

Keppel Corporation

1Q 2007 Results Announcement

26 April, 2007

Scope of Briefing

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

Address By Executive Chairman

A Strong Start To 2007

- ◆ Sustained strong earnings momentum
 - PATMI of S\$252m, up 48%
- ◆ Improvement on all KPIs
- ◆ Robust financials to pursue growth

Continuously harnessing synergies across the Group

Growing Beyond – Markets & Customers

Middle East

- ◆ Make further inroads: KOM to develop new shipyard with NAKILAT
- ◆ KIE begins construction of S\$1.7b contract
- ◆ Pursuing other opportunities

Vietnam

- ◆ Well-established Keppel brand name
- ◆ KLL to embark on another 2 projects in HCMC
- ◆ KOM's growing partnership with PetroVietnam
- ◆ SPC holds interests in oil & gas acreages

China

- ◆ KIE securing more waste & water treatment contracts
- ◆ KLL seeking to expand into more cities

Building Long Term Sustainable Growth

Global opportunities

**Extending
global footprint**

**Leveraging
market
knowledge**

**Building on
growth platforms**

Broad-based earnings

Group Financial Highlights

Financial Achievements in 1Q'07

PATMI	↑ 48% to S\$252m
EPS	↑ 48% to 31.9cts
Annualised ROE	↑ from 19.1% to 19.2%
EVA	↑ S\$85m to S\$160m
Free cash flow	↑ 16% to S\$149m
Net gearing	↓ from 0.24x to 0.20x

Financial Highlights

S\$m	<u>1Q 2007</u>	<u>1Q 2006</u>	<u>% Change</u>
Revenue	2,028	1,544	31.3
EBITDA	268	207	29.5
Operating Profit	242	176	37.5
Profit Before Tax	360	255	41.2
PATMI	252	170	48.2
EPS (cents)	31.9	21.6	47.7

Revenue by Segments

S\$m

	<u>1Q 2007</u>	<u>%</u>	<u>1Q 2006</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	1,536	76	1,216	79	26
Property	318	16	153	10	108
Infrastructure	163	8	151	10	8
Investments	11	-	24	1	(54)
Total	2,028	100	1,544	100	31

Pretax Profits by Segments

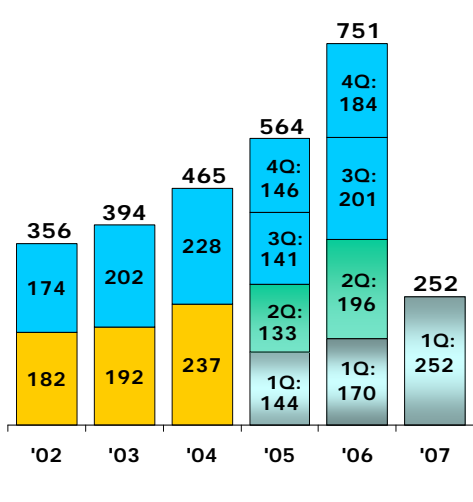
S\$m	<u>1Q 2007</u>	<u>%</u>	<u>1Q 2006</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	186	52	123	48	51
Property	91	25	50	20	82
Infrastructure	13	4	-	-	NM
Investments	70	19	82	32	(15)
Total	360	100	255	100	41

PATMI by Segments

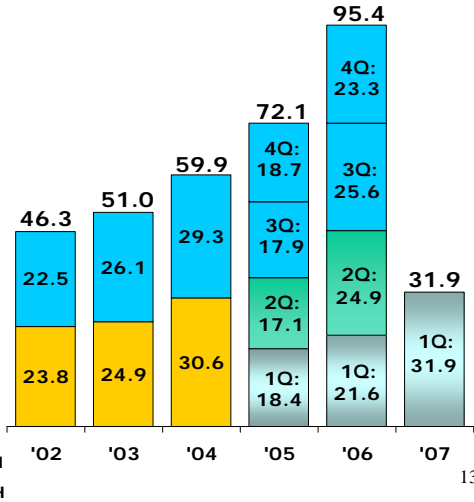
S\$m	<u>1Q 2007</u>	<u>%</u>	<u>1Q 2006</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	151	60	79	47	91
Property	38	15	22	13	73
Infrastructure	9	4	(3)	(2)	NM
Investments	54	21	72	42	(25)
Total	252	100	170	100	48

