



CAPITALAND LIMITED

(Registration Number : 198900036N)

2011 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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1(a)(i) Income Statement

	Note	Group					
		3Q 2011	3Q 2010	Change	YTD Sep 2011	YTD Sep 2010	Change
		S\$'000	S\$'000 (Restated)	%	S\$'000	S\$'000 (Restated)	%
Revenue	A	608,571	1,447,985	(58.0)	1,960,528	2,480,462	(21.0)
Cost of sales		(338,264)	(880,398)	(61.6)	(1,162,499)	(1,433,254)	(18.9)
Gross profit		270,307	567,587	(52.4)	798,029	1,047,208	(23.8)
Other operating income	B	64,546	97,643	(33.9)	405,968	502,892	(19.3)
Administrative expenses	C	(127,850)	(113,147)	13.0	(367,151)	(326,467)	12.5
Other operating expenses	D	(19,471)	(4,087)	376.4	(28,268)	(5,462)	417.5
Profit from operations		187,532	547,996	(65.8)	808,578	1,218,171	(33.6)
Finance costs		(139,302)	(115,855)	20.2	(367,741)	(328,848)	11.8
Share of results (net of tax) of:	E						
- associates		65,528	139,051	(52.9)	360,673	237,943	51.6
- joint ventures		18,315	33,433	(45.2)	105,251	181,547	(42.0)
		83,843	172,484	(51.4)	465,924	419,490	11.1
Profit before taxation		132,073	604,625	(78.2)	906,761	1,308,813	(30.7)
Taxation	F	(26,841)	(111,047)	(75.8)	(124,266)	(237,891)	(47.8)
Profit for the period		105,232	493,578	(78.7)	782,495	1,070,922	(26.9)
Attributable to:							
Owners of the Company ("PATMI")		80,224	460,092	(82.6)	580,723	829,635	(30.0)
Non-controlling interests ("NCI")		25,008	33,486	(25.3)	201,772	241,287	(16.4)
Profit for the period		105,232	493,578	(78.7)	782,495	1,070,922	(26.9)

Note:

As required by INT FRS 115 – Agreements for the Construction of Real Estate, 3Q 2010 and YTD September 2010 results were restated (Please refer to item 4). The PATMI for 3Q 2010 was restated to \$460.1 million from \$159.6 million and that of YTD September 2010 was restated to \$829.6 million from \$751.1 million. The increase was mainly due to profit recognition of The Seafront on Meyer, Latitude and Ningbo Summit Residences upon their completion in 3Q 2010, but offset by the following projects for which profits could only be recognised on completion:

Projects	Completion	Projects	Expected Completion
The Orchard Residences	4Q 2010	Rihan Heights	4Q 2011
Loft - Phase 1.1 & 1.2	4Q 2010 / 2Q 2011	Loft - Phase 1.3	4Q 2011
Riverside Ville	2Q 2011	Beaufort - Block 1	4Q 2011
The Vista	3Q - 4Q 2011	The Metropolis - Phase 1A	1Q 2012

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1(a)(ii) Explanatory Notes to Income Statement – 3Q 2011 vs 3Q 2010 (Restated)

(A) Revenue

3Q 2011's revenue was significantly lower largely due to the adoption of INT FRS 115. This was because 3Q 2010's revenue included the full recognition of units sold under the deferred payment scheme from The Seafront on Meyer and Latitude projects in Singapore as both projects were completed in the third quarter of 2010. Excluding the sales of these two projects which accounted for a variance of \$818.6 million, 3Q 2011's revenue was slightly lower than 3Q 2010 and the decrease was attributable to lower revenue recognition from the development projects in China and Australia, partially mitigated by revenue contribution from a development project in Vietnam, higher rental revenue from our shopping malls as well as higher fee-based revenue. (Please see item 8 for details).

(B) Other Operating Income

	Group		
	3Q 2011 S\$'000	3Q 2010 S\$'000 (Restated)	Change (%)
Other Operating Income	64,546	97,643	(33.9)
Investment income	234	788	(70.3)
Interest income	19,306	20,701	(6.7)
Other income (including portfolio gains)	(i) 45,006	64,574	(30.3)
Gain from bargain purchase (negative goodwill)	(ii) -	11,580	(100.0)

- (i) 3Q 2011's other income included portfolio gains of \$34.4 million mainly from the divestment of Ascott Beijing to Ascott Serviced Residence (China) Fund.
- In 3Q 2010, portfolio gains amounted to \$53.7 million, comprising gains from the divestment of our entire 50% stake in Sichuan Zhixin Capitaland Co., Ltd and the listing of CapitaMalls Malaysia Trust by CapitaMalls Asia.
- (ii) The gain in 3Q 2010 arose from the acquisition of a subsidiary as part of the restructuring exercise carried out by ARC-CapitaLand Residences Japan Private Limited.

(C) Administrative Expenses

	Group		
	3Q 2011 S\$'000	3Q 2010 S\$'000	Change (%)
Administrative Expenses	(127,850)	(113,147)	13.0
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(9,609)	(15,479)	(37.9)
Write back of doubtful receivables and bad debts written off	(338)	(467)	(27.6)

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other administrative expenses. 3Q 2011's administrative expenses were higher mainly due to higher staff costs and professional fees, partially offset by lower depreciation charges following the divestment of 28 serviced residences in 4Q 2010. The increase in staff costs was mainly attributable to an increase in headcount in our overseas offices to support the growing business operations in those countries. Higher professional fees were incurred mainly in relation to CapitaMalls Asia's secondary listing in Hong Kong.

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1(a)(ii) Explanatory Notes to Income Statement – 3Q 2011 vs 3Q 2010 (Restated)

(D) Other Operating Expenses

Other operating expenses were higher in 3Q 2011 mainly due to foreign exchange losses arising from the revaluation of JPY payables and cash denominated in RMB. During the quarter, JPY strengthened against the SGD while the RMB depreciated against the SGD. The other operating expenses also included realised foreign exchange losses from the capital distribution made by an associate.

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

The share of results from associates in 3Q 2011 was comparatively lower than 3Q 2010 as last year's contribution included the profit recognition of Ningbo Summit Residences which was completed in 3Q 2010 and the gain from the divestment of Starhub Centre by CapitaCommercial Trust.

The share of results from joint ventures in 3Q 2011 was also lower due to lower contributions from The Orchard Residences which had obtained its Temporary Occupation Permit last year and the absence of contribution from a joint venture in Thailand which was divested in April 2011.

(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.

