

Keppel Land Limited

1H2005 Results

27 July 2005



Highlights

- n **Financial Results**
- n **Operations Review**
- n **Market Outlook**
- n **Going Forward**

Financial Performance

\$m	1H2005	1H2004	% Chg
Turnover	238.6	285.3	(16.4)
EBITDA	84.8	62.0	36.8
Operating Profit	78.5	55.9	40.4
Pre-tax Profit	84.3	65.5	28.7
PATMI	67.0	59.9	11.9

Financial Performance

2Q2005

\$m	2Q2005	2Q2004	% Chg
Turnover	144.1	173.1	(16.8)
EBITDA	40.1	36.2	10.8
Operating Profit	36.9	33.2	11.1
Pre-tax Profit	38.5	36.0	6.9
PATMI	30.8	30.5	1.0

Key Ratios

	1H2005	1H2004	% Chg
EPS (¢)	9.4	8.4	11.9
NTA/Share (\$)	2.29	2.11	8.5
Debt/Equity Ratio	1.02	1.02	-
Annualised ROE * (%)	8.3	8.0	3.8

* Before EI (if any)

Net Profit - by Business Segment

Business Segment	1H2005	1H2004	%
	\$m	\$m	Chg
Property			
Trading	55.8	46.4	20.3
Investment	14.9	18.2	(18.1)
Hotels / Resorts	(6.7)	(5.1)	nm
Others	3.0	0.4	650.0
PATMI after EI	67.0	59.9	11.9

Net Profit - by Geographical Location

Geographical Location	1H2005		1H2004		%
	\$m	%	\$m	%	Chg
Singapore	28.6	42.7	42.2	70.5	(32.2)
Other Countries	38.4	57.3	17.7	29.5	116.9
PATMI after EI	67.0	100.0	59.9	100.0	11.9

Achieved >50% earnings from overseas

Operations Review

Operations Review

Singapore

- n **Launched The Belvedere**
 - ∅ 86 (72%) out of 120 launched units sold

- n **New release of Caribbean at Keppel Bay**
 - ∅ 121 (76%) out of 160 launched units sold
 - ∅ 168 units furnished for corporate leasing

- n **Secured UBS as another anchor tenant for 170,000 sf of space at One Raffles Quay**
 - ∅ Other major tenants are ABN AMRO and Deutsche Bank

Operations Review

Singapore

n Unlocking value

- ∅ Raised stake in Bugis Junction from 31% to 41% to facilitate divestment
- ∅ Divested Parco Bugis Junction retail mall and consolidated the office tower into our investment building portfolio
- ∅ Made net profit of \$30m

Operations Review

Singapore

n Awarded the Business & Financial Centre (BFC) site at New Downtown with Cheung Kong and Hongkong Land

n Keppel Land-Harrah's JV to bid for world-class Integrated Resorts at Marina Bayfront and Sentosa



Operations Review

Overseas

- n **Acquired new sites in Bangalore (India) and Tianjin (China)**
 - ∅ **Second residential project in Bangalore comprising 1,064 units with JV partner**
 - ∅ **First villa project in Tianjin comprising 160 villas**
- n **Soft-launched Elita Promenade and sold 40% of 230 launched units over last weekend**

Operations Review

Overseas

- n **Sales of residential projects in China continue to progress :**
 - ∅ **8 Park Avenue (Shanghai): 81% of 456 launched units sold**
 - ∅ **The Seasons (Beijing): 89% of 932 launched units sold**
 - ∅ **The Waterfront (Chengdu): 83% of 817 launched units sold**
 - ∅ **The Botanica (Chengdu): 86% of 970 launched units sold**

Operations Review

Fund Management

- n **Asia No. 1 Property Fund achieved total equity size of US\$243m**
 - ∅ Investments made in Japan, South Korea, Hong Kong and Singapore
 - ∅ About half of total equity invested
- n **Alpha Core Plus Real Estate Fund raised US\$165m in the first closing, about 30% invested**
- n **Total assets under management will be about US\$1 billion when the two funds are fully invested**

Recent Awards

Recognition for Corporate Transparency

- n **Ranked 17th among 630 companies in Business Times-Corporate Transparency Index for FY2004 results**
 - ∅ **Only property developer among Top 20 companies**

