CAPITALAND LIMITED

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

ANNOUNCEMENT

(A) TERMINATION OF AGREEMENTS RELATING TO THE 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.

(B) DISPOSAL OF SHARES IN BCH HOTEL INVESTMENT PTE LTD BY BUGIS CITY HOLDINGS PTE LTD AND INTER-CONTINENTAL HOTEL INVESTMENT (S) PTE LTD

Further to the announcement made on 1 August 2006, CapitaLand Limited ("CapitaLand") wishes to announce that its wholly-owned subsidiaries, CapitaLand Retail (BJ) Investments Pte. Ltd. (“CRBJ”), CapitaLand Commercial and Integrated Development Limited (“CCID”) and CapitaLand Retail Limited (“CRTL”), have on 9 November 2006 each mutually agreed with Pacific Coast Assets Inc. (the "Purchaser"), subject to the fulfillment of the condition hereinafter mentioned, to terminate their respective sale and purchase agreements (collectively, the "Agreements") relating to the following disposals (collectively, the "Original Disposals"):

(i) disposal of the entire issued share capital of CapitaLand Retail (SI) Investments Pte. Ltd. ("CR(SI)") by CRBJ to the Purchaser;

(ii) disposal of the entire issued share capital of Victoria City Pte Ltd ("VCPL") by CCID to the Purchaser; and

(iii) disposal of the entire issued share capital of CapitaLand Retail (BJ1) Holdings Pte. Ltd. ("CR(BJ1)") by CRTL to the Purchaser.

The termination of the Agreements is conditional upon the completion ("Completion") on 30 November 2006 of the sale and purchase of the entire issued share capital of BCH Hotel Investment Pte Ltd ("BCH Hotel") (the "Proposed Disposal") pursuant to and in accordance with the sale and purchase agreement dated 9 November 2006 (the "SPA") made between (1) Bugis City Holdings Pte Ltd ("BCH") and Inter-Continental Hotel Investment (S) Pte Ltd ("Inter-Continental") as vendors, and (2) the Purchaser as purchaser. Under the SPA, BCH will sell to the Purchaser its 51,254,320 ordinary shares in the issued share capital of BCH Hotel (the "BCH Sale Shares"), constituting 90% of the issued share capital of BCH Hotel, and Inter-Continental will sell to the Purchaser its 5,694,924 ordinary shares in the issued share capital of BCH Hotel, constituting 10% of the issued share capital of BCH Hotel.

CapitaLand, through its indirect wholly-owned subsidiaries CR(SI), CapitaLand Retail BJ1 (M) Limited (a wholly-owned subsidiary of CR(BJ1)) and VCPL, owns an effective interest of 49.5% in BCH, which, in turn, owns a 90% interest in BCH Hotel. Accordingly, CapitaLand has an effective interest of 44.55% in BCH Hotel. BCH Hotel owns the Inter-Continental Hotel, Singapore.

The agreement by the respective parties to terminate the Agreements follows the entry into of an agreement between the Purchaser and the shareholders of BCH Hotel (namely, BCH and Inter-Continental) for the sale and purchase of the entire issued share capital of BCH Hotel. From CapitaLand's perspective, there is no material difference between the effect of the divestment of its interests in BCH Hotel by way of the Original Disposals and that of the Proposed Disposal on the earnings per share and the net tangible assets per share of CapitaLand.

The consideration for the BCH Sale Shares is approximately S$176.7 million (the "Sale Consideration"). The Sale Consideration was arrived at on a willing-buyer and willing-seller basis after due negotiation, taking into account various factors including the net asset value of the BCH Sale Shares.

Upon the execution of the SPA, a deposit of S$22.5 million has been paid by the Purchaser to BCH. The balance of the Sale Consideration is payable by the Purchaser to BCH in cash on Completion, which is to take place on 30 November 2006. Upon Completion, CapitaLand will cease to have any interest in BCH Hotel, which will then cease to be its associated company.

The Proposed Disposal is expected to yield a net gain of approximately S$44.1 million for CapitaLand. This is approximately S$3.6 million more than the net gain of approximately S$40.5 million that would have resulted from the Original Disposals. The increase of S$3.6 million is due to the disposal by CapitaLand’s associated company, BCH, of its 90% interest in BCH Hotel to the Purchaser via the sale of shares in a single entity.

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

(i) assuming that the Proposed Disposal had been effected on 1 January 2005, CapitaLand’s earnings per share would increase from 28.3 cents to 29.9 cents; and

(ii) assuming that the Proposed Disposal 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 above transactions.

By Order of the Board

Low Sai Choy
Company Secretary
9 November 2006