CAPITALAND LIMITED

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

ANNOUNCEMENT

ACQUISITION OF 100% STAKE IN SNC COSTES K TO DEVELOP ASCOTT ARC DE TRIOMPHE PARIS

CapitaLand Limited ("**CapitaLand**") wishes to announce the acquisition (the "**Acquisition**") of the entire 100% stake in SNC Costes K ("**SCK**") for a cash consideration of €64.3 million (approximately S$117.1 million) (the "**Consideration**").

CapitaLand's wholly-owned subsidiaries, Ascott Holdings (France) SAS and Ascott Holdings (Europe) NV (collectively, "**Ascott**") have agreed to acquire the entire 100% stake representing 237,150 shares of €190.44 each in SCK from Hotel Costes SA and EJL SAS, parties unrelated to CapitaLand.

SCK, a company incorporated in France, owns three assets in Paris (i) a property known and operated as Hotel K (ii) an adjoining residential building and (iii) an adjacent apartment unit (collectively, the "**Assets**"). The Hotel K and adjoining residential building will be redeveloped into a 106-unit serviced apartment to be known as "Ascott Arc de Triomphe Paris". The adjacent apartment unit will be used for corporate leases.

The Acquisition is part of CapitaLand's ongoing strategy to deepen its presence and enhance its real estate portfolio in key markets in Europe.

The Consideration, which will be subject to post completion adjustments, was arrived at on a willing-buyer and willing-seller basis, and comprises, *inter alia*:

(a) the adjusted net asset value of SCK of €45.2 million (approximately S$82.3 million) taking into account the agreed value of the Assets of €65 million (approximately S$118.4 million); and

(b) the assignment to Ascott of the outstanding shareholders' loans of approximately €19.1 million (approximately S$34.8 million).

Completion is expected to take place by second quarter of 2011 or such other date as the parties may agree in writing (the "**Completion**"). The first 5% of the Consideration has been paid and the balance 95% will be paid on Completion. Upon Completion, SCK will become a wholly-owned subsidiary of CapitaLand.

The Acquisition 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 2011.

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

By Order of the Board

Low Sai Choy
Company Secretary
10 May 2011