3Q 2011 tax expense included a write back of over-provision of tax for prior years of \$17.1 million following the resolution of a tax issue in Singapore (3Q 2010: write back of \$4.6 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:

3Q 2011	PATMI (\$M)
Ascott Beijing ⁽¹⁾	32.0
Others	2.5
Total Group's share of gain after tax & NCI for 3Q 2011	34.5
3Q 2010	
Sichuan Zhixin CapitaLand Co., Ltd	34.6
Starhub Centre (accounted for in share of associates' results in item E)	32.0
Listing of CapitaMalls Malaysia Trust	5.0
Others	2.8
Total Group's share of gain after tax & NCI for 3Q 2010	74.4

⁽¹⁾ Ascott Beijing was sold to Ascott Serviced Residence (China) Fund. The Group has deferred a portion of the gains based on its retained stake in Ascott Serviced Residence (China) Fund according to FRS 28 Investments in Associates.

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1(a)(iii) Statement of Comprehensive Income

	Group					
	3Q 2011	3Q 2010	Change	YTD Sep 2011	YTD Sep 2010	Change
	S\$'000	S\$'000 (Restated)	%	S\$'000	S\$'000 (Restated)	%
Profit for the period	105,232	493,578	(78.7)	782,495	1,070,922	(26.9)
Other comprehensive income:						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations ⁽¹⁾	(137,747)	(199,902)	(31.1)	(342,665)	(349,780)	(2.0)
Change in fair value of available-for-sale investments ⁽²⁾	(275)	3,466	NM	(43,925)	4,705	NM
Effective portion of change in fair value of cash flow hedges	(42,651)	5,805	NM	(59,123)	(737)	NM
Share of other comprehensive income of associates and joint ventures	18,681	(20,650)	NM	29,181	(6,786)	NM
	(161,992)	(211,281)	(23.3)	(416,532)	(352,598)	18.1
Total comprehensive income	(56,760)	282,297	NM	365,963	718,324	(49.1)
Attributable to:						
Owners of the Company ⁽³⁾	(14,625)	260,289	NM	234,311	554,459	(57.7)
Non-controlling interests	(42,135)	22,008	NM	131,652	163,865	(19.7)
	(56,760)	282,297	NM	365,963	718,324	(49.1)

⁽¹⁾ 3Q 2011's exchange differences arose mainly from the appreciation of SGD against the RMB, USD and AUD of 0.6%, 2.2% and 2.6% respectively. For YTD September 2011, SGD appreciated against the RMB and USD by 4.8% and 9.5% respectively.

⁽²⁾ YTD September 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.

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

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1(b)(i) Balance Sheet

	Group			Company		
	30/09/2011 S\$'000	31/12/2010 S\$'000 (Restated) ⁽¹⁾	Change %	30/09/2011 S\$'000	31/12/2010 S\$'000	Change %
Non-Current Assets						
Property, Plant & Equipment	1,015,453	1,049,407	(3.2)	10,101	8,164	23.7
Intangible Assets	458,487	459,605	(0.2)	147	147	-
Investment Properties ⁽²⁾	6,346,890	4,732,895	34.1	-	-	-
Interests in Subsidiaries Interests in Associates & Joint Ventures	-	-	-	10,747,451	12,435,703	(13.6)
Other Non-Current Assets ⁽³⁾	9,997,461	10,048,767	(0.5)	-	-	-
	801,452	402,540	99.1	3,135	3,135	-
	18,619,743	16,693,214	11.5	10,760,834	12,447,149	(13.5)
Current Assets						
Development Properties for Sale and Stock ⁽⁴⁾	6,332,524	5,667,149	11.7	-	-	-
Trade & Other Receivables	1,682,016	2,133,709	(21.2)	2,603,376	1,166,526	123.2
Cash & Cash Equivalents	5,489,846 ⁽⁵⁾	7,190,064	(23.6)	63,116	53,954	17.0
Other Current Assets	195,000	203,009	(3.9)	-	-	-
	13,699,386	15,193,931	(9.8)	2,666,492	1,220,480	118.5
Less: Current Liabilities						
Trade & Other Payables	2,031,769	2,050,085	(0.9)	61,280	195,367	(68.6)
Short-Term Borrowings	764,719	1,761,774	(56.6)	-	-	-
Other Current Liabilities	434,273	496,405	(12.5)	6,384	5,424	17.7
	3,230,761	4,308,264	(25.0)	67,664	200,791	(66.3)
Net Current Assets	10,468,625	10,885,667	(3.8)	2,598,828	1,019,689	154.9
Less: Non-Current Liabilities						
Long-Term Borrowings	9,749,122	8,596,269	13.4	3,413,092	3,379,883	1.0
Other Non-Current Liabilities	1,389,381	1,117,408	24.3	62,264	87,549	(28.9)
	11,138,503	9,713,677	14.7	3,475,356	3,467,432	0.2
Net Assets	17,949,865	17,865,204	0.5	9,884,306	9,999,406	(1.2)
Representing:						
Share Capital	6,298,334	6,276,504	0.3	6,298,334	6,276,504	0.3
Revenue Reserves	7,828,142	7,511,740	4.2	3,217,203	3,301,550	(2.6)
Other Reserves ⁽⁶⁾	(140,694)	243,689	NM	368,769	421,352	(12.5)
Equity attributable to Owners of the Company	13,985,782	14,031,933	(0.3)	9,884,306	9,999,406	(1.2)
Non-controlling Interests	3,964,083	3,833,271	3.4	-	-	-
Total Equity	17,949,865	17,865,204	0.5	9,884,306	9,999,406	(1.2)

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 revaluation gains of investment properties, the acquisition of Jurong Gateway site in Singapore, Queensbay Mall in Malaysia and Luwan site in Shanghai, partially offset by the divestments of The Adelphi and New Minzhong Leyuan Mall.
3. The increase was mainly due to additional equity injection into an available-for-sale investment in Japan.
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 \$3,486.6 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 YTD September 2011 due to the appreciation of SGD against the RMB and USD as well as the realisation of fair value reserves in respect of LFIE and Blife.

