



# **FY 2006 Results Announcement**

**30 January, 2007**

# Scope of Briefing

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

# **Address By Executive Chairman**

# Enhanced Sustainable Earnings

Record PATMI of \$751m

EPS up 32%, a new high

FCF doubled to \$1.5b

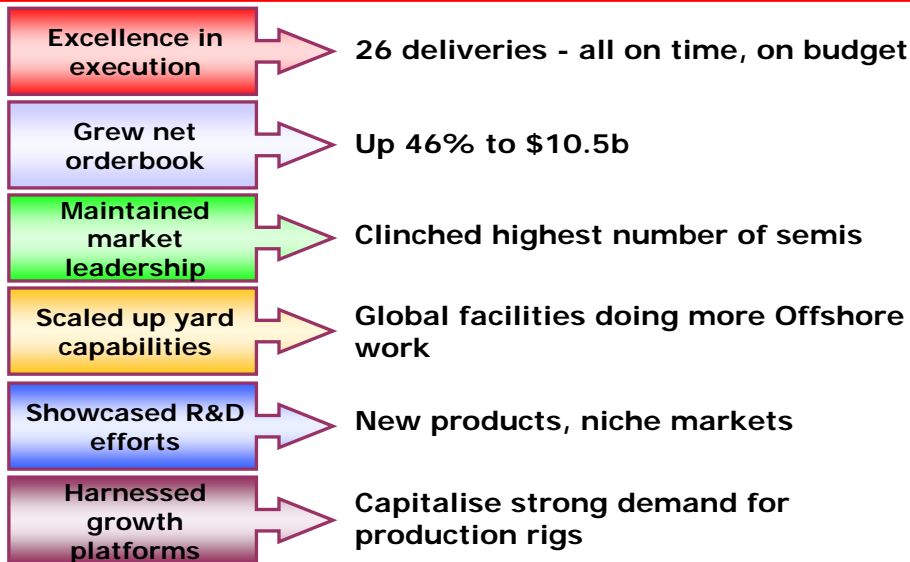
Net gearing of 0.24x

***STRONG FINANCIALS  
TO EXPLOIT  
OPPORTUNITIES***

Growth initiatives in  
Property & Infrastructure  
yielding payoffs

***BROADENING  
EARNINGS BASE***

# Offshore & Marine : Stronger Than Ever



# Oil & Gas : Upstream Taking Shape

**Grew acreage portfolio**

- Acquired acreage in Vietnam
- Increased stake in Cambodia prospect

**Unlocking value**

- Commenced several drilling & appraisals
- 1<sup>st</sup> development project starting production in 2007

**Scaling up activities across Upstream value chain**

# Property : Leveraging Competencies

## Premier waterfront developer

- Successful launch of *Marina Bay Residences*
- Launching *Reflections at Keppel Bay*

## Leading prime office player

- *One Raffles Quay* – financial sector's favourite
- *MBFC* upcoming
- K-REIT - platform to extract value

## Asia's quality home developer

- Suite of product platforms
- Seize opportunities to broaden footprint

# Infrastructure : On Firm Footing

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**Cogen &  
NEWater  
plants  
commencing**

**Power  
barges  
successfully  
redeployed**

**Secured  
milestone  
Qatar  
contract**

**Global demand for cleaner environment & power  
generation underpins outlook**



# **Sustainable & broad-based value creation**

# Group Financial Highlights

# 2006 Financial Achievements

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PATMI	↑	33% to S\$751m
EPS	↑	32% to 95.4cts
Distribution	↑	from 46 cts/share to 56 cts/share
ROE	↑	from 16.4% to 19.1%
EVA	↑	S\$224m to S\$423m
Free cash flow	↑	113% to S\$1,480m
Net gearing	↓	from 0.47x to 0.24x

# Financial Highlights

<b>S\$m</b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>7,601</b>	<b>5,688</b>	<b>34</b>
<b>EBITDA</b>	<b>931</b>	<b>599</b>	<b>55</b>
<b>Operating Profit</b>	<b>804</b>	<b>467</b>	<b>72</b>
<b>Profit Before Tax</b>	<b>1,139</b>	<b>826</b>	<b>38</b>
<b>PATMI</b>	<b>751</b>	<b>564</b>	<b>33</b>
<b>EPS (cents)</b>	<b>95.4</b>	<b>72.1</b>	<b>32</b>

