



9 Months 2004 Results Announcement

26 October, 2004

Scope of Briefing

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

Group Financial Highlights

9M 2004 Performance

- ◆ PATMI of S\$352m, up 21% from 9M 2003
- ◆ EPS of 45.4 cents, up 21% from 9M 2003
- ◆ Annualised ROE increased to 15.6%
- ◆ EVA improved by S\$148m over 9M 2003
- ◆ Free cash flow of S\$320m
- ◆ Divestments of S\$160m
- ◆ 0.74x gearing

Earnings & EPS Growth

S\$m	<u>9M 2004</u>	<u>9M 2003</u>	<u>% Change</u>
Turnover	2,795	4,731	(41)
EBITDA	465	536	(13)
Operating Profit	346	368	(6)
Profit Before Tax	478	399	20
PATMI	352	290	21
PATMI (excl. deferred tax adjustment)	338	290	17
EPS (cents)	45.4	37.5	21

Solid PATMI and EPS growth

Turnover by Segments

S\$m	<u>9M 2004</u>	<u>%</u>	<u>9M 2003</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	1,632	58	1,035	22	58
Property	550	20	611	13	(10)
Infrastructure	556	20	618	13	(10)
Sub Total	2,738	98	2,264	48	21
Investments*	57	2	2,467	52	(98)
Total	2,795	100	4,731	100	(41)

* Deconsolidation of SPC reduced Investments' turnover

PATMI by Segments

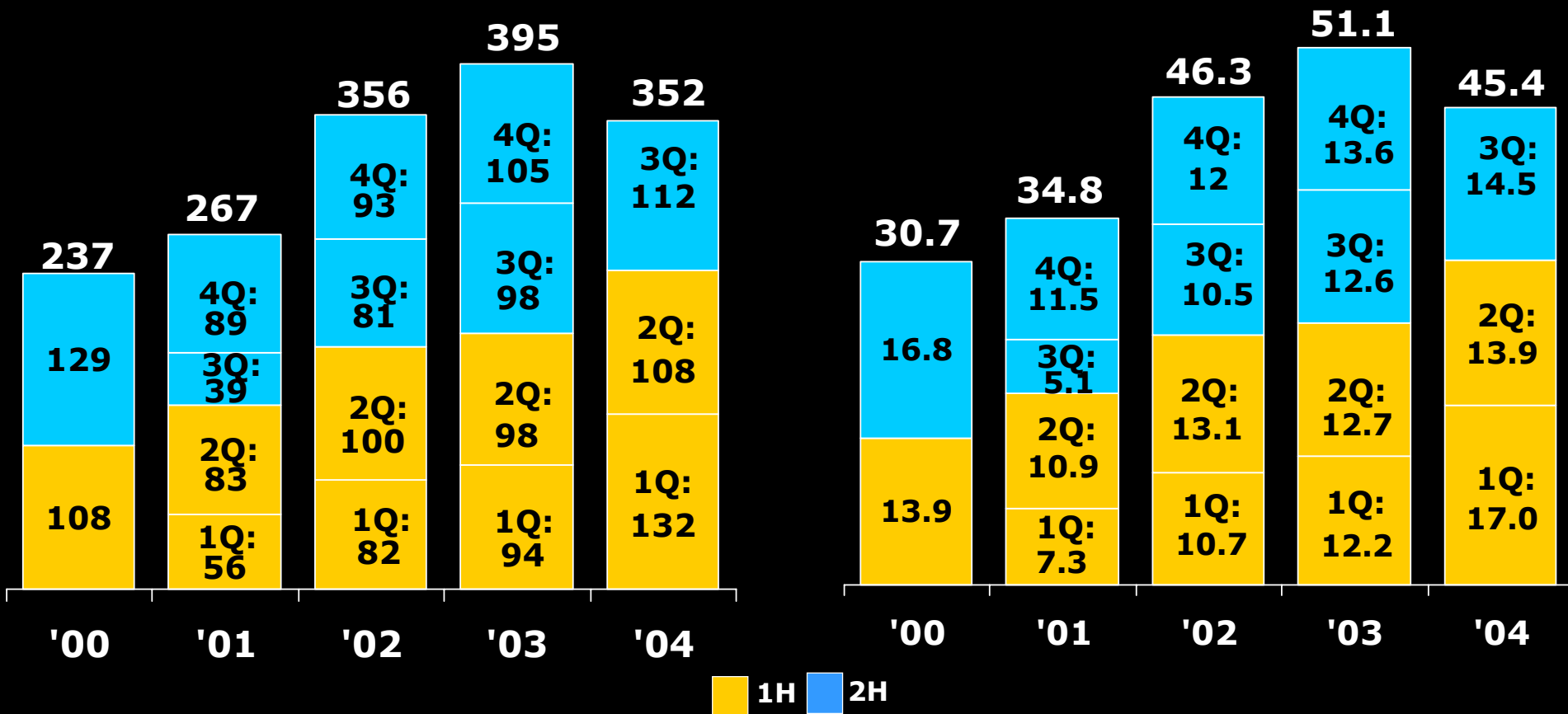
S\$m	<u>9M 2004</u>	<u>%</u>	<u>9M 2003</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	143	41	112	39	28
Property	89	25	69	24	29
Infrastructure	33	9	45	15	(27)
Sub Total	265	75	226	78	17
Investments	87	25	64	22	36
Total*	352	100	290	100	21

* 9M 2004 PATMI includes deferred tax adjustments of S\$10m in Offshore & Marine, S\$3m in Property and S\$1m in Investments

