")

In Singapore, demand for office space continued to intensify, particularly in prime spaces which resulted in strong upward rental adjustments.

Supply of office space continues to be tight both in the core central business district as well as the fringe and decentralised areas. This would be exacerbated by the impending loss of office stock which will be redeveloped over the next few years. Demand drivers continue to remain strong and, given the tight supply, large space occupiers are pursuing early pre-commitments to future developments. Property consultants expect office rents to reach new highs due to surging demand from expanding firms and the tight supply situation which is likely to persist for another three years. CCL, with its significant stake in CapitaCommercial Trust and several joint ventures with Singapore office buildings, expects to benefit from the rising office rental in 2007.

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

In Hong Kong, office rent for the best quality space in Central is expected to continue to edge higher in 2007 given the continuing thin supply and strong financial industry-related demand. In China, particularly in Shanghai, demand in the office leasing market continued to be strong especially in the Jing'an and Pudong districts. In the United Kingdom, rents in prime central London have accelerated and are expected to continue in 2007, fuelled by the strong demand and the limited supply of office space.

Retail SBU: CapitaLand Retail Limited ("CRTL")

The Singapore economy continued to grow at a healthy pace with the GDP estimates indicating a growth of 6% in the first quarter of 2007. On a quarter-on-quarter seasonally adjusted annualised basis, GDP grew by 7.2%, following a 7.9% gain in the last quarter of 2006. The outlook for the retail sector in Singapore remains very positive with prime retail rentals expecting to increase further in 2007.

In China, retail sales are likely to grow 14.5% year-on-year in 2007 on the back of rising income. This augurs well for CRTL which will continue to expand its China business through acquisitions and management of malls anchored by Wal-Mart and other China retailers.

In Japan, CRTL will continue to actively pursue acquisition opportunities to further expand its presence as Japan remains a key long term retail property market for CapitaLand.

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

CFL will continue to focus on strengthening its fund management business in 2007 by growing its AUM through accretive acquisitions and origination of new property funds/real estate products comprising assets in China, India, Malaysia and the Gulf Cooperation Council (GCC) region.

With Quill Capita Trust listed in January 2007 and the Malaysian Commercial Development Fund closed in March 2007, CFL now manages four REITs and eleven private equity funds across Singapore, China, Japan and Malaysia.

CFL is targeting to close the Raffles City Bahrain Fund in early May 2007. This will be the first equity Sukuk fund for a real estate project. The fund will invest in an integrated development comprising residential, serviced apartment, retail and leisure components within Bahrain Bay, which is expected to be completed in 2010.

TAG & ART: The Ascott Group & Ascott Residence Trust

Ascott's strong branding and international marketing network underpin its leadership position in Asia and Europe.

The general business and market sentiments in Asia and Europe remain positive and will continue to drive REVPAU growth for the serviced residences in these regions. TAG's asset enhancement plans are expected to further improve the overall performance of TAG's portfolio.

TAG will continue to execute its strategy of acquiring and incubating properties to build up a strong pipeline to contribute to operating performance and/or potential portfolio gains in the future. TAG is also expected to benefit from higher fee-based income through new serviced residence management contracts and REIT management fees.

As part of TAG's further expansion in China, TAG has launched Ascott Residence (China) Incubator Fund, a private equity investment fund, on 26 April 2007. TAG targets to raise between USD300 million and USD500 million and plans to hold an equity stake of at least 30% in the fund, subject to a maximum of USD200 million.

TAG's portfolio gains and operating performance in 2007 are expected to remain strong and profitable.

GROUP OVERALL PROSPECTS FOR 2007

The Group continues to see strong growth trends in Asia. In particular, we see strong fundamentals in Singapore across the residential, retail, and office sectors this year and our business is well positioned to benefit from this. CapitaLand's strong financial capacity and its capital efficient business model will allow it to continue to execute its growth plans in Asia.

The Group's prospects will be underpinned by the following:

- Expanding its geographic footprint in China, India and other growth markets including Vietnam, while continuing to seek opportunities in Singapore to benefit from the strong property market.

- Remaining focused on the residential, retail, commercial and integrated development sectors, while growing our serviced residences business through The Ascott Group.

- Growing assets under management through our extensive international network and reputation to attract global capital to grow our REIT and private equity fund management business.

- Pro-active capital management and capital recycling to achieve optimal risk-adjusted returns for shareholders, underpinned by our disciplined risk management processes.

- Investing in human capital with an emphasis on nurturing the spirit of innovation, creativity and entrepreneurship among our more than 6,000 strong global staff.

The Group is confident that it will be profitable in 2007.

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) – 1Q 2007 vs 1Q 2006

	Revenue			Earnings before interest & tax		
	1Q 2007 S$'000	1Q 2006 S$'000	Variance %	1Q 2007 S$'000	1Q 2006 S$'000 (restated)	Variance %
Residential	427,152	486,794	(12.3)	121,248	67,131	80.6
Commercial	53,289	32,155	65.7	560,876	93,101	502.4
Retail	21,018	18,669	12.6	23,651	20,169	17.3
Financial Services	23,336	18,983	22.9	12,125	19,566	(38.0)
TAG and ART	119,276	106,540	12.0	29,189	14,621	99.6
RHL Group[1]	–	865	NM	–	15,658	NM
Others and Consolidation adjms	(7,055)	(5,355)	(31.7)	72,376	(6,601)	NM
Total	**637,016**	**658,651**	**(3.3)**	**819,465**	**223,645**	**266.4**

[1] RHL had ceased operation and was delisted from the official list of the Singapore Exchange Securities Trading Limited on 13 December 2006.

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

	Revenue			Earnings before interest & tax		
	1Q 2007 S$'000	1Q 2006 S$'000	Variance %	1Q 2007 S$'000	1Q 2006 S$'000 (restated)	Variance %
Ascott Residence Trust	28,957	NA	–	7,484	NA	–
The Ascott Group	95,078	106,540	(10.8)	19,956	60,809	(67.2)

NA : ART was established in March 2006

13(b) By Geographical Location – 1Q 2007 vs 1Q 2006

	Revenue			Earnings before interest & tax		
	1Q 2007 S$'000	1Q 2006 S$'000	Variance %	1Q 2007 S$'000	1Q 2006 S$'000 (restated)	Variance %
Singapore	263,924	316,137	(16.5)	684,509	65,806	940.2
Australia & New Zealand	167,596	197,912	(15.3)	45,971	31,482	46.0
China	119,823	67,868	76.6	54,990	99,752	(44.9)
Asia (excl. S'pore/China)	27,165	27,112	0.2	23,002	21,881	5.1
Europe	58,346	49,622	17.6	11,238	4,724	137.9
Others	162	–	NM	(245)	–	NM
Total	**637,016**	**658,651**	**(3.3)**	**819,465**	**223,645**	**266.4**

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 31 March 2007 and the results of the business, changes in equity and cash flows of the Group for the three 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
27 April 2007

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.