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CapitaLand FY 2016 PATMI increases 11.7% to S$1.19 billion

- ***4Q 2016 PATMI increases 73.8% to S$430.5 million***
- ***Proposes dividend of 10 cents per share (FY 2015: 9 cents)***

Singapore, 15 February 2017 – CapitaLand Limited achieved total PATMI in FY 2016 of S$1,190.3 million, 11.7% higher than the previous year on the back of improved operating performance.

The Group recorded a higher operating PATMI for FY 2016 of S$865.3 million (FY 2015: S$823.6 million). Excluding gains from the change in use, operating PATMI improved 27.8% to S$834.8 million compared to the S$653.0 million in FY 2015, driven by higher handover of residential units in China and higher recurring income from CapitaGreen in Singapore and its shopping mall business in China.

For 4Q 2016, the Group achieved total PATMI of S$430.5 million, 73.8% higher than 4Q 2015, driven by better operating performance, higher fair value gains on revaluation of investment properties and lower impairments. Operating PATMI grew 16% to S$289.1 million supported by higher contributions from the Group's trading properties and shopping malls in China.

Financial highlights

	4Q 2016 (S$ m)	**4Q 2015 (S$ m)**	**Variance (%)**	**FY 2016 (S$ m)**	**FY 2015 (S$ m)**	**Variance (%)**
Revenue	1,852.8	1,739.6	6.5	5,252.3	4,761.9	10.3
Earnings before interest and tax (EBIT)	815.8	600.3	35.9	2,359.5	2,316.0	1.9
Total PATMI	430.5	247.7	73.8	1,190.3	1,065.7	11.7
Operating PATMI[1]	289.1	249.2	16.0	865.3	823.6	5.1

[1] Operating PATMI for FY 2016 included fair value gains of S$30.5 million which arose from the change in use of a development project in China, Raffles City Changning Tower 2, in 1Q 2016. The change in use was due to a reclassification of the project from construction for sale to leasing as an investment property. Operating PATMI for FY 2015 included fair value gains from change in use of S$170.6 million which relate to The Paragon Tower 5 & 6 (S$110.3 million) and Raffles City Changning Tower 3 (S$15.6 million) in 2Q 2015, and Ascott Heng Shan Shanghai (S$44.7 million) in 1Q 2015. These projects are located at prime locations in Shanghai and the Group has changed its business plan to hold these projects for long term use as investment properties.

Group revenue in 4Q 2016 increased 6.5% to S$1,852.8 million mainly due to higher handover of development projects in China and rental income from the serviced residence business. The development projects which contributed to higher revenue in China in the quarter under review included One iPark in Shenzhen, Riverfront in Hangzhou, The Metropolis in Kunshan and Vista Garden in Guangzhou. FY 2016 revenue rose 10.3% to S$5,252.3 million compared to S$4,761.9 million in FY 2015, driven by development projects in Singapore and China, the commercial portfolio in Singapore and the serviced residence business.

FY 2016 EBIT was S$2,359.5 million compared to S$2,316.0 million in FY 2015, driven by better operating performance, lower impairment charges and higher portfolio gains. Singapore and China remain the key contributors to EBIT, accounting for 83.5% of total EBIT (FY 2015: 79.0%).

Mr Ng Kee Choe, Chairman of CapitaLand Limited, said: "CapitaLand has remained resilient and delivered a good set of results for the financial year. Nonetheless, we face an uncertain and unpredictable operating environment and economic headwinds in Singapore and China, our core markets. In line with our 2016 performance, the Board is pleased to propose a dividend of 10 Singapore cents a share for FY 2016."

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: "CapitaLand achieved creditable financial performance in 2016 despite a challenging environment. Our ongoing focus to strengthen our operating PATMI and balance sheet has further increased the Group's financial strength. Notably, operating PATMI for FY 2016 was S$865.3 million, the highest achieved since CapitaLand was listed in 2000, contributing 73% of total PATMI – nearly double the 40% just five years ago. Our optimal asset mix has enabled us to deliver a steady stream of recurring income from our investment properties and management contracts, whilst we continue to realise gains from our trading properties."

