



For immediate release

NEWS RELEASE

**CapitaLand acquires its first office building in  
Germany for €245 million**  
***Acquisition bolsters the Group's strategy to strengthen  
its global investment portfolio***

**Singapore, 28 December 2017** – CapitaLand is expanding its commercial business beyond Asia by acquiring its first office building in Germany. The Group has acquired a freehold multi-tenanted office building known as Main Airport Center (MAC) in Frankfurt, Germany at an agreed value of €245 million (S\$392 million)<sup>1</sup> through a joint venture. CapitaLand holds a 94.9% stake in the joint venture while Lum Chang Holdings Limited, an unrelated third party, holds the remaining 5.1% stake.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: “We are very pleased to be able to have meaningful investment exposure in a quality income-generating office building well located in Frankfurt, a top investment destination in Europe. The acquisition of MAC leverages the Group’s 15 years of experience in Germany and will add to CapitaLand Group’s network of commercial buildings in Asia. Besides key Asian markets such as Singapore, China, Japan and Vietnam, we also see significant investment opportunities in key gateway cities in Europe, Australia and the U.S.”

Mr Lim added: “We will remain aggressive but disciplined to reconstitute our portfolio and deploy capital to quality higher yielding assets, while continuing to grow our recurring income base by strengthening our operating platforms and assets under management.”

Mr Lee Chee Koon, Group Chief Investment Officer (Designate) of CapitaLand Limited and CEO of The Ascott Limited, said: “CapitaLand has an established presence in Europe in the serviced residence sector through Ascott. This acquisition marks CapitaLand’s entry into the commercial sector in Germany, one of the world’s largest and most stable economies. The freehold office building we have acquired is currently 84% occupied by over 30 quality tenants. Established international companies like Dell and Mastercard have set up their German headquarters there. Lufthansa has also headquartered its customer loyalty operations in the building. MAC is expected to attain an occupancy rate of over 95% by June 2018 based on the leases already secured for next year. We will continue exploring the possibility of enhancing the property to further increase MAC’s value proposition for incoming tenants.”

“Demand for commercial real estate is expected to rise given Germany’s positive economic outlook. Frankfurt’s office market is on an upswing as many major multinational companies and Japanese banks are planning to open new offices in Frankfurt. The city’s office leasing market remained strong in 3Q 2017 with a 24% year-on-year increase in take-up of leases<sup>2</sup>.

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<sup>1</sup> Based on an exchange rate of €1 = S\$1.6

<sup>2</sup> “Frankfurt’s office and investment market report 3Q 2017” (9 October 2017), Colliers International

Transaction volume for offices also grew by around 13% year-on-year<sup>2</sup>. We see strong potential to step up investments in commercial real estate in Europe and key cities worldwide, as we expand our serviced residence and mall portfolios.”

MAC is strategically located close to the Frankfurt Airport, one of the top five busiest airports in Europe, and a 20-minute drive to Frankfurt’s Central Business District. It is also located in close proximity to several hotels near the airport. The district where MAC is situated is an increasingly popular location for international and domestic companies, from varied industries such as aviation, logistics, technology, business services, consulting and healthcare.

MAC is also expected to attract more tenants as the district becomes more vibrant when a new metro station just 600 metres away is ready in 2019, and a third airport terminal opens come 2023. The metro station will offer a 10-minute direct connection to the city centre, just three stops away, and to the airport; providing easy access to other major cities in Germany.

Germany’s economic growth steamed ahead in the third quarter this year, driven mainly by exports and investment, and is on track for its strongest year of growth since 2011. Gross domestic product (GDP) grew 0.8% in the third quarter, topping the 0.6% median forecast in a Bloomberg survey<sup>3</sup>. Frankfurt is the top investment destination in Germany<sup>4</sup>. It is at the core of the dynamic Rhine-Main Metropolitan region that boasts 365,000 companies with close to 2.9 million employees generating an annual GDP of over €200 billion<sup>5</sup>.

CapitaLand together with its commercial real estate investment trust, CapitaLand Commercial Trust, is Singapore’s largest prime office landlord; it also owns and operates commercial properties in China, Japan and Vietnam. In September 2017, CapitaLand Commercial Trust acquired Asia Square Tower 2 in Singapore for S\$2.09 billion. CapitaLand, CapitaLand Commercial Trust and Mitsubishi Estate Co., Ltd. formed a joint venture in July to redevelop Golden Shoe Car Park into a 280-metre tall, 51-storey landmark integrated development in the heart of Singapore’s Central Business District. The total development is estimated to cost S\$1.82 billion and is expected to be completed in 2021.

