CAPITALAND LIMITED

(Registration Number : 198900036N)

2011 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

CAPITALAND LIMITED
2011 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group					
	Note	2Q 2011 S$'000	2Q 2010 S$'000 (Restated)	Change %	1H 2011 S$'000	1H 2010 S$'000 (Restated)	Change %
Revenue	A	**740,437**	**592,502**	**25.0**	**1,351,957**	**1,032,477**	**30.9**
Cost of sales		(466,874)	(318,293)	46.7	(824,235)	(552,856)	49.1
Gross profit		273,563	274,209	(0.2)	527,722	479,621	10.0
Other operating income	B	287,571	381,066	(24.5)	341,422	405,249	(15.8)
Administrative expenses	C	(131,711)	(113,971)	15.6	(239,301)	(213,320)	12.2
Other operating expenses		(864)	(659)	31.1	(8,797)	(1,375)	539.8
Profit from operations		428,559	540,645	(20.7)	621,046	670,175	(7.3)
Finance costs		(115,170)	(109,861)	4.8	(228,439)	(212,993)	7.3
Share of results (net of tax) of:	D						
- associates		224,647	59,794	275.7	295,145	98,892	198.5
- joint ventures		66,407	122,559	(45.8)	86,936	148,114	(41.3)
		291,054	182,353	59.6	382,081	247,006	54.7
Profit before taxation		604,443	613,137	(1.4)	774,688	704,188	10.0
Taxation	E	(69,102)	(102,040)	(32.3)	(97,425)	(126,844)	(23.2)
Profit for the period		535,341	511,097	4.7	677,263	577,344	17.3
Attributable to:							
Owners of the Company ("PATMI")		**398,988**	**339,734**	**17.4**	**500,499**	**369,543**	**35.4**
Non-controlling interests ("NCI")		136,353	171,363	(20.4)	176,764	207,801	(14.9)
Profit for the period		535,341	511,097	4.7	677,263	577,344	17.3

<u>Note:</u>

As required by INT FRS 115 – Agreements for the Construction of Real Estate, 2Q 2010 and 1H 2010 results were restated (Please refer to item 4). The PATMI for 2Q 2010 was restated to $339.7 million from $476.1 million and that of 1H 2010 was restated to $369.5 million from $591.5 million as profits from the following projects could only be recognised on completion:

Projects	Completion	Projects	Expected Completion
The Seafront on Meyer	3Q 2010	The Vista	3Q 2011
Ningbo Summit Residences - Plot 3 & 4	3Q 2010	Rihan Heights	4Q 2011
Latitude	3Q 2010	Loft - Phase 1.3	4Q 2011
The Orchard Residences	4Q 2010	Beaufort - Block 1	4Q 2011
Loft - Phase 1.1 & 1.2	4Q 2010 / 2Q 2011		
Riverside Ville	2Q 2011		

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2011 vs 2Q 2010 (Restated)

(A) Revenue

The increase was mainly contributed by higher revenue from the Group's development projects in Singapore and China as well as higher fee-based income, partially offset by lower revenue from development projects in Australia and the absence of rental revenue from the shopping malls and serviced residences which were divested last year. (Please see item 8 for details).

In line with the higher revenue, cost of sales also increased but at a higher rate as the total project costs in 2Q 2010 was relatively lower than in 2Q 2011.

(B) Other Operating Income

		Group		
		2Q 2011 S$'000	2Q 2010 S$'000 (Restated)	Change (%)
Other Operating Income		**287,571**	**381,066**	**(24.5)**
Investment income		961	103	833.0
Interest income		18,562	18,722	(0.9)
Other income (including portfolio gains)	(i)	157,243	42,994	265.7
Fair value gains of investment properties	(ii)	110,805	295,539	(62.5)
Foreign exchange gain	(iii)	-	23,708	(100.0)

(i) 2Q 2011's other income included a gain of $102.5 million from the divestment of a residential site in Shanghai and $23.0 million mainly from the sale of Blife Investment Corporation ("Blife") units to an external party and New Minzhong Leyuan Mall to CapitaRetail China Trust ("CRCT"). The Group also recorded marked-to-market gains from financial instruments of $3.8 million.

2Q 2010's other income included marked-to-market gains from financial instruments of $13.9 million and a portfolio gain of $6.3 million mainly from the sale of a subsidiary which holds a 20% stake in Raffles City Ningbo to Raffles City China Fund ("RCCF").

(ii) Lower fair value gains were recorded in 2Q 2011 mainly due to lower revaluation gains from the investment properties held through subsidiaries in China.

The impact of valuation of investment properties held through our associates and joint ventures is included in the Share of Results of Associates and Joint Ventures (see Note (D) below).

(iii) Foreign exchange gain in 2Q 2010 was mainly attributable to a realised foreign exchange gain arising from the settlement of USD loans.

(C) Administrative Expenses

	Group		
	2Q 2011 S$'000	2Q 2010 S$'000	Change (%)
Administrative Expenses	**(131,711)**	**(113,971)**	**15.6**
Included in Administrative Expenses:-			
Depreciation and amortisation	(9,713)	(16,545)	(41.3)
Write back of doubtful receivables and bad debts written off	3,252	669	386.1

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other administrative expenses. 2Q 2011's administrative expenses were higher mainly due to an increase in staff costs as a result of increased headcount and higher professional fees, partially offset by lower depreciation charges following the divestment of 28 serviced residences in 4Q 2010.

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2011 vs 2Q 2010 (Restated)

(D) Share of Results (net of tax) of Associates and Joint Ventures

The significant increase in share of results from associates in 2Q 2011 was attributable to the Group's share of fair value gains from investment properties; partially offset by the impairment charges taken up by the associates in Bahrain and Japan. The share of net revaluation gain was $223.8 million and it came mainly from our REITs and the funds in China.

The share of results from joint ventures in 2Q 2011 decreased due to lower fair value gains from investment properties held by joint ventures in United Kingdom, the absence of write back of impairment by a joint venture in Singapore, as well as lower contributions from The Orchard Residences which had obtained its Temporary Occupation Permit last year and a joint venture in Thailand which was divested in April 2011.

(E) 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.

2Q 2011 tax expenses were lower due to lower deferred tax provided in respect of fair value gains for investment properties in China.

Included in 2Q 2011 tax expense was a $0.8 million over-provision of tax for prior years (2Q 2010: $2.2 million over-provision of tax for prior years).

