

# ***Keppel Land Limited***

## ***Nine Months to September 2005 Results***

***24 October 2005***



# *Highlights*

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

# *Financial Performance*

| <b>\$m</b>              | <b>YTD<br/>3Q2005</b> | <b>YTD<br/>3Q2004</b> | <b>%<br/>Chg</b> |
|-------------------------|-----------------------|-----------------------|------------------|
| <b>Turnover</b>         | <b>401.6</b>          | <b>381.3</b>          | <b>5.3</b>       |
| <b>EBITDA</b>           | <b>117.8</b>          | <b>98.5</b>           | <b>19.6</b>      |
| <b>Operating Profit</b> | <b>108.4</b>          | <b>89.4</b>           | <b>21.3</b>      |
| <b>Pre-tax Profit</b>   | <b>125.1</b>          | <b>107.2</b>          | <b>16.7</b>      |
| <b>PATMI</b>            | <b>100.2</b>          | <b>92.3</b>           | <b>8.6</b>       |

# *Financial Performance*

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| <b>\$m</b>              | <b>3Q2005</b> | <b>3Q2004</b> | <b>% Chg</b>  |
|-------------------------|---------------|---------------|---------------|
| <b>Turnover</b>         | <b>162.9</b>  | <b>96.0</b>   | <b>69.7</b>   |
| <b>EBITDA</b>           | <b>33.0</b>   | <b>36.4</b>   | <b>(9.3)</b>  |
| <b>Operating Profit</b> | <b>29.8</b>   | <b>33.5</b>   | <b>(11.0)</b> |
| <b>Pre-tax Profit</b>   | <b>40.8</b>   | <b>41.7</b>   | <b>(2.2)</b>  |
| <b>PATMI</b>            | <b>33.2</b>   | <b>32.4</b>   | <b>2.5</b>    |

# Key Ratios

|                    | YTD<br>3Q2005 | YTD<br>3Q2004 | %<br>Chg |
|--------------------|---------------|---------------|----------|
| EPS (¢)            | 14.1          | 13.0          | 8.5      |
| NTA/Share (\$)     | 2.34          | 2.15          | 8.8      |
| Debt/Equity Ratio  | 1.00          | 1.03          | (2.9)    |
| Annualised ROE (%) | 8.2           | 8.2           | -        |

# Key Ratios

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|                    | 3Q2005 | 3Q2004 | % Chg |
|--------------------|--------|--------|-------|
| EPS (¢)            | 4.7    | 4.6    | 2.2   |
| NTA/Share (\$)     | 2.34   | 2.15   | 8.8   |
| Debt/Equity Ratio  | 1.00   | 1.03   | (2.9) |
| Annualised ROE (%) | 8.1    | 8.4    | (3.6) |

# ***Net Profit - by Business Segment***

|                         | YTD          | YTD         |            |
|-------------------------|--------------|-------------|------------|
|                         | 3Q2005       | 3Q2004      | %          |
| <b>Business Segment</b> | <b>\$m</b>   | <b>\$m</b>  | <b>Chg</b> |
| <b>Property</b>         |              |             |            |
| Trading                 | 80.3         | 68.4        | 17.4       |
| Investment              | 28.0         | 24.7        | 13.4       |
| <b>Hotels / Resorts</b> | (8.8)        | (5.0)       | nm         |
| <b>Others</b>           | 0.7          | 4.2         | (83.3)     |
| <b>PATMI after EI</b>   | <b>100.2</b> | <b>92.3</b> | <b>8.6</b> |

# ***Net Profit - by Business Segment***

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|                         | <b>3Q2005</b> | <b>3Q2004</b> | <b>%</b>     |
|-------------------------|---------------|---------------|--------------|
| <b>Business Segment</b> | <b>\$m</b>    | <b>\$m</b>    | <b>Chg</b>   |
| <b>Property</b>         |               |               |              |
| <b>Trading</b>          | <b>24.5</b>   | <b>22.0</b>   | <b>11.4</b>  |
| <b>Investment</b>       | <b>13.1</b>   | <b>6.5</b>    | <b>101.5</b> |
| <b>Hotels / Resorts</b> | <b>(2.1)</b>  | <b>0.1</b>    | <b>nm</b>    |
| <b>Others</b>           | <b>(2.3)</b>  | <b>3.8</b>    | <b>nm</b>    |
| <b>PATMI after EI</b>   | <b>33.2</b>   | <b>32.4</b>   | <b>2.5</b>   |

