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MEDIA RELEASE

Keppel Land Limited Unaudited Results for the Quarter Ended 31 March 2015

15 April 2015

The Directors of Keppel Land Limited advise the following results of the Company and of the Group for the quarter ended 31 March 2015.

These figures have not been audited.

This media release is available at www.kepcorp.com and www.keppelland.com

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FIRST QUARTER 2015 FINANCIAL STATEMENTS ANNOUNCEMENT

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

TABLE OF CONTENTS

	Page
1(a) GROUP PROFIT AND LOSS ACCOUNT	2
1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
1(c)(i) BALANCE SHEETS	5
1(c)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES	6
1(d)(i) STATEMENTS OF CHANGES IN EQUITY	7
1(d)(ii) SHARE CAPITAL	10
1(e) CONSOLIDATED CASH FLOW STATEMENT	11
2 AUDIT	15
3 AUDITOR'S REPORT	15
4 ACCOUNTING POLICIES	15
5 CHANGES IN THE ACCOUNTING POLICIES	15
6 EARNINGS PER ORDINARY SHARE	15
7 NET ASSET VALUE	16
8 REVIEW OF GROUP PERFORMANCE	16
9 VARIANCE FROM FORECAST STATEMENT	19
10 PROSPECTS	19
11 BUSINESS DYNAMICS AND RISK FACTORS	20
12 DIVIDENDS	21
13 SEGMENTAL ANALYSIS	22
14 REVIEW OF SEGMENTAL PERFORMANCE	24
15 BREAKDOWN OF SALES	24
16 INTERESTED PERSON TRANSACTIONS	25
- CONFIRMATION BY THE BOARD	26

1. UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

The Directors of Keppel Land Limited announce the following unaudited results of the Group for the first quarter ended 31 March 2015:

1(a) GROUP PROFIT AND LOSS ACCOUNT for the First Quarter Ended 31 March 2015

	Note	First Quarter		+ / (-) %
		31.03.15 \$'000	31.03.14 \$'000	
Sales		278,385	284,890	(2.3)
Cost of sales		(190,916)	(197,128)	(3.2)
Gross profit		87,469	87,762	(0.3)
Distribution costs	1	(2,032)	(2,651)	(23.3)
Administrative and other expenses	2	(32,052)	(24,753)	29.5
Other income	3	7,841	4,026	94.8
Investment income		568	411	38.2
Interest income	4	5,883	7,200	(18.3)
Interest expense	5	(17,113)	(6,499)	163.3
Share of results of associates and joint ventures	6	38,927	46,709	(16.7)
Profit before taxation		89,491	112,205	(20.2)
Taxation	7	(19,940)	(24,283)	(17.9)
Profit for the period		69,551	87,922	(20.9)
Profit attributable to:				
Shareholders of the Company		72,614	87,727	(17.2)
Non-controlling interests		(3,063)	195	nm
		69,551	87,922	(20.9)
Basic earnings per share (cents)		4.7	5.7	
Diluted earnings per share (cents)		4.7	5.7	
Annualised return on equity (%)		4.4	5.8	
Profit for the period is arrived at after charging/(crediting) the following:				
Depreciation and amortisation [^]		5,848	3,859	
(Profit)/loss on sale of fixed assets		(1)	28	
Write-back of allowance for foreseeable losses on properties held for sale		(63)	(419)	
Allowance for doubtful debts		740	32	
Bad debts written off		-	1	
Cost of share-based payments				
- Cash-settled		130	-	
- Equity-settled		755	730	
Foreign exchange gains		(7,431)	(3,337)	
Fair value losses/(gains) on foreign currency forward contracts		532	(317)	
(Over)/under provision of tax in respect of previous years		(1,721)	248	
Employee emoluments [^]		41,706	30,408	

nm - not meaningful

[^] Depreciation and employee emoluments are included in cost of sales, distribution costs, and administrative and other expenses.
Amortisation is included in administrative and other expenses.

Notes to Group Profit and Loss Account

1. The decrease in distribution costs for 1Q2015 was due mainly to lower co-brokerage commission expense.
2. Administrative and other expenses included staff costs, cost of share-based payments, depreciation charge, office overheads, professional fees and exchange gains/losses. The increase in administrative and other expenses for 1Q2015 was due primarily to higher staff costs as a result of higher headcount and absence of a write-back of excess staff cost provision, partly offset by higher foreign exchange gains.
3. Other income for 1Q2015 was made up of net lease income from Keppel Towers and Keppel Towers 2 (formerly known as Keppel Towers and GE Tower) pending its redevelopment and write-back of cost accruals no longer required. Other income for 1Q2014 comprised net lease income from Keppel Towers and Keppel Towers 2.
4. The decrease in interest income for 1Q2015 was due largely to lower interest income earned from the loans extended to the Group's associates and joint ventures.
5. The higher interest expense for 1Q2015 was mainly because of higher average borrowings as well as lower capitalisation of interest expenses by the project development companies.
6. The lower profits from associates and joint ventures for 1Q2015 were due mainly to absence of contribution from Marina Bay Financial Centre ("MBFC") Tower 3 following the divestment to Keppel REIT in December 2014.
7. The decrease in taxation for 1Q2015 was in line with the lower profit for 1Q2015.

