

PRESS RELEASE

Keppel Land's Financial Highlights for the Quarter Ended 31 March 2008

23 April 2008

Moderation in 1Q2008 after a Robust 2007

- PATMI for 1Q2008 eased slightly to \$60.3 million compared with \$62.5 million a year ago.
- Property trading posted lower contribution in 1Q2008 as launches were held back due to market conditions brought on by US sub-prime problems.
- PATMI from property investment was lower in 1Q2008 primarily due to a write-back of tax provision in 1Q2007.
- Fund management achieved a higher PATMI with increased contribution from K-REIT Asia.
- NTA per share of \$3.23 was 40% higher than at end-1Q2007.

Summary of Results

PATMI (\$m)	Quarter Ended		% Chg	Quarter Ended		% Chg
	31 Mar 08	31 Mar 07		31 Mar 08	31 Dec 07	
<u>By Geographical Location</u>						
Singapore	43.0	45.2	(4.9)	43.0	34.2	25.7
Other Countries	17.3	17.3	0.0	17.3	37.9	(54.4)
Sub-total	60.3	62.5	(3.5)	60.3	72.1	(16.4)
Corporate Restructuring Surplus	0.0	0.0	0.0	0.0	235.2	nm
Sub-total	60.3	62.5	(3.5)	60.3	307.3	(80.4)
Appreciation on Revaluation of Investment Properties / Impairment Provision	0.0	0.0	0.0	0.0	265.0	nm
PATMI	60.3	62.5	(3.5)	60.3	572.3	(89.5)
<u>By Business Segment</u>						
Property Trading	49.1	56.5	(13.1)	49.1	81.7	(39.9)
Property Investment	7.6	11.5	(33.9)	7.6	5.2	46.2
Fund Management	4.2	0.7	500.0	4.2	8.1	(48.1)
Hotels and Resorts	0.1	(0.5)	nm	0.1	(0.8)	nm
Others	(0.7)	(5.7)	nm	(0.7)	(22.1)	nm
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Key Ratios	Quarter Ended		% Chg	Quarter Ended		% Chg
	31 Mar 08	31 Mar 07		31 Mar 08	31 Dec 07	
Earnings Per Share (Excluding Revaluation Gain / Impairment Provision) (cts)	8.4	8.7	(3.4)	8.4	42.7	(80.3)
NTA Per Share (\$)	3.23	2.31	39.8	3.23	3.18	1.6
Annualised ROE Excluding Revaluation Gain / Impairment Provision (%)	10.4	15.6	(33.3)	10.4	72.8	(85.7)

Earnings Reined In by Market Caution

Keppel Land achieved a profit after tax and minority interests (PATMI) of \$60.3 million for the first quarter of 2008. This was 3.5% lower than that for the first quarter of 2007, due mainly to lower contribution from property trading and property investment.

PATMI from property trading fell by 13.1% due to the completion of several projects in Singapore and overseas, and the reduced profit contribution from Marina Bay Residences. In 1Q2007, an initial 20% profit for this project was recognised upon the signing of the Sale & Purchase (S & P) agreements.

Trading profits were predominantly derived from existing project sales including The Suites at Central and Marina Bay Residences in Singapore, The Seasons in Beijing and Villa Riviera in Shanghai, China as well as Elita Promenade in Bangalore, India.

PATMI from property investment also fell by 33.9% to \$7.6 million in the first quarter of 2008. If not for a write-back of tax provision in the first quarter of 2007, PATMI from property investment would have been higher than 1Q2007 by 12%.

However, the growth of fee-based income from fund management has increased with K-REIT Asia's acquisition of the one-third stake in One Raffles Quay. With higher management fee income from a larger portfolio of assets under management by K-REIT Asia and Alpha Investment Partners, fund management activities achieved a higher PATMI of \$4.2 million in the quarter ended 31 March 2008 compared with \$0.7 million in the corresponding quarter a year ago.

Cautious Mood in Singapore's Residential Market

Take-up of new private residential units was an estimated 800 units while price increase moderated to 4.2% in the first quarter of 2008 as market sentiments were affected by the US sub-prime mortgage problems and inflationary pressures.

However, there is still genuine demand from local and foreign buyers in Singapore, supported by confidence in the economy with the coming world-class integrated resorts, new downtown and international events such as the Formula One night race, and continued population growth.

Going forward, Keppel Land will monitor the market closely and launch the iconic Marina Bay Suites in the new downtown and the second phase of Reflections at Keppel Bay when market conditions are more favourable.

Office Demand and Rentals Remain Stable

Demand for office space remained firm in Singapore, supported by the financial and banking sector as well as supporting business services. Average prime office rents rose 6.7% to \$16.00 psf per month, while Grade A rents rose 8.7% to \$18.65 psf per month in 1Q2008.

Reflecting the good demand for Grade A space, more than 50% of the 2.9 million sf of total net lettable area at Marina Bay Financial Centre (MBFC) has been pre-committed. Anchor tenants include Standard Chartered Bank and DBS Bank. Over the last few months, about 150,000 sf were taken up, mainly by Barclays and Amex. The Group's other upcoming Grade A office building, Ocean Financial Centre (OFC), has secured financing at an attractive rate and appointed the main contractor.

Keppel Land's associate K-REIT Asia is conducting a rights issue which will increase the number of units from 248.1 million to 645 million. This will raise proceeds of about \$551.7 million and reduce K-REIT Asia's aggregate leverage from 53.9% as at end-2007 to 27.7%.

Continued Sales Overseas

Demand for quality homes in Asia continues to be underpinned by healthy economic growth and favourable demographic trends.

At the soft launch of Phase One of The Estella in Ho Chi Minh City (HCMC), Vietnam, potential buyers registered interest for all 650 units offered for sale. In line with government regulations which require piling works to be completed before sales, S & P agreements have been concluded for 165 units in the blocks where piling has completed. From this positive response, take-up from the rest of the potential buyers who have registered interests is expected to be strong.

Keppel Land has also obtained investment licence for its waterfront condominium project in District 7, HCMC. Fronting the Ca Cam River, the development comprises a total of 2,394 units with recreational facilities and supporting commercial space.

In Indonesia, Keppel Land soft-launched 191 units at Jakarta Garden City, an integrated township in Cakung, East Jakarta. To-date, about 76% of the launched units have been taken up.

Keppel Land also sold about 75% of the 350 units launched at Elita Garden Vista in Kolkata, India.

Riding on the strength of the overseas markets, Keppel Land hopes to launch several new projects in 2008. They include Elita Horizon in Bangalore, India; a waterfront condominium in District 7 of HCMC, Vietnam; as well as a seafront condominium in Jeddah, Saudi Arabia.

In addition, Keppel Land, as part of the Keppel Group, will be involved in the development of the Sino-Singapore Tianjin Eco-City. To be built using the latest green technologies and environmentally-friendly systems, the proposed Eco-City will be a showcase for sustainable development, and a trailblazer for other Chinese cities striving to balance rapid economic growth with environmental protection. The Eco-City will be developed by consortia from Singapore and China, with Keppel Corporation playing a lead role.

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.