Consistent Earnings Growth

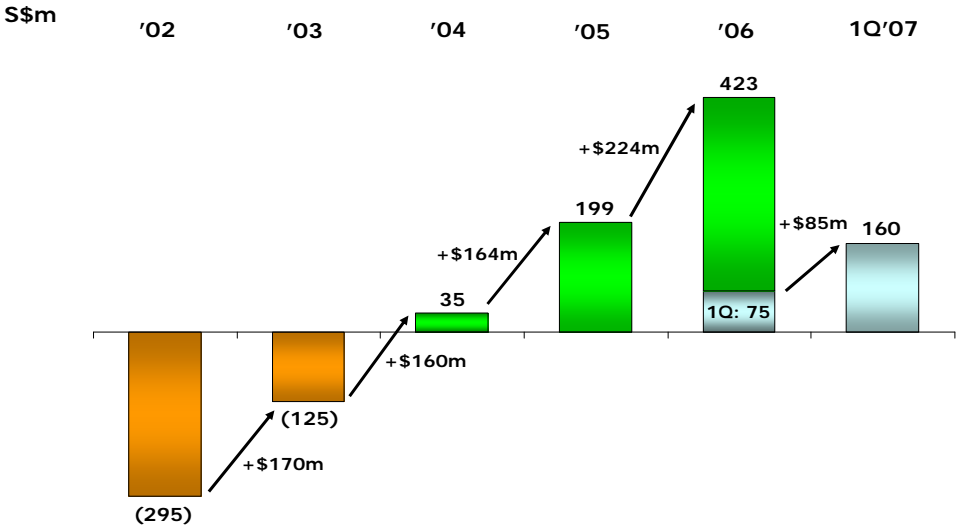
PATMI (\$m)



EPS (Cents)



Continued EVA Growth



Healthy Free Cash Flow

	<u>1Q 2007</u> S\$m
Operating profit	242
Depreciation & other non-cash items	16
	<hr/> 258
Working capital changes	324
Interest & tax paid	(39)
Net cash from operating activities	<hr/> 543 <hr/>
Investments & capex	(432)
Divestments & dividend income	38
Net cash used in investing activities	<hr/> (394) <hr/>
Free Cash Flow	<hr/> 149 <hr/>

