



## Press Release

8 September 2006

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### JARDINE CYCLE & CARRIAGE LIMITED 2006 HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

#### Highlights

- Underlying earnings decline by 39% to US¢28.51 per share
- Indonesian markets for motor vehicles and motorcycles decline by 49% and 26%, respectively
- Appointed by Citroen as distributor in Singapore
- Interim dividend maintained at US¢3.00 per share

“While the recent lowering of interest rates in Indonesia should be of benefit to our operations there, it remains too early to predict the extent of a recovery in consumer demand.”

Anthony Nightingale, Chairman  
8 September 2006

#### Group Results

	Six months ended 30 June			
	2006 US\$m	2005 US\$m	Change %	2006 S\$m
Revenue	3,539	543	551	5,673
Underlying profit attributable to shareholders	96	156	-38	154
Profit attributable to shareholders	99	159	-38	158
	US¢	US¢		S¢
Underlying earnings* per share	28.51	46.73	-39	45.71
Earnings per share	29.28	47.57	-38	46.96
Interim dividend per share (gross)^	3.00	3.00	-	4.77
	At 30.6.06 US\$m	Restated 31.12.05 US\$m	Change %	At 30.6.06 S\$m
Shareholders' funds <sup>+</sup>	1,683	1,544	9	2,674
	US\$	US\$		S\$
Net asset value per share <sup>+</sup>	5.00	4.59	9	7.94

The exchange rate of US\$1=S\$1.589 (31.12.2005: US\$1=S\$1.665) was used for translating assets and liabilities at the balance sheet date and US\$1=S\$1.603 (30.6.2005: US\$1=S\$1.652) was used for translating the results for the period.

The financial results for the six months ended 30 June 2006 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”). These results have not been audited or reviewed by the Auditors. The financial results for the year ended 31 December 2005 were audited in accordance with the Singapore Standards on Auditing.

Astra became a subsidiary on 1 August 2005, and its results have been consolidated since then.

\*The basis for calculating underlying earnings is set out in Note 6 of this report.

^The S\$ amount is estimated. The actual amount will be determined on the Books Closure Date referred to in Note 16.

+The prior year adjustment is set out in Note 1 of this report.

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## **CHAIRMAN'S STATEMENT**

### **Overview**

The continuing weak consumer demand has led to a significant reduction in the contribution to the Group's results from its Indonesian interests.

### **Performance**

The Group's underlying profit after tax and minority interests for the six months ended 30 June 2006 declined by 38% to US\$96 million. Underlying earnings per share were 39% lower at US¢28.51. The decline arose primarily in Indonesia where both Astra and Tunas Ridean were impacted by the poor market conditions. After exceptional gains of US\$3 million from asset sales, net profit was down 38% at US\$99 million.

The Group's consolidated net debt (excluding Astra's financial services activities) was US\$79 million lower than the previous year end at US\$531 million. The reduction was due to asset sales by Cycle & Carriage Bintang, the distribution in specie of the Group's shareholding in MCL Land Limited, and the receipt of dividends by Astra from associates, partly offset by an increase in net debt at the corporate level resulting from a weaker US Dollar.

### **Dividends**

The Board has declared an unchanged interim dividend of US¢3.00 (2005: US¢3.00) per share less income tax. The dividend is available in cash in US dollars or Singapore dollars with a scrip alternative.

### **Group Review**

#### **Astra**

Astra's contribution to the Group's underlying profit declined by 32% to US\$99 million. Weaker consumer demand in Indonesia saw the market for motor cars decline by 49% to 149,600 units and for motorcycles by 26% to 1.8 million units. Astra's market share for motor cars rose from 46% to 56% supported by Toyota's strong range and the introduction of new models. The company's market share for motorcycles was slightly lower at 50% or 914,000 units due to delays in new model launches. Astra's component manufacturing operations were affected by both the lower volumes and increased raw material costs. Its related consumer finance operations experienced a similar decline in activity and have increased their provisions for doubtful debts. On 7 September 2006, Astra announced that in partnership with Standard Chartered Bank, each is investing a further US\$97 million to acquire additional shares in PT Bank Permata Tbk, thereby increasing their respective shareholdings from 31.6% to 44.5%.

Within Astra's other non-automotive operations, United Tractors' Komatsu equipment sales declined by 25% to 1,100 units primarily due to lower demand in the mining sector. Pamapersada's contract coal mining operations, however, increased production by 23% to over 20 million tons. Astra Agro Lestari was able to increase its crude palm oil production by 14% and benefited from firmer prices. In infrastructure, Astra's small investment in a toll road performed well. On 25 July 2006, Astra purchased a 30% interest in the franchise for the Western Jakarta water system which runs until 2023. Further infrastructure investments are under consideration.

Net debt within Astra, excluding its financial services operations, reduced by US\$30 million to US\$233 million during the period as dividends from associates were partially offset by an increase in equipment purchases for contract mining. Net debt in Astra's

financial services operations was down by US\$325 million to US\$1,663 million due to a decline in the activity level.

### **Motor**

The underlying profit of US\$13 million from the Group's motor operations was 23% lower due to the decline in earnings in Tunas Ridean and no further contribution from Australia.

Earnings in Singapore rose by 24% to US\$12 million. There was good growth by Mitsubishi where passenger car sales increased by 41% to 4,530 units, and Mercedes-Benz benefited from the launch of the new S-Class. Sales for both Mercedes-Benz and Kia grew by 6% to 1,490 units and 2,820 units, respectively. The Group has been appointed as the distributor for Citroen in Singapore with effect from 1 October 2006.

The underlying profit contribution from Cycle & Carriage Bintang in Malaysia declined 60% to US\$0.6 million. The introduction of a new national automotive policy that favours locally assembled vehicles has caused considerable disruption to the market, which is expected to take some time to adapt to the changes. Following the disposal of surplus properties, Cycle & Carriage Bintang is to distribute to shareholders some US\$40 million by way of a special dividend which is due to be paid in October 2006.

