CAPITALAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.: 198900036N

ANNOUNCEMENT

DISPOSALS OF THE ENTIRE ISSUED SHARE CAPITAL OF:
(I) CAPITALAND RETAIL (SI) INVESTMENTS PTE. LTD.
(II) VICTORIA CITY PTE LTD
(III) CAPITALAND RETAIL (BJ1) HOLDINGS PTE. LTD.

CapitaLand Limited ("CapitaLand") wishes to announce the following disposals (collectively, the "Disposals", and each, a "Disposal") by its direct and indirect wholly-owned subsidiaries to Pacific Coast Assets Inc. (the "Purchaser"), a party unrelated to CapitaLand:

Disposal of the entire issued share capital of CapitaLand Retail (SI) Investments Pte. Ltd. by CapitaLand Retail (BJ) Investments Pte. Ltd.

CapitaLand Retail (BJ) Investments Pte. Ltd., an indirect wholly-owned subsidiary of CapitaLand, had on 1 August 2006 entered into a sale and purchase agreement with the Purchaser to dispose of its 114,358,242 ordinary shares in the issued share capital of CapitaLand Retail (SI) Investments Pte. Ltd. ("CR(SI)"), constituting 100% of the issued share capital of CR(SI) (the "CR(SI) Sale Shares").

Disposal of the entire issued share capital of Victoria City Pte Ltd by CapitaLand Commercial and Integrated Development Limited

CapitaLand Commercial and Integrated Development Limited, a wholly-owned subsidiary of CapitaLand, had on 1 August 2006 entered into a sale and purchase agreement with the Purchaser to dispose of its 1,000,000 ordinary shares and 68,800 preference shares in the issued share capital of Victoria City Pte Ltd ("VCPL"), constituting 100% of the issued share capital of VCPL (collectively, the "VCPL Sale Shares").

Disposal of the entire issued share capital of CapitaLand Retail (BJ1) Holdings Pte. Ltd. by CapitaLand Retail Limited

CapitaLand Retail Limited, a wholly-owned subsidiary of CapitaLand, had on 1 August 2006 entered into a sale and purchase agreement with the Purchaser to dispose of its one ordinary share in the issued share capital of CapitaLand Retail (BJ1) Holdings Pte. Ltd. ("CR(BJ1)"), constituting 100% of the issued share capital of CR(BJ1) (the "CR(BJ1) Sale Shares").

The sale of the CR(SI) Sale Shares, the VCPL Sale Shares and the CR(BJ1) Sale Shares (collectively, the "Sale Shares") is for an aggregate cash consideration of approximately S$231.06 million (the "Consideration"). The Consideration was arrived at on a willing buyer-willing seller basis, taking into account, amongst other factors, the value of the underlying assets of CR(SI), VCPL and CR(BJ1), which includes Inter-Continental Hotel, Singapore, the value of which has been agreed by the parties to be at S$250 million; and the other assets and liabilities of CR(SI), VCPL, CR(BJ1). The net tangible asset value of the Sale Shares based on the management accounts of CR(SI), VCPL and CR(BJ1) as at 30 June 2006 is approximately S$184.38 million.

CR(SI), VCPL and CR(BJ1) (through its wholly-owned subsidiary, CapitaLand Retail BJ1 (M) Limited ("CRBJ1(M)")) together hold a 49.5% interest in Bugis City Holdings Pte Ltd (“BCH”) which, in turn, through its 90% interest in BCH Hotel Investment Pte Ltd (“BCH(H)”), owns (amongst other things) the Inter-Continental Hotel, Singapore. BCH also owns an 80% interest in BCH Retail Investment Pte Ltd (“BCH(R)”) which is currently a dormant company, with CR(SI) holding the remaining 20% interest.

The completion of the Disposals is expected to take place on 29 August 2006 and the Consideration will be fully satisfied in cash. The completion of each Disposal is conditional upon the completion of the other Disposals. Following completion, CR(SI), VCPL, CR(BJ1) and CRBJ1(M) will cease to be indirect wholly-owned subsidiaries of CapitaLand, and BCH, BCH(H) and BCH(R) will cease to be associated companies of CapitaLand.

The Disposals are expected to yield a net gain of approximately S$40.51 million for CapitaLand.

Based on the latest available audited consolidated financial statements of CapitaLand for the financial year ended 31 December 2005:

(i) assuming that the Disposals had been effected on 1 January 2005, CapitaLand’s earnings per share would increase from 28.3 cents to 29.8 cents; and

(ii) assuming that the Disposals had been effected on 31 December 2005, the financial impact on CapitaLand’s net tangible assets per share is not significant.

None of the Directors or controlling shareholder of CapitaLand has any interest, direct or indirect, in the Disposals.

Copies of the sale and purchase agreements are available for inspection during normal business hours at CapitaLand's registered office at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 for a period of three months from the date of this announcement.

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
1 August 2006