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PRESS RELEASE

Keppel Land Limited Unaudited Results for the Half Year Ended 30 June 2011

20 July 2011

The Directors of Keppel Land Limited advise the following results of the Company and of the Group for the half year ended 30 June 2011.

These figures have not been audited.

Presentation materials are available at *www.kepcorp.com and www.keppelland.com.sg*

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SECOND QUARTER 2011 FINANCIAL STATEMENTS ANNOUNCEMENT

UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2011

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1. UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2011

The Directors of Keppel Land Limited announce the following unaudited results of the Group for the half year ended 30 June 2011:

1(a) GROUP PROFIT AND LOSS ACCOUNT for the Half Year Ended 30 June 2011

	Note	Second Quarter			Half Year		
		30.06.11	30.06.10 (Restated)	+/(-)	**30.06.11**	30.06.10 (Restated)	+/(-)
		$'000	$'000	%	**$'000**	$'000	%
Sales		**104,187**	318,018	(67.2)	**462,079**	424,493	8.9
Costs of sales		**(59,458)**	(204,723)	(71.0)	**(322,157)**	(258,367)	24.7
Gross profit		**44,729**	113,295	(60.5)	**139,922**	166,126	(15.8)
Distribution costs	1	**(3,956)**	(3,088)	28.1	**(12,551)**	(5,458)	130.0
Administrative and other expenses	2	**(25,508)**	(24,537)	4.0	**(42,188)**	(43,919)	(3.9)
Other income	3	**5,550**	1,233	350.1	**12,032**	1,545	678.8
Investment income	4	**6,390**	3,520	81.5	**7,808**	3,617	115.9
Interest income		**5,004**	6,261	(20.1)	**10,621**	11,902	(10.8)
Interest expense		**(7,210)**	(11,705)	(38.4)	**(16,120)**	(22,932)	(29.7)
Share of results of associated companies	5	**32,967**	104,463	(68.4)	**53,005**	155,942	(66.0)
Other gain	6	**-**	-	nm	**24,418**	-	nm
Profit before taxation		**57,966**	189,442	(69.4)	**176,947**	266,823	(33.7)
Taxation		**(6,061)**	(43,384)	(86.0)	**(23,150)**	(60,723)	(61.9)
Profit for the period		**51,905**	146,058	(64.5)	**153,797**	206,100	(25.4)
Profit attributable to:							
Shareholders of the Company		**50,517**	143,792	(64.9)	**133,810**	201,740	(33.7)
Non-controlling interests		**1,388**	2,266	(38.7)	**19,987**	4,360	358.4
		51,905	146,058	(64.5)	**153,797**	206,100	(25.4)
Basic earnings per share (cents)		**3.4**	10.0		**9.1**	14.0	
Diluted earnings per share (cents)		**3.4**	10.0		**9.1**	14.0	
Annualised return on equity (%)		**nm**	nm		**5.9**	12.1	
Profit before taxation is arrived at after charging/(crediting) the following:							
Depreciation charge		**1,916**	2,293		**3,940**	4,621	
Profit on sale of fixed assets and investment properties		**(1,605)**	(1,194)		**(2,388)**	(1,506)	
Write-back of provision for properties held for sale		**(2,383)**	(758)		**(3,856)**	(1,544)	
Allowance/(write-back of allowance) for doubtful debts		**4**	413		**(488)**	423	
Cost of share-based payments							
- Cash-settled		**28**	-		**88**	-	
- Equity-settled		**668**	406		**1,625**	812	
Foreign exchange losses/(gains)		**519**	441		**5,006**	(769)	
Fair value gain on foreign currency forward contracts		**(587)**	(1,833)		**(1,841)**	(1,833)	
Employee emoluments		**34,211**	22,232		**54,853**	38,558	

nm - not meaningful

Change in the Accounting Policy

From 1 January 2011, the Group adopted the INT FRS 115 *Agreements for the Construction of Real Estate*, under which revenue and profit from overseas trading projects are recognised only upon full completion. With the issuance of a clarification note by the Accounting Standards Council on 7 June 2011, the Group has also revised its accounting treatment for Singapore trading projects, to recognise profit upon completion for units sold under the deferred payment scheme. This change in accounting policy has been applied retrospectively, and the 2010 comparatives have been restated accordingly. This new accounting standard will result in profit recognition that is lumpy, thus creating more volatility in the Group's earnings.

Please refer to Section 5 for more details.

Notes to Group Profit and Loss Account

1. The increase in distribution costs was due primarily to higher co-brokerage commission incurred in 1H2011, mainly for The Lakefront Residences and Ocean Financial Centre.

2. Despite higher staff costs and higher foreign exchange loss in 1H2011, the administrative and other expenses remained fairly comparable with those for 1H2010, due mainly to higher costs being capitalised as part of the project costs.

3. Other income for 1H2011 comprised net lease income from Keppel Towers and GE Tower ("KTGE") pending its redevelopment, and gain from the sale of units at Orion Industrial Building and Quartz Industrial Building. There was no contribution from KTGE in 1H2010 as these two properties were acquired from K-REIT Asia in December 2010.

4. Investment income comprised dividend income received from the Group's equity investments.

5. The lower profits from the associated companies were due largely to the completion of the Marina Bay Residences and certain phases of The Botanica in Chengdu and Central Park City in Wuxi in 1H2010. There was also lower contribution from Marina Bay Suites as a result of fewer units sold. These decreases were partly mitigated by higher contributions from K-REIT Asia, as well as Reflections at Keppel Bay due mainly to a higher percentage of physical completion achieved.

6. On 25 January 2011, the Group and Keppel Telecommunications & Transportation Ltd announced the formation of a joint venture company to consolidate the data centre assets and position the business for further growth. In addition, the Group disposed of its interest in Keppel Digihub Limited ("Keppel Digihub") to the joint venture company in which the Group holds a 30% interest, giving rise to a gain of $24.4 million for 1H2011.

1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the Half Year Ended 30 June 2011

	Note	Second Quarter 30.06.11 $'000	Second Quarter 30.06.10 (Restated) $'000	Half Year 30.06.11 $'000	Half Year 30.06.10 (Restated) $'000
Profit for the period		**51,905**	146,058	**153,797**	206,100
Other comprehensive income:					
Available-for-sale financial assets					
- Net fair value change		**(6,603)**	3	**(6,601)**	3
- Fair value change transferred to profit and loss account		**-**	(13)	**-**	(13)
Exchange differences on consolidation	1	**(42,722)**	(4,625)	**(119,359)**	25,731
Exchange differences transferred to profit and loss account	2	**242**	(21)	**(4,998)**	(88)
Share of other comprehensive income of associated companies	3	**(3,786)**	(6,982)	**(17,911)**	(2,144)
Other comprehensive income for the period, net of tax		**(52,869)**	(11,638)	**(148,869)**	23,489
Total comprehensive income for the period		**(964)**	134,420	**4,928**	229,589
Total comprehensive income attributable to :					
Shareholders of the Company		**3,970**	132,980	**10,030**	218,676
Non-controlling interests		**(4,934)**	1,440	**(5,102)**	10,913
		(964)	134,420	**4,928**	229,589

Notes to Consolidated Statement of Comprehensive Income

1. These exchange differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency, as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations. The translation losses for current periods were due largely to the weakening of United States dollar, Renminbi, Vietnamese dong and Indonesian rupiah against the Singapore dollar. The translation gain for 1H2010 was due mostly to the strengthening of Renminbi, Indonesian rupiah and United States dollar against the Singapore dollar.

2. These represented exchange differences which were transferred to profit and loss account upon the disposal or liquidation of foreign operations.

3. The share of other comprehensive income of associated companies for current periods comprised mainly the share of foreign associated companies' translation losses as a result of the weakening of United States dollar and Vietnamese dong, as well as the share of K-REIT Asia's cash flow hedge loss. The comparatives for 2010 related mainly to the Group's share of K-REIT Asia's translation loss arising from the weakening of Australian dollar against the Singapore dollar.

