



# **1H 2005 Results Announcement**

**28 July, 2005**

# Scope of Briefing

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

# **Address by Executive Chairman**

# 1H'05 Results Reinforce Outlook

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- ◆ Achieved 17% earnings growth
- ◆ Likely to exceed 8-12% EPS growth target for 2005
- ◆ Grew O&M's net orderbook to S\$6.7bn
- ◆ SPC posted sterling PATMI performance

# Efforts To Build Growth Platforms

**O & M: Orderbook stretches into 2009**

**Property: Residential pipeline across growth cities  
Diversified into township developments**

**Oil & Gas: More upstream assets kick-in**

**Cogen & 20-yr Newater plant  
Infra: Approx. 18-yr gas supply  
Power barges redeployment**

2005

2006

2007

2008

2009

# Creating And Unlocking Value

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## ◆ Bugis Junction

- raised interest from 31% to 41%
- swapped retail mall stake for office tower and cash
- enhanced future divestment options for office assets

## ◆ Awarded tender for Business & Financial Centre jointly with partners

# **Group Financial Highlights**

# 1H'05 Financial Achievements

PATMI	↑	17% to S\$277m
EPS	↑	16% to 35.5cts
Annualised ROE	↑	from 15.1% to 16.0%
EVA	↑	S\$82m to S\$96m
Free cash flow	↑	6% to S\$297m
Net gearing	↓	from 0.64x to 0.59x
Interim Dividend	↑	11% to 10 cts per share



# Financial Highlights

<b>\$m</b>	<b><u>1H 2005</u></b>	<b><u>1H 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>2,313</b>	<b>1,818</b>	<b>27</b>
<b>EBITDA</b>	<b>312</b>	<b>308</b>	<b>1</b>
<b>Operating Profit</b>	<b>255</b>	<b>228</b>	<b>12</b>
<b>Profit Before Tax</b>	<b>405</b>	<b>304</b>	<b>33</b>
<b>PATMI</b>	<b>277</b>	<b>237</b>	<b>17</b>
<b>EPS (cents)</b>	<b>35.5</b>	<b>30.6</b>	<b>16</b>

# Turnover by Segments

<b>S\$m</b>	<b><u>1H 2005</u></b>	<b><u>%</u></b>	<b><u>1H 2004</u></b>	<b><u>%</u></b>	<b><u>% Change</u></b>
<b>Offshore &amp; Marine</b>	<b>1,654</b>	<b>72</b>	<b>1,045</b>	<b>58</b>	<b>58</b>
<b>Property</b>	<b>331</b>	<b>14</b>	<b>348</b>	<b>19</b>	<b>(5)</b>
<b>Infrastructure</b>	<b>280</b>	<b>12</b>	<b>382</b>	<b>21</b>	<b>(27)</b>
<b>Investments</b>	<b>48</b>	<b>2</b>	<b>43</b>	<b>2</b>	<b>12</b>
<b>Total</b>	<b>2,313</b>	<b>100</b>	<b>1,818</b>	<b>100</b>	<b>27</b>

# Pretax Profits by Segments

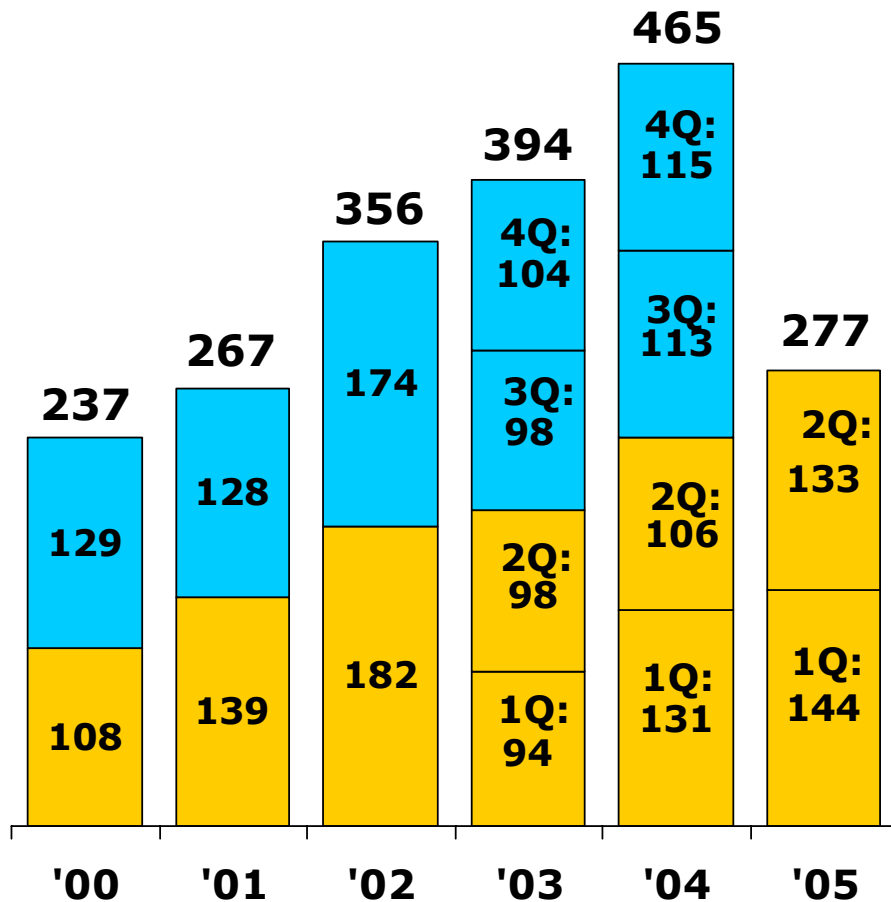
<b>S\$m</b>	<b><u>1H 2005</u></b>	<b><u>%</u></b>	<b><u>1H 2004</u></b>	<b><u>%</u></b>	<b><u>% Change</u></b>
<b>Offshore &amp; Marine</b>	<b>178</b>	<b>44</b>	<b>116</b>	<b>38</b>	<b>53</b>
<b>Property</b>	<b>96</b>	<b>24</b>	<b>91</b>	<b>30</b>	<b>5</b>
<b>Infrastructure</b>	<b>(6)</b>	<b>(2)</b>	<b>30</b>	<b>10</b>	<b>NM</b>
<b>Investments</b>	<b>137</b>	<b>34</b>	<b>67</b>	<b>22</b>	<b>104</b>
<b>Total</b>	<b>405</b>	<b>100</b>	<b>304</b>	<b>100</b>	<b>33</b>