# Revenue by Segments

S\$m	<u>2006</u>	<u>%</u>	<u>2005</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	5,755	76	4,112	72	40
Property	1,155	15	847	15	36
Infrastructure	570	7	671	12	(15)
Investments	121	2	58	1	109
<b>Total</b>	<b>7,601</b>	<b>100</b>	<b>5,688</b>	<b>100</b>	<b>34</b>

# Pretax Profits by Segments

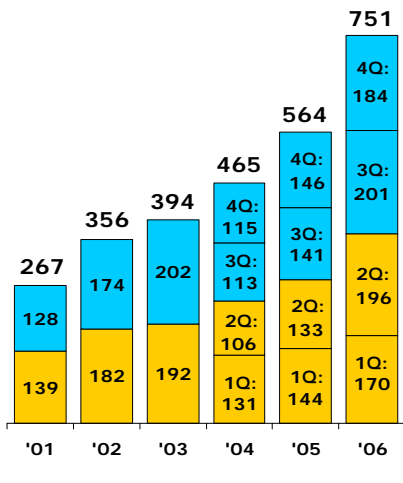
S\$m	<u>2006</u>	<u>%</u>	<u>2005</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	624	55	351	42	78
Property	233	20	222	27	5
Infrastructure	(24)	(2)	(17)	(2)	41
Investments	306	27	270	33	13
<b>Total</b>	<b>1,139</b>	<b>100</b>	<b>826</b>	<b>100</b>	<b>38</b>

# PATMI by Segments

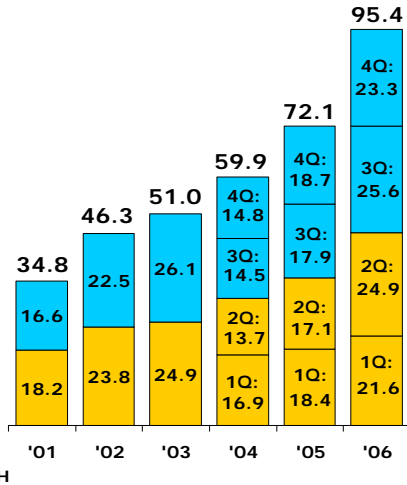
S\$m	<u>2006</u>	<u>%</u>	<u>2005</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	448	60	239	42	87
Property	96	13	118	21	(19)
Infrastructure	(35)	(5)	(24)	(4)	46
Investments	242	32	231	41	5
<b>Total</b>	<b>751</b>	<b>100</b>	<b>564</b>	<b>100</b>	<b>33</b>

# Consistent Earnings Growth

PATMI (S\$m)

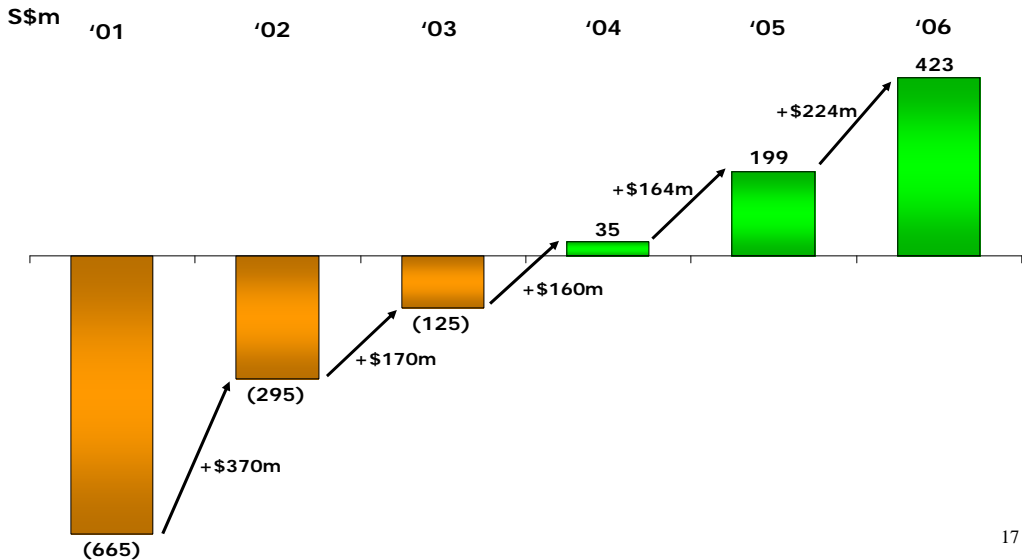


EPS (Cents)