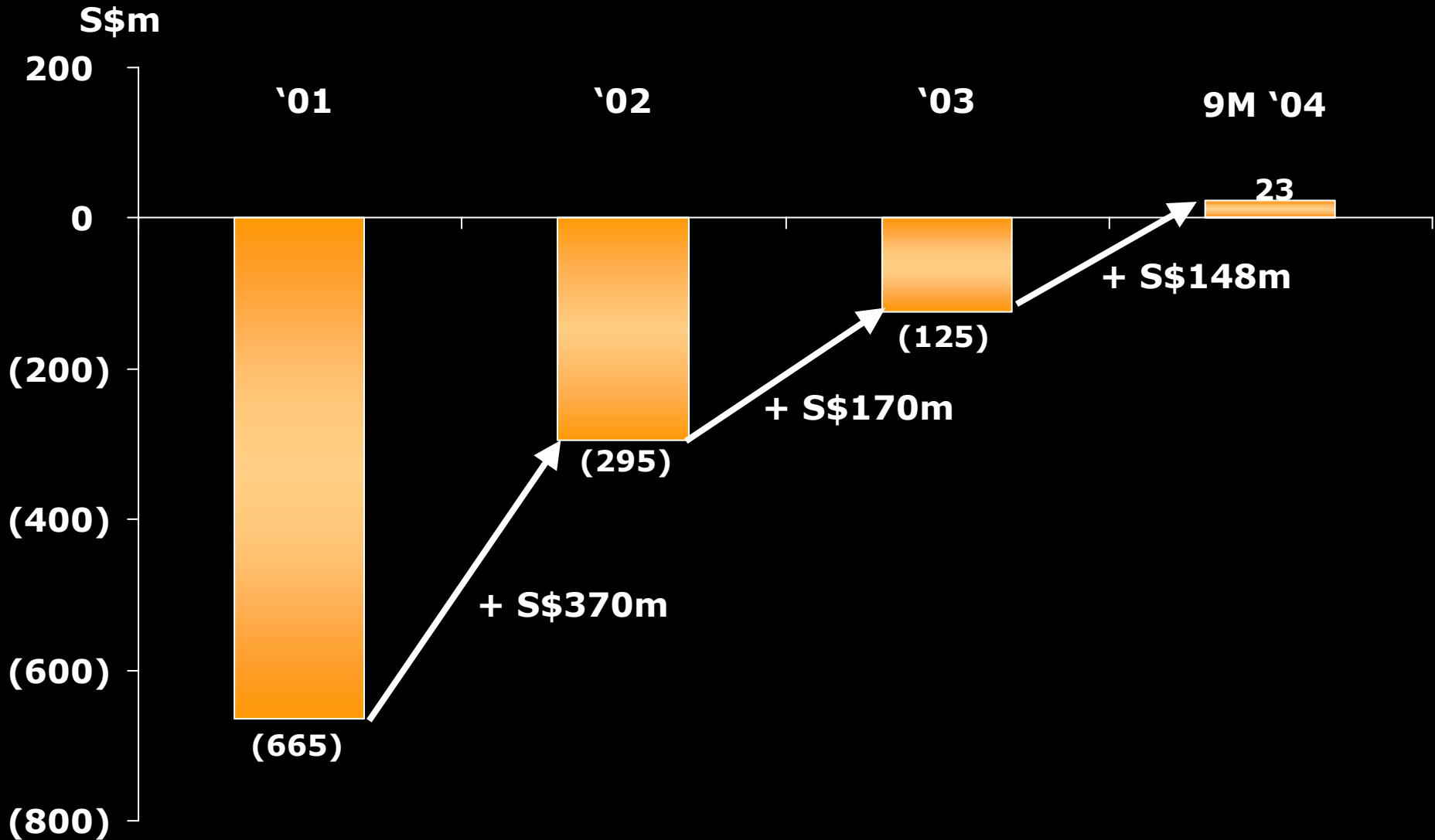
Consistent Growth

PATMI (S\$m)

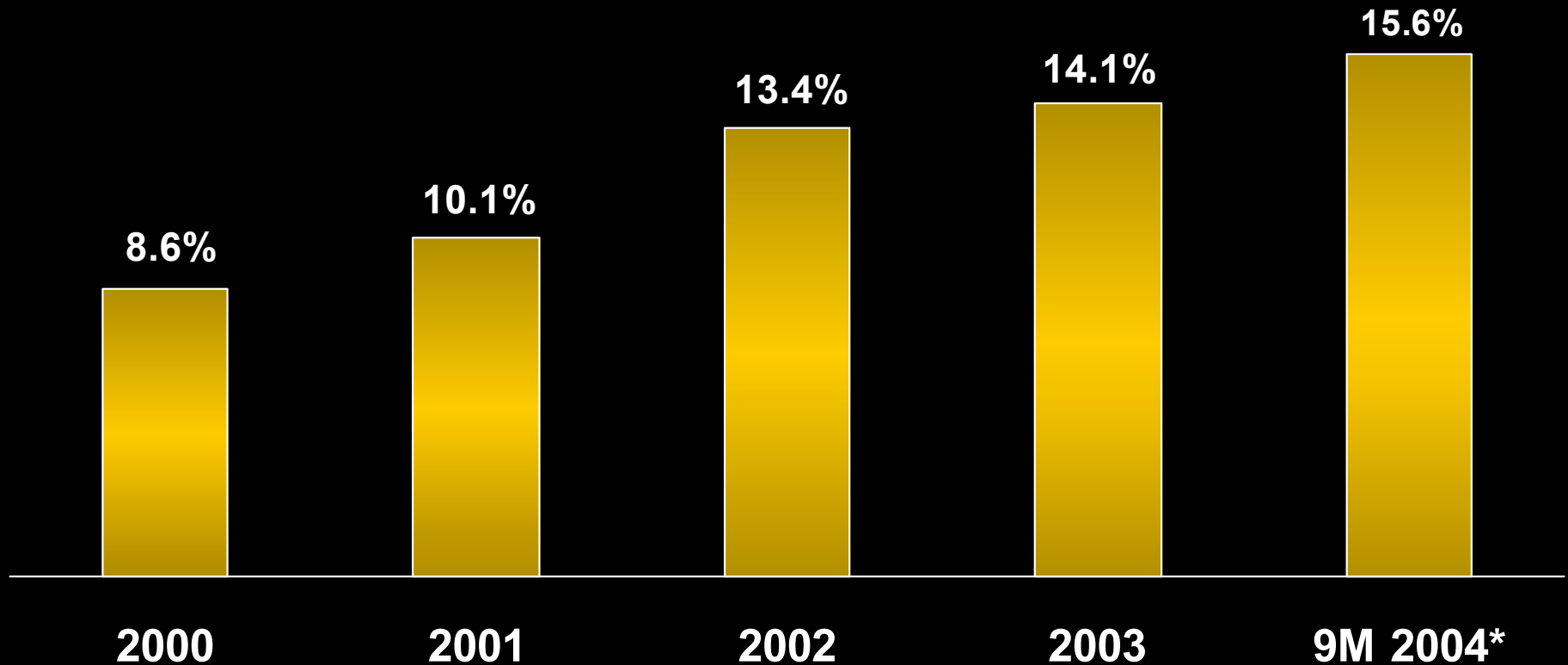
EPS (Cents)



