

**PRESS RELEASE**

**Keppel Land's Financial Highlights for the Half Year Ended 30 June 2010**

20 July 2010

**Improved Performance as Market Confidence Grew**

- *Net profit grew 41.6% y-o-y to \$134.7 million as property markets in Singapore and Asia continued to improve*
- *Stronger contribution from Reflections and Caribbean at Keppel Bay in Singapore as well as The Arcadia and Villa Riviera in China lifted profit from property trading by 26.4% to \$104.3 million*
- *Earnings from property investment increased by 37.6% to \$27.1 million, due mainly to higher contribution from K-REIT Asia*
- *Profit from fund management was up 78.4% to \$15.7 million as a result of higher acquisition and management fees earned by K-REIT Asia Management and Alpha Investment Partners*

**Summary of Results**

Net Profit (\$m)	Half Year Ended		% Chg	Quarter Ended		% Chg
	30 Jun 10	30 Jun 09		30 Jun 10	30 Jun 09	
<b><u>By Geographical Location</u></b>						
Singapore	85.2	68.0	25.3	41.0	40.5	1.2
Other Countries	49.5	27.1	82.7	29.0	17.7	63.8
<b>Net Profit</b>	<b>134.7</b>	<b>95.1</b>	<b>41.6</b>	<b>70.0</b>	<b>58.2</b>	<b>20.3</b>
<b><u>By Business Segment</u></b>						
Property Trading	104.3	82.5	26.4	55.6	50.8	9.4
Property Investment	27.1	19.7	37.6	14.7	10.1	45.5
Fund Management	15.7	8.8	78.4	8.3	4.2	97.6
Hotels and Resorts	(0.2)	1.0	nm	(0.3)	0.9	nm
Others	(12.2)	(16.9)	nm	(8.3)	(7.8)	nm
<b>Net Profit</b>	<b>134.7</b>	<b>95.1</b>	<b>41.6</b>	<b>70.0</b>	<b>58.2</b>	<b>20.3</b>

Key Ratios	Half Year Ended		% Chg	Quarter Ended		% Chg
	30 Jun 10	30 Jun 09		30 Jun 10	30 Jun 09	
Earnings Per Share (cts)	9.4	8.2	14.6	4.9	5.0	(2)
NTA Per Share (\$)	2.40	2.29	4.8	2.40	2.29	4.8
Annualised ROE (%)	7.8	7.0	11.4	nm	nm	nm

nm – not meaningful

### **Stronger Earnings as Property Markets Improved**

Keppel Land achieved a net profit of \$134.7 million for the first half of 2010. This was 41.6% higher than the \$95.1 million achieved in the first half of 2009.

Profit from overseas operations increased 82.7% year-on-year to \$49.5 million as a result of stronger contribution from China, mainly from property trading. Earnings from overseas represented about 36.8% of the Group's net profit in first half of 2010, compared with 28.4% in the corresponding period last year.

Net profit from property trading grew 26.4% year-on-year to \$104.3 million in the first half of 2010, largely due to stronger earnings from Reflections and Caribbean at Keppel Bay in Singapore as well as The Arcadia and Villa Riviera in China.

Net profit from property investment rose 37.6% to \$27.1 million compared with the same period last year, largely due to higher share of profit from K-REIT Asia.

Net profit from fund management increased 78.4% to \$15.7 million due to higher acquisition and management fees earned by K-REIT Asia Management and Alpha Investment Partners.

### **Singapore Continued to Perform Well**

The Singapore residential market continued to perform well while office rents have improved in the second quarter of 2010, after six quarters of decline.

About 8,500 new homes were sold in the first half of 2010, more than 50% of the 14,688 units sold for the whole of 2009. To meet the strong demand for housing, the Singapore government announced a total of 27 residential sites and four mixed-use sites under the Government Land Sales programme for the second half of 2010.

Tapping on the demand for homes with good connectivity, Keppel Land successfully acquired a residential site at Lakeside Drive, next to the Lakeside MRT station. Comprising about 630 units, the project will also benefit from the remaking of Jurong Lake District. Capitalising on the opening of Marina Bay Sands integrated resort, Keppel Land held a second preview of the Marina Bay Suites and sold about 40 units. Similarly, with the opening of Universal Studios at Resorts World Sentosa, Reflections at Keppel Bay achieved good take-up with 77 units sold in the first half of 2010.

Office leasing continued to improve in the first half of 2010. Average Grade A rents rose by 5.6% to \$8.45 psf in the second quarter of 2010 from \$8 psf in the previous quarter, while average prime office rents rose 3% to \$6.90 psf from \$6.70 psf over the same period. (Source: CB Richard Ellis).

Marina Bay Financial Centre (MBFC) Phase 1 is now fully leased and this brings overall commitment for MBFC Phases 1 and 2 to about 80%. At Ocean Financial Centre (OFC), ANZ and BNP Paribas have signed up 209,000 sf and 58,000 sf of office space respectively. Other pre-commitments came from companies including Drew & Napier, DMG & Partners Securities and Verizon Communications, which are existing tenants of Ocean Towers. OFC was about 63% committed as at end-June 2010.

### **Improved Sales from Overseas**

Keppel Land sold over 1,200 units in China in the first half of 2010, mostly from The Botanica in Chengdu and Central Park City in Wuxi. Tapping on the proximity to the Pudong International Airport and upcoming Disneyland, The Springdale was launched in June. Some 79 units of the 120 launched units were sold as at end-June 2010.

In Vietnam, the take-up at Riviera Cove continued to remain steady with 93% of the 82 launched units sold. The take-up for Jakarta Garden City (JGC) in Indonesia was also strong with 124 units sold in the first half of 2010. Overall, 77% of the 648 launched units at JGC have been sold.

### **Riding on Opportunities for Growth**

The Group's fund management vehicles continued on its growth path making more new strategic acquisitions in Singapore and overseas in the second quarter of the year. In addition to its recent acquisition of a 50% stake in 275 George Street in Brisbane, K-REIT Asia is acquiring an office tower at 77 King Street in Sydney's CBD area. Alpha Investment Partners has acquired 162 units of The Cascadia or about 30% of the prime residential development located along Bukit Timah Road under the Alpha Asia Macro Trends Fund. The Fund has also bought a 77% stake in Katong Mall in Singapore, which will be redeveloped into a new 207,000 sf retail and lifestyle mall. It is currently 32% pre-leased with premium tenants and is slated for completion in the third quarter of 2011.

The Group will continue to monitor the markets for appropriate launches and strategic acquisitions. Riding on positive sentiments of the Singapore market, the Group is planning to launch the newly acquired Lakeside Drive project by end of the year. In China, the Group will roll out two blocks at 8 Park Avenue in Shanghai, Seasons Park in Tianjin Eco-City, The Seasons township in Shenyang and Phase 3 of Serenity Cove in Tianjin, which are scheduled for launch in the second half of 2010. The Group also plans to launch Riviera Point in Ho Chi Minh City, Vietnam in the second half of the year.

### **Disclaimer**

*This release may contain statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. You are cautioned not to place undue reliance on such statements, which are based in the current views of Management on future developments and events.*