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the First Quarter Ended 31 March 2015**

	Note	First Quarter	
		31.03.15 \$'000	31.03.14 \$'000
Profit for the period		69,551	87,922
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Net fair value change		2,378	(4)
Cash flow hedges			
- Net fair value change	1	(447)	447
Foreign exchange translation			
- Exchange differences on consolidation	2	188,147	4,684
Share of other comprehensive income of associates and joint ventures			
- Available-for-sale financial assets		181	(570)
- Cash flow hedges	3	8,505	(911)
- Foreign exchange translation	4	18,761	5,157
Other comprehensive income for the period, net of tax		217,525	8,803
Total comprehensive income for the period		287,076	96,725
Total comprehensive income attributable to :			
Shareholders of the Company		256,892	94,412
Non-controlling interests		30,184	2,313
		287,076	96,725

Notes to Consolidated Statement of Comprehensive Income

- These represented the effective portion of the net change in the fair value of interest rate swaps used to hedge exposure to interest rate risks for bank borrowings with floating interest rates.
- These exchange differences arose from the translation of financial statements of foreign operations with functional currencies different from that of the Group's presentation currency as well as from the translation of foreign currency loans that formed part of the Group's net investment in foreign operations. The translation gain for 1Q2015 was due largely to the appreciation of the United States dollar, Renminbi and Vietnamese dong against the Singapore dollar. For 1Q2014, the translation gain arose mainly from the strengthening of United States dollar, Vietnamese dong and Indonesian rupiah against the Singapore dollar.
- These represented the Group's share of Keppel REIT's cash flow hedge gains/(losses).
- The share of foreign exchange translation gain in 1Q2015 arose primarily from the appreciation of United States dollar and Renminbi against the Singapore dollar, partly offset by the strengthening of the Singapore dollar against Australian dollar. For 1Q2014, the share of foreign exchange translation gain was due to the strengthening of the United States dollar and Australian dollar against the Singapore dollar.

1(c)(i) BALANCE SHEETS as at 31 March 2015

	Note	GROUP		COMPANY	
		31.03.15	31.12.14	31.03.15	31.12.14
		\$'000	\$'000	\$'000	\$'000
Share capital		2,402,071	2,398,336	2,402,071	2,398,336
Treasury shares		(1,078)	(2,446)	(1,078)	(2,446)
Reserves		5,508,527	5,259,647	2,347,210	2,341,255
Share capital and reserves	1	7,909,520	7,655,537	4,748,203	4,737,145
Non-controlling interests		509,837	489,401	-	-
Total equity		8,419,357	8,144,938	4,748,203	4,737,145
Represented by:					
Non-current assets					
Fixed assets		401,044	370,157	19	21
Investment properties	2	1,461,122	1,207,124	-	-
Amounts owing by associates and joint ventures		101,027	98,055	-	-
Intangible asset	3	2,733	-	-	-
Other non-current assets		114,783	113,548	3,939	4,048
Investments					
Subsidiaries		-	-	1,318,990	1,318,990
Associates and joint ventures	4	2,961,437	2,837,505	70,099	70,099
Long-term investments		189,683	191,271	12,264	12,264
		3,151,120	3,028,776	1,401,353	1,401,353
		5,231,829	4,817,660	1,405,311	1,405,422
Current assets					
Properties held for sale	5	6,757,148	6,530,988	-	-
Stocks		5,160	4,839	-	-
Debtors		541,709	508,697	429	734
Amounts owing by holding company and related parties		58,065	71,645	7,468,833	7,599,153
Cash and cash equivalents	6	2,276,658	2,593,719	4,235	4,001
		9,638,740	9,709,888	7,473,497	7,603,888
Less:					
Current liabilities					
Creditors		1,679,236	1,771,172	26,653	20,537
Tax provision		150,854	144,444	1,315	1,482
Short-term borrowings	6	906,288	1,055,670	700,801	885,494
Amounts owing to holding company and related parties		28,998	26,792	1,537,919	1,536,615
		2,765,376	2,998,078	2,266,688	2,444,128
Net current assets		6,873,364	6,711,810	5,206,809	5,159,760
Less:					
Non-current liabilities					
Long-term borrowings	6	3,445,170	3,147,338	1,861,412	1,827,556
Deferred taxation		171,463	171,013	481	481
Other non-current liabilities		69,203	66,181	2,024	-
		3,685,836	3,384,532	1,863,917	1,828,037
Net assets		8,419,357	8,144,938	4,748,203	4,737,145
Group net debt (\$'000)	6	2,074,800	1,609,289		
Group net debt-equity ratio (times)	6	0.25	0.20		
Net asset value per share (\$)	1	5.11	4.95		

Review of Financial Position

1. Share capital and reserves for the Group increased by \$254 million, due largely to the profits retained for the period and an increase in foreign currency translation reserves arising from the strengthening of United States dollar, Renminbi and Vietnamese dong against the Singapore dollar. As a result of the higher share capital and reserves, the Group's net asset value per share increased to \$5.11 as at 31 March 2015 from \$4.95 as at 31 December 2014.
2. The increase in investment properties arose primarily from the acquisition of a freehold office building at 75 King William Street in London in February 2015.
3. The intangible asset arose from the acquisition of 75% interest in Array Real Estate Pte. Ltd. ("Array") in January 2015.
4. The increase in investments in associates and joint ventures resulted mainly from the acquisition of 35% interest in Chengdu Taixin Real Estate Development Co., Ltd ("Chengdu Taixin") which owns a 16.7 hectares residential site in Chengdu, China, as well as share of current period's results of the associates and joint ventures.
5. The increase in properties held for sale was due mainly to the development expenditures incurred for the Group's ongoing residential developments.
6. The Group's net debt-equity ratio increased to 0.25 at end-March 2015 from 0.20 at end-December 2014. This was attributable mainly to payments for the newly acquired freehold office building at 75 King William Street in London and the acquisition of 35% interest in Chengdu Taixin as well as development expenditures incurred for various trading projects in China and Singapore.