PT Tunas Ridean, the Group's 37% owned associate, was also impacted by the weak demand in Indonesia and increased doubtful debt provisions. Its contribution to underlying profit reduced to US\$0.8 million from US\$4 million in the same period last year.

### **Property**

There was no contribution from property for the period following the distribution in specie on 25 January 2006 of the Group's 65.6% interest in MCL Land, which completed the withdrawal from property activities.

### **Prospects**

While the recent lowering of interest rates in Indonesia should be of benefit to our operations there, it remains too early to predict the extent of a recovery in consumer demand.

Anthony Nightingale  
Chairman  
8 September 2006

**Statement pursuant to Rule 705(4) of the Listing Manual**

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the accompanying unaudited interim financial results for the six months ended 30 June 2006 to be false or misleading in any material respect.

On behalf of the Directors

Anthony Nightingale  
Director

Alan Yeo  
Director

8 September 2006

**Jardine Cycle & Carriage Limited**  
**Consolidated Profit and Loss Account**

	Note	Three months ended			Six months ended		
		30.6.06 US\$m	30.6.05 US\$m	Change %	30.6.06 US\$m	30.6.05 US\$m	Change %
<b><u>Continuing operations</u></b>							
Revenue		1,744.0	271.0	544	3,538.5	542.2	553
Cost of sales		(1,369.6)	(247.7)	453	(2,809.7)	(494.6)	468
<b>Group profit</b>		<b>374.4</b>	<b>23.3</b>	<i>nm</i>	<b>728.8</b>	<b>47.6</b>	<i>nm</i>
Other operating income		29.1	8.5	242	88.9	14.7	505
Selling and distribution expenses		(142.9)	(14.7)	872	(232.4)	(29.6)	685
Administrative expenses		(109.9)	(4.6)	<i>nm</i>	(226.3)	(11.1)	<i>nm</i>
Other operating expenses		(30.5)	(1.3)	<i>nm</i>	(58.1)	(1.5)	<i>nm</i>
<b>Operating profit</b>		<b>120.2</b>	<b>11.2</b>	<i>973</i>	<b>300.9</b>	<b>20.1</b>	<i>nm</i>
Financing charges		(21.5)	(3.0)	617	(41.0)	(5.6)	632
Share of associates' and joint ventures' results		38.8	78.7	-51	72.2	153.1	-53
<b>Profit before tax</b>	3	<b>137.5</b>	<b>86.9</b>	<i>58</i>	<b>332.1</b>	<b>167.6</b>	<i>98</i>
Tax	4	(37.1)	(4.5)	724	(85.4)	(6.2)	<i>nm</i>
<b>Profit after tax from continuing operations</b>		<b>100.4</b>	<b>82.4</b>	<i>22</i>	<b>246.7</b>	<b>161.4</b>	<i>53</i>
<b><u>Discontinued operations</u></b>							
Revenue		-	0.5	-100	-	1.0	-100
<b>Profit before tax</b>		-	1.0	-100	-	1.2	-100
Tax		-	(0.1)	-100	-	(0.2)	-100
<b>Profit after tax from discontinued operations</b>	13	<b>-</b>	<b>0.9</b>	<i>-100</i>	<b>-</b>	<b>1.0</b>	<i>-100</i>
<b>Profit attributable to:</b>							
Shareholders		38.2	80.4	-52	98.6	158.8	-38
Minority interests		62.2	2.9	<i>nm</i>	148.1	3.6	<i>nm</i>
		<b>100.4</b>	<b>83.3</b>	<i>21</i>	<b>246.7</b>	<b>162.4</b>	<i>52</i>
		<b>US¢</b>	<b>US¢</b>		<b>US¢</b>	<b>US¢</b>	
Earnings per share:	5						
- Basic		11.34	24.08	-53	29.28	47.57	-38
- fully diluted		11.33	24.05	-53	29.27	47.52	-38
Earnings per share from continuing operations:	5						
- basic		11.34	23.93	-53	29.28	47.39	-38
- fully diluted		11.33	23.90	-53	29.27	47.34	-38

*nm: not meaningful*

**Jardine Cycle & Carriage Limited**  
**Consolidated Balance Sheet**

	Note	At 30.6.06 US\$m	Restated 31.12.05 US\$m
<b>Non-current assets</b>			
Intangible assets		443.0	422.0
Leasehold land use rights		407.6	399.4
Property, plant and equipment		1,166.7	1,037.5
Investment properties		26.9	51.1
Plantations		412.6	383.1
Interests in associates and joint ventures		1,119.1	1,093.7
Non-current investments		43.9	43.4
Debtors		1,013.5	1,218.0
Deferred tax assets		55.2	51.7
Other non-current assets		71.2	71.1
		<u>4,759.7</u>	<u>4,771.0</u>
<b>Current assets</b>			
Development properties for sale		-	415.9
Stocks		603.1	678.2
Debtors		1,968.7	2,056.3
Current tax assets		73.8	45.1
Bank balances and other liquid funds			
- non-finance companies		438.7	317.2
- finance companies		188.9	186.6
		<u>627.6</u>	<u>503.8</u>
		<u>3,273.2</u>	<u>3,699.3</u>
<b>Total assets</b>		<u><b>8,032.9</b></u>	<u><b>8,470.3</b></u>
<b>Non-current liabilities</b>			
Provisions		12.4	10.6
Long-term borrowings	7		
- non-finance companies		387.7	394.6
- finance companies		824.6	1,005.3
		<u>1,212.3</u>	<u>1,399.9</u>
Deferred tax liabilities		271.7	270.6
Other non-current liabilities		183.5	166.4
		<u>1,679.9</u>	<u>1,847.5</u>
<b>Current liabilities</b>			
Provisions		25.0	38.9
Current borrowings	7		
- non-finance companies		586.6	542.0
- finance companies		1,026.9	1,168.9
		<u>1,613.5</u>	<u>1,710.9</u>
Current tax liabilities		35.9	74.0
Dividend payable		40.1	250.6
Creditors		984.6	1,017.1
		<u>2,699.1</u>	<u>3,091.5</u>
<b>Total liabilities</b>		<u><b>4,379.0</b></u>	<u><b>4,939.0</b></u>
<b>Net assets</b>		<u><b>3,653.9</b></u>	<u><b>3,531.3</b></u>
<b>Equity</b>			
Share capital	8	459.5	185.4
Share premium	8	-	274.0
Fair value and other reserves	9	309.3	307.3
Revenue reserve	10	914.5	777.4
Shareholders' funds		<u>1,683.3</u>	<u>1,544.1</u>
Minority interests	11	1,970.6	1,987.2
		<u><b>3,653.9</b></u>	<u><b>3,531.3</b></u>
<b>Net asset value per share</b>		<b>US\$5.00</b>	<b>US\$4.59</b>