(F) 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:

2Q 2011	**PATMI (S$M)**
Residential site in Shanghai	92.3
Blife units	13.0
New Minzhong Leyuan Mall[1]	4.6
Others	(2.8)
Total Group's share of gain after tax & NCI for 2Q 2011	**107.1**
2Q 2010	
Robinson Point (accounted for in share of associates' results in item D)	5.7
Raffles City Ningbo[1] (accounted for in other operating income in item B and share of associates' results in item D)	5.2
Others	4.4
Total Group's share of gain after tax & NCI for 2Q 2010	**15.3**

[1] *New Minzhong Leyuan Mall and Raffles City Ningbo were sold to CRCT and RCCF respectively. The Group has deferred a portion of the gains based on its retained stake in the associates according to FRS 28 Investments in Associates.*

1(a)(iii) Statement of Comprehensive Income

	Group					
	2Q 2011 S$'000	2Q 2010 S$'000 (Restated)	Change %	1H 2011 S$'000	1H 2010 S$'000 (Restated)	Change %
Profit for the period	535,341	511,097	4.7	677,263	577,344	17.3
Other comprehensive income:						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations [1]	(64,255)	(167,706)	(61.7)	(204,918)	(149,878)	36.7
Change in fair value of available-for-sale investments [2]	(12,483)	1,490	NM	(43,650)	1,239	NM
Effective portion of change in fair value of cash flow hedges	584	21,450	(97.3)	(16,472)	(6,542)	151.8
Share of other comprehensive income of associates and joint ventures	21,213	2,788	660.9	10,500	13,864	(24.3)
	(54,941)	(141,978)	(61.3)	(254,540)	(141,317)	80.1
Total comprehensive income	480,400	369,119	30.1	422,723	436,027	(3.1)
Attributable to:						
Owners of the Company	**336,654**	**267,634**	**25.8**	**248,936**	**294,170**	**(15.4)**
Non-controlling interests	143,746	101,485	41.6	173,787	141,857	22.5
	480,400	369,119	30.1	422,723	436,027	(3.1)

(1) *2Q 2011's exchange differences arose mainly from the appreciation of SGD against RMB and USD of 1.7% and 3.1% respectively. For 1H 2011, SGD appreciated against RMB and USD by 4.1% and 7.1% respectively.*

(2) *1H 2011 included the realisation of LFIE Holding Limited's ("LFIE") and Blife's fair value reserves totaling $40.5 million that were transferred to income statement.*

1(b)(i) Balance Sheet

	Group			Company		
	30/06/2011 S$'000	31/12/2010 S$'000 (Restated)[1]	Change %	30/06/2011 S$'000	31/12/2010 S$'000	Change %
Non-Current Assets						
Property, Plant & Equipment [2]	1,252,800	1,049,407	19.4	9,575	8,164	17.3
Intangible Assets	458,822	459,605	(0.2)	147	147	-
Investment Properties[3]	5,281,488	4,732,895	11.6	-	-	-
Interests in Subsidiaries	-	-	-	13,002,733	12,435,703	4.6
Interests in Associates & Joint Ventures	10,190,418	10,048,767	1.4	-	-	-
Other Non-Current Assets	457,236	402,540	13.6	3,135	3,135	-
	17,640,764	**16,693,214**	**5.7**	**13,015,590**	**12,447,149**	**4.6**
Current Assets						
Development Properties for Sale and Stock [4]	*6,132,319*	*5,667,149*	*8.2*	-	-	-
Trade & Other Receivables	*1,826,578*	*2,133,709*	*(14.4)*	*445,112*	*1,166,526*	*(61.8)*
Cash & Cash Equivalents	*6,013,979* [5]	*7,190,064*	*(16.4)*	*11,644*	*53,954*	*(78.4)*
Other Current Assets	*208,468*	*203,009*	*2.7*	-	-	-
	14,181,344	**15,193,931**	**(6.7)**	**456,756**	**1,220,480**	**(62.6)**
Less: Current Liabilities						
Trade & Other Payables	*2,009,046*	*2,050,085*	*(2.0)*	*70,047*	*195,367*	*(64.1)*
Short-Term Borrowings	*1,216,415*	*1,761,774*	*(31.0)*	-	-	-
Other Current Liabilities	*476,265*	*496,405*	*(4.1)*	*6,384*	*5,424*	*17.7*
	3,701,726	**4,308,264**	**(14.1)**	**76,431**	**200,791**	**(61.9)**
Net Current Assets	**10,479,618**	**10,885,667**	**(3.7)**	**380,325**	**1,019,689**	**(62.7)**
Less: Non-Current Liabilities						
Long-Term Borrowings	8,915,106	8,596,269	3.7	3,416,869	3,379,883	1.1
Other Non-Current Liabilities	1,101,455	1,117,408	(1.4)	64,938	87,549	(25.8)
	10,016,561	**9,713,677**	**3.1**	**3,481,807**	**3,467,432**	**0.4**
Net Assets	**18,103,821**	**17,865,204**	**1.3**	**9,914,108**	**9,999,406**	**(0.9)**
Representing:						
Share Capital	6,298,331	6,276,504	0.3	6,298,331	6,276,504	0.3
Revenue Reserves	7,744,883	7,511,740	3.1	3,195,591	3,301,550	(3.2)
Other Reserves[6]	(11,078)	243,689	NM	420,186	421,352	(0.3)
Equity attributable to Owners of the Company	14,032,136	14,031,933	0.0	9,914,108	9,999,406	(0.9)
Non-controlling Interests	4,071,685	3,833,271	6.2	-	-	-
Total Equity	**18,103,821**	**17,865,204**	**1.3**	**9,914,108**	**9,999,406**	**(0.9)**

NM: Not meaningful

Notes:

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 Ascott Arc de Triomphe in France and the acquisition of additional stakes in 4 Indian joint venture companies by Ascott resulting in them becoming wholly-owned subsidiaries.*
3. *The increase was mainly due to the revaluation gains of investment properties, the acquisition of Queensbay Mall in Malaysia and Luwan site in Shanghai by CapitaMalls Asia Limited, partially offset by the divestments of The Adelphi and New Minzhong Leyuan Mall.*
4. *The increase in development properties for sale was mainly attributable to the acquisition of a residential site in Bishan.*
5. *Included cash balances of $2,819.5 million held at CapitaLand Limited and CapitaLand Treasury Limited.*
6. *The decrease in Other Reserves was mainly attributable to the foreign exchange translation losses in 1H 2011 due to the appreciation of SGD against RMB and USD as well as the realisation of fair value reserves in respect of LFIE and Blife.*

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

	Group	
	As at 30/06/2011 S$'000	**As at 31/12/2010 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	146,530	518,130
Unsecured	1,069,885	1,243,644
Sub-Total 1	**1,216,415**	**1,761,774**
Amount repayable after one year:-		
Secured	1,446,521	1,097,933
Unsecured	7,468,585	7,498,336
Sub-Total 2	**8,915,106**	**8,596,269**
Total Debt	**10,131,521**	**10,358,043**
Total Debt less Cash	**4,117,542**	**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.