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

	Group	
	As at 30/09/2011 S\$'000	As at 31/12/2010 S\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	169,617	518,130
Unsecured	595,102	1,243,644
Sub-Total 1	764,719	1,761,774
<u>Amount repayable after one year:-</u>		
Secured	1,294,969	1,097,933
Unsecured	8,454,153	7,498,336
Sub-Total 2	9,749,122	8,596,269
Total Debt	10,513,841	10,358,043
Total Debt less Cash	5,023,995	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

	3Q 2011 S\$'000	3Q 2010 S\$'000 (Restated)	YTD Sep 2011 S\$'000	YTD Sep 2010 S\$'000 (Restated)
Cash Flows from Operating Activities				
Profit after taxation	105,232	493,578	782,495	1,070,922
Adjustments for :				
Amortisation and impairment of intangible assets	9	257	1,315	1,506
Allowance/(Write back) for:				
- Doubtful receivables	338	467	(3,650)	(403)
- Impairment loss on investment in joint venture	-	-	-	(1,413)
- Impairment on property, plant and equipment	1,352	-	1,559	-
Share-based expenses	9,430	8,616	26,136	27,559
Changes in fair value of financial instruments	6,229	(276)	-	(20,766)
Depreciation of property, plant and equipment	9,605	15,344	29,479	46,218
Gain on disposal of property, plant and equipment	(651)	(812)	(880)	(707)
Gain on disposal of investment properties	-	(8,557)	-	(12,160)
Net fair value gain from investment properties	-	-	(112,097)	(299,733)
Gain from bargain purchase	-	(11,580)	-	(11,580)
Net gain on disposal/liquidation of equity investments and other financial assets	(33,603)	(45,635)	(155,187)	(49,151)
Realisation of available-for-sale reserves	-	-	(20,329)	-
Share of results of associates and joint ventures	(83,843)	(172,484)	(465,924)	(419,490)
Accretion of deferred income	(8)	(969)	(16,126)	(8,137)
Interest expense	139,302	115,855	367,741	328,848
Interest income	(19,306)	(20,701)	(57,091)	(57,190)
Taxation	26,841	111,047	124,266	237,891
	55,695	(9,428)	(280,788)	(238,708)
Operating profit before working capital changes	160,927	484,150	501,707	832,214
(Increase)/decrease in working capital				
Trade and other receivables	99,328	(364,585)	121,564	(352,204)
Development properties for sale	(226,195)	511,758	(811,990)	173,667
Trade and other payables	(273,102)	(17,438)	(276,753)	(5,364)
Restricted bank deposits	10	-	354	-
	(399,959)	129,735	(966,825)	(183,901)
Cash (used in)/generated from operations	(239,032)	613,885	(465,118)	648,313
Income tax paid	(67,124)	(58,496)	(162,196)	(168,046)
Net cash (used in)/generated from Operating Activities	(306,156)	555,389	(627,314)	480,267

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

	3Q 2011 S\$'000	3Q 2010 S\$'000 (Restated)	YTD Sep 2011 S\$'000	YTD Sep 2010 S\$'000 (Restated)
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	2,236	2,190	2,800	2,714
Purchase of property, plant and equipment	(24,141)	(17,769)	(109,428)	(62,196)
Loans from / (Investments in) associates and joint ventures	486,160	(454,307)	126,147	(479,488)
Advance to investee companies and other receivables	(27,889)	(70,709)	(13,432)	(96,433)
Prepayment for acquisition of an investment property	-	(18,631)	(17,677)	(18,631)
Deposits received for disposal of subsidiaries	6,605	-	55,581	-
Acquisition of investment properties	(926,425)	(96,553)	(1,523,592)	(207,665)
Proceeds from disposal of investment properties	95	1,143,193	404,517	1,238,412
Investment in other financial assets	(271,496)	(1,042)	(267,580)	(10,774)
Dividends received from associates and joint ventures	138,399	86,296	477,364	205,252
Acquisition of subsidiaries, net of cash acquired	(6,763)	13,663	(399,478)	(2,815,414)
Disposal of subsidiaries, net of cash disposed off	283,076	-	866,251	34,353
Transaction costs for public offering of a subsidiary	-	(322)	-	(18,932)
Interest income received	12,929	11,988	34,658	32,012
Net cash (used in)/generated from Investing Activities	(327,214)	597,997	(363,869)	(2,196,790)
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	3	604	2,782	20,045
Purchase of treasury shares	(53,380)	-	(53,380)	-
(Repayments to) / Borrowings from non-controlling interests	(34,269)	24,695	57,363	33,672
Contributions from non-controlling interests	29	512	129	18,494
Changes in ownership interests in subsidiaries without losing control	(29,268)	(24,907)	(29,268)	150,344
Proceeds from bank borrowings	1,583,593	2,040,342	3,666,935	2,407,377
Repayments of bank borrowings	(996,612)	(2,052,680)	(3,059,638)	(2,573,331)
Proceeds from debt securities	3,680	700,000	496,016	700,000
Repayments of debt securities	(135,647)	(57,599)	(919,614)	(404,438)
Repayments of finance lease payables	-	(783)	-	(2,366)
Dividends paid to non-controlling interests	(61,112)	(36,417)	(137,519)	(94,737)
Dividends paid to shareholders	-	-	(256,161)	(447,369)
Interest expense paid	(148,077)	(132,710)	(384,512)	(332,604)
Net cash generated from/(used in) Financing Activities	128,940	461,057	(616,867)	(524,913)
Net (decrease)/increase in cash and cash equivalents	(504,430)	1,614,443	(1,608,050)	(2,241,436)
Cash and cash equivalents at beginning of the period	6,011,594	4,864,353	7,187,335	8,729,718
Effect of exchange rate changes on cash balances held in foreign currencies	(19,693)	(21,789)	(91,814)	(31,275)
Cash and cash equivalents reclassified to assets held for sale	-	(20,130)	-	(20,130)
Cash and cash equivalents at end of the period	5,487,471	6,436,877	5,487,471	6,436,877
Restricted cash deposits	2,375	-	2,375	-
Cash and cash equivalents in the balance sheet	5,489,846	6,436,877	5,489,846	6,436,877

Cash and cash equivalents at end of the period

The cash and cash equivalents of about \$5,489.8 million as at 30/09/2011 included \$3,105.5 million in fixed deposits and \$106.5 million in Project Accounts whose withdrawals are restricted to the payment of development projects expenditure.

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

For the period ended 30/09/2011 vs 30/09/2010 (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 01/07/2011	6,298,331	7,744,883	(11,078)	14,032,136	4,071,685	18,103,821
Total comprehensive income						
Profit for the period		80,224		80,224	25,008	105,232
<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			(88,013)	(88,013)	(49,734)	(137,747)
Change in fair value of available-for-sale investments			(275)	(275)	-	(275)
Effective portion of change in fair value of cash flow hedges			(27,968)	(27,968)	(14,683)	(42,651)
Share of other comprehensive income of associates and joint ventures			21,407	21,407	(2,726)	18,681
Total other comprehensive income, net of income tax	-	-	(94,849)	(94,849)	(67,143)	(161,992)
Total comprehensive income	-	80,224	(94,849)	(14,625)	(42,135)	(56,760)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	3			3	-	3
Purchase of treasury shares			(53,380)	(53,380)		(53,380)
Contribution by non-controlling interests (net)				-	29	29
Changes in ownership interests in subsidiaries with no change in control		17,226	(3,436)	13,790	(43,058)	(29,268)
Dividends paid/payable				-	(23,258)	(23,258)
Share-based payments			8,041	8,041	734	8,775
Share of reserves of associates and joint ventures		(4,836)	4,050	(786)	-	(786)
Others		(9,355)	9,958	603	86	689
Total transactions with owners	3	3,035	(34,767)	(31,729)	(65,467)	(97,196)
Balance as at 30/09/2011	6,298,334	7,828,142	(140,694)	13,985,782	3,964,083	17,949,865

