



**For Immediate Release
1 August 2008**

NEWS RELEASE

CapitaLand records 1H 2008 net profit of S\$762.7 million

Singapore, 1 August 2008 – CapitaLand posted profit after tax and minority interests (PATMI) of S\$762.7 million for 1H 2008, compared with S\$1,520.7 million in 1H 2007. The latter figure was mainly due to higher revaluation gains, portfolio gains and lower interest expenses in 1H 2007.

Revenue in 1H 2008 was S\$1,451.4 million compared with S\$1,572.6 million for 1H 2007. Lower residential sales revenues in Singapore and China were mitigated by strong performances from other core businesses, namely higher retail and office rentals, revenue from serviced residence operations and fee-based income. In addition, overseas revenue of S\$1,024.9 million continued to form a significant 71% of Group revenue.

1H 2008 Group Earnings before Interest and Tax (EBIT) came in at S\$1,286.6 million compared with S\$2,044.2 million for 1H 2007. Overseas EBIT contributions of S\$695.8 million accounted for 54% of total EBIT, up from 31% in 1H 2007. The key contributor continued to be China, with EBIT up 53% to S\$533.3 million.

FINANCIAL HIGHLIGHTS

S\$ million	2Q 2008	2Q 2007	1H 2008	1H 2007
Revenue	820.1	935.6	1,451.4	1,572.6
Earnings before interest and tax (EBIT)	887.8	1,224.7	1,286.6	2,044.2
Finance costs	(138.6)	(97.2)	(270.5)	(188.3)
Profit after tax and minority interests (PATMI)	515.2*	912.6 [#]	762.7*	1,520.7 [#]

* Includes unrealised fair value gains of S\$417.4 million in 2Q 2008 and 1H 2008.

[#] Includes unrealised fair value gains of S\$645.4 million and S\$647.4 million in 2Q 2007 and 1H 2007 respectively.

Dr Richard Hu, Chairman, CapitaLand Group, said: "The Group's multi-geography, multi-sector business model provides a balanced, well-diversified earnings base that continues to serve us well even during recent cautious market conditions. Our business units are fundamentally strong and have been able to raise funds for growth opportunities. In such a

challenging time, when many companies in the countries we operate in are unable to raise funds, we continue to be able to access the capital markets in view of the Group's strong reputation and good financial standing. Our healthy balance sheet and financial flexibility will allow us to take advantage of investment opportunities in Singapore and abroad."

Liew Mun Leong, President and CEO of CapitaLand Group, said: "Our focus on the Asia-Pacific, a region with the right economic fundamentals, will continue to benefit our business units. In Singapore, we accelerated residential launches the past two years and sold over 2,300 homes to achieve total sales value of more than S\$4 billion; the sales revenue will be recognized progressively and will be reflected in our earnings for 2008. Demand for retail space in Singapore remains strong, and ION Orchard has set benchmark pricing for retail rents ahead of its opening next year. In China, we closed the US\$1 billion Raffles City China Fund and the US\$237 million CapitaLand China Development Fund II, and established a RMB500 million fund with CITIC Trust. Australand has contributed consistent growth for 11 consecutive years and as we are confident of its growth potential, we are committed to subscribe for our full entitlement under its rights issue. In new markets, such as Bahrain in the Gulf Co-operation Council, our residential units were sold at above-average prices compared to other high-quality residential apartments. We are also on track in preparing our first Malaysian retail real estate investment trust (REIT) for launch by end-2008, bringing the number of our listed REITs to six. The Group's assets under management stand at S\$21.1 billion as at 30 June 2008. Despite the cautious market sentiments, we have a positive outlook as our business units are competitively positioned and geographically diversified."

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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