

**PRESS RELEASE**

**Keppel Land's Financial Highlights for the Quarter Ended 31 March 2010**

20 April 2010

**Strong Earnings Growth as Property Markets Recover Across Asia**

- *Net profit grew by 75.3% to \$64.7 million riding on recovery in Asia*
- *Robust residential sales led to a 53.6% increase in profit from property trading to \$48.7 million*
- *Contribution from property investment rose 29.2% to \$12.4 million with the recovery in the Singapore office market*
- *Fund management profit up 60.9% on higher fee income from K-REIT Asia Management and Alpha Investment Partners*

**Summary of Results**

Net Profit (\$m)	Quarter Ended		% Chg
	31 Mar 10	31 Mar 09	
<b><u>By Geographical Location</u></b>			
Singapore	44.2	27.5	60.7
Other Countries	20.5	9.4	118.1
<b>Net Profit</b>	<b>64.7</b>	<b>36.9</b>	<b>75.3</b>
<b><u>By Business Segment</u></b>			
Property Trading	48.7	31.7	53.6
Property Investment	12.4	9.6	29.2
Fund Management	7.4	4.6	60.9
Hotels and Resorts / Others	(3.8)	(9)	nm
<b>Net Profit</b>	<b>64.7</b>	<b>36.9</b>	<b>75.3</b>

Key Ratios	Quarter Ended		% Chg
	31 Mar 10	31 Mar 09	
Earnings Per Share (cts)	4.5	3.6 <sup>^</sup>	25
NTA Per Share (\$)	2.43	3.50	(30.6)
Annualised ROE (%)	7.5	6	25

<sup>^</sup> Restated to include the effects of the 9-for-10 rights issue in 2009 in accordance with FRS 33.

nm – not meaningful

### **Earnings Up on Robust Housing Sales**

Keppel Land achieved good results for the quarter ended 31 March 2010, bolstered by recovery in the property markets across Asia. Net profit for the first quarter grew by 75.3% to \$64.7 million compared with \$36.9 million achieved in the first quarter of 2009.

Residential sales in Singapore and overseas remained robust. Net profit from property trading grew by 53.6% year-on-year to \$48.7 million in the first quarter. Contribution came mainly from Reflections and Caribbean at Keppel Bay, Marina Bay Suites and Marina Bay Residences in Singapore, as well as The Arcadia and Villa Riviera in China.

With recovery in the office market, net profit from property investment rose 29.2% year-on-year to \$12.4 million, due largely to higher contribution from K-REIT Asia.

Higher fee income from K-REIT Asia Management and Alpha Investment Partners boosted net profit from fund management activities to \$7.4 million, up 60.9% from the same period last year.

### **Residential Market Buoyed by Economic Growth**

Advance estimates from the Ministry of Trade and Industry (MTI) showed that Singapore's GDP grew by 13.1% year-on-year in the first quarter of 2010. MTI has upgraded its GDP growth forecast for 2010 to 7-9% from 4.5-6.5%.

The residential sector remained buoyant with more than 4,400 homes sold in the first quarter. Residential prices increased by 5.1% in the first quarter, according to flash estimates from the Urban Redevelopment Authority.

With demand increasing for premium residences in close proximity to the integrated resorts, Reflections at Keppel Bay has achieved strong take-up, with 97% of 760 launched units sold to date. The Group plans to launch another 100-200 units at Reflections during the year. Marina Bay Suites will be rolled out with the opening of Marina Bay Sands.

### **Office Market Turning Positive**

Grade A office occupancy increased to 94.5% in the first quarter from 93.8% in the previous quarter. Rents are bottoming out with Grade A and prime office rents stabilising at \$8 and \$6.70 psf respectively as at end-March, according to CB Richard Ellis.

Grade A developments are benefitting from the "flight to quality" trend as Marina Bay Financial Centre (MBFC) and Ocean Financial Centre (OFC) chalked up increased commitments.

Prudential Asset Management and Nomura are the latest to sign up for space at MBFC. Together with further commitment from Barclays Capital, MBFC Phase 1 is fully leased except for a small percentage of space reserved for existing tenants' expansion. This brings the overall commitment rate for MBFC Phases 1 and 2 to about 78%. OFC has also increased its total commitment rate to 31%.

### **Steady Overseas Sales**

Take-up remained strong for the Group's township projects in China. Phase 5 of The Botanica in Chengdu sold all 376 launched units when launched in early April.

Pent-up demand for quality landed homes in Vietnam led to strong sales for Riviera Cove with 83% of 82 launched units sold. Take-up at Jakarta Garden City in Indonesia was also robust, with 72 units sold in the first quarter. In total, 77% of the 580 launched units have been sold.

### **Strategic Acquisitions and Timely Launches**

The Group's fund management vehicles continue to grow with strategic acquisitions. K-REIT Asia acquired a 50% stake in 275 George Street in Brisbane, Australia while Alpha Investment Partners' Alpha Asia Macro Trends Fund has bought a 77% stake in Katong Mall in Singapore.

Capitalising on the economic spin-offs from Shanghai World Expo, the Group will launch The Springdale in Nanhui in the second quarter, and two blocks at 8 Park Avenue in the second half of the year. Tapping on continued demand for township homes, the Group will also launch the new phases of The Botanica and Central Park City in Wuxi in the second quarter.

### **Disclaimer**

*This release may contain statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. You are cautioned not to place undue reliance on such statements, which are based in the current views of Management on future developments and events.*