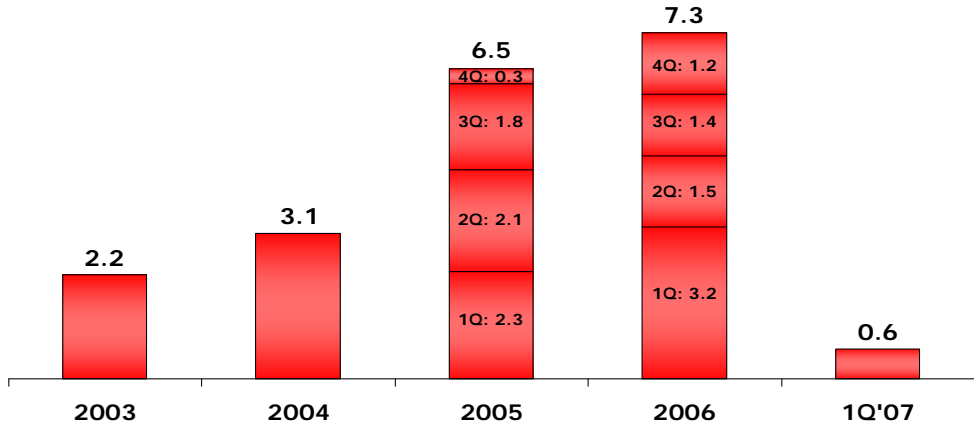
Business Review & Outlook

Offshore & Marine

A Modest Quarter

S\$b

Contracts Secured

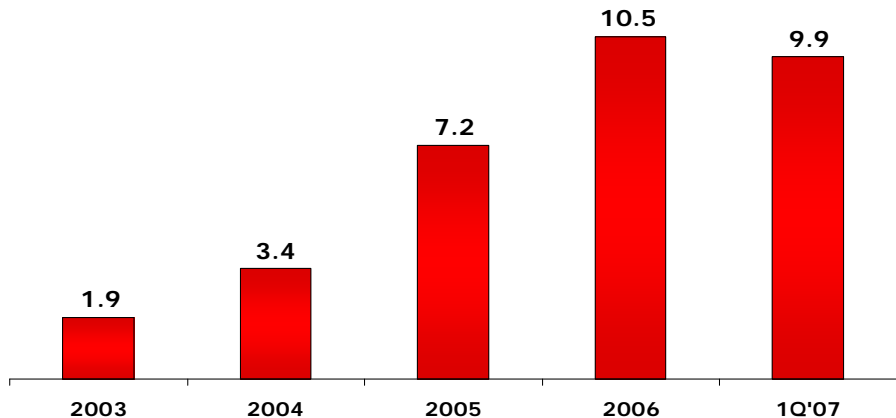


Secured over S\$900m orders in April

Earnings Visibility Extends Further Into 2010

S\$b

Net Orderbook

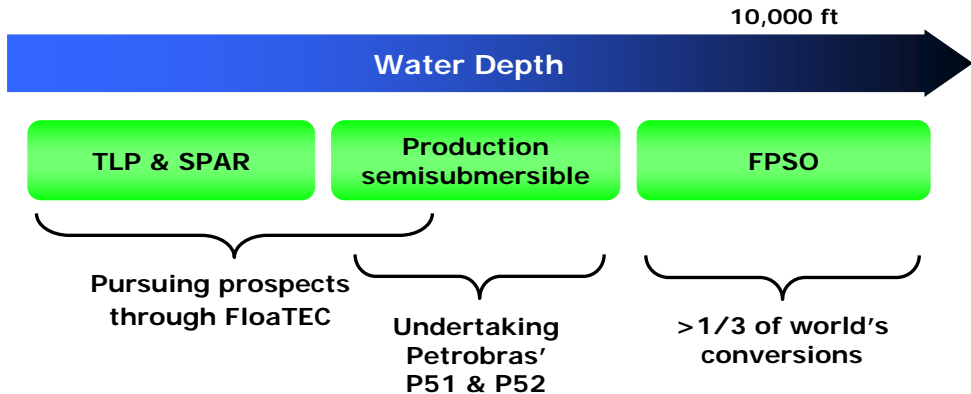


Outlook Remains Robust

- ◆ Worldwide rig fleet expected to remain tight
- ◆ Attractive hydrocarbon prices & depleting global reserves drive E&P
- ◆ Ageing rigs incapable to operate in challenging frontiers
- ◆ Healthy enquiries for jackup & semi newbuilds
- ◆ Deepwater floating production to sustain the next wave
- ◆ Expect more conversion & shipbuilding projects

Actively pursuing a good pipeline of prospects

Tapping Deepwater's Growing Potential



75% of discovered deepwater resources still undeveloped

New Strategic Foothold

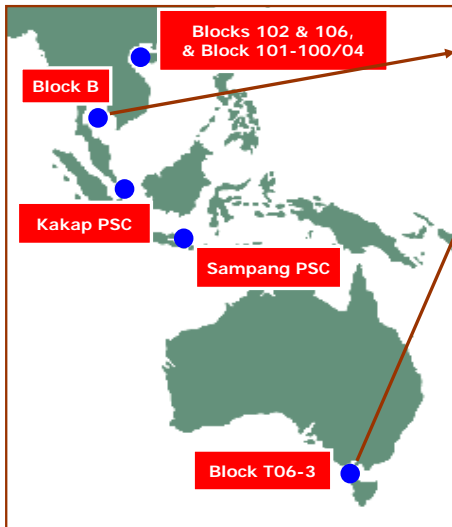
- ◆ JV with Qatar Gas
 - Qatar holds world's 2nd largest natural gas reserves, LNG fleet to be among world's largest
- ◆ Keppel to develop & manage 43-ha yard in Ras Laffan, Qatar
- ◆ Hub for repair & maintenance of LNG carriers, FPSO & FSO conversions; operational in 2010

Near market, near customer strategy

Oil & Gas

Refining Margins Improved

Augmenting Upstream Portfolio



- ◆ Seeking to increase stake in Cambodia (Block B)

- ◆ Extended footprint outside Southeast Asia

- Acquired 35% interest (Block T06-3) in Australia Bass Basin

Property

Robust Luxury Home Market

- ◆ Ranked most livable Asian city for expatriates
- ◆ Key global financial & wealth management hub
 - Asia accounts for 23% of high-net-worth wealth, assets >US\$7.6t
- ◆ Private wealth & expatriates underpin demand
 - Foreigners & PR bought record 4,980 private homes in '06, up 39%