Positive EVA



ROE above 15%



* Annualised ROE

Healthy Free Cash Flow

	<u>9M 2004</u> S\$m
Cash flow from operating activities	
Operating profit	346
Depreciation & amortisation	116
	<hr/> 462
Working capital changes	(233)
Interest & tax paid	(42)
Net cash from operating activities	<hr/> 187 <hr/>
Operational capex	(75)
Proceeds from divestments	153
Dividend income	55
Net cash from investing activities	<hr/> 133 <hr/>
Free Cash Flow	<hr/> 320 <hr/>
Dividends paid	<hr/> (264) <hr/>

Business Review & Outlook

3Q Business Trends

- ◆ Higher price benchmark by oil majors
- ◆ Sustained momentum in E & P spending
- ◆ Overall improvement in rig utilisation
- ◆ Strong shipping and shipbuilding market
- ◆ Higher refining margins
- ◆ Stronger demand for regional residential properties
- ◆ Improving domestic property market

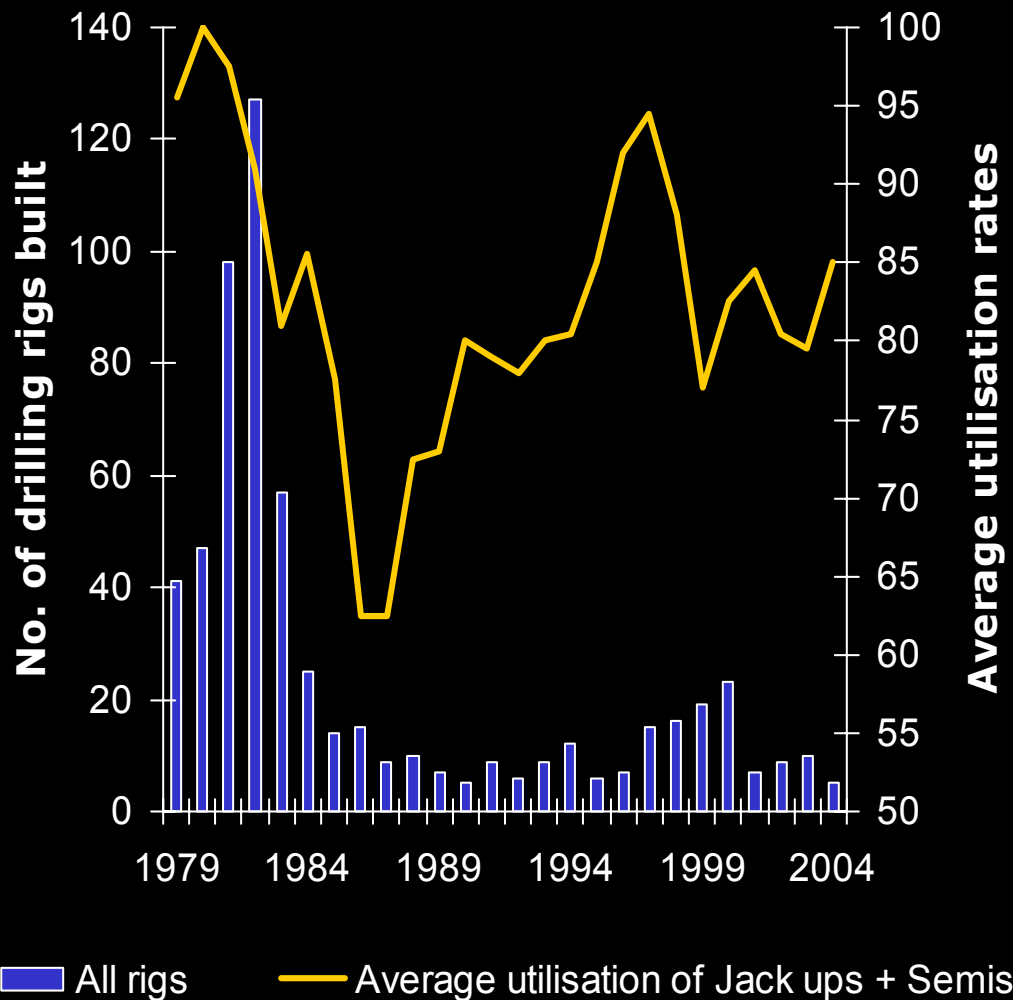
Offshore & Marine

Positive Market Fundamentals

- ◆ Favourable factors supporting E&P activities
 - Additional secured supply needed to meet growing global demand for oil and gas
 - Sustained high oil and gas prices
 - Deeper and more challenging drilling requirements needing new rigs

