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CapitaLand posts S$71.2 million profit before tax for first quarter

Singapore, 25 April 2003 – The CapitaLand Group posted profit before tax of S$71.2 million for the first quarter of 2003, despite the weak global and local economic conditions, which were exacerbated by the war in Iraq and the Severe Acute Respiratory Syndrome (SARS) virus outbreak.

The Group's revenue for the first quarter of 2003 was S$788.0 million, compared to S$715.9 million for the same period in 2002. The 10.1% increase in revenue was mainly due to higher contribution from CapitaLand Residential. Revenue for CapitaLand Residential came from its Singapore, Australia and China operations.

FINANCIAL HIGHLIGHTS			
$ million	**1Q 2003 (3 mths)**	**1Q 2002 (3 mths)**	**4Q 2002 (3 mths)**
Revenue	788.0	715.9	998.0
Earnings before interest and tax (EBIT)	131.7	143.4	175.0
Finance costs	(60.6)	(73.3)	(71.7)
Profit before tax	71.2	70.1	103.3
Profit after tax and minority interests (PATMI)	25.7	32.3	49.9

The first quarter 2003 profit after tax and minority interests (PATMI) of S$25.7 million was lower compared to the first quarter 2002 PATMI of S$32.3 million, as a result of lower portfolio gains and higher estimated taxes. However, the first quarter 2003 PATMI benefited from substantially lower finance costs.

The Group has further lowered its debt level from a year ago. The Group's net debt and gearing at end March 2003 were S$5.9 billion and 0.75 respectively, compared with net debt of S$6.8 billion and gearing of 0.86 at end March last year. Coupled with lower interest rates, the finance costs were S$60.6 million in the first quarter of 2003, compared to S$73.3 million in the first quarter of 2002, an improvement of S$12.7 million or 17.4%.

Net tangible assets per share increased marginally to S$2.38 as of end March 2003 compared to a year ago.

Liew Mun Leong, President and CEO, CapitaLand Limited, said: "We have made significant progress in achieving a healthy balance sheet, positioning the Group to seek and seize business opportunities in the midst of a difficult operating environment. Our strong operational presence in selected gateway cities in China and Australia should mitigate the challenges facing CapitaLand in its domestic market. The 2003 GDP forecast was recently lowered for Singapore, due to the difficult macro-environment in Singapore and abroad. SARS is an unforeseen circumstance that has created uncertainty in the overall business environment. Nevertheless, at present, we expect our 2003 operations to be profitable."

This release 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.

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