



FY 2005 Results Announcement

26 January, 2006

Scope of Briefing

- ◆ Address by Executive Chairman
- ◆ Group Financial Highlights
- ◆ Business Review & Outlook

Address By Executive Chairman

Another Record Year

◆ Grew earnings

- ✓ EPS up 20% to 72.1 cents

◆ Increased shareholder value

- ✓ EVA improved by S\$164m to S\$199m
- ✓ ROE up from 15.5% to 16.4%

◆ Returning value to shareholders

- ✓ Distribution of 46 cts/share, up 15%

Building Stronger Businesses

Strengthening Core Competencies

- Strategic tie-ups / R&D efforts
- Moving up the value-chain

Expanding Footprint

- Penetrate new markets
- Augment existing network

Increasing Asset Yields

- Actively managing capacity
- Working assets harder

Forging Ahead

- ◆ O & M : Building the world's rig fleet
- ◆ Oil & Gas : Filling energy needs
- ◆ Property : Meeting Asia's housing demand
- ◆ Infrastructure : Making inroads

Happy Lunar New Year !

Group Financial Highlights

2005 Financial Achievements

PATMI	↑ 21% to S\$564m
EPS	↑ 20% to 72.1cts
Distribution	↑ from 40 cts/share to 46 cts/share
ROE	↑ from 15.5% to 16.4%
EVA	↑ S\$164m to S\$199m
Free cash flow	↑ 19% to S\$694m
Net gearing	↓ from 0.64x to 0.47x

Financial Highlights

S\$m	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Revenue	5,688	3,963	43.5
EBITDA	599	589	1.7
Operating Profit	467	409	14.2
Profit Before Tax	826	645	28.1
PATMI	564	465	21.3
EPS (cents)	72.1	59.9	20.4

Revenue by Segments

S\$m	<u>2005</u>	<u>%</u>	<u>2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	4,112	72	2,428	61	69
Property	847	15	711	18	19
Infrastructure	610	11	729	18	(16)
Investments	119	2	95	3	25
Total	5,688	100	3,963	100	44

Pretax Profits by Segments

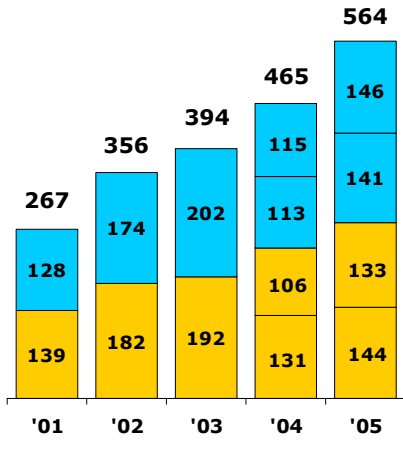
S\$m	<u>2005</u>	<u>%</u>	<u>2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	350	42	247	38	42
Property	222	27	194	30	14
Infrastructure	(30)	(4)	26	4	NM
Investments	284	35	178	28	60
Total	826	100	645	100	28

PATMI by Segments

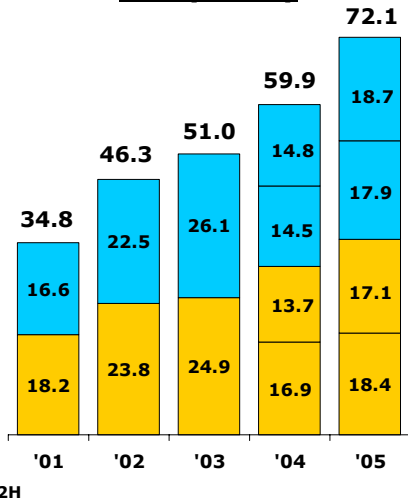
S\$m	<u>2005</u>	<u>%</u>	<u>2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	239	42	191	41	25
Property	118	21	118	26	-
Infrastructure	(34)	(6)	20	4	NM
Investments	241	43	136	29	77
Total	564	100	465	100	21