Market Outlook

Market Outlook - Singapore

Residential

- n **Residential market improved**
 - ∅ Demand of new units surged to 2,780 in 2Q05, more than double the figure in 1Q05, bringing total volume in 1H05 to over 4,000 units (Source : URA)
 - ∅ Prices rose 1.2% in 1H05 from end of last year

- n **Market poised to improve further with positive property measures**
 - ∅ Home prices to edge up with increased volume
 - ∅ Greater affordability due to reduced cash outlay with higher mortgage quantum

Market Outlook - Singapore

Office

- n **Rising demand underpinned by economic growth**
 - ∅ Islandwide occupancy rose from 84% at end-1Q05 to 85.7% at end-2Q05, the highest level since 1Q02 (Source : URA)
 - ∅ Grade A CBD occupancy stands at 91% (Source : CBRE)
 - ∅ Average prime rentals increased 16% y-o-y from \$4.05 to \$4.70 psf (Source : CBRE)

- n **Positive outlook for prime office market**
 - ∅ Seen in good response from BFC tender
 - ∅ Limited new supply and increasing demand pushing up occupancy and rental rates

Market Outlook - Asia

- n **Asian demand for quality homes and well-planned residential townships to grow at sustained pace in countries especially China, Vietnam, Thailand, India and Indonesia**
- n **Housing demand underpinned by economic growth, urbanisation, favourable demographics trends and positive government policies**

Market Outlook - China

- § **Anti-speculation measures moderated sentiments mostly in Shanghai while other cities are less affected**
- § **City centre apartments in Shanghai are still in short supply**

Going Forward

Going Forward

Singapore

- n **Launch residential projects according to market demand**
- n **Seek development opportunities with good potential returns eg. BFC**
- n **Improve lease commitments for One Raffles Quay and other office buildings**

Going Forward

Singapore

- n **Unlock value of investment property
eg. divested Parco Bugis Junction**
- n **Intend to set up an office REIT initially with some
of the office buildings**
- n **Details of the proposed REIT will be announced
when the plans are finalised**

Possible Residential Launches Singapore 2005

Project	Location	Units to Launch
Cluny Hill Bungalow Plots *	Cluny Hill	3
Caribbean at Keppel Bay *	Keppel Bay Drive	240#
Urbana *	River Valley Rd	42
The Belvedere *	Meyer Rd	81
Park Infinia at Wee Nam (Ph1) ^	Wee Nam Rd	200
Devonshire Rd (60% stake) ^	Devonshire Rd	160

* Balance units

^ New launches

Excluding 168 units set aside for corporate leasing

Going Forward

Overseas

- n **Keep up expansion drive in Asia in promising countries, cities and market segments**
- n **Launch residential and township projects in China, Thailand, Vietnam, India and Indonesia**

Residential Projects Overseas

Project	Units to Launch	Launch Commencement
<u>China</u>		
8 Park Avenue, Shanghai *	576	2H2005
The Seasons, Beijing *	1,033	2H2005
The Waterfront, Chengdu *	462	2H2005
Great Town Harbour, Fuzhou (Ph1) *	335	2H2005
The Botanica (Phase 1), Chengdu *	134	2H2005
The Botanica (Phase 2), Chengdu ^	1,476	1H2006
Xujing Villas, Shanghai ^	186	1H2006
Tianjin Villas, Tianjin ^	160	2H2006
The Botanica (Phase 3), Chengdu ^	927	2H2007
Park Avenue Central, Shanghai ^	708	2H2007

* Balance units

^ New launches

Residential Projects Overseas

Project	Units to Launch	Launch Commencement
<u>Vietnam</u>		
Villa Riviera, Ho Chi Minh City *	99	2H2005
Saigon Sports City (Phase 1), HCMC ^	782	1H2006
<u>Thailand</u>		
Villa Arcadia at Srinakarin, Bangkok *	329	2H2005
Villa Arcadia at Watcharapol, Bangkok ^	270	1H2006
<u>India</u>		
Elita Promenade in JP Nagar , Bangalore *	1,481	2H2005
Condominium in Kanakapura, Bangalore ^	1,064	2H2006
<u>Indonesia</u>		
Cakung Township (Phase 1), Jakarta ^	1,156	2H2006

* Balance units

^ New launches

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.