



CapitaLand Limited

Proposed Divestment Of 50% Interest In CapitaGreen

23 May 2016



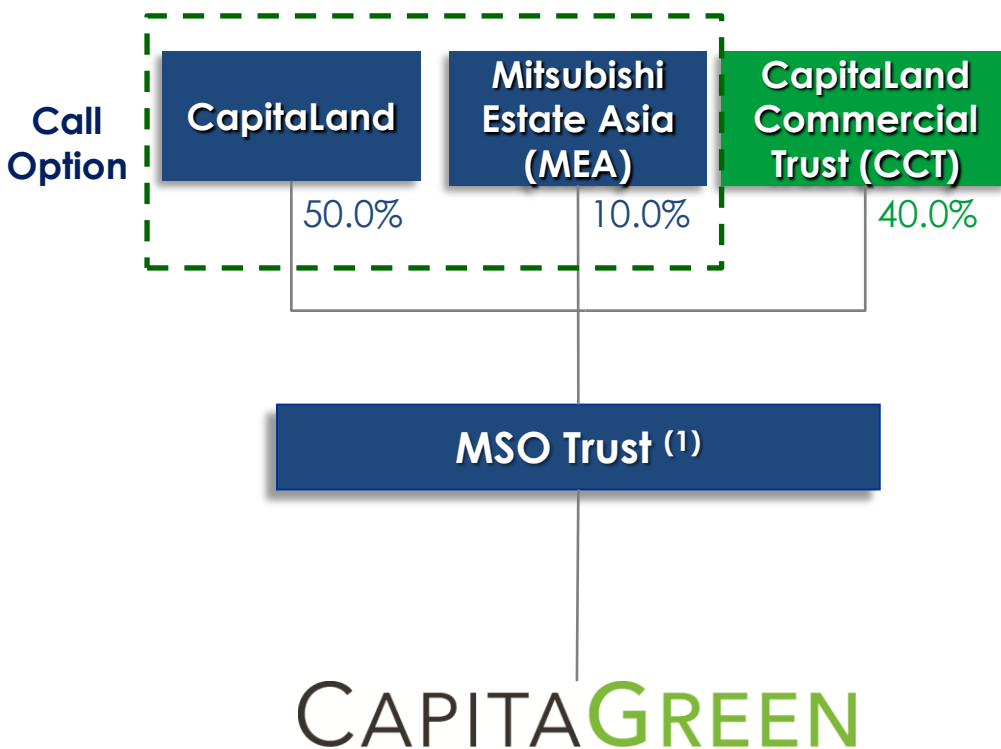
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This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.



Transaction Structure

Existing Holding Structure



New Holding Structure



Call Option For CCT To Purchase The Remaining 60% From The JV Partners (50% From CapitaLand and 10% From MEA) Was Part Of The JV Agreement Signed In 2011

Note:

(1) MSO Trust is a special purpose approved sub-trust that has been accorded tax transparency treatment by the IRAS



Transaction Details

- The call option given to CCT was valid for 3 years after CapitaGreen's completion (which from 18 December 2014 to 17 December 2017). It is conditional on market valuation of CapitaGreen **being equal to or above** hurdle price.
- This divestment of CapitaLand's 50.0% units in MSO Trust was triggered by CCT serving a pre-exercising notice issued to JV partners on 6 April 2016.
- CCT, CapitaLand and MEA agreed that the market valuation of CapitaGreen at **\$S\$1,600.5 million** was above the hurdle price as at 6 April 2016
- The hurdle price of **\$S\$1,585.8 million** is based on actual costs incurred since commencement of the development in 2011 less net income received and compounded at 6.3% p.a.. Total development cost was reported to be \$S\$1.3 billion upon completion ⁽¹⁾

Note:

(1) Total development cost included a differential premium and other land related costs of \$S\$651.5 million paid to the government authorities



Market Valuation Determined by Two Independent Valuers

	Based On Leasehold Land Tenure Of 57 Years	
Valuer	Total Valuation (\$\$ m)	Capital Values (\$\$ psf)
Knight Frank	1,602.0	2,278
CBRE	1,599.0	2,274
Average	1,600.5	2,276 ⁽¹⁾

Assumptions By Independent Valuers:

- Capitalisation rate: 4.15%
- Terminal yield: 25 bps above capitalisation rate
- Discount rate: 7.25%
- Average market rent growth: 3.85% p.a. (over a 10-year period)

- As at 6 April 2015, CBRE, an independent property valuer appointed by CCTML and Knight Frank, an independent property valuer appointed by the trustee of CCT have valued CapitaGreen at S\$1,599.0 million (\$\$2,274psf) and S\$1,602.0 million (\$\$2,278psf) respectively
- The agreed market value of CapitaGreen is **S\$1,600.5 million (\$\$2,276psf)**, which is the average of the two independent valuations

Note:

(1) Assuming a leasehold land tenure of 99 years, the value of CapitaGreen is estimated to be ~S\$2,700 psf by Knight Frank and CBRE



Sale Consideration Received By CapitaLand

	S\$ million
Agreed Market Value Of CapitaGreen ⁽¹⁾	1,600.5
Net Liabilities	(1,294.9)
Adjusted Net Asset Value	305.6
A. CapitaLand's Sale Consideration (Based On 50.0% Units In MSO Trust)	152.8
B. MSO Trust's Existing Unitholders' Loans Plus Accrued Interest	165.5
Total Sale Consideration Received By CapitaLand	318.3

Note:

(1) Agreed market value is the average of two independent valuations of CapitaGreen conducted by CBRE and Knight Frank as at 6 Apr 2016



Realised Gain From CapitaGreen

	S\$ million
Cumulative Revaluation Gain (Between 2013 – 2015)	187.5
Revaluation Gain From Divestment	8.5
Total Gains From CapitaGreen Realised	196.0⁽¹⁾

**Divestment Of 50.0% Interest In MSO Trust Is Also In Line
With CapitaLand's Capital Recycling Strategy**

Note:

(1) Represents CL's 62.8% effective interest in CapitaGreen



Thank You

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