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

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

For the period ended 30/09/2011 vs 30/09/2010 (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 01/07/2010, as previously reported	6,273,778	6,999,794	249,499	13,523,071	3,799,164	17,322,235
Effect of change in accounting policy#	-	(514,970)	3,978	(510,992)	(66,729)	(577,721)
Balance as at 01/07/2010, as restated	6,273,778	6,484,824	253,477	13,012,079	3,732,435	16,744,514
Total comprehensive income						
Profit for the period		460,092		460,092	33,486	493,578
<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			(192,723)	(192,723)	(7,179)	(199,902)
Change in fair value of available-for-sale investments			3,466	3,466	-	3,466
Effective portion of change in fair value of cash flow hedges			3,997	3,997	1,808	5,805
Share of other comprehensive income of associates and joint ventures			(14,543)	(14,543)	(6,107)	(20,650)
Total other comprehensive income, net of income tax	-	-	(199,803)	(199,803)	(11,478)	(211,281)
Total comprehensive income	-	460,092	(199,803)	260,289	22,008	282,297
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	604			604	-	604
Contribution by non-controlling interests (net)				-	650	650
Changes in ownership interests in subsidiaries with a change in control				-	5,096	5,096
Changes in ownership interests in subsidiaries with no change in control		49	(1,715)	(1,666)	(23,241)	(24,907)
Dividends paid/payable				-	(6,890)	(6,890)
Share-based payments			7,965	7,965	637	8,602
Share of reserves of associates and joint ventures			(2,414)	(2,414)	(877)	(3,291)
Others		(17,665)	17,743	78	(915)	(837)
Total transactions with owners	604	(17,616)	21,579	4,567	(25,540)	(20,973)
Balance as at 30/09/2010	6,274,382	6,927,300	75,253	13,276,935	3,728,903	17,005,838

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

Please refer to item 4.

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

For the period ended 30/09/2011 vs 30/09/2010 – Company

	Share Capital S\$'000	Revenue Reserves S\$'000	Reserve for ow n Shares S\$'000	Capital Reserves S\$'000	Equity Comp Reserves S\$'000	Total Equity S\$'000
Balance as at 01/07/2011	6,298,331	3,195,591	-	383,490	36,696	9,914,108
Total comprehensive income						
Profit for the period		21,612				21,612
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	3					3
Purchase of treasury shares			(53,380)			(53,380)
Share-based payments					1,963	1,963
Total transactions with owners	3	-	(53,380)	-	1,963	(51,414)
Balance as at 30/09/2011	6,298,334	3,217,203	(53,380)	383,490	38,659	9,884,306
Balance as at 01/07/2010	6,273,778	3,021,717	-	383,490	33,277	9,712,262
Total comprehensive income						
Profit for the period		74,259				74,259
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	604					604
Share-based payments					2,033	2,033
Total transactions with owners	604	-	-	-	2,033	2,637
Balance as at 30/09/2010	6,274,382	3,095,976	-	383,490	35,310	9,789,158

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

Issued Share Capital

As at 30 September 2011, the Company's issued and fully paid up capital (excluding treasury shares) comprises 4,248,453,258 (31 December 2010: 4,262,492,185) ordinary shares. Movements in the Company's issued and fully paid-up share capital during the quarter were as follows:

As at 01/07/2011	4,269,407,912
Purchase of treasury shares	(20,959,000)
Issue of shares under Share Option and Share Plans	4,346
As at 30/09/2011	4,248,453,258

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 replaced the CapitaLand Performance Share Plan and CapitaLand Restricted Stock Plan under the previous share plans which were terminated. All awards granted under the previous share plans prior to its termination will continue to be valid and be subject to the terms and conditions of the previous share plans. The first grant of award under the new share plans was made in March 2011.

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Outstanding Options under CapitaLand Share Option Plan

	No. of Options
As at 01/07/2011	9,236,424
Exercised	(4,346)
Lapsed/Cancelled	(123,623)
As at 30/09/2011	<u>9,108,455</u>

Performance Share Plan

As at 30/09/2011, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 9,677,650 (30/09/2010: 9,219,480).

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 30/09/2011, 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 6,416,290 (30/09/2010: 5,771,032) and 6,932,363 (30/09/2010: 7,820,793) respectively, of which 771,800 (30/09/2010: 672,570) shares out of the former and 902,620 (30/09/2010: 1,182,814) 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 30/09/2011:

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

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Convertible Bonds (cont'd)

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 558,369,149 representing a 13.1% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 September 2011.

1(d)(iii) Treasury Shares

The Company commenced its share buybacks in September 2011. Movements in the Company's treasury shares during the quarter were as follows:

	<u>No. of Shares</u>
As at 01/07/2011	-
Purchased during the quarter	20,959,000
As at 30/09/2011	<u>20,959,000</u>

The number of treasury shares held by the Company represents 0.5% of the total number of issued shares (excluding treasury shares) of the Company as at 30 September 2011.

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

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.

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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, the control and 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 a 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)
<u>Balance sheet as at 1 January</u>		
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)
<u>Balance sheet as at 31 December</u>		
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)

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- 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	
	3Q 2010 \$'000 Increase/ (Decrease)	YTD Sep 2010 \$'000 Increase/ (Decrease)
<i>Income statement for the period ended 30 September</i>		
Revenue	763,372	234,673
Cost of sales	(441,450)	(104,992)
Other operating income	-	(738)
Share of results of associates (net of tax)	42,438	8,657
Share of results of joint ventures (net of tax)	(11,904)	(58,742)
Taxation	(58,371)	(30,270)
Non-controlling interests	6,376	29,962
Profit attributable to Owners of the Company	300,461	78,550
Increase in basic earnings per share (cents)	7.0	1.9
Increase in diluted earnings per share (cents)	6.5	1.7

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			
		3Q 2011	3Q 2010 (Restated)	YTD Sep 2011	YTD Sep 2010 (Restated)
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	1.9	10.7	13.6	19.5
	Weighted average number of ordinary shares (in million)	4,267.2	4,308.5	4,267.1	4,257.8
6(b)	EPS based on fully diluted basis (in cents)	1.9	10.2	13.5	19.2
	Weighted average number of ordinary shares (in million)	4,302.4	4,816.1	4,302.4	4,618.5