Redefining Waterfront Living

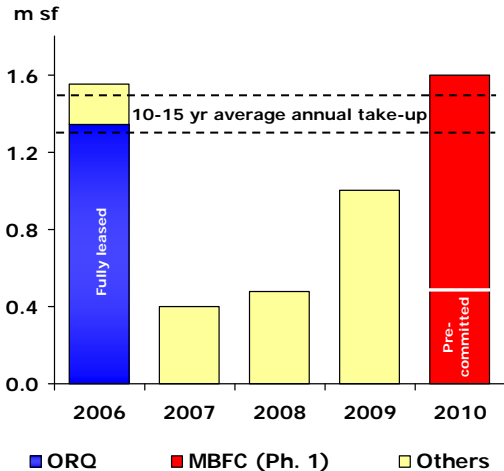


◆ Reflections at Keppel Bay

- Lifestyle hub of 1,129 luxury units; world-class marina amenities
- Launched 350 units, ~90% sold
- Healthy customer mix, 40% foreigners & PR
- Achieved highest price of \$2,550 psf
- Achieved average price of \$1,900 psf

Prime Office Market Tightens Further

S'pore New Office Supply



- ◆ Average new supply 0.6m sf p.a. till 2009
- ◆ Tight supply in Core CBD
 - Grade A space fully leased
 - Latest Raffles Place rent signed at \$13 psf
- ◆ >1m sf CBD area slated for redevelopment
 - Removals exceed new supply in '07

Significant Prime Office Player



◆ One Raffles Quay

➤ 1.34m sf NLA



◆ Ocean Building & Ocean Tower

➤ 0.67m sf existing NLA



◆ Equity Plaza

➤ 0.26m sf NLA

+

◆ MBFC (Ph. 1)

- 1.60m sf NLA under development
- Standard Chartered Bank leased 0.5m sf



◆ MBFC (Ph. 2)

- Early option exercise secured significant savings
- 2.09m sf GFA (including residential)

Net attributable office space to double to over 2.2m sf by 2010-11

K-REIT Asia – Another Growth Platform



◆ Prudential Tower*

- 0.11m sf NLA
- 100% committed occupancy



◆ Keppel Towers & GE Tower

- 0.43m sf NLA
- 99% committed occupancy



◆ Bugis Junction Tower

- 0.25m sf NLA
- 100% committed occupancy

Actively seeking potential value-adding acquisitions

Country Feature : Vietnam

Strong GDP Growth

- ◆ 8.2% in 2006
- ◆ Target 8.5% in 2007

Entry Into WTO

- ◆ Record 2006 FDI of US\$10.2b (~1.8x 2005 US\$5.8b)
- ◆ Expecting 2007 FDI of US\$20b

Growing Middle Class

- ◆ Average income of US\$1.9K in HCMC

Increasing Demand For Home Ownership

Urbanisation Trends

- ◆ Urbanisation rate at 27% (1999: 19%)

Favourable Demographic

- ◆ Half of Vietnam's population <25 yrs old

Returning Viet Kieus

- ◆ Rich overseas Vietnamese as important investors

Strong Foothold In Vietnam

Pioneer property developer with strong brand name & expertise



Saigon Sports City (Ph. 1: 782 units)

- ◆ "Healthy lifestyle" residential township
- ◆ Launching 100 units in 2007



Villa Riviera

- ◆ Scenic frontage along Saigon River
- ◆ Fully sold 101 waterfront villas

The Estella

- ◆ 55% JV to develop 4.8-ha HCMC prime site
- ◆ 1,500-1,600 quality apartments
- ◆ Launch in 2008

60% JV With An Phu Corp

- ◆ 500 premier waterfront residences
- ◆ Just 4km from HCMC's CBD
- ◆ Launch in 2008

Well placed to pursue more projects

Infrastructure

Infra Projects Progressing Well



Cogen Plant

- Commenced operation in Apr'07



NEWater Plant – World's 2nd largest

- Plant operational in Mar'07 on schedule



Power Barges

- Commenced operation in Dec'06

Scope For More Projects Globally

Demand drivers

- ◆ Gov'ts step up environmental emphasis
 - Europe gets tough on landfill directive
 - China expresses increasing concern on waste management
- ◆ Global water scarcity spurs water recycling

Growth strategies

- ◆ Further build upon track record
- ◆ R&D to further enhance technological capabilities

- S\$1.7b Qatar contract
- Singapore's 5th Incineration Plant, COD in 2Q'09
- Secured several contracts in China
- Pursuing more projects in the Middle East, Europe & China