Consistent Earnings Growth

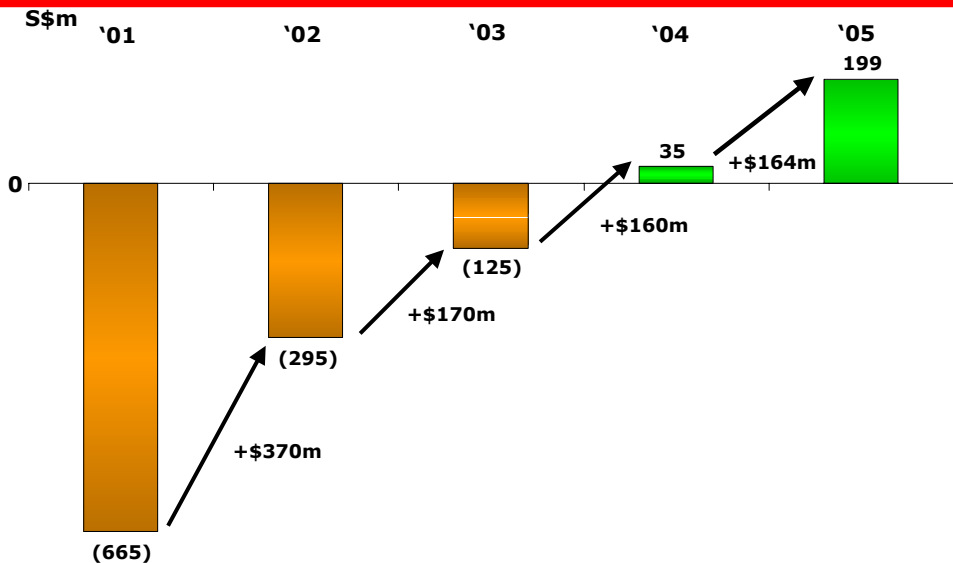
PATMI (S\$m)



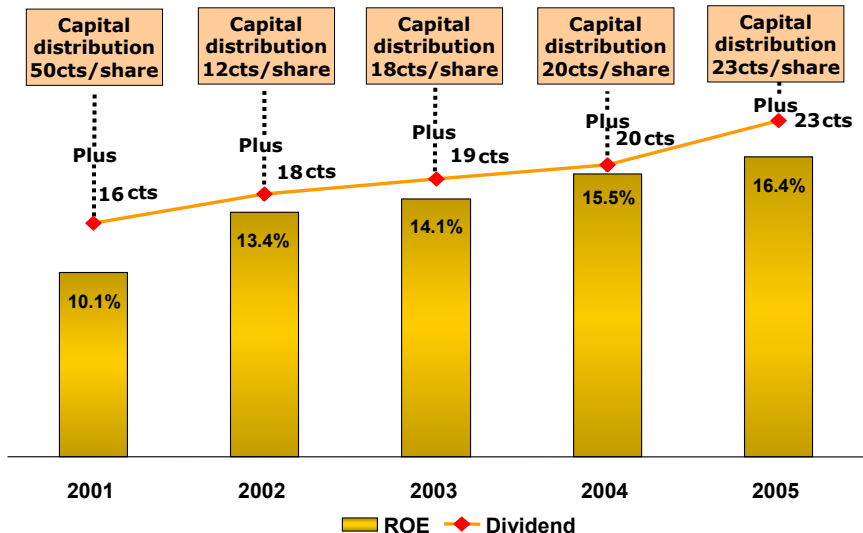
EPS (Cents)



Continued EVA Growth



Increasing ROE & Dividend



Healthy Free Cash Flow

	<u>2005</u>
	S\$m
Operating profit	467
Depreciation & other non-cash items	139
	<hr/> 606
Working capital changes	904
Interest & tax paid	(40)
Net cash from operating activities	<hr/> 1,470 <hr/>
Investments & capex	(1,025)
Divestments & dividend income	249
Net cash used in investing activities	<hr/> (776) <hr/>
Free Cash Flow	<hr/> 694 <hr/>
Dividends paid	<hr/> 324 <hr/>

