



1Q 2005 Results Announcement

28 April, 2005

Scope of Briefing

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

Address by Executive Chairman

Enhanced Earnings Visibility

Strong O&M Cycle

- Secured record contracts in 1Q; more expected in 2005
- Net orderbook grew to S\$5.1bn, deliveries into 2009

Upswing In Oil & Gas Sector

- Firm refining margins underpinned by strong demand
- Upstream contribution to increase over time

Significant Infra Demand

- Regional economic growth drive infra needs
- Cogen and NEWater plants kick in earnings from 2007

Robust Asian Economies

- Overseas residential projects achieved high take-up
- Domestic residential and office sectors turned around

Building Long-Term Growth Platforms

O & M

- Strengthening “Near Market, Near Customer” strategy
- Expanding core competencies through R & D and acquisitions

Oil & Gas

- Pursuing upstream opportunities
- Enhancing refining capability

Infrastructure

- Seeking energy and environmental projects globally
- Participating in domestic gas market liberalisation

Property

- Widening our Asian footprint
- Strengthening business model through township developments

Group Financial Highlights

Financial Achievements in 1Q 05

PATMI	↑ 10% to S\$144m
EPS	↑ 9% to 18.4 cts
Annualised ROE	↑ from 14.1% to 15.6%
EVA	↑ S\$32m to S\$42m
Free cash flow	↑ 125% to S\$171m
Net gearing	↓ from 0.64x to 0.55x

Financial Highlights

S\$m	<u>1Q 2005</u>	<u>1Q 2004</u>	<u>% Change</u>
Turnover	1,146	896	28
EBITDA	159	146	9
Operating Profit	128	108	19
Profit Before Tax	204	147	39
PATMI	144	131	10
EPS (cents)	18.4	16.9	9

Turnover by Segments

S\$m	<u>1Q 2005</u>	<u>%</u>	<u>1Q 2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	867	76	547	61	59
Property	128	11	139	15	(8)
Infrastructure	132	11	187	21	(29)
Investments	19	2	23	3	(17)
Total	1,146	100	896	100	28

Pretax Profits by Segments

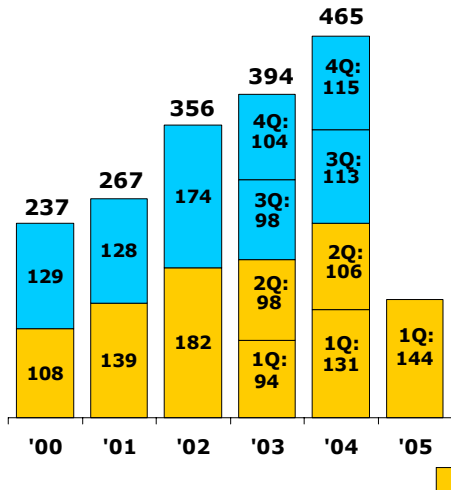
S\$m	<u>1Q 2005</u>	<u>%</u>	<u>1Q 2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	97	48	68	46	43
Property	49	24	38	26	29
Infrastructure	(4)	(2)	15	10	NM
Investments	62	30	26	18	138
Total	204	100	147	100	39

PATMI by Segments

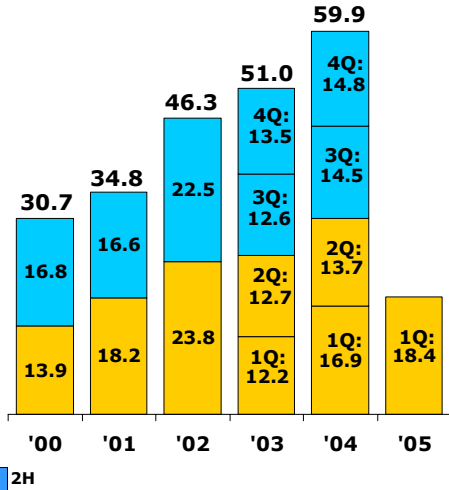
S\$m	<u>1Q 2005</u>	<u>%</u>	<u>1Q 2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	71	49	71	54	-
Property	22	15	24	18	(8)
Infrastructure	1	1	15	12	(93)
Investments	50	35	21	16	138
Total	144	100	131	100	10

Consistent Earnings Delivery

PATMI (S\$m)



EPS (Cents)