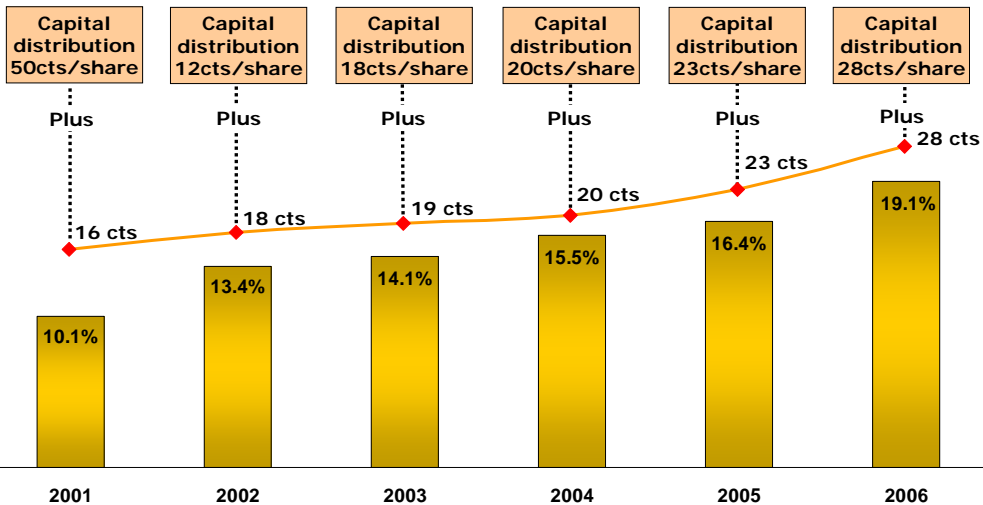




# Continued EVA Growth



# Increasing ROE & Dividend



# Healthy Free Cash Flow

	<u>2006</u>
	S\$m
Operating profit	804
Depreciation & other non-cash items	147
	<hr/> 951
Working capital changes	1,005
Interest & tax paid	(102)
<b>Net cash from operating activities</b>	<hr/> <b>1,854</b> <hr/>
Investments & capex	(759)
Divestments & dividend income	385
<b>Net cash used in investing activities</b>	<hr/> <b>(374)</b> <hr/>
<b>Free Cash Flow</b>	<hr/> <b>1,480</b> <hr/>
<b>Dividends paid</b>	<hr/> <b>(410)</b> <hr/>