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1(c) Consolidated Statement of Cash Flows

	2Q 2011 S$'000	2Q 2010 (Restated) S$'000	1H 2011 S$'000	1H 2010 (Restated) S$'000
Cash Flows from Operating Activities				
Profit after taxation	**535,341**	**511,097**	**677,263**	**577,344**
Adjustments for :				
Amortisation and impairment of intangible assets	663	741	1,306	1,249
Allowance/(Write back) for:				
- Doubtful receivables	(3,218)	(669)	(3,988)	(870)
- Impairment loss on investment in joint venture	-	-	-	(1,413)
- Impairment on property, plant and equipment	21	-	207	-
Share-based expenses	8,817	8,485	16,706	18,943
Changes in fair value of financial instruments	(3,813)	(13,856)	(6,229)	(20,490)
Depreciation of property, plant and equipment	9,181	15,924	19,874	30,874
(Gain)/Loss on disposal of property, plant and equipment	(194)	42	(229)	105
Gain on disposal of investment properties	-	(3,603)	-	(3,603)
Net fair value gain from investment properties	(110,805)	(295,539)	(112,097)	(299,733)
Net gain on disposal/liquidation of equity investments and other financial assets	(125,481)	(2,691)	(121,584)	(3,516)
Realisation of available-for-sale reserves	-	-	(20,329)	-
Share of results of associates and joint ventures	(291,054)	(182,353)	(382,081)	(247,006)
Accretion of deferred income	(6,895)	(7,526)	(16,118)	(7,168)
Interest expense	115,170	109,861	228,439	212,993
Interest income	(18,562)	(18,722)	(37,785)	(36,489)
Taxation	69,102	102,040	97,425	126,844
	(357,068)	**(287,866)**	**(336,483)**	**(229,280)**
Operating profit before working capital changes	**178,273**	**223,231**	**340,780**	**348,064**
Decrease/(Increase) in working capital				
Trade and other receivables	119,366	42,674	22,236	12,381
Development properties for sale	(583,071)	(100,217)	(585,795)	(338,091)
Trade and other payables	93,764	(5,466)	(3,651)	12,074
Restricted bank deposits	(647)	-	344	-
	(370,588)	**(63,009)**	**(566,866)**	**(313,636)**
Cash (used in)/generated from operations	**(192,315)**	**160,222**	**(226,086)**	**34,428**
Income tax paid	(77,383)	(66,383)	(95,072)	(109,550)
Net cash (used in)/generated from Operating Activities	**(269,698)**	**93,839**	**(321,158)**	**(75,122)**

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

	2Q 2011 S$'000	2Q 2010 (Restated) S$'000	1H 2011 S$'000	1H 2010 (Restated) S$'000
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	466	354	564	524
Purchase of property, plant and equipment	(25,232)	(20,121)	(85,287)	(44,427)
Investments in associates and joint ventures	(186,778)	(77,164)	(360,013)	(25,181)
Repayment from/(Advance to) investee companies and other receivables	14,457	(25,724)	14,457	(25,724)
Prepayment for acquisition of an investment property	-	-	(17,677)	-
Deposits placed for investments	(189,920)	-	(189,920)	-
Deposit received for disposal of subsidiary	48,976	-	48,976	-
Acquisition of investment properties	(314,494)	(79,762)	(407,247)	(111,112)
Proceeds from disposal of investment properties	174,059	12,970	404,422	95,219
Proceeds from disposal of / (Investment in) other financial assets	16,842	(9,732)	3,916	(9,732)
Dividends received from associates and joint ventures	244,817	40,278	338,965	118,956
Acquisition of subsidiaries, net of cash acquired	(132,192)	-	(392,715)	(2,829,077)
Disposal of subsidiaries, net of cash disposed off	413,852	34,353	583,175	34,353
Transaction costs for public offering of a subsidiary	-	(1,802)	-	(18,609)
Interest income received	11,593	10,631	21,729	20,024
Net cash generated from/(used in) Investing Activities	**76,446**	**(115,719)**	**(36,655)**	**(2,794,786)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	1,336	12,339	2,780	19,441
Borrowings from non-controlling interests	91,687	8,992	91,632	8,977
Contributions from non-controlling interests	72	17,980	100	17,982
Proceed from disposal of interests in subsidiaries without losing control	-	175,251	-	175,251
Proceeds from bank borrowings	832,768	318,185	2,083,342	367,035
Repayments of bank borrowings	(849,134)	(441,666)	(2,063,026)	(520,651)
Proceeds from debt securities	292,336	-	492,336	-
Repayments of debt securities	(18,378)	(276,839)	(783,967)	(346,839)
Repayments of finance lease payables	-	(718)	-	(1,583)
Dividends paid to non-controlling interests	(35,901)	(21,756)	(76,407)	(58,320)
Dividends paid to shareholders	(256,161)	(447,369)	(256,161)	(447,369)
Interest expense paid	(106,078)	(110,572)	(236,435)	(199,894)
Net cash used in Financing Activities	**(47,453)**	**(766,173)**	**(745,806)**	**(985,970)**
Net decrease in cash and cash equivalents	**(240,705)**	**(788,053)**	**(1,103,619)**	**(3,855,878)**
Cash and cash equivalents at beginning of the period	6,285,080	5,674,177	7,187,335	8,729,718
Effect of exchange rate changes on cash balances held in foreign currencies	(32,781)	(21,771)	(72,122)	(9,487)
Cash and cash equivalents at end of the period	**6,011,594**	**4,864,353**	**6,011,594**	**4,864,353**
Restricted cash deposits	2,385	-	2,385	**-**
Cash and cash equivalents in the balance sheet	**6,013,979**	**4,864,353**	**6,013,979**	**4,864,353**

