CAPITALAND LIMITED

(Registration Number : 198900036N)

2011 FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

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2011 FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group		
	Note	1Q 2011 S$'000	1Q 2010 S$'000 (Restated)	Change %
Revenue	A	**611,520**	**439,975**	**39.0**
Cost of sales		(357,361)	(234,563)	52.4
Gross profit		254,159	205,412	23.7
Other operating income	B	53,851	47,891	12.4
Administrative expenses	C	(107,590)	(99,349)	8.3
Other operating expenses	D	(7,933)	(24,424)	(67.5)
Profit from operations		192,487	129,530	48.6
Finance costs		(113,269)	(103,132)	9.8
Share of results (net of tax) of:				
- associates		70,498	39,098	80.3
- joint ventures		20,529	25,555	(19.7)
	E	91,027	64,653	40.8
Profit before taxation		170,245	91,051	87.0
Taxation	F	(28,323)	(24,804)	14.2
Profit for the period		141,922	66,247	114.2
Attributable to:				
Owners of the Company ("PATMI")		**101,511**	**29,809**	**240.5**
Non-controlling interests ("NCI")		40,411	36,438	10.9
Profit for the period		141,922	66,247	114.2

Note:

1Q 2010 had been restated to take into account the retrospective adjustments relating to INT FRS 115 – Agreements for the Construction of Real Estate (Please refer to item 4). Arising from the retrospective adjustments, the PATMI for 1Q 2010 was restated to $29.8 million from $115.4 million as the profit recognition from the following projects would be deferred to its completion date as shown below:

Projects	Completion (Quarter)	Projects	Expected Completion (Quarter)
The Seafront on Meyer	3Q 2010	Riverside Ville	2Q 2011
Ningbo Summit Residences - Plot 3 & 4	3Q 2010	The Vista	3Q 2011
Latitude	3Q 2010	Rihan Heights	4Q 2011
The Orchard Residences	4Q 2010		

1(a)(ii) Explanatory Notes to Income Statement – 1Q 2011 vs 1Q 2010 (Restated)

(A) Revenue

The increase in revenue was mainly attributable to higher contribution from the Group's development projects in Singapore, China and Australia, partially offset by the absence of rental revenue from the shopping malls and serviced residences which were divested last year. (Please see item 8 for details).

Cost of sales also increased but at a higher rate as the costs of projects sold in 1Q 2010 were relatively lower.

(B) Other Operating Income

		Group		
		1Q 2011 S$'000	1Q 2010 S$'000 (Restated)	Change (%)
Other Operating Income		**53,851**	**47,891**	**12.4**
Investment income	(i)	70	1,013	(93.1)
Interest income	(ii)	19,224	17,767	8.2
Other income (including portfolio gains)	(iii)	33,265	24,917	33.5
Fair value gains of investment properties	(iv)	1,292	4,194	(69.2)

(i) The decrease in investment income was mainly due to the absence of distribution income from the Group's investments in Japan which we have divested.

(ii) The higher interest income was mainly due to an increase in advances made to the Group's investee companies.

(iii) Other income included a net portfolio gain of $16.4 million, which comprised mainly a gain of $20.3 million arising from the realisation of available-for-sale reserves in respect of LFIE Holding Limited ("LFIE"). The Group also recorded marked-to-market gains from financial instruments of $2.4 million in 1Q 2011.

1Q 2010's other income included marked-to-market gains from financial instruments of $6.6 million as well as a $2.3 million gain arising from the divestment of our 50% interest in a joint venture.

(iv) The fair value gain recorded in 1Q 2011 arose from the revaluation of an investment property in Australia. In 1Q 2010, fair value gains arose mainly from the revaluation of an investment property in Singapore and a property under development in China.

(C) Administrative Expenses

	Group		
	1Q 2011 S$'000	1Q 2010 S$'000	Change (%)
Administrative Expenses	**(107,590)**	**(99,349)**	**8.3**
Included in Administrative Expenses:-			
Depreciation and amortisation	(11,215)	(15,306)	(26.7)
Write back of doubtful receivables and bad debts written off	281	201	39.8

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other administrative expenses. 1Q 2011's administrative expenses were higher mainly due to an increase in staff costs as a result of increased headcount, partially offset by lower depreciation charges following the divestment of 28 serviced residences last year.

1(a)(ii) Explanatory Notes to Income Statement – 1Q 2011 vs 1Q 2010 (Restated)

(D) Other Operating Expenses

Other operating expenses were lower in 1Q 2011 mainly due to lower foreign exchange losses. The Group recorded a foreign exchange loss of $7.3 million in 1Q 2011 versus $23.8 million in 1Q 2010.

(E) Share of results (net of tax) of Associates and Joint Ventures

The share of results from associates in 1Q 2011 was higher due to improved contribution from our associates in Singapore and China, contribution from CapitaMalls Malaysia Trust which was listed in July 2010, as well as increased contribution from Ascott Residence Trust (Ascott Reit) following its acquisition of 28 properties in October 2010.

The share of results from joint ventures in 1Q 2011 decreased due to lower contribution from our joint venture in Thailand, partially mitigated by higher contributions from ION Orchard and The Orchard Residences.

(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.

Included in 1Q 2011 tax expense was a $3.5 million under-provision of tax for prior years (1Q 2010: $1.2 million over-provision of tax for prior years).