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**Jardine Cycle & Carriage Limited**  
**Consolidated Statement of Recognised Income and Expense**


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	Three months ended		Six months ended	
	30.6.06 US\$m	30.6.05 US\$m	30.6.06 US\$m	30.6.05 US\$m
Fair value changes of available-for-sale investments, net of tax	2.3	(0.4)	5.5	0.2
Actuarial loss on defined benefit pension plans, net of tax	(7.0)	-	(7.0)	-
Surplus/(deficit) on revaluation of land and buildings, net of tax	0.1	0.5	-	(0.3)
Translation difference	(80.8)	(42.6)	180.5	(71.0)
Net gain/(loss) recognised directly in equity	<u>(85.4)</u>	<u>(42.5)</u>	<u>179.0</u>	<u>(71.1)</u>
Profit after tax	100.4	83.3	246.7	162.4
<b>Total recognised income and expense for the period</b>	<b><u>15.0</u></b>	<b><u>40.8</u></b>	<b><u>425.7</u></b>	<b><u>91.3</u></b>
<b>Profit attributable to:</b>				
Shareholders of the Company	(4.6)	40.8	179.2	92.2
Minority interests	19.6	-	246.5	(0.9)
	<b><u>15.0</u></b>	<b><u>40.8</u></b>	<b><u>425.7</u></b>	<b><u>91.3</u></b>

**Jardine Cycle & Carriage Limited**  
**Company Balance Sheet**

	Note	At 30.6.06 US\$m	At 31.12.05 US\$m
<b>Non-current assets</b>			
Property, plant and equipment		0.7	0.9
Interests in subsidiaries		1,162.1	1,358.3
Interests in associates		46.8	44.6
		<u>1,209.6</u>	<u>1,403.8</u>
<b>Current assets</b>			
Debtors		87.1	19.8
Bank balances and other liquid funds		1.6	0.3
		<u>88.7</u>	<u>20.1</u>
<b>Total assets</b>		<u>1,298.3</u>	<u>1,423.9</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		0.4	0.4
		<u>0.4</u>	<u>0.4</u>
<b>Current liabilities</b>			
Current borrowings		275.2	254.0
Current tax liabilities		0.9	0.8
Dividend payable		40.1	250.6
Creditors		70.3	66.2
		<u>386.5</u>	<u>571.6</u>
<b>Total liabilities</b>		<u>386.9</u>	<u>572.0</u>
<b>Net assets</b>		<u>911.4</u>	<u>851.9</u>
<b>Share capital and reserves</b>			
Share capital	8	459.5	185.4
Share premium	8	-	274.0
Share option reserve	9	0.3	0.3
Revenue reserve	10	451.6	392.2
Shareholders' funds		<u>911.4</u>	<u>851.9</u>
<b>Net asset value per share</b>		<b>US\$2.71</b>	US\$2.53

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**Jardine Cycle & Carriage Limited**  
**Company Statement of Recognised Income and Expense**


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	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30.6.06</b>	30.6.05	<b>30.6.06</b>	30.6.05
	<b>US\$m</b>	US\$m	<b>US\$m</b>	US\$m
Translation difference	<b>17.0</b>	(23.7)	<b>41.0</b>	(33.0)
Net gain/(loss) recognised directly in equity	<u><b>17.0</b></u>	<u>(23.7)</u>	<u><b>41.0</b></u>	<u>(33.0)</u>
Profit after tax	<b>68.1</b>	90.9	<b>58.5</b>	87.7
<b>Total recognised income and expense for the period</b>	<u><u><b>85.1</b></u></u>	<u><u>67.2</u></u>	<u><u><b>99.5</b></u></u>	<u><u>54.7</u></u>
<b>Profit attributable to:</b>				
Shareholders of the Company	<u><u><b>85.1</b></u></u>	<u><u>67.2</u></u>	<u><u><b>99.5</b></u></u>	<u><u>54.7</u></u>

