

Keppel Land Limited

FY2004 Results

26 January 2005



Highlights

- **Financial Results**
- **Operations Review**
- **Market Outlook**
- **Going Forward**

Financial Performance

\$m	FY2004	FY2003	% Chg
Turnover	476.2	678.8	(29.8)
EBITDA	125.1	141.6	(11.7)
Operating Profit	111.6	128.0	(12.8)
Pre-tax Profit	140.5	135.3	3.8
PATMI before EI	133.3	126.4	5.5
EI - Write-downs	-	* (25.8)	nm
PATMI after EI	133.3	100.6	32.5

** Impairment charge in respect of the Group's Myanmar hotels*

Key Ratios

	FY2004	FY2003	% Chg
EPS (¢)	18.8	14.2	32.4
NTA/Share (\$)	2.26	2.09	8.1
Debt/Equity Ratio	0.96	0.95	1.1
Annualised ROE * (%)	8.6	8.5	1.2

* Before EI (if any)

Net Profit - by Business Segment

Business Segment	FY2004 \$m	FY2003 \$m	% Change
Property			
Investment	32.4	32.1	0.9
Trading	97.2	103.3	(5.9)
Others			
Hotels / Resorts	(6.2)	(14.3)	nm
Property Services / Others	9.9	5.3	86.8
PATMI before EI	133.3	126.4	5.5
EI - Write-downs	-	(25.8)	nm
PATMI after EI	133.3	100.6	32.5

Net Profit - by Geographical Location

Geographical Location	FY2004		FY2003		%
	\$m	%	\$m	%	Change
Singapore	75.8	56.9	86.5	68.4	(12.4)
Other Countries	57.5	43.1	39.9	31.6	44.1
PATMI before EI	133.3	100.0	126.4	100.0	5.5
EI - Write-downs	-		(25.8)		nm
PATMI after EI	133.3		100.6		32.5

Notes on Profit Recognition

Singapore

- Cluny Hill bungalow plots :
 - Profit recognition of \$25.3m from sale of four plots
- Caribbean at Keppel Bay :
 - Progressive profit recognition of \$10.0m in FY2004
 - Based on 45.1% sales and 100% completion as at end-04

Overseas

- One Park Avenue :
 - Progressive profit recognition of \$26.9m in FY2004
 - Based on 100% sales and 97.3% completion as at end-04
- 8 Park Avenue :
 - Progressive profit recognition of \$3.2m in FY2004
 - Based on 17.2% sales and 16.4% completion as at end-04

Operations Review

Key Financial Indicators

	<u>2002</u>	<u>2003</u>	<u>2004</u>
PATMI b/f EI (\$m)	94.3	126.4	133.3
PATMI (\$m)	26.4	100.6	133.3
% of Overseas PATMI b/f EI	2.8	31.6	43.1
NTA per share (\$)	2.09	2.09	2.26
D/E ratio	1.09	0.95	0.96
ROE before EI (%)	6.3	8.5	8.6
Dividend per share (cts)	3.5	4	5

Operations Review

Singapore

- Sold 4 Cluny Hill bungalow plots - 3 left
- Sold 100% of 135 units in 2nd release of Caribbean at Keppel Bay
- Sold 75 units or 78% of 96 launched units at Urbana
- JV development of 163-unit condominium at Devonshire Road
- Secured ABN AMRO as first tenant at One Raffles Quay
 - 160,000 sf or 12.5% of the entire office development

Operations Review

Overseas

- JV development of 270-ha residential township in Jakarta
- Acquired prime site for 186 villas in Qingpu District, Shanghai
- JV to build a 2,002-unit high-rise condo in Bangalore
- Strong sales for overseas residential projects, especially in China :
 - 8 Park Avenue (Shanghai) : all 230 launched units sold at average price of RMB16,200 psm
 - The Seasons (Beijing) : 85% of 541 launched units sold at average price of about RMB7,400 psm
 - The Waterfront (Chengdu) : 88% of 550 launched units sold at average price of about RMB5,200 psm