- 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	
	30/09/2011	31/12/2010 (Restated)	30/09/2011	31/12/2010
NAV per ordinary share	\$3.29	\$3.29	\$2.33	\$2.35
NTA per ordinary share	\$3.18	\$3.18	\$2.33	\$2.35

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8 Review of the Group's performance

Group Overview

S\$M	3Q 2011	3Q 2010	3Q 2010 (As Reported (Restated) ¹ Previously)	YTD Sep 2011	YTD Sep 2010 (As Reported (Restated) ¹ Previously)	YTD Sep 2010 (As Reported (Restated) ¹ Previously)
Revenue	608.6	1,448.0	684.6	1,960.5	2,480.5	2,245.8
Earnings before Interest and Tax ("EBIT")	271.4	720.5	368.0	1,274.5	1,637.7	1,558.8
Finance costs	(139.3)	(115.9)	(115.9)	(367.7)	(328.8)	(328.8)
PBT	132.1	604.6	252.2	906.8	1,308.8	1,230.0
PATMI	80.2	460.1	159.6	580.7	829.6	751.1
PATMI excluding revaluations / impairments	80.2	460.1	159.6	351.6	620.9	542.4

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 3Q 2010 and YTD September 2010 results were restated (Please refer to item 4 for details on the change in accounting policy).

3Q 2011 vs 3Q 2010 (Restated)

The Group achieved a Revenue of \$608.6 million and a PATMI of \$80.2 million in 3Q 2011.

The decrease in 3Q 2011's Group revenue was primarily due to the exceptionally strong revenue in 3Q 2010 as the revenue of units sold under the deferred payment scheme from two projects in Singapore were recognised in the same quarter. The two projects are The Seafront on Meyer and Latitude. Under INT FRS 115, revenue for sales of units under such scheme could only be recognised upon completion. Excluding the effects of these 2 big projects, the Group revenue was marginally lower and the reduction came mainly from the development projects in China and Australia. The decrease was partially mitigated by revenue recognition from a development project in Vietnam, higher rental from our shopping malls and higher fee-based income.

In Singapore, revenue from development projects decreased by 78.6%. As mentioned above, the decrease was mainly attributable to the recognition of the units sold in respect of The Seafront on Meyer and Latitude upon its completion in 3Q 2010. During 3Q 2011, the Group recorded progressive revenue from units sold in The Interlace, Urban Resort Condominium and The Wharf Residence. In China, revenue from development projects dipped by 49.9% as fewer units were delivered to home buyers during the quarter. In Australia, revenue from development projects came in lower but this was partially mitigated by a favourable AUD exchange rate. The Group's development project in Vietnam, The Vista, was completed in September 2011, enabling the Group to recognise revenue of \$20.9 million in respect of 85 units which were delivered to the buyers.

Rental revenue from our shopping mall business registered an increase mainly attributable to contribution from the Queensbay Mall which was acquired in April 2011. Fee-based income was also higher on account of higher fund management, project management and property management fees.

In 3Q 2011, the Group recorded an EBIT of \$271.4 million. This was significantly lower than 3Q 2010's restated EBIT of \$720.5 million as 3Q 2010's EBIT was boosted by profit recognition of The Seafront on Meyer and Latitude. In 3Q 2011, the portfolio gains were also lower. The Group recognised a gain of \$34.9 million mainly from the sale of Ascott Beijing to Ascott Serviced Residence (China) Fund. In 3Q 2010, portfolio gains amounted to \$85.7 million which came mainly from the sale of Sichuan Zhixin CapitalLand, Starhub Centre as well as the listing of CapitaMalls Malaysia Trust.

After taking into account finance costs, taxes and non-controlling interests, the Group achieved a PATMI of \$80.2 million in 3Q 2011. This was due to the factors mentioned above as well as higher finance costs incurred in this quarter. Finance costs were higher due to marked-to-market losses on interest rate hedging contracts which were entered into to limit interest rate fluctuations. The marked-to-market fluctuations for these contracts flow through to the income statement as they did not meet the accounting hedge effectiveness.

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YTD September 2011 vs YTD September 2010 (Restated)

For the nine months ended September 2011, the Group achieved a PATMI of \$580.7 million on the back of revenue of \$1,960.5 million.

Revenue for YTD September 2011 of \$1,960.5 million was 21.0% lower than last year. This was mainly due to lower revenue from our development projects as the restated YTD September 2010's revenue included significant contributions from The Seafront on Meyer and Latitude. Revenue for YTD September 2011 were from The Interlace, The Wharf Residence and Urban Resort Condominium in Singapore as well as Riviera, Beau Residences and Riverside Ville in Foshan, China. In September 2011, the Group also recognised revenue for The Vista, its first residential project in Vietnam.

The Group's rental revenue decreased due mainly to the absence of contribution from the shopping malls and serviced residences that were injected into our REITs last year. However, this decrease was mitigated by new sources of rental revenue such as the newly acquired Queensbay Mall. Fee-based income for the Group was however higher on the back of increased fund management, property and project management services.

Geographically, revenue from our overseas operations constituted \$1,163.7 million or 59.4% of the Group's total revenue (YTD September 2010: \$1,153.5 million or 46.5%) with China and Australia being the main contributors.

At the EBIT level, the Group achieved an EBIT of \$1,274.5 million as compared to \$1,637.7 million in YTD September 2010. The lower EBIT was mainly attributable to lower development profits and higher impairment charges, partially mitigated by higher portfolio gains.

For the nine months ended September 2011, the Group's share of impairment losses from its associates in Bahrain and Japan amounted to \$41.0 million. In contrast, the Group wrote back impairment charges of \$18.6 million mainly in respect of Urban Suites in YTD September 2010.

Portfolio gains for YTD September 2011 totaled \$156.5 million, mainly attributable to gains from the divestment of a residential site in Shanghai, Blife units, New Minzhong Leyuan Mall and Ascott Beijing. In addition, the Group recorded a gain of \$20.3 million from the realisation of available-for-sale reserves in respect of LFIE. In YTD September 2010, the Group recorded portfolio gains of \$106.4 million mainly from the sale of Raffles City Ningbo, Starhub Centre and Robinson Point as well as the listing of CapitaMalls Malaysia Trust.

Geographically, overseas EBIT contribution accounted for \$745.8 million or 58.5% (YTD September 2010: \$896.8 million or 54.8%) of the Group's total EBIT. The Group recorded higher EBIT from Australia, but the contributions from other geographical regions were lower. In Australia, EBIT was mainly boosted by fair value gains from our investment properties. EBIT from China was lower mainly due to lower revaluation gains from investment properties but partially mitigated by higher gains from divestments. The decrease in EBIT from Europe was 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⁾ decreased, mainly attributable to impairment charges taken up by our associates in Bahrain and Japan, a reduced contribution from a joint venture in Thailand which was divested to an external party in April 2011 and the divestment of a serviced residence in Vietnam and 3 Malaysian malls to our REITs last year.