**Jardine Cycle & Carriage Limited**  
**Consolidated Statement of Cash Flows**

	Note	Three months ended		Six months ended	
		30.6.06 US\$m	30.6.05 US\$m	30.6.06 US\$m	30.6.05 US\$m
<b>Cash flows from/(used in) operating activities</b>	12	<b>461.0</b>	(101.7)	<b>814.5</b>	(80.0)
Cash generated from operations					
Interest paid		(19.0)	(3.4)	(41.4)	(5.7)
Interest received		10.0	0.9	19.1	2.5
Other finance costs paid		-	-	(0.1)	(0.4)
Income tax paid		(66.1)	(7.1)	(156.0)	(8.4)
		(75.1)	(9.6)	(178.4)	(12.0)
Net cash flows from/(used in) operating activities		<b>385.9</b>	(111.3)	<b>636.1</b>	(92.0)
<b>Cash flows from investing activities</b>					
Sale of leasehold land use rights		5.7	-	8.0	-
Sale of property, plant and equipment		11.9	0.8	24.0	1.7
Sale of investment properties		-	8.7	-	45.4
Sale of subsidiaries, net of cash disposed		0.4	-	(27.3)	-
Sale of shares in associates		-	2.1	-	3.2
Purchase of property, plant and equipment		(105.6)	(4.2)	(223.6)	(8.2)
Purchase of leasehold land use rights		(1.1)	-	(3.8)	(0.3)
Purchase of plantations		(5.1)	-	(8.2)	-
Purchase of subsidiaries, net of cash acquired		-	(7.2)	(3.5)	(7.2)
Purchase of investment property		-	-	-	(8.2)
Purchase of shares in associates		(0.2)	(101.2)	(31.7)	(124.3)
Capital repayment of other investments		0.3	-	0.5	-
Dividends received from associates (net)		21.1	10.1	115.5	10.1
Net cash flows used in investing activities		<b>(72.6)</b>	(90.9)	<b>(150.1)</b>	(87.8)
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		0.1	0.6	0.1	1.1
Drawdown of loans		737.6	132.8	1,233.3	480.3
Repayment of loans		(909.5)	(3.8)	(1,592.3)	(340.4)
Investment by minority interests		-	-	9.4	-
Dividends paid to minority interests		(35.4)	(44.9)	(35.6)	(44.9)
Net cash flows from/(used in) financing activities		<b>(207.2)</b>	84.7	<b>(385.1)</b>	96.1
Net change in cash and cash equivalents		<b>106.1</b>	(117.5)	<b>100.9</b>	(83.7)
Cash and cash equivalents at the beginning of the period		<b>517.0</b>	209.4	<b>491.0</b>	177.0
Effect of exchange rate changes		(15.8)	(1.1)	15.4	(2.5)
Cash and cash equivalents at the end of the period		<b>607.3</b>	90.8	<b>607.3</b>	90.8

**Jardine Cycle & Carriage Limited****Notes****1 Basis of preparation**

The financial statements are consistent with those set out in the 2005 audited accounts which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). There have been no changes to the accounting policies described in the 2005 audited accounts except for the adoption of the amendments and interpretation shown below:

IAS 39 (amended 2005)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
IAS 39 (amended 2005)	The Fair Value Option
IAS 39 and IFRS 4 (amended 2005)	Financial Guarantee Contracts
IFRIC 4	Determining whether an Arrangement contains a Lease

The adoption of these amendments and interpretation did not have a material impact on the results of the Group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The Group makes estimates and assumptions concerning the future. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

With Astra becoming a subsidiary in August 2005, the initial accounting for the business combination under IFRS 3 Business Combinations involved identifying and determining the fair values to be assigned to Astra's identifiable assets, liabilities and contingent liabilities and the cost of the combination.

Prior year adjustment

The adjustments to the initial accounting for the business combination has resulted in changes to the Group's balance sheet as at 1 January 2006 and 31 December 2005. The impact of the prior year adjustment is as follows:

	US\$m
Decrease in intangible assets	(60.3)
Decrease in interests in associates and joint ventures	(60.0)
Decrease in deferred tax liabilities	21.8
Decrease in minority interests	<u>63.4</u>
Decrease in shareholders' funds	<u>(35.1)</u>
	US¢
Decrease in net asset value per share	<u>(0.10)</u>

**2 Reconciliation between IAS 17 and IAS 40 and FRS 25**

A reconciliation of the differences between IAS 17 Leases ("IAS 17") and IAS 40 Investment Properties ("IAS 40") and Singapore's FRS 25 Accounting for Investments ("FRS 25") is to be disclosed as required by the Accounting and Corporate Regulatory Authority in approving the Company's application for the adoption of International Financial Reporting Standards.

The differences between IAS 17 and IAS 40 and FRS 25 arise from the accounting treatment of valuation changes in investment properties. Under IAS 40, investment properties are carried at fair value and changes in fair values are recognised directly in the consolidated profit and loss account. This contrasts with FRS 25 where the investment properties are carried at revalued amounts. The net surplus or deficit on revaluation is first taken to revaluation reserve unless the revaluation surplus is insufficient to cover the deficit, in which case, the amount by which the deficit exceeds the available surplus is charged to the consolidated profit and loss account. The surplus on revaluation not utilised at the date of the sale of investment properties is taken to the consolidated profit and loss account.

There were no financial effects in adopting these financial standards for the six months ended 30 June 2006.

**3 Profit before tax**

	<b>Group</b>					
	<b>Three months ended</b>			<b>Six months ended</b>		
	<b>30.6.06</b>	30.6.05	<i>Change</i>	<b>30.6.06</b>	30.6.05	<i>Change</i>
	<b>US\$m</b>	US\$m	%	<b>US\$m</b>	US\$m	%
<b>Profit before tax is determined after including:</b>						
Interest income	<b>10.4</b>	0.7	<i>nm</i>	<b>19.5</b>	1.7	<i>nm</i>
Interest expense	<b>(21.6)</b>	(2.9)	<i>645</i>	<b>(41.3)</b>	(5.2)	<i>694</i>
Depreciation and amortisation of property, plant and equipment and leasehold land use rights	<b>(57.7)</b>	(2.2)	<i>nm</i>	<b>(112.4)</b>	(4.3)	<i>nm</i>
Profit on sale of shares in a subsidiary	-	-	-	<b>7.2</b>	-	<i>100</i>
Profit on sale of property, plant and equipment	<b>2.7</b>	-	<i>100</i>	<b>4.4</b>	-	<i>100</i>
Profit on sale of leasehold land use rights	<b>2.5</b>	-	<i>100</i>	<b>3.7</b>	-	<i>100</i>
Loss on sale of repossessed assets	<b>(27.1)</b>	-	<i>100</i>	<b>(52.2)</b>	-	<i>100</i>
Fair value changes of forward exchange contracts	<b>(0.1)</b>	(0.6)	<i>-83</i>	<b>(1.2)</b>	(0.5)	<i>140</i>
Impairment of intangible assets	-	(0.8)	<i>-100</i>	-	(0.8)	<i>-100</i>
Net exchange gain/(loss)	<b>(6.8)</b>	0.1	<i>nm</i>	<b>16.2</b>	2.4	<i>575</i>
Write-down of stocks	<b>(1.7)</b>	(1.0)	<i>70</i>	<b>(2.9)</b>	(1.0)	<i>190</i>
Write-back of impairment/(impairment) of debtors	<b>(64.2)</b>	0.2	<i>nm</i>	<b>(63.7)</b>	1.6	<i>nm</i>
Provision for warranty and goodwill claims	<b>(2.3)</b>	(1.7)	<i>35</i>	<b>(4.3)</b>	(3.9)	<i>10</i>
Write-back of provision for closure costs	-	-	-	-	1.2	<i>-100</i>