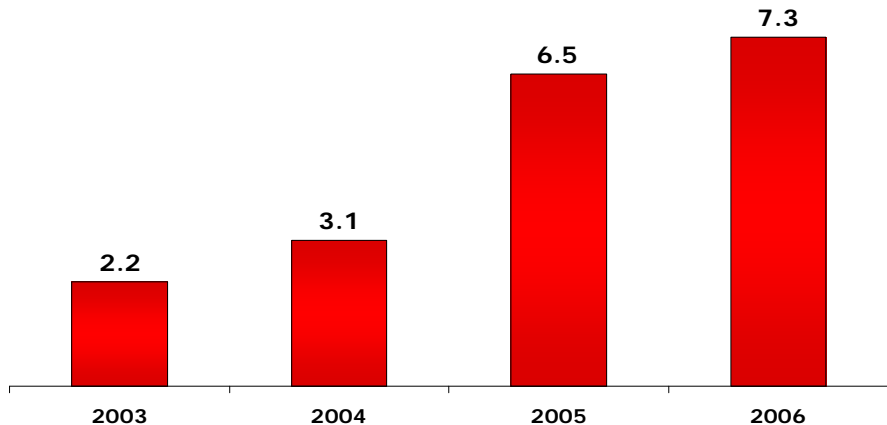
# **Business Review & Outlook**

# Offshore & Marine

# Another Exceptional Year

S\$b

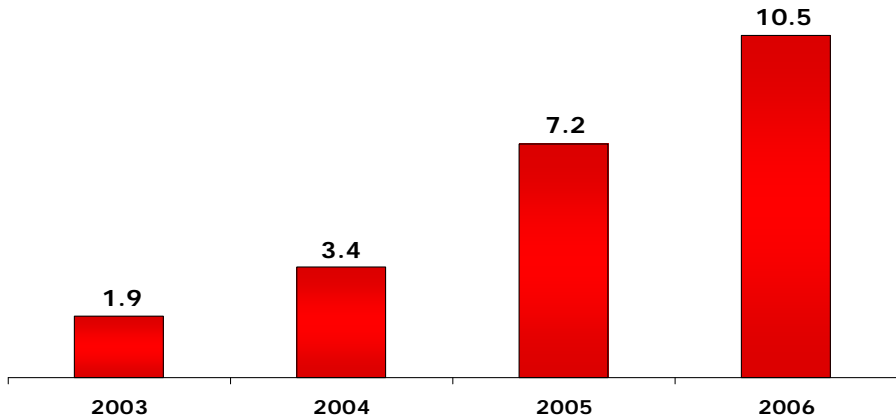
Contracts Secured



# Earnings Visibility Extends Into 2010

S\$b

Net Orderbook



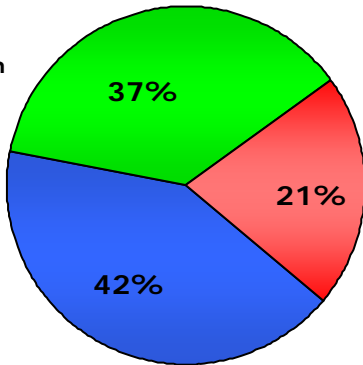
# Significant Wins In 2006

## Jackups

- 1<sup>st</sup> KFELS N Class
- Two-thirds of Indian orders

## Semisubmersibles

- Secured all US newbuilds



## Conversions, Shipbuilding & Others

- World's 1<sup>st</sup> LNG FSRU
- 1<sup>st</sup> Ice-class FSO
- 1<sup>st</sup> icebreaking vessels
- 1<sup>st</sup> offshore heavy lifter

Record Contracts: \$7.3b

**Sterling performance all-round**



# All Deliveries On Time, On Budget

**Excellent project execution by all segments**

## Jackups

- 6 KFELS B Class

## Semis

- 1 drilling tender
- 1 upgrade

## Others

- 2 major FPSO conversions
- 11 OSVs & 5 tugs

**Leveraging synergies across global network of yards**

# Technology Opening New Markets

- ◆ N Class jackup facilitates realisation of marginal fields

- Harsh environment
- Drilling & production
- North Sea compliant

- ◆ Ice-class FSO – specialised solution for Arctic conditions

- Operates in  $-20^{\circ}\text{C}$ , 60cm thick ice

- ◆ Deep & ultra-deepwater semi



- ◆ Icebreaking vessel



**Product line extension targeted to meet market needs**

# Positive Floating Production Outlook

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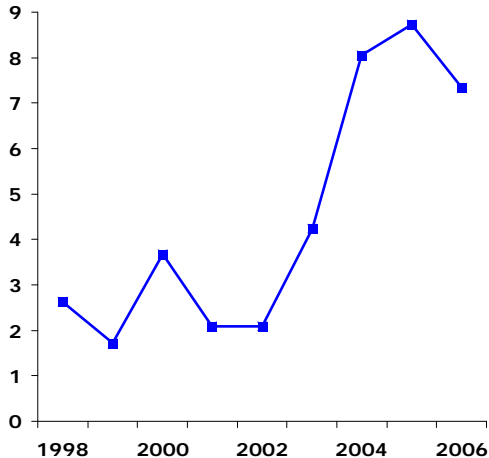
- ◆ Need to replace reserves spurs more exploration, expect demand for production solutions
- ◆ Recent exploration finds in deepwater, floating production systems preferred
- ◆ Deep and ultra-deepwater regions still under-explored, hold potential for more discoveries