Finance costs for YTD September 2011 increased to \$367.7 million due to higher average cost of borrowings and marked-to-market losses on interest rate swap contracts. The Group's gross debt as at 30 September 2011 increased marginally to \$10.5 billion (30 September 2010: \$10.1 billion). With cash of \$5.5 billion, the Group maintained a very healthy net debt equity ratio of 0.28 (30 September 2010: 0.22).

The Group's PATMI for YTD September 2011 was \$580.7 million. This was lower than the restated YTD September 2010's PATMI mainly due to lower development profits and higher impairment charges, partially mitigated by higher fair value gains for investment properties and gains from divestments as mentioned above.

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

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Segment Performance

CapitaLand Residential Singapore (“CRS”)

S\$M	3Q 2011	3Q 2010	Variance (%)	YTD Sep 2011	YTD Sep 2010	Variance (%)
	(Restated)			(Restated)		
Revenue	205.7	963.1	(78.6)	573.4	1,098.5	(47.8)
EBIT	78.1	392.4	(80.1)	211.0	449.7	(53.1)

Revenue and EBIT for 3Q 2011 and YTD September 2011 had declined as compared to the corresponding periods last year. This was largely due to the adoption of INT FRS 115. Instead of recognising revenue based on the percentage of completion, revenue in respect of units sold under the deferred payment scheme from The Seafront on Meyer and Latitude projects were recognised in its entirety in 3Q 2010 when the projects were completed.

Despite the challenging environment for the first 9 months of this year, CRS launched 684 units and sold 338 units with a total sales value of \$715 million.

CapitaLand China Holdings (“CCH”)

S\$M	3Q 2011	3Q 2010	Variance (%)	YTD Sep 2011	YTD Sep 2010	Variance (%)
	(Restated)			(Restated)		
Revenue	40.7	81.2	(49.9)	310.3	224.9	38.0
EBIT	37.5	119.9	(68.7)	284.6	491.5	(42.1)

For YTD September 2011, CCH delivered a total of 1,345 units to the home buyers, which included 659 units from The Loft in Chengdu and an aggregate 662 units from The Riviera, Riverside Ville and Beau Residences in Foshan.

Revenue in 3Q 2011 was mainly in respect of the projects in Foshan. 3Q 2010 Revenue and EBIT were higher than current period as more projects were completed as compared to 3Q 2011. Under INT FRS 115, no progressive revenue could be recognised for units sold from development projects until the projects are completed and handed over. 3Q 2010 EBIT also included a gain from the divestment of an associate.

YTD September 2011 Revenue was higher than previous corresponding period as more projects/phases were completed. The EBIT was however lower due to lower fair value gains from the revaluation of investment properties.

In 3Q 2011, CCH launched a new residential project, La Cite, in Foshan. More units were also released for sale from existing residential projects, namely, Dolce Vita in Guangzhou and The Loft in Chengdu. CCH has also secured a prime residential site with an approved potential gross floor area of 80,105 square metres in Hangzhou's Gongshu District for RMB1.1 billion (approximately S\$213 million) in a government land tender. It plans to build an estimated 700 units of mid- to high-end homes on the site.

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CapitaLand Commercial (“CCL”)

S\$M	3Q 2011	3Q 2010 (Restated)	Variance (%)	YTD Sep 2011	YTD Sep 2010 (Restated)	Variance (%)
Revenue	23.3	24.5	(4.9)	70.0	73.5	(4.8)
EBIT	19.7	58.8	(66.5)	108.0	136.4	(20.8)

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 the current year's presentation.

The lower revenue for 3Q 2011 and YTD September 2011 was mainly due to the 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.

The decrease in EBIT for 3Q 2011 was mainly due to the absence of a portfolio gain. 3Q 2010 included a gain from the sale of StarHub Centre.

For YTD September 2011, the lower EBIT was mainly due to the loss of contribution from a joint venture in Thailand that was divested in April 2011 and the absence of portfolio gains. This was mitigated by a higher fair value gain from the revaluation of investment properties and contribution from the self-storage business.

Ascott

S\$M	3Q 2011	3Q 2010	Variance (%)	YTD Sep 2011	YTD Sep 2010	Variance (%)
Revenue	98.7	106.9	(7.7)	280.1	301.8	(7.2)
EBIT	43.0	27.0	59.1	117.2	76.4	53.4

Revenue in 3Q 2011 and YTD September 2011 was lower than the corresponding periods in 2010 mainly due to properties divested to Ascott Reit in 4Q 2010.

EBIT for 3Q 2011 was higher mainly due to the gain from the sale of Ascott Beijing to a 36.1% owned associate, Ascott Serviced Residence (China) Fund.

EBIT for YTD September 2011 improved due to higher fair value gains from investment properties held by Ascott Reit and higher portfolio gain as compared to 2010.

In 3Q 2011, Ascott opened two properties in Chennai and Bangalore, India. Year to date, it has also strengthened its presence in India by taking full ownership of 4 joint venture companies to develop serviced residences in Ahmedabad, Hyderabad, Chennai and Bangalore. 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. 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 secured three new management contracts in Beijing and Chengdu, China and Muscat, Oman since the second quarter of 2011. Year to date, Ascott has secured 12 new management contracts in Shanghai, Beijing, Chengdu, Manila, Hanoi, Indonesia, Malaysia, Qatar, Macau and Oman. Together with the investments in France, Germany, India and Vietnam, Ascott has a total of 18 new management contracts.

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CapitaValue Homes (“CVH”)

S\$M	3Q 2011	3Q 2010	Variance (%)	YTD Sep 2011	YTD Sep 2010	Variance (%)
	(Restated)			(Restated)		
Revenue	20.9	-	NM	21.9	-	NM
EBIT	0.6	(3.8)	NM	(10.7)	(13.4)	20.4

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.

Revenue for 3Q 2011 and YTD September 2011 comprised mainly revenue recognised from The Vista in Vietnam, which was completed in September 2011. The Vista project will be progressively handed over to home buyers from September 2011.

EBIT for 3Q 2011 and YTD September 2011 was higher mainly due to profit recognition for The Vista, partially offset by higher administrative expenses.

CapitaLand Financial (“CFL”)

S\$M	3Q 2011	3Q 2010	Variance (%)	YTD Sep 2011	YTD Sep 2010	Variance (%)
Revenue	23.5	23.5	0.2	76.8	70.9	8.4
EBIT	13.0	16.2	(20.2)	69.0	54.5	26.6

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

EBIT for 3Q 2011 was lower mainly due to foreign exchange losses from the capital distribution by an associate and higher operating costs.