1(c)(i) BALANCE SHEETS as at 30 June 2011

	GROUP			COMPANY	
	30.06.11	31.12.10 (Restated)	31.12.09 (Restated)	**30.06.11**	31.12.10
	$'000	$'000	$'000	**$'000**	$'000
Share capital	**2,219,709**	2,061,020	1,987,542	**2,219,709**	2,061,020
Reserves	**1,829,769**	2,067,657	1,208,565	**747,232**	960,157
Share capital and reserves	**4,049,478**	4,128,677	3,196,107	**2,966,941**	3,021,177
Non-controlling interests	**316,750**	301,836	385,308	**-**	-
Total equity	**4,366,228**	4,430,513	3,581,415	**2,966,941**	3,021,177
Long-term borrowings	**2,469,023**	2,199,669	903,570	**1,536,455**	1,298,436
	6,835,251	6,630,182	4,484,985	**4,503,396**	4,319,613
Represented by:					
Fixed assets	**195,265**	206,595	227,838	**39**	42
Investment properties	**1,841,631**	1,699,840	1,404,992	**-**	-
Amounts owing by associated companies	**489,829**	446,161	940,708	**-**	-
Investments					
Subsidiary companies	**-**	-	-	**928,304**	1,272,995
Associated companies	**1,337,692**	1,328,567	1,324,145	**70,015**	101,861
Long-term investments	**112,584**	111,338	67,884	**7,732**	7,254
	1,450,276	1,439,905	1,392,029	**1,006,051**	1,382,110
Current assets					
Properties held for sale	**2,822,181**	1,977,208	1,030,675	**-**	-
Stocks	**4,684**	3,265	3,692	**-**	-
Debtors	**302,147**	586,753	295,208	**5,049**	4,828
Amounts owing by holding company and related parties	**131,396**	135,269	134,301	**3,690,858**	3,306,065
Cash and cash equivalents	**930,914**	1,589,046	892,711	**554**	354
	4,191,322	4,291,541	2,356,587	**3,696,461**	3,311,247
Less:					
Current liabilities					
Creditors	**1,002,876**	894,197	715,188	**50,661**	50,977
Tax provision	**121,914**	136,883	132,763	**8,691**	9,976
Short-term borrowings	**102,757**	316,792	823,153	**50,000**	302,536
Amounts owing to holding company and related parties	**5,156**	3,167	67,542	**84,746**	5,240
	1,232,703	1,351,039	1,738,646	**194,098**	368,729
Net current assets	**2,958,619**	2,940,502	617,941	**3,502,363**	2,942,518
Deferred taxation	**(100,369)**	(102,821)	(98,523)	**(5,057)**	(5,057)
	6,835,251	6,630,182	4,484,985	**4,503,396**	4,319,613
Group net debt ($'000)	**1,640,866**	927,415	834,012		
Group net debt-equity ratio (times)	**0.38**	0.21	0.23		
Net asset value per share ($)	**2.72**	2.85	2.24		

Review of Financial Position

Share capital and reserves for the Group decreased by $79.2 million due largely to the payment of dividend in June 2011, as well as a decrease in foreign currency translation reserves arising from the weakening of United States dollar, Renminbi, Vietnamese dong and Indonesian rupiah against the Singapore dollar. As a result, the Group's net asset value per share decreased to $2.72 at 30 June 2011 from $2.85 as at 31 December 2010.

The Group's investment properties increased by $141.8 million due to the development expenditure incurred for Ocean Financial Centre.

The Group's properties held for sale increased by $845 million due to land acquisition cost and development expenditure incurred, offset by progress billings received during the current period.

The Group's net debt-equity ratio was 0.38 at end-June 2011, compared with 0.21 at end-December 2010, due mainly to the payment of tender price for the Sengkang residential site in Singapore, as well as capital contributions for the two residential developments in Nantong, Jiangsu Province and in Panchenggang, Jinjiang District of Chengdu.

1(c)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

Amount Repayable in One Year or Less, or on Demand

As at 30.06.11		As at 31.12.10	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
21,426	81,331	13,513	303,279

Amount Repayable after One Year

As at 30.06.11		As at 31.12.10	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
814,261	1,654,762	748,230	1,451,439

In addition to funds from internal sources and related companies, the Group obtained its funds from the capital market through the US$800 Million Medium Term Note Programme and banks either on a bilateral or on a syndicated basis. At end-June 2011, about 50% of the Group's borrowings were on fixed interest rate basis. For the half year ended 30 June 2011, the Group's net cost of funds was 2.0% per annum.

The $300 million convertible bond issued in 2006 has been reclassified to long-term borrowing maturing on 23 June 2013, as no bondholder exercised option to redeem the bonds on the put date, 23 June 2011.

Details of Any Collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The net book value of properties and other assets mortgaged to financial institutions amounted to $2,236.2 million (31.12.10: $1,806.6 million).

1(d)(i) STATEMENTS OF CHANGES IN EQUITY for the Half Year Ended 30 June 2011

	Share Capital $'000	Capital Reserves $'000	Foreign Currency Translation Account $'000	Revenue Reserves $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
GROUP							
Balance at 1 January 2011, as previously reported	2,061,020	23,341	(67,531)	2,284,441	4,301,271	339,051	4,640,322
Effect of adopting INT FRS 115	-	-	-	(172,594)	(172,594)	(37,215)	(209,809)
Balance at 1 January 2011, as restated	2,061,020	23,341	(67,531)	2,111,847	4,128,677	301,836	4,430,513
Total comprehensive income for the period							
Profit for the period	-	-	-	83,293	83,293	18,599	101,892
Other comprehensive income	-	(3,377)	(73,856)	-	(77,233)	(18,767)	(96,000)
Total comprehensive income for the period	-	(3,377)	(73,856)	83,293	6,060	(168)	5,892
Transactions with equity holders, recorded directly in equity							
Issue of shares							
- Under the Keppel Land Restricted Share Plan	1,126	(1,126)	-	-	-	-	-
- Under the Keppel Land Share Option Scheme	2,317	-	-	-	2,317	-	2,317
Cost of share-based payments	-	957	-	-	957	-	957
Disposal of interest in a subsidiary company without loss of control	-	12,932	-	-	12,932	12,059	24,991
Total transactions with equity holders	3,443	12,763	-	-	16,206	12,059	28,265
Balance at 31 March 2011	2,064,463	32,727	(141,387)	2,195,140	4,150,943	313,727	4,464,670
Total comprehensive income for the period							
Profit for the period	-	-	-	50,517	50,517	1,388	51,905
Other comprehensive income	-	(8,689)	(37,858)	-	(46,547)	(6,322)	(52,869)
Total comprehensive income for the period	-	(8,689)	(37,858)	50,517	3,970	(4,934)	(964)
Transactions with equity holders, recorded directly in equity							
Issue of shares							
- Under the Dividend Reinvestment Scheme	154,411	-	-	-	154,411	-	154,411
- Under the Keppel Land Share Option Scheme	995	-	-	-	995	-	995
Share issuance expenses	(160)	-	-	-	(160)	-	(160)
Cost of share-based payments	-	668	-	-	668	-	668
Capital contribution	-	-	-	-	-	8,100	8,100
Dividend paid							
- Cash	-	-	-	(106,938)	(106,938)	(143)	(107,081)
- Shares	-	-	-	(154,411)	(154,411)	-	(154,411)
Total transactions with equity holders	155,246	668	-	(261,349)	(105,435)	7,957	(97,478)
Balance at 30 June 2011	2,219,709	24,706	(179,245)	1,984,308	4,049,478	316,750	4,366,228

