



**For Immediate Release
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**CapitaLand divests property services unit,
PREMAS International, for S\$62 million**

Part of the Group's strategy to increase focus and unlock shareholder value

Singapore, 29 April 2005 – CapitaLand Limited (“CapitaLand”), and its wholly owned subsidiary CapitaLand Property Services Holdings Pte Ltd (“CPSH”), have entered into a conditional sale and purchase agreement with United Group Limited (“United Group”) to divest CPSH’s 100% equity interest in PREMAS International Limited (“PREMAS”), for a total cash consideration of S\$62 million, subject to completion adjustments. PREMAS is a business unit within the CapitaLand Group that provides property and facilities management services in Singapore and abroad. United Group is a diversified services group listed on the Australian Stock Exchange (ASX:UGL) and is one of the leaders in Australia for the provision of outsourced services and the delivery of essential infrastructure to government and industry.

CapitaLand’s decision to sell PREMAS is related to the increasingly different growth paths of CapitaLand and PREMAS. Over the years, PREMAS has developed competencies in facilities management that would allow it to provide services to a much wider range of industries. These include the pharmaceutical, semiconductor and wafer fabrication industries.

In fact, third party business has been key to PREMAS' growth in recent years. In 2004, related revenues from CapitaLand accounted for less than 7% of PREMAS' total pro forma revenues, assuming that PREMAS' current 100% ownership of ESMACO was effective on 1 January 2004. PREMAS will be better positioned to attract even more third party business if it is independent of any property developer. The divestment will also facilitate PREMAS' plans for growth as United Group can provide related resources, expertise and the network to support PREMAS' expansion into new markets and services. For full year 2004, PREMAS' contribution to CapitaLand's revenue and EBIT were S\$125.8 million and S\$9.1 million respectively. This represented 3.3% and 1.0% of CapitaLand's total consolidated revenue and EBIT respectively.

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said: "The Group, after careful evaluation, had decided that divesting PREMAS would be beneficial to both CapitaLand and PREMAS. It is a win-win situation where CapitaLand is able to increase focus and unlock value for our shareholders, while United Group sees value in PREMAS' business franchise, management and staff. We are confident that with their new shareholder, PREMAS will be able to rise to even greater heights. I would like to thank the team at PREMAS for their contribution to CapitaLand over the years, and wish them the best for their future endeavours."

Mr Anthony Seah, CEO of PREMAS, added: "PREMAS' management team looks forward to working and growing the business with the new management under the United Group. Over the years, under CapitaLand's stewardship, PREMAS has assembled an experienced and committed team with an average of 10 years' experience in the industry. The team has and will continue to maintain PREMAS' strong reputation for service quality and efficiency. We would like to thank CapitaLand's Board and management for their guidance and support.

"Looking ahead, PREMAS will be in an even better position to secure contracts from a wider client base. United Group is a leading player in the industry primarily in Australia, and together we intend to unlock the full potential of PREMAS across the Asia Pacific region."

In an earlier transaction on 14 February 2005, PREMAS acquired the remaining 49% interest in ESMACO Pte Ltd ("ESMACO") that PREMAS did not already own from HDB Corporation Pte Ltd ("HDB Corporation") for a cash consideration of S\$5,489,000 ("Initial Payment"). Thereafter, ESMACO became a 100% owned subsidiary of PREMAS. As part of this earlier transaction, CPSH agreed that HDB Corporation would be entitled to 34.9% of the net proceeds arising from any subsequent sale of PREMAS, less the Initial Payment that HDB Corporation received from PREMAS earlier.

Taking this into account, and assuming successful completion and no adjustment to the total cash consideration of S\$62 million, CapitaLand is estimated to make a net gain of S\$32 million from the divestment for the financial year ending 31 December 2005. CapitaLand Group's earnings per share and its net tangible assets per share are expected to increase by 1.2 cents.

About CapitaLand Limited

CapitaLand is one of the largest listed property companies in Asia. Headquartered in Singapore, the multinational company's core businesses in property, hospitality, property services and real estate financial services are focused in gateway cities in Asia, Australia and Europe. In these countries, CapitaLand is in partnership with reputable local players and has established a management team that understands the market, business practices and socio-economic factors.

The company's property and hospitality portfolio spans 88 cities in 30 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop fee-based products and services in Singapore and the region.

About PREMAS International Limited

PREMAS International Limited (PREMAS) is a wholly-owned subsidiary of CapitaLand Limited. PREMAS has been profitable since its inception. Headquartered in Singapore, the property management company has adopted a regional expansion plan since 2001. Its geographic presence includes key cities in China, Thailand, Indonesia and Malaysia. In 2004, it also entered strategic partnership agreements in new markets, namely the United Arab Emirates and India. Providing a full range of real estate services including facility management, engineering services and township management, PREMAS manages over 69 million square feet of commercial, industrial and residential space, and employs over 1500 people.

About United Group Limited

United Group Limited is a large diversified services group listed on the Australian Stock Exchange (ASX:UGL) with revenues exceeding A\$1.08 billion in FY 30 June 2004. It is forging a reputation as one of the region's leaders in the provision of outsourced services and the delivery of essential infrastructure to government and industry. United Group provides outsourced maintenance, construction, facilities management, manufacturing, property, HR and procurement services. United Group lowers costs, improves performance and delivers world class technology to its clients. The Group leads its sectors in safety performance. Its core values of integrity, teamwork, dependability and safety provide clients with confidence in the Group's asset development and operation capabilities.

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