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

Amount Repayable in One Year or Less, or on Demand

As at 31.03.15		As at 31.12.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
144,321	761,967	111,016	944,654

Amount Repayable after One Year

As at 31.03.15		As at 31.12.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
841,495	2,603,675	856,219	2,291,119

In addition to funds from internal sources and related companies, the Group obtained its funds from the capital market and banks either on a bilateral or on a syndicated basis. On a hedged basis, the fixed and floating rate borrowings were in the proportion of about 63% and 37% respectively as at end-March 2015.

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 \$2,555.2 million (31.12.14: \$2,567.1 million).

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY
for the First Quarter Ended 31 March 2015**

	Share Capital \$'000	Treasury Shares \$'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 2015	2,398,336	(2,446)	92,635	40,908	5,126,104	7,655,537	489,401	8,144,938
Total comprehensive income for the period								
Profit for the period	-	-	-	-	72,614	72,614	(3,063)	69,551
Other comprehensive income *	-	-	10,183	174,095	-	184,278	33,247	217,525
Total comprehensive income for the period	-	-	10,183	174,095	72,614	256,892	30,184	287,076
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Issue of shares under the Keppel Land Share Plans	3,735	-	(3,735)	-	-	-	-	-
Cost of share-based payments	-	-	755	-	-	755	-	755
Treasury shares reissued pursuant to Keppel Land Share Option Scheme	-	1,368	49	-	-	1,417	-	1,417
Dividend paid	-	-	-	-	-	-	(1,344)	(1,344)
Capital contribution	-	-	-	-	-	-	998	998
Total contributions by and distributions to owners	3,735	1,368	(2,931)	-	-	2,172	(346)	1,826
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of subsidiaries	-	-	-	-	-	-	1,224	1,224
Acquisition of non-controlling interests	-	-	(5,081)	-	-	(5,081)	(10,626)	(15,707)
Total changes in ownership interests in subsidiaries	-	-	(5,081)	-	-	(5,081)	(9,402)	(14,483)
Total transactions with owners	3,735	1,368	(8,012)	-	-	(2,909)	(9,748)	(12,657)
Balance at 31 March 2015	2,402,071	(1,078)	94,806	215,003	5,198,718	7,909,520	509,837	8,419,357

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY - continued
for the First Quarter Ended 31 March 2015**

	Share Capital \$'000	Treasury Shares \$'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 2014	2,398,336	-	74,940	(58,431)	4,574,574	6,989,419	496,168	7,485,587
Total comprehensive income for the period								
Profit for the period	-	-	-	-	87,727	87,727	195	87,922
Other comprehensive income *	-	-	(1,036)	7,721	-	6,685	2,118	8,803
Total comprehensive income for the period	-	-	(1,036)	7,721	87,727	94,412	2,313	96,725
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Cost of share-based payments	-	-	730	-	-	730	-	730
Purchase of treasury shares	-	(3,760)	-	-	-	(3,760)	-	(3,760)
Treasury shares reissued pursuant to Keppel Land Share Plans	-	3,434	(3,434)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(1,132)	(1,132)
Total contributions by and distributions to owners	-	(326)	(2,704)	-	-	(3,030)	(1,132)	(4,162)
<u>Change in ownership interest in a subsidiary</u>								
Liquidation of a subsidiary	-	-	-	-	-	-	(5,806)	(5,806)
Total change in ownership interest in a subsidiary	-	-	-	-	-	-	(5,806)	(5,806)
Total transactions with owners	-	(326)	(2,704)	-	-	(3,030)	(6,938)	(9,968)
Balance at 31 March 2014	2,398,336	(326)	71,200	(50,710)	4,662,301	7,080,801	491,543	7,572,344

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY - continued
for the First Quarter Ended 31 March 2015**

	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
COMPANY					
Balance at 1 January 2015	2,398,336	(2,446)	77,320	2,263,935	4,737,145
Total comprehensive income for the period					
Profit for the period	-	-	-	11,019	11,019
Other comprehensive income	-	-	(2,133)	-	(2,133)
Total comprehensive income for the period	-	-	(2,133)	11,019	8,886
Transactions with owners, recognised directly in equity					
<u>Contributions by and distributions to owners</u>					
Issue of shares under the Keppel Land Share Plans	3,735	-	(3,735)	-	-
Cost of share-based payments	-	-	755	-	755
Treasury shares reissued pursuant to Keppel Land Share Option Scheme	-	1,368	49	-	1,417
Total transactions with owners	3,735	1,368	(2,931)	-	2,172
Balance at 31 March 2015	2,402,071	(1,078)	72,256	2,274,954	4,748,203
Balance at 1 January 2014	2,398,336	-	75,624	2,124,515	4,598,475
Total comprehensive income for the period					
Profit for the period	-	-	-	2,287	2,287
Other comprehensive income	-	-	447	-	447
Total comprehensive income for the period	-	-	447	2,287	2,734
Transactions with owners, recognised directly in equity					
<u>Contributions by and distributions to owners</u>					
Cost of share-based payments	-	-	730	-	730
Purchase of treasury shares	-	(3,760)	-	-	(3,760)
Treasury shares reissued pursuant to Keppel Land Share Plans	-	3,434	(3,434)	-	-
Total transactions with owners	-	(326)	(2,704)	-	(3,030)
Balance at 31 March 2014	2,398,336	(326)	73,367	2,126,802	4,598,179