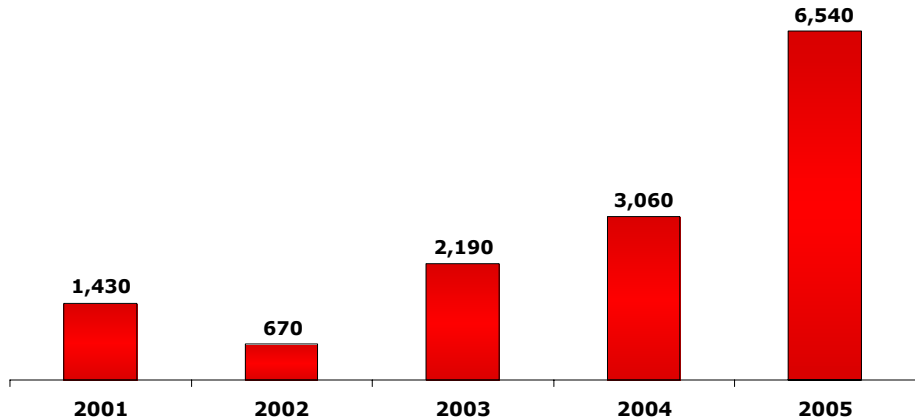
Business Review & Outlook

Offshore & Marine

An Exceptional Year

S\$m

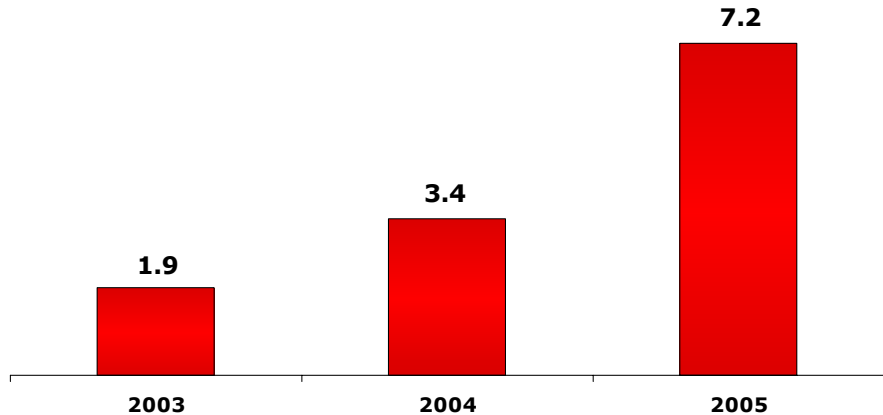
Contracts Secured



Building Earnings Visibility Beyond 2008

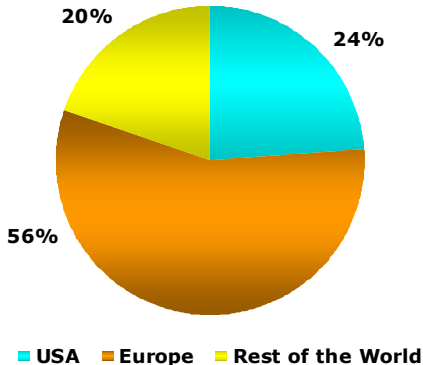
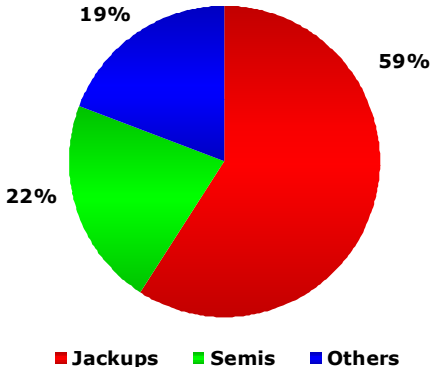
S\$b