- ◆ Outlook for FPSO conversions and offshore support vessels is strong

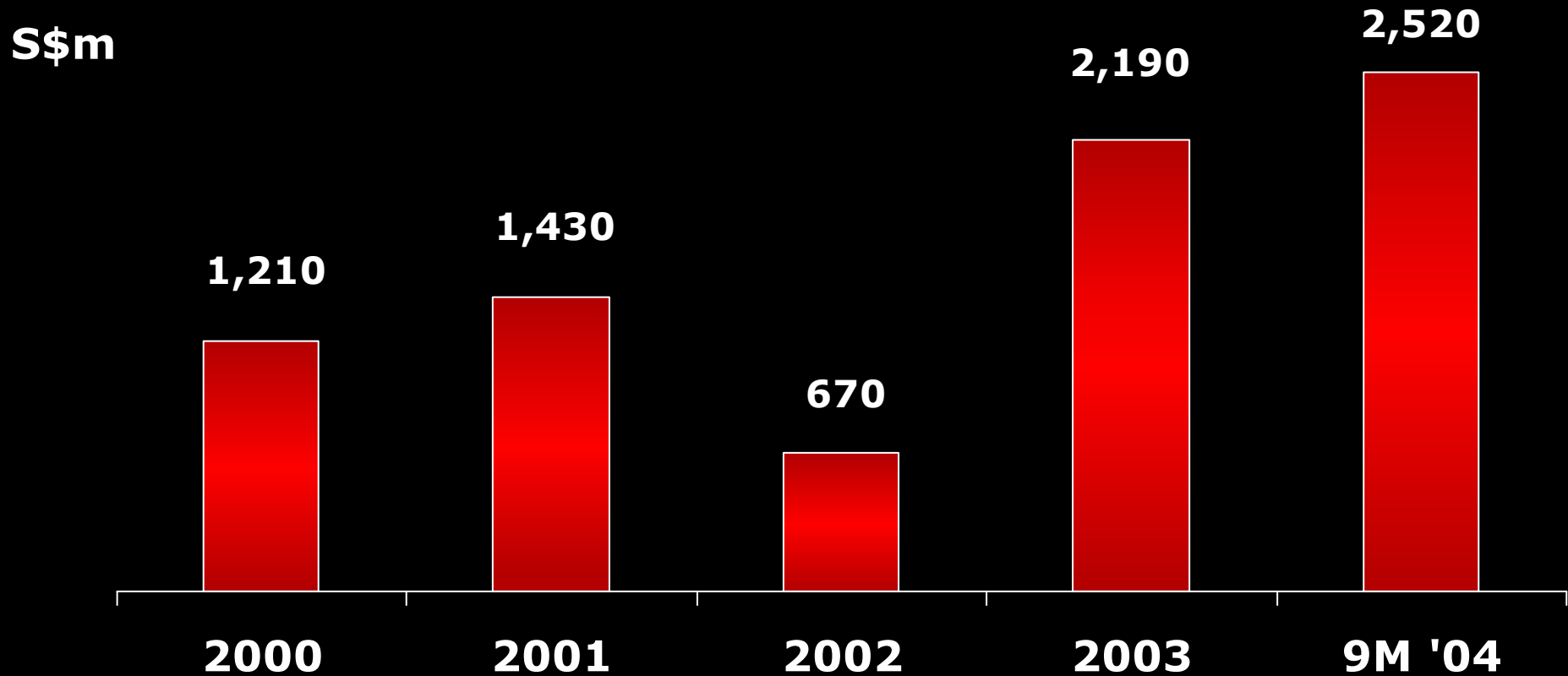
Sustainable Offshore Cycle



- ◆ Ageing rig fleet with current average age of 23 years versus 4.5 years in 1980
- ◆ Improving rig utilisation and charter rates
- ◆ Number of rigs built still modest

* Source: Rigzone, ODS-Petrodata (Utilisation rates as at Aug '04)