<u>Cash and cash equivalents at end of the period</u>

The cash and cash equivalents of about $6,014.0 million as at 30/06/2011 included $3,940.5 million in fixed deposits and $162.1 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 30/06/2011 vs 30/06/2010 (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 01/04/2011	**6,296,984**	**7,613,089**	**40,446**	**13,950,519**	**3,999,579**	**17,950,098**
Total comprehensive income						
Profit for the period		398,988		**398,988**	136,353	**535,341**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(70,134)	**(70,134)**	5,879	**(64,255)**
Change in fair value of available-for-sale investments			(12,483)	**(12,483)**	-	**(12,483)**
Effective portion of change in fair value of cash flow hedges			688	**688**	(104)	**584**
Share of other comprehensive income of associates and joint ventures			19,595	**19,595**	1,618	**21,213**
Total other comprehensive income, net of income tax	-	-	(62,334)	**(62,334)**	7,393	**(54,941)**
Total comprehensive income	**-**	**398,988**	**(62,334)**	**336,654**	**143,746**	**480,400**
Transactions with owners, recorded directly in equity						
Issue of shares	1,347		-	**1,347**	-	**1,347**
Contribution by non-controlling interests (net)				**-**	73	**73**
Changes in ownership interests in subsidiaries with a change in control			(320)	**(320)**	751	**431**
Changes in ownership interests in subsidiaries with no change in control				**-**	158	**158**
Dividends paid/payable		(256,161)		**(256,161)**	(73,643)	**(329,804)**
Share-based payments			7,420	**7,420**	958	**8,378**
Share of reserves of associates		(9,247)	2,152	**(7,095)**	-	**(7,095)**
Others		(1,786)	1,558	**(228)**	63	**(165)**
Total transactions with owners	**1,347**	**(267,194)**	**10,810**	**(255,037)**	**(71,640)**	**(326,677)**
Balance as at 30/06/2011	**6,298,331**	**7,744,883**	**(11,078)**	**14,032,136**	**4,071,685**	**18,103,821**

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

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

For the period ended 30/06/2011 vs 30/06/2010 (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 01/04/2010, as previously reported	**6,261,439**	**6,954,281**	**315,233**	**13,530,953**	**3,575,532**	**17,106,485**
Effect of change in accounting policy[#]		(378,646)	2,457	**(376,189)**	(58,600)	**(434,789)**
Balance as at 01/04/2010, as restated	**6,261,439**	**6,575,635**	**317,690**	**13,154,764**	**3,516,932**	**16,671,696**
Total comprehensive income						
Profit for the period		339,734		**339,734**	171,363	**511,097**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(96,904)	**(96,904)**	(70,802)	**(167,706)**
Change in fair value of available-for-sale investments			1,490	**1,490**	**-**	**1,490**
Effective portion of change in fair value of cash flow hedges			21,525	**21,525**	(75)	**21,450**
Share of other comprehensive income of associates and joint ventures			1,789	**1,789**	999	**2,788**
Total other comprehensive income, net of income tax	-	-	(72,100)	**(72,100)**	(69,878)	**(141,978)**
Total comprehensive income	**-**	**339,734**	**(72,100)**	**267,634**	**101,485**	**369,119**
Transactions with owners, recorded directly in equity						
Issue of shares	12,339			**12,339**	**-**	**12,339**
Contribution by non-controlling interests (net)				**-**	17,979	**17,979**
Changes in ownership interests in subsidiaries with a change in control				**-**	355	**355**
Changes in ownership interests in subsidiaries with no change in control		13,240		**13,240**	144,560	**157,800**
Dividends paid/payable		(447,369)		**(447,369)**	(50,126)	**(497,495)**
Share-based payments			5,407	**5,407**	1,296	**6,703**
Share of other reserves of associates and and a subsidiary			6,146	**6,146**	**-**	**6,146**
Others		3,584	(3,666)	**(82)**	(46)	**(128)**
Total transactions with owners	**12,339**	**(430,545)**	**7,887**	**(410,319)**	**114,018**	**(296,301)**
Balance as at 30/06/2010	**6,273,778**	**6,484,824**	**253,477**	**13,012,079**	**3,732,435**	**16,744,514**

* 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 30/06/2011 vs 30/06/2010 – 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 01/04/2011	**6,296,984**	**3,421,360**	**383,490**	**34,406**	**10,136,240**
Total comprehensive income					
Profit for the period		30,392			**30,392**
Transactions with owners, recorded directly in equity					
Issue of shares	1,347				**1,347**
Dividends paid		(256,161)			**(256,161)**
Share-based payments				2,290	**2,290**
Total transactions with owners	**1,347**	**(256,161)**	**-**	**2,290**	**(252,524)**
Balance as at 30/06/2011	**6,298,331**	**3,195,591**	**383,490**	**36,696**	**9,914,108**
Balance as at 01/04/2010	**6,261,439**	**3,436,703**	**383,490**	**31,177**	**10,112,809**
Total comprehensive income					
Profit for the period		32,383			**32,383**
Transactions with owners, recorded directly in equity					
Issue of shares	12,339				**12,339**
Dividends paid		(447,369)			**(447,369)**
Share-based payments				2,100	**2,100**
Total transactions with owners	**12,339**	**(447,369)**	**-**	**2,100**	**(432,930)**
Balance as at 30/06/2010	**6,273,778**	**3,021,717**	**383,490**	**33,277**	**9,712,262**

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 01/04/2011	4,268,880,917	6,296,984
Issue of shares under Share Option and Share Plans	526,995	1,347
As at 30/06/2011	**4,269,407,912**	**6,298,331**

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 01/04/2011	9,811,229
Exercised	(526,995)
Lapsed/Cancelled	(47,810)
As at 30/06/2011	**9,236,424**

Performance Share Plan

As at 30/06/2011, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 9,733,858 (30/06/2010: 9,721,447).

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 30/06/2011, 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 6,535,320 (30/06/2010: 6,006,893) and 7,123,303 (30/06/2010: 8,184,427) respectively, of which 785,330 (30/06/2010: 691,932) shares out of the former and 931,079 (30/06/2010: 1,236,532) 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 30/06/2011:

Principal Amount Outstanding	Maturity Date	Put Dates	Conversion price per share	Convertible by holders on or after
$1.2 billion	3 September 2016	-	$4.7247	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 30 June 2011.

