

Keppel Corporation

1H 2007 Results Announcement

26 July, 2007

Scope of Briefing

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

Address By Executive Chairman

1H'07 - Strong Set Of Results

- ◆ 2Q'07 PATMI up 32% to \$258m
- ◆ 1H'07 PATMI increased 39% to \$510m
- ◆ 1H'07 EVA rose 90% to \$365m

Increased contributions from O&M, Property, Infrastructure, SPC

Building Enduring Businesses

Enhancing
Capabilities

Expanding
Geographic Reach

Offshore & Marine

- ◆ Grow premium suite of solutions to tap deepwater & production demand
- ◆ Broadened & grew net orderbook to \$11.3b – deliveries into 2010

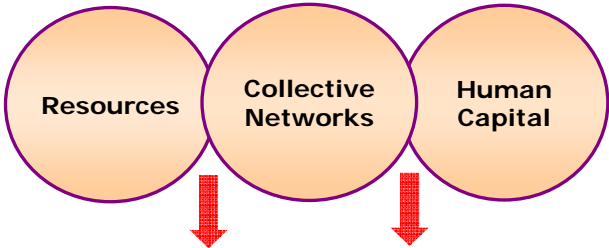
Property

- ◆ Capitalising on regional demand trends : large-scale townships & integrated lifestyle communities
- ◆ Expanding township portfolio in Asia >150m ft² GFA
- ◆ Entrenching pole position in Vietnam : 6 projects in HCMC, Hanoi & Dong Nai (new)

Infrastructure

- ◆ Building upon track record : pursuing large projects in Middle East & Europe

Harnessing Group Synergies



Middle East

- ◆ Ras Laffan JV yard
- ◆ Waterfront property projects with ALDAR
- ◆ \$1.7b Qatar integrated waste management project

Vietnam

- ◆ Rig orders from PV Drilling
- ◆ Property projects in HCMC, Dong Nai, Hanoi
- ◆ Interests in E&P acreages
- ◆ Infra opportunities

China

- ◆ Keppel Nantong Shipyard
- ◆ Launching homes in 8 cities
- ◆ Providing WTE packages

Positioned to capture growth opportunities

Group Financial Highlights

1H'07 Financial Achievements

PATMI	↑	39% to S\$510m
EPS	↑	39% to 32.3cts
Annualised ROE	↑	from 19.1% to 20.5%
EVA	↑	S\$172m to S\$365m
Free cash flow	↑	9% to S\$696m
Net gearing	↓	from 0.24x to 0.16x
Interim dividend	↑	82% to 9cts per share

Financial Highlights

S\$m	<u>1H 2007</u>	<u>1H 2006</u>	<u>% Change</u>
Revenue	4,482	3,190	41
EBITDA	552	424	30
Operating Profit	494	361	37
Profit Before Tax	741	587	26
PATMI	510	366	39
EPS (cents)	32.3	23.2	39

Revenue by Segments

S\$m

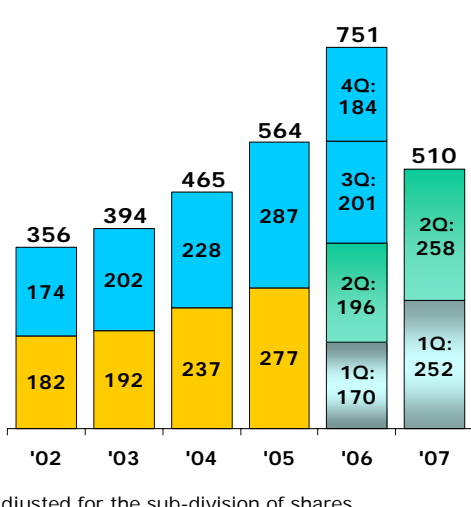
	<u>1H 2007</u>	<u>%</u>	<u>1H 2006</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	3,259	72	2,412	76	35
Property	847	19	457	14	85
Infrastructure	347	8	280	9	24
Investments	29	1	41	1	(29)
Total	4,482	100	3,190	100	41