1(d)(ii) SHARE CAPITAL

Share Capital and Treasury Shares

During the quarter ended 31 March 2015, the Company issued 1,298,600 ordinary shares upon the vesting of shares released under the Keppel Land Restricted Share Plan and Keppel Land Performance Share Plan (collectively, the “Keppel Land Share Plans”). The Company’s issued shares (excluding treasury shares) as at 31 March 2015 comprised 1,546,881,101 ordinary shares (31.12.14: 1,545,162,668 ordinary shares).

During the quarter ended 31 March 2015, the Company transferred 419,833 treasury shares to the employees upon the exercise of options granted under the Keppel Land Share Option Scheme. Movements in the Company’s treasury shares during the quarter were as follows:

	Number of Shares
Balance at 1 January 2015	750,500
Treasury shares transferred pursuant to Keppel Land Share Option Scheme	(419,833)
Balance at 31 March 2015	<u>330,667</u>

As at 31 March 2015, the 330,667 (31.03.14: 100,500) treasury shares held by the Company represented 0.02% (31.03.14: 0.01%) of the total number of issued shares (excluding treasury shares).

Outstanding Share Options and Convertible Bonds

As at 31 March 2015, there were outstanding options for 1,557,287 (31.03.14: 1,997,120) of unissued ordinary shares under the Keppel Land Share Option Scheme. All the holders of such outstanding options have accepted the Options Proposal (as defined in the offer document dated 12 February 2015 issued by Keppel Corporation Limited (“Offeror”)) and these outstanding options will be cancelled in accordance with the terms of the Options Proposal in due course.

In addition, the \$500 million 1.875% Convertible Bonds due 2015, after adjusting for the conversion of \$200,000 by a bondholder in 2012, could be converted into 74,375,000 shares (31.03.14: 74,375,000 shares) at the conversion price of \$6.72 per share (31.03.14: \$6.72 per share).

Restricted Share Plan and Performance Share Plan

Movements in the number of shares under Keppel Land Share Plans were as follows:

Date of Grant	Number of Shares				
	At 01.01.15	Adjustment upon Release	Vested	Cancelled	At 31.03.15
KLL RSP					
29.06.12 ⁽¹⁾	299,000	-	(299,000)	-	-
28.03.13 ⁽¹⁾	657,719	-	(328,900)	-	328,819
31.03.14 ⁽¹⁾	1,117,000	-	(369,100)	(9,465)	738,435
	<u>2,073,719</u>	<u>-</u>	<u>(997,000)</u>	<u>(9,465)</u>	<u>1,067,254</u>
KLL PSP					
29.06.12	340,000	(38,400)	(301,600)	-	-
28.03.13 ⁽²⁾	370,000	-	-	-	370,000
31.03.14 ⁽²⁾	700,000	-	-	-	700,000
	<u>1,410,000</u>	<u>(38,400)</u>	<u>(301,600)</u>	<u>-</u>	<u>1,070,000</u>

Notes:

(1) As at 31 March 2015, there were 1,067,254 (31.03.14: 994,719) restricted shares that were released but not vested.

(2) Depending on the achievement of pre-determined performance targets, the actual number of performance shares to be released can range from zero to 150% of the numbers stated.

The Offeror has stated in its offer document dated 12 February 2015 that it is considering an appropriate proposal (“Awards Proposal”) to be made to the holders of the awards under the share plans to preserve the alignment of interest between such holders and the Keppel Group. Further details of the Awards Proposal will be set out in a separate announcement.

**1(e) CONSOLIDATED CASH FLOW STATEMENT
for the First Quarter Ended 31 March 2015**

Note	First Quarter	
	31.03.15 \$'000	31.03.14 \$'000
Operating activities:		
Profit before taxation	89,491	112,205
Adjustments for:		
Depreciation and amortisation	5,848	3,859
(Profit)/loss on sale of fixed assets	(1)	28
Write-back of allowance for foreseeable losses on properties held for sale	(63)	(419)
Bad debts written off	-	1
Allowance for doubtful debts	740	32
Cost of share-based payments	885	730
Interest and investment income	(6,451)	(7,611)
Interest expense	17,113	6,499
Share of results of associates and joint ventures	(38,927)	(46,709)
Operating cash flows before changes in working capital	68,635	68,615
Working capital changes:		
Debtors	(9,596)	(42,370)
Creditors	(147,755)	(118,021)
Stocks	(55)	(63)
Properties held for sale	(20,615)	(83,469)
Cash flows used in operations	(109,386)	(175,308)
Interest received	5,883	7,200
Interest paid	(15,981)	(5,385)
Income taxes paid	(14,627)	(36,137)
Net cash flows used in operating activities	(134,111)	(209,630)
Investing activities:		
Acquisition of subsidiaries	1 (2,290)	-
Investments in associates and joint ventures	(61,574)	(9,978)
Purchase of fixed assets	(14,810)	(11,300)
Expenditure on investment properties	(209,465)	(2,063)
Proceeds from sale of fixed assets	4	1
Advances/repayment from associates and joint ventures	16,023	3,548
Advances/repayment to associates and joint ventures	(2,230)	(7,937)
Redemption of shares by investee companies	3,969	3,513
Dividends received from associates and joint ventures	5,986	40,650
Dividends received from investee companies	568	411
Net cash flows (used in)/from investing activities	(263,819)	16,845