1(d)(iii) Treasury Shares

The Company did not hold any treasury shares as at 30 June 2011 and 31 December 2010.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the six months ended 30 June 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. The effects of the Group's financial statements arising from the adoption of INT FRS 115, subject to year-end audit, 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 ended 30 June	
Revenue	(528,699)
Cost of sales	336,458
Other operating income	(738)
Share of results of associates (net of tax)	(33,781)
Share of results of joint ventures (net of tax)	(46,838)
Taxation	28,101
Non-controlling interests	23,586
Profit attributable to Owners of the Company	**(221,911)**
Decrease in basic earnings per share (cents)	(5.2)
Decrease in diluted earnings per share (cents)	(5.0)

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			
		2Q 2011	2Q 2010 (Restated)	1H 2011	1H 2010 (Restated)
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	9.4	8.0	11.7	8.7
	Weighted average number of ordinary shares (in million)	4,269.2	4,260.4	4,267.0	4,255.8
6(b)	EPS based on fully diluted basis (in cents)	9.0	7.8	11.6	8.6
	Weighted average number of ordinary shares (in million)	4,629.5	4,622.7	4,373.7	4,293.9

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	
	30/06/2011	31/12/2010 (Restated)	30/06/2011	31/12/2010
NAV per ordinary share	$3.29	$3.29	$2.32	$2.35
NTA per ordinary share	$3.18	$3.18	$2.32	$2.35

8 Review of the Group's performance

Group Overview

S$M	2Q 2011	2Q 2010 (Restated)[1]	Variance (%)	1H 2011	1H2010 (Restated)[1]	Variance (%)
Revenue	740.4	592.5	25.0	1,352.0	1,032.5	30.9
Earnings before Interest and Tax ("EBIT")	719.6	723.0	(0.5)	1,003.1	917.2	9.4
Finance costs	(115.2)	(109.9)	(4.8)	(228.4)	(213.0)	(7.3)
PBT	604.4	613.1	(1.4)	774.7	704.2	10.0
PATMI	399.0	339.7	17.4	500.5	369.5	35.4
PATMI excluding revaluations / impairments	171.3	135.3	26.6	271.4	160.7	68.9

[1] *Revenue recognition on development projects was revised following the adoption of INT FRS 115 which was effective on 1 January 2011. As required by INT FRS 115, the 2Q 2010 and 1H 2010 results were restated (Please refer to item 4 for details on the change in accounting policy).*

2Q 2011 vs 2Q 2010 (Restated)

Revenue for 2Q 2011 rose 25.0% to $740.4 million on the back of higher revenue recognition from the Group's development projects in Singapore and China as well as higher fee-based income. The increase was partially offset by lower contribution from the development projects in Australia and lower rental revenue.

Revenue from Singapore development projects increased by $130.7 million to $210.6 million; largely attributable to The Interlace, The Wharf Residence and Urban Resort Condominium. In China, revenue from development projects increased by 77.0% to $139.9 million, mainly from Riverside Ville which was completed in 2Q 2011. However, revenue from Australia decreased due to lower contribution from Australand's Residential division.

Fee-based income for the Group grew on higher fund management and property management fees. As at 30 June 2011, the Group's assets under management in REITs and funds was $31.7 billion (30 June 2010: $26.6 billion)

Rental revenue was lower due to the absence of contribution from the shopping malls and serviced residences that were divested to the Group's REITs last year. However, the Group continues to share the contributions of these assets through its equity interests in the respective REITs.

For the quarter under review, the Group recorded an EBIT of $719.6 million which was comparable to 2Q 2010's EBIT of $723.0 million.

The net fair value gain arising from the revaluation of investment properties was $372.7 million at the EBIT level. This was marginally lower than 2Q 2010's net fair value gain of $375.2 million.

In 2Q 2011, the Group recognised a gain of $125.5 million, mainly from the sale of a residential site in Shanghai, Blife units and New Minzhong Leyuan Mall. This was partially offset by impairment charges totaling $41.0 million taken up by our associates in Bahrain and Japan. In 2Q 2010, the Group recorded a net write back of impairment of $17.2 million and a foreign exchange gain of $23.7 million.

The Group achieved a PATMI of $399.0 million in 2Q 2011; 17.4% higher than the restated 2Q 2010's PATMI of $339.7 million. Excluding revaluations and impairments, the Group's PATMI in 2Q 2011 was $171.3 million as compared to $135.3 million in 2Q 2010. The increase was attributable to higher development profits in Singapore and the gain from the sale of a residential site in Shanghai.

1H 2011 vs 1H 2010 (Restated)

For 1H 2011, revenue grew 30.9% to $1,352.0 million. This growth was fuelled by increased sales revenue from our development projects in Singapore and China, namely, The Interlace, The Wharf Residence and Urban Resort Condominium in Singapore and Riviera, Beau Residences and Riverside Ville in Foshan, China. Fee-based income also increased on the back of higher fund management and property management fees. However, rental revenue from our shopping malls and serviced residence businesses was lower due to the absence of contribution from the shopping malls and serviced residences that were injected into our REITs last year.

Geographically, revenue from our overseas operations constituted $840.6 million or 62.2% of the Group's total revenue (1H 2010: $755.8 million or 73.2%). China and Australia continued to be the main contributors.

In line with the higher revenue, the Group also achieved a higher EBIT of $1,003.1 million as compared to $917.2 million in 1H 2010. The strong EBIT was underpinned by higher development profits from the projects in Singapore and China as listed above and gains from divestments; partially offset by higher impairment charges.

The Group recorded portfolio gains totaling $121.6 million, mainly from the divestments of a residential site in Shanghai, Blife units and New Minzhong Leyuan Mall. In addition, the Group recorded a gain of $20.3 million from the realisation of available-for-sale reserves in respect of LFIE. In 1H 2010, the portfolio gains were lower at $20.0 million and were mainly attributable to the injection of Raffles City Ningbo into Raffles City China Fund and the share of divestment gain of Robinson Point by CapitaCommercial Trust.

In 1H 2011, the Group had impairment charges amounting to $41.0 million which were taken up by our associates in Bahrain and Japan. In contrast, in 1H 2010, the Group wrote back impairment charges of $18.6 million mainly in respect of Urban Suites.

In terms of revaluation of investment properties in 1H 2011, the Group recorded a net revaluation gain of $375.0 million, mainly from the properties in Singapore, China and Australia. This was marginally lower than the net revaluation gain of $379.4 million recorded in the same period last year.

Overseas EBIT contribution in 1H 2011 was $608.5 million or 60.7% (1H 2010: $659.9 million or 72.0%) of the Group's total EBIT. EBIT from China decreased mainly due to lower revaluation gains from investment properties but partially mitigated by higher gains from divestments. EBIT from Europe was also lower due to a reduction in our share of contributions from 26 serviced residences in Europe which were divested to Ascott Reit last year. EBIT from Other Asia[1] was a loss due to the impairment charges taken up by our associates in Bahrain and Japan as well as reduced contribution from a serviced residence in Vietnam and 3 Malaysian malls which were injected into our REITs last year.