Net Orderbook



A Good Spread

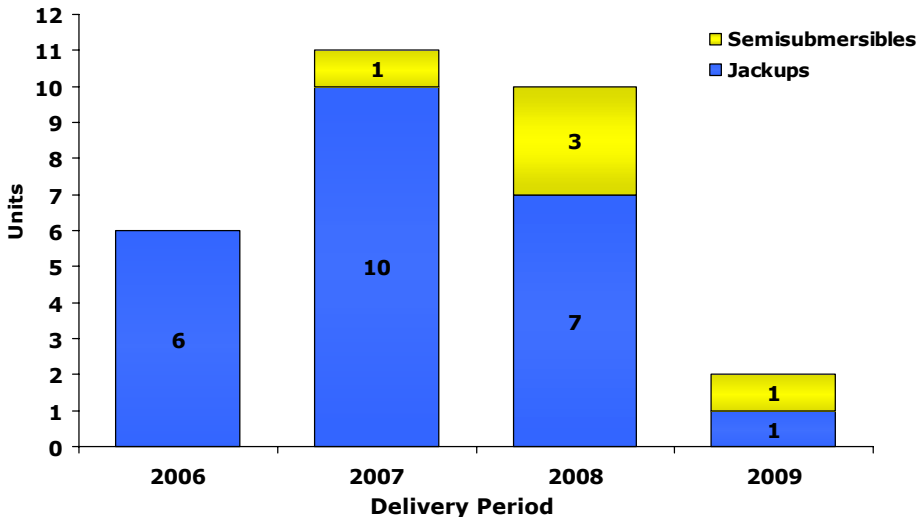
Contracts Secured in 2005



Healthy Product Mix

Broad Customer Base

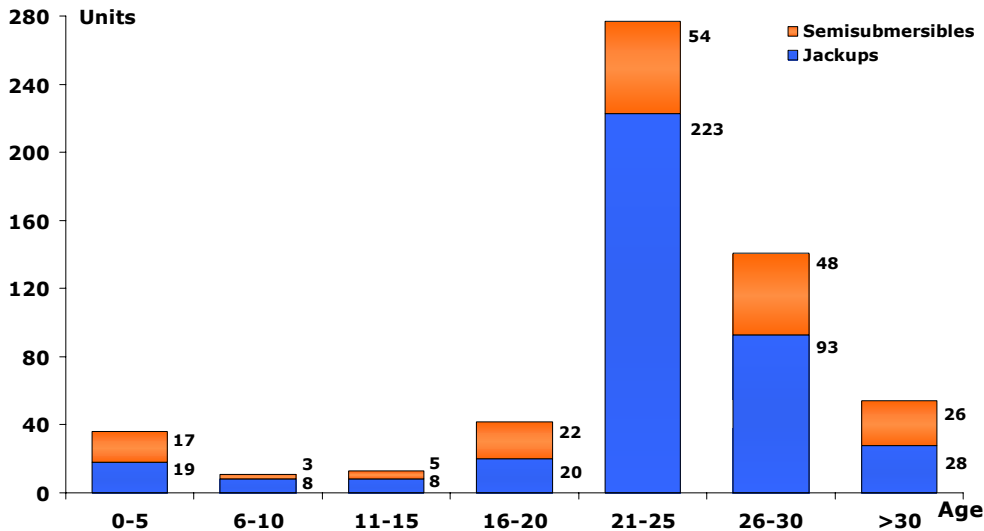
Growing Orderbook Into 2008-09



Actively Managing Yard Capacity

- ◆ Efforts to maximise capacity in Singapore
 - Nantong Shipyard, China constructing specialised vessels
 - Batangas Shipyard, Philippines enhancing facilities for offshore fabrication
 - Focusing on higher-value work
- ◆ All yards well-placed to do more

Rig Order Cycle Not Over



Demand Drivers Remain Strong

- ◆ High oil & gas prices, need to replace reserves drive E&P activities
- ◆ Multi-year contracts at favourable day rates support newbuilds
- ◆ Operators tendering for multi-year drilling programs starting 2007/08; rig demand visibility lengthens