*nm: not meaningful*

**4 Tax**

The provision for income tax is based on the statutory tax rates of the respective countries in which the companies operate after taking into account non-deductible expenses and group tax relief.

## 5 Earnings per share

	Group			
	Three months ended 30.6.06 US\$m	30.6.05 US\$m	Six months ended 30.6.06 US\$m	30.6.05 US\$m
<b>Basic earnings per share</b>				
Profit attributable to shareholders	38.2	80.4	98.6	158.8
Weighted average number of ordinary shares in issue (millions)	336.8	333.9	336.7	333.8
Basic earnings per share	<u>US¢11.34</u>	<u>US¢24.08</u>	<u>US¢29.28</u>	<u>US¢47.57</u>
Profit attributable to shareholders from continuing operations	38.2	79.9	98.6	158.2
Basic earnings per share from continuing operations	<u>US¢11.34</u>	<u>US¢23.93</u>	<u>US¢29.28</u>	<u>US¢47.39</u>
Profit attributable to shareholders from discontinued operations	-	0.5	-	0.6
Basic earnings per share from discontinued operations	<u>US¢ -</u>	<u>US¢0.15</u>	<u>US¢ -</u>	<u>US¢0.18</u>
<b>Diluted earnings per share</b>				
Profit attributable to shareholders	38.2	80.4	98.6	158.8
Weighted average number of ordinary shares in issue (millions)	336.8	333.9	336.7	333.8
Adjustment for assumed conversion of share options (millions)	0.2	0.4	0.2	0.4
Weighted average number of ordinary shares for diluted earnings per share (millions)	<u>337.0</u>	<u>334.3</u>	<u>336.9</u>	<u>334.2</u>
Diluted earnings per share	<u>US¢11.33</u>	<u>US¢24.05</u>	<u>US¢29.27</u>	<u>US¢47.52</u>
Profit attributable to shareholders from continuing operations	38.2	79.9	98.6	158.2
Diluted earnings per share from continuing operations	<u>US¢11.33</u>	<u>US¢23.90</u>	<u>US¢29.27</u>	<u>US¢47.34</u>
Profit attributable to shareholders from discontinued operations	-	0.5	-	0.6
Diluted earnings per share from discontinued operations	<u>US¢ -</u>	<u>US¢ 0.15</u>	<u>US¢ -</u>	<u>US¢0.18</u>
<b>Underlying earnings per share</b>				
Underlying profit attributable to shareholders (note 6)	37.0	81.2	96.0	156.0
Basic underlying earnings per share	<u>US¢10.99</u>	<u>US¢24.32</u>	<u>US¢28.51</u>	<u>US¢46.73</u>
Diluted underlying earnings per share	<u>US¢10.98</u>	<u>US¢24.29</u>	<u>US¢28.50</u>	<u>US¢46.68</u>

## 6 Underlying profit attributable to shareholders

A reconciliation of the profit attributable to shareholders and underlying profit attributable to shareholders is as follows:

	Three months ended		Group Six months ended	
	30.6.06 US\$m	30.6.05 US\$m	30.6.06 US\$m	30.6.05 US\$m
<b>Profit attributable to shareholders</b>	<b>38.2</b>	80.4	<b>98.6</b>	158.8
<b>Less:</b>				
<b>Exceptional items</b>				
Profit on sale of shares in a subsidiary	(0.2)	-	1.2	-
Profit on sale of surplus Malaysian properties	1.4	-	1.4	-
Profit on closure of Australian operations	-	-	-	3.6
Impairment of intangible assets	-	(0.8)	-	(0.8)
	<u>1.2</u>	<u>(0.8)</u>	<u>2.6</u>	<u>2.8</u>
<b>Underlying profit attributable to shareholders</b>	<b><u>37.0</u></b>	<u>81.2</u>	<b><u>96.0</u></b>	<u>156.0</u>

The underlying profit attributable to shareholders by business is shown below:

	Group			Group		
	Three months ended 30.6.06 US\$m	30.6.05 US\$m	Change %	Six months ended 30.6.06 US\$m	30.6.05 US\$m	Change %
<b>Astra</b>						
Motor vehicles	9.8	25.0	-61	20.0	44.4	-55
Motorcycles	16.5	24.8	-33	32.2	48.2	-33
Other automotive	1.8	4.8	-63	3.8	8.7	-56
Total automotive	<u>28.1</u>	<u>54.6</u>	<u>-49</u>	<u>56.0</u>	<u>101.3</u>	<u>-45</u>
Non-automotive	24.5	26.2	-6	53.7	49.2	9
Corporate costs	(6.8)	(2.1)	224	(12.2)	(3.0)	307
Trading profit	45.8	78.7	-42	97.5	147.5	-34
Forex and others	(2.3)	(2.6)	-12	1.4	(1.1)	nm
	<u>43.5</u>	<u>76.1</u>	<u>-43</u>	<u>98.9</u>	<u>146.4</u>	<u>-32</u>
<b>Motors</b>						
Singapore	6.3	5.0	26	11.8	9.5	24
Malaysia	(0.3)	1.0	nm	0.6	1.5	-60
Indonesia (Tunas Ridean)	0.2	1.8	-89	0.8	4.0	-80
Others	(0.2)	1.7	nm	(0.2)	1.9	nm
	<u>6.0</u>	<u>9.5</u>	<u>-37</u>	<u>13.0</u>	<u>16.9</u>	<u>-23</u>
<b>Property</b>	-	1.1	-100	-	1.4	-100
Corporate costs and others	(5.1)	(5.5)	-7	(8.5)	(8.7)	-2
Withholding tax on dividends from Indonesia	(7.4)	-	100	(7.4)	-	100
	<u>(12.5)</u>	<u>(5.5)</u>	<u>127</u>	<u>(15.9)</u>	<u>(8.7)</u>	<u>83</u>
<b>Underlying profit attributable to shareholders</b>	<b><u>37.0</u></b>	<u>81.2</u>	<u>-54</u>	<b><u>96.0</u></b>	<u>156.0</u>	<u>-38</u>