(G) Gain/(Loss) from the sale of investments

The gains from the sale of investments that are included in the Group's profit after tax and non-controlling interests ("PATMI") are as follows:

1Q 2011	**PATMI (S$M)**
Realisation of available-for-sale reserves in respect of LFIE	20.3
Others	(3.8)
Total Group's share of gain after tax & NCI for 1Q 2011	**16.5**
1Q 2010 (Restated)	
Gain from the divestment of 50% stake in CapitaLand Zhixin Wenjiang	2.3
Others	0.1
Total Group's share of gain after tax & NCI for 1Q 2010	**2.4**

1(a)(iii) Statement of Comprehensive Income

	Group		
	1Q 2011 S$'000	**1Q 2010 S$'000 (Restated)**	**Change %**
Profit for the period	141,922	66,247	114.2
Other comprehensive income:			
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations[(1)]	(140,663)	17,829	NM
Change in fair value of available-for-sale investments[(2)]	(31,168)	(251)	NM
Effective portion of change in fair value of cash flow hedges	(17,056)	(27,992)	(39.1)
Share of other comprehensive income of associates and joint ventures	(10,712)	11,076	NM
	(199,599)	662	NM
Total comprehensive income	(57,677)	66,909	NM
Attributable to:			
Owners of the Company	**(87,719)**	**26,536**	**NM**
Non-controlling interests	30,042	40,373	(25.6)
	(57,677) *(3)*	66,909	NM

(1) 1Q 2011's exchange differences arose mainly from the appreciation of SGD against RMB.

(2) 1Q 2011 included $20.3 million realisation of available-for-sale reserves to income statement in respect of LFIE.

(3) Total comprehensive income attributable to Owners of the Company was a loss in 1Q 2011 mainly due to foreign currency translation losses, partially mitigated by the profit for the period. The amount attributable to non-controlling interests was mainly in respect of the profit for the period.

1(b)(i) Balance Sheet

	Group			Company		
	31/03/2011 S$'000	31/12/2010 S$'000 (Restated)[1]	Change %	31/03/2011 S$'000	31/12/2010 S$'000	Change %
Non-Current Assets						
Property, Plant & Equipment	1,081,946	1,049,407	3.1	7,496	8,164	(8.2)
Intangible Assets	459,212	459,605	(0.1)	147	147	-
Investment Properties[2]	5,041,928	4,732,895	6.5	-	-	-
Interests in Subsidiaries	-	-	-	12,709,436	12,435,703	2.2
Interests in Associates & Joint Ventures[3]	9,876,129	10,048,767	(1.7)	-	-	-
Other Non-Current Assets	388,464	402,540	(3.5)	3,135	3,135	-
	16,847,679	**16,693,214**	**0.9**	**12,720,214**	**12,447,149**	**2.2**
Current Assets						
Development Properties for Sale and Stock	*5,603,736*	*5,667,149*	*(1.1)*	-	-	-
Trade & Other Receivables	*2,312,212*	*2,133,709*	*8.4*	*968,532*	*1,166,526*	*(17.0)*
Cash & Cash Equivalents	*6,286,818* [4]	*7,190,064*	*(12.6)*	*36,547*	*53,954*	*(32.3)*
Other Current Assets	*208,055*	*203,009*	*2.5*	-	-	-
	14,410,821	**15,193,931**	**(5.2)**	**1,005,079**	**1,220,480**	**(17.6)**
Less: Current Liabilities						
Trade & Other Payables	*1,867,390*	*2,050,085*	*(8.9)*	*117,662*	*195,367*	*(39.8)*
Short-Term Borrowings	*988,400*	*1,761,774*	*(43.9)*	-	-	-
Other Current Liabilities	*509,246*	*496,405*	*2.6*	*5,424*	*5,424*	-
	3,365,036	**4,308,264**	**(21.9)**	**123,086**	**200,791**	**(38.7)**
Net Current Assets	**11,045,785**	**10,885,667**	**1.5**	**881,993**	**1,019,689**	**(13.5)**
Less: Non-Current Liabilities						
Long-Term Borrowings	8,853,135	8,596,269	3.0	3,398,376	3,379,883	0.5
Other Non-Current Liabilities	1,090,231	1,117,408	(2.4)	67,591	87,549	(22.8)
	9,943,366	**9,713,677**	**2.4**	**3,465,967**	**3,467,432**	**(0.0)**
Net Assets	**17,950,098**	**17,865,204**	**0.5**	**10,136,240**	**9,999,406**	**1.4**
Representing:						
Share Capital	6,296,984	6,276,504	0.3	6,296,984	6,276,504	0.3
Revenue Reserves	7,613,089	7,511,740	1.3	3,421,360	3,301,550	3.6
Other Reserves[5]	40,446	243,689	(83.4)	417,896	421,352	(0.8)
Equity attributable to Owners of the Company	13,950,519	14,031,933	(0.6)	10,136,240	9,999,406	1.4
Non-controlling Interests	3,999,579	3,833,271	4.3	-	-	-
Total Equity	**17,950,098**	**17,865,204**	**0.5**	**10,136,240**	**9,999,406**	**1.4**

Note:

1. *The Group's comparative balance sheet as at 31 December 2010 had been restated to take into account the retrospective adjustments relating to INT FRS 115 – Agreements for the Construction of Real Estate (Please refer to item 4).*
2. *The increase was mainly due to the acquisition of Luwan site in Shanghai by CapitaMalls Asia Limited, partially offset by the divestment of The Adelphi.*
3. *The decrease was mainly due to the reclassification of a loan due from a joint venture to Trade and Other Receivables in accordance with its maturity period, partially offset by the acquisition of LFIE.*
4. *Included cash balances of $3,203.1 million held at CapitaLand Limited and CapitaLand Treasury Limited.*
5. *The decrease in Other Reserves was mainly attributable to the foreign exchange translation losses in 1Q 2011 due to the appreciation of SGD against RMB and realisation of available-for-sale reserves in respect of LFIE.*

1(b)(ii) Group's borrowings (including finance leases)

	Group	
	As at 31/03//2011 S$'000	**As at 31/12/2010 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	125,579	518,130
Unsecured	862,821	1,243,644
Sub-Total 1	**988,400**	**1,761,774**
Amount repayable after one year:-		
Secured	1,082,049	1,097,933
Unsecured	7,771,086	7,498,336
Sub-Total 2	**8,853,135**	**8,596,269**
Total Debt	**9,841,535**	**10,358,043**
Total Debt less Cash	**3,554,717**	**3,167,979**

Details of any collateral

Secured borrowings are generally secured by mortgages on the borrowing subsidiaries' investment properties (including those under development) or development properties for sale and assignment of all rights and benefits with respect to the properties mortgaged.

