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PRESS RELEASE

Keppel Land Limited Unaudited Results for the Half Year Ended 30 June 2007

24 July 2007

The Directors of Keppel Land Limited advise the following unaudited results of the Company and of the Group for the half year ended 30 June 2007.

Presentation materials and other information given out at the Press and Analysts' Conference today are also available at www.kepcorp.com and www.keppelland.com.sg.

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1 UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2007

The Directors of Keppel Land Limited announce the following unaudited results of the Group for the half year ended 30 June 2007:

**1 (a) GROUP PROFIT AND LOSS ACCOUNT
for the Half Year Ended 30 June 2007**

	Note	Second Quarter Ended 30.06.07	Second Quarter Ended 30.06.06	+ / (-) %	Half Year Ended 30.06.07	Half Year Ended 30.06.06	+ / (-) %
		\$'000	\$'000		\$'000	\$'000	
SALES		359,150	231,555	55.1	654,566	350,512	86.7
Cost of sales		(277,303)	(163,354)	69.8	(505,336)	(237,081)	113.1
GROSS PROFIT		81,847	68,201	20.0	149,230	113,431	31.6
Distribution costs		(1,040)	(1,274)	(18.4)	(2,711)	(2,277)	19.1
Administrative and other expenses	1	(21,219)	(21,031)	0.9	(31,942)	(26,813)	19.1
Other income	2	-	29,221	nm	-	29,221	nm
OPERATING PROFIT		59,588	75,117	(20.7)	114,577	113,562	0.9
Interest and investment income		17,722	13,064	35.7	31,427	26,118	20.3
Finance costs	3	(19,851)	(17,133)	15.9	(41,314)	(27,187)	52.0
Share of results of associated companies		25,377	4,268	494.6	61,944	9,008	587.7
PROFIT BEFORE TAXATION		82,836	75,316	10.0	166,634	121,501	37.1
Taxation		(15,131)	(23,411)	(35.4)	(28,633)	(28,119)	1.8
PROFIT AFTER TAXATION		67,705	51,905	30.4	138,001	93,382	47.8
Attributable to:							
Shareholders of the Company		63,008	44,278	42.3	125,475	80,621	55.6
Minority interests		4,697	7,627	(38.4)	12,526	12,761	(1.8)
		67,705	51,905	30.4	138,001	93,382	47.8
Basic earnings per share (cents)		8.8	6.2		17.4	11.2	
Diluted earnings per share (cents)		8.7	6.2		17.3	11.2	
Operating profit margin		16.6%	32.4%		17.5%	32.4%	
Return on equity		3.9%	2.8%		7.7%	5.1%	

Profit before taxation is arrived at after charging / (crediting) the following:

Write-back of provision for properties held for sale	(15,874)	(7,060)	(25,631)	(16,455)
Depreciation	2,730	2,678	5,109	5,341
Cost of share-based payments	799	271	1,230	559
Foreign exchange (gain) / loss	(1,758)	(574)	(3,789)	1,463
Provision of doubtful debts	2,112	586	2,637	843
Fair value loss/(gain) from revaluation of interest rate hedging instruments	2,155	(2)	5,185	(4,233)
Employee emoluments	17,424	14,535	33,926	26,656

Notes

- The increase in administrative and other expenses in 1H2007 is due largely to higher staff and related costs.
- "Other income" for 2Q2006 refers to the profit from the sale of a subsidiary of Evergro Properties (owner of 133-ha of land in Tianjin). The Group's share of the profit after tax and minority interests is about \$12.4 million.
- Finance costs for 1H2007 are higher mainly on account of a revaluation loss of \$5.2 million for the Group's interest rate hedging instruments compared with a gain of \$4.2 million for 1H2006.