**7 Borrowings**

	<b>Group</b>	
	<b>At 30.6.06 US\$m</b>	<b>At 31.12.05 US\$m</b>
Long-term borrowings:		
- secured	605.0	581.9
- unsecured	<u>607.3</u>	<u>818.0</u>
	<u>1,212.3</u>	<u>1,399.9</u>
Current borrowings:		
- secured	489.8	472.2
- unsecured	<u>1,123.7</u>	<u>1,238.7</u>
	<u>1,613.5</u>	<u>1,710.9</u>
Total borrowings	<u>2,825.8</u>	<u>3,110.8</u>

Certain subsidiaries of the Group have pledged their assets in order to obtain bank facilities from financial institutions. The value of assets pledged was US\$1,097.8 million (31.12.05: US\$1,145.6 million).

**8 Share capital**

	<b>Company</b>	
<b>Three months ended 30 June</b>	<b>2006 US\$m</b>	<b>2005 US\$m</b>
Share capital:		
Balance at 1 April	459.4	183.7
Issue of shares	<u>0.1</u>	<u>0.1</u>
Balance at 30 June	<u>459.5</u>	<u>183.8</u>
Share premium:		
Balance at 1 April	-	255.3
Issue of shares	<u>-</u>	<u>0.5</u>
Balance at 30 June	<u>-</u>	<u>255.8</u>
<b>Six months ended 30 June</b>	<b>2006 US\$m</b>	<b>2005 US\$m</b>
Share capital:		
Balance at 1 January	185.4	183.6
Issue of shares	<u>0.1</u>	<u>0.2</u>
Transfer from share premium	<u>274.0</u>	<u>-</u>
Balance at 30 June	<u>459.5</u>	<u>183.8</u>
Share premium:		
Balance at 1 January	274.0	254.9
Issue of shares	<u>-</u>	<u>0.9</u>
Transfer to share capital	<u>(274.0)</u>	<u>-</u>
Balance at 30 June	<u>-</u>	<u>255.8</u>

Pursuant to the abolition of par or nominal value of share capital in the Companies (Amendment) Act 2005 which took effect on 30 January 2006, the amount in share premium has become part of the Company's share capital.

**9 Fair value and other reserves**

	<b>Group</b>		<b>Company</b>	
	<b>At 30.6.06 US\$m</b>	<b>At 30.6.05 US\$m</b>	<b>At 30.6.06 US\$m</b>	<b>At 30.6.05 US\$m</b>
<u>Composition:</u>				
Fair value reserve	3.6	3.1	-	-
Asset revaluation reserve	302.0	10.0	-	-
Share option reserve	0.3	0.4	0.3	0.4
Other reserve	3.4	3.8	-	-
	<u>309.3</u>	<u>17.3</u>	<u>0.3</u>	<u>0.4</u>

## 9 Fair value and other reserves (cont'd)

Three months ended 30 June	Group		Company	
	2006 US\$m	2005 US\$m	2006 US\$m	2005 US\$m
<u>Movements:</u>				
<i>Fair value reserve</i>				
Balance at 1 April	2.8	3.4	-	-
Fair value changes of available-for-sale investments, net of tax	0.8	(0.3)	-	-
Balance at 30 June	<u>3.6</u>	<u>3.1</u>	<u>-</u>	<u>-</u>
<i>Asset revaluation reserve</i>				
Balance at 1 April as reported previously	336.9	9.5	-	-
Prior year adjustment (Note 1)	(34.9)	-	-	-
Balance at 1 April as restated	302.0	9.5	-	-
Surplus on revaluation of land and buildings, net of tax	0.1	0.5	-	-
Reserve realised on disposal of land and buildings	(0.1)	-	-	-
Balance at 30 June	<u>302.0</u>	<u>10.0</u>	<u>-</u>	<u>-</u>
<i>Share option reserve</i>				
Balance at 1 April	0.3	0.4	0.3	0.4
Balance at 30 June	<u>0.3</u>	<u>0.4</u>	<u>0.3</u>	<u>0.4</u>
<i>Other reserve</i>				
Balance at 1 April	3.4	3.8	-	-
Balance at 30 June	<u>3.4</u>	<u>3.8</u>	<u>-</u>	<u>-</u>
Six months ended 30 June	Group		Company	
	2006 US\$m	2005 US\$m	2006 US\$m	2005 US\$m
<u>Movements:</u>				
<i>Fair value reserve</i>				
Balance at 1 January	1.2	2.7	-	-
Fair value changes of available-for-sale investments, net of tax	2.4	0.4	-	-
Balance at 30 June	<u>3.6</u>	<u>3.1</u>	<u>-</u>	<u>-</u>
<i>Asset revaluation reserve</i>				
Balance at 1 January as previously reported	336.9	10.3	-	-
Prior year adjustment (Note 1)	(34.9)	-	-	-
Balance at 1 January as restated	302.0	10.3	-	-
Deficit on revaluation of land and buildings, net of tax	-	(0.3)	-	-
Balance at 30 June	<u>302.0</u>	<u>10.0</u>	<u>-</u>	<u>-</u>
<i>Share option reserve</i>				
Balance at 1 January	0.3	0.4	0.3	0.4
Balance at 30 June	<u>0.3</u>	<u>0.4</u>	<u>0.3</u>	<u>0.4</u>
<i>Other reserve</i>				
Balance at 1 January	3.8	3.8	-	-
Reserve realised on disposal of a subsidiary	(0.4)	-	-	-
Balance at 30 June	<u>3.4</u>	<u>3.8</u>	<u>-</u>	<u>-</u>

