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NEWS RELEASE

CapitaLand acquires prime freehold Arlington Business Park in United Kingdom for £129 million

Continues to strengthen presence in developed markets as portfolio in Europe grows to S\$4.8 billion

Singapore, 26 February 2020 – CapitaLand has entered into an agreement to acquire a prime freehold business park in the United Kingdom (UK) for £129.3 million (S\$226.9 million¹). The acquisition of Arlington Business Park will expand CapitaLand’s assets under management (AUM) in Europe to S\$4.8 billion², further strengthening the Group’s investment portfolio in the developed markets.³

Arlington Business Park is a business park located in Reading, a city over 60 km west of London. The business park comprises 11 Grade A office buildings totalling about 367,000 square feet (sq ft) of net lettable area (NLA).

The business park is conveniently located close to Junction 12 of the M4 motorway, one of UK’s key motorways, providing excellent connectivity for tenants. The London Heathrow International Airport is only a 30-minute drive from the business park. The Theale train station is five-minute walk away from the business park, offering direct access to London within 40 minutes. The Crossrail train line, which is due to open in 2021 will further improve connectivity, reducing travelling time into Central London.

Mr Jason Leow, President, Singapore & International, CapitaLand Group, said: “The acquisition of Arlington Business Park is part of CapitaLand’s plan to increase our investments in developed markets such as Europe, Japan and the USA. Our strengthened presence in Europe will enable the Group to maintain a balanced portfolio between emerging and developed markets. Post integration with Ascendas-Singbridge, we have acquired strong expertise in business parks. We can leverage this deep experience and our strong network of tenants to value add to Arlington Business Park. As we build up our portfolio in Europe, we have greater optionality in spinning off such assets into investment vehicles or partnerships, continuing to deliver value for our stakeholders.”

Mr Gerald Yong, Chief Executive Officer, CapitaLand International, said: “The portfolio of 11 income-generating prime freehold business park buildings offers CapitaLand meaningful scale in the UK’s business park and regional office sector. With increased clarity post Brexit,

¹ Based on the exchange rate of £1.00 to S\$1.755.

² Includes CapitaLand’s AUM in Europe of S\$4.6 billion as at 31 December 2019 and Arlington Business Park’s asset value of about S\$0.23 billion.

³ CapitaLand owns and manages a global portfolio worth over S\$131.9 billion as at 31 December 2019, 48% of which are assets in developed markets.

the acquisition is timely as general business sentiment has improved. Demand for office space in the UK persists and prime office rental rates in key UK cities, including Reading, are also expected to grow between 1% and 5% over the next two years.⁴ Arlington Business Park is well-positioned to enjoy rental upside from vacancies and reversions. The UK offers strong fundamentals such as a resilient economy and transparency, and we look forward to expanding our presence in the UK and Europe.”

South East UK is the largest regional economy in the UK outside of the capital, London.⁵ More than 105,000 jobs are expected to be generated in South East UK over the next five years. With lower office rents compared to London, demand for office space is set to increase.⁶

Arlington Business Park sits on six hectares of land, with a good offering of amenities including a café, gymnasium and a floating pavilion built on a scenic lake where meetings, events and conferences can be held. The park also has ample green spaces surrounding the lake, for placemaking and community activities. Notable tenants at Arlington Business Park include Amazon, Clearswift, NTT Group, Regus, Veritas, Willis Towers Watson and Honda with the majority of its other tenants mainly from the technology, media and telecommunications sectors.

CapitaLand's Presence in Europe and the United Kingdom

In Europe, CapitaLand currently owns and operates more than 70 properties across the office, logistics and lodging sectors. These assets are located predominantly in the developed markets of France, Germany and the UK.

In the UK, through CapitaLand's wholly owned lodging business unit, The Ascott Limited and its hospitality trust, Ascott Residence Trust, the Group owns and manages eight properties with over 1,330 units in London and Liverpool.

CapitaLand's global business park and logistics real estate investment trust, Ascendas Real Estate Investment Trust owns a portfolio of 38 logistics properties in the UK, with a total gross internal area of over 5.4 million sq ft. Located across the country in East England, East Midlands, North West England, West Midlands, South East England, and Yorkshire and the Humber, the properties are well connected to the major motorways and junctions such as the M5, M6 and M40, providing a strong network to reach a large catchment of UK's population.

For more details on Arlington Business Park, please refer to the Annex.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth over S\$131.9 billion as at 31 December 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial

⁴ January 2020, Savills Research – UK Cross Sector Outlook 2020

⁵ European Commission

⁶ June 2019, Knight Frank – 10 Questions. The M25 & South East Office Market Report 2019

and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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Annex – Details on Arlington Business Park

Location	Arlington Business Park Theale Reading RG7 4SA
Land Area	15 acres / 6 hectares
Tenure	Freehold
NLA	About 367,000 sq ft across 11 Grade A office buildings
Property Description	<p>Located in Theale, Reading, United Kingdom, Arlington Business Park is adjacent to the main highways of J12 and M4, offering direct access to London and the London Heathrow International Airport. Theale train station is a five-minute walk away. With over 30 London-bound trains on the weekday, commuters can reach London in about 40 minutes.</p> <p>The 11 Grade A office buildings feature open floor plates and high ceilings, providing flexibility during fit-out and better ventilation. The extended glass facades allow natural light to enter the workspace, while bringing tenants closer to the outdoors.</p> <p>Located within the picturesque Thames Valley, Arlington Business Park offers a modern working environment amongst landscaped gardens and scenic lakes. The well-kept green and blue spaces in the business park are ideal spots for placemaking. Tenants can unwind at these spots or come together as a community, staying connected through well-curated programmes and events such as outdoor movie screenings organised by the park management team.</p> <p>Other amenities include a café, gymnasium, outdoor table tennis tables, a floating pavilion and more. Just a stone's throw away, the town of Theale also offers a host of dining, entertainment and retail options.</p>
Number of Car Park Lots	In excess of 1,600 car park spaces, providing a good car park ratio of 1:210 sq ft