

PRESS RELEASE

Keppel Land's Financial Highlights for the Nine Months Ended 30 September 2010

20 October 2010

Improved Performance as Asian Property Markets Recover

- *Net profit grew 18% y-o-y to \$204.8 million as property markets recovered in Asia on improved economic conditions*
- *Net profit from property trading rose 15.4% to \$154 million on strong contribution from residential projects in Singapore and China*
- *Net profit from property investment increased 35.9% to \$42.8 million on higher contribution from K-REIT Asia and higher rental income from Barclays House*
- *Earnings from fund management rose 57.3% to \$22.5 million due to higher acquisition and management fees earned by K-REIT Asia Management and Alpha Investment Partners*

Summary of Results

Net Profit (\$m)	Nine Months Ended		% Chg	Quarter Ended		% Chg
	30 Sep 10	30 Sep 09		30 Sep 10	30 Sep 09	
<u>By Geographical Location</u>						
Singapore	131.9	119.4	10.5	46.7	51.3	(9)
Other Countries	72.9	54.2	34.5	23.4	27.2	(14)
Net Profit	204.8	173.6	18	70.1	78.5	(10.7)
<u>By Business Segment</u>						
Property Trading	154	133.4	15.4	49.6	50.8	(2.4)
Property Investment	42.8	31.5	35.9	15.7	11.9	31.9
Fund Management	22.5	14.3	57.3	6.8	5.6	21.4
Hotels and Resorts	1.2	2.6	(53.8)	1.5	1.6	(6.3)
Others	(15.7)	(8.2)	nm	(3.5)	8.6	nm
Net Profit	204.8	173.6	18	70.1	78.5	(10.7)

Key Ratios	Nine Months Ended		% Chg	Quarter Ended		% Chg
	30 Sep 10	30 Sep 09		30 Sep 10	30 Sep 09	
Earnings Per Share (cts)	14.3	15	(4.7)	4.9	6.8	(27.9)
NTA Per Share (\$)	2.42	2.33	3.9	2.42	2.33	3.9
Annualised ROE (%)	7.9	8.4	(6)	nm	nm	nm

nm – not meaningful

Stronger Earnings from Singapore and Overseas Operations

Keppel Land achieved an 18% year-on-year growth in net profit to \$204.8 million for the nine months ended 30 September 2010 as the Singapore and regional property markets continue to improve.

Net profit from property trading was up 15.4% to \$154 million with strong contribution from Reflections and Caribbean at Keppel Bay, Marina Bay Residences and Marina Bay Suites in Singapore as well as from projects in China namely The Arcadia in Tianjin, The Springdale and Villa Riviera in Shanghai.

Property investment contribution rose 35.9% to \$42.8 million, due mainly to a larger share of profit from K-REIT Asia and higher rental income from Barclays House in Indonesia.

Fund management performed well, with profit contribution up by 57.3% to \$22.5 million as K-REIT Asia Management and Alpha Investment Partners earned higher acquisition and management fees.

Cautious Sentiment Amid Cooling Measures

The government measures to cool the residential market at end-August have started to take effect. Urban Redevelopment Authority's flash estimates showed that the rise in private residential prices has moderated from 5.3% in 2Q2010 to 3.1% in 3Q2010 while home sales have also fallen to about 3,700 units from 4,033 units over the same period. Despite the cautious market sentiment, there is demand for homes in good locations and the Group plans to launch its Lakeside Drive project by end-2010. The Group has sold over 170 homes year-to-date (YTD), mainly from Reflections at Keppel Bay and Marina Bay Suites.

Marina Bay Financial Centre (MBFC) and Ocean Financial Centre (OFC) are actively negotiating with several prospective tenants and will continue to attract global occupiers given their strategic locations and quality specifications. MBFC is about 80% committed, with Phase 1 fully leased and Phase 2 about 55% pre-leased, while OFC is about 63% pre-committed as at end-September 2010.

Overseas Markets Continue to Perform Well

Keppel Land has sold over 3,200 overseas homes YTD, mostly from China where the two townships, The Botanica in Chengdu and Central Park City in Wuxi chalked up substantial sales. The Arcadia in Tianjin has fully sold all its 168 villas. Plans are in the pipeline to launch new units at 8 Park Avenue in Shanghai and the first eco homes in Seasons Park at Tianjin Eco-City in the fourth quarter of 2010.

To strengthen its focus on China, a wholly-owned subsidiary, Keppel Land China Limited is being established to own and operate the Group's properties in China and to pursue growth opportunities in the country. Keppel Land China has recently acquired two prime sites in Chengdu. The first is a 5.1-ha city site located along Second Ring Road in Panchenggang, Jinjiang District, which will be developed into 1,630 condominium units. The second acquisition, comprising two sites totaling 25-ha located near Tianfu New City, Chengdu's future Central Business District in Mumashan, Xinjin County, will be developed into 250 villas. Both projects are expected to launch their first phases in 1H2012.

Tapping on Acquisition Opportunities

In a proposed asset swap with K-REIT Asia, Keppel Land will divest its 1/3 stake in MBFC Phase 1 at an agreed property value of \$1,426.8 million and will acquire Keppel Towers and GE Tower for \$573 million for redevelopment into high-rise residences. The bundled deal is subject to approvals from both groups of minority shareholders and unitholders at their respective extraordinary general meetings.

Alpha Asia Macro Trends Fund, a fund managed by the Group's wholly-owned subsidiary Alpha Investment Partners, has acquired 23 apartments in Draycott 8 close to Singapore's shopping belt and Seoul Square, a prime Grade A office building located in the City Hall area in South Korea.

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.