For FY 2016, CapitaLand sold a record total of 12,789 homes. In Singapore, the Group sold 571 residential units (FY 2015: 244 units) with a sales value of S$1,415 million (FY 2015: S$559 million). The Group also achieved a second consecutive year of record residential sales in China, with 10,738 units sold at a value of RMB18.1 billion or about S$3.7 billion (FY 2015: 9,402 units; RMB15.4 billion). These represent year-on-year increases of 14% and 17% respectively in terms of units and value. The significant contributors were Dolce Vita in Guangzhou, Century Park in Chengdu, The Metropolis in Kunshan, Vermont Hills in Beijing, International Trade Centre in Tianjin, La Botanica in Xian, One iPark in Shenzhen, Riverfront in Hangzhou and Summit Era in Ningbo. In Vietnam, 1,480 residential units (FY 2015: 1,321 units) were sold with a sales value of S$282.1 million (FY 2015: S$226.5 million), mainly from Feliz en Vista in Ho Chi Minh City, and Season Avenue and Mulberry Lane in Hanoi.

Mr Lim said: "Singapore and China continue to be CapitaLand's core markets, while we scale up in markets such as Vietnam. In China, we have over 8,000 launch-ready units and expect to hand over 6,000 units in FY 2017. For our integrated developments in China, the four operating Raffles City projects continue to generate steady leasing income, while the three Raffles City projects opening in 2017 have achieved good leasing progress of more than 80% for the respective retail components. Raffles City Chongqing is also on track for completion in phases starting from 2018."

The Group will complete and commence operations of a record 1 million square metres of retail gross floor area in 2017, comprising five shopping malls and the retail components of the three Raffles City developments in China. To complement the Group's existing retail network, leverage the CapitaLand brand and further build scale, the Group has begun to manage shopping malls on behalf of third party owners. On top of being a new source of revenue, growing assets through proactive management and value creation for partners, this also allows the Group to build a pipeline of quality malls for potential future acquisitions.

Please refer to the **Annex** for recent business highlights.

About CapitaLand Limited (www.capitaland.com)
CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth more than S$78 billion as at 31 December 2016, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 130 cities in over 20 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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For the full CapitaLand Limited financial statement and presentation, please visit www.capitaland.com.

Annex

Leveraging new trends in real estate, CapitaLand announced in October 2016 that it is seeking approval to redevelop Golden Shoe Car Park into a living lab of new concepts that will cater for the future of work. The Group is also partnering Chinese coworking space operator UrWork to provide coworking spaces in CapitaLand's properties in China and Singapore.

In 4Q 2016, CapitaLand's wholly owned serviced residence business, The Ascott Limited, made its first foray into Dublin, Ireland with the acquisition of an operating property for EUR55.1 million. For FY 2016, Ascott secured contracts to manage a total of 49 new serviced residences in Southeast Asia, China, Japan, India and Saudi Arabia to achieve record growth of more than 10,000 units, which are expected to contribute S$25 million to S$30 million of fee income annually as the properties progressively open and stabilise. This brings the Ascott portfolio to about 52,000 units globally as at end-2016, well on track to its target of 80,000 units by 2020. In 2017, Ascott is also poised to boost its fee income by opening an all-time high of more than 30 properties worldwide.

To cater to the fast growing and increasingly influential millennial market, which embraces new trends such as coliving and coworking, Ascott launched a new brand lyf, designed for and managed by millenials, in November 2016. Ascott aims to have 10,000 units under the lyf brand globally by 2020.

The Group is also on track to grow its investment management assets under management by up to S$10 billion by 2020, with the establishment of the US$1.5 billion Raffles City China Investment Partners III in 2016 and plans to launch a US$500 million commercial fund in 2017 to support its growth in Vietnam.