

## PRESS RELEASE

### Keppel Land's Financial Highlights for the Nine Months Ended 30 September 2007

23 October 2007

#### Group PATMI Soars on Strong Residential Earnings

- Group PATMI rose by 74.1% to reach \$207.3 million for the nine months ended 30 September 2007 compared with the same period last year.
- Strong residential sales boosted PATMI from property trading by 94.4% to \$193.2 million
- Net tangible assets per share rose to \$2.34 as at end-September 2007, up 10.4% from \$2.12 a year ago.
- ROE on an annualised basis increased to 16.9% compared with 9.9% for the same period in 2006.

#### Summary of Results

PATMI (\$m)	Nine Months Ended		% Chg	Quarter Ended		% Chg
	30 Sep 07	30 Sep 06		30 Sep 07	30 Sep 06	
<b><u>By Geographical Location</u></b>						
Singapore	134.6	47.3	184.6	56.4	19.2	193.8
Other Countries	72.7	71.8	1.3	25.4	19.3	31.6
<b>PATMI</b>	<b>207.3</b>	<b>119.1</b>	<b>74.1</b>	<b>81.8</b>	<b>38.5</b>	<b>112.5</b>
<b><u>By Business Segment</u></b>						
Property Trading	193.2	99.4	94.4	81.6	34.6	135.8
Property Investment	25.8	28.9	(10.7)	4.6	14.8	(68.9)
Others	(11.7)	(9.2)	Nm	(4.4)	(10.9)	Nm
<b>PATMI</b>	<b>207.3</b>	<b>119.1</b>	<b>74.1</b>	<b>81.8</b>	<b>38.5</b>	<b>112.5</b>

Key Ratios	Nine Months Ended		% Chg	Quarter Ended		% Chg
	30 Sep 07	30 Sep 06		30 Sep 07	30 Sep 06	
Earnings Per Share (cts)	28.8	16.6	73.5	11.4	5.4	111.1
NTA Per Share (\$)	2.34	2.12	10.4	2.34	2.12	10.4
Annualised ROE (%)	16.9	9.9	70.7	20.0	9.6	108.3

### **Performance Underpinned by Robust Residential Sales**

Keppel Land recorded Group PATMI of \$207.3 million for the nine months ended 30 September 2007, up 74.1% from \$119.1 million achieved for the same period of 2006. The improved performance was due primarily to strong residential earnings.

PATMI from property trading rose 94.4% to \$193.2 million for the first nine months of 2007, driven by higher profit contributions from Singapore residential developments, mainly Marina Bay Residences, Park Infinia at Wee Nam and Reflections at Keppel Bay, as well as regional projects such as The Seasons and Villa Riviera in China, and Elita Promenade in India.

As a result, PATMI from Singapore grew a significant 184.6% to \$134.6 million for the first nine months of this year. With the increase, the proportion of Group PATMI from Singapore expanded to about 65% as compared with 40% for the same period in 2006.

### **Strong Residential Price Increase in Singapore**

The Urban Redevelopment Authority's flash estimates for the third quarter of 2007 showed that private residential prices continued to rise by 8% quarter-on-quarter and brings year-to-date growth to 22.6%. Prices of non-landed residential properties rose by 8.3% in the Core Central Region, 7.7% in Rest of Central Region and 8.1% in Outside Central Region, reflecting the broad-based price increase across market segments and regions.

Keppel Land sold a total of about 750 residential units in Singapore in the first nine months of 2007. Strong sales were achieved at Reflections at Keppel Bay, with 600 launched units fully sold. All 434 launched units at Park Infinia at Wee Nam have also been sold.

Going forward, Keppel Land together with joint venture partners Cheung Kong Holdings and Hongkong Land will launch Marina Bay Suites, the residential component of Marina Bay Financial Centre (Phase 2) early next year. The 65-storey residential tower will offer 223 luxuriously-specified three- and four-bedroom apartments, with three penthouses in the development each having their own swimming pools.

### **Office Demand and Rentals Remains Robust**

Despite recent uncertainties in the financial markets, demand for office space remained strong in Singapore, especially by the financial and banking and supporting services. Average prime office rents reached \$12.60 psf per month in 3Q2007, rising 16.7% quarter-on-quarter and 61.3% from \$7.81 psf at end-2006. Grade A office rents averaged \$14.90 psf per month, reflecting an increase of 13.7% quarter-on-quarter and 70.7% increase from \$8.73 psf at end-2006.

Tapping on the strong demand for Grade A office space, Keppel Land is redeveloping the site of Ocean Building into an iconic office building known as Ocean Financial Centre (OFC). When completed in 2011, the 43-storey OFC will contribute 850,000 sf of prime office space with one of the largest floor plates in Raffles Place. Designed by world-renowned architectural firm Pelli Clarke Pelli, OFC will showcase green and environmentally-friendly features such as the largest solar panel system in Singapore.

Meanwhile, Keppel Land has undertaken to sell its one-third stake in One Raffles Quay to K-REIT Asia. Shareholders of Keppel Land and unitholders of K-REIT Asia approved the transaction at respective Extraordinary General Meetings held on 11 October 2007. In conjunction with the sale, Keppel Land will take up new units under K-REIT Asia's equity fund

raising exercise to partly finance the acquisition. The placement will enable Keppel Land to maintain its percentage unitholding of about 40.8% in K-REIT Asia.

### **Strong Residential Sales Overseas**

For the first nine months of 2007, the Group sold more than 2,200 units overseas, mainly in China and India.

In China, the newly-launched Central Park City in Wuxi saw 96% of the 363 launched units taken up within a month of its launch in mid-September. In Shanghai, about 76% of the 96 newly released units at 8 Park Avenue were taken up. In Chengdu, about 98% of the 700 recently-launched units in Phase 3 of the township The Botanica have also been sold.

Riding on the strength of the overseas markets, Keppel Land hopes to launch several new projects in China, Vietnam and India in the fourth quarter of 2007. They include The Arcadia villa project in Tianjin; The Estella prime condominium project in Ho Chi Minh City; as well as two condominium developments Elita Garden Vista in Kolkata and Elita Horizon in Bangalore.

Capitalising on the rising Vietnam market, Keppel Land announced the acquisition of a 51,043 sm site in prime District 2 in Ho Chi Minh City in early October. The site is Keppel Land's fifth new residential site secured in Vietnam for the year, building up its residential landbank to 4.5 million sm in gross floor area and a pipeline of 23,000 homes. The latest site is expected to yield a potential gross floor area of 244,800 sm which will include about 1,500 quality apartments. Phase 1 is slated for sales launch in 2009.

In the Middle East, Keppel Land has tied up with Saudi Economic and Development Co. Ltd to develop luxury residences on a 3.6-ha site along the Corniche waterfront in Jeddah, Saudi Arabia. Comprising three high-rise towers with a total of about 1,000 seafront apartments, the development will be undertaken in phases according to market demand. It will target the high-end market and is expected to be launched in 2008.

### **Disclaimer**

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