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NEWS RELEASE

CapitaLand records healthy S$1.26 billion net profit for FY2008

Third consecutive year above S$1 billion

Singapore, 9 February 2009 – CapitaLand has posted profit after tax and minority interests (PATMI) of S$1,260 million for FY2008. Excluding unrealised fair value changes, PATMI was still above the S$1 billion mark at $1,040 million. The healthy profit is a result of the consistent implementation of the Group's strategy of focussing on capital productivity in its property development and investment activities, whilst growing a solid base of sustainable fee and rental income. This is the third consecutive year that CapitaLand has achieved net profit above S$1 billion including FY2006 PATMI of S$1,013 million and exceptional FY2007 PATMI of S$2,759 million.

Revenue in FY2008 was S$2,752 million compared to S$3,793 million in FY2007, contributed by lower sales revenue from development projects in Singapore, China and Australia but mitigated by higher fee and rental income. The Group manages five real estate investment trusts and 17 private equity real estate funds with assets under management of S$25.9 billion, a year-on-year increase of S$8.2 billion.

Group Earnings before Interest and Tax (EBIT) for FY2008 was S$2,214 million against the exceptional S$3,824 million achieved in FY2007. The lower EBIT in FY2008 was due to reduced fair value gains from investment properties, lower development profits and the absence of write-back of provisions. Contributing to FY2008 earnings were gains from the divestment of properties in Singapore and China, mainly the outright sale of Capital Tower Beijing and Hitachi Tower, the divestment of One George Street to CapitaCommercial Trust, and the sale of the Raffles City portfolio into CapitaLand's 50%-owned Raffles City China Fund.

Overseas operations remained significant contributors to earnings, in line with the Group's multi-geography, multi-sector strategy. Overseas revenue of S$1,917 million, mainly from Australia and China, accounted for 70% of total revenue.

FINANCIAL HIGHLIGHTS

S$ million	4Q2008	4Q2007	FY2008	FY2007
Revenue	703.7	1,324.3	2,752.3	3,792.7
Earnings before interest and tax (EBIT)	235.0	1,021.2	2,213.5	3,824.0
Finance costs	(109.8)	(115.1)	(516.3)	(403.5)
Profit after tax and minority interests (PATMI)	78.0	674.7	1,260.1	2,759.3
PATMI excluding unrealised fair value gains/ losses	144.2	273.1	1,039.6	1,707.1

Dr Richard Hu, Chairman of CapitaLand Group, said: "The Group achieved a healthy net profit of S$1.26 billion in 2008, the third consecutive year that CapitaLand has achieved net profit above S$1 billion. Despite the global economic and financial downturn, CapitaLand was able to successfully realise asset values from our portfolio through timely divestments, whilst growing our base of recurring fee and rental income. The Group has significant financial strength to weather the global economic uncertainties, with low net debt-to-equity ratio of 0.47 and S$4.2 billion of cash on the balance sheet. It was also timely that the Group was able to raise S$1.3 billion through a 10-year convertible bond issue that extended our debt maturity profile. Our multi-geography, multi-sector business model would continue to provide a balanced, well-diversified earnings base, which coupled with prudent capital management, will enable us to ride out the global financial storm. The Board is pleased to propose a first and final dividend of 5.5 cents per share for the financial year 2008. In addition, in view of the good performance, the Board has decided to propose a special dividend of 1.5 cents per share for the financial year 2008."

Liew Mun Leong, President and CEO of CapitaLand Group said: "During this recessionary period, it is satisfying to be able to achieve more than a billion dollar profit after tax."

"The scale of the Group's operations is also now significantly larger. As a Group, we manage over S$45 billion worth of assets. Our revenue under management is S$5.9 billion whilst our statutory revenue is S$2.8 billion. We strengthened our lead as one of Asia's largest REIT and real estate fund managers, with assets under management growing to S$25.9 billion. We have also steadily built up our fund and property management fees, which at S$413 million in 2008, is a 35% increase compared to 2007."

Mr Liew added: "In line with the Group's consistently disciplined strategy of recycling capital, S$3.3 billion worth of assets were monetised in 2008 with a gain of S$607 million. In the Group's core markets of Singapore, China and Australia, homebuyer sentiments are expected to remain cautious given the global slowdown. Strong residential sales achieved in previous years would underpin FY2009 earnings. Our retail mall operations in Singapore, China and Malaysia remained resilient due to our portfolio of well-located malls with strong captive markets, catering largely to necessity shopping. Ascott, our serviced residence arm, added 39 properties with over 5,000 units through acquisitions and management contracts. Going forward, we will continue to enhance the Group's financial flexibility and liquidity, so as to further increase our competitiveness and extend our leadership position in the various core markets."

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For the full CapitaLand Limited Financial Statements announcement and slides, please visit our website www.capitaland.com.