CapitaLand

CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF THE ENTIRE 49% STAKE IN RUNWAL CAPITALAND INDIA PRIVATE LIMITED

CapitaLand Limited ("**CapitaLand**") wishes to announce that its wholly-owned subsidiary, Lonsvale Pte. Ltd. ("**Lonsvale**") has entered into a Share Purchase Agreement (the "**SPA**") with Runwal Developers Private Limited ("**Runwal**"). Pursuant to the SPA, Lonsvale will divest to Runwal (the "**Divestment**") its entire 49% stake comprising 1,000,000 ordinary shares of RS10 each and 100,000 Class A Preference Shares of RS10 each (the "**Sale Shares**") in Runwal CapitaLand India Private Limited ("**Runwal CapitaLand**"). Runwal, a party unrelated to CapitaLand, is the other shareholder of Runwal CapitaLand holding 51% stake.

Runwal CapitaLand, a company incorporated in India, is principally involved in the development of The Orchard Residency, a 590-unit freehold residential project located at Ghatkopar in Mumbai, India. CapitaLand and Runwal have worked closely together towards the successful launch and implementation of the project.

The Divestment is consistent with CapitaLand's active capital management, and enables early recycling of capital ahead of the project completion. India remains a market with good potential given its huge population and strong economic growth. CapitaLand remains open to new investment opportunities in its core segments.

The cash consideration (the "**Consideration**") for the Sale Shares is RS1,020,000,000 (approximately S$30 million) and will be paid upon completion of the Divestment (the "**Completion**"). The Consideration was arrived at on a willing-buyer willing-seller basis, taking into account, among other factors, the value of sold units, the market value of unsold units, the costs to complete the development and the date on which the Consideration is expected to be received by Lonsvale. Runwal CapitaLand has commissioned a valuation of the equity and preference shares of Runwal CapitaLand by an independent chartered accountant. According to the valuation report, the value of the Sale Shares is RS1,023,900,000 (approximately S$30 million). CapitaLand's carrying value of the Sale Shares, based on the management accounts of Lonsvale as at 30 September 2010 was approximately S$15 million.

The Completion is expected to take place on or about 30 days from the date of execution of the SPA. Upon the Completion, Runwal CapitaLand will cease to be an associated company of CapitaLand.

The Divestment is not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2010.

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

By Order of the Board

Low Sai Choy
Company Secretary
2 November 2010