nm – not meaningful

1(b) (i) BALANCE SHEETS as at 30 June 2007

	Group		Company	
	30.06.07 \$'000	31.12.06 \$'000	30.06.07 \$'000	31.12.06 \$'000
Share capital	1,184,591	1,183,413	1,184,591	1,183,413
Reserves	427,623	407,521	355,259	402,184
Share capital and reserves	1,612,214	1,590,934	1,539,850	1,585,597
Minority interests	316,570	310,018	-	-
Total equity	1,928,784	1,900,952	1,539,850	1,585,597
Long-term borrowings	2,683,122	2,111,107	1,642,817	1,482,108
	4,611,906	4,012,059	3,182,667	3,067,705
Represented by:				
Fixed assets	203,374	205,137	60	62
Investment properties	1,215,343	1,199,722	-	-
Properties held for development	185,730	183,327	-	-
Investments				
Subsidiary companies	-	-	1,186,020	1,186,013
Associated companies	647,659	624,134	135,320	135,320
Other investments	48,884	35,241	3,584	3,313
	696,543	659,375	1,324,924	1,324,646
Current assets				
Properties held for sale	1,357,817	1,352,915	-	-
Consumable stocks	3,325	3,437	-	-
Debtors	165,933	159,358	930	1,568
Amounts owing by holding and related parties	1,256,786	917,282	2,248,749	2,100,713
Fixed deposits, bank balances and cash	672,827	580,951	1,979	2,114
	3,456,688	3,013,943	2,251,658	2,104,395
Less:				
Current liabilities				
Creditors	621,626	623,403	12,529	14,422
Net tax provision	67,585	86,378	1,458	1,458
Short-term borrowings	280,531	439,619	180,000	267,290
Amounts owing to holding and related parties	70,366	65,607	189,484	66,557
	1,040,108	1,215,007	383,471	349,727
Net current assets	2,416,580	1,798,936	1,868,187	1,754,668
Deferred taxation	(105,664)	(34,438)	(10,504)	(11,671)
	4,611,906	4,012,059	3,182,667	3,067,705
Group net debt (\$'000)	2,290,826	1,969,775		
Group net debt/equity ratio (%)	119	104		
Net tangible assets per share (\$)	2.24	2.21		

Review of Financial Position

The Group's net tangible asset per share has increased to \$2.24 from \$2.21 as at 31 December 2006. Net debt/equity ratio of 119% is 14.4% higher than that at end-December 2006. This is due to financing for the purchase of the Phase 2 site of the Marina Bay Financial Centre project.

1(b) (ii) GROUP'S BORROWINGS AND DEBT SECURITIES**Amount Repayable in One Year or Less, or on Demand**

As at 30.06.07		As at 31.12.06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	280,531	9,175	430,444

Amount Repayable after One Year

As at 30.06.07		As at 31.12.06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
313,677	2,369,445	267,517	1,843,590

In addition to funds from internal sources and related companies, the Group obtains its funds from the capital market through its US\$800 Million Medium Term Note Programme and the convertible bond issue of \$300 million, and banks either on a bilateral or on a syndicated basis.

Interest rate caps and interest rate swaps have been used to hedge the Group's exposure to interest rate risk. On a hedged basis, 47% of the Group's borrowings are fixed. For the half year ended 30 June 2007, the Group's cost of funds is 3.4%.

Details of Any Collateral

Certain subsidiaries of the Company have pledged their assets in order to obtain loans from financial institutions. The net book value of properties and other assets mortgaged to financial institutions is about \$610 million (31.12.06: \$475 million).