# Oil & Gas

# Fundamentals Remain Favourable

Singapore Complex GRM

US\$/bbl



- ◆ Asia's demand growing
- ◆ Tight refining capacity
- ◆ Some new refinery projects may be delayed
- ◆ Rising costs curb new supply

# Progress In Upstream Activities



**2005**

- ◆ 30% of Block B (Cambodia)
- ◆ Another 10% in Blocks 102 & 106 (Vietnam)

- ◆ 1<sup>st</sup> development project – Oyong (Indonesia)

**2006**

- ◆ 45% of Block 101-100/04 (Vietnam)

- ◆ Explored in Indonesia & Vietnam

- ◆ Kakap production increased
- ◆ Oyong slated for production in 2007

# Property

# Singapore Luxury Lifestyle Homes - A Resounding Success

- ◆ *Marina Bay Residences*
  - 100% sold in 3 days
  - Achieved record price of \$3,450psf
- ◆ *Sixth Avenue Residences*
  - 100% sold in 2 weeks
- ◆ *Caribbean at Keppel Bay*
  - Launched units fully sold



Forthcoming Premier Waterfront Attraction

- ◆ *Reflections at Keppel Bay (1,129 units)*
  - Designed by Daniel Libeskind
  - Marina@Keppel Bay with world-class amenities
  - Initial launch Mar/Apr'07



# Expanding Offerings In Overseas Homes

- ◆ Soft-launched landed project - Villa Riviera (Shanghai) in Nov'06
- ◆ Unveiled Serenity Cove Golf Villas (Tianjin)
  - 451 resort homes & golf course
- ◆ Acquired land in Jiangyin
  - Planning 2,100 apartments, office & retail components
  - Synergies with championship golf course

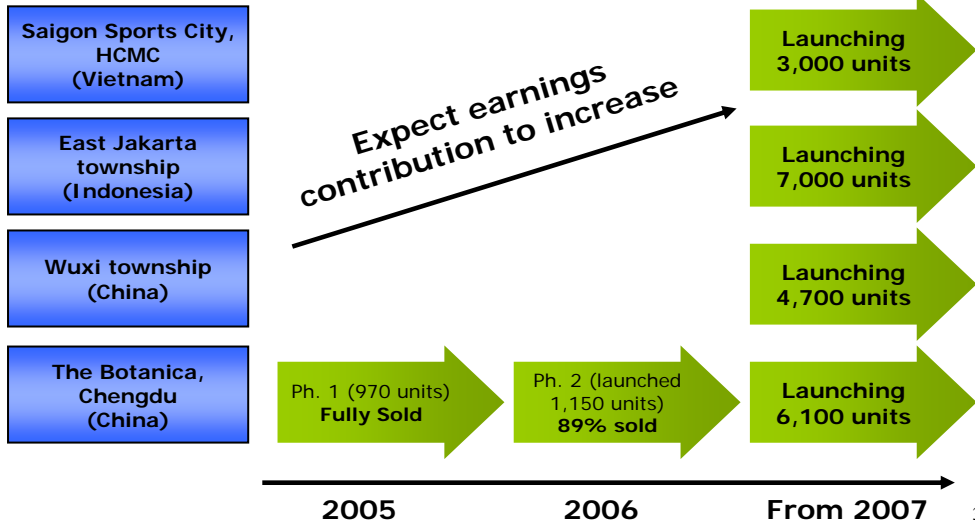
## VILLA RIVIERA

(Qingpu District, Shanghai)