Finance costs for 1H 2011 were higher at $228.4 million due to higher average cost of borrowings. The Group's gross debt level as at June 2011 increased slightly to $10.1 billion (30 June 2010: $9.8 billion) although the net debt equity ("D/E") ratio remained healthy at 0.23 (30 June 2010: 0.29).

The Group achieved a PATMI of $500.5 million in 1H 2011. This represents an increase of 35.4% over the restated PATMI in 1H 2010 of $369.5 million. The higher PATMI was largely driven by higher development profits from Singapore and China, fair value gains for investment properties and the gain from the sale of a residential site in Shanghai.

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

Segment Performance

CapitaLand Residential Singapore ("CRS")

S$M	2Q 2011	2Q 2010 (Restated)	Variance (%)	1H 2011	1H 2010 (Restated)	Variance (%)
Revenue	210.6	79.9	163.6	367.7	135.4	171.6
EBIT	74.2	44.2	67.9	132.9	57.3	132.0

Revenue for 2Q 2011 and 1H 2011 was higher than the corresponding periods last year. The strong revenue was underpinned by continued revenue contribution from The Interlace and The Wharf Residence, as well as the commencement of revenue recognition for Urban Resort Condominium.

As a result of the higher revenue, EBIT for 2Q 2011 and 1H 2011 was also higher than the corresponding periods in the previous year.

In 1H 2011, CRS launched 504 units and sold 271 units with total sales value of $565 million.

CapitaLand China Holdings ("CCH")

S$M	2Q 2011	2Q 2010 (Restated)	Variance (%)	1H 2011	1H 2010 (Restated)	Variance (%)
Revenue	139.9	79.0	77.0	269.7	143.7	87.7
EBIT	170.2	347.1	(51.0)	247.1	371.6	(33.5)

CCH delivered a total of 940 units to the home buyers in 2Q 2011 which mainly included 651 units from The Loft in Chengdu as well as 284 units from The Riviera and Riverside Ville in Foshan. For 1H 2011, the total number of units delivered was 1,316.

The higher revenue in 2Q 2011 and 1H 2011 was mainly due to revenue recognition of the completed units for the projects in Foshan.

EBIT was lower as compared to the previous corresponding periods mainly due to lower fair value gain from Raffles City Shenzhen. However, this was partially offset by a gain from the sale of a residential site in Shanghai.

In 2Q 2011, CCH launched two new residential projects, Imperial Bay in Hangzhou and Dolce Vita in Guangzhou. More units were also released for sale from existing residential projects, namely, The Metropolis in Kunshan, Riverside Ville and Beau Residences in Foshan, as well as The Loft in Chengdu.

CCH also sold its residential site in Guangnan, Shanghai, following the receipt of an unsolicited offer and the transaction was completed in 2Q 2011. The sale allowed CCH to achieve a gain which is higher than the expected development profit without taking on the development and market risks. CCH has also divested Double Tree Hotel in Kunshan and IBM R&D Centre in Beijing as part of its ongoing strategy of capital productivity. These divestments are expected to be completed in 3Q 2011.

CapitaLand Commercial ("CCL")

S$M	2Q 2011	2Q 2010 (Restated)	Variance (%)	1H 2011	1H 2010 (Restated)	Variance (%)
Revenue	23.0	24.6	(6.7)	46.6	49.0	(4.8)
EBIT	63.4	41.6	52.4	88.3	77.6	13.8

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

The decrease in revenue for 2Q 2011 and 1H 2011 was mainly due to lower revenue from the two industrial properties and loss of contribution from The Adelphi which was divested in January 2011. The decrease was partially offset by revenue contribution from the self-storage business acquired in July 2010.

EBIT for 2Q 2011 and 1H 2011 improved over the comparative periods mainly due to net fair value gains from the revaluation of investment properties and contribution from the self-storage business. This increase was moderated by the loss of contribution from a joint venture in Thailand that was divested in April 2011. In 2Q 2010, there was a gain from the sale of Robinson Point.

Ascott

S$M	2Q 2011	2Q 2010	Variance (%)	1H 2011	1H 2010	Variance (%)
Revenue	99.3	103.6	(4.1)	181.4	194.8	(6.9)
EBIT	70.7	40.5	74.4	74.3	49.4	50.2

Revenue in 2Q 2011 and 1H 2011 was lower than the corresponding periods in 2010 mainly due to lower share of contribution from the properties divested to Ascott Reit in 4Q 2010.

EBIT for 2Q 2011 and 1H 2011 improved due to share of higher fair value gains from investment properties held by Ascott Reit and a portfolio gain from the divestment of New Minzhong Leyuan Mall to CapitaRetail China Trust.

Year to date, Ascott further expanded its presence in Europe through the acquisition of Ascott Arc de Triomphe in France and Citadines properties in Hamburg and Frankfurt, Germany. Ascott has also consolidated its presence in India by taking full ownership of 4 joint venture companies to develop serviced residences in Ahmedabad, Hyderabad, Chennai and Bangalore as well as secured a lease in Bangalore, India. In addition, Ascott acquired a 90% interest in a property in Hai Phong, Vietnam.

As part of its strategy to scale up its global network, Ascott has also secured three new management contracts in Macau, Malaysia and Indonesia in 2Q 2011. Year to date, Ascott has secured 10 new management contracts in Shanghai, Manila, Hanoi, Indonesia, Malaysia, Qatar and Macau. Together with the investments in France, Germany and India, Ascott has a total of 14 new management contracts.

In July 2011, Ascott divested Ascott Beijing to its 36.1% owned associate, Ascott Serviced Residence (China) Fund.

CapitaValue Homes ("CVH")

S$M	2Q 2011	2Q 2010 (Restated)	Variance (%)	1H 2011	1H 2010 (Restated)	Variance (%)
Revenue	0.1	-	NM	1.1	-	NM
EBIT	(5.8)	(7.5)	22.9	(11.3)	(9.6)	(16.9)

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 have been reported under this business unit.

The revenue for 2Q 2011 and 1H 2011 comprised mainly project management fees. Under the new revenue recognition policy, CVH's revenue from residential projects can only be recognised in the period when the units sold are delivered to the buyers. The Vista project is about 74% sold as of June 2011 and the units sold are expected to be handed over to the home buyers in 3Q 2011.

For 2Q 2011, the lower loss before interest and taxation was mainly due to the absence of a loss on liquidation of a subsidiary.

Higher losses in 1H 2011 were mainly attributable to higher administrative expenses and share of loss from a joint venture which was set up in 4Q 2010, partially mitigated by the absence of a loss on liquidation of a subsidiary.

