The Convertible Bonds (as defined below) and the new Shares (as defined below) to be issued upon conversion of the Convertible Bonds have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act. There will be no public offering of the securities in the United States. This announcement is for information purposes only and does not constitute an offer or sale of Convertible Bonds or new Shares to be issued upon conversion of the Convertible Bonds in the United States or any other jurisdiction. Neither this announcement nor any portion hereof may be sent or transmitted into the United States or any jurisdiction where to do so is unlawful. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction.

CAPITALAND LIMITED

Regn No.: 198900036N

(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

TERMS AND FINANCIAL EFFECTS OF NEW ISSUANCE OF CONVERTIBLE BONDS DUE 2020

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1. INTRODUCTION

CapitaLand Limited (the "**Company**") wishes to announce that the Company has priced its offering (the "**Offer**") of convertible bonds due 2020 (the "**Convertible Bonds**"), which are convertible into new ordinary shares in the capital of the Company ("**Shares**"). Credit Suisse (Singapore) Limited and Merrill Lynch (Singapore) Pte. Ltd. (together, the "**Joint Lead Managers**") have been appointed as the joint bookrunners, lead managers and underwriters of the Offer. DBS Bank Ltd. (the "**Co-Manager**") has also been appointed as the co-manager for the Offer.

The Convertible Bonds have been fully placed to institutional investors and accredited investors.

2. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms and conditions of the Convertible Bonds are summarised as follows:

Issue Size	:	S$650,000,000 in principal amount of Convertible Bonds (excluding the upsize option referred to below)
Upsize Option	:	An additional S$150,000,000 in principal amount of Convertible Bonds under an upsize option granted by the Company to the Joint Lead Managers, which shall be exercisable within 30 days from 20 May 2013 or up to (and including) the closing date of the issue of the Convertible Bonds (whichever such date is earlier)
Issue Price	:	100 per cent. of the principal amount of the Convertible Bonds

Settlement and Payment	:	Subject to fulfilment of the conditions of the subscription agreement dated 20 May 2013 entered into between the Company, the Joint Lead Managers and the Co-Manager, settlement and payment for the Convertible Bonds is expected to take place in Singapore on 19 June 2013 or such other date as may be agreed between the Company and the Joint Lead Managers
Interest	:	The Convertible Bonds will bear interest at the rate of 1.85 per cent. per annum, payable semi-annually in arrear
Yield to Maturity	:	1.85 per cent. per annum, calculated on a semi-annual basis
Initial Conversion Price	:	S$5.00 for each new Share
Conversion Premium	:	32.63 per cent. over the closing price of the Shares quoted on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 20 May 2013
Conversion Period	:	Convertible at the option of the holder, at any time from 30 July 2013 to 9 June 2020 (excluding Closed Periods, which shall have the meaning ascribed to it in the terms and conditions of the Convertible Bonds)
Status of the Convertible Bonds	:	The Convertible Bonds constitute direct and unsecured obligations of the Company and shall at all times rank *pari passu* without preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable laws and the terms of the Convertible Bonds themselves, rank at least equally with all its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Status of the new Shares	:	The new Shares arising from the conversion of the Convertible Bonds will, when issued and delivered in accordance with the trust deed constituting the Convertible Bonds, be freely transferable, free and clear of all liens, encumbrances, security interests or claims of third parties.
Final Redemption	:	Unless previously redeemed, converted or purchased and cancelled, the Convertible Bonds will be redeemed at 100 per cent. of their principal amount on the Maturity Date.
Maturity Date	:	19 June 2020 (the "**Maturity Date**")

Delisting Put Right	:	In the event of a delisting of the Shares from the SGX-ST, each holder of the Convertible Bonds has the right to require the Company to redeem all (but not less than all) his Convertible Bonds at an amount equal to the principal amount of the Convertible Bonds being redeemed, plus any accrued but unpaid interest up to (but excluding) the date of redemption.
Redemption at the Option of the Company	:	All or a portion of the Convertible Bonds may be redeemed by the Company at any time on or after 19 June 2018 but not less than seven (7) business days prior to the Maturity Date, if the closing price of the Shares (as quoted on the SGX-ST) over each 30 consecutive Trading Days, the last day of which period occurs no more than 20 Trading Days prior to the redemption notice date, is at least 130 per cent. of the conversion price in effect on such Trading Day. The redemption price will be equal to the principal amount of the Convertible Bonds being redeemed, plus any accrued but unpaid interest up to (but excluding) the date of redemption. The term "**Trading Day**" shall have the meaning ascribed to it in the terms and conditions of the Convertible Bonds.
Listing	:	Application will be made to list the Convertible Bonds and the new Shares arising from the conversion of the Convertible Bonds on the Official List of the SGX-ST.
Governing Law	:	English law

3. NEW SHARES

The number of new Shares to be allotted and issued by the Company, pursuant to the full conversion of the Convertible Bonds, is 130,000,000 (based on the conversion price of S$5.00 and assuming no adjustments to the conversion price). The 130,000,000 new Shares represent approximately 3.05 per cent. of the existing issued Shares (excluding treasury shares).