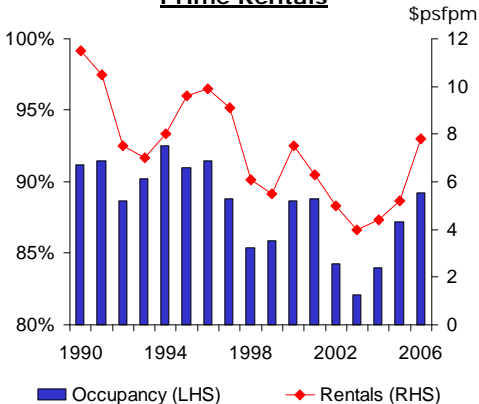
**Released units, 50% sold**

# Scaling Up Township Thrust

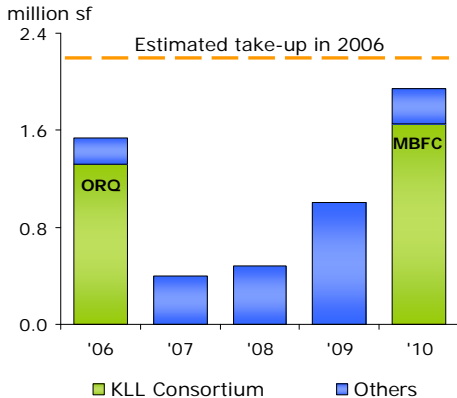


# Tight Office Supply Lifts Rents

Islandwide Occupancy vs Prime Rentals



New Office Supply

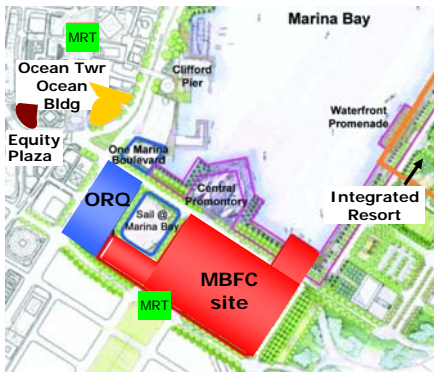


**2006 rents still substantially below 1990's peak**

**Up to 1.3m sf NLA may be removed for redevelopment**

# Unrivalled Prime Office Portfolio

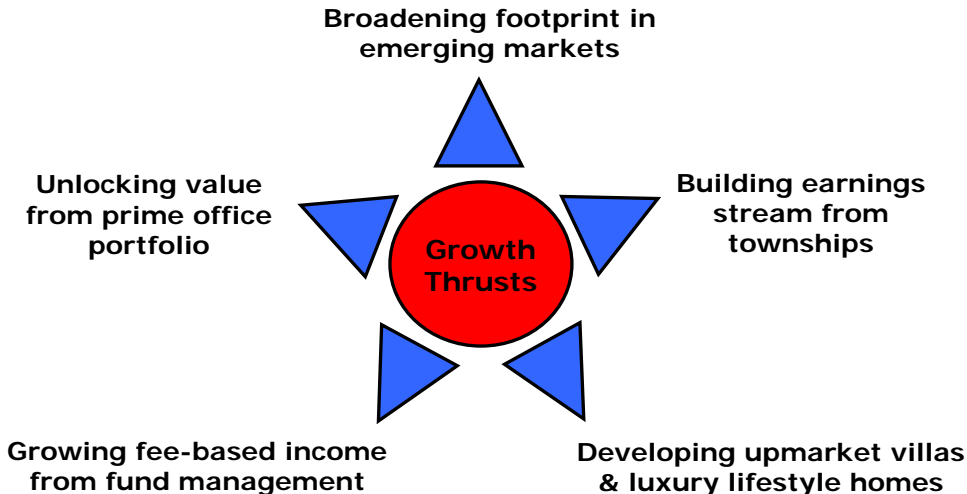
- ◆ ORQ fully leased
- ◆ MBFC (Ph. 1), anchoring new financial precinct
  - 1.6m sf Grade A office space
  - Large column-free floor plates
- ◆ Ocean Building & Ocean Tower
  - Unlocking value
- ◆ Equity Plaza
  - Raised stake to 65%



