**For Immediate Release**

**News Release**

## ASCOTT ACQUIRES HISTORIC BUILDING IN PARIS

*Citadines Paris Louvre adds to portfolio of high-yield assets, enjoys prime location and strong occupancy*

***Singapore, 13 October 2008*** – CapitaLand's wholly-owned serviced residence unit, The Ascott Group (Ascott), has acquired a historic building in Paris for a cash consideration of €21.5 million (S$45.5 million) on a willing buyer-willing seller basis. Before the acquisition, Ascott has held a lease on the 51-unit serviced residence from Predica since it first acquired the Citadines chain in 2002. Predica is the insurance arm of Credit Agricole, one of the major banks in France.

The price of €21.5 million (S$45.5 million) is determined after taking into account the property's market value, amongst other factors. According to a recent Ascott-commissioned valuation report by property valuer, ICADE, the building's open market value calculated using an income capitalisation approach was €21.9 million (S$46.3 million).

Mr Chong Kee Hiong, Ascott's Deputy CEO (Finance & Investment) said: "Ascott has held a profitable lease on Citadines Paris Louvre since 2002. The property is currently the only serviced residence in the Louvre area, and exudes elegance and grace with its 1900s Art Nouveau architecture. Citadines Paris Louvre has benefited from Ascott's international sales and marketing network and is now one of our best performing properties in Paris with occupancy of 85%. In addition, Paris is a key city for Ascott's business in Europe as it enjoys strong demand for accommodation from both leisure and business segments throughout the year. We are pleased to now own this high-yielding prime asset which is expected to add to Ascott's profitability."

Ms Jennie Chua, Ascott's President & CEO said: "Ascott's prudent capital management allows us to realise rare opportunities such as this to acquire Citadines Paris Louvre. The property's prime location and historic value make it an attractive acquisition target, and the combination of these attributes will likely see the property appreciate in value over time. This is in line with our strategy to actively manage our portfolio of assets to maximise returns. We will continue to seek high-yielding acquisition opportunities in key cities that enhance the overall yield of our properties."

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The magnificent building, which was constructed in 1908, is gazetted as a preservation building by Batiments de France, a government authority that oversees the conservation of historic monuments in France. It used to be an office building before it opened as Citadines Paris Louvre in 1997. The monobloc angle building is a fine work of art with several sculptures, colonnades, balconies and a beautiful facade. Some of the original stained-glass windows are preserved in the building.

Citadines Paris Louvre is ideally located for business travellers and tourists as it is in the heart of Paris. It is just opposite the Grand Louvre Museum and next to the Palais-Royal gardens. The serviced residence is a few minutes away from Paris' famous chic shopping districts such as Rue St-Honoré, Avenue de l'Opéra and Place Vendôme. Many monuments, museums, boutiques, antique shops, restaurants and the Metro station are near the property. Several multinational companies, embassies and government offices are also in the vicinity.

Ascott currently has a total portfolio of 5,620 units in 49 properties in Europe including six properties with a total of 788 units which are scheduled to open by end 2010. Sixteen of Ascott's properties in Europe are located in Paris. The new properties under development are in Georgia, Germany, Kazakhstan, Russia and the United Kingdom.

**About The Ascott Group**

The Ascott Group is the world's largest international serviced residence owner-operator with about 16,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as more than 6,000 units which are under development, making a total of over 22,000 units.

The Group operates three brands – Ascott, Somerset and Citadines. Its portfolio spans 59 cities in 22 countries, 15 of which are new cities in Ascott's portfolio where its serviced residences are being developed.

The Ascott Group is headquartered in Singapore. It is a wholly-owned subsidiary of CapitaLand Limited. It pioneered Asia Pacific's first branded luxury serviced residence in 1984. It also established the world's first pan-Asian serviced residence real estate investment trust, Ascott Residence Trust in 2006. Today, the Group boasts a 24-year industry track record and serviced residence brands that enjoy recognition worldwide.

Recent awards include Business Traveller UK Awards 2008 'Best Serviced Residence Company', Business Traveller Asia Pacific Awards 2008 'Best Serviced Residence Brand' and 'Best Serviced Residence', TravelWeekly (Asia) Industry Awards 2008 'Best Serviced Residence (Group)', and DestinAsian Readers' Choice Awards 2008 'Best Serviced Apartment/Residence Operator'.

**About CapitaLand Group**

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, the multinational company's core businesses in real estate, hospitality and real estate financial services are focused in growth cities in Asia Pacific, Europe and the Gulf Cooperation Council (GCC) countries.

The company's real estate and hospitality portfolio spans more than 120 cities in over 20 countries. CapitaLand also leverages on its significant asset base, real estate domain knowledge, financial skills and extensive market network to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and associates of CapitaLand include Australand, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust and CapitaRetail China Trust.

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