PATMI by Segments

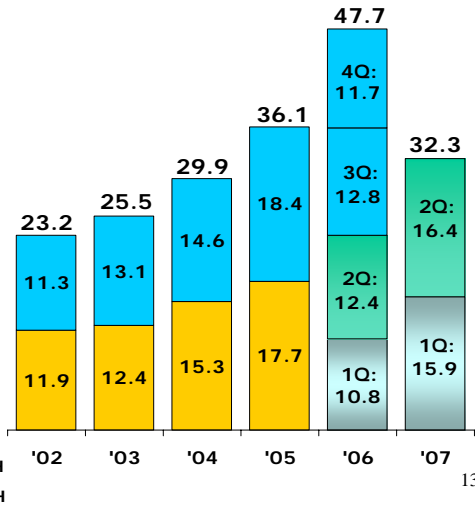
S\$m	<u>1H 2007</u>	<u>%</u>	<u>1H 2006</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	283	56	174	48	63
Property	94	18	55	15	71
Infrastructure	14	3	(25)	(7)	NM
Investments	119	23	162	44	(27)
Total	510	100	366	100	39

Consistent Earnings Growth

PATMI (S\$m)



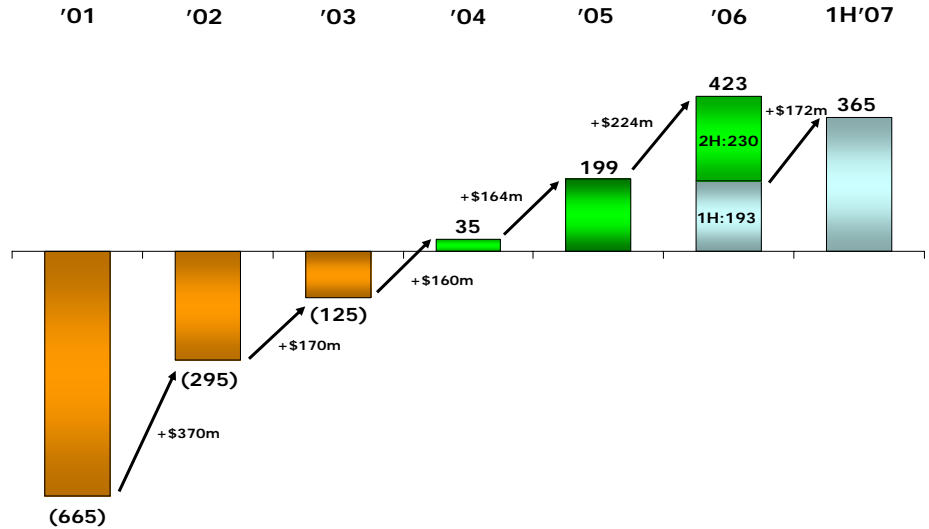
EPS* (Cents)