1(d)(i) STATEMENTS OF CHANGES IN EQUITY for the Half Year Ended 30 June 2011

	Share Capital	Capital Reserves	Foreign Currency Translation Account	Revenue Reserves	Total	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
GROUP							
Balance at 1 January 2010, as previously reported	1,987,542	50,220	(12,718)	1,350,745	3,375,789	412,813	3,788,602
Effect of adopting INT FRS 115	-	-	-	(179,682)	(179,682)	(27,505)	(207,187)
Balance at 1 January 2010, as restated	1,987,542	50,220	(12,718)	1,171,063	3,196,107	385,308	3,581,415
Total comprehensive income for the period							
Profit for the period	-	-	-	57,948	57,948	2,094	60,042
Other comprehensive income	-	182	27,566	-	27,748	7,379	35,127
Total comprehensive income for the period	-	182	27,566	57,948	85,696	9,473	95,169
Transactions with equity holders, recorded directly in equity							
Issue of shares							
- Under the Keppel Land Share Option Scheme	1,533	-	-	-	1,533	-	1,533
Cost of share-based payments	-	406	-	-	406	-	406
Capital contribution	-	-	-	-	-	25,414	25,414
Total transactions with equity holders	1,533	406	-	-	1,939	25,414	27,353
Balance at 31 March 2010	1,989,075	50,808	14,848	1,229,011	3,283,742	420,195	3,703,937
Total comprehensive income for the period							
Profit for the period	-	-	-	143,792	143,792	2,266	146,058
Other comprehensive income	-	(204)	(10,608)	-	(10,812)	(826)	(11,638)
Total comprehensive income for the period	-	(204)	(10,608)	143,792	132,980	1,440	134,420
Transactions with equity holders, recorded directly in equity							
Issue of shares							
- Under the Dividend Reinvestment Scheme	70,078	-	-	-	70,078	-	70,078
- Under the Keppel Land Share Option Scheme	129	-	-	-	129	-	129
Share issuance expenses	(150)	-	-	-	(150)	-	(150)
Cost of share-based payments	-	406	-	-	406	-	406
Capital contribution	-	-	-	-	-	15,726	15,726
Dividend paid							
- Cash	-	-	-	(44,351)	(44,351)	(33,560)	(77,911)
- Shares	-	-	-	(70,078)	(70,078)	-	(70,078)
Total transactions with equity holders	70,057	406	-	(114,429)	(43,966)	(17,834)	(61,800)
Balance at 30 June 2010	2,059,132	51,010	4,240	1,258,374	3,372,756	403,801	3,776,557

1(d)(i) STATEMENTS OF CHANGES IN EQUITY for the Half Year Ended 30 June 2011

	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Total Equity $'000
COMPANY				
Balance at 1 January 2011	2,061,020	62,218	897,939	3,021,177
Total comprehensive income for the period				
Loss for the period	-	-	(1,775)	(1,775)
Total comprehensive income for the period	-	-	(1,775)	(1,775)
Transactions with equity holders, recorded directly in equity				
Issue of shares				
- Under the Keppel Land Restricted Share Plan	1,126	(1,126)	-	-
- Under the Keppel Land Share Option Scheme	2,317	-	-	2,317
Cost of share-based payments	-	957	-	957
Total transactions with equity holders	3,443	(169)	-	3,274
Balance at 31 March 2011	2,064,463	62,049	896,164	3,022,676
Total comprehensive income for the period				
Profit for the period	-	-	49,222	49,222
Other comprehensive income	-	478	-	478
Total comprehensive income for the period	-	478	49,222	49,700
Transactions with equity holders, recorded directly in equity				
Issue of shares				
- Under the Dividend Reinvestment Scheme	154,411	-	-	154,411
- Under the Keppel Land Share Option Scheme	995	-	-	995
Share issuance expenses	(160)	-	-	(160)
Cost of share-based payments	-	668	-	668
Dividend paid				
- Cash	-	-	(106,938)	(106,938)
- Shares	-	-	(154,411)	(154,411)
Total transactions with equity holders	155,246	668	(261,349)	(105,435)
Balance at 30 June 2011	2,219,709	63,195	684,037	2,966,941

1(d)(i) STATEMENTS OF CHANGES IN EQUITY
for the Half Year Ended 30 June 2011

	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Total Equity $'000
COMPANY				
Balance at 1 January 2010	1,987,542	46,036	828,391	2,861,969
Total comprehensive income for the period				
Profit for the period	-	-	1,762	1,762
Total comprehensive income for the period	-	-	1,762	1,762
Transactions with equity holders, recorded directly in equity				
Issue of shares				
- Under the Keppel Land Share Option Scheme	1,533	-	-	1,533
Cost of share-based payments	-	406	-	406
Total transactions with equity holders	1,533	406	-	1,939
Balance at 31 March 2010	1,989,075	46,442	830,153	2,865,670
Total comprehensive income for the period				
Profit for the period	-	-	33,819	33,819
Total comprehensive income for the period	-	-	33,819	33,819
Transactions with equity holders, recorded directly in equity				
Issue of shares				
- Under the Dividend Reinvestment Scheme	70,078	-	-	70,078
- Under the Keppel Land Share Option Scheme	129	-	-	129
Share issuance expenses	(150)	-	-	(150)
Cost of share-based payments	-	406	-	406
Dividend paid				
- Cash	-	-	(44,351)	(44,351)
- Shares	-	-	(70,078)	(70,078)
Total transactions with equity holders	70,057	406	(114,429)	(43,966)
Balance at 30 June 2010	2,059,132	46,848	749,543	2,855,523

1(d)(ii) SHARE CAPITAL

Share Capital and Treasury Shares

On 20 June 2011, the Company allotted and issued 37,845,636 ordinary shares at an issue price of $4.08 per share to eligible shareholders who have elected to participate in the dividend reinvestment scheme in respect of the final ordinary dividend of 9 cents per share and special dividend of 9 cents per share for the financial year ended 31 December 2010.

During the half year ended 30 June 2011, the Company issued 1,450,356 ordinary shares upon the exercise of options granted under the Keppel Land Share Option Scheme to executive employees. The Company also issued 291,700 ordinary shares upon the vesting of shares released under the Keppel Land Restricted Share Plan.

The share capital of the Company as at 30 June 2011 comprised 1,489,833,414 ordinary shares (31.12.10: 1,450,245,722 ordinary shares).

As at 30 June 2011, the Company did not hold any treasury shares (31.12.10: Nil).

Outstanding Share Options and Convertible Bonds

As at 30 June 2011, there were unexercised options for 3,881,933 (30.06.10: 6,144,306) of unissued ordinary shares under the Keppel Land Share Option Scheme. In addition, the $300 million convertible bond issued in 2006 could be converted into 53,763,440 shares (30.06.10: 53,763,440 shares) at the adjusted conversion price of $5.58 per share (30.06.10: $5.58 per share). The $500 million convertible bond issued on 29 November 2010 could be converted into 74,404,761 shares at the conversion price of $6.72 per share.

Restricted Share Plan and Performance Share Plan

At the extraordinary general meeting of the Company held on 23 April 2010, the Company's shareholders approved the adoption of two new share plans, namely the Keppel Land Restricted Share Plan ("KLL RSP") and Keppel Land Performance Share Plan ("KLL PSP"), with effect from the date of termination of the Keppel Land Share Option Scheme ("the Scheme"). The Scheme was terminated on 30 June 2010. Options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the Scheme.

The movements in the number of shares under KLL RSP and KLL PSP are as follows:

	Number of Shares			
Date of Grant	**At 01.01.11 or Date of Grant**	**Vested**	**Cancelled**	**At 30.06.11**
KLL RSP				
30.06.10[1]	874,000	(291,700)	(5,300)	577,000
30.06.11[2]	924,800	-	-	924,800
	1,798,800	(291,700)	(5,300)	1,501,800
KLL PSP				
30.06.10[3]	656,000	-	-	656,000
30.06.11[3]	524,000	-	-	524,000
	1,180,000	-	-	1,180,000

(1) As at 30 June 2011, there were 577,000 (30.06.10: Nil) restricted shares that were released but not vested.
(2) Depending on the achievement of pre-determined targets, the actual number of shares to be released could be zero or 924,800.
(3) Depending on the achievement of pre-determined targets, the actual number of shares to be released could range from zero to 150% of the numbers stated.

