THE ASCOTT GROUP

A Member of CapitaLand

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For Immediate Release

News Release

CAPITALAND DIVESTS SOMERSET ORCHARD IN SINGAPORE FOR S$100 MILLION WITH GAINS OF ABOUT S$43 MILLION

Ascott will continue to manage the serviced residence for 15+10 years

Singapore, 8 September 2008 **–** CapitaLand's wholly-owned unit, The Ascott Group (Ascott), has entered into a conditional sale and purchase agreement to sell Somerset Orchard, an 88-unit serviced residence for a cash consideration of S$100 million or about S$1,530 psf to OG Private Limited (OG). The carrying value of the property is S$57 million. CapitaLand is expected to recognise a gross gain of about S$43 million from divesting the property.

After the divestment, Ascott will continue to manage the serviced residence for 15 years, with an option to renew the contract for another 10 years. Somerset Orchard is located at 160 Orchard Road, Singapore's prime shopping district. The serviced residence is part of Orchard Point which also comprises a 4-storey retail podium which OG currently owns.

Ascott had made the offer to OG to purchase the serviced residence in accordance with the right of first refusal granted to OG in the agreement signed when OG bought the retail podium from Ascott in 2001.

Somerset Orchard forms part of Ascott's portfolio of 978 units across nine properties in Singapore. The properties are strategically located in the Orchard Road shopping belt, the Central Business District and the upcoming Arts, Learning and Entertainment hub in the Bras Basah-Bugis area.

Ms Jennie Chua, Ascott's President & CEO said: "The divestment of Somerset Orchard is part of Ascott's strategy to efficiently manage our capital assets to ensure that they are redeployed and reinvested in higher-yielding assets and for expansion in high growth markets. Our objective is to balance our portfolio and maximise returns on our assets. Ascott will continue to manage Somerset Orchard so our residents can still expect the same warm and homely experience at the serviced residence. Our presence in Singapore has been further enhanced with the recent opening of Ascott Singapore Raffles Place. Our new property, Citadines Singapore Mount Sophia, is also scheduled to open in 2009."

Mr Chong Kee Hiong, Ascott's Deputy CEO (Finance & Investment) said: "In line with Ascott's strategy to optimise the use of capital, the proceeds from this divestment will be redeployed to other investment opportunities to enhance our global presence. Since the beginning of 2008, Ascott has made strategic investments in key cities of Melbourne in Australia, Ahmedabad in India and London in the United Kingdom."

More information on Somerset Orchard

Somerset Orchard, located on the 6th to 10th storey of Orchard Point, offers studio and one to three bedroom units. The serviced residence occupies a floor area of 6,082 sqm.
It has a tenure of 97 years commencing 23 September 1985.

Somerset Orchard is part of Orchard Point, which also includes a 4-storey retail podium and an adjoining 5-storey car park.

Ascott's portfolio in Singapore stands at nine properties with a total of 978 units, including the 154-unit Citadines Singapore Mount Sophia which is scheduled to open early 2009.

About The Ascott Group

The Ascott Group is the world's largest international serviced residence owner-operator with more than 15,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as about 7,000 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 TravelWeekly (Asia) Industry Awards 2008 'Best Serviced Residence (Group)', DestinAsian Readers' Choice Awards 2008 'Best Serviced Apartment/Residence Operator', Business Traveller UK Awards 2007 'Best Serviced Residence Company', Business Traveller Asia Pacific Awards 2007 'Best Serviced Residence Brand' and 'Best Serviced Residence'.

About CapitaLand Group

CapitaLand is one of Asia's largest real estate companies. Headquartered 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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