1(c) Consolidated Statement of Cash Flows

	1Q 2011 S$'000	1Q 2010 (Restated) S$'000
Cash Flows from Operating Activities		
Profit after taxation	**141,922**	**66,247**
Adjustments for :		
Amortisation and impairment of intangible assets	643	477
Allowance/(Write back) for:		
- Doubtful receivables	(770)	(201)
- Impairment on other financial assets	-	(1,382)
- Impairment on property, plant and equipment	186	-
Share-based expenses	7,889	10,458
Changes in fair value of financial instruments	(2,416)	(6,634)
Depreciation of property, plant and equipment	10,693	14,950
(Gain)/Loss on disposal of property, plant and equipment	(35)	63
Net fair value gain from investment properties	(1,292)	(4,194)
Loss/(Gain) on disposal/liquidation of equity investments and other financial assets	3,897	(825)
Realisation of available-for-sale reserves	(20,329)	-
Share of results of associates and joint ventures	(91,027)	(64,653)
Accretion of deferred income	(9,223)	358
Interest expense	113,269	103,132
Interest income	(19,224)	(17,767)
Taxation	28,323	24,804
	20,584	**58,586**
Operating profit before working capital changes	**162,506**	**124,833**
Decrease/(Increase) in working capital		
Trade and other receivables	(97,130)	111,748
Development properties for sale	(2,724)	(237,874)
Trade and other payables	(97,415)	(31,756)
Restricted bank deposits	991	-
	(196,278)	**(157,882)**
Cash generated from operations	**(33,772)**	**(33,049)**
Income tax paid	(17,689)	(43,167)
Net cash used in Operating Activities	**(51,461)**	**(76,216)**

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

	1Q 2011 S$'000	1Q 2010 (Restated) S$'000
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	98	170
Purchase of property, plant and equipment	(60,055)	(24,306)
Investments in associates and joint ventures	(173,235)	(47,558)
Prepayment for acquisition of an investment property	(17,677)	-
Acquisition of investment properties	(92,753)	(31,350)
Proceeds from disposal of investment properties	230,363	82,249
Investments in other financial assets	(12,926)	-
Dividends received from associates and joint ventures	94,148	78,678
Acquisition of subsidiaries, net of cash acquired	(260,523)	(2,822,281)
Disposal of subsidiaries, net of cash disposed off	169,323	-
Transaction costs for public offering of a subsidiary	-	(16,807)
Interest income received	10,136	9,393
Net cash used in Investing Activities	**(113,101)**	**(2,771,812)**
Cash Flows from Financing Activities		
Proceeds from issue of shares under share option plan	1,444	7,102
Payments of amounts owing to/by non-controlling interests	(55)	(15)
Contributions from non-controlling interests	28	2
Proceeds from bank borrowings	1,250,574	48,850
Repayments of bank borrowings	(1,213,892)	(78,985)
Proceeds from debt securities	200,000	-
Repayments of debt securities	(765,589)	(70,000)
Repayments of finance lease payables	-	(865)
Dividends paid to non-controlling interests	(40,506)	(36,564)
Interest expense paid	(130,357)	(89,322)
Net cash used in Financing Activities	**(698,353)**	**(219,797)**
Net decrease in cash and cash equivalents	**(862,915)**	**(3,067,825)**
Cash and cash equivalents at beginning of the period	7,187,335	8,729,718
Effect of exchange rate changes on cash balances held in foreign currencies	(39,340)	12,284
Cash and cash equivalents at end of the period	**6,285,080**	**5,674,177**
Restricted cash deposits	1,738	-
Cash and cash equivalents in the balance sheet	**6,286,818**	**5,674,177**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $6,286.8 million as at 31/03/2011 included $4,399.3 million in fixed deposits and $189.4 million in Project Accounts whose withdrawals are restricted to the payment of development projects expenditure.