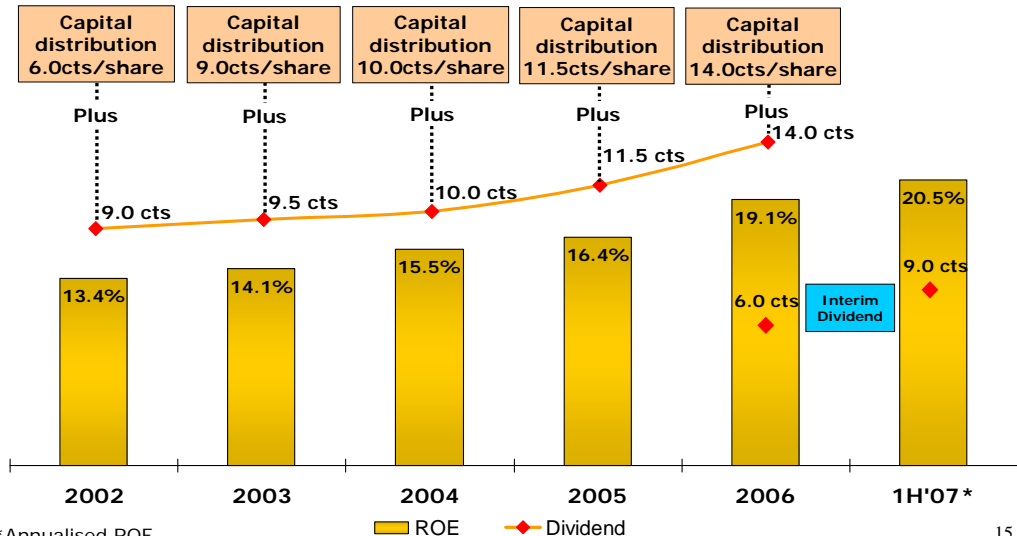
*Adjusted for the sub-division of shares

Continued EVA Growth

\$m



Increasing ROE & Dividend



*Annualised ROE

Dividend and capital distribution have been adjusted for the sub-division of shares

Healthy Free Cash Flow

	<u>1H 2007</u> S\$m
Operating profit	494
Depreciation & other non-cash items	49
	<hr/> 543
Working capital changes	618
Interest & tax paid	(83)
Net cash from operating activities	<hr/> 1,078 <hr/>
Investments & capex	(566)
Divestments & dividend income	184
Net cash used in investing activities	<hr/> (382) <hr/>
Free Cash Flow	<hr/> 696 <hr/>
Dividends paid	<hr/> (354) <hr/>