**1(c) CONSOLIDATED CASH FLOW STATEMENT
for the Half Year Ended 30 June 2007**

	Second Quarter Ended 30.06.07	Second Quarter Ended 30.06.06	Half Year Ended 30.06.07	Half Year Ended 30.06.06
	\$'000	\$'000	\$'000	\$'000
Cash flow from operating activities				
Operating profit before interest and taxation	59,588	75,117	114,577	113,562
Adjustments for:				
Depreciation of fixed assets	2,730	2,678	5,109	5,341
Write-back of provision for properties held for sale	(15,874)	(7,060)	(25,631)	(16,455)
Provision for doubtful debts	2,112	586	2,637	843
Share-based payment expenses	799	271	1,230	559
Operating income before reinvestment in working capital	49,355	71,592	97,922	103,850
Decrease/(increase) in debtors	(6,845)	17,617	1,799	(24,556)
Decrease/(increase) in work-in-progress and stocks	2,957	(35,796)	(18,752)	(41,115)
Development expenditures	(191,928)	(113,989)	(373,475)	(195,262)
Proceeds from progress billings	244,643	174,347	424,634	276,249
Increase/(decrease) in creditors	27,078	6,573	8,298	(14,300)
Cash from operations	125,260	120,344	140,426	104,866
Interest received	17,722	13,064	31,427	26,118
Interest paid	(19,851)	(17,133)	(41,314)	(27,187)
Income taxes paid	(12,590)	(5,227)	(42,629)	(10,424)
Net cash from operating activities	110,541	111,048	87,910	93,373
Cash flow from investing activities				
Purchase of fixed assets and improvement in investment properties	(3,656)	(2,392)	(7,070)	(3,595)
Divestment of office buildings	-	190,571	-	190,571
Other investments	(5,806)	(200)	(9,020)	(200)
Additional investment in subsidiary company	-	-	-	(9,721)
Additional investment in associated companies	(4,403)	(2,142)	(17,408)	(2,142)
Proceeds from sale of fixed assets	512	1,404	512	1,404
Net cash from/(used in) investing activities	(13,353)	187,241	(32,986)	176,317
Cash flow from financing activities				
Proceeds from issuance of share capital by Company	744	2,526	1,178	5,377
Loan drawdowns and proceeds from convertible bond issue less loan repayments	97,953	13,851	404,179	3,230
Advances from/(to) minority shareholders of certain subsidiaries	975	57,585	(26,678)	57,302
Loans to related and associated companies, less dividends received	(13,055)	(27,747)	(311,785)	(55,180)
Dividends paid to shareholders	(43,178)	(35,914)	(43,178)	(35,914)
Contributions from/(acquisition), less dividends paid to minority shareholders of subsidiary companies	(315)	780	4,042	(56,535)
Net cash from/(used in) financing activities	43,124	11,081	27,758	(81,720)
Net increase in cash and cash equivalents	140,312	309,370	82,682	187,970
Cash and cash equivalents at beginning of period	524,942	464,998	580,951	597,677
Exchange adjustments	7,573	(4,565)	9,194	(15,844)
Cash and cash equivalents at end of period	672,827	769,803	672,827	769,803

**1(c) CONSOLIDATED CASH FLOW STATEMENT
for the Half Year Ended 30 June 2007**

	Second Quarter Ended 30.06.07	Second Quarter Ended 30.06.06	Half Year Ended 30.06.07	Half Year Ended 30.06.06
	\$'000	\$'000	\$'000	\$'000
Represented by:				
Cash and cash equivalents				
Fixed deposits, bank balances and cash	661,083	577,431	661,083	577,431
Deposits with related companies	11,744	192,372	11,744	192,372
	<u>672,827</u>	<u>769,803</u>	<u>672,827</u>	<u>769,803</u>

Review of Cash Flows for 2Q2007**(i) Net Cash from Operating Activities**

The Group's cash flow from operating activities is \$110.5 million, as compared with \$111 million recorded in the corresponding quarter last year. This is due mainly to higher proceeds from progress billings from several development projects, namely Urbana and Sixth Avenue Residences in Singapore, Villa Riviera in China and in Vietnam, offset by the lower operating profit generated in the current quarter and higher development expenditures.

(ii) Net Cash from Investing Activities

The Group's net cash from investing activities is an outflow of \$13.4 million in the current quarter due mainly to the additional investment in associated companies and fund management activities. In 2Q2006, a net cash inflow of \$187.2 million from investing activities was generated largely from the divestment of four office buildings to K-REIT Asia.

(iii) Net Cash from Financing Activities

The Group's net cash inflow from financing activities is \$43.1 million as compared with \$11.1 million for the corresponding quarter last year. This is due mainly to a higher loan drawdown and lower advances to associated companies, offset by reduced advances from the minority shareholders and a higher payment of dividends to shareholders.

(iv) Overall, the net increase in cash and cash equivalents is \$140.3 million compared with \$309.4 million for 2Q2006.