CAPITALAND LIMITED

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

ANNOUNCEMENT

JOINT VENTURE BETWEEN CAPITALAND, CAPITACOMMERCIAL TRUST AND MITSUBISHI ESTATE ASIA TO REDEVELOP MARKET STREET CAR PARK

CapitaLand Limited (**"CapitaLand"**) wishes to announce that it has entered into a 50:40:10 joint venture ("**Joint Venture**") with CapitaCommercial Trust ("**CCT**") and Mitsubishi Estate Asia Pte Ltd ("**MEA**") to invest in the redevelopment of Market Street Car Park (the "**Property**") into a commercial office development at an estimated cost of S$1.4 billion (the "**Project**").

CapitaLand's wholly-owned subsidiary, Market Street Office Pte. Ltd. ("**CL SPV**") has entered into a joint venture agreement ("**JVA**") with Market Street Office Trustee Pte Ltd as trustee-manager of MSO Trust ("**MSO Trustee-Manager**"), CapitaCommercial Trust Management Limited ("**CCT Manager**") as manager of CCT, HSBC Institutional Trust Services (Singapore) Limited as trustee of CCT ("**CCT Trustee**") and MEA, a party unrelated to CapitaLand. The Property is owned by MSO Trust.

CCT Trustee presently owns 100% of all the issued units in MSO Trust. CL SPV and MEA will each subscribe for 28 million and 5.6 million new units in MSO Trust for a cash consideration of S$28 million (the "**Subscription**") and S$5.6 million respectively. Upon the issuance of the new units, CL SPV will hold 50% and MEA will hold 10% of the issued units in MSO Trust whilst CCT Trustee's stake will be reduced to 40%.

The Project will be financed through a combination of equity, unitholders' loans and external financing. Under the JVA, each of CL SPV, CCT Trustee and MEA has committed to provide MSO Trust with aggregate funding of S$850.0 million by way of equity or unitholders' loans in their respective proportions of 50:40:10.

CapitaLand believes that the Joint Venture will allow each partner to contribute its unique expertise and knowledge to the Project. The Project will enhance CapitaLand's office footprint in Singapore and is in line with its strategy to strengthen its position in Singapore's CBD. The Joint Venture also demonstrates CapitaLand's committed support for CCT, which is its sponsored commercial real estate investment trust in Singapore.

Pursuant to the JVA, CCT Trustee has been granted call options to acquire the completed Property and the units in MSO trust held by CL SPV and MEA respectively at any time within three years following the notification by MSO Trustee-Manager that it has obtained the temporary occupation permit for the Project (the "**Call Options**"). The Call Options do not preclude MSO Trust from selling the completed Property or CL SPV or MEA from selling their respective units in MSO Trust to any third party if the Call Options are not exercised by CCT Trustee within the prescribed period.

The entry into the JVA and Subscription are 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 2011.

Mr Richard Edward Hale is a Director of CapitaLand and is the Chairman of CCT Manager. Mr Liew Mun Leong is a Director and the President and Chief Executive Officer of CapitaLand and is the Deputy Chairman of CCT Manager.

As shown in the Register of Directors and Substantial Shareholders of CapitaLand and CCT as at the date of this announcement:

(a) Certain Directors of CapitaLand have interests (direct and indirect) in 5,615,161 (0.13%) CapitaLand shares and in 443,000 (0.02%) CCT units.

(b) CapitaLand is deemed to have an interest in 902,427,186 (31.91%) CCT units.

(c) Temasek Holdings (Private) Limited ("**Temasek**"), the controlling shareholder of CapitaLand, has interests (direct and indirect) in 1,744,311,010 (40.92%) CapitaLand shares.

    Temasek is deemed to have an interest in 911,945,636 (32.27%) CCT units out of which 902,427,186 (31.91%) CCT units are held through the CapitaLand Group.

Save as disclosed above, none of the Directors or controlling shareholder of CapitaLand has any interest, direct or indirect, in the Joint Venture.

By Order of the Board

Low Sai Choy
Company Secretary
14 July 2011