CAPITALAND LIMITED

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

ANNOUNCEMENT

PLACEMENT OF 100 MILLION UNITS IN ASCOTT RESIDENCE TRUST

CapitaLand Limited ("CapitaLand") wishes to announce that it, together with its wholly-owned subsidiaries, pFission Pte Ltd and Somerset Capital Pte Ltd (collectively, the "Sellers"), had on 13 March 2007 entered into a placement agreement (the "Placement Agreement") with J.P. Morgan (S.E.A.) Limited ("JPMorgan"). Pursuant to the Placement Agreement, the Sellers agreed to place out (the "Placement") in aggregate 100 million units in issue (the "Sale Units") in Ascott Residence Trust ("ART") for a cash consideration of S$1.90 per Sale Unit (the "Consideration") and JPMorgan agreed to purchase or procure purchasers for the Sale Units.

The Consideration represents a 0.85% discount to the volume weighted average price of ART units for the five market days on which trades in ART units were done up to 13 March 2007 after adjusting for the Advanced Distribution[1] and was arrived at on a willing-buyer and willing-seller basis. The book value of the Sale Units based on the management accounts as at 31 December 2006 was S$140.1 million.

The Placement is expected to be completed on 26 March 2007 (the "Completion"). Upon Completion and subsequent to the equity fund raising exercise of ART which is expected to be completed on 26 March 2007, CapitaLand's effective interest in ART will be reduced to 37.3%, and ART will become an associate of CapitaLand. CapitaLand has also agreed to a 90-day lock up of its remaining stake in ART.

The Placement is expected to contribute approximately S$30.3 million to the PATMI[2] of CapitaLand Group.

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[1] The Advanced Distribution is the advanced distribution of distributable income of ART for the period from 1 January 2007 to the day immediately preceding the date on which new units of ART are issued pursuant to its equity fund raising exercise and is estimated to be approximately 1.50 Singapore cents.

[2] PATMI is the net profit after tax attributable to shareholders.

Based on the unaudited consolidated financial statements of CapitaLand for the financial year ended 31 December 2006:

(i) assuming that the Placement was effected on 1 January 2006, the financial impact on CapitaLand's earnings per share for the year ended 31 December 2006 is not material; and

(ii) assuming that the Placement was effected on 31 December 2006, the financial impact on CapitaLand's net tangible assets per share is not material.

Save for Liew Mun Leong, Richard Edward Hale and Lim Chin Beng who each has interests in the units in ART, none of the Directors and the controlling shareholder of CapitaLand has any interest, direct or indirect, in the above transaction.

By Order of the Board

Low Sai Choy
Company Secretary
14 March 2007