Oil & Gas

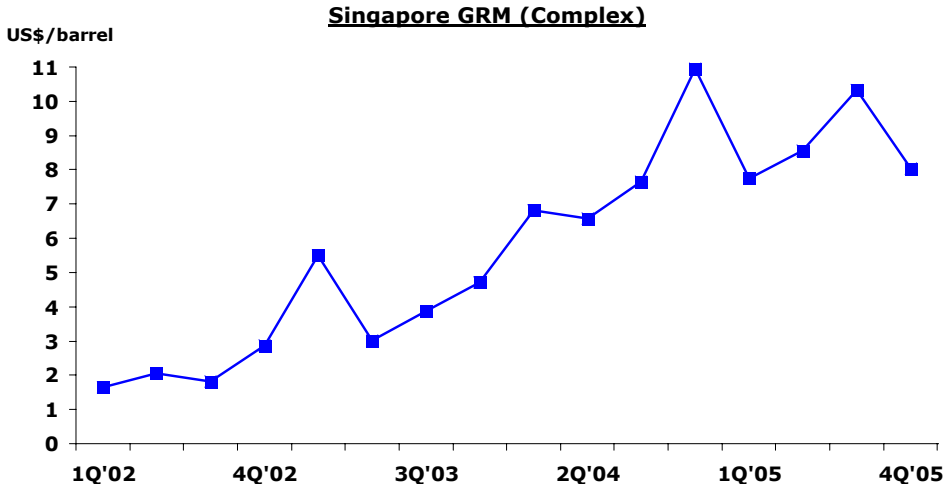
Growing Upstream Assets



- ◆ Vietnam (Blocks 102 and 106)
 - Increased interest to 20%
- ◆ Cambodia (Block B)
 - Secured 30% stake
- ◆ Indonesia (Sampang PSC)
 - Attained 19.6% interest in Jeruk
 - Oyong starting production in 2006

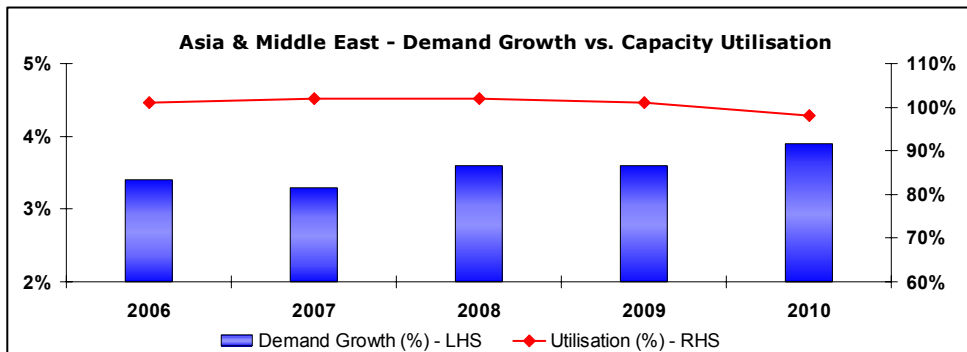
Managing portfolio to improve returns

Refining Margins Remain Healthy



Underpinned By Asian Demand

- ◆ Growing Asian economies continue to fuel demand
- ◆ Refining capacity remains tight; project delays defer new supply schedules



Property

Expanding Presence In New Downtown

One Raffles Quay



- ◆ Near 70% pre-commitment
- ◆ Blue-chip anchor tenants
 - ✓ ABN Amro
 - ✓ Deutsche Bank
 - ✓ UBS
 - ✓ Ernst & Young
 - ✓ Societe Generale
 - ✓ Barclays

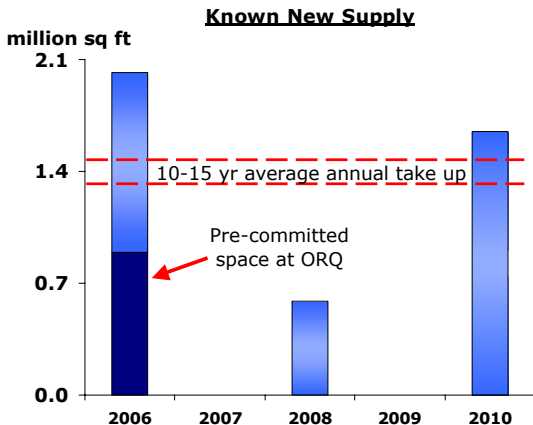
Business and Financial Centre



- ✓ Secured Phase 1
- ✓ Purchased 8-year option for remaining phase

A Tight Domestic Office Market

- ◆ Limited new supply
- ◆ Redevelopments reduce current supply
- ◆ Growth of financial services industry
- ◆ Attractive rentals within Asia