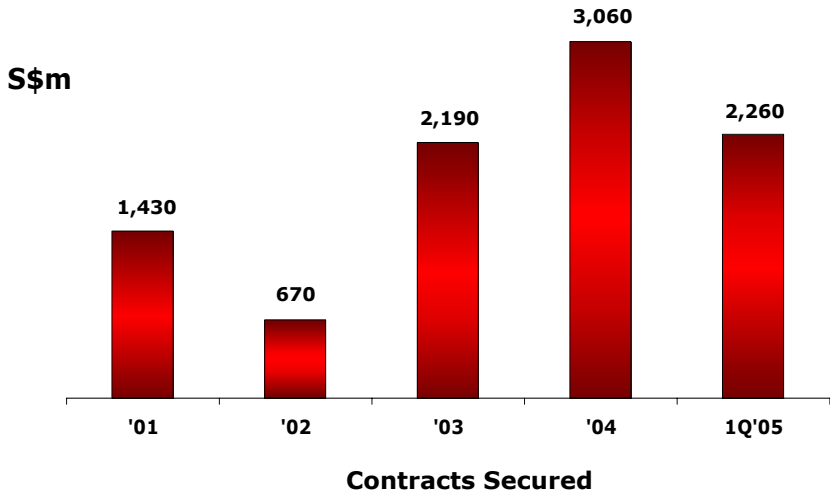
Healthy Free Cash Flow

	<u>1Q 2005</u>
	S\$m
Operating profit	128
Depreciation & other non-cash items	24
	<hr/>
	152
Working capital changes	90
Interest & tax paid	(11)
	<hr/>
Net cash from operating activities	231
	<hr/>
Investments & capex	(70)
Divestments & dividend income	10
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Net cash used in investing activities	(60)
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Free Cash Flow	171
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Business Review & Outlook

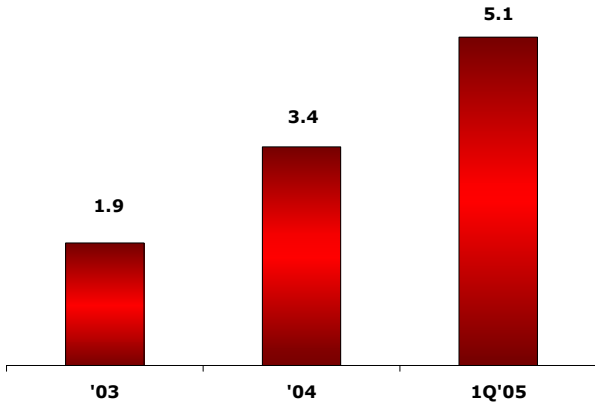
Offshore & Marine

Potentially Another Record Year



Earnings Visibility Lengthens

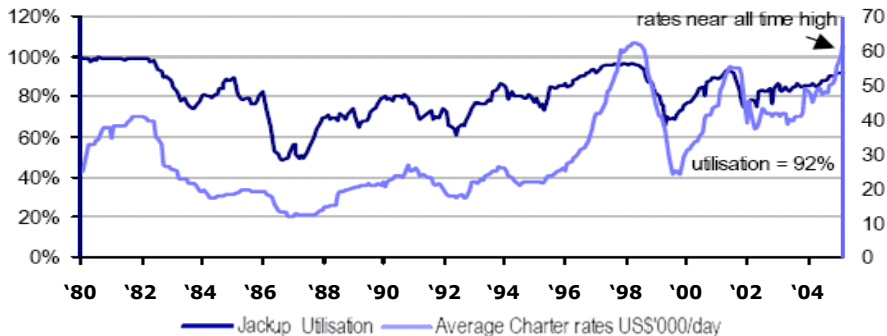
Net Orderbook (S\$bn)



- Deliveries into 2009
- Pursuing another S\$5bn of contracts

Sustainable Upcycle In Early Stage

Global Jackup Utilisation & Daily Charter Rates



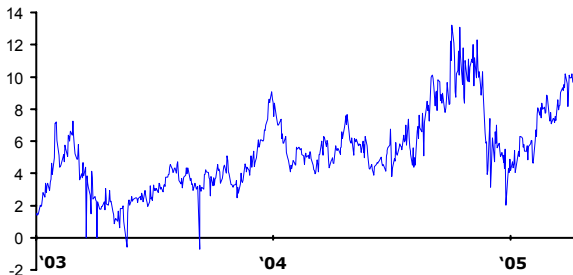
Source: ODS Petrodata

Jackups under construction represent only 7% of ageing fleet

Oil & Gas

Healthy Refining Margins

Singapore Gross Refining Margin Trends (US\$/bbl)



- Ageing refining assets
- Capacity expansion constraints
- Strong product demand