**8-yr option for MBFC  
Phase 2**

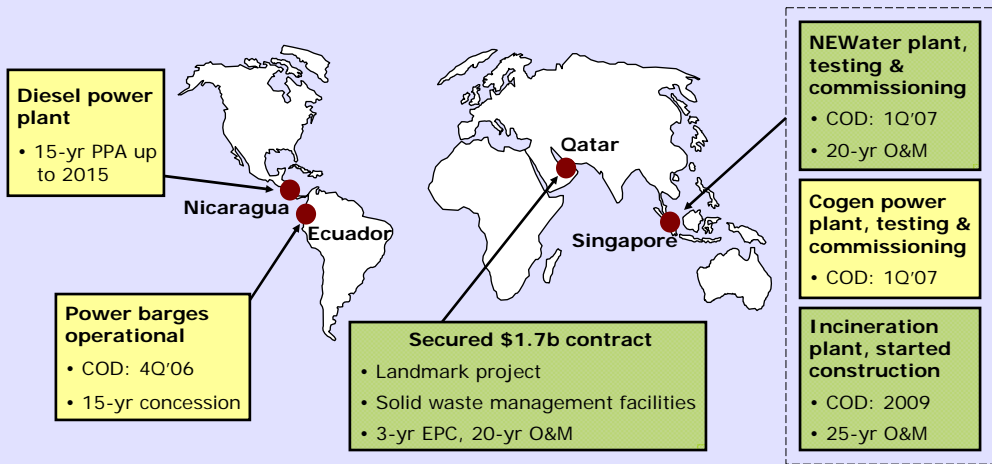
# Strong Growth Platforms In Place

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# Infrastructure

# Positive Progress All-Round



**Pursuing projects in Middle East, EU & Asia**

# Prospects

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**Sustaining earnings growth  
based on wider business platform**



# Keppel Corporation FY 2006 Results

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**Thank You  
Q&A**

# Additional Info

# Keppel Corporation

# Financial Highlights

<b>S\$m</b>	<b><u>4Q 2006</u></b>	<b><u>4Q 2005</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>2,442</b>	<b>1,756</b>	<b>39</b>
<b>EBITDA</b>	<b>258</b>	<b>140</b>	<b>84</b>
<b>Operating Profit</b>	<b>225</b>	<b>92</b>	<b>145</b>
<b>Profit Before Tax</b>	<b>275</b>	<b>221</b>	<b>24</b>
<b>PATMI</b>	<b>184</b>	<b>146</b>	<b>26</b>

# Revenue by Customers

	2006		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	5,755	95	5
Property	1,166	43	57
Infrastructure	594	46	54
Investments	86	51	49
Total	<u><u>7,601</u></u>	84	16

**84% of total revenue  
came from overseas customers**

# EBITDA by Segments

S\$m	<u>2006</u>	<u>%</u>	<u>2005</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	604	65	377	63	60
Property	251	27	215	36	17
Infrastructure	(19)	(2)	(2)	-	850
Investments	95	10	9	1	955
<b>Total</b>	<b>932</b>	<b>100</b>	<b>599</b>	<b>100</b>	<b>55</b>

# Capital/Gearing/ROE

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<b>S\$m</b>	<b><u>31 Dec 2006</u></b>	<b><u>31 Dec 2005</u></b>
<b>Shareholders' Funds</b>	<b>4,205</b>	<b>3,646</b>
<b>Capital Employed</b>	<b>5,598</b>	<b>4,935</b>
<b>Net Debt</b>	<b>1,339</b>	<b>2,320</b>
<b>Net Gearing</b>	<b>0.24x</b>	<b>0.47x</b>
<b>ROE</b>	<b>19.1%</b>	<b>16.4%</b>

# Offshore & Marine



# Financial Highlights – Offshore & Marine

<b>S\$m</b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>% Change</u></b>
Revenue	5,755	4,112	40
EBITDA	604	377	60
Operating Profit	539	318	69
Profit Before Tax	624	351	78
PATMI	448	239	87

# Financial Highlights – Offshore & Marine

<b>S\$m</b>	<b><u>4Q 2006</u></b>	<b><u>4Q 2005</u></b>	<b><u>% Change</u></b>
Revenue	1,884	1,262	49
EBITDA	207	92	125
Operating Profit	189	76	149
Profit Before Tax	208	101	106
PATMI	166	68	144

# Offshore & Marine Review

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- ◆ S\$1.2b contracts secured in 4Q 2006:
  - 1 JU, 2 JU upgrades/repairs, 2 FPSO conversions, 1 FSO, 5 AHTS, 1 heavy lift vessel
  
- ◆ Major contract completions in 4Q 2006:
  - 3 JUs, 3 JU upgrades/repairs, 2 semi upgrades, 1 FSO upgrade, 3 AHTS, 1 AHT, 1 Tug