**1(e) CONSOLIDATED CASH FLOW STATEMENT - continued
for the Full Year Ended 31 December 2014**

	Note	First Quarter	
		31.03.15 \$'000	31.03.14 \$'000
Financing activities:			
Proceeds from share options exercised with issue of treasury shares		1,417	-
Purchase of treasury shares		-	(3,760)
Drawdown of loans		311,081	61,967
Repayment of loans		(248,461)	(142,595)
Loans from holding company and related companies		3,151	6,242
Acquisition of non-controlling interests	2	(15,707)	-
Advances/repayments from non-controlling shareholders		16,796	820
Advances/repayments to non-controlling shareholders		(14,084)	(45)
Contribution from non-controlling shareholders		998	-
Dividends paid to non-controlling shareholders		(1,344)	(1,132)
Net cash flows from/(used in) financing activities		53,847	(78,503)
Net decrease in cash and cash equivalents		(344,083)	(271,288)
Cash and cash equivalents at beginning of period		2,593,719	1,285,350
Exchange adjustments		27,022	4,516
Cash and cash equivalents at end of period		2,276,658	1,018,578

Notes to Consolidated Cash Flow Statement

1. In 1Q2015, the Group through its wholly-owned subsidiary, Straits Property Management Pte Ltd, entered into an agreement to acquire a 75% interest in Array from Array Holdings Private Limited ("AHPL") for a cash consideration of \$4.5 million. The remaining 25% stake will continue to be held by AHPL. The principal activities of Array and its four wholly-owned subsidiaries ("Array Group") are the provision of retail mall management services, project management services, retail properties marketing and leasing services.

The net assets of the subsidiaries acquired and the net cash outflow were as follows:

	First Quarter	
	31.03.15	31.03.14
	\$'000	\$'000
Fixed assets	59	-
Intangible asset	3,245	-
Debtors	2,795	-
Cash and cash equivalents	2,210	-
Creditors	(2,649)	-
Taxation	(201)	-
Deferred taxation	(562)	-
Total net identifiable assets at fair value	4,897	-
Non-controlling interests measured at non-controlling interests' proportionate share of the net assets	(1,224)	-
Net assets acquired	3,673	-
Goodwill arising from acquisition	827	-
Total purchase consideration	4,500	-
Less:		
Cash and cash equivalents acquired	(2,210)	-
Net cash outflow on acquisition	2,290	-

2. In 1Q2015, the Group completed the acquisition of an additional 43% effective stake in Phases 2 and 3 of a high-rise residential development integrated with retail component (known as Estella Heights) in Ho Chi Minh City ("HCMC"), Vietnam. This was done through the acquisition of 43% of the capital contribution held by Tien Phuoc Co., Ltd in the Estella Joint Venture Company Limited, for a purchase consideration of VND 243.9 billion (approximately \$15.7 million). The excess of the consideration paid over the net book value of assets acquired amounting to \$5.1 million was taken into equity.

Review of Cash Flows for 1Q2015

(i) Net cash flows used in operating activities

The Group's net cash used in the operating activities was \$134.1 million compared with \$209.6 million for 1Q2014, as a result of lower net cash outlays for the Group's properties held for sale. Included in 1Q2014 was the land payment for the newly acquired site in West Jakarta, Indonesia as well as payments for two residential sites in China which were acquired in 2013. The development costs incurred for 1Q2015 were largely for the ongoing projects in Singapore and China. Progress billings received in 1Q2015 were comparable with that of 1Q2014, mainly from Singapore and China trading projects.

(ii) Net cash flows (used in)/from investing activities

A net cash of \$263.8 million was used in the investing activities, compared with a net inflow of \$16.8 million for 1Q2014. The major outflows for 1Q2015 were for the acquisition of a freehold office building at 75 King William Street in London, a 35% interest in Chengdu Taixin and a 75% interest in Array Group. Higher dividends were received from the Group's associates and joint ventures in 1Q2014, mainly from Keppel REIT and the Central Park City project in Wuxi, China.

(iii) Net cash flows from/(used in) financing activities

The net cash from the financing activities was \$53.8 million, compared with a net outflow of \$78.5 million for 1Q2014. There was a net loan drawdown of \$62.6 million in 1Q2015 compared with a net repayment of \$80.6 million in 1Q2014. The inflows for 1Q2015 were partly used to finance the acquisition of additional 43% effective stake in Estella Heights in HCMC amounting to \$15.7 million.

Overall, the net decrease in cash and cash equivalents was \$344.1 million compared with \$271.3 million for 1Q2014.