# PATMI by Segments

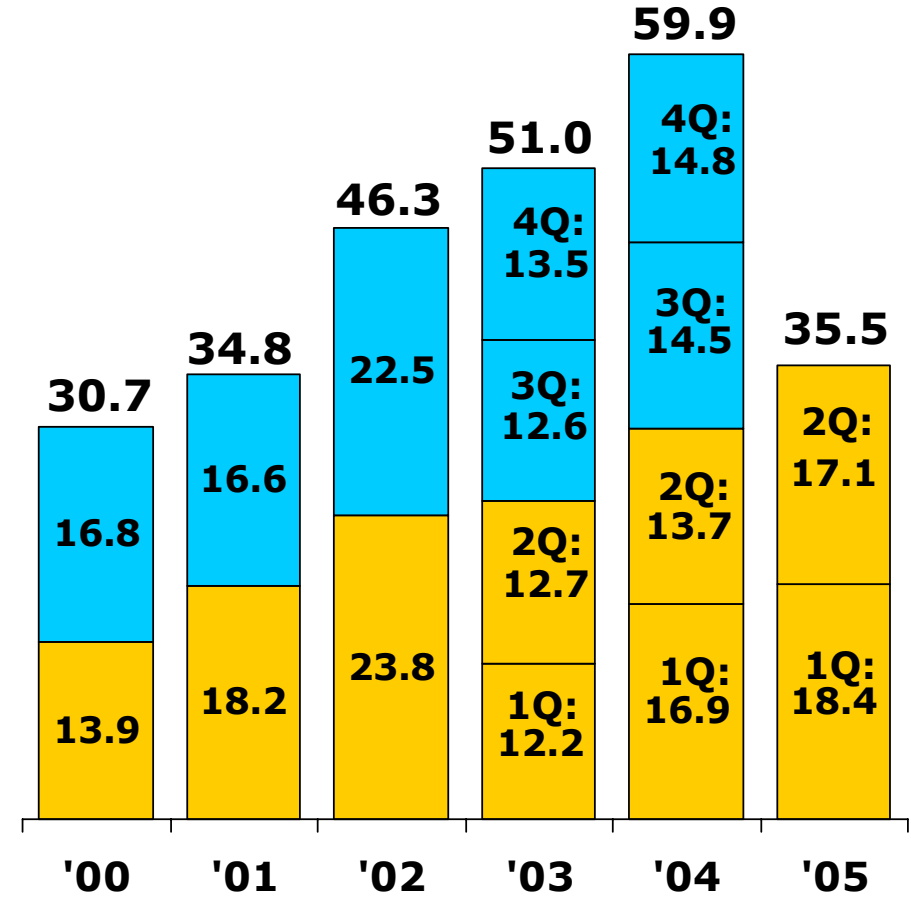
<b>S\$m</b>	<b><u>1H 2005</u></b>	<b><u>%</u></b>	<b><u>1H 2004</u></b>	<b><u>%</u></b>	<b><u>% Change</u></b>
<b>Offshore &amp; Marine</b>	<b>119</b>	<b>43</b>	<b>104</b>	<b>44</b>	<b>14</b>
<b>Property</b>	<b>45</b>	<b>16</b>	<b>54</b>	<b>23</b>	<b>(17)</b>
<b>Infrastructure</b>	<b>(3)</b>	<b>(1)</b>	<b>27</b>	<b>11</b>	<b>NM</b>
<b>Investments</b>	<b>116</b>	<b>42</b>	<b>52</b>	<b>22</b>	<b>123</b>
<b>Total</b>	<b>277</b>	<b>100</b>	<b>237</b>	<b>100</b>	<b>17</b>