4. USE OF PROCEEDS

The estimated net proceeds from the issue of the Convertible Bonds are approximately S$641,000,000 (assuming no exercise of the upsize option). The Company expects to use the proceeds primarily to refinance its existing indebtedness (including the repurchase of its outstanding convertible bonds) and the balance for working capital.

The Company intends to allocate the net proceeds in the following manner:

(a) approximately 60 per cent. to 100 per cent. to refinance its existing indebtedness; and

(b) approximately 0 per cent. to 40 per cent. for working capital.

5. FINANCIAL EFFECTS

For the purposes of illustration, the financial effects of the issue of the Convertible Bonds (excluding the upsize option), based on the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") as at 31 December 2012 and the unaudited consolidated financial statements of the Group as at 31 March 2013, on the share capital, net tangible assets ("**NTA**"), earnings and net gearing of the Group are as follows:

(a) Share Capital

	The Group and the Company	
	31 December 2012	31 March 2013
Number of Shares (excluding treasury shares)	'000	'000
Before the issue of Convertible Bonds	4,250,879	4,256,899
After the issue of Convertible Bonds but before any conversion	4,250,879	4,256,899
Assuming full conversion of the Convertible Bonds	4,380,879	4,386,899

The number of outstanding share options under the CapitaLand Share Option Plan and contingent awards under the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan are as follows:

	The Company	
	31 December 2012	31 March 2013
	'000	'000
Number of outstanding share options under CapitaLand Share Option Plan	8,107	7,886
Contingent award under CapitaLand Performance Share Plan(1)	9,199	6,351
Contingent award under CapitaLand Restricted Stock Plan(2)	12,314(3)	7,012(4)

(1) The final number of shares given will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more performance shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

(2) The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of two to three years. No shares will be released if the threshold targets are not met at the end of the one-year performance period. On the other hand, if superior targets are met, more shares than the baseline award could be released up to a maximum of 150% of the baseline award.

(3) Of which 845,353 are to be cash settled.

(4) Of which 388,800 are to be cash settled.

In the event that the S$430 million 2.1 per cent. convertible bonds due 2016 (aggregate principal amount of the bonds which remains outstanding is S$424.75 million), the S$1 billion 2.95 per cent. convertible bonds due 2022, the S$1.3 billion 3.125 per cent. convertible bonds due 2018 (aggregate principal amount of the bonds which remains outstanding is S$1.05 billion) and the S$1.2 billion 2.875 per cent. convertible bonds due 2016 previously issued by the Company are fully converted, the number of Shares of the Company will be increased by 560,597,939 Shares.

(b) NTA

	The Group	
	31 December 2012	31 March 2013
	S$'000	S$'000
NTA as reported	14,618,315	14,914,486
Capital reserve arising from issue of the Convertible Bonds (net of tax)	46,990	46,990
Estimated issue expenses	(4,507)	(4,507)
Adjusted NTA after the issue of the Convertible Bonds but before any conversion	14,660,798	14,956,969
NTA per Share (S$)		
Before the issue of the Convertible Bonds	3.44	3.50
After the issue of the Convertible Bonds but before any conversion	3.45	3.51

Assuming full conversion of the Convertible Bonds, the effects on the NTA and NTA per Share would be as follows:

	The Group	
	31 December 2012	31 March 2013
	S$'000	S$'000
Adjusted NTA	15,310,798	15,606,969
Adjusted NTA per Share (S$)	3.49	3.56

(c) Earnings

The interest expense in respect of the Convertible Bonds prior to any conversion will be at the effective rate of 1.85 per cent. each year plus the amortisation of the fair value of the conversion rights and transaction costs recorded on the date of issue. However, it is not possible to quantify the effects of the issue of the Convertible Bonds on the earnings of the Group until the proceeds from the issue of the Convertible Bonds have been deployed.

(d) Net Gearing

	The Group	
	31 December 2012	31 March 2013
	S$'000	S$'000
Net borrowings, as reported	8,682,085	8,770,865
Decrease in net borrowings resulting from recording the fair value of the conversion rights upon the issue of the Convertible Bonds	(56,615)	(56,615)
Estimated issue expenses	4,507	4,507
Adjusted net borrowings after the issue of the Convertible Bonds but before any conversion	8,629,977	8,718,757
Total Equity, as reported	19,443,784	19,837,876
Capital reserve arising from the issue of the Convertible Bonds (net of tax)	46,990	46,990
Estimated issue expenses	(4,507)	(4,507)
Adjusted Total Equity after the issue of the Convertible Bonds	19,486,267	19,880,359
Net gearing (number of times)		
As reported	0.45	0.44
After the issue of the Convertible Bonds	0.44	0.44

Assuming the full conversion of the Convertible Bonds, the effects on the net gearing of the Group would be as follows:

	The Group	
	31 December 2012	31 March 2013
	S$'000	S$'000
Adjusted net borrowings assuming full conversion of the Convertible Bonds	8,040,997	8,129,777
Adjusted Total Equity assuming full conversion of the Convertible Bonds	20,075,247	20,469,339
Net gearing (number of times)	0.40	0.40

By Order of the Board

Low Sai Choy
Company Secretary
21 May 2013