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

For the period ended 31/03/2011 vs 31/03/2010 (Restated) – Group

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/01/2011, as previously reported	**6,276,504**	**7,652,261**	**241,886**	**14,170,651**	**3,846,811**	**18,017,462**
Effect of change in accounting policy#		(140,521)	1,803	**(138,718)**	(13,540)	**(152,258)**
Balance as at 01/01/2011, as restated	**6,276,504**	**7,511,740**	**243,689**	**14,031,933**	**3,833,271**	**17,865,204**
Total comprehensive income						
Profit for the period		101,511		**101,511**	40,411	**141,922**
<u>Other comprehensive income</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(139,628)	**(139,628)**	(1,035)	**(140,663)**
Change in fair value of available-for-sale investments			(31,168)	**(31,168)**		**(31,168)**
Effective portion of change in fair value of cash flow hedges			(11,036)	**(11,036)**	(6,020)	**(17,056)**
Share of other comprehensive income of associates and joint ventures			(7,398)	**(7,398)**	(3,314)	**(10,712)**
Total other comprehensive income, net of income tax	-	-	(189,230)	**(189,230)**	(10,369)	**(199,599)**
Total comprehensive income	**-**	**101,511**	**(189,230)**	**(87,719)**	**30,042**	**(57,677)**
Transactions with owners, recorded directly in equity						
Issue of shares	20,480		(19,047)	**1,433**		**1,433**
Contribution by non-controlling interests (net)				**-**	1,674	**1,674**
Changes in ownership interests in subsidiaries with a change in control				**-**	142,339	**142,339**
Dividends paid/payable				**-**	(8,456)	**(8,456)**
Share-based payments			4,850	**4,850**	794	**5,644**
Share of other reserves of associates and joint ventures		(11)	35	**24**	-	**24**
Others		(151)	149	**(2)**	(85)	**(87)**
Total transactions with owners	**20,480**	**(162)**	**(14,013)**	**6,305**	**136,266**	**142,571**
Balance as at 31/03/2011	**6,296,984**	**7,613,089**	**40,446**	**13,950,519**	**3,999,579**	**17,950,098**

* Includes foreign currency translation reserve, capital reserve, available-for-sale reserve, equity compensation reserve and hedging reserve.

Please refer to item 4.

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

For the period ended 31/03/2011 vs 31/03/2010 (Restated) – Group (cont'd)

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/01/2010, as previously reported	**6,229,227**	**6,839,047**	**339,999**	**13,408,273**	**3,471,490**	**16,879,763**
Effect of change in accounting policy[#]		(293,059)	(1,025)	(294,084)	(43,145)	(337,229)
Balance as at 01/01/2010, as restated	**6,229,227**	**6,545,988**	**338,974**	**13,114,189**	**3,428,345**	**16,542,534**
Total comprehensive income						
Profit for the period		29,809		**29,809**	36,438	**66,247**
<u>Other comprehensive income</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			11,374	**11,374**	6,455	**17,829**
Change in fair value of available-for-sale investments			(251)	**(251)**		**(251)**
Effective portion of change in fair value of cash flow hedges			(24,034)	**(24,034)**	(3,958)	**(27,992)**
Share of other comprehensive income of associates and joint ventures			9,638	**9,638**	1,438	**11,076**
Total other comprehensive income, net of income tax	-	-	(3,273)	**(3,273)**	3,935	**662**
Total comprehensive income	**-**	**29,809**	**(3,273)**	**26,536**	**40,373**	**66,909**
Transactions with owners, recorded directly in equity						
Issue of shares	32,212		(25,110)	**7,102**		**7,102**
Contribution by non-controlling interests (net)				**-**	2	**2**
Changes in ownership interests in subsidiaries with a change in control				**-**	55,210	**55,210**
Dividends paid/payable				**-**	(7,528)	**(7,528)**
Share-based payments			8,666	**8,666**	530	**9,196**
Share of other reserves of associates			(1,567)	**(1,567)**	-	**(1,567)**
Others		(162)		**(162)**	-	**(162)**
Total transactions with owners	**32,212**	**(162)**	**(18,011)**	**14,039**	**48,214**	**62,253**
Balance as at 31/03/2010	**6,261,439**	**6,575,635**	**317,690**	**13,154,764**	**3,516,932**	**16,671,696**

* Includes foreign currency translation reserve, capital reserve, available-for-sale reserve, equity compensation reserve and hedging reserve.

Please refer to item 4.

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

For the period ended 31/03/2011 vs 31/03/2010 – Company

	Share Capital S$'000	Revenue Reserves S$'000	Capital Reserve S$'000	Equity Comp Reserves S$'000	**Total Equity S$'000**
Balance as at 01/01/2011	**6,276,504**	**3,301,550**	**383,490**	**37,862**	**9,999,406**
Total comprehensive income					
Profit for the period		119,810			**119,810**
Transactions with owners, recorded directly in equity					
Issue of shares	20,480			(4,814)	**15,666**
Share-based payments				1,358	**1,358**
Total transactions with owners	**20,480**	**-**	**-**	**(3,456)**	**17,024**
Balance as at 31/03/2011	**6,296,984**	**3,421,360**	**383,490**	**34,406**	**10,136,240**
Balance as at 01/01/2010	**6,229,227**	**3,396,949**	**383,490**	**36,184**	**10,045,850**
Total comprehensive income					
Profit for the period		39,754			**39,754**
Transactions with owners, recorded directly in equity					
Issue of shares	32,212			(6,108)	**26,104**
Share-based payments				1,101	**1,101**
Total transactions with owners	**32,212**	**-**	**-**	**(5,007)**	**27,205**
Balance as at 31/03/2010	**6,261,439**	**3,436,703**	**383,490**	**31,177**	**10,112,809**

1(d)(ii) Changes in the Company's Issued Share Capital

Issued Share Capital

Movements in the Company's issued and fully paid-up share capital during the quarter were as follows:

	No. of Shares	**Capital S$'000**
As at 01/01/2011	4,262,492,185	6,276,504
Issue of shares under Share Option and Share Plans	6,388,732	20,480
As at 31/03/2011	**4,268,880,917**	**6,296,984**

Share Plans

At the Extraordinary General Meeting held on 16 April 2010, the shareholders approved a new CapitaLand Performance Share Plan 2010 and CapitaLand Restricted Share Plan 2010. These plans were intended to replace the CapitaLand Performance Share Plan and CapitaLand Restricted Stock Plan under the existing share plans which will accordingly be terminated. All awards granted under the existing share plans prior to its termination will continue to be valid and be subject to the terms and conditions of the existing share plans. The first grant of award under the new share plans was made in March 2011.