Operations Review

Fund Management

- First closing of 2nd fund, Alpha Core Plus Real Estate Fund of \$275m (Target \$400m)
 - Invest in institutional grade, income-producing properties in more developed Asian markets
- First fund, Asia No. 1 Property Fund, invested over 60% of \$170m raised
- When the two funds are fully invested, asset under management (AUM) will be about \$1 billion
- Continue to grow fund management business for fee incomes

Corporate Awards

- **Recognition for corporate transparency**
 - **Top 5 among all Singapore listed companies in a study by Standard & Poor's and NUS**
 - **1st Runner-up for the latest Annual Report Award**
 - **Runner-up for Most Transparent Company (Properties) and Merit Award for Corporate Governance at SIAS Investors' Choice Awards**
 - **First among real estate companies and 6th among Singapore companies in a survey by Institutional Shareholder Services and Business Week**

Market Outlook

Market Outlook - Singapore

Residential

- **Stronger take-up with slight price increase**
 - **Est. 5,600 new home sales in 2004, up 9% y-o-y**
 - **Price turnaround after 4 years of decline (URA price index up 0.8%, positive growth from 2Q04)**

- **Market to improve in 2005**
 - **Favourable economic outlook**
 - **Bottom of property cycle**
 - **Low interest rate**

Market Outlook - Singapore

Office

- **Market strengthened with more robust leasing activity**
 - Turnaround with 3 quarters of positive demand after 10 quarters of negative growth since 01
 - Island-wide occupancy rose to est. 83.7% from bottom of 82.1% at end-03 (source : CBRE)
 - Prime rentals rose 10% y-o-y to \$4.40 psf (source : CBRE)
- **Bright prospects for prime office market**
 - Expansion in financial & services sector
 - Limited new supply averaging < 1 million sf p.a. for next few years
 - Rental rates and capital values expected to rise

Market Outlook - Asia

- Asian demand for quality housing and well-planned residential townships to grow at sustained pace

	Real GDP Growth (%)	
	2004	2005 *
China	9.2	8.1
Vietnam	7.2	7.0
India	6.5	7.3
Thailand	5.9	5.4
Indonesia	4.8	5.7

* Forecast

(Source : EIU)

Going Forward

Going Forward

Singapore

- Launch residential projects progressively
- Selectively acquire development sites
- Actively lease out space in One Raffles Quay
- Continue to monitor market for divestment options for investment properties

Possible Residential Launches Singapore 2005

Project	Location	Units to Launch
Cluny Hill Bungalow Plots	Cluny Hill	3
Caribbean at Keppel Bay	Keppel Bay Drive	529
Urbana	River Valley Rd	51
Park Infinia at Wee Nam	Lincoln Road	486
The Belvedere	Meyer Road	167
Devonshire Rd (60% stake)	Devonshire Rd	163

Going Forward

Overseas

- **Launch residential and township projects**
 - **First residential townships will be launched in Chengdu, China and Ho Chi Minh City, Vietnam**
- **Continue to seek opportunities for housing and township development in existing and new Asian growth cities**

Residential Pipeline Overseas

Project	Units	Expected Launch Date
<u>China</u>		
8 Park Avenue, Shanghai *	715	1H2005
The Seasons, Beijing *	1,398	1H2005
The Waterfront, Chengdu *	657	1H2005
The Botanica (Parcel 1), Chengdu	970	1H2005
The Botanica (Parcel 2), Chengdu	1,002	1H2006
Qingpu Villas, Shanghai	186	1H2006
Park Avenue Central, Shanghai	708	2H2007