Improving rentals and occupancy

Generating More Fee-Based Income

- ◆ Setting up K-REIT Asia
 - 4 prime office buildings worth S\$630m
 - To be launched in 1Q'06
- ◆ Fund management initiatives
 - Asia No.1 Property Fund closed with US\$243m equity
 - 2nd closing of Alpha Core Plus Real Estate Fund in early 2006
 - Total Assets Under Management of US\$1.4b expected



Prudential Tower



Keppel Towers



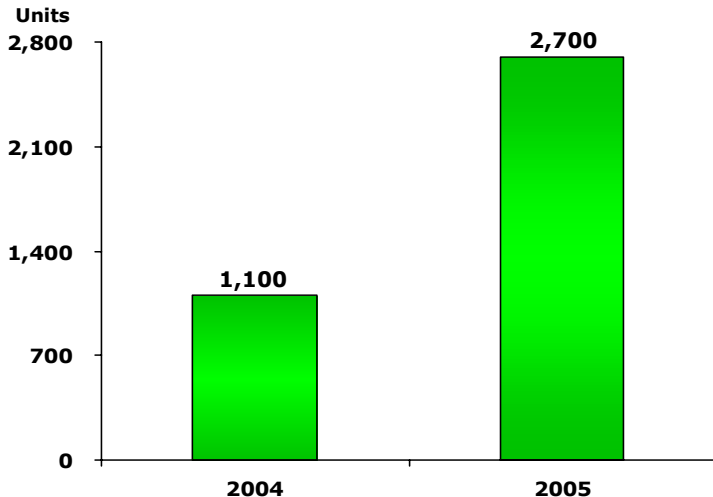
GE Tower



Bugis Junction Towers

Units Sold More Than Doubled

Overseas Residential Sales



Positive Residential Outlook

- ◆ Domestic private home prices on uptrend
 - Rose 7 consecutive quarters, up 3.8% in 2005*
 - Strength in high end segment to filter to broader market
 - Strong economy, better job market and more foreign buyers

- ◆ Strong fundamentals in overseas markets
 - Economic growth
 - Increasing aspiration for home ownership
 - Favourable demographic trends

Rolling Out Township Projects



Growing A Sustainable Earnings Stream

2003

- Embarked on township development
- Acquired 42-ha in Chengdu (The Botanica)

2004

- Licence for 74-ha Saigon Sports City
- Acquired 270-ha in Jakarta (Cakung)

2005

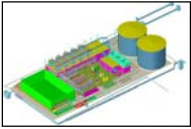
- The Botanica (Ph 1) sold out in 8 mths
- Acquired 35-ha in Wuxi

2006 & Beyond

- Launching Cakung & The Botanica (Ph 2)
- Saigon Sports City and Wuxi in pipeline
- Pursuing opportunities in growth cities

Infrastructure

Building Sustainable Long-Term Earnings



NEWater Plant



Cogen Plant



Incineration Plant

2006 2007 2008 2009 2010

Exploring opportunities in growth markets

Prospects

Double-digit average annual growth rate for next 2 years

Keppel Corporation FY 2005 Results

**Thank You
Q&A**

Additional Info

Keppel Corporation

Financial Highlights – Keppel Corp

S\$m	<u>4Q 2005</u>	<u>4Q 2004</u>	<u>% Change</u>
Revenue	1,756	1,168	50
EBITDA	140	128	9
Operating Profit	92	67	37
Profit Before Tax	221	169	31
PATMI	146	115	27

Revenue by Customers

	2005		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	4,112	96	4
Property	847	47	53
Infrastructure	610	52	48
Investments	119	57	43
Total	<u><u>5,688</u></u>	83	17

**83% of total revenue
came from overseas customers**

EBITDA by Segments

S\$m	<u>2005</u>	<u>%</u>	<u>2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	377	63	306	52	23
Property	215	36	194	33	11
Infrastructure	(16)	(3)	72	12	NM
Investments	23	4	17	3	35
Total	599	100	589	100	2

Capital/Gearing/ROE

S\$m	<u>31 Dec 2005</u>	<u>31 Dec 2004</u>
Shareholders' Funds	3,646	3,090
Capital Employed	4,935	4,256
Net Debt	2,320	2,726
Net Gearing	0.47x	0.64x
ROE	16.4%	15.5%