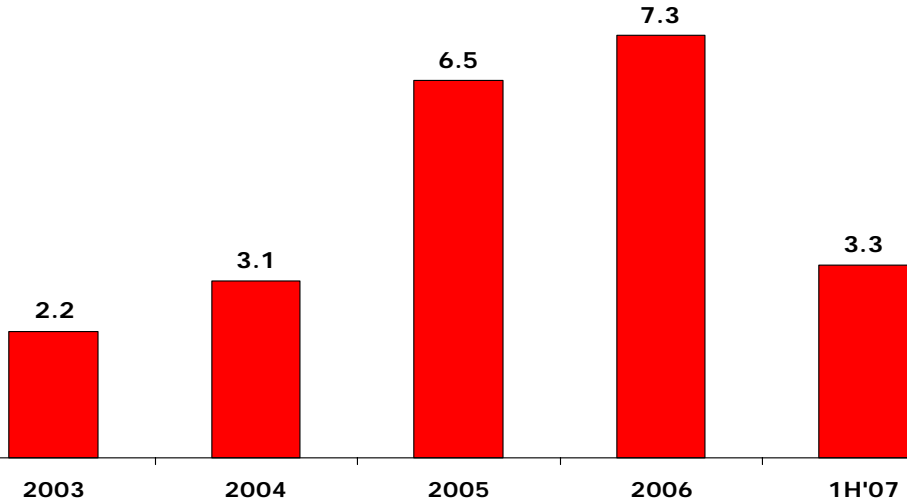
Business Review & Outlook

Offshore & Marine

A Healthy First Half

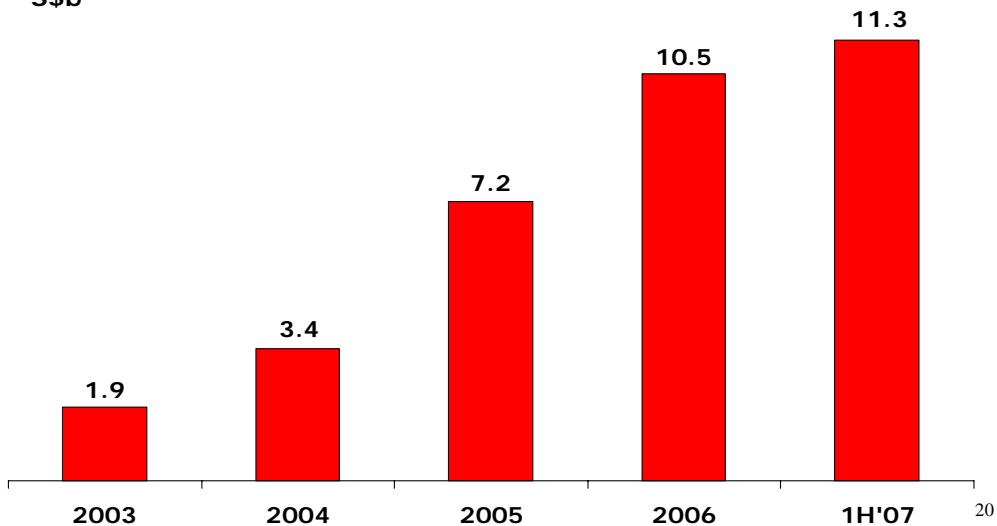
S\$b

Contracts Secured



Net Orderbook Continues To Grow

S\$b



Delivering Leading-Edge Solutions

Ice-Class

- ◆ Ice-Class FSO
- ◆ Ice-Class AHTS
- ◆ Icebreaking vessels

Jackups

- ◆ KFELS B Class
- ◆ KFELS Super B Class

N Class JUs

- ◆ Concurrent drilling & production
- ◆ North Sea compliant

Conversions

- ◆ World's 1st LNG FSRU
- ◆ One of world's largest gas FPSOs

Semis

- ◆ Co-designed proprietary DSS™ suite
- ◆ Proprietary design semi-drilling tender

FPU's

- ◆ Production semis
- ◆ FPSO conversions
- ◆ TLPs & SPARs (through FloaTEC)

Floatel

- ◆ 1st for North Sea in >20yrs
- ◆ Co-developed proprietary design

Drillship

- ◆ Enhancing range of deepwater solutions

Competencies:

**Global
Network**

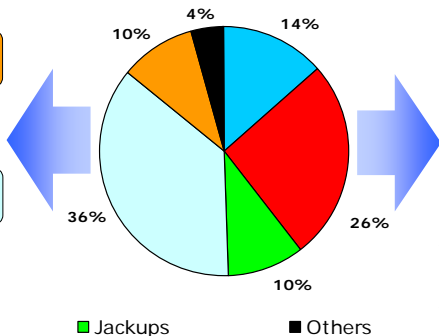
**Track
Record**

**Proprietary
Technology**

**Human
Capital**

Penetrating Deepwater & Production Markets

1H'07: S\$3.3b contracts



FPSO Conversions

- ◆ Leadership position

N Class Jackups

- ◆ 2 orders in 1H'07

Deepwater Floatel

- ◆ North Sea accommodation semis

Deepwater Semis

- ◆ 4th ENSCO ultra-deepwater order in 21 mths
- ◆ Proprietary design semi-drilling tender

P51 & P52 FPU's under construction

Fundamentals Remain Favourable

- ◆ Oil prices sustained above E&P capex levels
- ◆ Tight supply-demand & need to replenish reserves drive E&P
- ◆ Dayrates remain at high levels
- ◆ >90% global offshore rig fleet utilisation
- ◆ Search for hydrocarbons moves into deep, ultra-deepwater & challenging environments, with follow-on production needs

Healthy prospects for continued orderbook growth

Oil & Gas

Refining Margins Remain Healthy

- ◆ Significant new refinery project delays/cancellations as construction costs escalate
- ◆ More cost-effective to upgrade/expand existing refineries
- ◆ Increasing demand for refined products