Record contracts secured

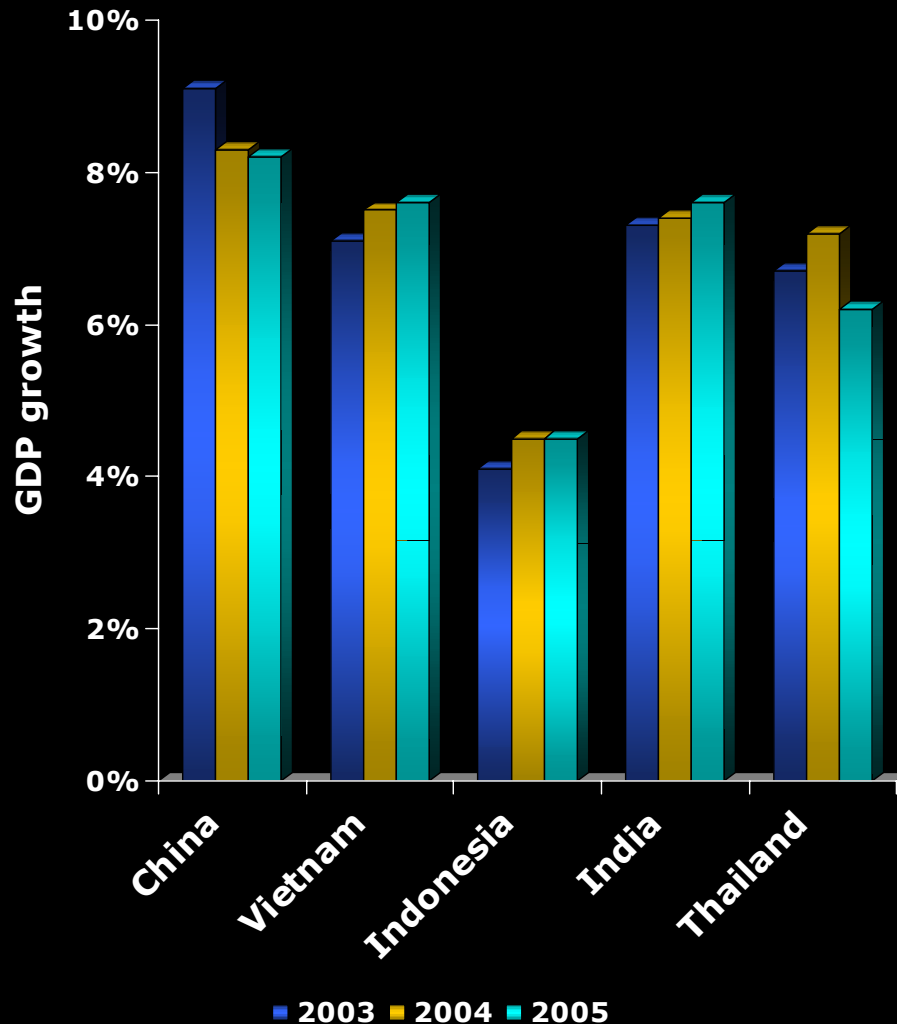


Strong Job Prospects

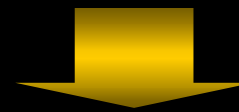
<u>Products / Services</u>	<u>Estimated Value</u>
	S\$b
Jackups (Newbuildings/Repairs/Upgrading)	2.2
Semi-submersibles (Newbuildings/Repairs/Upgrading)	0.8
FPSOs (Conversions/Upgrades)	0.5
Shipbuilding (AHTS/Tugs/Supply Vessels etc.)	0.6
Platforms/Topsides/Turrets etc.	0.8
Total	4.9

Property

Growth Strategy: Regional Thrust



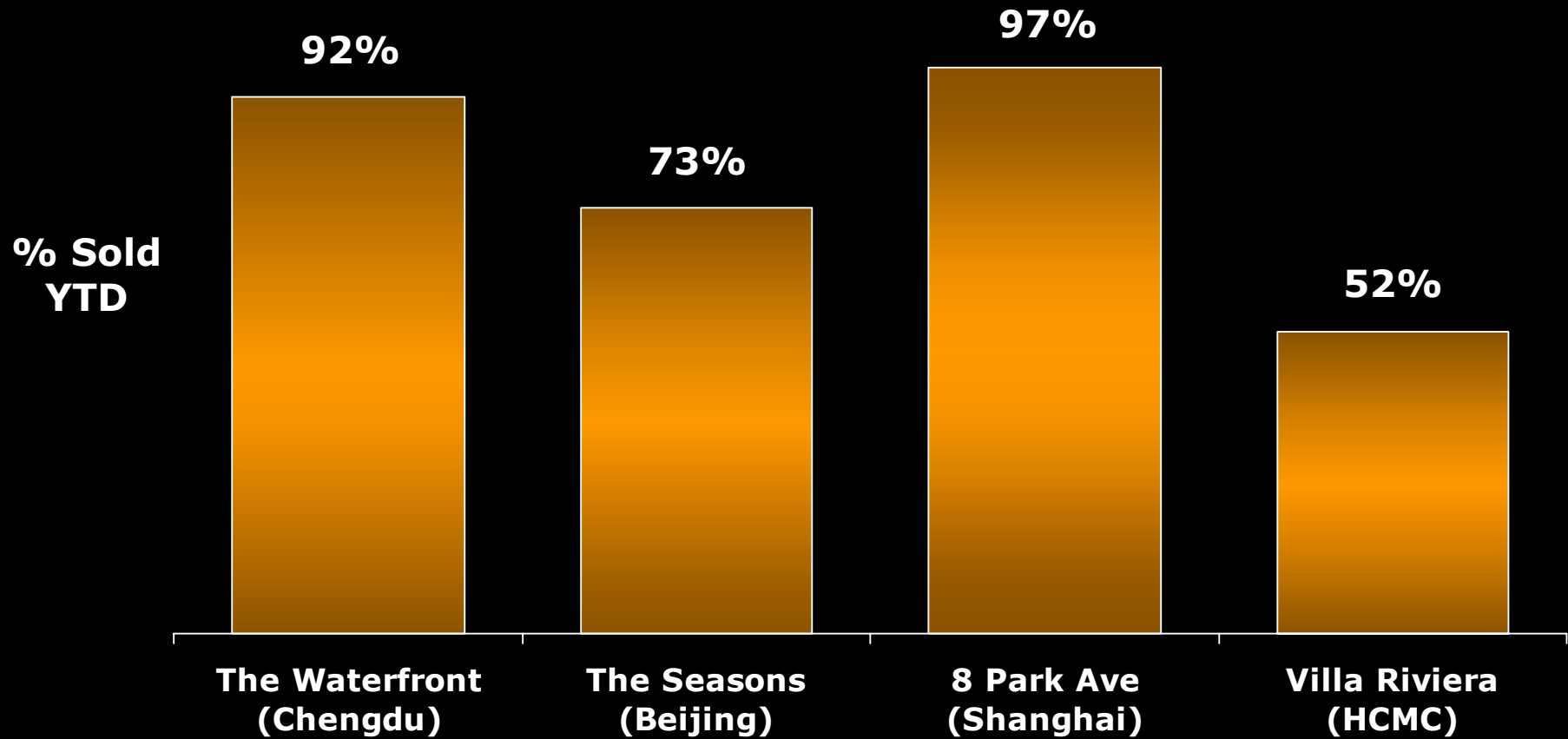
- ◆ Regional economies in industrialization phase
- ◆ Rising affluence and middle income earners
- ◆ Supportive government policies