# Offshore & Marine Orderbook

	<u>Balance Order S\$m</u>	<u>Clients</u>
<b><u>For delivery in 2007</u></b>		
1 Semi / 5 Semi Upgrades/Repairs / 10 Jack Ups / 2 Jack Up Upgrades/Repairs / 4 FPSO Conversions / 1 FPSO Outfitting / 1 FPSO Hull Conversion / 1 FSO Refurbishment / 1 Sludge Vessel / 5 AHTS / 3 Tugs / 1 FSRU Conversion / Barges & Pipe Racks / 1 Pipelayer Conversion / 2 CALM Buoys / 2 Accommodation Platforms	1,524	Petrobras / Fred Olsen / Transocean / Diamond / BZI-Maersk / Petrovietnam / Sinvest / SeaDrill / Maersk / Seatankers / Ensco / GDI / Scorpion / Pride / Prosafe / SBM / Sevan / City of New York / Hadi Hammam / Gulfmark / Lukoil / Seaways / Keppel Smit / Golar / Agip KCO / Allseas / Pemex
<b><u>For delivery in 2008</u></b>		
3 Semis / 1 Semi Upgrade / 11 Jack Ups / 2 FPSO Conversions / 10 AHTS / 2 Ice Breakers / 1 Tug	3,865	Petrobras / Maersk / Ensco / Diamond / Sinvest / Awilco / Scorpion / Jindal / Atwood / SeaDrill / SBM / Hadi Hammam / Gulfmark / Whitesea / Lukoil / Keppel Smit
<b><u>For delivery in 2009/2010</u></b>		
6 Semis / 7 Jack Ups / 1 FSO / 2 AHTS / 1 Heavy Lift Vessel	5,149	Maersk / Ensco / GSF / QGP / Sinvest / Awilco / Mercator / Great Eastern / Skeie / Lukoil / Whitesea / MPU Offshore
<b>TOTAL as at 31 Dec 2006</b>	<b><u><u>10,538</u></u></b>	

# Property

# Financial Highlights - Property

<b>S\$m</b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>1,155</b>	<b>847</b>	<b>36</b>
<b>EBITDA</b>	<b>251</b>	<b>215</b>	<b>17</b>
<b>Operating Profit</b>	<b>235</b>	<b>195</b>	<b>21</b>
<b>Profit Before Tax</b>	<b>233</b>	<b>222</b>	<b>5</b>
<b>PATMI</b>	<b>96</b>	<b>118</b>	<b>(19)</b>

# Financial Highlights - Property

S\$m	<u>4Q 2006</u>	<u>4Q 2005</u>	<u>% Change</u>
Revenue	396	266	49
EBITDA	49	59	(17)
Operating Profit	44	51	(14)
Profit Before Tax	50	69	(28)
PATMI	18	41	(56)

# Infrastructure



# Financial Highlights – Infrastructure

<b>S\$m</b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>% Change</u></b>
Revenue	570	671	(15)
EBITDA	(19)	(2)	850
Operating Profit	(65)	(53)	23
Profit Before Tax	(24)	(17)	41
PATMI	(35)	(24)	46

# Financial Highlights – Infrastructure

S\$m	<u>4Q 2006</u>	<u>4Q 2005</u>	<u>% Change</u>
Revenue	150	205	(27)
EBITDA	5	(9)	NM
Operating Profit	(5)	(33)	(85)
Profit Before Tax	8	(23)	NM
PATMI	5	(29)	NM

# Investments

# Financial Highlights - Investments

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S\$m	<u>2006</u>	<u>2005</u>	<u>% Change</u>
Revenue	121	58	109
EBITDA	95	9	956
Operating Profit	95	7	1,257
Profit Before Tax	306	270	13
PATMI	242	231	5

# Financial Highlights - Investments

S\$m	<u>4Q 2006</u>	<u>4Q 2005</u>	<u>% Change</u>
Revenue	12	23	(48)
EBITDA	(3)	(2)	50
Operating Profit	(3)	(2)	50
Profit Before Tax	9	74	(88)
PATMI	(5)	66	NM

*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.*