

ASX announcement

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CAPITALAND'S INTEREST IN AUSTRALAND

Australand Property Group advises that its major securityholder, CapitaLand Limited, today announced the sale of its remaining Australand stapled securities, representing approximately 39.12% of total securities on issue.

The securities were sold via a Placement Agreement with Citigroup Global Markets Australia Pty Limited on 19 March 2014 at an average price of \$3.75 per security, being a 3.6% discount to the closing price on 18 March 2014. A copy of CapitaLand's announcement is attached. Furthermore, Australand notes the announcement by Stockland today that it has obtained a 19.9% (115,166,597 stapled securities) stake in Australand comprising a 15.7% direct holding and a 4.2% indirect interest.

Australand also advises that the sell down by CapitaLand below 30% of Australand's securities has triggered a Change of Control under Australand's US\$170 million United States Private Placement Note and Guarantee Agreement (USPP). The Noteholders each now have an individual right to put their notes to Australand at a price equal to the par value of the notes, plus accrued interest thereon. No make-whole amount or other premium would be payable. Australand has commenced discussions with the Noteholders in regard to the CapitaLand selldown.

No other debt facilities of the Group are affected by the CapitaLand selldown. At 31 December 2013, the Group had undrawn cash and available facilities of \$601 million.

It is expected that any USPP prepayment would not be material to the Group's 2014 earnings and distribution guidance and its overall financial position.

Issued by

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Not for Distribution or Release in the United States

This announcement is not an offer for sale of the Securities (as defined below) in the United States. The Securities have not been and will not be registered under the United States Securities Act of 1933 ("Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the Securities in the United States.



CAPITALAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.: 198900036N

ANNOUNCEMENT

CAPITALAND PLACES OUT ITS REMAINING STAKE IN AUSTRALAND

1. INTRODUCTION

CapitaLand wishes to announce that its wholly-owned subsidiary, **Ausprop** has today entered into the **Placement Agreement** appointing Citigroup Global Markets Australia Pty Limited as the sole bookrunner and underwriter for the sale of the stapled securities in **Australand** held by **Ausprop** in the **Secondary Placement**. All of the **Securities** in the **Secondary Placement**, representing approximately 39.12% of the total stapled securities issued by **Australand**, have today been placed out to a range of eligible institutional investors.

2. CERTAIN TERMS OF THE SECONDARY PLACEMENT

The aggregate consideration for the **Secondary Placement** is **A\$848.8 million** (approximately **S\$970.1 million**¹), which works out to an average price of **A\$3.75** per **Security**, representing a 3.6% discount to the closing price of **Australand's** stapled securities on 18 March 2014.

¹ Based on an exchange rate of A\$1 : S\$1.14

The **Secondary Placement** is expected to be completed on 24 March 2014, being three working days after the sale. Upon **Completion**, **CapitaLand** will cease to have any interest in **Australand**.

3. RATIONALE AND USE OF PROCEEDS

The strong share price performance of **Australand**'s stapled securities in recent months provided **CapitaLand** with the opportunity to fully unlock value in its remaining investment in **Australand** for **CapitaLand**'s shareholders.

CapitaLand expects to redeploy the proceeds of the **Secondary Placement** towards opportunities in **CapitaLand**'s core markets of Singapore and China and for general working capital purposes, including repayment of debt.

4. CONSIDERATION AND VALUATION

The book value of the **Securities** based on the audited consolidated financial statements of **CapitaLand Group** for the year ended 31 December 2013 was **S\$923.2 million**.

The latest open market value of the **Securities** was **A\$880.0 million** (approximately **S\$1,005.8 million**¹), based on the closing price of **Australand**'s stapled securities on 18 March 2014.

The aggregate consideration for the **Secondary Placement** was arrived at on a willing buyer and willing seller basis having regard to the latest open market value of the **Securities** and the size of the **Secondary Placement**.

The consideration for the **Secondary Placement** will be paid in cash upon **Completion**.

5. RELATIVE FIGURES COMPUTED ON THE BASES IN RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the following bases set out in Rule 1006 of the **Listing Manual** are as follows:

	As at 31 December 2013
Bases under Rule 1006	
Rule 1006(a)	
Net asset value of the assets disposed of, compared to CapitaLand Group 's net asset value	Relative figure does not exceed 5%

Rule 1006(b)	
Net profit attributable to the Securities	S\$74.3 million
CapitaLand Group's net profits	S\$1,353.5 million
Relative figure (%)	5.5%
Rule 1006(c)	
Aggregate value of the consideration for the Secondary Placement	A\$848.8 million (approximately S\$970.1 million ¹)
Market capitalisation of CapitaLand as at 18 March 2014 (being the market day preceding the date of the Secondary Placement)	S\$11,667.0 million
Relative figure (%)	8.3%
Rule 1006(d)	
Number of equity securities to be issued by CapitaLand as consideration compared with the number of equity securities previously in issue	Not applicable

6. FINANCIAL EFFECTS

Upon **Completion**, **CapitaLand** is expected to recognise a net gain of approximately **S\$35.7 million**.

Based on the audited consolidated financial statements of **CapitaLand Group** for the year ended 31 December 2013:

- (i) assuming that the **Secondary Placement** was effected on 1 January 2013, the financial impact on the earnings per share for **CapitaLand Group** for the year ended 31 December 2013 would not be material; and
- (ii) assuming that the **Secondary Placement** was effected on 31 December 2013, the financial impact on **CapitaLand Group's** net tangible assets per share as at 31 December 2013 would not be material.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Based on the information available to **CapitaLand** as at the date of this announcement, none of the Directors and the controlling shareholder of **CapitaLand** has any interest, direct or indirect, in the **Secondary Placement** save for their interests in **Australand** through **CapitaLand**.

Definitions:

A\$	Australian dollar
Australand	Australand Property Group
Ausprop	Ausprop Holdings Limited
CapitaLand	CapitaLand Limited
CapitaLand Group	CapitaLand and its subsidiaries, associates and joint ventures
Completion	Completion of the sale of the Securities
Listing Manual	The Listing Manual of the Singapore Exchange Securities Trading Limited
Placement Agreement	The placement agreement dated [19] March 2014 entered into by Ausprop with Citigroup Global Markets Australia Pty Limited in respect of the Secondary Placement
S\$	Singapore dollar
Secondary Placement	The sale of the Securities through a secondary placement exercise
Securities	226,220,441 stapled securities in Australand , each of which is a Security

By Order of the Board

Michelle Koh

Company Secretary

19 March 2014

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Securities.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia) and is not to be distributed or circulated outside Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of other jurisdictions. The Securities have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the Securities in the United States.