Growing pool of potential home owners

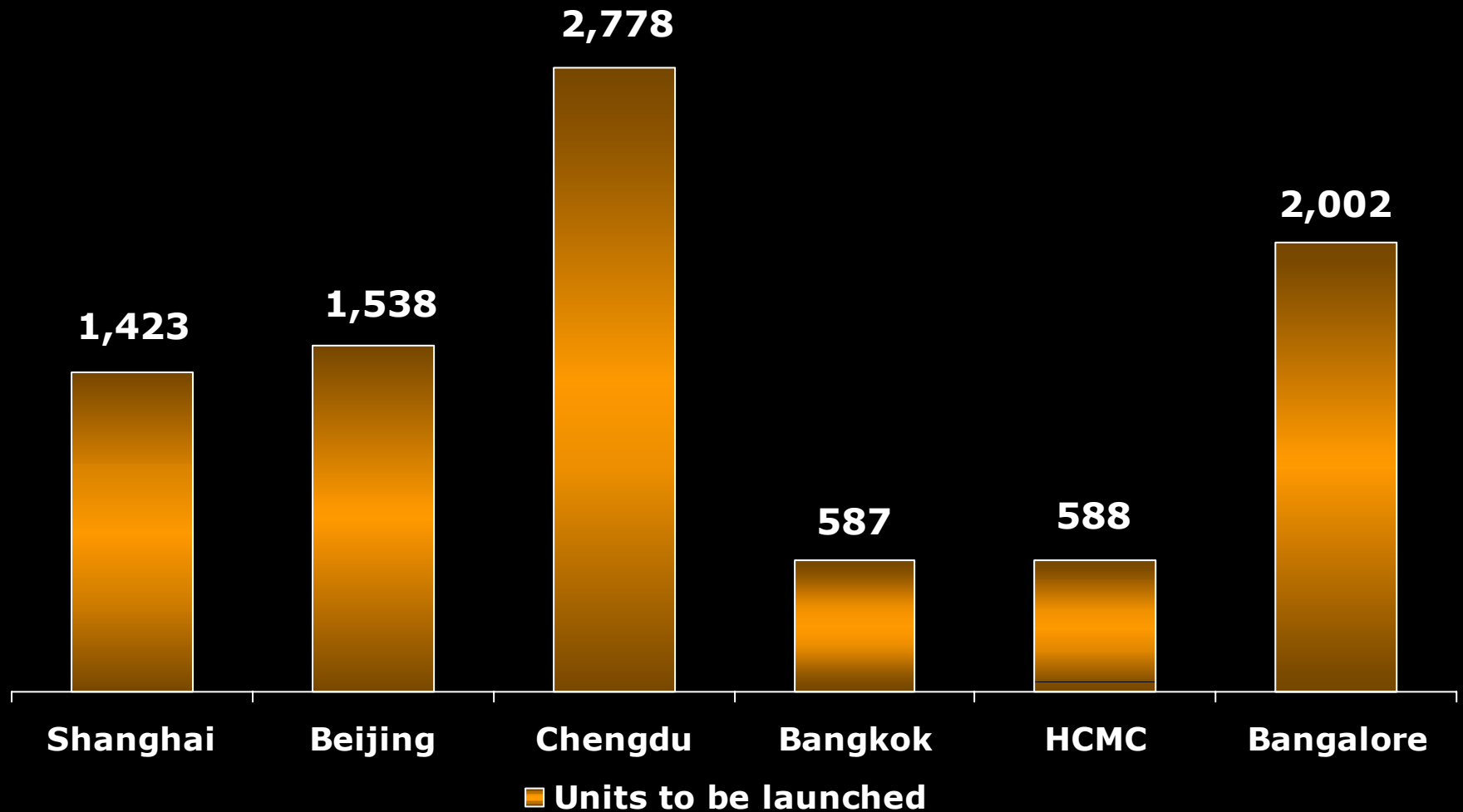
* Source: Asian Development Bank, Apr '04

Indicative sales from regional launches



Units Launched in 2004	337	321	230	25

Overseas pipeline next two years



Domestic market turns the corner

- ◆ Outlook for private residential properties expected to improve
 - Caribbean at Keppel Bay: 87% of 135 units launched in Aug '04 sold. Total % of Caribbean sold: 44%
 - Urbana: 78% of 65 units launched in Jul '04 sold. Total % of project sold: 40%

- ◆ Expected recovery in prime office properties, supported by limited new supply in next two years
 - Tenant took up 30% of South Tower at One Raffles Quay, largest office leasing transaction since 1998

Infrastructure

Infrastructure Outlook

- ◆ Finalising Keppel Cogen power project
- ◆ Alternatives for power barges under consideration
- ◆ Continue to build up core competencies in Environmental Engineering
 - Enhancing technology capabilities
 - Strengthening marketing network
 - Developing strategic partnerships
- ◆ Pursuing S\$800m new contracts

2004 Financial Targets

- ✓ Sustained growth
- ✓ EPS CAGR of 8-12% through 2005
- ✓ Maintain ROE of 15%
- ✓ Continued EVA improvement
- ✓ Maintain dividend payout ratio of 30-35%

Keppel Corporation 9M 2004 Results

**Thank You
Q&A**

9M 2004 Performance

- ◆ PATMI of S\$352m, up 21% from 9M 2003
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- ◆ Annualised ROE increased to 15.6%
- ◆ EVA improved by S\$148m over 9M 2003
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- ◆ Divestments of S\$160m
- ◆ 0.74x gearing

Additional Info

Keppel Corporation

Financial Highlights – Keppel Corp

S\$m	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	896	1,744	(49)
EBITDA	147	175	(16)
Operating Profit	109	121	(10)
Profit Before Tax	148	132	12
PATMI	132	94	40
PATMI (excl. deferred tax adjustments)	118	94	26

Financial Highlights – Keppel Corp

S\$m	<u>2Q 2004</u>	<u>2Q 2003</u>	<u>% Change</u>
Turnover	922	1,476	(38)
EBITDA	163	172	(5)
Operating Profit	121	120	1
Profit Before Tax	158	122	30
PATMI	108	98	10

Financial Highlights – Keppel Corp

S\$m	<u>3Q 2004</u>	<u>3Q 2003</u>	<u>% Change</u>
Turnover	977	1,511	(35)
EBITDA	155	189	(18)
Operating Profit	116	127	(9)
Profit Before Tax	172	145	19
PATMI	112	98	14

Turnover by Customers

9M 2004

	<u>Total</u> S\$m	<u>Overseas</u> %	<u>Singapore</u> %
Offshore & Marine	1,632	88	12
Property	550	32	68
Infrastructure	556	61	39
Sub total	2,738	71	29
Investments	57	61	39
Total	2,795	71	29

