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CapitaLand registers 2Q 2016 total PATMI of S\$294 million

Singapore, 4 August 2016 – CapitaLand Limited registered total PATMI of S\$294 million in 2Q 2016, versus S\$464 million in 2Q 2015. The 36.6% decrease was due to lower fair value gains from revaluation of properties, partially mitigated by improved operating performance.

Operating PATMI decreased 33% to S\$171.6 million in 2Q 2016. In 2Q 2015, there was a one-off fair value gain of S\$125.9 million arising from the change of use of development projects. Excluding this gain, CapitaLand's adjusted operating PATMI increased 31.8% on the back of higher contributions from shopping malls and development projects in China, higher contribution from CapitaGreen in Singapore, as well as its serviced residence business.

Group revenue increased 9.7% to S\$1,131.7 million. This was attributable to higher contributions from development projects in Singapore and China as well as higher rental income from its serviced residence business and higher contribution from CapitaGreen. The residential sales which contributed to the higher revenue this quarter include Cairnhill Nine in Singapore as well as The Paragon, Shanghai and Vermont Hills, Beijing in China.

The Group's EBIT in 2Q 2016 was S\$591.1 million (2Q 2015: S\$875.1 million). Singapore and China remain the key contributors, accounting for 78.1% of EBIT (2Q 2015: 81.8%).

Financial highlights

	2Q 2016 (S\$ m)	2Q 2015 (S\$ m)	Variance (%)	1H 2016 (S\$ m)	1H 2015 (S\$ m)	Variance (%)
Revenue	1,131.7	1,031.3	9.7	2,025.8	1,946.3	4.1
Earnings before interest and tax (EBIT)	591.1	875.1	(32.5)	1,049.3	1,256.6	(16.5)
Total PATMI	294.0	464.0	(36.6)	512.3	625.3	(18.1)
Operating PATMI ¹	171.6	256.1	(33.0)	324.4	411.3	(21.1)

¹ Operating PATMI for 1H 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 of development was due to the reclassification of the project from construction for sale to leasing as an investment property. Operating PATMI for 1H 2015 and 2Q 2015 included fair value gains from change in use of S\$170.6 million and S\$125.9 million respectively 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 situated at prime locations in Shanghai and the Group has changed its business plan to hold these projects for long term use as investment properties.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: “CapitaLand’s operating performance has remained robust in an environment of slow economic growth and market uncertainties. Our recurring income provides stability and resilience. We will maintain our focus on our core markets of Singapore and China and the growth markets of Vietnam and Indonesia, as well as our serviced residence global platform. In addition to capital recycling and portfolio optimisation, we will also leverage our fund management platform and management contracts to grow our assets under management. With our strong balance sheet, we are well-positioned to seize attractive investment opportunities, to grow our recurring income and deliver sustainable returns in the future.”

Residential sales in Singapore, China and Vietnam continued to perform well. To date, the Group has sold over 7,000 homes in 2016 with a total sales value of nearly S\$2.62 billion. Despite a muted residential market in Singapore, the Group sold 304 homes in 1H 2016, nearly three times the 106 units sold in 1H 2015. Its well-designed homes in good locations continued to attract homebuyers, with about 90% of launched units sold.

CapitaLand sold 6,273 homes in China in 1H 2016, 50% more when compared to the same period last year. The Group remains focused on the first- and second-tier cities in China, and on targeting first-time home buyers and upgraders. For the second half of the year, the Group has over 3,000 launch-ready units. It will also start handing over about 9,000 sold units with a total value of about RMB13 billion from 2H 2016 onwards – with at least 60% of this value expected to be recognised in 2H 2016.

In the quarter under review, CapitaLand marked the 30th anniversary of its signature ‘Raffles City’ brand with the topping out of Raffles City Shenzhen – its first in south China. Located in Nanshan District, Raffles City Shenzhen comprises a 70,000-square-metre shopping mall, a 23-storey Grade A office tower and a 182-unit Ascott-branded serviced residence. One year ahead of its targeted opening in 2Q 2017, the mall has achieved a committed occupancy of over 50%. The Group also opened CapitaMall Xinduxin in Qingdao, China with a committed occupancy of 98%.

The Group’s serviced residence arm, The Ascott Limited, added over 5,300 units across the Americas, Asia, Europe and the Middle East in 1H 2016 to bring its stable of serviced residence units to more than 47,000. It is poised to outpace its growth for the whole of 2016, when a total of 6,700 units was added to its portfolio.

As part of its capital management strategy, CapitaLand announced the divestment of its 50% interest in CapitaGreen to CapitaLand Commercial Trust for S\$318.3 million in May 2016.

About CapitaLand Limited (www.capitaland.com)

CapitaLand is one of Asia’s largest real estate companies headquartered and listed in Singapore. The company leverages its significant asset base, design and development capabilities, active capital management strategies, extensive market network and operational capabilities to develop high-quality real estate products and services. Its diversified global real estate portfolio includes integrated developments, shopping malls, serviced residences, offices and homes. Its two core markets are Singapore and China, while Indonesia, Malaysia and Vietnam have been identified as new growth markets. The company also has one of the largest real estate fund management businesses with assets located in Asia.

CapitaLand's listed real estate investment trusts are CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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Issued by: CapitaLand Limited (Co. Regn.: 198900036N)

Analyst contact

Chang Rui Hua

Head, Investor Relations

Tel: +65 6713 2903

Email: chang.ruihua@capitaland.com

Media contact

Tan Bee Leng

Head, Group Communications

Tel: +65 6713 2871

Email: tan.beeleng@capitaland.com

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

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