



**For Immediate Release
23 March 2007**

NEWS RELEASE

CapitaLand Monetises Temasek Tower for over S\$1 billion ***Expected to recognise a gain of about S\$427 million***

Singapore, 23 March 2007 – CapitaLand wishes to announce that its subsidiary, Temasek Tower Limited (“TTL”), has entered into a sale and purchase agreement with MGP Raffle Pte. Limited for the sale of TTL’s principal asset, Temasek Tower, for a total consideration of approximately S\$1.039 billion which implies a price of S\$1,550 per sq ft of net lettable area. The consideration was arrived at on a willing-buyer and willing-seller basis and taking into account the cost of the enhancement works of approximately S\$39.5 million. Temasek Tower is a 52-storey commercial building, located in Singapore’s Central Business District.

The shareholders of TTL are CapitaLand (Office) Investments Pte Ltd (“COI”) (a subsidiary of CapitaLand) and Eureka Office Fund Pte Ltd (“EOF”). COI owns 80.08% of the total issued share capital of TTL with the remainder held by EOF. EOF is in turn 50%:50% owned by COI and the Munich Re Group. CapitaLand therefore has an effective interest of 90.04% in TTL.

As at end 2006, Temasek Tower was carried in CapitaLand’s books at S\$525 million. The divestment is expected to result in a gain of about S\$427 million for CapitaLand. The completion of the transaction is scheduled to take place by April 2007.

Said Mr Liew Mun Leong, President and CEO, CapitaLand Group, “The divestment of Temasek Tower is in line with CapitaLand’s asset productivity strategy to selectively divest mature assets to achieve better returns from its property portfolio. After careful review of all the options including redevelopment, and given the current market conditions, we believe this is the right time to monetise Temasek Tower. We will redeploy the proceeds to invest in opportunities and projects in our various businesses which could generate even higher returns for our shareholders.”

Temasek Tower is a leasehold asset with a term of 99 years commencing from 19 July 1982. Enhancement works are currently underway and slated for completion in the first quarter of 2008. This includes upgrading of lift lobbies and M&E equipment, reconfiguration of retail units, as well as construction of a double volume glass podium entrance facing Shenton Way. Currently the building, with a net lettable area of approximately 670,200 sq ft, is 93% occupied. Some of the major tenants include the Singapore Land Authority, The Ascott Group, CapitaLand Residential, CapitaLand ILEC, Commerzbank Aktiengesellschaft and Bain & Company SE Asia, Inc. The building has over 600 car park lots located in three basement levels.

CapitaLand through its commercial property arm, CapitaLand Commercial and Integrated Development ("CCID"), focuses on offices and integrated developments in Singapore and overseas. As at end-December 2006, it had close to 13 million sq ft of lettable area under management. In Singapore, it is a leading landlord and manager of commercial space with about 7.8 million sq ft of space, of which 5 million sq ft are in the Singapore Downtown Core alone. Its overseas portfolio extends to gateway cities in China, Hong Kong, Malaysia, Bahrain and the United Kingdom with more than 5.1 million sq ft of lettable area. CCID's total assets under ownership/management are worth about S\$10 billion, making it a significant Asian real estate player in commercial and integrated development projects.

About CapitaLand Group (www.capitaland.com)

CapitaLand is one of the largest listed real estate companies in Asia. Headquartered in Singapore, the multinational company's core businesses in real estate, hospitality and real estate financial services are focused in gateway cities in Asia Pacific, Europe and the Middle East.

The company's real estate and hospitality portfolio spans more than 90 cities in 20 countries. CapitaLand also leverages on its significant real estate asset base, financial skills and market knowledge to develop real estate financial products and services in Singapore and the region.

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

Issued by: CapitaLand Limited (Co. Regn: 198900036N)
Date: 23 March 2007

Media Contact

Julie Ong, Corporate Communications
DID: (65) 97340122
Email : julie.ong@capitaland.com.sg

Analyst Contact

Harold Woo, Investor Relations
DID: (65) 68233210
Email : harold.woo@capitaland.com.sg