Outstanding Options under CapitaLand Share Option Plan

	No. of Options
As at 01/01/2011	10,400,345
Exercised	(562,064)
Lapsed/Cancelled	(27,052)
As at 31/03/2011	**9,811,229**

Performance Share Plan

As at 31/03/2011, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 9,899,110 (31/03/2010: 9,906,854).

Under the PSP, the final number of shares to be released 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. Conversely, if superior targets are met, more shares than the baseline award could be released up to a maximum of 200 per cent. of the baseline award. There is no vesting period for shares released under the PSP.

Restricted Stock/Share Plan

As at 31/03/2011, the number of shares comprised in contingent awards granted under the restricted stock/share plan ("RSP") in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 6,670,670 (31/03/2010: 6,271,660) and 7,285,367 (31/03/2010: 8,398,606) respectively, of which 797,880 (31/03/2010: 717,840) shares out of the former and 962,372 (31/03/2010: 1,291,569) shares out of the latter are to be cash-settled.

Under the RSP, the final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released up to a maximum of 150 per cent. of the baseline award. Once the final number of shares has been determined, it will be released over a vesting period of two years for non-executive directors and three years for other participants. The awards granted to non-executive directors in 2010 are time-based with no performance conditions and will be released over a vesting period of two years.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 31/03/2011:

Principal Amount Outstanding	Maturity Date	Put Dates	Conversion price per share	Convertible by holders on or after
$1.2 billion	3 September 2016	-	$4.7275	14 October 2009
$424.75 million	15 November 2016	15 November 2013	$6.01	26 December 2006
$1.05 billion	5 March 2018	5 March 2015	$7.1468	15 April 2008
$1.0 billion	20 June 2022	20 June 2017 & 20 June 2019	$11.5218	20 June 2008

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

Assuming all the Bonds are fully converted based on their respective conversion prices, the number of new ordinary shares to be issued would be 558,218,720, representing a 13.1% increase over the total number of issued shares of the Company as at 31 March 2011.

1(d)(iii) Treasury Shares

The Company did not hold any treasury shares as at 31 March 2011 and 31 December 2010.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the three months ended 31 March 2011.

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 December 2010, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2011.

Among the changes to Financial Reporting Standards (FRSs) are INT FRS 115 *Agreements for the Construction of Real Estate* and FRS 24 *Related Party Disclosures* which became effective from 1 January 2011.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied (cont'd)

INT FRS 115 *Agreements for the Construction of Real Estate*
INT FRS 115 clarifies when revenue and related expenses from a sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Contracts which are not classified as construction contracts in accordance with FRS 11 can only be accounted for under the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work-in-progress in its current state as construction progresses.

Prior to the adoption of INT FRS 115, the Group's accounting policy for development properties for sale was to recognise revenue on percentage of completion method which is an allowed alternative method under Recommended Accounting Practice 11 – *Pre-Completion Contracts For The Sale Of Development Property* ("RAP 11"). RAP 11 was withdrawn with effect from 1 January 2011 following the adoption of INT FRS 115.

The Group has considered the application of INT FRS 115 and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore, and concluded that whilst the "pre-completion" sale contracts are not, in substance, construction contracts, the legal terms in certain contracts result in the continuous transfer of work-in-progress to the purchaser. Consequently, the Group will continue to adopt the percentage of completion method of revenue recognition for development projects under progressive payment scheme in Singapore. For the development projects under deferred payment scheme in Singapore and our overseas development projects, the construction revenue and expenses will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

In accordance with the transition provisions of INT FRS 115, this change in accounting policy was applied retrospectively. Accordingly, the effects of the Group's financial statements arising from the adoption of INT FRS 115 are as follows:

	Group	
	2011 $'000 Increase/ (Decrease)	**2010 $'000 Increase/ (Decrease)**
Balance sheet as at 1 January		
Revenue reserves	(140,521)	(293,059)
Other reserves	1,803	(1,025)
Non-controlling interests	(13,540)	(43,145)
Total equity	**(152,258)**	**(337,229)**
Balance sheet as at 31 December		
Interest in associates and joint ventures	-	(61,608)
Other non-current assets	-	6,648
Development properties for sale and stock	-	247,799
Trade and other receivables	-	(5,915)
Total assets	-	186,924
Trade and other payables	-	355,699
Other non-current liabilities	-	(16,517)
Total liabilities	-	339,182
Net assets	**-**	**(152,258)**

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied (cont'd)

	Group 2010 $'000 Increase/ (Decrease)
Income statement for the period ending 31 March	
Revenue	(247,344)
Cost of sales	165,635
Other operating income	(738)
Share of results of associates (net of tax)	(10,455)
Share of results of joint ventures (net of tax)	(25,075)
Taxation	16,935
Non-Controlling interests	15,455
Profit attributable to Owners of the Company	**(85,587)**
Decrease in basic earnings per share (cents)	(2.0)
Decrease in diluted earnings per share (cents)	(2.0)

FRS 24 *Related Party Disclosures*
Revised FRS 24 modifies the definition of a related party and simplifies disclosures for government-related entities. The Group does not expect any impact on its financial position or performance, however, disclosures regarding related party transactions and balances may be affected when this revised Standard is applied for the Group's financial statements for the year ending 31 December 2011.