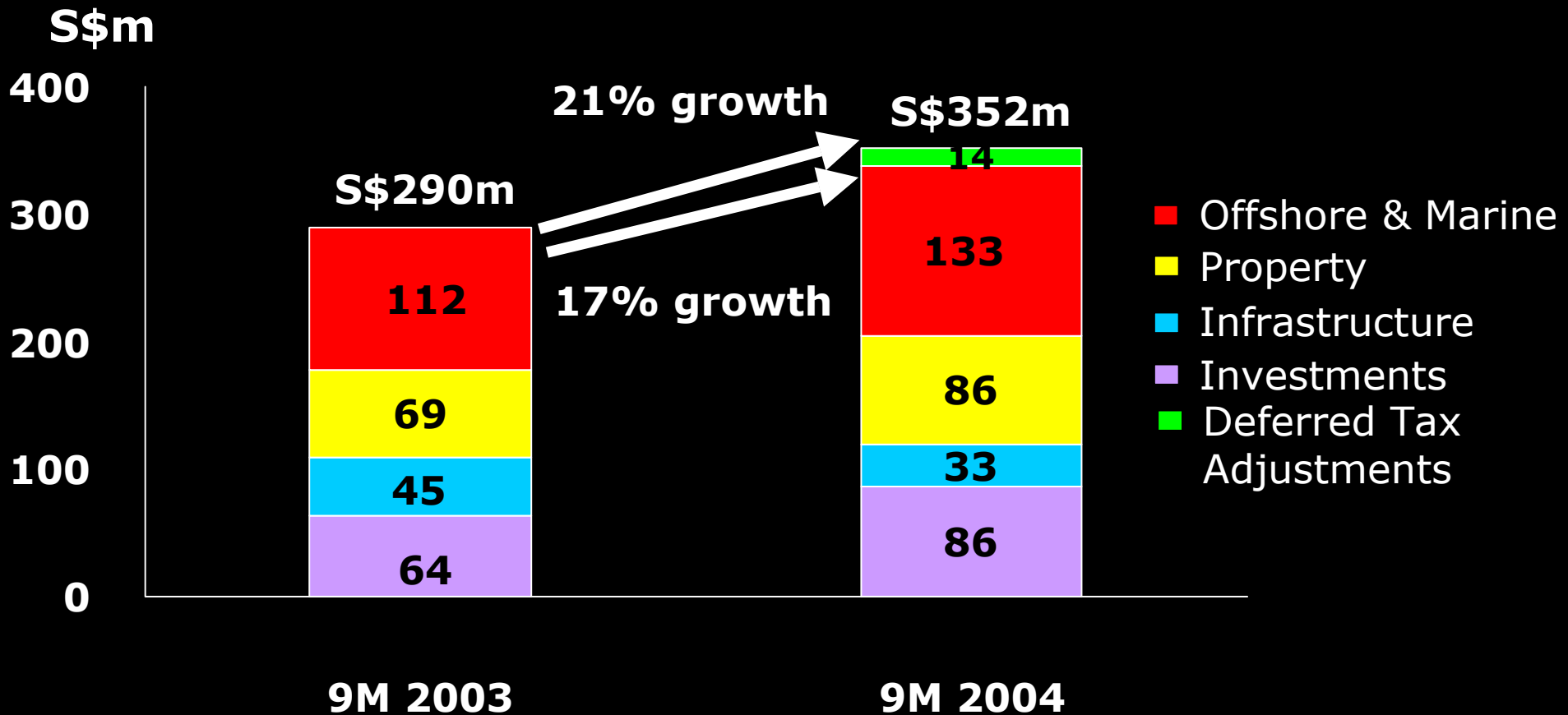
**71% of total turnover
came from overseas customers**

EBITDA by Segments

S\$m

	<u>9M 2004</u>	<u>%</u>	<u>9M 2003</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	217	47	197	37	10
Property	160	34	137	25	17
Infrastructure	72	16	90	17	(20)
Sub Total	449	97	424	79	6
Investments	16	3	112	21	(86)
Total	465	100	536	100	(13)

PATMI By Segments



Note: 9M 2004 PATMI includes deferred tax adjustments of S\$10m in Offshore & Marine, S\$3m in Property and S\$1m in Investments

Capital/Gearing/ROE

S\$m	<u>30 Sep 2004</u>	<u>31 Dec 2003</u>
Shareholders' Funds	2,969	2,890
Capital Employed	4,067	3,959
Net Debt	2,994	3,040
Net Gearing	0.74x	0.77x
ROE	15.6%*	14.1%

Offshore & Marine

Financial Highlights – Offshore & Marine

S\$m	<u>9M 2004</u>	<u>9M 2003</u>	<u>% Change</u>
Turnover	1,632	1,035	58
EBITDA	217	197	10
Operating Profit	174	144	21
Profit Before Tax	175	143	22
PATMI	143	112	28
PATMI (excl. deferred tax adjustments)	133	112	19

Financial Highlights – Offshore & Marine

S\$m	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	547	393	39
EBITDA	82	65	26
Operating Profit	68	49	39
Profit Before Tax	70	48	46
PATMI	72	36	100
PATMI (excl. deferred tax adjustments)	62	36	72

Financial Highlights – Offshore & Marine

S\$m	<u>2Q 2004</u>	<u>2Q 2003</u>	<u>% Change</u>
Turnover	498	332	50
EBITDA	63	64	(2)
Operating Profit	49	47	4
Profit Before Tax	48	47	2
PATMI	34	38	(11)

Financial Highlights – Offshore & Marine

S\$m	<u>3Q 2004</u>	<u>3Q 2003</u>	<u>% Change</u>
Turnover	587	310	89
EBITDA	72	68	6
Operating Profit	57	48	19
Profit Before Tax	57	48	19
PATMI	37	38	(3)

Offshore & Marine Review

- ◆ S\$324m contracts secured in 3Q 2004:
 - 1 JU newbuild, 2 JU repairs, 1 semi repair, TPG 500 suction cans, 1 derrick barge upgrade, 2 AHTS, 1 FSO conversion, 1 cruise vessel refurbishment
- ◆ Major contract completions in 3Q 2004:
 - 1 floating dock upgrade, 1 derrick barge upgrade, 1 semi upgrade, 2 AHTS, 1 tender barge upgrade, 2 JU upgrades, 2 shuttle tanker conversions, 2 tugs