CapitaLand Financial ("CFL")

S$M	2Q 2011	2Q 2010	Variance (%)	1H 2011	1H 2010	Variance (%)
Revenue	29.1	24.7	18.0	53.3	47.4	12.5
EBIT	32.7	21.3	53.1	56.1	38.3	46.4

The higher revenue in 2Q 2011 and 1H 2011 was mainly due to higher fund management fees, carried interest in respect of Raffles City Ningbo and other income.

EBIT for 2Q 2011 and 1H 2011 was higher mainly due to higher revenue and a portfolio gain from the disposal of Blife units in Japan.

CapitaMalls Asia ("CMA")

S$M	2Q 2011	2Q 2010 (Restated)	Variance (%)	1H 2011	1H 2010 (Restated)	Variance (%)
Revenue	62.8	73.0	(13.9)	113.0	147.6	(23.4)
EBIT	212.8	94.0	126.5	277.6	175.5	58.2

The lower revenue in 2Q 2011 and 1H 2011 was mainly attributable to the divestments of three malls in Malaysia to CapitaMalls Malaysia Trust and Clarke Quay to CapitaMall Trust in July 2010. The decrease was partially mitigated by higher fund management and project management fees, as well as rental revenue from a newly acquired mall in Malaysia, Queensbay Mall.

The increase in EBIT in 2Q 2011 and 1H 2011 was primarily due to higher fair value gains on investment properties, partially offset by lower profit recognition from the sale of units of The Orchard Residences, lower contribution from the divested malls in Malaysia and foreign exchange losses.

Others

S$M	2Q 2011	2Q 2010 (Restated)	Variance (%)	1H 2011	1H 2010 (Restated)	Variance (%)
Revenue	175.5	207.7	(15.5)	319.1	314.5	1.5
EBIT	101.5	141.8	(28.4)	138.1	157.1	(12.1)

Others include the Corporate Office, Australand, Surbana and others.

The decrease in revenue in 2Q 2011 was attributable to lower sales from development projects in Australia.

EBIT in 2Q 2011 and 1H 2011 decreased mainly due to the impairment loss taken up by an associate in Bahrain and lower foreign exchange gain, partially offset by higher fair value gain of the investment properties in Australia.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the first quarter 2011 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")

Sales volume of private residential properties has moderated, following successive cooling measures implemented by the Singapore government. Notwithstanding this, CRS expects the Singapore residential market to remain stable in view of the continued economic growth, low interest rate environment and high liquidity.

CRS earnings in 2011 are expected to remain healthy, benefiting from the continued revenue contribution of the existing projects.

CRS remains on track to release new phases of The Interlace and d'Leedon in the second half of the year. Subject to regulatory approval, the new 583-unit condominium project at Bedok Town Centre is targeted for launch in the second half of 2011.

CapitaLand China Holdings ("CCH")

In China, the Chinese government had implemented several property cooling measures. CCH expects these measures to have an impact on the transaction volume in the near term but remains positive about the property market in the long term as urbanisation, strong domestic consumption and increasing affluence will continue to underpin demand.

In 2H 2011, CCH plans to launch new projects and/or release new units for sale from existing projects in Shanghai, Hangzhou, Tianjin, Beijing and Guangzhou. These new launches/releases will be timed according to the market conditions. CCH will also explore opportunities to acquire new sites.

CapitaLand Commercial ("CCL")

Singapore office market rents continue to increase in 2Q 2011, albeit at a moderate rate compared to last quarter. CCL will focus on its asset enhancement initiatives and explore ways to strengthen its commercial portfolio through investment opportunities in Singapore and Asia (namely the key cities of India, Malaysia and Japan). Investment opportunities could be through the development or incubation of green or brown-field projects or accretive income-producing assets.

In Singapore, CCL will seek to increase its office footprint in Singapore's Central Business District and in the regional commercial hubs located next to the Mass Rapid Transit stations. In line with this strategy, CCL has taken a 50% stake in the joint venture for the redevelopment of Market Street Car Park into a Grade A office tower, and a 20% interest in the joint venture for the retail-office development at Jurong Gateway.

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 to seek new investment opportunities in key cities in Asia and Europe. It will also continue to grow its fee-based income through securing management contracts. For the existing portfolio, Ascott has embarked on major asset enhancement on selected properties to enhance its brand value and asset yield.

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")

While growth has slowed in both Vietnam and China, CVH remains positive of the long term outlook of value housing market in these two markets on account of the continued economic growth and strong demand from first time homebuyers. CVH will focus on growing its pipeline and maintains its target 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 first project in Wuhan by the end of this year.

In Vietnam, CVH will focus on completing its first development project, The Vista, which is expected to be handed over to the buyers from 3Q 2011. CVH's first value housing development at Ho Chi Minh City, ParcSpring, will be launch-ready in 2H 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")

Despite uncertainties in Europe and US, Asia's emerging economies continue their strong growth, with China being the main engine of growth.

While China continues its credit tightening measures, it may present opportunities for long term players in China like CMA to acquire assets at more attractive prices. Three malls are slated to be opened in China in 2H 2011 and we will continue to strengthen our presence in China.

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

Australand

Economic conditions and sentiment in Australia softened in the first half of 2011. Consumers remain cautious, with inflationary pressures and the effect of mortgage rate increases from late 2010. The positive impact from activity in the resources sector has yet to be felt in most other sectors of the economy. With this backdrop, Australand remains cautious in its outlook for the remainder of 2011.

The Investment Property portfolio has low vacancy and no material leases expiring before 2012. Following the sale of assets to the GIC logistics joint venture in June, full year EBIT is expected to be in line with 2010. Development activity in the Commercial & Industrial division will be underpinned by the delivery of its forward workload. Australand expects demand to improve during the second half and into 2012. The creation of the logistics joint venture with GIC provides a capital partner for investment in future product from the division's development pipeline. The Residential division has a healthy level of contracts on hand and with several new projects expected to produce sales in the second half, the division aims to deliver a 20% increase in sales volume for the full year.

For further details, please refer to Australand's Appendix 4D and Financial Report for the half year ended 30 June 2011 released on the Singapore Exchange on 27 July 2011.

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 in light of the recent civil unrest in the country. Due to the current political situation and the continued poor outlook for real estate, the fund has impaired its investment in the project and CapitaLand's share of the impairment amounted to $37.7 million in 2Q 2011.

