



CAPITALAND LIMITED
Registration Number: 198900036N
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

PROPOSED ACQUISITION OF 5.1% INTEREST IN THE GALLILEO PROPERTY LOCATED IN FRANKFURT, GERMANY

CapitaLand Limited ("**CapitaLand**") wishes to announce that it has entered into a conditional purchase and assignment agreement (the "**Purchase Agreement**") to acquire 5.1% interest in Gallileo Property S.a.r.l (the "**Target Company**"). The Target Company holds the commercial building known as Gallileo, which is located in Frankfurt, Germany (the "**Property**").

CapitaLand Commercial Trust ("**CCT**"), a real estate investment trust listed on Singapore Exchange, in which CapitaLand has an interest of approximately 31.1%, will acquire the remaining 94.9% interest in the Target Company via the same Purchase Agreement. The acquisition by CapitaLand and CCT of an aggregate of 100% interest in the Target Company shall be referred to as "**Acquisition**" in this announcement.

CapitaLand and CCT have entered into the Purchase Agreement through their respective wholly owned subsidiaries, CLI Five Pte. Ltd. (the "**CL SPV**") and CCT Galaxy One Pte. Ltd. (the "**CCT SPV**"). CL SPV and CCT SPV have also entered into a shareholders' agreement to regulate their relationship in relation to the Target Company.

The Acquisition represents an opportunity for CapitaLand to deepen its presence in Frankfurt following the acquisition in December 2017 of Main Airport Center, also a commercial building in Frankfurt, Germany. The Acquisition is in line with its strategy to expand CapitaLand's commercial real estate business in Europe and other developed markets.

The total purchase consideration of €356.1 million (approximately S\$569.8 million) for the Acquisition (on a 100% basis)¹ was arrived at on a willing-buyer and willing-seller basis and comprises:

- (i) the agreed property value of the Property of €356.0 million (approximately S\$569.6 million); and
- (ii) the net asset value of the Target Company of €0.1 million (approximately S\$0.2 million),

(the "**Consideration**").

The Consideration is subject to certain adjustments following completion of the Acquisition (the "**Completion**").

¹ The Consideration includes (i) the assignment of an existing shareholder loan to the CL SPV and the CCT SPV; and (ii) the settlement of existing outstanding bank loans owing by the Target Company by the CL SPV and the CCT SPV, in proportion to their respective shareholding in the Target Company.

CapitaLand's share of the Consideration (based on its 5.1% stake) is €18.1 million (approximately S\$29.0 million) and will be paid wholly in cash at Completion.

On Completion, CapitaLand will have an aggregate interest of approximately 34.6% in the Target Company which will become an associate of CapitaLand.

Mr Lim Ming Yan is a Director and the President and Group Chief Executive Officer of CapitaLand. He is also the Deputy Chairman and a Non-Executive Non-Independent Director of the CCT Manager which is a wholly owned subsidiary of CapitaLand. He is a unitholder of CCT. Temasek Holdings (Private) Limited is the controlling shareholder of CapitaLand and a controlling unitholder of CCT. Save as disclosed above, none of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the Acquisition.

The above is not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2018.

By Order of the Board

Michelle Koh
Company Secretary
17 May 2018