Building Oil & Gas Value Chain

Asia-Pacific Portfolio

Indonesia - Kakap PSC

Indonesia - Sampang PSC

Vietnam – Block 102 & 106

Vietnam – Block 101-100/04

Cambodia – Block B

Australia– Bass Basin Block T06-3



SPC seeking opportunities to acquire more E&P assets

Property

Strengthening Our Regional Thrust

◆ Scaling-up township developments across *Asia*

◆ Establishing greater presence in *China*

◆ Extending leading position in *Vietnam*

◆ Beachhead into the *Middle East*

Expanding Foothold In Tianjin

Integrated Lifestyle

Evergro in Tianjin



- ◆ Integrated golf courses & residential projects
- ◆ >10,000 homes

Villas

The Arcadia



- ◆ Proximity to economic & science development zones
- ◆ 168 luxury villas
- ◆ Launch: 2H'07

Townships

Gegu

- ◆ MOU
- ◆ Mega waterfront precinct
- ◆ Spearheading master planning & infrastructural development

Xin Li Zhen

- ◆ MOU
- ◆ Along new Tianjin-Binhai mass transit line
- ◆ >50,000 homes

Rolling Out Quality Homes In Vietnam

Prime Condos

Ho Chi Minh City

The Estella

- ◆ Prime An Phu Ward
- ◆ 1,600 homes
- ◆ Launch: 2008

Condos – Saigon River

- ◆ 500 luxury waterfront homes
- ◆ Launch: 2008

Condos - Ca Cam River

- ◆ 2,400 waterfront homes
- ◆ Launch: 2008

Townships

Saigon Sports City



- ◆ 3,000 homes
- ◆ Launch: 2H'07

Dong Nai



- ◆ 14,000 waterfront homes
- ◆ Launch: 2009

Hanoi

Sai Dong

- ◆ MOU
- ◆ 6km from CBD

North Thang Long

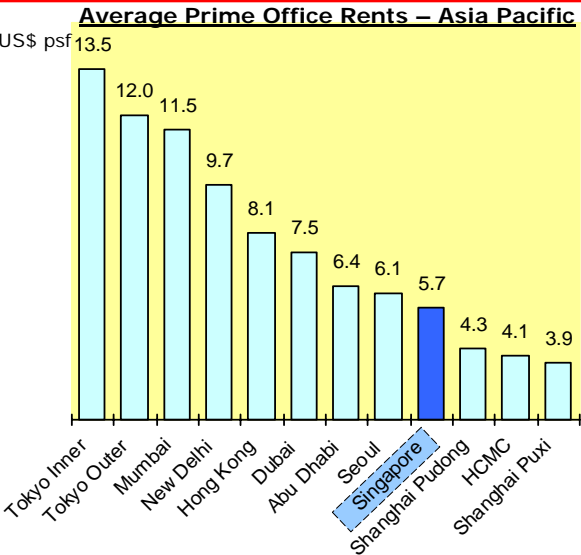
- ◆ MOU
- ◆ Strategic location between CBD & int'l airport

Substantive Township Pipeline

<u>City</u>	<u>Project</u>	<u>No. of Units</u>	<u>GFA (m sf)</u>	<u>Launch Date</u>
Johor	Taman Sutera	12,000	30.0	ongoing
Chengdu	Botanica	5,800	7.7	ongoing
HCMC	Saigon Sports City	3,000	8.5	2H'07
Jakarta	Jakarta Garden City	7,000	11.3	2H'07
Wuxi	Wuxi township	4,700	7.2	2H'07
Tianjin	Gegu (Ph. 1)	15,000	32.1	2008
Tianjin	Xin Li Zhen (Ph. 1)	8,300	14.0	2009
Dong Nai	Dong Nai township	14,000	28.0	2009
Manila	Metro North (Ph. 1)	8,700	12.0	2009
Grand Total		78,500	150.8	

Earnings contribution to increase as rollout accelerates

Singapore Office Outlook Remains Firm



- ◆ Office market remains tight
 - ~0.75m sf average new supply p.a. till 2010
 - 1.5-1.7m sf average net demand p.a. over last 10-15yrs