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 & NCI attributable to the owners of the Company:

		Group	
		1Q 2011	1Q 2010 (Restated)
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	2.4	0.7
	Weighted average number of ordinary shares (in million)	4,264.7	4,251.3
6(b)	EPS based on fully diluted basis (in cents)	2.4	0.7
	Weighted average number of ordinary shares (in million)	4,301.8	4,294.7

7 Net asset value and net tangible assets per ordinary share based on issued share capital (excluding treasury shares) as at the end of the period

	Group		Company	
	31/03/2011	31/12/2010 (Restated)	31/03/2011	31/12/2010
NAV per ordinary share	$3.27	$3.29	$2.37	$2.35
NTA per ordinary share	$3.16	$3.18	$2.37	$2.35

8 Review of the Group's performance

Group Overview

S$M	1Q 2011	1Q 2010 (Restated)	Variance (%)
Revenue	611.5	440.0	39.0
Earnings before Interest and Tax ("EBIT")	283.5	194.2	46.0
Finance costs	(113.3)	(103.1)	(9.8)
PBT	170.2	91.1	87.0
PATMI	101.5	29.8	240.5
PATMI excluding revaluations / impairments	100.1	25.4	293.5

1Q 2011 vs 1Q 2010 (Restated)

Revenue recognition on development projects was revised following the adoption of INT FRS 115 which was effective on 1 January 2011. Accordingly, the 1Q 2010 results were restated to be comparable to current year's results (Please refer to item 4 for details on the change in accounting policy).

1Q 2011's revenue was higher by 39.0% and this was attributable to higher revenue contribution from the Group's development projects in Singapore, China and Australia. The increase was partially offset by the absence of revenue contribution of 4 shopping malls and 28 serviced residences which were divested to our REITs in the previous year.

Revenue from Singapore development projects with progressive recognition increased significantly by $101.5 million to $157.0 million. The projects are The Interlace and The Wharf Residence. In China, revenue of $129.8 million was recognised mainly for Riviera and Beau Residences. This was 100.7% higher than the restated revenue for the same quarter last year. Australia's revenue was also higher for the quarter and the increased contribution came from both the Commercial and Industrial and the Residential divisions.

Geographically, revenue from our overseas operations constituted $387.9 million or 63.4% of the Group's total revenue (1Q 2010: $312.9 million or 71.1%). China and Australia continued to be the two most significant contributors.

At the EBIT level, the Group made $283.5 million in 1Q 2011, an increase of 46.0% over 1Q 2010. The improvement was largely driven by higher profits from development projects, higher portfolio gains and lower foreign exchange losses. In 1Q 2011, the Group recognised a net portfolio gain of $16.4 million mainly from the realisation of available-for-sale reserves in respect of LFIE Holding Limited.

Overseas EBIT contribution in 1Q 2011 was $152.0 million or 53.6% (1Q 2010: $116.5 million or 60.0%) of the Group's total EBIT. China registered higher EBIT on account of higher development profits as well as higher portfolio gain. EBIT from Europe and Other Asia[1] however saw a decrease due to a reduction in our share of contribution from the 26 serviced residences in Europe, 1 serviced residence in Vietnam and 3 Malaysian malls which were divested to our REITs last year.

Finance costs for 1Q 2011 rose by 9.8% to $113.3 million due to higher average cost of borrowings. The Group's gross debt level as at March 2011 stood at $9.8 billion (March 2010: $10.4 billion) while the net debt to equity ("D/E") ratio remained healthy at 0.20 (31 March 2010: 0.28).

The Group achieved a PATMI of $101.5 million in 1Q 2011. This is 240.5% higher than the restated PATMI in 1Q 2010 and was underpinned by higher development profits and portfolio gain.

(1) *Excludes Singapore and China and includes projects in GCC.*

Segment Performance

CapitaLand Residential Singapore ("CRS")

S$M	1Q 2011	1Q 2010 (Restated)	Variance (%)
Revenue	157.0	55.5	182.9
EBIT	58.7	13.1	349.3

Revenue for 1Q 2011 was significantly higher than the corresponding period last year, underpinned by the continued revenue recognition for The Interlace and The Wharf Residence.

As a result of the higher revenue and higher margins achieved, EBIT for 1Q 2011 was significantly higher than 1Q 2010.

In 1Q 2011, CRS sold 167 units (1Q 2010: 218 units) with a total sales value of about $306 million (1Q 2010: $815 million).

CapitaLand China Holdings ("CCH")

S$M	1Q 2011	1Q 2010 (Restated)	Variance (%)
Revenue	129.8	64.7	100.7
EBIT	76.9	24.5	214.0

The higher revenue in 1Q 2011 was mainly due to revenue recognition for Riviera and Beau Residences, both in Foshan. During the quarter, CCH delivered 376 units to the home buyers, including 74 units of Riviera and 285 units of Beau Residences.

In addition to higher revenue, EBIT was boosted by higher share of associates' results and realisation of available-for-sale reserves in respect of LFIE.

In 1Q 2011, CCH released new units for sale from several projects including The Metropolis in Kunshan and The Loft in Chengdu.

CCH also increased its stake in LFIE from 6.95% to 44.98%. The 1.1 million sqm site acquisition located in Panyu District, Guangzhou will further strengthen CCH's presence in China. CCH will be the lead development manager of this project.

CapitaLand Commercial ("CCL")

S$M	1Q 2011	1Q 2010 (Restated)	Variance (%)
Revenue	23.7	24.3	(2.9)
EBIT	25.0	36.0	(30.7)

With effect from 1 January 2011, the residential business in Vietnam was transferred and reported under CapitaValue Homes. The prior year's results were restated to conform with current year's presentation.

The decrease in revenue and EBIT for 1Q 2011 was mainly due to lower revenue from the industrial properties, loss of contribution from The Adelphi that was divested in January 2011, and lower share of results from a joint venture in Thailand, partially offset by contribution from the self-storage business that was acquired in July 2010.

Ascott

S$M	1Q 2011	1Q 2010	Variance (%)
Revenue	82.1	91.3	(10.1)
EBIT	3.6	8.9	(59.8)

Revenue and EBIT were lower in 1Q 2011 mainly due to lower share of contribution from the 28 properties divested to Ascott Reit in 4Q 2010.