# ***Net Profit - by Geographical Location***

| <b>Geographical Location</b> | <b>YTD</b>    |              | <b>YTD</b>    |              | <b>%<br/>Chg</b> |
|------------------------------|---------------|--------------|---------------|--------------|------------------|
|                              | <b>3Q2005</b> |              | <b>3Q2004</b> |              |                  |
|                              | <b>\$m</b>    | <b>%</b>     | <b>\$m</b>    | <b>%</b>     |                  |
| <b>Singapore</b>             | <b>43.3</b>   | <b>43.2</b>  | <b>51.9</b>   | <b>56.2</b>  | <b>(16.6)</b>    |
| <b>Other Countries</b>       | <b>56.9</b>   | <b>56.8</b>  | <b>40.4</b>   | <b>43.8</b>  | <b>40.8</b>      |
| <b>PATMI after EI</b>        | <b>100.2</b>  | <b>100.0</b> | <b>92.3</b>   | <b>100.0</b> | <b>8.6</b>       |

# ***Net Profit - by Geographical Location***

| <b>Geographical Location</b> | <b>3Q2005</b> |              | <b>3Q2004</b> |              | <b>%</b>      |
|------------------------------|---------------|--------------|---------------|--------------|---------------|
|                              | <b>\$m</b>    | <b>%</b>     | <b>\$m</b>    | <b>%</b>     | <b>Chg</b>    |
| <b>Singapore</b>             | <b>14.7</b>   | <b>44.3</b>  | <b>9.8</b>    | <b>30.2</b>  | <b>50.0</b>   |
| <b>Other Countries</b>       | <b>18.5</b>   | <b>55.7</b>  | <b>22.6</b>   | <b>69.8</b>  | <b>(18.1)</b> |
| <b>PATMI after EI</b>        | <b>33.2</b>   | <b>100.0</b> | <b>32.4</b>   | <b>100.0</b> | <b>2.5</b>    |

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# *Operations Review*

# Operations Review

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## Singapore

- Sold one Cluny Hill bungalow plot
- Sold 28 (45%) out of total 62 units at The Tresor
- Soft-launched and sold 140 (96%) out of 146 launched units at Park Infinia at Wee Nam (Total : 486 units)
- Caribbean, Belvedere and Urbana achieved good sales to date
  - 654 (82%) out of 801 launched units sold at Caribbean at Keppel Bay  
(Total : 969 units; 168 units kept for corporate residences)
  - 111 (93%) out of 120 launched units sold at The Belvedere  
(Total : 167 units)
  - 91 (72%) out of total 126 units sold at Urbana

# *Operations Review*

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## Singapore

- **Unlocked value of investment properties - finalised deal to divest Parco Bugis Junction and consolidate office tower for potential inclusion into REIT**
- **Successfully won Business & Financial Centre (BFC) site at New Downtown with Cheung Kong and Hongkong Land**
  - **Total GFA : 4.7m sf**
  - **At least 60% for office use, remaining 40% can be for residential and retail use**
- **Integrated Resort - Keppel Land-Harrah's JV forged alliances with some of the finest industry players**
  - **Alliance with global conventions specialist SMG to make Singapore a choice destination**
  - **Alliance with world's leading cultural institution Centre Pompidou to create a cultural centre in Singapore**

# Operations Review

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## Overseas

- **Soft-launched and fully sold 230 units at Elita Promenade; another 180 units released for sale (Total : 1,572 units)**
- **Sales of residential projects in China remain encouraging :**
  - **8 Park Avenue (Shanghai) : 91% of 456 launched units sold (Total : 946 units)**
  - **The Seasons (Beijing) : 89% of 1,056 launched units sold (Total : 1,859 units)**
  - **The Waterfront (Chengdu) : 84% of 876 launched units sold (Total : 1,143 units)**
  - **The Botanica (Chengdu) : 99% of 970 (Ph 1) launched units sold (Total : 8,166 units; Phase 2-3 : 2,403 units)**
- **Takeover offer for remaining stake in Dragon Land to facilitate realisation of business potential**

# *Operations Review*

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## *Fund Management*

- Asia No. 1 Property Fund invested about 85% of total equity of US\$243m
- Alpha Core Plus Real Estate Fund invested in two Tokyo properties
  - Second closing in end 2005
  - About 30% of capital raised from first closing invested
- Total assets under management will be about US\$1 billion when the two funds are fully invested

# *Recent Awards*

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## *Recognition for Corporate Transparency*

- **Securities Investors Association (Singapore) Investors' Choice Awards 2005**
  - **Merit Award for Singapore Corporate Governance Award**
  - **Runner-up for Most Transparent Company under the properties category**

## *Recognition for Product Excellence*

- **The Waterfront, Chengdu - Model Residential Development for International Community by Chengdu Real Estate Brand Promotion Centre**
- **Saigon Centre, Ho Chi Minh City - “Gold Medal - Vietnam Quality Award” by the Ministry of Science, Technology and Environment of Vietnam in 2005**

