NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES

The Convertible Bonds (as defined below) and the new Shares (as defined below) to be issued upon conversion of the Convertible Bonds have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act. There will be no public offering of the Convertible Bonds or the new Shares in the United States. This announcement is for information purposes only and does not constitute an offer or sale of Convertible Bonds or new Shares to be issued upon conversion of the Convertible Bonds in the United States or any other jurisdiction. Neither this announcement nor any portion hereof may be sent or transmitted into the United States or any jurisdiction where to do so is unlawful. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction.

CAPITALAND LIMITED

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

ANNOUNCEMENT

TERMS AND FINANCIAL EFFECTS OF NEW ISSUANCE OF CONVERTIBLE BONDS DUE 2025

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1. INTRODUCTION

CapitaLand Limited (the "**Company**") refers to its announcement dated 14 May 2015 in relation to its proposed issue of S$650,000,000 in principal amount of convertible bonds ("**Convertible Bonds**"), which are convertible into new ordinary shares in the capital of the Company ("**Shares**"), to be subject to an option granted in favour of J.P. Morgan (S.E.A.) Limited ("**J.P. Morgan**") to increase the size of the issue by up to S$150,000,000. J.P. Morgan has been appointed as the sole bookrunner, lead manager and underwriter for the issue of the Convertible Bonds.

The Company has on 14 May 2015 priced the Convertible Bonds and all the S$650,000,000 in principal amount of Convertible Bonds have been fully placed to institutional investors and accredited investors.

2. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms and conditions of the Convertible Bonds are summarised as follows:

Issue Size	:	S$650,000,000 in principal amount of Convertible Bonds.
Upsize Option	:	An additional S$150,000,000 in principal amount of Convertible Bonds under an upsize option granted by the Company to J.P. Morgan, which shall be exercisable on or before 30 June 2015.
Issue Price	:	100 per cent. of the principal amount of the Convertible Bonds.

Settlement and Payment	:	Subject to fulfilment of the conditions of the subscription agreement dated 14 May 2015 entered into between the Company and J.P. Morgan, settlement and payment for the Convertible Bonds is expected to take place in Singapore on 8 June 2015 or such other date as may be agreed between the Company and J.P. Morgan.
Interest	:	The Convertible Bonds will bear interest at the rate of 2.80 per cent. per annum, payable semi-annually in arrear.
Yield to Put / Maturity	:	2.80 per cent. per annum, calculated on a semi-annual basis.
Initial Conversion Price	:	S$4.97 for each new Share.
Conversion Premium	:	40.0 per cent. over the last closing price of the Shares quoted on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 14 May 2015 prior to the halt in the trading of the Shares on the SGX-ST which commenced at 12.54 p.m. on 14 May 2015.
Conversion Period	:	Convertible at the option of the holder, at any time from 19 July 2015 to 29 May 2025 (excluding Closed Periods, which shall have the meaning ascribed to it in the terms and conditions of the Convertible Bonds).
Status of the Convertible Bonds	:	The Convertible Bonds constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the Convertible Bonds) unsecured obligations of the Company and shall at all times rank *pari passu* without preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable laws and subject to the terms and conditions of the Convertible Bonds, rank at least equally with all its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Status of the new Shares	:	The new Shares arising from the conversion of the Convertible Bonds will, when issued and delivered in accordance with the trust deed constituting the Convertible Bonds, be freely transferable, free and clear of all liens, encumbrances, security interests or claims of third parties.
Final Redemption	:	Unless previously redeemed, converted or purchased and cancelled, the Convertible Bonds will be redeemed at 100 per cent. of their principal amount on the Maturity Date.
Maturity Date	:	8 June 2025 (the "**Maturity Date**").

Delisting Put Right	:	In the event of a delisting of the Shares from the SGX-ST, each holder of the Convertible Bonds (the "**Bondholder**") has the right to require the Company to redeem all (but not less than all) his Convertible Bonds at an amount equal to the principal amount of the Convertible Bonds being redeemed, plus any accrued but unpaid interest up to (but excluding) the date of redemption.
Redemption at the Option of the Company	:	All or a portion of the Convertible Bonds may be redeemed by the Company at any time on or after 8 June 2020 but not less than seven (7) business days prior to the Maturity Date, if the closing price of the Shares (as quoted on the SGX-ST) for each of 30 consecutive Trading Days, the last day of which period occurs no more than 20 Trading Days prior to the redemption notice date, is at least 130 per cent. of the conversion price in effect on such Trading Day. The redemption price will be equal to the principal amount of the Convertible Bonds being redeemed, plus any accrued but unpaid interest up to (but excluding) the date of redemption. The term "**Trading Day**" shall have the meaning ascribed to it in the terms and conditions of the Convertible Bonds.
Redemption at the Option of the Bondholders	:	On 8 June 2022 (the "**Put Option Date**") each Bondholder will have the right to require the Company to redeem all or some only of its Bonds at their principal amount plus accrued interest (calculated up to but excluding the date of redemption). This option may be exercised by the Bondholder providing notice of such intention not later than 60 days prior to the Put Option Date.
Listing	:	Application will be made to list the Convertible Bonds on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. Application will be made to list the new Shares arising from the conversion of the Convertible Bonds on the Official List of the SGX-ST.
Governing Law	:	English law.

3. NEW SHARES

The number of new Shares to be allotted and issued by the Company, pursuant to the full conversion of the Convertible Bonds, is 130,784,708 (based on the conversion price of S$4.97 and assuming no adjustments to the conversion price and no exercise of the upsize option). The 130,784,708 new Shares represent approximately 3.06 per cent. of the existing issued Shares (excluding treasury shares).

