Economic Value Added Statement

	Note	2016 S$ million	2015 S$ million
Net Operating Profit Before Tax		1,199.1	1,112.7
Adjust for:			
Share of results of associates and joint ventures		707.8	726.0
Interest expense		463.9	481.6
Others		67.0	42.6
Adjusted Profit Before Interest and Tax		2,437.8	2,362.9
Cash operating taxes	1	(487.1)	(498.9)
Net Operating Profit After Tax (NOPAT)		1,950.7	1,864.0
Average capital employed	2	35,697.2	36,121.7
Weighted average cost of capital (%)	3	6.50	6.00
Capital Charge (CC)		2,320.3	2,167.3
Economic Value Added (EVA) [NOPAT - CC]		(369.6)	(303.3)
Non-controlling interests		312.2	152.9
Group EVA attributable to owners of the Company		(57.4)	(150.4)

1 The reported current tax is adjusted for the statutory tax impact of interest expense.

2 Monthly average capital employed included equity, interest-bearing liabilities, timing provision, cumulative goodwill and present value of operating leases.

Major Capital Components:	S$ million
Borrowings	15,970.0
Equity	19,227.1
Others	500.1
Total	**35,697.2**

3 The weighted average cost of capital is calculated as follows:

i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 6.12% (2015: 5.78%) per annum;

ii) Risk-free rate of 2.53% (2015: 2.27%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;

iii) Ungeared beta ranging from 0.50 to 0.98 (2015: 0.54 to 1.19) based on the risk categorisation of CapitaLand's strategic business units; and

iv) Cost of Debt rate at 3.72% (2015: 3.00%) per annum using 5-year Singapore Dollar Swap Offer rate plus 125 basis points (2015: 125 basis points).