Offshore & Marine Orderbook

	<u>S\$m</u>		<u>Clients</u>
	<u>Contract Value</u>	<u>Balance Order</u>	
<u>For delivery in 2004</u>			
4 Jack Up Upgrades / Repairs / 1 Processing Platform	157	31	Ensco / GSF / JDC / Sedco / Petrovietnam
2 Semi Conversions / Upgrades / 2 FPSO Conversions	154	23	JCE Group / Diamond / Halliburton / Perenco
3 AHTS / 4 Tugs / 1 Support Vessel Refit / 1 Cement Carrier Conversion	122	29	Delba Maritima / CH Offshore / Hadi Hammam / Keppel Smit / PSA Marine / RFA / Windstor
<u>For delivery in 2005</u>			
2 Jack Ups / 2 Jack Up Upgrades / Repairs / 1 Semi Modification	659	240	BP / NDC / Ensco / Atwood / Boeing
1 Cruise Vessel Lengthening / 1 Cruise Vessel Refurbishment / 1 Derrick Barge Upgrade / Suction Cans / 2 PSVs / 10 AHTS / 2 Tugs	363	272	Kvaener / easyCruise / Saipem / Technip / Maersk / Gulfmark Offshore / Pacific Richfield / Bourbon / Smit / Hadi Hammam / PSA Marine
<u>For delivery in 2006</u>			
4 Jack Ups / 3 AHTS	871	819	Skeie / Ensco / Odfjell / Bourbon / Smit / Hadi Hammam
<u>For delivery in 2007</u>			
1 Semi (P52)	1,073	1,073	Petrobras
<u>For delivery in 2008</u>			
1 Semi (P51)	1,093	1,093	Petrobras
TOTAL as at 30 Sep 2004	<u><u>S\$4.5b</u></u>	<u><u>S\$3.6b</u></u>	

Property

Financial Highlights - Property

S\$m	<u>9M 2004</u>	<u>9M 2003</u>	<u>% Change</u>
Turnover	550	611	(10)
EBITDA	160	137	17
Operating Profit	150	125	20
Profit Before Tax	154	120	28
PATMI	89	69	29
PATMI (excl. deferred tax adjustments)	86	69	25

Financial Highlights – Property

S\$m	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	139	170	(18)
EBITDA	37	44	(16)
Operating Profit	34	40	(15)
Profit Before Tax	39	38	3
PATMI	25	20	25
PATMI (excl. deferred tax adjustments)	22	20	10

Financial Highlights – Property

S\$m	<u>2Q 2004</u>	<u>2Q 2003</u>	<u>% Change</u>
Turnover	209	206	1
EBITDA	57	40	43
Operating Profit	53	38	39
Profit Before Tax	52	35	49
PATMI	29	23	26

Financial Highlights – Property

S\$m	<u>3Q 2004</u>	<u>3Q 2003</u>	<u>% Change</u>
Turnover	202	235	(14)
EBITDA	66	53	25
Operating Profit	63	47	34
Profit Before Tax	63	47	34
PATMI	35	26	35

Infrastructure

Financial Highlights – Infrastructure

S\$m	<u>9M 2004</u>	<u>9M 2003</u>	<u>% Change</u>
Turnover	556	618	(10)
EBITDA	72	90	(20)
Operating Profit	20	34	(41)
Profit Before Tax	36	45	(20)
PATMI	33	45	(27)

Financial Highlights – Infrastructure

S\$m	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	187	183	2
EBITDA	27	33	(18)
Operating Profit	11	14	(21)
Profit Before Tax	15	15	-
PATMI	15	19	(21)

Financial Highlights – Infrastructure

S\$m	<u>2Q 2004</u>	<u>2Q 2003</u>	<u>% Change</u>
Turnover	195	218	(11)
EBITDA	28	28	-
Operating Profit	9	10	(10)
Profit Before Tax	15	13	15
PATMI	13	13	-

Financial Highlights – Infrastructure

S\$m	<u>3Q 2004</u>	<u>3Q 2003</u>	<u>% Change</u>
Turnover	174	217	(20)
EBITDA	17	29	(41)
Operating Profit	0	10	(100)
Profit Before Tax	6	17	(65)
PATMI	5	13	(62)

Infrastructure Order Book & Job Prospects

	<u>S\$m</u>	
	<u>Order Book</u>	<u>Job Prospects</u>
Utilities Engineering	571	770
Network Engineering	48	30
Total	<u>619</u>	<u>800</u>

Investments

Financial Highlights - Investments

S\$m	<u>9M 2004</u>	<u>9M 2003</u>	<u>% Change</u>
Turnover	57	2,467	(98)
EBITDA	16	112	(86)
Operating Profit	2	65	(97)
Profit Before Tax	113	91	24
PATMI	87	64	36
PATMI (excl. deferred tax adjustments)	86	64	34

Financial Highlights – Investments

S\$m	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	23	998	(98)
EBITDA	1	33	(97)
Operating Profit	(4)	18	NM
Profit Before Tax	24	31	(23)
PATMI	20	19	5
PATMI (excl. deferred tax adjustments)	19	19	-

Financial Highlights – Investments

S\$m	<u>2Q 2004</u>	<u>2Q 2003</u>	<u>% Change</u>
Turnover	20	720	(97)
EBITDA	15	40	(63)
Operating Profit	10	25	(60)
Profit Before Tax	43	27	59
PATMI	32	24	33

Financial Highlights – Investments

S\$m	<u>3Q 2004</u>	<u>3Q 2003</u>	<u>% Change</u>
Turnover	14	749	(98)
EBITDA	-	39	(100)
Operating Profit	(4)	22	NM
Profit Before Tax	46	33	39
PATMI	35	21	67

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.