4. USE OF PROCEEDS

The estimated proceeds from the issue of the Convertible Bonds are approximately S$650,000,000 (assuming no exercise of the upsize option). The Company expects to use the proceeds primarily to refinance its existing indebtedness (including the repurchase of its outstanding convertible bonds) and any balance for working capital.

The Company intends to allocate the proceeds in the following manner:

(a) approximately 95 per cent. to 100 per cent. to refinance its existing indebtedness; and

(b) approximately 0 per cent. to 5 per cent. for working capital.

5. FINANCIAL EFFECTS

For the purposes of illustration, the financial effects of the issue of the Convertible Bonds (excluding the upsize option), based on the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") as at 31 December 2014, and the unaudited consolidated financial statements of the Group as at 31 March 2015, on the share capital, net tangible assets ("**NTA**"), earnings and net gearing of the Group are as follows:

(a) Share Capital

	The Company	
	31 December 2014	31 March 2015
Number of Shares (excluding treasury shares)	'000	'000
Before the issue of Convertible Bonds	4,258,585	4,266,822
After the issue of Convertible Bonds but before any conversion	4,258,585	4,266,822
Assuming full conversion of the Convertible Bonds	4,389,369	4,397,606

The number of outstanding share options under the CapitaLand Share Option Plan and contingent awards under the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan are as follows:

	The Company	
	31 December 2014	31 March 2015
	'000	'000
Number of outstanding share options under CapitaLand Share Option Plan	5,796	4,706

Contingent award under CapitaLand Performance Share Plan[1]	10,634	7,455
Contingent award under CapitaLand Restricted Stock Plan[2]	10,854[3]	9,156[4]

[1] The final number of Shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No Share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more Shares than the baseline award could be released. For awards granted in 2012 and 2013, the maximum is 175% of the baseline award. For awards granted in 2014, the maximum will be 170% of the baseline award.

[2] The final number of Shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No Share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more Shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. For awards granted in 2014, an additional number of Shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.

[3] Of which 978,090 are to be cash settled.

[4] Of which 691,407 are to be cash settled.

In the event that the S$430,000,000 2.1 per cent. convertible bonds due 2016 (aggregate principal amount of the bonds which remains outstanding is S$184,250,000), the S$1,000,000,000 2.95 per cent. convertible bonds due 2022 (aggregate principal amount of the bonds which remains outstanding is S$1,000,000,000), the S$1,300,000,000 3.125 per cent. convertible bonds due 2018 (aggregate principal amount of the bonds which remains outstanding is S$227,500,000), the S$1,200,000,000 2.875 per cent. convertible bonds due 2016 (aggregate principal amount of the bonds which remains outstanding is S$467,000,000), the S$650,000,000 1.85 per cent. convertible bonds due 2020 (aggregate principal amount of the bonds which remains outstanding is S$650,000,000) and the S$800,000,000 1.95 per cent. convertible bonds due 2023 (aggregate principal amount of the bonds which remains outstanding is S$800,000,000) previously issued by the Company are fully converted, the number of Shares of the Company will be increased by 569,737,137 Shares.

(b) NTA

	The Group	
	31 December 2014	31 March 2015
	S$'000	S$'000
NTA as reported	16,295,032	16,819,100
Capital reserve arising from issue of the Convertible Bonds (net of tax)	13,056	13,056
Estimated issue expenses	(2,330)	(2,330)
Adjusted NTA after the issue of the Convertible Bonds but before any conversion	16,305,758	16,829,826

NTA per Share (S$)		
Before the issue of the Convertible Bonds	3.83	3.94
After the issue of the Convertible Bonds but before any conversion	3.83	3.94

Assuming full conversion of the Convertible Bonds, the effects on the NTA and NTA per Share would be as follows:

	The Group	
	31 December 2014	31 March 2015
	S$'000	S$'000
Adjusted NTA	16,939,207	17,463,275
Adjusted NTA per Share (S$)	3.86	3.97

(c) Earnings

The interest expense in respect of the Convertible Bonds prior to any conversion will be at the effective rate of 2.80 per cent. each year plus the amortisation of the fair value of the conversion rights and transaction costs recorded on the date of issue. However, it is not possible to quantify the effects of the issue of the Convertible Bonds on the earnings of the Group until the proceeds from the issue of the Convertible Bonds have been deployed.

(d) Net Gearing

	The Group	
	31 December 2014	31 March 2015
	S$'000	S$'000
Net borrowings[(1)], as reported	13,236,421	13,765,256
Decrease in net borrowings resulting from recording the fair value of the conversion rights upon the issue of the Convertible Bonds	(15,730)	(15,730)
Estimated issue expenses	2,330	2,330
Adjusted net borrowings after the issue of the Convertible Bonds but before any conversion	13,223,021	13,751,856
Total Equity, as reported	23,208,531	23,858,674
Capital reserve arising from the issue of the Convertible Bonds (net of tax)	13,056	13,056

Estimated issue expenses	(2,330)	(2,330)
Adjusted Total Equity after the issue of the Convertible Bonds	23,219,257	23,869,400
Net gearing (number of times)		
As reported	0.57	0.58
After the issue of the Convertible Bonds	0.57	0.58

(1) Net borrowings: Total debt less cash.

Assuming the full conversion of the Convertible Bonds, the effects on the net gearing of the Group would be as follows:

	The Group	
	31 December 2014	31 March 2015
	S$'000	S$'000
Adjusted net borrowings assuming full conversion of the Convertible Bonds	12,592,246	13,121,081
Adjusted Total Equity assuming full conversion of the Convertible Bonds	23,852,706	24,502,849
Net gearing (number of times)	0.53	0.54

By Order of the Board

Michelle Koh
Company Secretary
15 May 2015