- ◆ Transitional office space released – non-prime

Infrastructure

Developing Infra Growth Platforms

Power



500MW Cogen Plant
Operational: 2Q'07



Ecuador Power Barge
Operational: 4Q'06

Waste Management



S\$1.7b Qatar Waste Mgt Facility
EPC: 2007-09; O&M: 20yrs

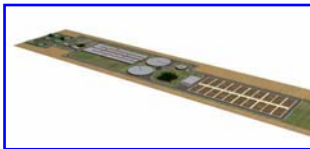


S'pore 5th Incineration Plant
Operational: 2009

Water



NEWater Plant
Operational: 1Q'07



Secured 5th Algeria Project
DBO wastewater treatment

Global Environmental Concerns

Waste-To-Energy

Europe

- ◆ Strict landfill regulations drive alternative waste treatment solutions
- ◆ Target 20% of energy needs from renewable sources by 2020

China

- ◆ Target energy from waste - 30% of waste disposal by 2030

Water

Middle East

- ◆ Estimated US\$100b investment in water & desalination projects over 10yrs

Europe

- ◆ Stringent water quality standards to combat pollution & contamination

China

- ◆ US\$130b investment for 2006-10 to address water scarcity & pollution
- ◆ Target >60% urban wastewater treatment by 2010

Pursuing opportunities in Middle East, Europe & China

Outlook

**Growth Drivers Remain
Favourable**

Keppel Corporation 1H 2007 Results

Thank You
Q&A

Additional Info

Keppel Corporation

Financial Highlights

S\$m	<u>2Q 2007</u>	<u>2Q 2006</u>	<u>% Change</u>
Revenue	2,454	1,646	49
EBITDA	284	217	31
Operating Profit	252	185	36
Profit Before Tax	381	332	15
PATMI	258	196	32

Revenue by Customers

1H 2007

	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	3,259	96	4
Property	847	35	65
Infrastructure	347	41	59
Investments	29	34	66
Total	<u>4,482</u>	80	20

**80% of total revenue
came from overseas customers**

EBITDA by Segments

S\$m	<u>1H 2007</u>	<u>%</u>	<u>1H 2006</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	346	63	254	60	36
Property	179	32	144	34	24
Infrastructure	17	3	(11)	(3)	NM
Investments	10	2	37	9	(73)
Total	552	100	424	100	30

Capital/Gearing/ROE

S\$m	<u>30 Jun 2007</u>	<u>31 Dec 2006</u>
Shareholders' Funds	4,478	4,205
Capital Employed	5,899	5,598
Net Debt	972	1,339
Net Gearing	0.16x	0.24x
ROE	20.5%*	19.1%

* Annualised ROE

Offshore & Marine

Financial Highlights – Offshore & Marine

S\$m	<u>1H 2007</u>	<u>1H 2006</u>	<u>% Change</u>
Revenue	3,259	2,412	35
EBITDA	346	254	36
Operating Profit	309	224	38
Profit Before Tax	363	263	38
PATMI	283	174	63

Financial Highlights – Offshore & Marine

S\$m	<u>2Q 2007</u>	<u>2Q 2006</u>	<u>% Change</u>
Revenue	1,723	1,196	44
EBITDA	170	134	27
Operating Profit	151	119	27
Profit Before Tax	177	140	26
PATMI	132	95	39

Offshore & Marine Review

- ◆ \$2.7b contracts secured in 2Q 2007:

1 accommodation semi, 1 semi newbuild, 1 semi drilling tender, 1 JU-N Class, 1 JU, 2 JU repairs, 3 FPSO conversions, 1 FPSO outfitting, 1 Derrick Barge upgrade, 1 AHT, 5 tugs

- ◆ Major contract completions in 2Q 2007:

3 JUs, 1 JU upgrade/repair, 1 semi upgrade, 3 FPSO conversions, 1 AHTS, 1 pipelayer conversion

Offshore & Marine Orderbook

	<u>Balance Order S\$m</u>	<u>Clients</u>
<u>For delivery in 2007</u>		
1 Semi / 2 Semi Upgrades / 5 Jack Ups / 3 Jack Up Upgrades/Repairs / 2 FPSO Conversions / 1 FPSO Outfitting / 1 Sludge Vessel / 4 AHTS / 3 Tugs / Barges & Pipe Racks / 2 CALM Buoys / 2 Accommodation Platforms	735	Petrobras / Noble / Transocean / Maersk / Seatankers / GDI / Scorpion / Diamond / Awilco / Mexico Drilling/ Frontline / SBM / Sevan / City of New York / Hadi Hammam / Gulfmark / Seaways / Keppel Smit / Agip KCO / Pemex
<u>For delivery in 2008</u>		
3 Semis / 3 Semi Upgrades / 11 Jack Ups / 5 FPSO Conversions / 1 FSRU Conversion / 10 AHTS / 2 Ice Breakers / 1 Tug / 1 Derrick Barge Upgrade	3,054	Petrobras / Maersk / Ensco / Diamond / Transocean / Fred. Olsen / Sinvest / Awilco / Scorpion / Jindal / Atwood / Seadrill / SBM / Prosafe / Emas Offshore / Golar / Hadi Hammam / Gulfmark / Whitesea / Lukoil / Keppel Smit
<u>For delivery in 2009</u>		
6 Semis / 7 Jack Ups / 1 FSO / 3 AHTS / 1 Heavy Lift Vessel / 2 Tugs	4,289	Maersk / Ensco / GSF / QGP / Seadrill / Sinvest / Awilco / Mercator / Great Eastern / Petrovietnam / Lukoil / Whitesea / Seaways / MPU Offshore / Keppel Smit
<u>For delivery in 2010</u>		
3 Semis / 3 Jack Ups / 1 Tug	3,271	Maersk / Ensco / Floatel / Skeie / Keppel Smit
TOTAL as at 30 June 2007	<u>11,349</u>	

Property

Financial Highlights – Property

S\$m	<u>1H 2007</u>	<u>1H 2006</u>	<u>% Change</u>
Revenue	847	457	85
EBITDA	179	144	24
Operating Profit	172	137	26
Profit Before Tax	203	138	47
PATMI	94	55	71

Financial Highlights – Property

S\$m	<u>2Q 2007</u>	<u>2Q 2006</u>	<u>% Change</u>
Revenue	529	304	74
EBITDA	109	97	12
Operating Profit	105	94	12
Profit Before Tax	112	88	27
PATMI	56	33	70

Infrastructure

Financial Highlights – Infrastructure

S\$m	<u>1H 2007</u>	<u>1H 2006</u>	<u>% Change</u>
Revenue	347	280	24
EBITDA	17	(11)	NM
Operating Profit	3	(36)	NM
Profit Before Tax	23	(17)	NM
PATMI	14	(25)	NM

Financial Highlights – Infrastructure

S\$m	<u>2Q 2007</u>	<u>2Q 2006</u>	<u>% Change</u>
Revenue	184	129	43
EBITDA	8	(15)	NM
Operating Profit	(1)	(28)	(96)
Profit Before Tax	10	(17)	NM
PATMI	5	(22)	NM

Investments

Financial Highlights – Investments

S\$m	<u>1H 2007</u>	<u>1H 2006</u>	<u>% Change</u>
Revenue	29	41	(29)
EBITDA	10	37	(73)
Operating Profit	10	36	(72)
Profit Before Tax	152	203	(25)
PATMI	119	162	(27)

Financial Highlights – Investments

S\$m	<u>2Q 2007</u>	<u>2Q 2006</u>	<u>% Change</u>
Revenue	18	17	6
EBITDA	(3)	1	NM
Operating Profit	(3)	-	NM
Profit Before Tax	82	121	(32)
PATMI	65	90	(28)

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.