2. AUDIT

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

3. AUDITOR'S 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 2014.

5. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the following Financial Reporting Standards that are relevant and effective for annual periods beginning on or after 1 January 2015:

Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*
Improvements to FRSs (January 2014)

- Amendment to FRS 102 *Share-Based Payment*
- Amendment to FRS 103 *Business Combinations*
- Amendments to FRS 108 *Operating Segments*
- Amendment to FRS 16 *Property, Plant and Equipment*
- Amendment to FRS 24 *Related Party Disclosures*
- Amendment to FRS 38 *Intangible Assets*

Improvements to FRSs (February 2014)

- Amendment to FRS 103 *Business Combinations*
- Amendment to FRS 113 *Fair Value Measurement*
- Amendment to FRS 40 *Investment Property*

The adoption of the above standards did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements of the Group.

6. EARNINGS PER ORDINARY SHARE

	GROUP		
	First Quarter		
	31.03.15	31.03.14	+/(-) %
Earnings per ordinary share of the Group based on net profit attributable to shareholders:			
(i) Based on the weighted average number of shares (cents)	4.7	5.7	(17.5)
- Weighted average number of shares (excluding treasury shares) ('000)	1,546,595	1,545,679	0.1
(ii) On a fully diluted basis (cents)	4.7	5.7	(17.5)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	1,546,595	1,546,842	(0.0)

7. NET ASSET VALUE

	GROUP	
	31.03.15	31.12.14
Net asset value per share based on issued share capital (excluding treasury shares) at the end of the period (\$)	5.11	4.95

8. REVIEW OF GROUP PERFORMANCE

Group Overview

(\$'000)	1Q2015	1Q2014	Change (%)
Revenue	278,385	284,890	(2.3)
Profit before taxation	89,491	112,205	(20.2)
Net profit	72,614	87,727	(17.2)

1Q2015 vs. 1Q2014

The Group's revenue for 1Q2015 decreased by \$6.5 million or 2.3% compared with 1Q2014, due mainly to lower revenue achieved by the Property Trading segment.

The lower revenue from the Property Trading segment was due largely to absence of revenue from The Lakefront Residences in Singapore as this project obtained temporary occupation permit in May 2014 and lower revenue from Plot 2-2 of The Springdale in Shanghai which was completed in March 2014. These decreases were partly mitigated by higher revenues from The Luxurie in Singapore and Phases 4 and 5 of 8 Park Avenue in Shanghai, as well as new revenue streams from Phase 1 of Seasons Residence in Shanghai and Phase 1 of Park Avenue Heights in Chengdu which were both completed in December 2014.

At pre-tax level, the Group's profit decreased by \$22.7 million, or 20.2% over that for the same quarter last year, for the same reasons mentioned above, as well as absence of contributions from Equity Plaza and MBFC Tower 3 following the divestment in 2014. There was also higher net interest expense incurred for 1Q2015 as a result of higher borrowings and lower capitalisation of interest expenses by the project development companies.

After accounting for taxes and non-controlling interests' share of profits, the Group's net profit was \$72.6 million, a decrease of 17.2% from \$87.7 million reported in 1Q2014.

Earnings from overseas represented about 36.8% of the Group's net profit compared with 30.4% for 1Q2014.

8. REVIEW OF GROUP PERFORMANCE - continued

Segmental Performance

Property Trading

(\$'000)	1Q2015	1Q2014	Change (%)
Revenue	220,281	236,584	(6.9)
Net profit	35,018	35,592	(1.6)

Revenue for 1Q2015 was lower compared with 1Q2014, due mainly to absence of revenue from The Lakefront Residences which achieved completion in May 2014 and lower revenue from Plot 2-2 of The Springdale in Shanghai which was completed in March 2014. The decreases were partly cushioned by higher revenues from The Luxurie in Singapore and Phases 4 and 5 of 8 Park Avenue in Shanghai, as well as new revenue recognition for Phase 1 of Seasons Residence in Shanghai and Phase 1 of Park Avenue Heights in Chengdu which were both completed in December 2014.

Notwithstanding the lower revenue, net profit for 1Q2015 was comparable to that of 1Q2014, due primarily to higher contributions from Marina Bay Suites and The Botanica in Chengdu as well as write-back of costs accruals.

Property Investment

(\$'000)	1Q2015	1Q2014	Change (%)
Revenue	8,111	12,052	(32.7)
Net profit	23,459	29,310	(20.0)

Rental income for 1Q2015 was lower due mainly to the absence of revenue from Equity Plaza which was divested in August 2014.

Net profit for 1Q2015 decreased as a result of the lower rental income, and absence of contribution from MBFC Tower 3 following the divestment to Keppel REIT in December 2014.

8. REVIEW OF GROUP PERFORMANCE - continued

Segmental Performance

Fund Management

(\$'000)	1Q2015	1Q2014	Change (%)
Revenue	24,903	10,710	132.5
Net profit	13,987	13,112	6.7

Net profit from fund management for 1Q2015 increased, due largely to higher management fees and divestment fees earned by Alpha Investment Partners Limited in relation to the disposal of two commercial buildings in Tokyo, Japan in 1Q2015.

Hotels and Resorts

(\$'000)	1Q2015	1Q2014	Change (%)
Revenue	19,700	20,130	(2.1)
Net profit	4,271	5,026	(15.0)

Net profit for 1Q2015 decreased, mainly because of higher operating costs incurred by the two hotels in Myanmar.