# Consistent Earnings Growth

**PATMI (\$m)**

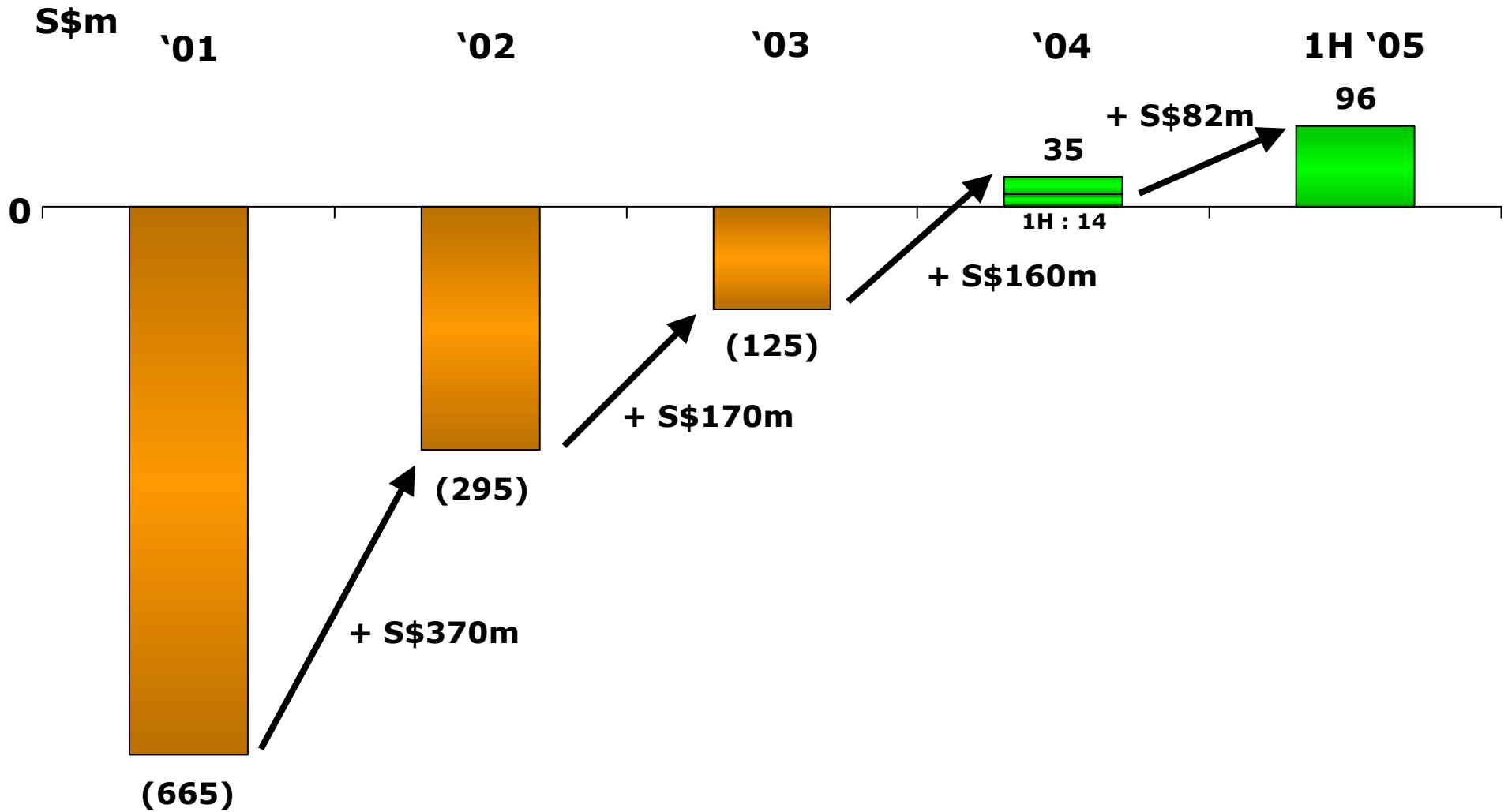


**EPS (Cents)**

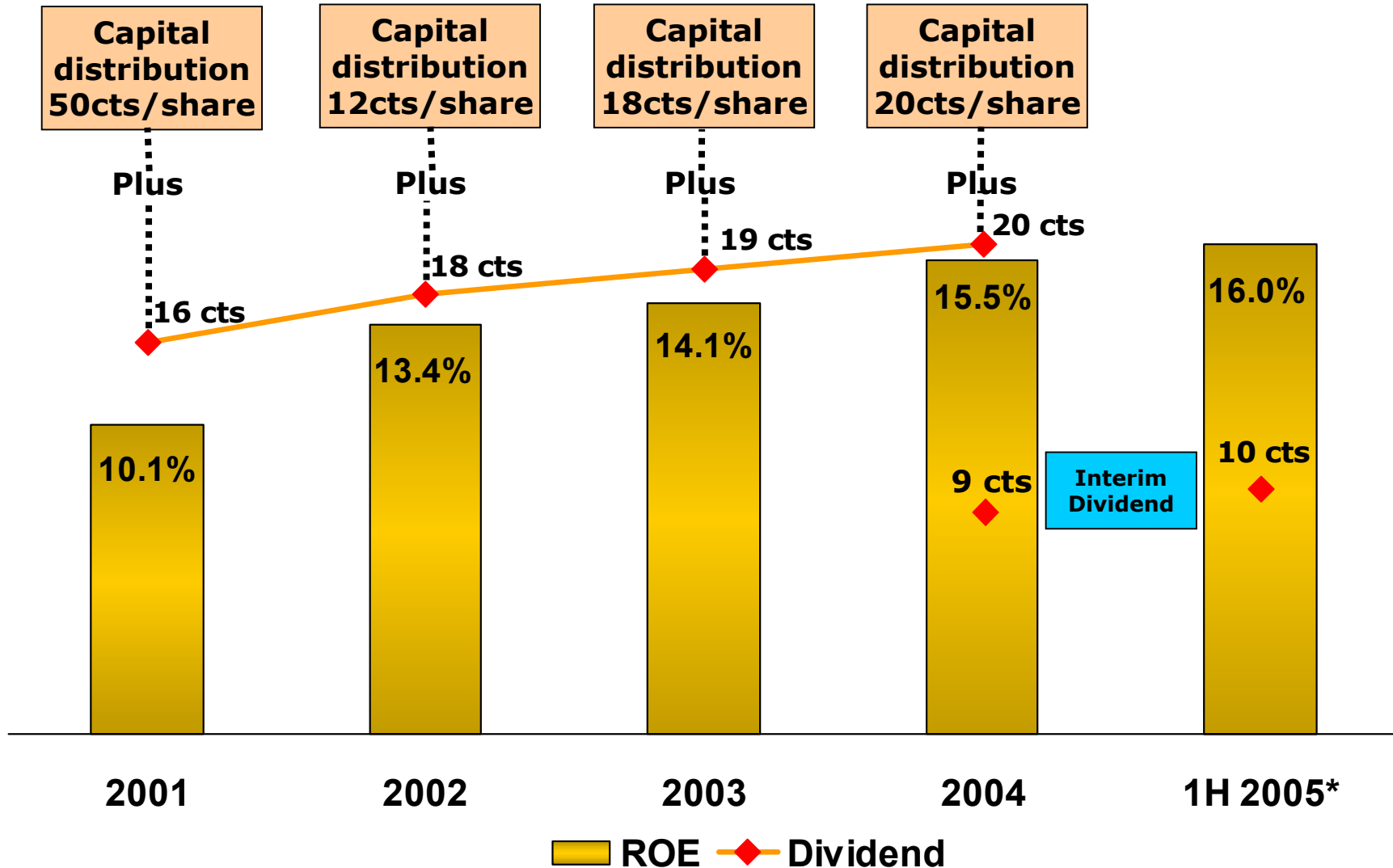


1H 2H

# Continued EVA Growth



# Increasing ROE & Dividend



\* Annualised ROE

# Healthy Free Cash Flow

	<u>1H 2005</u>
	S\$m
Operating profit	255
Depreciation & other non-cash items	58
	<hr/> 313
Working capital changes	106
Interest & tax paid	(28)
<b>Net cash from operating activities</b>	<hr/> <b>391</b> <hr/>
Investments & capex	(204)
Divestments & dividend income	110
<b>Net cash used in investing activities</b>	<hr/> <b>(94)</b> <hr/>
<b>Free Cash Flow</b>	<hr/> <b>297</b> <hr/>
<b>Dividends paid</b>	<hr/> <b>(225)</b> <hr/>