Source: Reuters

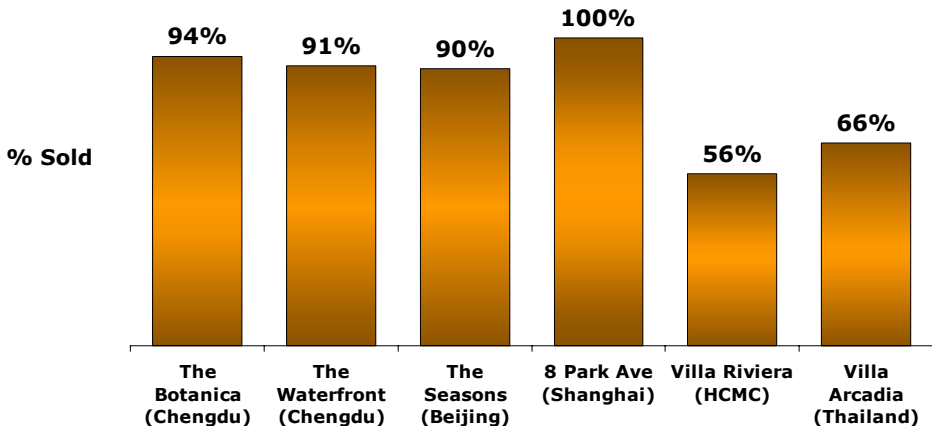
Full-year impact of increased SRC stake

Property

Growth Initiatives

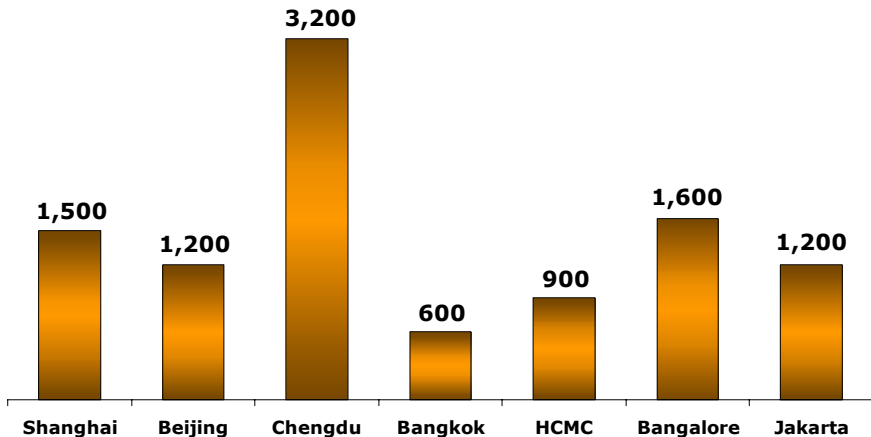
- Making further inroads into regional residential developments
- Expanding property fund activities
- Bidding for Integrated Resorts in Singapore

Strong Overseas Sales



Units Launched To-date	661	716	785	341	25	50

Overseas Pipeline Next 2 - 3 Years



Around 10,000 units to be launched

Infrastructure

Environmental Engineering

- Growing demand from Asia and Europe
- Developing new technologies
- S\$160m contracts secured in 1Q'05
- Net orderbook of S\$600m
- Pursuing over S\$700m of contracts

Continuing to strengthen growth drivers

Power Generation

- Steady earnings of cogen power project from 1Q 07
- Pursuing re-deployment of power barges
- Growing regional infrastructure demand

Prospects

- On track to meet financial targets
- Sustainable long-term earnings growth



Special Feature: Keppel Merlimau Cogen

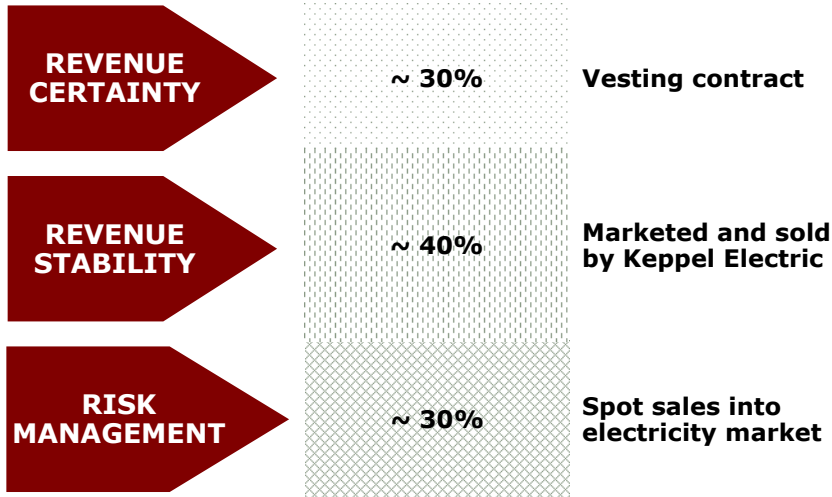
Project Overview

Keppel Merlimau Cogen (KMC)