1(e) CONSOLIDATED STATEMENT OF CASH FLOWS for the Half Year Ended 30 June 2011

	Note	Second Quarter 30.06.11 $'000	Second Quarter 30.06.10 (Restated) $'000	Half Year 30.06.11 $'000	Half Year 30.06.10 (Restated) $'000
Operating activities:					
Profit before taxation		**57,966**	189,442	**176,947**	266,823
Adjustments for:					
Depreciation charge		**1,916**	2,293	**3,940**	4,621
Profit on sale of fixed assets and investment properties		**(1,605)**	(1,194)	**(2,388)**	(1,506)
Write-back of provision for foreseeable losses on properties held for sale		**(2,383)**	(758)	**(3,856)**	(1,544)
Allowance/(write-back of allowance) for doubtful debts		**4**	413	**(488)**	423
Cost of share-based payments		**696**	406	**1,713**	812
Net interest expense		**2,206**	5,444	**5,499**	11,030
Investment income		**(6,390)**	(3,520)	**(7,808)**	(3,617)
Other gain		**-**	-	**(24,418)**	-
Share of results of associated companies		**(32,967)**	(104,463)	**(53,005)**	(155,942)
Operating cash flows before changes in working capital		**19,443**	88,063	**96,136**	121,100
Working capital changes:					
Debtors		**18,128**	20,426	**281,516**	(10,319)
Creditors		**(15,706)**	(32,414)	**129,854**	(55,870)
Work-in-progress		**(7,789)**	(74,679)	**(66,058)**	(86,937)
Consumable stocks		**(1,464)**	94	**(1,419)**	(50)
Development expenditure		**(488,254)**	(153,971)	**(1,081,834)**	(252,037)
Progress billings received/receivable		**86,163**	122,817	**241,917**	220,113
Cash flows used in operations		**(389,479)**	(29,664)	**(399,888)**	(64,000)
Interest received		**5,004**	6,261	**10,621**	11,902
Interest paid		**(7,210)**	(11,705)	**(16,120)**	(22,932)
Income taxes paid		**(17,385)**	(27,836)	**(27,267)**	(30,252)
Net cash flows used in operating activities		**(409,070)**	(62,944)	**(432,654)**	(105,282)
Investing activities:					
Investment in associated companies		**(21,557)**	(14,155)	**(26,614)**	(17,511)
Investment in investee company		**(4,952)**	(2,916)	**(6,264)**	(5,325)
Purchase of fixed assets		**(4,981)**	(1,692)	**(6,464)**	(3,376)
Expenditure on investment properties		**(1,111)**	(35,228)	**(230,018)**	(74,888)
Disposal of a subsidiary company	1	**-**	-	**18,149**	-
Dividends received from associated companies		**10,516**	18,000	**32,329**	34,935
Dividends received from investee companies		**6,390**	3,520	**7,808**	3,617
Proceeds from sale of fixed assets and investment properties		**9,593**	5,024	**14,672**	6,320
Net cash flows used in investing activities		**(6,102)**	(27,447)	**(196,402)**	(56,228)
Financing activities:					
Proceeds from issuance of shares, net of expenses in relation to Dividend Reinvestment Scheme		**835**	(21)	**3,152**	1,512
Drawdown of loans		**91,496**	94,974	**242,464**	538,704
Repayment of loans		**(15,757)**	(58,390)	**(109,573)**	(494,725)
(Repayment)/drawdown of loans to related companies		**(1,506)**	984	**(5,347)**	(2,410)
Loans to associated companies		**(9,016)**	(29,748)	**(37,014)**	(62,388)
Dividends paid to shareholders		**(106,938)**	(44,351)	**(106,938)**	(44,351)
Proceeds from disposal of interest in a subsidiary company without loss of control	2	**-**	-	**24,991**	-
Advances to non-controlling shareholders		**(18,121)**	(1,060)	**(26,344)**	(14,563)
Contribution from non-controlling shareholders		**8,100**	15,726	**8,100**	41,140
Dividends paid to non-controlling shareholders		**(143)**	(33,560)	**(143)**	(33,560)
Net cash flows used in financing activities		**(51,050)**	(55,446)	**(6,652)**	(70,641)
Net decrease in cash and cash equivalents		**(466,222)**	(145,837)	**(635,708)**	(232,151)
Cash and cash equivalents at beginning of period		**1,405,746**	811,829	**1,589,046**	892,711
Exchange adjustments		**(8,610)**	(1,879)	**(22,424)**	3,553
Cash and cash equivalents at end of period		**930,914**	664,113	**930,914**	664,113

Notes to Consolidated Statement of Cash Flows

1. The Group disposed of Keppel Digihub, a wholly-owned subsidiary company, on 25 January 2011. The effect of the disposal was as follows:

	Second Quarter		Half Year	
	30.06.11	30.06.10	**30.06.11**	30.06.10
	$'000	$'000	**$'000**	$'000
Investment property	**-**	-	**53,117**	-
Fixed assets	**-**	-	**85**	-
Debtors	**-**	-	**4,144**	-
Cash and cash equivalents	**-**	-	**841**	-
Creditors	**-**	-	**(5,855)**	-
Amount due to related companies	**-**	-	**(68,278)**	-
Deferred taxation	**-**	-	**(875)**	-
Tax provision	**-**	-	**(72)**	-
Net liabilities disposed	**-**	-	**(16,893)**	-
Sales consideration	**-**	-	**18,990**	-
Less: cash and cash equivalents disposed	**-**	-	**(841)**	-
Net cash inflow on disposal	**-**	-	**18,149**	-
Sales consideration	**-**	-	**18,990**	-
Net liabilities disposed	**-**	-	**16,893**	-
	-	-	**35,883**	-
Less: Group's retained interest in associated company	**-**	-	**(10,465)**	-
Less: other expenses	**-**	-	**(1,000)**	-
Gain on disposal	**-**	-	**24,418**	-

2. During the quarter ended 31 March 2011, the Group disposed of its 49% interest in a wholly-owned subsidiary company, Alverno Investments Limited, to PVPF 6 Limited, a wholly-owned subsidiary company of PRUPIM Vietnam Property Fund Limited for a consideration of US$19.7 million (approximately $25 million). The consideration was arrived at on a willing-buyer, willing-seller basis, and was for proportionate rights to projected proceeds for certain phases of the Riviera Point project in Ho Chi Minh City.

Review of Cash Flows for 2Q2011

(i) Net cash flows used in operating activities
The Group's net cash used in operating activities was $409.1 million compared with $62.9 million for 2Q2010. Higher development expenditure was incurred in 2Q2011, mainly for the acquisition of the Sengkang residential site in Singapore and the remaining land payment for a residential site in Chengdu, China. Progress billings received in 2Q2011 were $36.6 million lower than those for 2Q2010, due largely to lower receipts from overseas trading projects.

(ii) Net cash flows used in investing activities
Net cash of $6.1 million was used in investing activities compared with $27.4 million for 2Q2010. The Group increased its investment in associated companies by $21.6 million in 2Q2011, mainly for the Sino-Singapore Tianjin Eco-City project. The major outflow for 2Q2010 was the development expenditure for Ocean Financial Centre. The outflows for both quarters were partly offset by dividends received and proceeds from sale of units at Orion Industrial Building and Quartz Industrial Building.

(iii) Net cash flows used in financing activities
The net cash used in financing activities was $51.1 million compared with $55.4 million for 2Q2010. Cash dividends of $106.9 million were paid to the Company's shareholders who did not opt for shares under the dividend reinvestment scheme, compared with $44.4 million in 2Q2010. The net drawdown of loans of $75.7 million was $39.1 million higher than that for 2Q2010. In 2Q2010, the Group distributed dividends of $33.6 million to the non-controlling shareholders following the completion of The Sixth Avenue Residences and The Suites at Central. The outflows were partly offset by contributions from the non-controlling shareholders of the Keppel Tianjin Eco-City project.

Overall, the net decrease in cash and cash equivalents was $466.2 million compared with $145.8 million for 2Q2010.

Review of Cash Flows for 1H2011

(i) Net cash flows used in operating activities
The Group's net cash used in operating activities was $432.7 million compared with $105.3 million for 1H2010. The outflows for 1H2011 were mainly for the acquisition of the Sengkang residential site and land payment for two residential sites in Nantong and Chengdu in China. Progress billings received in 1H2011 were mainly from the two newly launched projects, The Lakefront Residences in Singapore and The Springdale in Shanghai. A comparable amount of progress receipts was received in 1H2010, mainly from The Arcadia in Tianjin, Villa Riviera in Shanghai and The Promont in Singapore.

(ii) Net cash flows used in investing activities
Net cash of $196.4 million was used in investing activities compared with $56.2 million for 1H2010. The higher outflows for 1H2011 were due mainly to higher development expenditure for Ocean Financial Centre, partly offset by the net cash inflow of $18.1 million from the disposal of Keppel Digihub.

(iii) Net cash flows used in financing activities
The net cash used in financing activities was $6.7 million compared with $70.6 million for 1H2010. Total dividends of $107.1 million were paid to the Company's shareholders who did not opt for shares under the dividend reinvestment scheme, and the non-controlling shareholders, compared with $77.9 million in 1H2010. The non-controlling shareholders of non-wholly owned subsidiary contributed $8.1 million in 1H2011, compared with $41.1 million in 1H2010. The outflows for 1H2011 were partly offset by the proceeds from the disposal of 49% interest in Alverno Investments Limited and lower advances extended to the associated companies. The Group made a net drawdown of loan of $132.9 million in 1H2011 compared with $44 million in 1H2010.