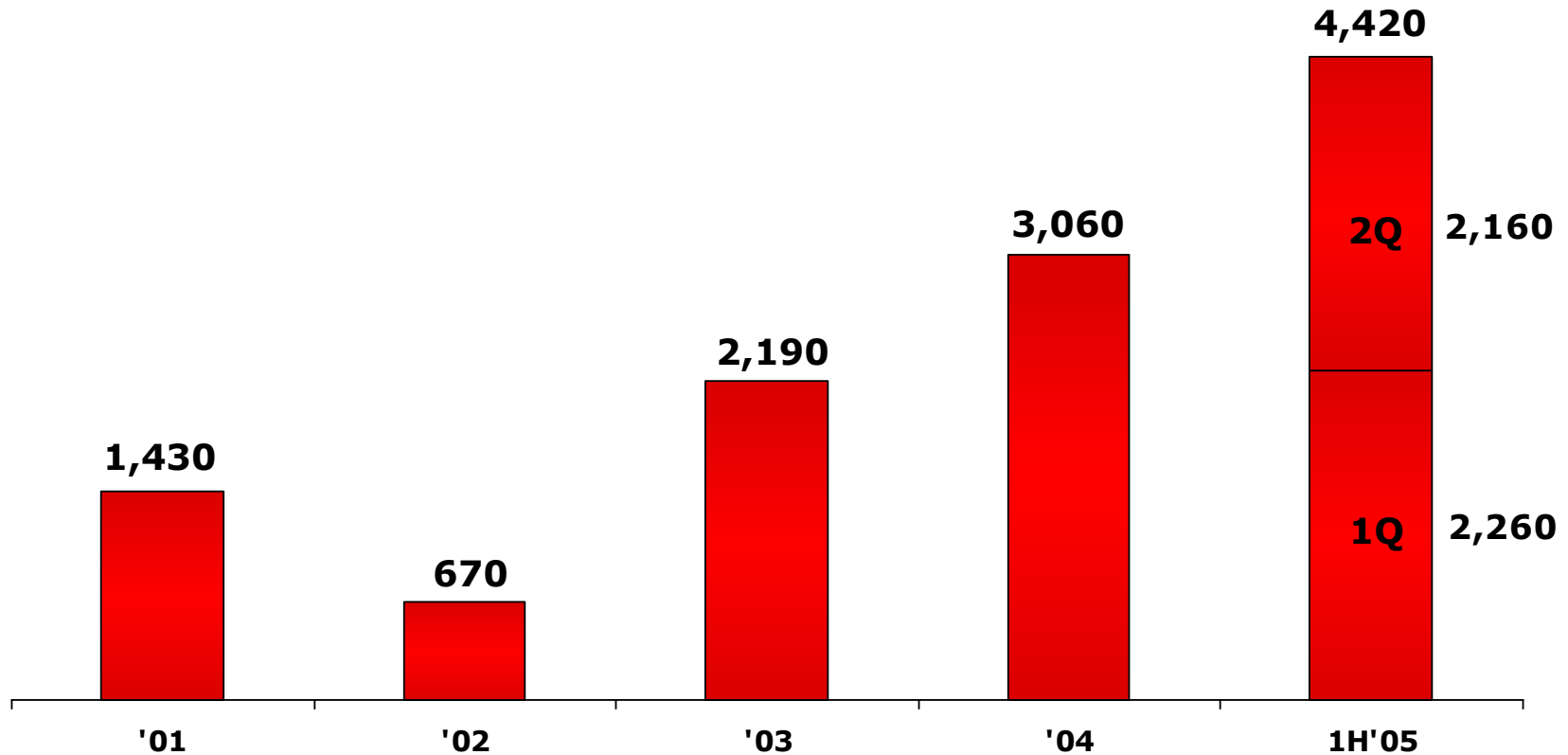


# **Business Review & Outlook**

# Offshore & Marine

# Another Strong Quarter

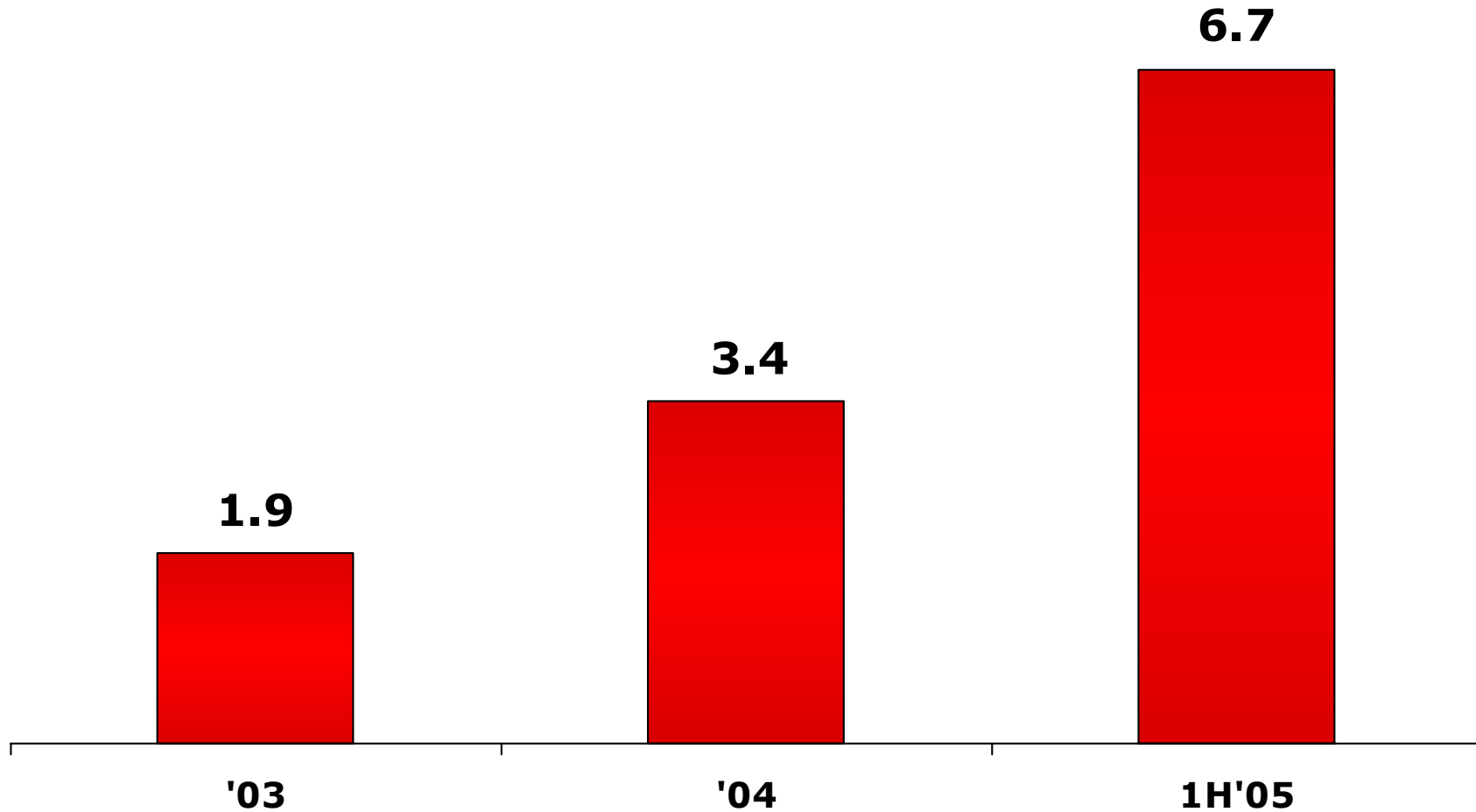
S\$m



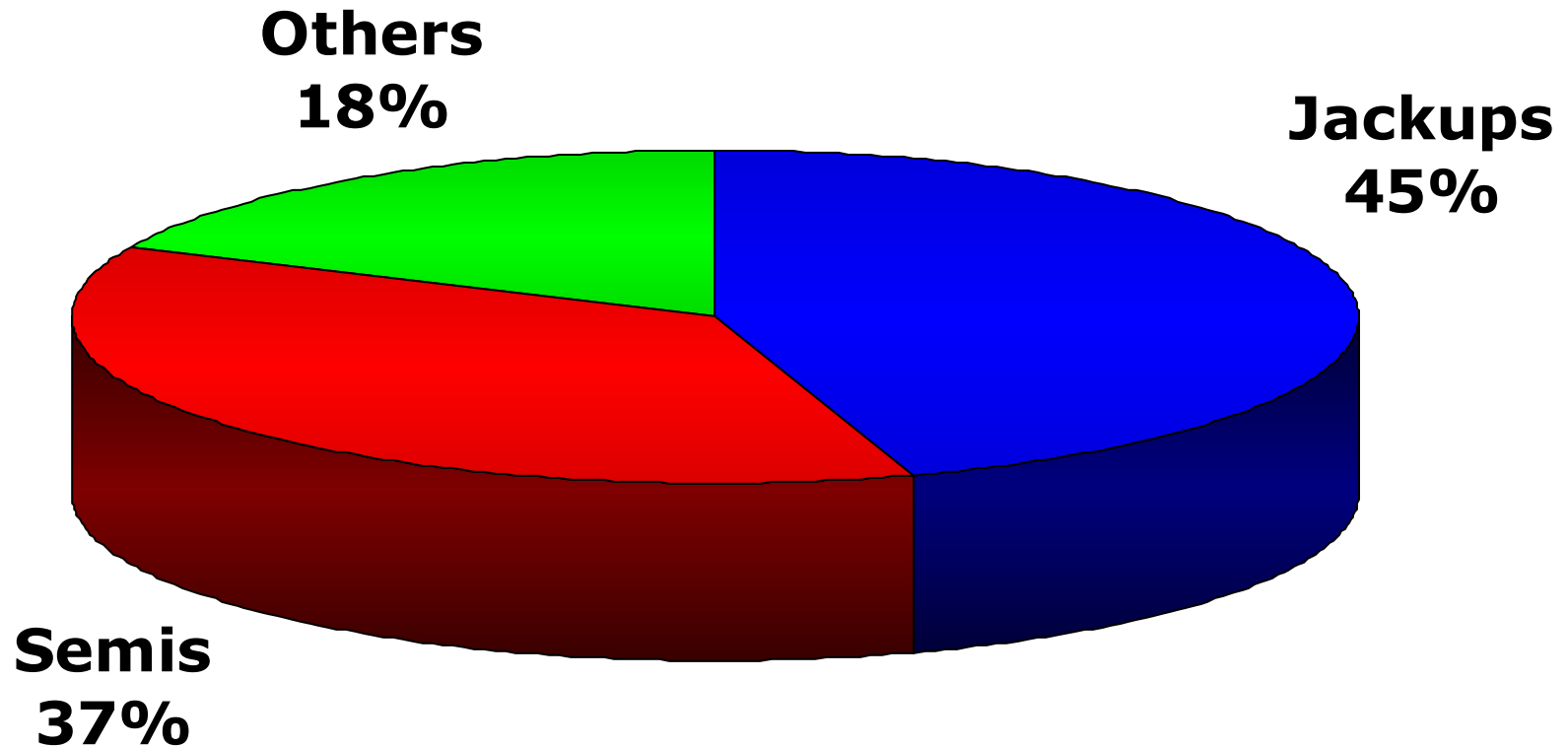
**Contracts Secured**

# Net Orderbook Doubles

S\$bn

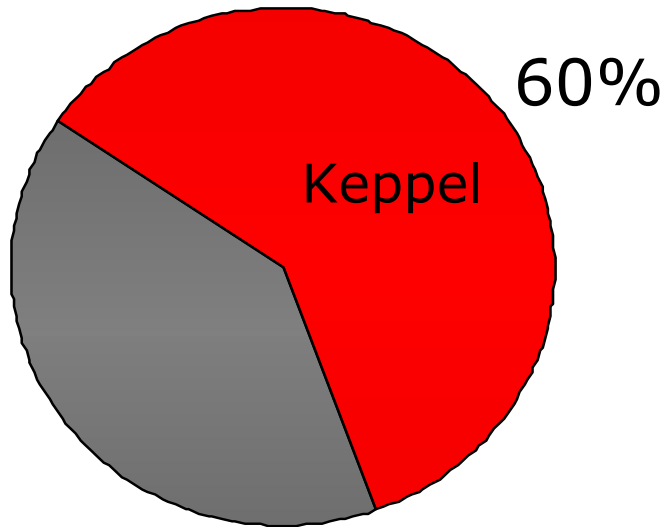


# Net Orderbook : A Good Mix



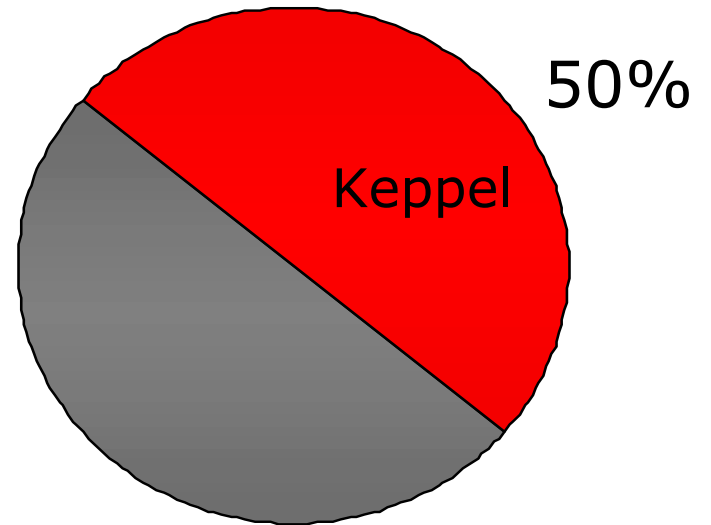
# 1H'05 Market Share

Jackups