* Balanced units

Residential Pipeline Overseas

Project	Units	Expected Launch Date
<u>Vietnam</u>		
Villa Riviera, Ho Chi Minh City	99	1H2005
Saigon Sports City (Phase 1), HCMC	782	2H2005
<u>Thailand</u>		
Villa Arcadia at Srinakarin, Bangkok	339	1H2005
Villa Arcadia at Watcharapol, Bangkok	270	2H2005
<u>India</u>		
High-rise condominium, Bangalore	2,002	1H2006
<u>Indonesia</u>		
Cakung Township (Phase 1), Jakarta	1,156	2H2006

Extra Slides

Financial Performance

\$m	4Q2004	4Q2003	% Chg
Turnover	94.9	191.1	(50.3)
EBITDA	26.2	47.8	(45.2)
Operating Profit	21.8	44.9	(51.4)
Pre-tax Profit	32.9	46.1	(28.6)
PATMI before EI	40.6	47.8	(15.1)
EI - Write-downs	-	(25.8)	nm
PATMI after EI	40.6	22.0	84.5

Financial Performance

\$m	4Q2004	3Q2004	% Chg
Turnover	94.9	96.0	(1.1)
EBITDA	26.2	36.6	(28.4)
Operating Profit	21.8	33.7	(35.3)
Pre-tax Profit	32.9	41.8	(21.3)
PATMI before EI	40.6	32.6	24.5
EI - Write-downs	-	-	-
PATMI after EI	40.6	32.6	24.5

Key Ratios

	4Q2004	4Q2003	% Chg
EPS (¢)	5.7	3.1	83.9
NTA/Share (\$)	2.26	2.09	8.1
Debt/Equity Ratio	0.96	0.95	1.1

Key Ratios

	4Q2004	3Q2004	% Chg
EPS (¢)	5.7	4.6	23.9
NTA/Share (\$)	2.26	2.15	5.1
Debt/Equity Ratio	0.96	1.03	(6.8)

Net Profit - by Business Segment

Business Segment	4Q2004 \$m	4Q2003 \$m	% Change
Property			
Investment	7.7	7.4	4.1
Trading	28.8	49.5	(41.8)
Others			
Hotels / Resorts	(1.2)	(2.6)	nm
Property Services / Others	5.3	(6.5)	nm
PATMI before EI	40.6	47.8	(15.1)
EI - Write-downs	-	(25.8)	nm
PATMI after EI	40.6	22.0	84.5

Net Profit - by Business Segment

Business Segment	4Q2004 \$m	3Q2004 \$m	% Change
Property			
Investment	7.7	6.5	18.5
Trading	28.8	22.0	30.9
Others			
Hotels / Resorts	(1.2)	0.1	nm
Property Services / Others	5.3	4.0	32.5
PATMI before EI	40.6	32.6	24.5
EI - Write-downs	-	-	-
PATMI after EI	40.6	32.6	24.5

Net Profit - by Geographical Location

Geographical Location	4Q2004		4Q2003		%
	\$m	%	\$m	%	Change
Singapore	23.5	57.9	33.2	69.5	(29.2)
Other Countries	17.1	42.1	14.6	30.5	17.1
PATMI before EI	40.6	100.0	47.8	100.0	(15.1)
EI - Write-downs	-		(25.8)		nm
PATMI after EI	40.6		22.0		84.5

Net Profit - by Geographical Location

Geographical Location	4Q2004		3Q2004		%
	\$m	%	\$m	%	Change
Singapore	23.5	57.9	10.0	30.7	135.0
Other Countries	17.1	42.1	22.6	69.3	(24.3)
PATMI before EI	40.6	100.0	32.6	100.0	24.5
EI - Write-downs	-		-		
PATMI after EI	40.6		32.6		24.5

EBITDA - by Business Segment

Business Segment	FY2004 \$m	FY2003 \$m	% Change
Property			
Investment	39.7	50.9	(22.0)
Trading	81.9	109.4	(25.1)
Others			
Hotels / Resorts	6.3	(0.9)	nm
Property Services / Others	(2.8)	(17.8)	nm
EBITDA	125.1	141.6	(11.7)