Outlook

**A Strong Start
To Another Good Year**

Keppel Corporation 1Q 2007 Results

**Thank You
Q&A**

Additional Info

Keppel Corporation

Revenue by Customers

1Q 2007

	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	1,536	94	6
Property	318	34	66
Infrastructure	163	42	58
Investments	11	29	71
Total	<u><u>2,028</u></u>	81	19

**81% of total revenue
came from overseas customers**

EBITDA by Segments

S\$m	<u>1Q 2007</u>	<u>%</u>	<u>1Q 2006</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	176	66	120	58	47
Property	70	26	47	23	49
Infrastructure	9	3	4	2	125
Investments	13	5	36	17	(64)
Total	268	100	207	100	29

Capital/Gearing/ROE

S\$m	<u>31 Mar 2007</u>	<u>31 Dec 2006</u>
Shareholders' Funds	4,507	4,205
Capital Employed	5,955	5,598
Net Debt	1,175	1,339
Net Gearing	0.20x	0.24x
ROE	19.2%*	19.1%

* Annualised ROE

Offshore & Marine

Financial Highlights – Offshore & Marine

S\$m	<u>1Q 2007</u>	<u>1Q 2006</u>	<u>% Change</u>
Revenue	1,536	1,216	26
EBITDA	176	120	47
Operating Profit	158	105	50
Profit Before Tax	186	123	51
PATMI	151	79	91

Offshore & Marine Review

- ◆ S\$0.6b contracts secured in 1Q 2007:

 - 1 JU, 3 JU upgrades/repairs

- ◆ Major contract completions in 1Q 2007:

 - 2 JUs, 1 JU upgrade/repair, 1 semi upgrade, 1 FPSO outfitting, 1 FPSO conversion, 1 AHTS, 1 Tug

Offshore & Marine Orderbook

	<u>Balance Order S\$m</u>	<u>Clients</u>
<u>For delivery in 2007</u>		
1 Semi / 3 Semi Upgrades/Repairs / 8 Jack Ups / 4 Jack Up Upgrades/Repairs / 3 FPSO Conversions / 1 FPSO Hull Conversion / 1 Sludge Vessel / 5 AHTS / 1 Tug / Barges & Pipe Racks / 1 Pipelayer Conversion / 2 CALM Buoys / 2 Accommodation Platforms	936	Petrobras / Fred Olsen / Transocean / Diamond / Sinvest / SeaDrill / Maersk / Seatankers / GDI / Scorpion / Pride / Noble / Prosafe / SBM / Frontline / City of New York / Hadi Hammam / Gulfmark / Lukoil / Seaways / Keppel Smit / Agip KCO / Allseas / Pemex
<u>For delivery in 2008</u>		
3 Semis / 2 Semi Upgrades / 11 Jack Ups / 2 FPSO Conversions / 1 FSRU Conversion / 10 AHTS / 2 Ice Breakers / 1 Tug	3,374	Petrobras / Maersk / Ensco / Diamond / Sinvest / Awilco / Scorpion / Jindal / Atwood / SeaDrill / SBM / Golar / Hadi Hammam / Gulfmark / Whitesea / Lukoil / Keppel Smit
<u>For delivery in 2009/2010</u>		
6 Semis / 8 Jack Ups / 1 FSO / 2 AHTS / 1 Heavy Lift Vessel	5,621	Maersk / Ensco / GSF / QGP / Sinvest / Awilco / Mercator / Great Eastern / Skele / Lukoil / Whitesea / MPU Offshore
TOTAL as at 31 March 2007	<u><u>9,931</u></u>	

Property

Financial Highlights - Property

S\$m	<u>1Q 2007</u>	<u>1Q 2006</u>	<u>% Change</u>
Revenue	318	153	108
EBITDA	70	47	49
Operating Profit	67	43	56
Profit Before Tax	91	50	82
PATMI	38	22	73

Infrastructure

Financial Highlights – Infrastructure

S\$m	<u>1Q 2007</u>	<u>1Q 2006</u>	<u>% Change</u>
Revenue	163	151	8
EBITDA	9	4	125
Operating Profit	4	(8)	NM
Profit Before Tax	13	-	NM
PATMI	9	(3)	NM

Investments

Financial Highlights - Investments

S\$m	<u>1Q 2007</u>	<u>1Q 2006</u>	<u>% Change</u>
Revenue	11	24	(54)
EBITDA	13	36	(64)
Operating Profit	13	36	(64)
Profit Before Tax	70	82	(15)
PATMI	54	72	(25)

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.