12 out of 20 orders

Semisubmersibles



2 out of 4 orders

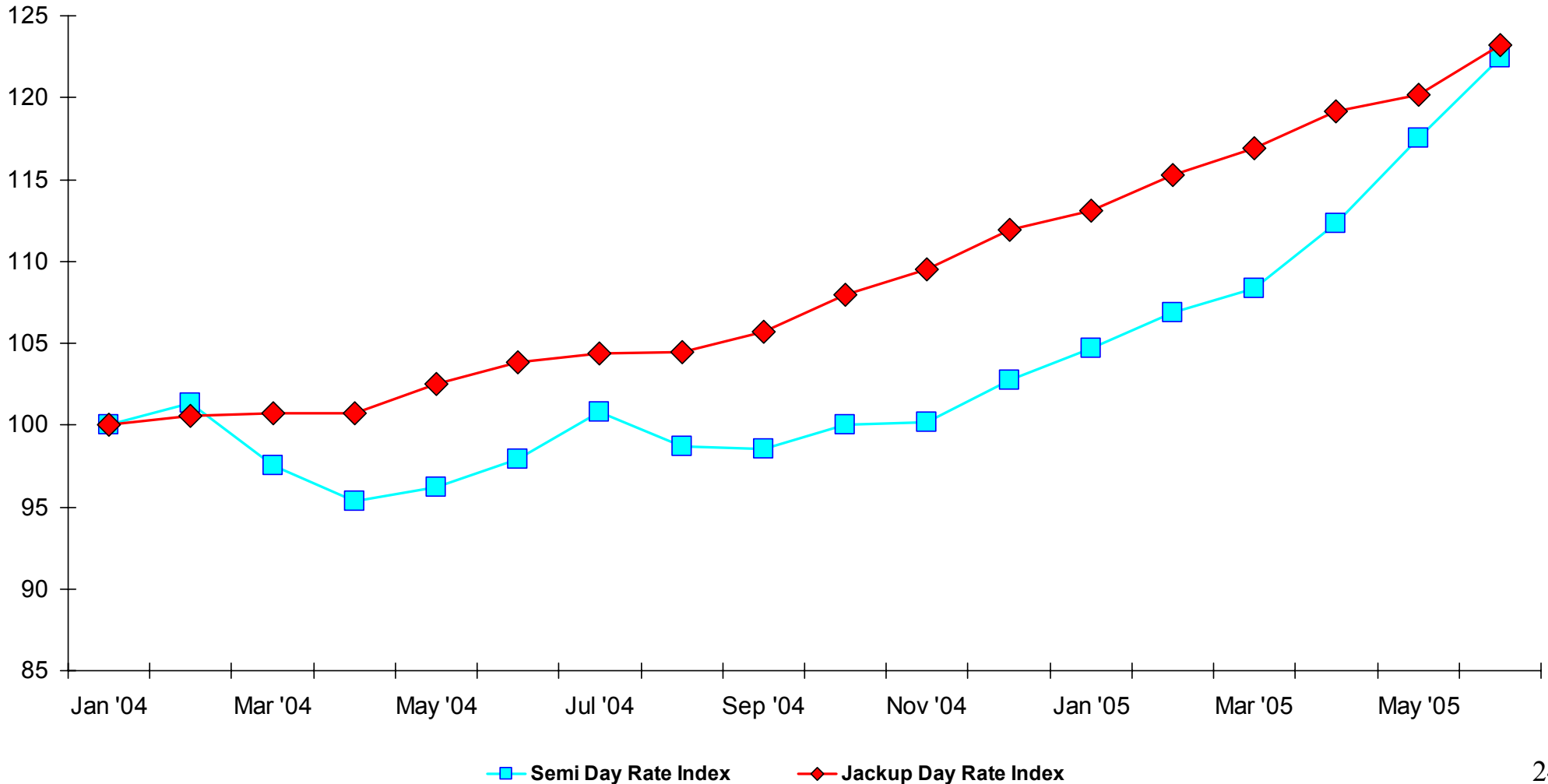
# A Tight Market All-Round

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- ◆ Operators accelerating E&P activities; demand expected to increase
- ◆ Tight availability impacting operators' drilling programmes
- ◆ Operators executing longer contracts to secure rig availability