Overall, the net decrease in cash and cash equivalents was $635.7 million compared with $232.2 million for 1H2010.

2. AUDIT

The figures have not been audited nor reviewed by the Company's auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

(a) The Group's policy is to revalue its investment properties on an annual basis. An update to the fair values will be done at the end of the financial year.

(b) Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 December 2010.

5. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2011. Changes to the Group's accounting policies have been made as required, in accordance with the respective FRS and INT FRS.

The following are the new or amended FRSs that are relevant to the Group:

INT FRS 115 *Agreements for the Construction of Real Estate*
Revised FRS 24 *Related Party Disclosures*
Improvements to FRSs issued in 2010

The adoption of the above FRSs and INT FRS did not have any significant impact on the financial statements of the Group, except for the following:

INT FRS 115 *Agreements for the Construction of Real Estate*

On 26 August 2010, the Accounting Standards Council ("ASC") issued INT FRS 115 with an accompanying note that explains the application of the Interpretation to property development sales in Singapore by considering the Singapore legal framework. INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that such contracts which are not classified as construction contracts in accordance with FRS 11 *Construction Contracts* can only be accounted for using the percentage of completion ("POC") method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

Following the implementation of INT FRS 115 and its accompanying note with effect from 1 January 2011, the Group has adopted the completion of construction ("COC") method to account for its overseas trading projects after taking into consideration the legal framework and industry practices in those countries in which the Group operates. For Singapore trading projects (under progressive payment scheme and deferred payment scheme ("DPS")), the Group has applied the POC method in the First Quarter 2011 Financial Statements.

The ASC, after noting the divergence in practice among the real estate companies in Singapore with regard to the accounting for sales of residential properties in Singapore made under DPS, has issued a clarification note on 7 June 2011 to highlight that the accompanying note does not address the accounting treatment for sales under DPS. With this clarification note and after consultation with public accounting firms, residential units sold under DPS in Singapore have to be accounted for using the COC method.

5. CHANGES IN THE ACCOUNTING POLICIES - continued

Impact on the Comparatives for the Second Quarter 2011 Financial Statements:

The Second Quarter 2011 Financial Statements have been prepared to take into account the effects of implementation of INT FRS 115 as described in the preceding paragraphs. This change in accounting policy has been applied retrospectively. Accordingly, the 2010 comparatives have been restated.

The effects on the comparatives arising from the adoption of INT FRS 115, subject to year-end audit, are as follows:

Group Profit and Loss Account

	2Q2010 $'000
Increase in:	
Revenue	115,213
Cost of sales	(80,940)
Share of results of associated companies	56,707
Taxation	(18,861)
Profit for the period	72,119
Increase/(decrease) in:	
Profit attributable to:	
- Shareholders of the Company	73,734
- Non-controlling interests	(1,615)
	72,119
Increase in basic and diluted earnings per share (cents)	5.1

Group Balance Sheet

	31.12.10 $'000	31.12.09 $'000
Decrease in:		
Revenue reserves	(172,594)	(179,682)
Non-controlling interests	(37,215)	(27,505)
Investment in associated companies	(91,275)	(108,304)
Properties held for sale	(148,154)	(121,319)

5. CHANGES IN THE ACCOUNTING POLICIES - continued

Summary of Impact on the First Quarter 2011 Financial Statements:

With the change in the accounting treatment for residential units sold under DPS in Singapore, a summary of impact on the First Quarter 2011 Financial Statements showing the key differences are as follows:

Group Profit and Loss Account

	First Quarter			First Quarter		
	31.03.11	31.03.11	+/(-)	**31.03.10**	31.03.10	+/(-)
	(Restated)	(Previously reported)		**(Restated)**	(Previously reported)	
	$'000	$'000	$'000	**$'000**	$'000	$'000
Revenue	**357,892**	357,892	-	**106,475**	106,475	-
Profit before taxation	**118,981**	129,556	(10,575)	**77,381**	83,786	(6,405)
Profit for the period	**101,892**	110,669	(8,777)	**60,042**	65,359	(5,317)
Profit attributable to:						
- Shareholders of the Company	**83,293**	92,070	(8,777)	**57,948**	63,265	(5,317)
- Non-controlling interests	**18,599**	18,599	-	**2,094**	2,094	-
	101,892	110,669	(8,777)	**60,042**	65,359	(5,317)
Basic and diluted earnings per share (cents)	**5.7**	6.3	(0.6)	**4.1**	4.4	(0.3)

Group Balance Sheet

	31.03.11	31.03.11	+/(-)	**31.12.10**	31.12.10	+/(-)
	(Restated)	(Previously reported)		**(Restated)**	(Previously reported)	
	$'000	$'000	$'000	**$'000**	$'000	$'000
Reserves	**2,086,480**	2,166,713	(80,233)	**2,067,657**	2,139,113	(71,456)
Investment in associated companies	**1,303,112**	1,383,345	(80,233)	**1,328,567**	1,400,023	(71,456)

6. EARNINGS PER ORDINARY SHARE

	GROUP		
	Half Year		
	30.06.11	30.06.10 (Restated)	+/(-) %
Earnings per ordinary share of the Group based on net profit attributable to shareholders:			
(i) Based on the weighted average number of shares (cents)	**9.1**	14.0	(35.0)
- Weighted average number of shares ('000)	**1,465,165**	1,437,103	2.0
(ii) On a fully diluted basis (cents)	**9.1**	14.0	(35.0)
- Adjusted weighted average number of shares ('000)	**1,466,867**	1,437,215	2.1

7. NET ASSET VALUE

	GROUP	
	30.06.11	31.12.10 (Restated)
Net asset value per share based on issued share capital at the end of the period ($)	**2.72**	2.85

8. REVIEW OF GROUP PERFORMANCE

Group Overview

($'000)	2Q2011	2Q2010 (Restated)	Change (%)	1H2011	1H2010 (Restated)	Change (%)
Revenue	104,187	318,018	(67.2)	462,079	424,493	8.9
Profit before taxation	57,966	189,442	(69.4)	176,947	266,823	(33.7)
Net profit	50,517	143,792	(64.9)	133,810	201,740	(33.7)

2Q2011 vs. 2Q2010

The Group's revenue for 2Q2011 showed a decline of $213.8 million or 67.2% against that for 2Q2010. The decline was due to lower revenues reported by the property trading segment ($215.3 million), the property investment segment ($1.7 million), and the hotels and resorts, property services, and others segment ($4.2 million), partly offset by a higher revenue recorded by the fund management segment ($7.4 million).

The Group's overseas revenue for 2Q2011 constituted 31.5% of the Group's total revenue compared with 87.2% in 2Q2010. As mentioned in Section 5, following the Group's adoption of INT FRS 115 and its accompanying note on 1 January 2011, the Group recognises revenue/profit for its overseas trading projects on full completion of each project/phase instead of progressive recognition based on percentage of completion. Consequently, apart from revenue recorded for sales of completed carpark units, no revenue was recognised in 2Q2011 for other uncompleted overseas trading projects despite the on-going sales and progressive construction. In Singapore, residential units sold under the deferred payment scheme ("DPS") are also accounted for based on the completion of construction ("COC") method. Singapore trading projects on progressive payment scheme, on the other hand, continue to be accounted for using the percentage of completion method. Higher revenues were reported by Singapore trading projects, due primarily to the new revenue stream from The Lakefront Residences which was launched in November 2010, coupled with higher revenue recognition from Madison Residences as a result of higher percentage of physical completion achieved.

At pre-tax level, the Group's profit was $131.5 million, or 69.4% lower compared with $189.4 million in 2Q2010. Unlike 2Q2010, there were no projects/phases which were completed in 2Q2011. The profits from the property trading segment in 2Q2011 comprised mainly contributions from several Singapore trading projects on progressive payment scheme. The higher profit recorded in 2Q2010 was attributable primarily to the contributions from several projects/phases in China which were completed in 2Q2010, namely Villa Riviera in Shanghai, Phase 2 of Serenity Cove in Tianjin and Phase R2 of The Botanica in Chengdu. The 2Q2010 profits also included the full profit recognition for those units of Marina Bay Residences sold under DPS following its completion in 2Q2010. In addition, there were lower rental yields from the Group's investment properties, which were partly offset by increased contribution from K-REIT Asia and the gain from the sale of units at Orion Industrial Building and Quartz Industrial Building. The decline was partly mitigated by improved contribution from the fund management segment as a result of higher acquisition fees and management fees earned, as well as dividend income received from the equity investments and lower net interest expenses.

