CAPITALAND LIMITED

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

ANNOUNCEMENT

SALE OF STAKE IN SAVU INVESTMENTS LTD

CapitaLand Limited ("**CapitaLand**") wishes to announce that its indirect wholly-owned subsidiary, Malachite Land Pte Ltd (**"Malachite"**), and the other shareholder (collectively, the "**Vendors**") of Savu Investments Ltd ("**Savu**"), have entered into an agreement (the **"Agreement"**) for the sale of their respective shareholdings in Savu (collectively, the "**Sale**"). Pursuant to the Agreement, Malachite would sell its entire 50% stake (comprising 12,500,000 ordinary shares) (the "**Sale Shares**") in Savu and assign all its rights in respect of the shareholder loans extended by Malachite to Savu (the "**Loans**").

Savu owns the office building in Singapore known as Hitachi Tower (the "**Property**").

The cash consideration (the "**Consideration**") for the Sale Shares and the assignment of the Loans is S$403.5 million, subject to a post-completion adjustment of the net asset value of Savu as of 26 February 2008 (the "**Completion Date**"). The Consideration was arrived at on a wiling-buyer willing-seller basis, taking into account, among other factors, the agreed value of the Property at S$811 million (about S$2,900 per square foot of Net Lettable Area) and the assignment of the Loans.

CapitaLand's carrying value of the Sale Shares, based on the management accounts of Savu as at 31 December 2007 was S$207.5 million.

Completion of the Sale is subject to the fulfilment of certain conditions precedent set out in the Agreement, including the utilisation of financing obtained by the purchaser having been effected, the discharge of the existing encumbrances over the Property, and there being no material breach on or at any time before the Completion Date of any of the warranties, representations, covenants and undertakings given by the Vendors (the "**Completion**").

Upon the Completion, CapitaLand will recognise in its Group consolidated accounts a gain of approximately S$110.1 million. Savu will cease to be an associated company of CapitaLand.

Based on the unaudited consolidated financial statements of CapitaLand for the 9 months ended 30 September 2007:

(1) assuming that the Sale was effected on 1 January 2007, CapitaLand's earnings per share would have increased from 74.4 cents to 78.3 cents; and

(2) assuming that the Sale was effected on 30 September 2007, the financial impact on CapitaLand's net tangible assets per share would not be material.

None of the Directors or 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
15 January 2008