# Day Rates Continue To Climb

Day Rate Index, Jan 2004 = 100



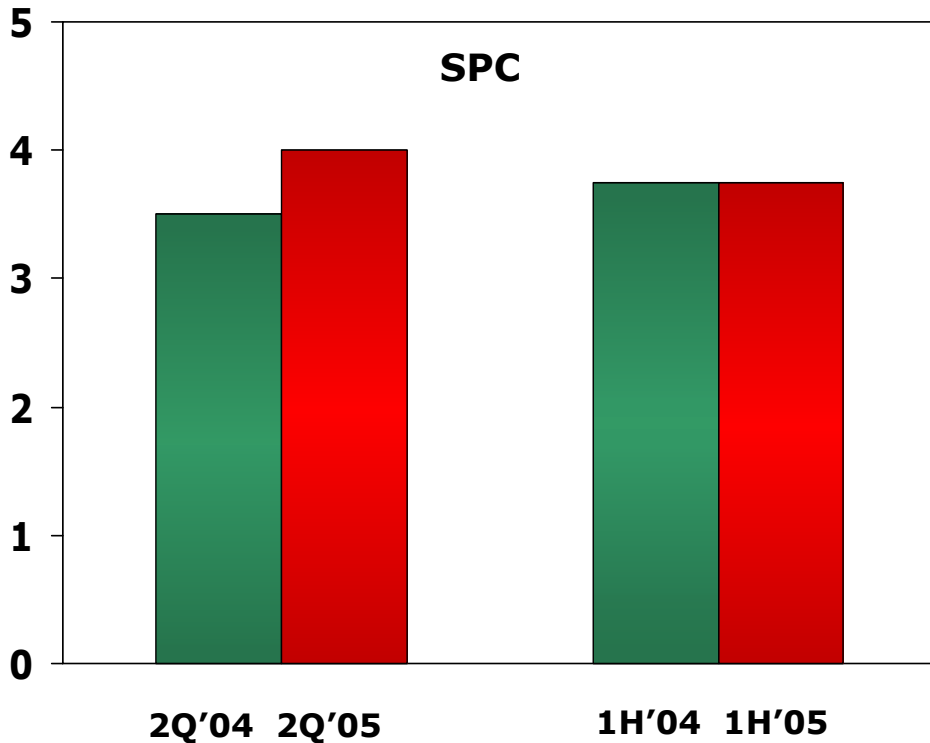


# Oil & Gas

# Healthy Refining Margins

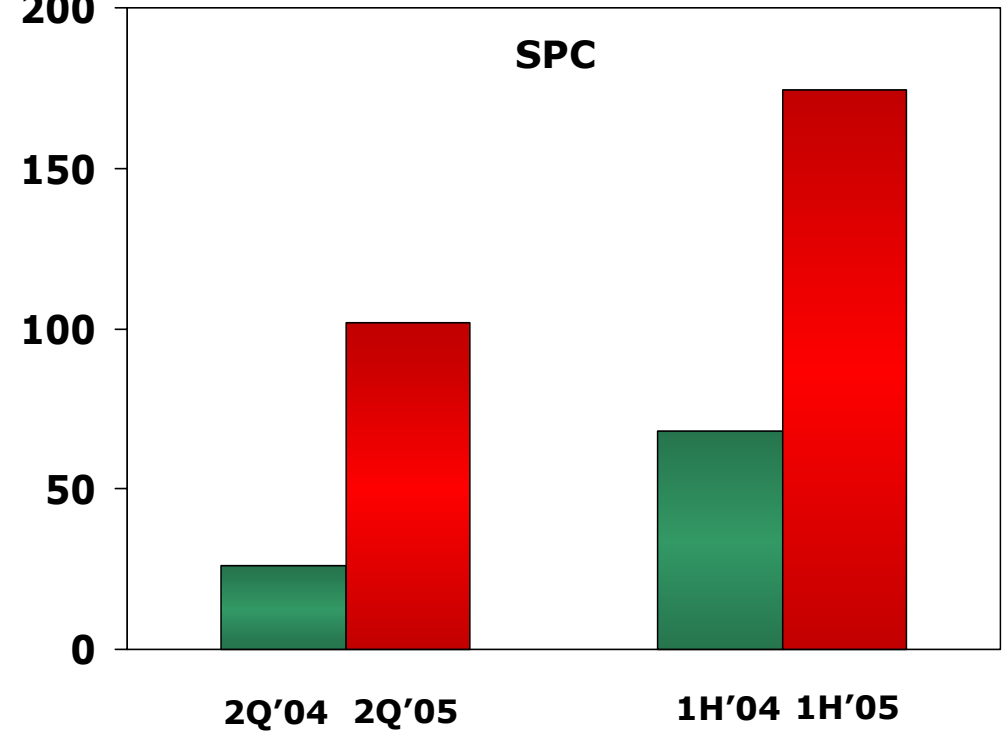
## Average Refining Margins

US\$/barrel



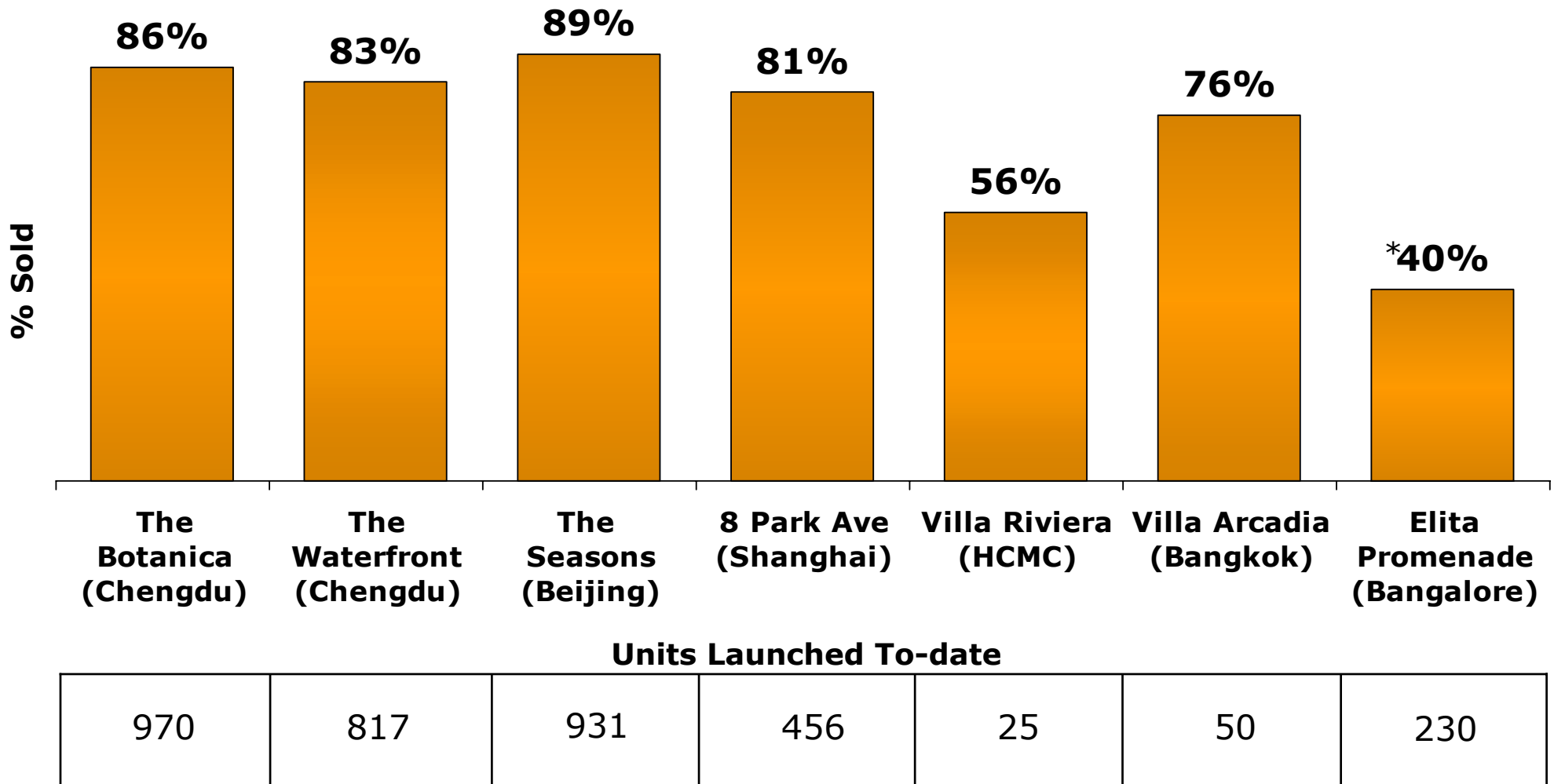
## PATMI

S\$m



# Property

# Healthy Overseas Sales



\*Launched on 23 July 2005

# 2Q'05 : China Projects

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- ◆ Sustained healthy demand in Chengdu & Beijing
- ◆ Transaction volume declined in Shanghai
- ◆ Growing income and urbanisation still underpin long-term prospects

# Overseas Pipeline Next 2 - 3 Years



**Over 11,000 units to be launched**

# Continuing Strength In Domestic Market

## ◆ Prime Office Market

- One Raffles Quay : UBS joined ABN AMRO and Deutsche Bank as new anchor tenant

## ◆ Private Residential Market

- Caribbean at Keppel Bay : 121 units sold this year, 168 units furnished for corporate leasing
- The Belvedere : 86 units sold since 2Q'05 maiden launch

**Positive interest expected from new measures**

# Infrastructure



# Building On Growth Platforms

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## Environmental Services & Engineering

- Bidding for Singapore's 5<sup>th</sup> Incineration Plant and other projects
- Net orderbook of S\$575m, pursuing about S\$520m of contracts

## Energy

- Negotiating redeployment of power barges to Ecuador
- Secured an approximate 18-yr S\$3bn natural gas supply contract from Petronas; ensures competitive gas supply for Cogen plant

# Prospects

## ◆ Current Year Performance

- Exceeding EPS CAGR target of 8-12%
- ROE above 15%
- Continued EVA improvement

## ◆ Sustainable long-term earnings growth

- Strong fundamentals in Offshore market