After accounting for non-controlling interests' share of profits, the Group's net profit was $50.5 million, a decrease of 64.9% from $143.8 million reported in 2Q2010.

As no profit was recognised for the uncompleted overseas trading projects mentioned earlier, losses from overseas represented an adverse 5.7% of the Group's net profit compared with the positive 47.9% for 2Q2010.

8. REVIEW OF GROUP PERFORMANCE - continued

Group Overview

1H2011 vs. 1H2010

The Group's revenue for 1H2011 was $37.6 million or 8.9% higher than 1H2010. The increase was due to higher revenues reported by the property trading segment ($37.9 million) and the fund management segment ($8.2 million), partly offset by lower revenues recorded by the property investment segment ($4.4 million), and the hotels and resorts, property services, and others segment ($4.1 million).

The Group's overseas revenue for 1H2011 constituted 54.9% of the Group's total revenue compared with 80.9% in 1H2010. As a result of the adoption of COC method, apart from revenue recorded for sales of completed carpark units, and Elita Promenade in Bangalore which was completed in 1Q2011, no revenue was recognised for other uncompleted overseas trading projects despite the on-going sales and progressive construction. Higher revenues were reported by the Singapore trading projects on progressive payment scheme, mainly from The Lakefront Residences and Madison Residences.

At pre-tax level, the Group's profit was $176.9 million compared with $266.8 million for 1H2010. Excluding the one-off gain of $24.4 million from the disposal of Keppel Digihub, the Group's pre-tax profit of $152.5 million, showed a decline of $114.3 million or 42.8% compared with 1H2010. The lower profit for current period was attributable largely to the lower contributions from the property trading segment as mentioned earlier. The decline was, however, partly cushioned by improved performance from the hotels and resorts, property services, and others segment due to higher marketing fees earned; as well as higher dividend income received from the equity investments and lower net interest expenses.

After accounting for non-controlling interests' share of profits, the Group's net profit was $133.8 million, a decrease of 33.7% from $201.7 million reported in 1H2010.

Earnings from overseas (excluding the one-off gain on disposal of Keppel Digihub) represented about 9.2% of the Group's net profit compared with 43.6% for 1H2010.

8. REVIEW OF GROUP PERFORMANCE - continued

Segmental Performance

Property Trading

($'000)	2Q2011	2Q2010 (Restated)	Change (%)	1H2011	1H2010 (Restated)	Change (%)
Revenue	53,000	268,274	(80.2)	362,196	324,318	11.7
Net profit	22,260	128,592	(82.7)	65,132	171,015	(61.9)

Revenue for 2Q2011 was lower compared with the corresponding revenue last year. The substantial decrease was mainly because with the adoption of COC method, no revenue was recognised for the uncompleted overseas trading projects. In contrast, revenue was recognised in 1H2010 for several projects/phases in China following their completion last year. Singapore trading projects on progressive payment scheme such as The Lakefront Residences and Madison Residences had reported higher revenue.

Despite lower revenue achieved in 2Q2011, the revenue for 1H2011 exceeded that of 1H2010. The increase came primarily from the revenue recognised for Elita Promenade in Bangalore as this project was completed in March 2011.

Net profits for the current periods were lower compared with the corresponding periods last year, because of lower contributions from the associated companies. The lower profits from the associated companies were due largely to the completion of the Marina Bay Residences, Phases C1 and R2 of The Botanica in Chengdu and Plot B of Central Park City in Wuxi in 1H2010. Marina Bay Suites also reported lower profits as a result of fewer units sold. These decreases were partly mitigated by higher contribution from Reflections at Keppel Bay as a result of higher percentage of physical completion achieved; profit recognition for the completed Elita Promenade, as well as higher contributions from The Lakefront Residences and Madison Residences.

Property Investment

($'000)	2Q2011	2Q2010 (Restated)	Change (%)	1H2011	1H2010 (Restated)	Change (%)
Revenue	16,221	17,947	(9.6)	31,471	35,836	(12.2)
Net profit	13,068	14,660	(10.9)	27,417	27,060	1.3

Rental incomes for the current periods were lower compared against the incomes for corresponding periods last year, due largely to lower revenues from Ocean Towers in Singapore and Saigon Centre in Ho Chi Minh City, partly cushioned by the higher rental income from Equity Plaza in Singapore. The lower rental income from Ocean Towers in 2Q2011 was due to the termination of leases pending its demolition.

Net profit for 2Q2011 decreased 10.9% against the same quarter last year due to lower contributions from the investment properties, partly offset by higher contribution from K-REIT Asia as a result of an improved performance by One Raffles Quay.

On year-to-date basis, net profit increased marginally by 1.3% against the corresponding period last year. The lower rental yields from the investment properties were offset by the increased contribution from K-REIT Asia as well as the gain from the sale of units at Orion Industrial Building and Quartz Industrial Building.

8. REVIEW OF GROUP PERFORMANCE - continued

Segmental Performance

Fund Management

($'000)	2Q2011	2Q2010 (Restated)	Change (%)	1H2011	1H2010 (Restated)	Change (%)
Revenue	19,865	12,458	59.5	34,392	26,166	31.4
Net profit	17,359	8,317	108.7	23,869	15,707	52.0

Fund management fees for the current periods were higher as a result of higher acquisition and management fees reported by K-REIT Asia Management ("KRAM") and Alpha Investment Partners ("Alpha"). Included in 1H2011 revenue was acquisition fee of $1.3 million earned by KRAM from K-REIT Asia's acquisition of additional four floors of Prudential Tower. Alpha also earned acquisition fees of $4.6 million from acquisitions in Singapore and overseas made by a fund it managed. In comparison, acquisition fees of $2.1 million and $2.4 million were earned by KRAM and Alpha in 1H2010 respectively.

Net profits for current periods had increased due to higher fees recorded by Alpha and KRAM as well as higher dividend income received from the equity investments, partly offset by higher overheads incurred.

Hotels and Resorts, Property Services, and Others

($'000)	2Q2011	2Q2010 (Restated)	Change (%)	1H2011	1H2010 (Restated)	Change (%)
Revenue	15,101	19,339	(21.9)	34,020	38,173	(10.9)
Net profit/(loss)	(2,170)	(7,777)	(72.1)	17,392	(12,042)	nm

nm - not meaningful

Revenues from this segment for the current periods were lower compared with the comparatives for last year. The decline was due largely to the absence of revenue from Keppel Digihub following the divestment in January 2011. This decline was partly offset by higher marketing fees recorded by the Group's marketing arm and higher occupancies of the hotels in Myanmar and Indonesia.

This segment reported a lower net loss for 2Q2011 compared with 2Q2010 due mainly to the higher costs being capitalised as part of the project costs. Net profit for 1H2011 was $17.4 million compared to a net loss of $12 million in 1H2010, due mainly to the one-off gain of $24.4 million from the disposal of Keppel Digihub.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the half year ended 30 June 2011 was previously provided.

10. PROSPECTS

Urban Redevelopment Authority's flash estimates showed that growth in private residential property prices continued to moderate. Residential prices rose 1.9% in the second quarter of 2011 compared to the 2.2% growth in the previous quarter. New home sales have also eased with 8,157 units sold in the first half, down from 8,413 units sold in the same period last year.

Keppel Land sold 160 homes in the first half of this year, mostly from The Lakefront Residences where 95% of the 621 launched units have been taken up. Capitalising on healthy demand for well-located suburban homes, the Group will launch its Sengkang residential project in the later part of this year.

Office rentals have continued to rise. According to CB Richard Ellis ("CBRE"), average Grade A and prime office rents rose to $10.60 psf and $8.80 psf respectively in the second quarter of 2011. CBRE expects demand for office space to stay healthy and office rentals to continue to trend upwards but at a more moderated pace. Interest in Ocean Financial Centre and Marina Bay Financial Centre Phase 2 remains strong.