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# ***Market Outlook***

# ***Market Outlook - Singapore***

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## **Residential**

- **Market on firm recovery**
  - **Prices rose 1.1% in 3Q2005, the biggest q-o-q gain in five years (Source : URA)**
- **Residential market to improve further**
  - **Housing demand boosted by improving labour market and increasing flow of foreign buyers**

# ***Market Outlook - Singapore***

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## **Office**

- **Rising rentals and occupancy in 3Q2005**
  - **Average Grade A office rentals at \$5.25 psf in 3Q2005, up 14% from \$4.60 psf at end 2004 (Source : CBRE)**
  - **Average Grade A CBD occupancy stands at 91.2% in 3Q2005 (Source : CBRE)**
- **Prime office market to remain strong**
  - **Further upward trend on rents and occupancy rate, underpinned by limited new supply, declining existing supply due to conversion of use and positive growth in demand**

# *Market Outlook - Asia*

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- Housing demand underpinned by economic growth, urbanisation, favourable demographics trends and positive government policies
- Asian economies and property markets may be affected by rising oil prices and related inflationary pressures, and potential bird flu outbreaks

# *Market Outlook - China*

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- **Prices stabilised while volume slowly recovering in Shanghai in 3Q2005**
  - **Renewed interest in good quality developments in the city centre**
- **Other major cities are less affected by anti-speculation measures**

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# *Going Forward*

# *Going Forward*

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## Singapore

- Launch residential projects to capitalise on market sentiments
- Seek development sites with good potential returns
- Improve lease commitments for One Raffles Quay and other office buildings
- Continue to develop BFC to capitalise on the improving office and residential markets

# Possible Residential Launches Singapore 2005

| Project                     | Location         | Units to Launch  |
|-----------------------------|------------------|------------------|
| Caribbean at Keppel Bay *   | Keppel Bay Drive | 147 <sup>#</sup> |
| Urbana *                    | River Valley Rd  | 35               |
| The Belvedere *             | Meyer Rd         | 56               |
| Park Infinia at Wee Nam *   | Wee Nam Rd       | 60               |
| Devonshire Rd (60% stake) ^ | Devonshire Rd    | 50               |

\* Balance units

^ New launches

# Excluding 168 units set aside for corporate leasing

# *Going Forward*

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## Overseas

- **Maintain expansion drive in promising countries, cities and market segments in Asia**
- **Launch residential and township projects in China, Thailand, Vietnam, India and Indonesia**

# Residential Projects Overseas

| Project                            | Units to Launch |       |      |
|------------------------------------|-----------------|-------|------|
|                                    | 2005            | 2006  | 2007 |
| <b><u>China</u></b>                |                 |       |      |
| 8 Park Avenue, Shanghai *          | 40              | 490   | -    |
| Xujing Villas, Shanghai ^          | -               | 186   | -    |
| Park Avenue Central, Shanghai ^    | -               | -     | 708  |
| The Seasons, Beijing *             | 112             | 803   | -    |
| The Waterfront, Chengdu *          | 189             | 217   | -    |
| Great Town Harbour, Fuzhou (Ph1) * | 301             | -     | -    |
| The Botanica (Phase 2), Chengdu ^  | -               | 1,476 | -    |
| The Botanica (Phase 3), Chengdu ^  | -               | -     | 927  |
| Tianjin Villas, Tianjin ^          | -               | 160   | -    |

\* Balance units

^ New launches

# Residential Projects Overseas

| Project                                   | Units to Launch |      |      |
|-------------------------------------------|-----------------|------|------|
|                                           | 2005            | 2006 | 2007 |
| <b><u>Vietnam</u></b>                     |                 |      |      |
| Villa Riviera, Ho Chi Minh City **        | 11              | 76   | -    |
| Saigon Sports City (Phase 1), HCMC ^      | -               | -    | 782  |
| <b><u>Thailand</u></b>                    |                 |      |      |
| Villa Arcadia at Srinakarin, Bangkok *    | 7               | 317  | -    |
| Villa Arcadia at Watcharapol, Bangkok ^   | -               | 100  | 170  |
| <b><u>India</u></b>                       |                 |      |      |
| Elita Promenade in JP Nagar , Bangalore * | 357             | 800  | 172  |
| Condominium in Kanakapura, Bangalore ^    | -               | 320  | 744  |
| <b><u>Indonesia</u></b>                   |                 |      |      |
| Cakung Township (Phase 1), Jakarta ^      | -               | 300  | 856  |

# Total units revised to 101

\* Balance units

^ New launches

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