YTD September 2011’s EBIT was higher mainly due to higher revenue and a portfolio gain from the disposal of an investment partially offset by higher foreign exchange losses and operating costs.

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CapitaMalls Asia (“CMA”)

S\$M	3Q 2011	3Q 2010 (Restated)	Variance (%)	YTD Sep 2011	YTD Sep 2010 (Restated)	Variance (%)
Revenue	66.9	42.5	57.3	179.9	190.2	(5.4)
EBIT	45.5	64.3	(29.3)	323.1	239.8	34.7

The higher revenue in 3Q 2011 was mainly attributable to the rental revenue from Queensbay Mall in Malaysia which was acquired in April 2011, higher contributions from the fund management entities and higher property and project management fees.

The lower revenue of \$179.9 million in YTD September 2011 was mainly due to the divestment of three malls in Malaysia to CMMT and Clarke Quay to CMT in July 2010; partially mitigated by rental revenue from Queensbay Mall, higher contributions from the fund management entities and higher property and project management fees.

The lower EBIT in 3Q 2011 was primarily due to the absence of divestment gain from the sale of three Malaysian malls to CMMT, absence of profit from the sale of units of The Orchard Residences, provision of Hong Kong listing expenses and foreign exchange losses. This was partially mitigated by better performance from the fund management entities.

Despite lower revenue, EBIT in YTD September 2011 was higher at \$323.1 million primarily attributable to higher fair value gain on properties, partially offset by lower profit from the sale of units of The Orchard Residences, provision for Hong Kong listing expenses, lower contributions from the divested malls in Malaysia and Clarke Quay, and foreign exchange losses versus a gain in YTD September 2010.

Others

S\$M	3Q 2011	3Q 2010 (Restated)	Variance (%)	YTD Sep 2011	YTD Sep 2010 (Restated)	Variance (%)
Revenue	128.9	206.2	(37.5)	448.0	520.7	(14.0)
EBIT	34.0	45.5	(25.3)	172.1	202.6	(15.1)

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

The decrease in revenue in 3Q 2011 and YTD September 2011 was attributable to lower sales from development projects in Australia, partially mitigated by favourable AUD exchange rate.

EBIT in 3Q 2011 decreased mainly due to lower revenue. YTD September 2011's EBIT was lower mainly due to share of impairment loss of 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 second quarter 2011 financial results were announced.

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- 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”)

The successive cooling measures implemented by the Singapore government have moderated sales volume of high-end residential properties. In addition, with the current uncertain global situation and turbulent stock market, buyers are expected to take a more cautious approach towards property purchases. Notwithstanding this, CRS expects the Singapore residential market to remain stable, on the assumption of continued economic growth and a high liquidity environment.

Capitalising on the healthy interest in well-located properties, CRS plans to launch the condominium projects at Bedok Town Centre and Bishan Site within the next 12 months.

CapitaLand China Holdings (“CCH”)

In China, the Chinese government had implemented several property cooling measures. CCH expects these measures to have a continuing 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 the later part of 2011, several new projects will be launch-ready, such as Paragon (Shanghai) and International Trade Center (Tianjin). CCH also plans to release new units for sale from existing projects such as The Pinnacle (Shanghai), Beaufort (Beijing), Dolce Vita (Guangzhou) and The Loft (Chengdu). These new launches/releases will be timed according to the market conditions and subject to regulatory approval. CCH will also explore opportunities to acquire new sites.

CapitaLand Commercial (“CCL”)

Singapore office market rents continue to increase in 3Q 2011 compared to 2Q 2011. Despite the increase, the current rents are still lower than that in 2008 when most of our expiring office leases were signed. Hence, negative rent reversions for expiring office leases are expected to continue for the rest of the year through to next year.

CCL will continue to focus on its asset enhancement initiatives and strengthen its commercial portfolio through investment opportunities in Singapore and Asia (namely the key cities of Malaysia, India and Japan). 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 Market Street development, and a 20% interest in the joint venture for the retail-office development at Jurong Gateway. Both developments will be completed by end-2014.

CCL's plans to expand the “StorHub” franchise and seek opportunities to grow this self-storage business in Singapore and China.

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Ascott

Global economic conditions are expected to remain uncertain. Amidst the uncertainty, 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. Year to date, it has completed 4 properties.

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”)

Both China and Vietnam’s economic growth and property market are expected to be affected by the current global economic uncertainties. However, the underlying demand for apartments targeted at mass market homebuyers remains strong, as a result of growing middle class and rapid urbanisation in both countries. CVH will focus on growing its pipeline and deepening its presence in its existing cities in China and Vietnam.

In China, CVH expects to commence the development of its first project in Wuhan by the end of this year.

In Vietnam, CVH has completed its first prime residential development, The Vista, in September 2011 and started the process of handing over units to buyers in the same month. CVH’s first value housing development in Ho Chi Minh City, ParcSpring, will be launch-ready by the end of this year.

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 of new property funds.

CapitaMalls Asia (“CMA”)

Growth momentum seems to have stalled in US and Eurozone as the debt crisis drags on. Asian economies are still growing, albeit at a slower pace, with China being the main growth engine. Where opportunities arise, CMA will continue to strengthen its presence in the region. CMA has also recently announced its maiden project in Suzhou to develop the largest shopping mall in the city and increased its stakes in Minhang Plaza and Hongkou Plaza in Shanghai.

For further details, please refer to CMA’s 2011 Third Quarter Financial Statements Announcement released on the Singapore Exchange on 19 October 2011.

Australand

Australand releases its results on a half-yearly basis.

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GROUP OVERALL PROSPECTS

The overall economic climate has deteriorated over the last quarter with the European debt crisis casting a dark cloud globally. The US economic recovery also appears to be losing steam following the cessation of QE2, whilst concerns over the slowdown in the Chinese economy have also unnerved the financial and capital markets.

For the first nine months of 2011, the Group surpassed its stated objective of committing S\$5-6 billion in new investments for 2011. Year-to-date, CapitaLand has made investments in new projects amounting to \$7 billion. Singapore and China remain the key focus markets for new investments. The present credit crunch faced by some Chinese real estate developers potentially presents new investment opportunities.

Notwithstanding the current economic uncertainties and cooling measures imposed to restrict speculation, the Group expects the medium term prospects of the housing sector in Singapore and China to remain stable. CapitaLand intends to release new phases from d'Leedon and launch Bedok Town Centre and Bishan projects in Singapore over the next 12 months. It will also be releasing new units for sale from The Pinnacle, Beaufort, Dolce Vita and The Loft in China subject to market conditions. In addition, the Group's first value housing project in Wuhan is due for design finalization with construction commencement expected in the coming quarter.