The Group's property fund management vehicles continue to seize acquisition and divestment opportunities. K-REIT Asia further expanded its property portfolio in Australia with the acquisition of a 50% stake in 8 Chifley Square in Sydney's central business district. Alpha Investment Partners' Alpha Asia Macro Trends Fund acquired interest in a portfolio of luxury residential apartments in Shanghai, China. Another Alpha fund, Alpha Core Plus Real Estate Fund, has divested two properties in Singapore namely Nordic European Centre and NorthTech.

In China, the property cooling measures have reduced transaction volumes. However, demand for the Group's township homes remains firm, with about 200 units and 130 units sold at Central Park City in Wuxi and Seasons Park at Tianjin Eco-City respectively in the first half of 2011. Riding on strong homeownership aspirations supported by economic growth, rising affluence and urbanisation, Keppel Land China recently acquired a prime residential site in Nanxiang, Jiading District in Shanghai for the development of about 1,000 apartments.

In Vietnam, Riviera Point, a waterfront condominium development in District 7, Ho Chi Minh City received encouraging take-up with 163 units out of the 255 launched units sold in the first half of 2011. Over in Indonesia, Jakarta Garden City achieved good sales with about 88% of 881 launched units taken up as at end-June 2011.

The Group will continue to monitor the market and time launches for new projects and new phases of existing developments. The Group will also seize opportunities to acquire good sites in Singapore and overseas, not just for residential projects, but also for commercial and mixed-use developments.

11. BUSINESS DYNAMICS AND RISK FACTORS

The Group's strategy for enhancing shareholder value focuses on developing properties for sale and managing property funds. Besides the Singapore property market, the Group is mainly in the property markets of China, Vietnam, Indonesia and India where there is a shortage of good quality housing to satisfy the needs of their growing middle class populations.

Regionally, the success of the Group's efforts will be dependent, *inter alia*, on the following factors:

- Availability of residential sites at competitive prices for housing and also good sites at competitive prices in populous cities for township development so that economies of scale can be achieved to provide good quality and affordable urban housing;
- Effective partnerships with contractors, suppliers, joint venture partners and other stakeholders so that projects can be delivered on time and with quality;
- Favourable lending laws and interest rates for property developers and end-purchaser financing;
- Favourable tax laws and double taxation treaties with Singapore, and ease of repatriating funds to Singapore;
- Proper management of interest and currency rate exposures.

The US economy is seeing a patchy recovery, with a political gridlock over the country's debt ceiling, which if not resolved, could lead to a debt default by the world's largest economy. Europe's recovery is weighed down by sovereign debt issues, as the Greek crisis threatens to spread to neighbouring countries including Portugal, Italy, Spain and Ireland.

The Group also faces possible challenges such as political uncertainty issues, economic uncertainties or unfavourable regulatory measures by the governments in countries where it has operations.

The Group's property fund management business will be further developed for recurring income. Efforts are being made to identify and invest in projects that will give the expected rates of return required by investors.

The Company will continue to monitor all major risks affecting the Group and take the necessary actions to mitigate them.

12. DIVIDENDS

(a) Current financial period reported on

None.

(b) Corresponding period of the immediately preceding financial year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared for the half year ended 30 June 2011.

A final one-tier tax exempt dividend of 18 cents per share, comprising a final ordinary dividend of 9 cents per share and a special dividend of 9 cents per share in respect of the financial year ended 31 December 2010 was paid on 20 June 2011 by way of cash ($106.9 million) and shares ($154.4 million).

13. SEGMENTAL ANALYSIS

Half Year ended 30 June 2011	Second Quarter						Half Year					
	Property Trading	Property Investment	Fund Management	Hotels and Resorts, Property Services, and Others	Inter-segment Elimination	Total	Property Trading	Property Investment	Fund Management	Hotels and Resorts, Property Services, and Others	Inter-segment Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External sales	53,000	16,221	19,865	15,101	-	104,187	362,196	31,471	34,392	34,020	-	462,079
Results												
EBITDA	4,222	8,114	13,131	(2,736)	-	22,731	65,631	17,627	18,662	(765)	-	101,155
Depreciation charge	(891)	(52)	(72)	(901)	-	(1,916)	(1,686)	(105)	(140)	(2,009)	-	(3,940)
Investment income	506	-	5,884	-	-	6,390	506	-	7,302	-	-	7,808
Net interest income/(expenses)	3,793	(776)	57	(5,280)	-	(2,206)	7,122	(1,157)	111	(11,575)	-	(5,499)
Share of results of associated companies	19,905	10,412	661	1,989	-	32,967	28,883	20,263	1,332	2,527	-	53,005
Other gain	-	-	-	-	-	-	-	-	-	24,418	-	24,418
Profit/(loss) before taxation	27,535	17,698	19,661	(6,928)	-	57,966	100,456	36,628	27,267	12,596	-	176,947
Taxation	(5,893)	(2,841)	(2,302)	4,975	-	(6,061)	(18,891)	(5,220)	(3,398)	4,359	-	(23,150)
Profit/(loss) after taxation	21,642	14,857	17,359	(1,953)	-	51,905	81,565	31,408	23,869	16,955	-	153,797
Non-controlling interests	618	(1,789)	-	(217)	-	(1,388)	(16,433)	(3,991)	-	437	-	(19,987)
Net profit/(loss)	22,260	13,068	17,359	(2,170)	-	50,517	65,132	27,417	23,869	17,392	-	133,810
Other information												
Segment assets							4,750,011	2,845,607	132,485	2,834,290	(2,394,070)	8,168,323
Segment liabilities							(2,311,399)	(1,092,658)	(33,935)	(2,758,173)	2,394,070	(3,802,095)
Net assets							2,438,612	1,752,949	98,550	76,117	-	4,366,228
Investment in associated companies							397,004	896,330	2,362	41,996	-	1,337,692
Additions to non-current assets *							20,757	233,673	4,852	3,814	-	263,096
Geographical information												
										Singapore	Other Countries	Total
										$'000	$'000	$'000
External sales										208,399	253,680	462,079
Non-current assets										3,258,462	718,539	3,977,001

** Additions to non-current assets comprise investment in associated companies, purchase of fixed assets and expenditure on investment properties.*

13. SEGMENTAL ANALYSIS - Continued

Half Year ended 30 June 2010 (Restated)	Second Quarter						Half Year					
	Property Trading	Property Investment	Fund Management	Hotels and Resorts, Property Services, and Others	Inter-segment Elimination	Total	Property Trading	Property Investment	Fund Management	Hotels and Resorts, Property Services, and Others	Inter-segment Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External sales	268,274	17,947	12,458	19,339	-	318,018	324,318	35,836	26,166	38,173	-	424,493
Results												
EBITDA	70,467	12,668	9,319	(3,258)	-	89,196	81,289	23,757	18,974	(1,105)	-	122,915
Depreciation charge	(905)	(79)	(32)	(1,277)	-	(2,293)	(1,848)	(161)	(53)	(2,559)	-	(4,621)
Investment income	3,520	-	-	-	-	3,520	3,520	-	-	97	-	3,617
Net interest income/(expenses)	835	(627)	71	(5,723)	-	(5,444)	1,883	(1,406)	126	(11,633)	-	(11,030)
Share of results of associated companies	94,252	7,848	341	2,022	-	104,463	137,342	14,970	726	2,904	-	155,942
Profit/(loss) before taxation	168,169	19,810	9,699	(8,236)	-	189,442	222,186	37,160	19,773	(12,296)	-	266,823
Taxation	(39,228)	(2,526)	(1,382)	(248)	-	(43,384)	(50,866)	(4,742)	(4,066)	(1,049)	-	(60,723)
Profit/(loss) after taxation	128,941	17,284	8,317	(8,484)	-	146,058	171,320	32,418	15,707	(13,345)	-	206,100
Non-controlling interests	(349)	(2,624)	-	707	-	(2,266)	(305)	(5,358)	-	1,303	-	(4,360)
Net profit/(loss)	128,592	14,660	8,317	(7,777)	-	143,792	171,015	27,060	15,707	(12,042)	-	201,740
Other information												
Segment assets							3,530,630	2,443,579	124,488	2,566,289	(2,209,754)	6,455,232
Segment liabilities							(1,639,774)	(747,161)	(20,913)	(2,480,581)	2,209,754	(2,678,675)
Net assets							1,890,856	1,696,418	103,575	85,708	-	3,776,557
Investment in associated companies							428,950	858,804	31,309	50,731	-	1,369,794
Additions to non-current assets *							14,249	79,943	735	848	-	95,775
Geographical information												
										Singapore	Other Countries	Total
										$'000	$'000	$'000
External sales										80,953	343,540	424,493
Non-current assets										3,409,916	738,732	4,148,648

** Additions to non-current assets comprise investment in associated companies, purchase of fixed assets and expenditure on investment properties.*

14. REVIEW OF SEGMENTAL PERFORMANCE

Please refer to Section 8.