GROUP OVERALL PROSPECTS

The European debt crisis and the ongoing concerns over the financial situation in the US continue to cast uncertainty over the global economic outlook. Over in Asia, governments in China and Vietnam have tightened monetary policies to curb inflationary pressures thereby causing the respective economies to grow at a more measured pace. Governments in Singapore, China and Vietnam have also introduced measures to curb speculation in the property markets thus causing some price moderation in the sector. Given that a large part of the Group's business is situated outside Singapore, the continuous appreciation of the Singapore dollar against major currencies such as USD and RMB is an ongoing concern for most of our businesses. Notwithstanding the above, CapitaLand's balanced and diversified investment portfolio helps to mitigate any significant adverse impact posed from any one sector and geography.

In the first half of 2011, the Group made investments in new projects worth about $5 billion and expects to continue to identify more investments during the rest of the year. Based on the current development pipeline and plans for further investments, we expect the debt equity ratio to increase over the next 2 years. Despite this, capital recycling initiatives and prudent capital management would continue to provide the Group with a high level of financial flexibility.

Amidst the global uncertainties, CapitaLand continues to see opportunities in Asia, particularly China and Singapore. The Group remains optimistic about the long term prospects of the residential property sector in these two markets despite the current policy restrictions imposed on this sector. CapitaLand intends to release new phases from The Interlace and d'Leedon in Singapore and The Metropolis, The Loft, The Beaufort and Dolce Vita in China subject to market conditions.

Leasing activities and occupancy levels at our operational Raffles City projects in Singapore, Shanghai and Beijing have shown improved performance. Our Raffles City portfolio in China continues to grow with our Chengdu and Ningbo projects expected to be completed within the next 12 months. In Singapore, the re-development of Market Street Car Park into a prime Grade A office tower and the Jurong Gateway retail and office development site will expand the Group's footprint in the Singapore office sector and capitalise on the present recovery trend of that sector.

CapitaLand will continue to evaluate opportunities to originate new private equity funds and real estate financial products to complement the business. Ascott will seek new investments in Singapore, China, India and Europe and at the same time embark on its asset enhancement initiatives for selected properties to strengthen the brand and customer experience, and achieve higher yields.

CapitaMalls Asia plans to open three more malls in 2H 2011, adding to the 70 malls already in operation.

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 Segmental Revenue and Results

13(a)(i) By Strategic Business Units (SBUs) – 2Q 2011 vs 2Q 2010 (restated)

	Revenue			Earnings before interest & tax		
	2Q 2011 S$'000	2Q 2010 S$'000 (Restated)	Variance %	2Q 2011 S$'000	2Q 2010 S$'000 (Restated)	Variance %
CapitaLand Residential Singapore	210,630	79,893	163.6	74,205	44,204	67.9
CapitaLand China Holdings (1)	139,881	79,032	77.0	170,216	347,099	(51.0)
CapitaLand Commercial (2),(3)	22,970	24,621	(6.7)	63,359	41,569	52.4
Ascott	99,338	103,580	(4.1)	70,669	40,514	74.4
CapitaValue Homes	148	-	NM	(5,771)	(7,488)	22.9
CapitaLand Financial	29,129	24,677	18.0	32,679	21,347	53.1
CapitaMalls Asia	62,843	73,009	(13.9)	212,791	93,950	126.5
Others (4)	175,498	207,690	(15.5)	101,465	141,803	(28.4)
Total	**740,437**	**592,502**	**25.0**	**719,613**	**722,998**	**(0.5)**

13(a)(ii) By Strategic Business Units (SBUs) – 1H 2011 vs 1H 2010 (restated)

	Revenue			Earnings before interest & tax		
	1H 2011 S$'000	1H 2010 S$'000 (Restated)	Variance %	1H 2011 S$'000	1H 2010 S$'000 (Restated)	Variance %
CapitaLand Residential Singapore	367,674	135,398	171.6	132,868	57,261	132.0
CapitaLand China Holdings (1)	269,666	143,702	87.7	247,108	371,587	(33.5)
CapitaLand Commercial (2),(3)	46,621	48,967	(4.8)	88,315	77,590	13.8
Ascott	181,430	194,847	(6.9)	74,252	49,424	50.2
CapitaValue Homes(3)	1,065	-	NM	(11,271)	(9,638)	(16.9)
CapitaLand Financial	53,321	47,391	12.5	56,073	38,311	46.4
CapitaMalls Asia	113,031	147,644	(23.4)	277,639	175,510	58.2
Others (4)	319,149	314,528	1.5	138,143	157,136	(12.1)
Total	**1,351,957**	**1,032,477**	**30.9**	**1,003,127**	**917,181**	**9.4**

Note :
(1) *Excludes Retail and Serviced Residences in China.*
(2) *Includes residential projects in Malaysia.*
(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, Surbana and others.*

13(b)(i) By Geographical Location – 2Q 2011 vs 2Q 2010 (restated)

	Revenue			Earnings before interest & tax		
	2Q 2011 S$'000	2Q 2010 S$'000 (Restated)	Variance %	2Q 2011 S$'000	2Q 2010 S$'000 (Restated)	Variance %
Singapore	287,739	149,665	92.3	263,075	179,610	46.5
China [1]	174,845	115,642	51.2	324,300	386,640	(16.1)
Other Asia [2]	19,441	34,209	(43.2)	(21,913)	26,986	NM
Australia	196,271	218,843	(10.3)	134,023	95,923	39.7
Europe	53,983	65,116	(17.1)	19,965	29,420	(32.1)
Others	8,158	9,027	(9.6)	163	4,419	(96.3)
Total	**740,437**	**592,502**	**25.0**	**719,613**	**722,998**	**(0.5)**

13(b)(ii) By Geographical Location – 1H 2011 vs 1H 2010 (restated)

	Revenue			Earnings before interest & tax		
	1H 2011 S$'000	1H 2010 S$'000 (Restated)	Variance %	1H 2011 S$'000	1H 2010 S$'000 (Restated)	Variance %
Singapore	511,354	276,703	84.8	394,619	257,268	53.4
China [1]	338,220	216,488	56.2	416,863	428,325	(2.7)
Other Asia [2]	34,190	66,842	(48.8)	(151)	55,844	NM
Australia	358,067	337,789	6.0	180,721	137,682	31.3
Europe	93,571	117,414	(20.3)	10,606	33,776	(68.6)
Others	16,555	17,241	(4.0)	469	4,286	(89.1)
Total	**1,351,957**	**1,032,477**	**30.9**	**1,003,127**	**917,181**	**9.4**

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 30 June 2011 and the results of the business, changes in equity and cash flows of the Group for the six months ended on that date, to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
4 August 2011