In 1Q 2011, Ascott acquired a 50% stake in a joint venture company to develop a 203-unit serviced residence in Bangalore, India. Separately, it entered into an agreement to acquire full ownership of 4 joint venture companies to develop serviced residences in Ahmedabad, Hyderabad, Chennai and Bangalore. Ascott has also expanded its presence in Germany through investments in Citadines properties in Hamburg and Frankfurt.

As part of its strategy to scale up its global network, Ascott has secured 7 new management contracts in Shanghai, Manila, Hanoi, Cyberjaya in Malaysia as well as the first Ascott branded serviced residences in Qatar and Macau. Together with the investments in Hamburg, Frankfurt and India, Ascott has a total of 10 new management contracts.

CapitaValue Homes (“CVH”)

S$M	1Q 2011	1Q 2010 (Restated)	Variance (%)
Revenue	0.9	-	NM
EBIT	(5.5)	(2.2)	(155.8)

CapitaValue Homes, a new business unit of the Group, was formed in October 2010. With effect from 1 January 2011, the operations relating to value housing are reported under this business unit.

1Q 2011’s revenue comprised mainly project management fees. Under the new revenue recognition policy, CVH’s revenue from residential projects could only be recognised in the period when the units sold are delivered to the buyers. The Vista project is about 87% completed as of March 2011 and is expected to be handed over to the home buyers in 3Q 2011.

Higher loss before interest and taxation was mainly due to administrative expenses and share of losses from a joint venture which was set up in 4Q 2010.

CapitaLand Financial (“CFL”)

S$M	1Q 2011	1Q 2010	Variance (%)
Revenue	24.2	22.7	6.5
EBIT	23.4	17.0	37.9

The higher revenue in 1Q 2011 was mainly due to higher fund management fees and other income from transactions.

EBIT for 1Q 2011 was higher mainly due to higher revenue and higher portfolio gain from the disposal of an investment.

CapitaMalls Asia ("CMA")

S$M	1Q 2011	1Q 2010 (Restated)	Variance (%)
Revenue	50.2	74.6	(32.8)
EBIT	64.8	81.6	(20.5)

The lower revenue in 1Q 2011 was mainly attributable to the divestment of three Malaysia malls to CapitaMalls Malaysia Trust ("CMMT") and Clarke Quay to CapitaMall Trust ("CMT") in July 2010. The decrease was partially mitigated by higher fund management fees.

The lower EBIT in 1Q 2011 was mainly attributable to lower share of contribution from the three malls in Malaysia and Clarke Quay which were divested, as well as the absence of foreign exchange gain and fair value gain on revaluation of investment properties. These were partially mitigated by higher share of results from The Orchard Residences, ION Orchard and CMT.

Others

S$M	1Q 2011	1Q 2010 (Restated)	Variance (%)
Revenue	143.7	106.8	34.5
EBIT	36.7	15.3	139.2

Others include the Corporate Office, Australand and others.

The increase in revenue in 1Q 2011 was attributable to higher sales from development projects in Australia as well as a favourable AUD exchange rate against the SGD.

EBIT in 1Q 2011 increased mainly on higher revenue as well as lower foreign exchange losses.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the fourth quarter 2010 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

CapitaLand Residential Singapore ("CRS")

CRS expects the Singapore residential market to remain stable in view of the continued economic growth, low interest rate environment and high liquidity. It expects high-end projects, as well as projects with strong location attributes, to be relatively less affected by the property measures implemented by the Singapore government.

CRS' earnings in 2011 are expected to benefit from continued revenue recognition of The Interlace and The Wharf Residence, as well as further expected sales of units from Latitude.

CRS remains on track to launch 1,700 units in 2011 from projects including The Interlace, d'Leedon, and a new condominium at Bedok Town Centre.

CapitaLand China Holdings ("CCH")

In China, CCH expects to see continued demand supported by the rapid urbanisation, strong domestic consumption and increasing affluence.

In 2011, CCH plans to launch a number of new projects and release new units for sale from existing projects in Shanghai, Hangzhou, Tianjin, Beijing and Guangzhou. These new launches/releases of new units will be timed according to the market conditions. At the same time, CCH will also explore opportunities to acquire new sites.

CapitaLand Commercial ("CCL")

Singapore office market rents continue to increase in 1Q 2011, albeit at a much slower rate compared to last quarter. CCL will focus on its asset enhancement initiatives and explore ways to reconstitute its commercial portfolio through investment opportunities in Singapore and Asia.

For its newly acquired self-storage business, CCL plans to expand the "StorHub" franchise and will seek opportunities to grow this business in China.

Ascott

Ascott will continue with the expansion of its footprint by seeking new investment opportunities in key cities in Asia and Europe. It will also ride on its premium brand name to grow its fee-based income through securing new management contracts.

The new management contracts, together with new investments and asset enhancement initiatives will enable Ascott to build its global platform for further growth.

CapitaValue Homes ("CVH")

CapitaValue Homes was set up in October 2010 to tap into the growing demand for value housing segment in Asia. It will initially focus on China and Vietnam by leveraging on the Group's current established development platform in these two countries. There is growth potential in these two countries due to their rapid massive urbanisation. CVH targets to build 10,000 to 15,000 value homes annually in China and Vietnam over the next three to five years.

In China, CVH expects to commence the development of its projects by the third quarter of this year. It will tap on the growing demand for affordable homes in China and expand its footprint into new cities.