15. BREAKDOWN OF SALES

	GROUP		
	2011 **$'000**	2010 (Restated) $'000	+/(-) %
Sales reported for first quarter	**357,892**	106,475	236.1
Operating profit after tax before deducting non-controlling interests reported for first quarter	**101,892**	60,042	69.7
Sales reported for second quarter	**104,187**	318,018	(67.2)
Operating profit after tax before deducting non-controlling interests reported for second quarter	**51,905**	146,058	(64.5)

As mentioned in Section 5, the 1Q2011 profits have been restated.

16. INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate Value of all Interested Person Transactions during the Period under Review (excluding Transactions less than $100,000 and Transactions Conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST Listing Manual).		Aggregate Value of all Interested Person Transactions Conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST Listing Manual.	
	Second Quarter		**Second Quarter**	
	30.06.11 $'000	30.06.10 $'000	**30.06.11 $'000**	30.06.10 $'000
(a) Property transactions -				
Keppel Corporation Limited Group:				
Project development and management fees received	**-**	-	**423**	420
Property management fees received	**-**	-	**304**	487
Marketing commission received	**-**	-	**434**	2,011
Management and support services fees received	**-**	-	**2,252**	2,057
Asset management fees received	**-**	-	**6,861**	3,716
Rental income	**-**	-	**18**	-
Rental expense	**-**	-	**(999)**	(913)
(b) Other services and products -				
Keppel Corporation Limited Group:				
Treasury – interest income	**-**	-	**209**	48
Treasury – interest expense	**-**	-	**(112)**	(597)
Treasury – foreign exchange transactions	**-**	-	**17,327**	39,745
Management fees paid	**-**	-	**(1,244)**	(1,524)
Other products and service fees paid	**-**	-	**(280)**	(133)
Deposits outstanding at period-end	**-**	-	**151,811**	13,179
Temasek Group:				
Rental received	**-**	-	**30**	57
Management fees paid	**-**	-	**-**	(68)

BY ORDER OF THE BOARD

CHOO CHIN TECK
Company Secretary
20 July 2011

Keppel Land
Co. Reg. No. 189000001G
(Incorporated in the Republic of Singapore)

CONFIRMATION BY THE BOARD

We, CHOO CHIAU BENG and KEVIN WONG KINGCHEUNG, being two Directors of Keppel Land Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 2Q2011 financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors

CHOO CHIAU BENG
Chairman

KEVIN WONG KINGCHEUNG
Group Chief Executive Officer

Singapore, 20 July 2011

Appendix

SEGMENTAL RESULTS – QUARTERLY BREAKDOWN

By Operating Segments ($'m)

	1Q10 (Restated)	2Q10 (Restated)	1H10 (Restated)	3Q10 (Restated)	4Q10 (Restated)	FY10 (Restated)	1Q11 (Restated)	2Q11	1H11
TURNOVER									
Property									
Trading	56.0	268.3	324.3	82.0	66.4	472.7	309.2	53.0	362.2
Investment	17.9	17.9	35.8	18.2	16.2	70.2	15.3	16.2	31.5
Fund management	13.7	12.5	26.2	12.4	30.1	68.7	14.5	19.9	34.4
Hotels and resorts, property services, and others	18.8	19.3	38.1	17.3	18.4	73.8	18.9	15.1	34.0
Total	106.4	318.0	424.4	129.9	131.1	685.4	357.9	104.2	462.1
EBITDA									
Property									
Trading	10.8	70.4	81.2	23.2	2.1	106.5	61.4	4.2	65.6
Investment	11.1	12.7	23.8	11.8	12.3	47.9	9.5	8.1	17.6
Fund management	9.6	9.3	18.9	7.5	23.1	49.5	5.5	13.1	18.6
Hotels and resorts, property services, and others	2.2	(3.2)	(1.0)	2.7	(0.5)	1.2	2.0	(2.7)	(0.7)
Total	33.7	89.2	122.9	45.2	37.0	205.1	78.4	22.7	101.1
PROFIT/(LOSS) BEFORE TAXATION *									
Property									
Trading	54.0	168.2	222.2	37.2	8.9	268.3	72.9	27.5	100.4
Investment	17.4	19.8	37.2	20.3	20.5	78.0	18.9	17.7	36.6
Fund management	10.1	9.7	19.8	8.0	23.3	51.1	7.6	19.7	27.3
Hotels and resorts, property services, and others	(4.1)	(8.3)	(12.4)	3.3	(3.8)	(12.9)	(4.8)	(6.9)	(11.7)
Total	77.4	189.4	266.8	68.8	48.9	384.5	94.6	58.0	152.6
NET PROFIT/(LOSS)									
Property									
Trading	42.4	128.6	171.0	30.8	11.1	212.9	42.9	22.3	65.2
Investment	12.4	14.7	27.1	15.7	12.4	55.2	14.3	13.1	27.4
Fund management	7.4	8.3	15.7	6.8	17.4	39.9	6.5	17.4	23.9
Hotels and resorts, property services, and others	(4.3)	(7.8)	(12.1)	1.1	(15.7)	(26.7)	(4.8)	(2.3)	(7.1)
Corporate restructuring surplus/ enbloc property sales/ fair value gain on investment properties/ impairment provisions	-	-	-	-	768.9	768.9	-	-	-
Gain on acquisition of additional interest in an associated company	-	-	-	-	2.7	2.7	-	-	-
Other gain	-	-	-	-	-	-	24.4	-	24.4
Total	57.9	143.8	201.7	54.4	796.8	1,052.9	83.3	50.5	133.8

* before corporate restructuring surplus, enbloc property sales, fair value gain on investment properties, impairment provision, gain on acquisition of additional interest in an associated company and other gain.

Appendix (Cont'd)

By Geographical Segments ($'m)

	1Q10 (Restated)	2Q10 (Restated)	1H10 (Restated)	3Q10 (Restated)	4Q10 (Restated)	FY10 (Restated)	1Q11 (Restated)	2Q11	1H11
TURNOVER									
Singapore	40.3	40.7	81.0	37.4	54.0	172.4	137.1	71.3	208.4
Other countries	66.1	277.3	343.4	92.5	77.1	513.0	220.8	32.9	253.7
Total	106.4	318.0	424.4	129.9	131.1	685.4	357.9	104.2	462.1
EBITDA									
Singapore	18.9	14.9	33.8	24.6	28.6	87.0	36.5	22.4	58.9
Other countries	14.8	74.3	89.1	20.6	8.4	118.1	41.9	0.3	42.2
Total	33.7	89.2	122.9	45.2	37.0	205.1	78.4	22.7	101.1
PROFIT BEFORE TAXATION*									
Singapore	49.6	91.7	141.3	42.1	42.6	226.0	51.2	57.0	108.2
Other countries	27.8	97.7	125.5	26.7	6.3	158.5	43.4	1.0	44.4
Total	77.4	189.4	266.8	68.8	48.9	384.5	94.6	58.0	152.6
NET PROFIT									
Singapore	38.8	74.9	113.7	36.3	20.3	170.3	45.9	53.4	99.3
Other countries	19.1	68.9	88.0	18.1	4.9	111.0	13.0	(2.9)	10.1
Corporate restructuring surplus/ enbloc property sales/ fair value gain on investment properties/impairment provision	-	-	-	-	768.9	768.9	-	-	-
Gain on acquisition of additional interest in an associated company	-	-	-	-	2.7	2.7	-		-
Other gain	-	-	-	-	-	-	24.4	-	24.4
Total	57.9	143.8	201.7	54.4	796.8	1,052.9	83.3	50.5	133.8

* before corporate restructuring surplus, enbloc property sales, fair value gain on investment properties, impairment provision, gain on acquisition of additional interest in an associated company and other gain.