CapitaLand’s serviced residence unit Ascott has been operating in Germany for 15 years and its real estate investment trust, Ascott Residence Trust, owns five properties with over 700 units across Berlin, Frankfurt, Hamburg and Munich in Germany. This includes the 165-unit Citadines City Centre Frankfurt, a 20-minute drive from the MAC.

Please refer to **Annex** for property details on MAC.

### **About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand is one of Asia’s largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth S\$85 billion as at 30 September 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 150 cities in over 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

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<sup>3</sup> “German economy beats forecasts, heads for best year since 2011” (14 November 2017), Bloomberg

<sup>4</sup> “German Cities of the Future 2016/17: the winners” (11 August 2016), fDi Intelligence

<sup>5</sup> “The Rhine-Main Economic Region” (2017), Colliers International

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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Analyst contact

Chang Rui Hua

Head, Investor Relations &  
Capital Markets Compliance

Tel: +65 6713 2903

Email: [chang.ruihua@capitaland.com](mailto:chang.ruihua@capitaland.com)

Media contact

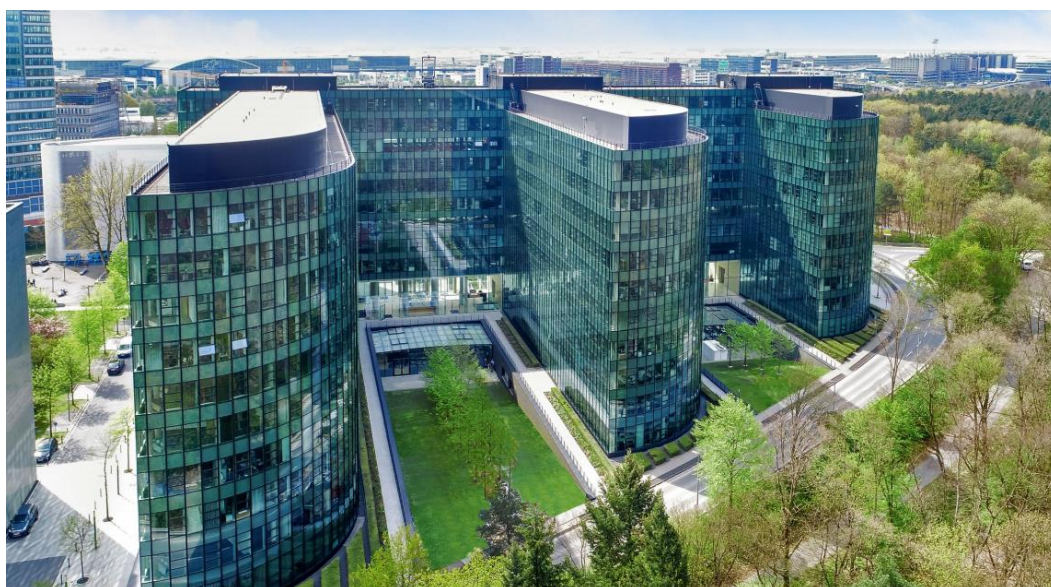
Tan Bee Leng

Head, Group Communications

Tel: +65 6713 2871

Email: [tan.beeleng@capitaland.com](mailto:tan.beeleng@capitaland.com)

## ANNEX



<b>Location</b>	Main Airport Center, Unterschweinstiege 2–14, 60549 Frankfurt, Germany
<b>Land Tenure</b>	Freehold
<b>Description</b>	<p>Main Airport Center (MAC) is strategically located close to the Frankfurt International Airport. A shuttle bus service connects MAC to the airport and the development is a 20-minute drive to Frankfurt's Central Business District.</p> <p>The development consists of 13 levels (including basement) and 19 lifts. Facilities include a conference hall that accommodates up to 200 people, seven meeting rooms, a coffee bar, restaurant, roof garden, a multi-storey car park and the only 24/7 petrol station within the vicinity.</p> <p>MAC's efficient floor plan design ensures that all parts of the building have a direct view of either the neighbouring Frankfurt International Airport, the adjacent Stadtwald forest or the Frankfurt skyline.</p>
<b>Number of Tenants</b>	Strong base of over 30 quality office tenants from various industries such as aviation, research and technology.
<b>Net Lettable Area</b>	Total: over 648,000 sq ft Office: over 579,000 sq ft
<b>Number of Carpark Lots</b>	Multi-storey car park with about 1,400 parking spaces.