We will also continue to develop Vietnam into our fourth core market over time in a measured and calibrated manner, in line with the macroeconomic situation and market developments there. CVH will focus on completing its first development project, The Vista, which is expected to be handed over to the buyers from 3Q 2011.

CapitaLand Financial ("CFL")

For its existing REITs and private equity funds under management, CFL will continue to strengthen its fund management business by growing its AUM through accretive acquisitions and asset enhancement.

At the same time, CFL will explore the origination of new real estate structured financial products and launching new property funds.

CapitaMalls Asia ("CMA")

In Asia, especially China, the improving economies, rising disposable income and urbanisation are expected to fuel strong retail sales growth. CMA, with its 66 operating malls across Asia, is well-positioned to benefit from this retail consumption growth.

CMA intends to further expand its presence in China, Singapore and Malaysia. In China, the credit tightening and other measures to cool off property prices will present opportunities for acquisitions. CMA plans to double its presence in China to 100 shopping malls within the next three to five years with five malls slated to be opened this year. The secondary listing in Hong Kong as announced recently was to complement its growth strategy in China, enhance its capital management flexibility and widen its investor base.

For further details, please refer to CMA's 2011 First Quarter Financial Statements Announcement released on the Singapore Exchange on 21 April 2011.

Australand

Australand releases its results on a half-yearly basis.

Others

CapitaLand has a 40.9% stake in Raffles City Bahrain Fund which is developing Raffles City Bahrain in Manama Bay, Bahrain. Owing to the global financial crisis, the project was put on hold two years ago, after substructure works were completed. The real estate climate in Bahrain remains poor especially with the recent unrest in the country. The Group is currently reviewing its position within the market and assessing the situation closely. The carrying value of this investment was $50 million as at end March 2011.

GROUP OVERALL PROSPECTS

CapitaLand's three core markets of Singapore, China and Australia continue to contribute positively to the Group's overall bottom-line, accounting for 96% of Group EBIT in 1Q 2011. Notwithstanding the policy measures aimed at moderating residential price exuberance in Singapore and China, CapitaLand remains confident of the fundamentals of the real estate market in both countries with its balanced and diversified sector exposure.

The strong balance sheet puts the Group in good stead to seek investments in fast growing Asian countries, in particular China, for sustainable growth in 2011. On 15 April 2011, CapitaLand acquired a 40% strategic stake in Surbana Corporation to complement and accelerate the growth of its value housing initiative by leveraging on Surbana's expertise, particularly with large scale mass market residential developments. This acquisition will add a full suite of consultancy services to CapitaLand and increase its presence in China.

The Group is committed to deploying its capital towards accretive acquisitions in its core sectors and markets.

In respect of INT FRS 115 which became effective on 1 January 2011, CapitaLand is of the view that the implementation of this standard will result in the accounting recognition of the Group's overseas development projects in a manner that may not reflect the sales and construction progress of those projects. In particular, the new standard will result in income recognition that is lumpy and back-ended, thus creating more volatility in profit recognition even though the underlying projects' cashflows have not changed. It also does not reflect the gradual reduction of risk and the increase in economic value from these underlying projects as they are built and sold over their development phases.

11 Dividend

11(a) Any dividend declared for the present financial period? No.

11(b) Any dividend declared for the previous corresponding period? No.

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(a) By Strategic Business Units (SBUs) – 1Q 2011 vs 1Q 2010 (Restated)

	Revenue			Earnings before interest & tax		
	1Q 2011 S$'000	1Q 2010 S$'000 (Restated)	Variance %	1Q 2011 S$'000	1Q 2010 S$'000 (Restated)	Variance %
CapitaLand Residential Singapore	157,045	55,506	182.9	58,663	13,057	349.3
CapitaLand China Holdings [1]	129,785	64,670	100.7	76,891	24,488	214.0
CapitaLand Commercial [2],[3]	23,651	24,346	(2.9)	24,956	36,021	(30.7)
Ascott	82,091	91,267	(10.1)	3,583	8,911	(59.8)
CapitaValue Homes[3]	917	-	NM	(5,500)	(2,150)	(155.8)
CapitaLand Financial	24,192	22,714	6.5	23,394	16,964	37.9
CapitaMalls Asia	50,188	74,635	(32.8)	64,848	81,560	(20.5)
Others [4]	143,651	106,837	34.5	36,679	15,332	139.2
Total	**611,520**	**439,975**	**39.0**	**283,514**	**194,183**	**46.0**

Note : [1] *Excludes Retail and Serviced Residences in China.*
[2] *Includes residential businesses in Malaysia and Thailand.*
[3] *The comparatives have been restated due to the Group's internal restructuring. Residential projects in Vietnam are now grouped under CapitaValue Homes.*
[4] *Includes Corporate Office, Australand and others.*

13(b) By Geographical Location – 1Q 2011 vs 1Q 2010 (Restated)

	Revenue			Earnings before interest & tax		
	1Q 2011 S$'000	1Q 2010 S$'000 (Restated)	Variance %	1Q 2011 S$'000	1Q 2010 S$'000 (Restated)	Variance %
Singapore	223,614	127,037	76.0	131,543	77,657	69.4
China [1]	163,375	100,845	62.0	92,563	41,685	122.1
Other Asia [2]	14,749	32,634	(54.8)	21,762	28,859	(24.6)
Europe	39,588	52,298	(24.3)	(9,359)	4,355	NM
Others	170,194	127,161	33.8	47,005	41,627	(12.9)
Total	**611,520**	**439,975**	**39.0**	**283,514**	**194,183**	**46.0**

Note : [1] *China including Macau and Hong Kong.*
[2] *Excludes Singapore and China and includes projects in GCC.*

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(5) 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 comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 31 March 2011 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.

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
26 April 2011