- Property launches and township developments
- SPC's upstream assets and Infrastructure projects

# **Keppel Corporation 1H 2005 Results**

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**Thank You  
Q&A**

# **Additional Info**

# Keppel Corporation

# Financial Highlights

<b>S\$m</b>	<b><u>2Q 2005</u></b>	<b><u>2Q 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>1,167</b>	<b>922</b>	<b>27</b>
<b>EBITDA</b>	<b>153</b>	<b>162</b>	<b>(6)</b>
<b>Operating Profit</b>	<b>127</b>	<b>120</b>	<b>6</b>
<b>Profit Before Tax</b>	<b>201</b>	<b>157</b>	<b>28</b>
<b>PATMI</b>	<b>133</b>	<b>106</b>	<b>25</b>

# Turnover by Customers

	1H 2005		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
<b>Offshore &amp; Marine</b>	<b>1,654</b>	<b>96</b>	<b>4</b>
<b>Property</b>	<b>331</b>	<b>56</b>	<b>44</b>
<b>Infrastructure</b>	<b>280</b>	<b>50</b>	<b>50</b>
<b>Investments</b>	<b>48</b>	<b>38</b>	<b>62</b>
<b>Total</b>	<b>2,313</b>	<b>84</b>	<b>16</b>

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

# EBITDA by Segments

S\$m	<u>1H 2005</u>	<u>%</u>	<u>1H 2004</u>	<u>%</u>	<u>% Change</u>
<b>Offshore &amp; Marine</b>	<b>202</b>	<b>65</b>	<b>144</b>	<b>47</b>	<b>40</b>
<b>Property</b>	<b>102</b>	<b>33</b>	<b>94</b>	<b>30</b>	<b>9</b>
<b>Infrastructure</b>	<b>(5)</b>	<b>(2)</b>	<b>55</b>	<b>18</b>	<b>NM</b>
<b>Investments</b>	<b>13</b>	<b>4</b>	<b>15</b>	<b>5</b>	<b>(13)</b>
<b>Total</b>	<b>312</b>	<b>100</b>	<b>308</b>	<b>100</b>	<b>1</b>



# Capital/Gearing/ROE

<b>S\$m</b>	<b><u>30 Jun 2005</u></b>	<b><u>31 Dec 2004</u></b>
<b>Shareholders' Funds</b>	<b>3,268</b>	<b>3,091</b>
<b>Capital Employed</b>	<b>4,495</b>	<b>4,258</b>
<b>Net Debt</b>	<b>2,641</b>	<b>2,726</b>
<b>Net Gearing</b>	<b>0.59x</b>	<b>0.64x</b>
<b>ROE</b>	<b>16.0%*</b>	<b>15.5%</b>