Offshore & Marine

Financial Highlights – Offshore & Marine

S\$m	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Revenue	4,112	2,428	69
EBITDA	377	306	23
Operating Profit	318	246	29
Profit Before Tax	350	247	42
PATMI	239	191	25

Financial Highlights – Offshore & Marine

S\$m	<u>4Q 2005</u>	<u>4Q 2004</u>	<u>% Change</u>
Revenue	1,261	800	58
EBITDA	92	91	1
Operating Profit	76	74	3
Profit Before Tax	100	74	35
PATMI	68	50	36

Offshore & Marine Review

- ◆ S\$316m contracts secured in 4Q 2005:
 - 6 AHTS, 2 tugs, pipelayer conversion, FPSO Outfitting, semi upgrade

- ◆ Major contract completions in 4Q 2005:
 - 1 semi special survey, 1 JU upgrade, 1 semi repair, 1 cantilever modification/installation, 1 FPSO conversion, 4 AHTS, 2 tugs, 1 power barge

Offshore & Marine Orderbook

	<u>Balance Order</u> <u>S\$m</u>	<u>Clients</u>
<u>For delivery in 2006</u>		
6 Jack Ups / 1 Jack Up Upgrade / 2 Semi Upgrades / 2 Accommodation Platforms / 1 FPSO Hull Conversion / 1 FPSO Conversion / 1 FPSO Outfitting / 1 FPSO Hookup/Comm. / 1 Pipelayer Conversion / Barges & Pipe Racks / 2 PSVs / 9 AHTS / 8 Tugs	1,018	Sinvest / Odfjell / GDI / Awilco / Ensco / Diamond / Transocean / Pemex / SBM / Marathon / Sevan / Petrobras / Allseas / Agip KCO / Maersk / Bourbon / Smit / Hadi Hammam / Lukoil / Zamil / Keppel Smit Towage
<u>For delivery in 2007</u>		
1 Semi / 10 Jack Ups / 1 FPSO Hull Conversion / 1 Sludge Vessel / 2 AHTS	2,410	Petrobras / Petrovietnam / Sinvest / Odfjell / Maersk / Seatankers / Ensco / Diamond / GDI / Scorpion / City of New York / Hadi Hammam / Gulfmark / Lukoil
<u>For delivery in 2008 to 2009</u>		
4 Semis / 8 Jack Ups / 5 AHTS	3,781	Petrobras / Maersk / Diamond / Ensco / Sinvest / Awilco / Scorpion / Hadi Hammam / Gulfmark
TOTAL as at 31 December 2005	<u><u>7,209</u></u>	

Property

Financial Highlights - Property

S\$m	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Revenue	847	711	19
EBITDA	215	194	11
Operating Profit	195	179	9
Profit Before Tax	222	194	14
PATMI	118	118	-

Financial Highlights – Property

S\$m	<u>4Q 2005</u>	<u>4Q 2004</u>	<u>% Change</u>
Revenue	266	164	62
EBITDA	59	34	74
Operating Profit	51	30	70
Profit Before Tax	69	41	68
PATMI	41	29	41

Infrastructure

Financial Highlights – Infrastructure

S\$m	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Revenue	610	729	(16)
EBITDA	(16)	72	NM
Operating Profit	(60)	4	NM
Profit Before Tax	(30)	26	NM
PATMI	(34)	20	NM

Financial Highlights – Infrastructure

S\$m	<u>4Q 2005</u>	<u>4Q 2004</u>	<u>% Change</u>
Revenue	191	196	(3)
EBITDA	(14)	-	NM
Operating Profit	(36)	(16)	125
Profit Before Tax	(28)	(10)	180
PATMI	(31)	(12)	158

Investments

Financial Highlights - Investments

S\$m	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Revenue	119	95	25
EBITDA	23	17	35
Operating Profit	14	(20)	NM
Profit Before Tax	284	178	60
PATMI	241	136	77

Financial Highlights – Investments

S\$m	<u>4Q 2005</u>	<u>4Q 2004</u>	<u>% Change</u>
Revenue	38	8	375
EBITDA	3	3	-
Operating Profit	1	(21)	NM
Profit Before Tax	80	64	25
PATMI	68	48	42

This release may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.