- Location: Jurong Island
- Size: 2 x 250 MW
- Type: Combined Cycle Cogen
- Cost: S\$525m
- Fuel: Natural gas
- Operation: 1Q 2007

Robust Revenues



Keeping An Eye On Costs

CAPEX

- Low construction cost
- Fast-track
- Experienced EPC Contractor with credit-enhanced package

OPEX

- Lower operating costs due to the selected technology
- Competitive long-term maintenance contract of gas turbines by Alstom

Competitive Advantage

FUEL

- Superior terms and pricing to the market
- Flexible take-or-pay arrangement
- No take-or-pay obligations by Keppel Corporation

FINANCING

- Total project costs of S\$525m fully funded by debt
- S\$341.25m 16-year long term limited recourse financing and S\$183.75m equity bridge loan
- Highly competitive pricing and flexible terms enhance competitiveness

Market Positioning

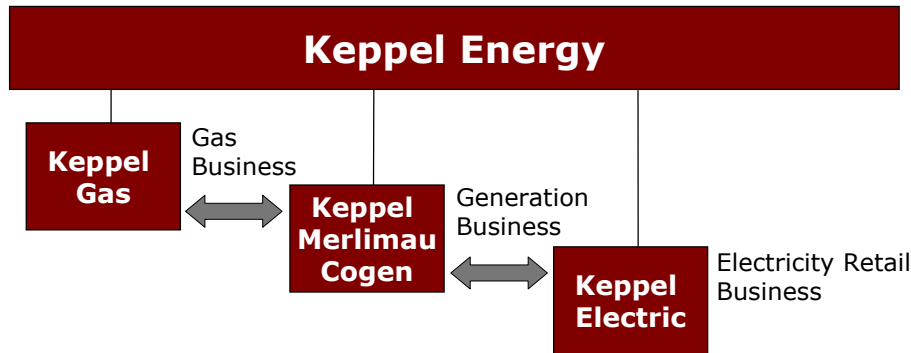
FIT TO MARKET

- Right Size: Sized to fit the market
- Right Technology: Flexible and reliable technology with proven track record

GROWTH OPTIONS

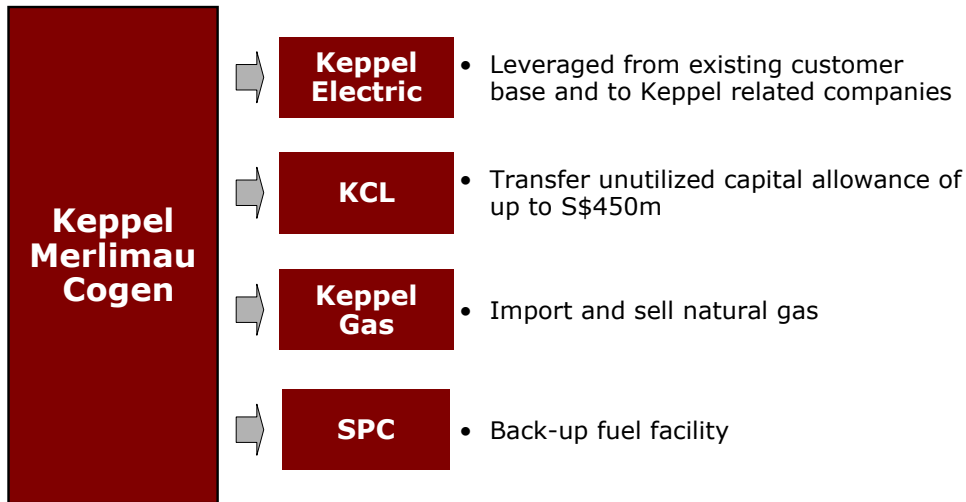
- Site selected for potential expansion
- Potential sales of utility services provide further revenue certainty and return
- Spin-offs into related businesses such as natural gas import and wholesale marketing

Creating A Growth Platform...



Integrated energy business reduces risks and captures values

Synergies Within Keppel Group



Return Driven Growth ...