# Offshore & Marine

# Financial Highlights – Offshore & Marine

<b>S\$m</b>	<b><u>1H 2005</u></b>	<b><u>1H 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>1,654</b>	<b>1,045</b>	<b>58</b>
<b>EBITDA</b>	<b>202</b>	<b>144</b>	<b>40</b>
<b>Operating Profit</b>	<b>173</b>	<b>115</b>	<b>50</b>
<b>Profit Before Tax</b>	<b>178</b>	<b>116</b>	<b>53</b>
<b>PATMI</b>	<b>119</b>	<b>104</b>	<b>14</b>
<b>PATMI (excl. deferred tax adjustments)</b>	<b>119</b>	<b>94</b>	<b>27</b>

# Financial Highlights – Offshore & Marine

<b>S\$m</b>	<b><u>2Q 2005</u></b>	<b><u>2Q 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>787</b>	<b>498</b>	<b>58</b>
<b>EBITDA</b>	<b>96</b>	<b>63</b>	<b>52</b>
<b>Operating Profit</b>	<b>81</b>	<b>48</b>	<b>69</b>
<b>Profit Before Tax</b>	<b>81</b>	<b>48</b>	<b>69</b>
<b>PATMI</b>	<b>48</b>	<b>33</b>	<b>45</b>

# Offshore & Marine Review

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- S\$2.16bn contracts secured in 2Q 2005:  
3 JU newbuilds, 2 semi newbuilds, 1 FSU hull conversion, 8 vessels, 6 barges
- Major contract completions in 2Q 2005:  
TPG 500 JU platform, 1 semi modification

# Offshore & Marine Orderbook

	<u>Balance Order</u> <u>S\$m</u>	<u>Clients</u>
<b><u>For delivery in 2005</u></b>		
2 Jack ups / 4 Jack Up Upgrades/Repairs / 2 Semi Repairs / 1 Semi Special Survey	76	NDC / Ensco / Diamond/ JCE / Stena
1 FPSO Hull Conversion / 1 FPSO Upgrade / 1 Gas Compressor Platform / 1 Power Barge/ Suction Cans	96	Marathon / Bergesen / Perenco / Wartsila / Technip
2 PSVs / 6 AHTS / 2 Tugs	63	Maersk / Bourbon / Smit / Hadi Hammam / Keppel Smit
<b><u>For delivery in 2006</u></b>		
5 Jack Ups / 1 Jack Up Upgrade / 1 Semi Upgrade / 2 Accommodation Platforms / 1 FPSO Conversion / 1 FPSO Hookup/Comm. / 6 AHTS / 4 Tugs	1,148	Sinvest / Odfjell / GDI / Awilco / Ensco / Diamond / Pemex / SBM / Petrobras / Bourbon / Smit / Hadi Hammam / Lukoil / Zamil / Keppel Smit
<b><u>For delivery in 2007 to 2009</u></b>		
4 Semis / 11 Jack Ups / 1 FPSO Hull Conversion / 1 Sludge Vessel / Barges & Pipe Racks	5,312	Petrobras / Petrovietnam / Sinvest / Odfjell / Maersk / Seatankers / Ensco / Diamond / City of New York / Agip
<b>TOTAL as at 30 Jun 2005</b>	<u><u>6,695</u></u>	

# Property

# Financial Highlights - Property

<b>S\$m</b>	<b><u>1H 2005</u></b>	<b><u>1H 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>331</b>	<b>348</b>	<b>(5)</b>
<b>EBITDA</b>	<b>102</b>	<b>94</b>	<b>9</b>
<b>Operating Profit</b>	<b>94</b>	<b>87</b>	<b>8</b>
<b>Profit Before Tax</b>	<b>96</b>	<b>91</b>	<b>5</b>
<b>PATMI</b>	<b>45</b>	<b>54</b>	<b>(17)</b>
<b>PATMI (excl. deferred tax adjustments)</b>	<b>45</b>	<b>51</b>	<b>(12)</b>



# Financial Highlights - Property

<b>S\$m</b>	<b><u>2Q 2005</u></b>	<b><u>2Q 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>203</b>	<b>209</b>	<b>(3)</b>
<b>EBITDA</b>	<b>52</b>	<b>57</b>	<b>(9)</b>
<b>Operating Profit</b>	<b>48</b>	<b>53</b>	<b>(9)</b>
<b>Profit Before Tax</b>	<b>47</b>	<b>53</b>	<b>(11)</b>
<b>PATMI</b>	<b>23</b>	<b>30</b>	<b>(23)</b>

# Infrastructure

# Financial Highlights – Infrastructure

<b>S\$m</b>	<b><u>1H 2005</u></b>	<b><u>1H 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>280</b>	<b>382</b>	<b>(27)</b>
<b>EBITDA</b>	<b>(5)</b>	<b>55</b>	<b>NM</b>
<b>Operating Profit</b>	<b>(21)</b>	<b>21</b>	<b>NM</b>
<b>Profit Before Tax</b>	<b>(6)</b>	<b>30</b>	<b>NM</b>
<b>PATMI</b>	<b>(3)</b>	<b>27</b>	<b>NM</b>

# Financial Highlights – Infrastructure

<b>S\$m</b>	<b><u>2Q 2005</u></b>	<b><u>2Q 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>148</b>	<b>195</b>	<b>(24)</b>
<b>EBITDA</b>	<b>(5)</b>	<b>28</b>	<b>NM</b>
<b>Operating Profit</b>	<b>(10)</b>	<b>10</b>	<b>NM</b>
<b>Profit Before Tax</b>	<b>(2)</b>	<b>15</b>	<b>NM</b>
<b>PATMI</b>	<b>(4)</b>	<b>12</b>	<b>NM</b>

# Investments

# Financial Highlights - Investments

<b>S\$m</b>	<b><u>1H 2005</u></b>	<b><u>1H 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>48</b>	<b>43</b>	<b>12</b>
<b>EBITDA</b>	<b>13</b>	<b>15</b>	<b>(13)</b>
<b>Operating Profit</b>	<b>9</b>	<b>5</b>	<b>80</b>
<b>Profit Before Tax</b>	<b>137</b>	<b>67</b>	<b>104</b>
<b>PATMI</b>	<b>116</b>	<b>52</b>	<b>123</b>
<b>PATMI (excl. deferred tax adjustments)</b>	<b>116</b>	<b>51</b>	<b>127</b>

# Financial Highlights - Investments

<b>S\$m</b>	<b><u>2Q 2005</u></b>	<b><u>2Q 2004</u></b>	<b><u>% Change</u></b>
<b>Turnover</b>	<b>29</b>	<b>20</b>	<b>45</b>
<b>EBITDA</b>	<b>10</b>	<b>14</b>	<b>(29)</b>
<b>Operating Profit</b>	<b>8</b>	<b>9</b>	<b>(11)</b>
<b>Profit Before Tax</b>	<b>75</b>	<b>41</b>	<b>83</b>
<b>PATMI</b>	<b>66</b>	<b>31</b>	<b>113</b>

*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.*