Expiring leases at our operational Raffles City projects in Singapore, Shanghai and Beijing have been renewed at higher rental rates. During the quarter, Raffles City Chengdu was successfully topped-up and is on schedule for operations in the first half 2012. Construction progress of the other Raffles City portfolio in China is on track with Raffles City Ningbo expected to commence operation within the next 12 months. In Singapore, the re-development of Market Street Car Park into a prime Grade A office tower has begun with the demolition of the multi-storey car park and finalization of design plans. Together with the Jurong Gateway retail and office development site, CapitaLand is poised to broaden its footprint in the Singapore office sector.

Ascott will seek new investments in Singapore, China, India and Europe. At the same time, Ascott will also continue with its asset enhancement initiatives to strengthen its brand and improve its service standard to achieve higher yields.

CapitaLand continues to evaluate opportunities to originate new private equity funds and real estate financial products to complement its core real estate business.

Retail sales continue to grow in CMA's three key markets, namely Singapore, China and Malaysia. In Singapore, CMA malls achieved an average occupancy rate of more than 96% which is higher than the industry average. In China, retail sales of consumer goods remained healthy with year-on-year growth of 17% in August 2011. With its extensive presence in China, CMA is well positioned to capture the opportunities provided by the growth in Chinese consumption. CMA is targeting to open 3 malls in 4Q 2011, adding to the 70 malls already in operation.

CapitaLand remains in a healthy financial position with a cash balance of \$5.5 billion and a net debt equity ratio of 0.28. The Group has tapped various sources of funding from the banks, debt capital markets and private equity capital to ensure a diversified pool of funding requirements.

While it is likely the uncertainty and cooling measures will provide opportunities for the Group to explore and secure investments especially in Singapore and China, we will continue to adopt a prudent investment approach. At the same time, the Group's on-going capital recycling and prudent capital management initiatives will also provide us with a high level of financial flexibility.

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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 Interested Person Transactions

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

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

On behalf of the Board

Dr Hu Tsu Tau
Chairman

Liew Mun Leong
Director

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15 Segmental Revenue and Results

15(a)(i) By Strategic Business Units (SBUs) – 3Q 2011 vs 3Q 2010 (restated)

	Revenue			Earnings before interest & tax		
	3Q 2011 S\$'000	3Q 2010 S\$'000 (Restated)	Variance %	3Q 2011 S\$'000	3Q 2010 S\$'000 (Restated)	Variance %
CapitaLand Residential Singapore	205,740	963,139	(78.6)	78,129	392,412	(80.1)
CapitaLand China Holdings ⁽¹⁾	40,660	81,190	(49.9)	37,499	119,918	(68.7)
CapitaLand Commercial ^{(2),(3)}	23,329	24,534	(4.9)	19,722	58,842	(66.5)
Ascott	98,716	106,918	(7.7)	42,962	26,995	59.1
CapitaValue Homes	20,866	-	NM	598	(3,764)	NM
CapitaLand Financial	23,524	23,477	0.2	12,959	16,236	(20.2)
CapitaMalls Asia	66,881	42,518	57.3	45,509	64,335	(29.3)
Others ⁽⁴⁾	128,855	206,209	(37.5)	33,997	45,506	(25.3)
Total	608,571	1,447,985	(58.0)	271,375	720,480	(62.3)

15(a)(ii) By Strategic Business Units (SBUs) – YTD Sep 2011 vs YTD Sep 2010 (restated)

	Revenue			Earnings before interest & tax		
	YTD Sep 2011 S\$'000	YTD Sep 2010 S\$'000 (Restated)	Variance %	YTD Sep 2011 S\$'000	YTD Sep 2010 S\$'000 (Restated)	Variance %
CapitaLand Residential Singapore	573,414	1,098,537	(47.8)	210,997	449,673	(53.1)
CapitaLand China Holdings ⁽¹⁾	310,326	224,893	38.0	284,606	491,506	(42.1)
CapitaLand Commercial ^{(2),(3)}	69,951	73,499	(4.8)	108,037	136,432	(20.8)
Ascott	280,146	301,765	(7.2)	117,214	76,419	53.4
CapitaValue Homes ⁽³⁾	21,931	-	NM	(10,673)	(13,402)	20.4
CapitaLand Financial	76,845	70,868	8.4	69,032	54,547	26.6
CapitaMalls Asia	179,912	190,162	(5.4)	323,148	239,844	34.7
Others ⁽⁴⁾	448,003	520,738	(14.0)	172,141	202,642	(15.1)
Total	1,960,528	2,480,462	(21.0)	1,274,502	1,637,661	(22.2)

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.

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15(b)(i) By Geographical Location – 3Q 2011 vs 3Q 2010 (restated)

	Revenue			Earnings before interest & tax		
	3Q 2011 S\$'000	3Q 2010 S\$'000 (Restated)	Variance %	3Q 2011 S\$'000	3Q 2010 S\$'000 (Restated)	Variance %
Singapore	285,465	1,050,277	(72.8)	134,119	483,549	(72.3)
China ⁽¹⁾	74,027	91,643	(19.2)	77,736	137,304	(43.4)
Other Asia ⁽²⁾	40,431	13,383	202.1	11,904	39,464	(69.8)
Australia	145,117	220,986	(34.3)	35,695	45,959	(22.3)
Europe	55,520	62,451	(11.1)	15,158	12,281	23.4
Others	8,011	9,245	(13.3)	(3,237)	1,923	NM
Total	608,571	1,447,985	(58.0)	271,375	720,480	(62.3)

15(b)(ii) By Geographical Location – YTD Sep 2011 vs YTD Sep 2010 (restated)

	Revenue			Earnings before interest & tax		
	YTD Sep 2011 S\$'000	YTD Sep 2010 S\$'000 (Restated)	Variance %	YTD Sep 2011 S\$'000	YTD Sep 2010 S\$'000 (Restated)	Variance %
Singapore	796,819	1,326,979	(40.0)	528,738	740,816	(28.6)
China ⁽¹⁾	412,247	308,131	33.8	494,599	565,629	(12.6)
Other Asia ⁽²⁾	74,620	80,225	(7.0)	11,753	95,307	(87.7)
Australia	503,184	558,775	(9.9)	216,417	183,641	17.8
Europe	149,092	179,865	(17.1)	25,765	46,057	(44.1)
Others	24,566	26,487	(7.3)	(2,770)	6,211	NM
Total	1,960,528	2,480,462	(21.0)	1,274,502	1,637,661	(22.2)

Note : ⁽¹⁾ China including Macau and Hong Kong.

⁽²⁾ Excludes Singapore and China and includes projects in GCC.

16 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.

17 Breakdown of Group's revenue and profit after tax for first half year and second half year

Not applicable.

18 Breakdown of Total Annual Dividend (in dollar value) of the Company

Not applicable.

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BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
21 October 2011

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