**10 Revenue reserve**

	<b>Group</b>		<b>Company</b>	
	<b>At</b>	<b>At</b>	<b>At</b>	<b>At</b>
	<b>30.6.06</b>	<b>30.6.05</b>	<b>30.6.06</b>	<b>30.6.05</b>
	<b>US\$m</b>	<b>US\$m</b>	<b>US\$m</b>	<b>US\$m</b>
<u>Composition:</u>				
Translation reserve	16.5	(80.5)	118.3	64.1
Retained earnings	898.0	964.7	333.3	578.1
	<b>914.5</b>	<b>884.2</b>	<b>451.6</b>	<b>642.2</b>
<b>Three months ended 30 June</b>	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>US\$m</b>	<b>US\$m</b>	<b>US\$m</b>	<b>US\$m</b>
<u>Movements:</u>				
<i>Translation reserve</i>				
Balance at 1 April as previously reported	57.7	(40.7)	101.3	87.8
Prior year adjustment (Note 1)	(0.2)	-	-	-
Balance at 1 April as restated	57.5	(40.7)	101.3	87.8
Translation difference	(41.1)	(39.8)	17.0	(23.7)
Reserve realised on disposal of subsidiaries	0.1	-	-	-
Balance at 30 June	16.5	(80.5)	118.3	64.1
<i>Retained earnings</i>				
Balance at 1 April	902.5	905.8	305.3	508.7
Asset revaluation reserve realised on disposal of land and buildings	0.1	-	-	-
Actuarial loss on defined benefit pension plans, net of tax	(2.7)	-	-	-
Profit attributable to shareholders	38.2	80.4	68.1	90.9
Dividends (net)	(40.1)	(21.5)	(40.1)	(21.5)
Balance at 30 June	898.0	964.7	333.3	578.1
<b>Six months ended 30 June</b>	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>US\$m</b>	<b>US\$m</b>	<b>US\$m</b>	<b>US\$m</b>
<u>Movements:</u>				
<i>Translation reserve</i>				
Balance at 1 January as previously reported	(63.1)	(13.8)	77.3	97.1
Prior year adjustment (Note 1)	(0.2)	-	-	-
Balance at 1 January as restated	(63.3)	(13.8)	77.3	97.1
Translation difference	76.7	(66.7)	41.0	(33.0)
Reserve realised on disposal of subsidiaries	3.1	-	-	-
Balance at 30 June	16.5	(80.5)	118.3	64.1
<i>Retained earnings</i>				
Balance at 1 January	840.7	827.4	314.9	511.9
Other reserve realised on disposal of a subsidiary	0.4	-	-	-
Actuarial loss on defined benefit pension plans, net of tax	(2.7)	-	-	-
Gain on dilution of interests in investments	1.1	-	-	-
Profit attributable to shareholders	98.6	158.8	58.5	87.7
Dividends (net)	(40.1)	(21.5)	(40.1)	(21.5)
Balance at 30 June	898.0	964.7	333.3	578.1

**11 Minority interests**

<b>Three months ended 30 June</b>	<b>2006 US\$m</b>	<b>Group</b>	<b>2005 US\$m</b>
Balance at 1 April as previously reported	2,126.1		221.5
Prior year adjustment (Note 1)	(63.4)		-
Balance at 1 April as restated	<u>2,062.7</u>		<u>221.5</u>
Fair value changes of available-for-sale investments, net of tax	1.5		(0.1)
Actuarial loss on defined benefit pension plans, net of tax	(4.3)		-
Translation difference	(39.8)		(2.8)
Net loss recognised directly in equity	(42.6)		(2.9)
Profit for the period	<u>62.2</u>		<u>2.9</u>
Total recognised gain for the period	19.6		-
Dividends (net)	(110.7)		(44.9)
Acquisition/disposal of subsidiaries	(1.0)		0.9
Balance at 30 June	<u><u>1,970.6</u></u>		<u><u>177.5</u></u>
<b>Six months ended 30 June</b>	<b>2006 US\$m</b>	<b>Group</b>	<b>2005 US\$m</b>
Balance at 1 January as previously reported	2,050.6		222.4
Prior year adjustment (Note 1)	(63.4)		-
Balance at 1 January as restated	<u>1,987.2</u>		<u>222.4</u>
Fair value changes of available-for-sale investments, net of tax	3.1		(0.2)
Actuarial loss on defined benefit pension plans, net of tax	(4.3)		-
Loss on dilution of interest in investments	(1.1)		-
Translation difference	100.7		(4.3)
Net gain/(loss) recognised directly in equity	98.4		(4.5)
Profit for the period	<u>148.1</u>		<u>3.6</u>
Total recognised gain for the period	246.5		(0.9)
Dividends (net)	(110.9)		(44.9)
Issue of shares	9.4		-
Acquisition/disposal of subsidiaries	(161.6)		0.9
Balance at 30 June	<u><u>1,970.6</u></u>		<u><u>177.5</u></u>