Fits Keppel Energy's strategy of return driven growth through selective development and acquisitions



Target Equity IRR > 15%

Keppel Corporation 1Q 2005 Results

**Thank You
Q&A**

Additional Info

Keppel Corporation

Turnover by Customers

1Q 2005

	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	867	96	4
Property	128	55	45
Infrastructure	132	46	54
Investments	19	34	66
Total	<u><u>1,146</u></u>	85	15

**85% of total turnover
came from overseas customers**

EBITDA by Segments

S\$m	<u>1Q 2005</u>	<u>%</u>	<u>1Q 2004</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	106	67	81	55	31
Property	50	31	37	25	35
Infrastructure	-	-	27	19	(100)
Investments	3	2	1	1	200
Total	159	100	146	100	9

Capital/Gearing/ROE

S\$m	<u>31 Mar 2005</u>	<u>31 Dec 2004</u>
Shareholders' Funds	3,394	3,091
Capital Employed	4,588	4,258
Net Debt	2,537	2,726
Net Gearing	0.55x	0.64x
ROE	15.6%*	15.5%

Offshore & Marine

Financial Highlights – Offshore & Marine

S\$m	<u>1Q 2005</u>	<u>1Q 2004</u>	<u>% Change</u>
Turnover	867	547	59
EBITDA	106	81	31
Operating Profit	92	67	37
Profit Before Tax	97	68	43
PATMI	71	71	-
PATMI (excl. deferred tax adjustments)	71	61	16

Offshore & Marine Review

- S\$2.26bn contracts secured in 1Q 2005:
9 JU newbuilds, 1 semi upgrade and 1 FPSO hull conversion
- Major contract completions in 1Q 2005:
1 JU repair, 1 JU upgrade, 1 FSO conversion, 1 cement carrier conversion, 1 semi repair, 1 cruise vessel refurbishment, 2 tugs, 2 AHTS, 1 derrick barge upgrade and 1 JU strip mating

Offshore & Marine Orderbook

	<u>Balance Order S\$m</u>	<u>Clients</u>
<u>For delivery in 2005</u>		
3 Jack ups / 3 Jack Up Upgrades/Repairs / 2 Semi Conversions/Repairs / 1 Semi Modification	151	BP / NDC / EnSCO / JCE Group / Transocean / Boeing
1 FPSO Hull Conversion / 1 FPSO Upgrade / 1 Cruise Vessel Lengthening / 1 Pipelayer Modification / 1 Gas Compressor Platform / Suction Cans	168	Marathon / Bergesen / Kvaerner / Allseas / Perenco / Technip
2 PSVs / 8 AHTS / 2 Tugs	104	Maersk / Gulfmark Offshore / Pacific Richfield / Bourbon / Smit / Hadi Hammam / PSA Marine
<u>For delivery in 2006</u>		
5 Jack Ups / 1 Jack Up Upgrade / 1 Semi Upgrade / 2 Accommodation Platforms / 4 AHTS	1,198	Sinvest / Odfjell / GDI / Awilco / EnSCO / Diamond / Pemex / Bourbon / Smit / Hadi Hammam
<u>For delivery in 2007 to 2009</u>		
2 Semis / 8 Jack Ups / 1 Sludge Vessel	3,469	Petrobras / Petrovietnam / Sinvest / Odfjell / Maersk / Seatankers / City of New York
TOTAL as at 31 Mar 2005	<u><u>5,090</u></u>	

Property

Financial Highlights - Property

S\$m	<u>1Q 2005</u>	<u>1Q 2004</u>	<u>% Change</u>
Turnover	128	139	(8)
EBITDA	50	37	35
Operating Profit	46	34	35
Profit Before Tax	49	38	29
PATMI	22	24	(8)
PATMI (excl. deferred tax adjustments)	22	21	5

Infrastructure

Financial Highlights – Infrastructure

S\$m	<u>1Q 2005</u>	<u>1Q 2004</u>	<u>% Change</u>
Turnover	132	187	(29)
EBITDA	-	27	(100)
Operating Profit	(11)	11	NM
Profit Before Tax	(4)	15	NM
PATMI	1	15	(93)

Investments

Financial Highlights - Investments

S\$m	<u>1Q 2005</u>	<u>1Q 2004</u>	<u>% Change</u>
Turnover	19	23	(17)
EBITDA	3	1	200
Operating Profit	1	(4)	NM
Profit Before Tax	62	26	138
PATMI	50	21	138
PATMI (excl. deferred tax adjustments)	50	20	150

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.