



News Release

For Immediate Release
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CapitaLand to acquire stake in Japan REIT

Acquires 13% of BLife, a J-REIT, and 33.4% of the BLife REIT manager

Singapore, 13 February 2007 - CapitaLand Limited today announced that it has committed to invest in a 13% stake in BLife Investment Corporation (BLife), a real estate investment trust (REIT) listed on the Tokyo Stock Exchange, for JPY3.23 billion (about S\$41 million). On completion of the transaction on 2 March 2007, CapitaLand will be the largest stakeholder in the BLife REIT. Concurrently, CapitaLand will also acquire a 33.4% stake in BLife's manager, Morimoto Asset Management Co., Ltd. (MMAM), for JPY200.4 million (about S\$2.5 million). These two transactions will create a new REIT platform for CapitaLand in Japan.

Listed in March last year, BLife has a current market capitalisation of about JPY 23 billion (about S\$290 million). Its main sponsor is Morimoto Co., Ltd. (Morimoto), an established developer based in the Tokyo region and is well known for its award winning residential properties. Morimoto is also the majority shareholder in MMAM with a 50.1% stake after CapitaLand's acquisition. CapitaLand will be the second largest shareholder after Morimoto.

CapitaLand's acquisition of a 13% stake in BLife will be through the subscription of 6,400 new units at JPY 504,261 per unit (approximately S\$6,369 per unit) by CapitaLand's indirect wholly owned subsidiaries, CapitaLand Japan Investments Pte. Ltd. (Japan Branch) and CapitaLand Nippon Investments Pte. Ltd. The new units issued are part of a private placement exercise by BLife and the proceeds will be used to acquire three new properties in March 2007.

CapitaLand's acquisition of a 33.4% stake in MMAM is through CapitaLand's indirect wholly owned subsidiary, CapitaLand Japan Kabushiki Kaisha (CapitaLand Japan). CapitaLand Japan, which currently manages two private equity funds in Japan, will play an active role in the management of BLife. CapitaLand Japan has also signed an agreement with MMAM and BLife to support BLife's growth by providing fund management expertise and an asset pipeline. Through this support, BLife will enjoy a first right of offer to purchase any residential property owned by CapitaLand Japan which is intended for sale.

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said, "CapitaLand's stake in BLife is a significant milestone for the Group as it is not only our first entry into a listed REIT in Japan but also our third investment in a regional REIT. The other two REITs are the Hong Kong Link REIT for which we were a strategic partner and an investor in its IPO, and Quill Capita Trust which was listed on Bursa Malaysia last month. These initiatives will further boost our aim to grow the REIT business in the Asia-Pacific region."

CapitaLand's stakes in BLife and its REIT manager are in line with both companies' intent to leverage on each other's strengths. Morimoto has the development expertise and well-designed residential properties in Japan while CapitaLand has the track record of establishing and managing REITs and property funds. This compelling partnership, and the positive real estate market outlook underpinned by Japan's stable economy, will ensure BLife's good performance in the long term.

BLife which is derived from the company's aim, '**Beautiful Life** and Home', focuses on good design and modern facilities targeted at the discerning consumer. It has an investment mandate in residential (at least 70%) and retail properties (not exceeding 30%). Currently, it has a portfolio of 14 high-quality rental apartment properties in prime locations in Tokyo, many of which are within close proximity to train or subway stations. The BLife properties average about 3.2 years old, making this one of the newest residential portfolios among other similar portfolios in the J-REIT market. Three of the properties have won the Good Design Award, a prestigious industry award in Japan.

Today, CapitaLand manages two private real estate funds in Japan – the ARC-CapitaLand Japan Residences Joint Venture and the CapitaRetail Japan Fund with a target asset size of JPY 42 billion (S\$530 million) and JPY 150 billion (S\$1.9 billion) respectively. In addition, CapitaLand had undertaken to purchase a rental apartment block on Island City in Fukuoka's Hakata Bay on its completion in 2008 for JPY 8 billion (S\$101 million). More recently, CapitaLand acquired a 5.45% stake in SAMTY Co., Ltd, one of the leading residential developers based in Osaka, for JPY 1.67 billion (about S\$21 million). SAMTY will also provide a pipeline of properties for the real estate funds operated by CapitaLand.

About BLife (www.blife-reit.co.jp)

Listed on the Tokyo Stock Exchange on 22 March 2006, BLife Investment Corporation (BLife) is a mixed-asset type J-REIT which invests in residential and retail properties. Morimoto Co. Ltd., Daiwa House Industry Co. Ltd., and Chuo-Mitsui Trust and Banking Co. Ltd. are its supporting sponsors. With a portfolio of 14 properties, BLife has a total asset value of JPY 35.3 billion as at 30 November 2006. BLife targets to triple its total asset size to JPY 100 billion by 2009.

Leveraging on the extensive experience of its sponsors in the development and management of residential and retail properties, BLife aims to achieve a well-balanced asset growth to provide stable income for its unitholders. In growing its portfolio, BLife focuses its acquisitions on residential and retail properties that meet the needs of the modern consumer. BLife is highly selective in its investment criteria in terms of the geographical location, quality and facilities of the properties. BLife entrusts its asset management to Morimoto Asset Management Co. Ltd.

About MMAM (www.mmam.co.jp)

Morimoto Asset Management Co. Ltd. (MMAM) was established on 1 September 2004 with the objective to undertake REIT asset management. Its shareholders include Morimoto Co. Ltd., Daiwa House Industry Co. Ltd. and other financial institutions. MMAM subsequently received the administrative approval for REIT asset management from the relevant government agencies. On 7 June 2005, MMAM was involved in the incorporation of BLife Investment Corporation, and was subsequently wholly entrusted with the asset management of BLife. Since then, MMAM's asset management strategy is geared towards achieving BLife's investment concept of "Beautiful Life and Home".

About Morimoto (www.morimoto-real.co.jp)

Morimoto Co., Ltd (Morimoto) is one of the most well known condominium developers in Japan. Established on 8 July 1983, Morimoto has focused its efforts on developing high-quality properties in central Tokyo. It distinguishes itself by developing properties which anticipate customer needs. The properties developed by Morimoto are characterised by their prime location and award-winning design, which make them highly popular in the market. To date, Morimoto has developed about 12,000 units of condominium units for sale. Testament to the fine quality of its properties, Morimoto has won the Good Design Award for six of its properties in three consecutive years. Recently, Morimoto has embarked on the expansion of its development business into the retail and office sector in Japan's major regional cities.

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 over 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.

In the past five years, CapitaLand has successfully pioneered four REITs in Singapore and one REIT in Malaysia, and have actively managed their assets through accretive acquisitions, asset enhancements and organic growth. CapitaLand's first REIT in Singapore - CapitaMall Trust has delivered total returns of more than 290% to its investors since its listing in July 2002. CapitaCommercial Trust has provided total returns of more than 220% since its listing in May 2004 while the CapitaRetail China Trust's unit price has appreciated more than 159% since its listing in December 2006.

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