Others *

(\$'000)	1Q2015	1Q2014	Change (%)
Revenue	30,136	26,315	14.5
Net (loss)/profit	(4,121)	4,687	(187.9)

* Others include corporate services, property services and others

This segment reported a net loss for 1Q2015 compared with a profit for 1Q2014, attributable largely to lower project management fees earned, absence of a write-back of excess staff cost provision and higher net interest expense, partly mitigated by higher exchange gains.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the first quarter ended 31 March 2015 was previously provided.

10. PROSPECTS

According to the Urban Redevelopment Authority's flash estimates, Singapore's private residential prices fell further by 1.1% in the first quarter of 2015 after a 1% decline in the fourth quarter of 2014. About 1,380 new private residential units were sold in the first quarter of this year, lower compared with the 1,744 units sold in the first quarter of 2014.

In Singapore, the Group sold more than 30 residential units in the first quarter of 2015, compared with about 50 units sold in the first quarter of 2014. Overseas, the Group sold about 690 units in the first quarter of 2015, mainly from China and Vietnam. Sales were mainly from Seasons Park in Tianjin and Central Park City in Wuxi, China as well as Estella Heights in Ho Chi Minh City, Vietnam.

During the quarter, Keppel Land continued to make acquisitions in the key countries it is focused on in Asia, as well as make opportunistic investments in global gateway cities.

In China, the Group extended its strategic alliance with China Vanke to develop a 16.7-hectare prime residential site in Chengdu. This is the Group's sixth project in the city and will further enhance its market presence. In Indonesia, the Group went on to acquire a second residential site in West Jakarta after the purchase of the first site in the same vicinity in 2014. This will strengthen the Group's position in the capital city. Outside Asia, the Group acquired a freehold office building in Central London in the United Kingdom. The investment will be managed by Alpha Investment Partners (Alpha), the Group's private equity property fund management vehicle.

Keppel REIT achieved 100% committed occupancy at nine of its 11 properties in Singapore and Australia, bringing its overall portfolio occupancy to 99.3% as at end-March 2015. Two of Alpha's funds, Alpha Core Plus Real Estate Fund and AIB Alpha Japan Fund, divested two commercial buildings, namely Shiodome Plaza and Otowa East, in Tokyo, Japan in the first quarter of 2015. Total assets under management by Keppel REIT and Alpha, when fully leveraged and invested, stood at \$18.7 billion as at end-March 2015.

The Group will remain focused on Asia, with Singapore and China as its core markets and Indonesia and Vietnam as its growth markets, while seeking opportunities in key global cities with good growth potential.

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 and Indonesia.

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

- Correctly understanding and responding to the future surprises that the Group will face in the challenges of major discontinuities in the global political, economic and social spheres;
- Availability of good residential sites at competitive prices for housing in populous cities for township development where 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;
- 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; and
- Proper management of interest and currency rate exposures.

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/recommendeded, a statement to that effect

No dividend has been declared for the quarter ended 31 March 2015.

The Directors have proposed that a final one-tier tax exempt dividend of 14 cents per share be paid for the year ended 31 December 2014, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company to be held on 30 April 2015. If approved, the proposed final dividend is expected to be paid on or about 20 May 2015.

13. SEGMENTAL ANALYSIS

Quarter ended 31 March 2015

Sales

External sales
Inter-segment sales
Total

Results

EBITDA ⁽²⁾
Depreciation and amortisation
Investment income
Net interest income/(expenses)
Share of results of associates and joint ventures
Profit before taxation
Taxation
Profit after taxation
Non-controlling interests
Net profit/(loss)

Other information

Segment assets
Segment liabilities
Net assets/(liabilities)

Investment in associates and joint ventures
Additions to non-current assets ⁽³⁾

Geographical information

External sales
Non-current assets ⁽⁴⁾

First Quarter						
Property Trading	Property Investment	Fund Management	Hotels and Resorts	Others ⁽¹⁾	Inter-segment Elimination	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
220,237	8,031	24,814	18,255	7,048	-	278,385
44	80	89	1,445	23,088	(24,746)	-
220,281	8,111	24,903	19,700	30,136	(24,746)	278,385
39,180	3,308	15,022	7,892	1,672	-	67,074
(2,216)	(70)	(196)	(2,360)	(1,006)	-	(5,848)
-	472	-	-	96	-	568
(4,424)	(182)	148	(1,370)	(5,402)	-	(11,230)
13,090	23,236	1,553	(1)	1,049	-	38,927
45,630	26,764	16,527	4,161	(3,591)	-	89,491
(13,326)	(3,026)	(2,540)	(449)	(599)	-	(19,940)
32,304	23,738	13,987	3,712	(4,190)	-	69,551
2,714	(279)	-	559	69	-	3,063
35,018	23,459	13,987	4,271	(4,121)	-	72,614
8,575,301	4,044,028	44,253	234,326	4,638,716	(2,666,055)	14,870,569
(3,401,098)	(698,632)	(27,215)	(335,097)	(4,655,225)	2,666,055	(6,451,212)
5,174,203	3,345,396	17,038	(100,771)	(16,509)	-	8,419,357
630,341	2,280,967	2,102	(3,005)	51,032	-	2,961,437
57,386	216,978	6	11,379	100	-	285,849
			Singapore	China	Other Countries	Total
			\$'000	\$'000	\$'000	\$'000
External sales			87,628	151,726	39,031	278,385
Non-current assets ⁽⁴⁾			2,564,424	1,682,177	985,228	5,231,829

Notes:

(1) "Others" include corporate services, property services and others.