EBITDA - by Business Segment

Business Segment	4Q2004 \$m	4Q2003 \$m	% Change
Property			
Investment	8.0	10.8	(25.9)
Trading	12.9	51.9	(75.1)
Others			
Hotels / Resorts	2.6	1.9	36.8
Property Services / Others	2.7	(16.8)	nm
EBITDA	26.2	47.8	(45.2)

EBITDA - by Business Segment

Business Segment	4Q2004 \$m	3Q2004 \$m	% Change
Property			
Investment	8.0	10.0	(20.0)
Trading	12.9	23.3	(44.6)
Others			
Hotels / Resorts	2.6	2.5	4.0
Property Services / Others	2.7	0.8	237.5
EBITDA	26.2	36.6	(28.4)

EBITDA - by Geographical Location

Geographical Location	FY2004		FY2003		%
	\$m	%	\$m	%	Change
Singapore	46.4	37.1	71.7	50.6	(35.3)
Other Countries	78.7	62.9	69.9	49.4	12.6
EBITDA	125.1	100.0	141.6	100.0	(11.7)

EBITDA - by Geographical Location

Geographical Location	4Q2004		4Q2003		%
	\$m	%	\$m	%	Change
Singapore	4.2	16.0	24.0	50.2	(82.5)
Other Countries	22.0	84.0	23.8	49.8	(7.6)
EBITDA	26.2	100.0	47.8	100.0	(45.2)

EBITDA - by Geographical Location

Geographical Location	4Q2004		3Q2004		%
	\$m	%	\$m	%	Change
Singapore	4.2	16.0	7.2	19.7	(41.7)
Other Countries	22.0	84.0	29.4	80.3	(25.2)
EBITDA	26.2	100.0	36.6	100.0	(28.4)

Turnover - by Business Segment

Business Segment	FY2004 \$m	FY2003 \$m	% Change
Property			
Investment	71.3	79.3	(10.1)
Trading	361.1	563.6	(35.9)
Others			
Hotels / Resorts	32.9	26.3	25.1
Property Services / Others	10.9	9.6	13.5
Total	476.2	678.8	(29.8)

Turnover - by Business Segment

Business Segment	4Q2004 \$m	4Q2003 \$m	% Change
Property			
Investment	17.4	13.2	31.8
Trading	64.3	167.6	(61.6)
Others			
Hotels / Resorts	8.6	7.2	19.4
Property Services / Others	4.6	3.1	48.4
Total	94.9	191.1	50.3

Turnover - by Business Segment

Business Segment	4Q2004 \$m	3Q2004 \$m	% Change
Property			
Investment	17.4	17.6	(1.1)
Trading	64.3	68.8	(6.5)
Others			
Hotels / Resorts	8.6	9.1	(5.5)
Property Services / Others	4.6	0.5	(820.0)
Total	94.9	96.0	(1.1)

Turnover - by Geographical Location

Geographical Location	FY2004		FY2003		%
	\$m	%	\$m	%	Change
Singapore	245.8	51.6	339.2	50.0	(27.5)
Other Countries	230.4	48.4	339.6	50.0	(32.2)
Total	476.2	100.0	678.8	100.0	(29.8)

Turnover - by Geographical Location

Geographical Location	4Q2004		4Q2003		%
	\$m	%	\$m	%	Change
Singapore	33.1	34.9	87.2	45.6	(62.0)
Other Countries	61.8	65.1	103.9	54.4	(40.5)
Total	94.9	100.0	191.1	100.0	(50.3)

Turnover - by Geographical Location

Geographical Location	4Q2004		3Q2004		%
	\$m	%	\$m	%	Change
Singapore	33.1	34.9	25.7	26.8	28.8
Other Countries	61.8	65.1	70.3	73.2	(12.1)
Total	94.9	100.0	96.0	100.0	(1.1)

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.