**12 Cash flows from operating activities**

	Group			
	Three months ended	30.6.05	Six months ended	30.6.05
	30.6.06	US\$m	30.6.06	US\$m
Profit before tax	137.5	87.9	332.1	168.8
Adjustments for:				
Interest income	(10.4)	(0.7)	(19.5)	(1.7)
Financing charges	21.5	3.1	41.0	5.7
Share of associates' and joint ventures' results	(38.8)	(78.7)	(72.2)	(153.1)
Depreciation and amortisation of property, plant and equipment and leasehold land use rights	57.7	2.2	112.4	4.3
Impairment of other investments	-	-	0.1	-
Impairment of intangible assets	-	0.8	-	0.8
Negative goodwill on acquisition of a subsidiary	-	-	(0.2)	-
Foreign exchange translation difference	35.5	(0.2)	(21.6)	(2.5)
Profit on sale of property, plant and equipment	(2.7)	-	(4.4)	-
Profit on sale of leasehold land use rights	(2.5)	-	(3.7)	-
Profit on sale of investment properties	-	(0.8)	-	(0.8)
Loss on sale of repossessed assets	27.1	-	52.2	-
Write-down of stocks	1.7	1.0	2.9	1.0
Impairment/(write-back of impairment) of debtors	64.2	(0.2)	63.7	(1.6)
Changes in provisions	3.6	1.7	6.5	2.7
Profit on sale of shares in a subsidiary	-	-	(7.2)	-
Fair value changes of investment properties	1.3	-	1.3	-
Fair value changes of plantations	(0.7)	-	(1.2)	-
	<u>157.5</u>	<u>(71.8)</u>	<u>150.1</u>	<u>(145.2)</u>
Operating profit before working capital changes	<u>295.0</u>	<u>16.1</u>	<u>482.2</u>	<u>23.6</u>
Changes in working capital:				
Development properties for sale	-	(112.1)	-	(115.2)
Stocks	54.3	(18.0)	100.7	(6.7)
Financing debtors	162.1	0.3	431.1	0.6
Debtors	(67.1)	(14.9)	(177.1)	(5.9)
Creditors	16.7	26.9	(22.4)	23.6
	<u>166.0</u>	<u>(117.8)</u>	<u>332.3</u>	<u>(103.6)</u>
Cash flows from operating activities	<u>461.0</u>	<u>(101.7)</u>	<u>814.5</u>	<u>(80.0)</u>

**13 Discontinued operations**

On 23 December 2005, a proposed distribution of 242,824,655 ordinary shares of MCL Land Limited held by the Company to its shareholders by way of a dividend in specie, was approved by the shareholders at the Extraordinary General Meeting of the Company. The distribution, in the proportion of 0.721394388 MCL Land Stock Units for every one ordinary share in the capital of the Company, was completed on 25 January 2006. MCL Land Limited ceased to be a subsidiary of the Company accordingly.

The distribution completes the Group's strategy of withdrawing from property activities.

	Group	
	Three months ended	Six months ended
	30.6.2005	30.6.2005
	US\$m	US\$m
Profit of discontinued operations:		
Revenue	0.5	1.0
Operating income	<u>0.5</u>	<u>0.2</u>
Profit before tax	1.0	1.2
Tax	(0.1)	(0.2)
Profit after tax	<u>0.9</u>	<u>1.0</u>
Cash flow of discontinued operations:		
Operating cash flows	(96.2)	(56.7)
Investment cash flows	7.6	(2.0)
Financing cash flows	(5.6)	(38.6)
Total cash flows	<u>(94.2)</u>	<u>(97.3)</u>

**14 Interested person transactions**

<u>Name of interested person</u>	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	US\$m	US\$m
<b>Three months ended 30 June 2006</b>		
Jardine Matheson Limited		
- management consultancy services	-	0.3
MCL Land Limited		
- sale of a used car	-	0.1
<b>Six months ended 30 June 2006</b>		
Jardine Matheson Limited		
- management consultancy services	-	0.4
MCL Land Limited		
- sale of a used car	-	0.1
Director of the Company, Chang See Hiang		
- sale of a motor car	0.2	-
- purchase of a used car	0.1	-

**15 Issue of shares**

The number of shares that may be issued on conversion of all outstanding options granted pursuant to the CCL Executives' Share Option Schemes amounted to 311,000 as at 30 June 2006 (30.6.2005:497,000).

Between 1 April 2006 and 30 June 2006, 115,000 ordinary shares were issued for cash pursuant to the exercise of options granted under the CCL Executives' Share Option Schemes to subscribe for shares in the capital of the Company at the exercise prices of S\$4.340 and S\$1.204 per share.

Except for those mentioned above, there were no other rights, bonus or equity issues during the period between 1 April 2006 and 30 June 2006.

**16 Closure of books**

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members will be closed on Tuesday, 26 September 2006 for the purpose of determining shareholders' entitlement to the interim dividend.

Duly completed transfers received by Jardine Cycle & Carriage Limited's Share Registrar, M&C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 up to 5.00 p.m. on 25 September 2006 ("Books Closure Date") will be registered before entitlements to the interim dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares as at the Books Closure Date will be entitled to the interim dividend. The interim dividend will be paid on or about Tuesday, 14 November 2006. As in the previous years, shareholders will continue to have the option to receive the dividend in scrip. Shareholders who do not elect for the scrip alternative will have the option to receive the dividend in Singapore dollars. In the absence of any election, the dividend will be paid in US dollars. Details on these electives will be furnished to shareholders in due course.

**17 Others**

The results do not include any pre-acquisition profits and have not been affected by any item, transaction or event of a material or unusual nature other than the exceptional items shown in note 6 of this report.

No significant transaction or event has occurred between 1 July 2006 and the date of this report, except that on 7 September 2006, PT Astra International Tbk, the Group's 50.1% owned subsidiary, announced that in partnership with Standard Chartered Bank each is investing a further US\$97 million to acquire additional shares in PT Bank Permata Tbk, thereby increasing their respective shareholdings from 31.6% to 44.5%.

- end -

For further information, please contact:

Jardine Cycle & Carriage Limited

Ho Yeng Tat                      Tel: 65 64708108

The full text of the Financial Statements and Dividend Announcement for the six months ended 30 June 2006 can be accessed through the internet at '[www.jcclgroup.com](http://www.jcclgroup.com)'.