(2) EBITDA refers to profit before interest, taxation, depreciation charge, amortisation charge, share of results of associates and joint ventures, and other loss.

(3) Additions to non-current assets comprise investment in associates and joint ventures, purchase of fixed assets and expenditure on investment properties.

(4) Non-current assets comprise fixed assets, investment properties, amounts owing by associates and joint ventures, investments and other non-current assets.

13. SEGMENTAL ANALYSIS – continued

Quarter ended 31 March 2014

Sales

External sales
Inter-segment sales
Total

Results

EBITDA ⁽²⁾
Depreciation charge
Investment income
Net interest income/(expenses)
Share of results of associates and joint ventures
Profit before taxation
Taxation
Profit after taxation
Non-controlling interests
Net profit

Other information

Segment assets
Segment liabilities
Net assets/(liabilities)

Investment in associates and joint ventures
Additions to non-current assets ⁽³⁾

Geographical information

External sales
Non-current assets ⁽⁴⁾

First Quarter						
Property Trading	Property Investment	Fund Management	Hotels and Resorts	Others ⁽¹⁾	Inter-segment Elimination	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
236,407	11,970	10,710	18,704	7,099	-	284,890
177	82	-	1,426	19,216	(20,901)	-
236,584	12,052	10,710	20,130	26,315	(20,901)	284,890
43,906	6,431	5,041	7,620	5,245	-	68,243
(2,056)	(49)	(77)	(1,052)	(625)	-	(3,859)
-	355	-	-	56	-	411
2,852	(937)	42	(810)	(446)	-	701
5,294	28,951	10,486	(1)	1,979	-	46,709
49,996	34,751	15,492	5,757	6,209	-	112,205
(15,108)	(4,299)	(2,380)	(971)	(1,525)	-	(24,283)
34,888	30,452	13,112	4,786	4,684	-	87,922
704	(1,142)	-	240	3	-	(195)
35,592	29,310	13,112	5,026	4,687	-	87,727
8,666,901	4,229,561	72,611	170,746	4,124,515	(3,497,657)	13,766,677
(4,199,863)	(779,973)	(14,091)	(256,925)	(4,441,138)	3,497,657	(6,194,333)
4,467,038	3,449,588	58,520	(86,179)	(316,623)	-	7,572,344
479,005	2,421,415	39,567	(3,001)	42,869	-	2,979,855
16,519	(2,988)	3	9,702	105	-	23,341
			Singapore	China	Other Countries	Total
			\$'000	\$'000	\$'000	\$'000
External sales			98,410	143,466	43,014	284,890
Non-current assets ⁽⁴⁾			3,746,497	1,438,056	589,930	5,774,483

Notes:

(1) "Others" include corporate services, property services and others.

(2) EBITDA refers to profit before interest, taxation, depreciation charge, amortisation charge, share of results of associates and joint ventures.

(3) Additions to non-current assets comprise investment in associates and joint ventures, purchase of fixed assets and expenditure on investment properties.

(4) Non-current assets comprise fixed assets, investment properties, amounts owing by associates and joint ventures, investments and other non-current assets.

14. REVIEW OF SEGMENTAL PERFORMANCE

Please refer to Section 8.

15. BREAKDOWN OF SALES

	GROUP		
	2015 \$'000	2014 \$'000	+ / (-) %
Sales reported for first quarter	278,385	284,890	(2.3)
Operating profit after tax before deducting non-controlling interests reported for first quarter	69,551	87,922	(20.9)

16. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from the shareholders of the Company for interested person transactions in the Annual General Meeting held on 17 April 2014. During the quarter ended 31 March 2015, the following interested person transactions were entered into by the Group:

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 (excluding Transactions less than \$100,000).	
	First Quarter		First Quarter	
	31.03.15 \$'000	31.03.14 \$'000	31.03.15 \$'000	31.03.14 \$'000
(a) Property transactions -				
Keppel Corporation Limited Group:				
Project development and management fees received	-	-	247	197
Property management fees received	-	-	16	257
Marketing commission received	-	-	372	717
Management and support service fees received	-	-	985	1,097
Rental expense	-	-	2,872	-
(b) Other transactions -				
Keppel Corporation Limited Group:				
Deposits outstanding at period-end	-	-	1,647,168	343,567
Treasury – interest income	-	-	1,825	154
Treasury – interest expense	-	-	1,369	876
Treasury – foreign exchange transactions	-	-	3,388	42,899
Management fees paid	-	-	2,653	2,592
Other products and service fees paid	-	-	437	977
Shareholder's loan to Keppel Point Pte Ltd	107	-	-	-
Temasek Group:				
Interest expense	-	-	678	-

BY ORDER OF THE BOARD

ANNA TAN / TOK BOON SHENG
Joint Company Secretaries
15 April 2015

CONFIRMATION BY THE BOARD

We, LOH CHIN HUA and ANG WEE GEE, 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 1Q2015 financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors



LOH CHIN HUA
Chairman



ANG WEE GEE
Chief Executive Officer

Singapore, 15 April 2015