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CapitaLand triples its PATMI to S$313 million for FY2004

Singapore, 7 February 2005 – The CapitaLand Group reported a 4.2% increase in revenue for FY2004 to S$3.80 billion. The Group posted a S$313.0 million profit after tax and minority interests (PATMI) for FY2004, tripling the S$102.6 million achieved in FY2003. All business operations, in Singapore and overseas, reported a much better performance.

Earnings before interest and tax (EBIT) at S$901.8 million were S$312.8 million, or 53.1% better than 2003. The increase in EBIT was a result of improved performance across the board, with higher contributions from residential projects, higher fee-based income, and improved performances from the hotels and serviced residences operations.

At the operating level, the Group also turned in a stellar performance. Excluding provisions and portfolio gains, the Group's 2004 operating PATMI was S$295.2 million, compared to the 2003 operating PATMI of S$207.9 million, a 42.0% increase.

FINANCIAL HIGHLIGHTS		
	FY2003 (restated) S$ million	**FY2004 S$ million**
Revenue	3,650.9	3,803.5
Earnings before interest and tax ("EBIT")	589.0	901.8
Finance cost	(240.8)	(272.1)
Profit before tax	348.2	629.7
Profit after tax and minority interests ("PATMI")	**102.6**	**313.0**

EBIT (excluding net gains/ provisions)	**679.2**	**879.4**
PATMI (excluding net gains/ provisions)	**207.9**	**295.2**

Dr Richard Hu, Chairman, CapitaLand Limited, said: "I am pleased with the outstanding results for 2004. This has been achieved on the basis of performance excellence in all business areas. We have successfully built our core property and hospitality businesses in key gateway cities, extracted more value from our hospitality businesses globally, and seen steady growth in our assets under management and fee-based business. Looking ahead, the outlook is positive given the growth in real estate markets in Asia and we are well positioned to take advantage of this growth."

Liew Mun Leong, President and CEO, CapitaLand Limited, said: "The tripling of our profits in 2004 is the fruitful realisation of our strategy to transform CapitaLand into an international property and hospitality group. Our real estate financial services arm has performed very well. With several successful projects as track record, the market is recognising our ability to generate innovative financial solutions, our real estate domain knowledge, and our industry network. Our target to have 75% of our revenue and EBIT from overseas is achievable. The Group assesses its prospects in 2005 to be better as it continues to deliver on its strategy."

Contribution from the Group's overseas operations to Group revenue in 2004 was 66.0%, against 62.6% in 2003. Overseas EBIT excluding provisions and write-backs increased to 68.5% in 2004, up from 63.3% in 2003. As at end 2004, overseas assets made up 49.6% of the Group's total assets, compared to 39.2% a year ago.

The Group's net debt at end 2004 was S$5.3 billion, a reduction of 14.2% compared to S$6.2 billion a year ago. The debt-equity ratio decreased to 0.71 at end 2004 compared to 0.77 a year ago, despite a reduction of S$886 million in the equity base that arose from the successful launch of our second REIT, CapitaCommercial Trust. In 2004, finance costs were S$272.1 million, which were S$31.3 million or 13.0% higher than S$240.8 million in 2003. Net tangible assets per share stood at S$2.11 at end 2004, compared to S$2.39 a year ago.

Some of the strategic initiatives in 2004 and for the year are:

- Launch another REIT – CapitaCommercial Trust (CCT)
  The CCT transaction gave shareholders an additional investment instrument which is liquid. The successful listing and management of CCT saw its unit price increase by over 50% from its opening price of S$1.00 in May 2004.

- Deepen operations in established markets and create new markets
  China and Australia continued to be significant profit drivers. The Group remains positive on Thailand with the successful debut of its first residential project. In 2004, the Group deepened its operations in these markets. The hospitality businesses also established a presence in new markets such as the United Arab Emirates and South Korea.

- Increase fee-based income
  The Group's hospitality businesses secured additional management contracts, and its real estate financial services arm doubled the assets under management to S$6 billion.

- Continue monetisation programme
  In 2004, The Ascott Singapore/ Scotts Shopping Centre and 11 floors of Shinjuku Square Tower were sold, and Plaza Singapura was injected into CapitaMall Trust, while La Park Mizue in Japan was injected into the CapitaRetail Japan Fund.

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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