



# **FY 2008 Results Announcement**

**22 January 2009**

# Scope of Briefing

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

# **Address By Chief Executive Officer**

# Record Results in Eventful Year

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- ◆ 2008 ended in global recession
- ◆ New PATMI record of S\$1,097m in FY08
- ◆ Net cash of 0.04x

# Outlook

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- ◆ Challenging year in 2009
- ◆ Global recovery not expected soon

# Building on Core Strengths

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- ◆ Execution Excellence
- ◆ Prudent Financial Management
- ◆ Strong Corporate Governance
- ◆ Technology Innovation
- ◆ Skilled, Experienced & Diligent Workforce

# Focused on Value Creation

- ✓ **Strong Balance Sheet**
- ✓ **Increased Operating Efficiencies**
- ✓ **Leverage Group Strengths**
- ✓ **Exploit Group Synergies**

**Improve Competitive Edge**

**Strengthening Group for Sustained Value Creation**

# Group Financial Highlights



# 2008 Financial Achievements

PATMI	↑	7% to S\$1,097m
EPS	↑	6% to 69.0cts
Distribution	↓	from 64 cts*/share to 35 cts/share
ROE	↑	from 21.8% to 22.4%
EVA	↑	S\$88m to S\$692m
Free cash flow	↑	63% to S\$1,876m
Net gearing	↓	from 0.09x to net cash of 0.04x

\* Includes special dividend of 45 cts

# Financial Highlights

<b>S\$m</b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>11,805</b>	<b>10,431</b>	<b>13</b>
<b>EBITDA</b>	<b>1,377</b>	<b>1,176</b>	<b>17</b>
<b>Operating Profit</b>	<b>1,238</b>	<b>1,051</b>	<b>18</b>
<b>Profit Before Tax</b>	<b>1,597</b>	<b>1,556</b>	<b>3</b>
<b>PATMI</b>	<b>1,097</b>	<b>1,026</b>	<b>7</b>
<b>EPS (cents)</b>	<b>69.0</b>	<b>64.9</b>	<b>6</b>

# Revenue by Segments

S\$m	<u>2008</u>	<u>%</u>	<u>2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	8,569	72	7,258	70	18
Property	950	8	1,835	17	(48)
Infrastructure	2,232	19	1,277	12	75
Investments	54	1	61	1	(11)
<b>Total</b>	<b>11,805</b>	<b>100</b>	<b>10,431</b>	<b>100</b>	<b>13</b>

# Pretax Profits by Segments

S\$m	<u>2008</u>	<u>%</u>	<u>2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	943	59	700	46	35
Property	365	23	471	30	(23)
Infrastructure	70	4	51	3	37
Investments	219	14	334	21	(34)
<b>Total</b>	<b>1,597</b>	<b>100</b>	<b>1,556</b>	<b>100</b>	<b>3</b>

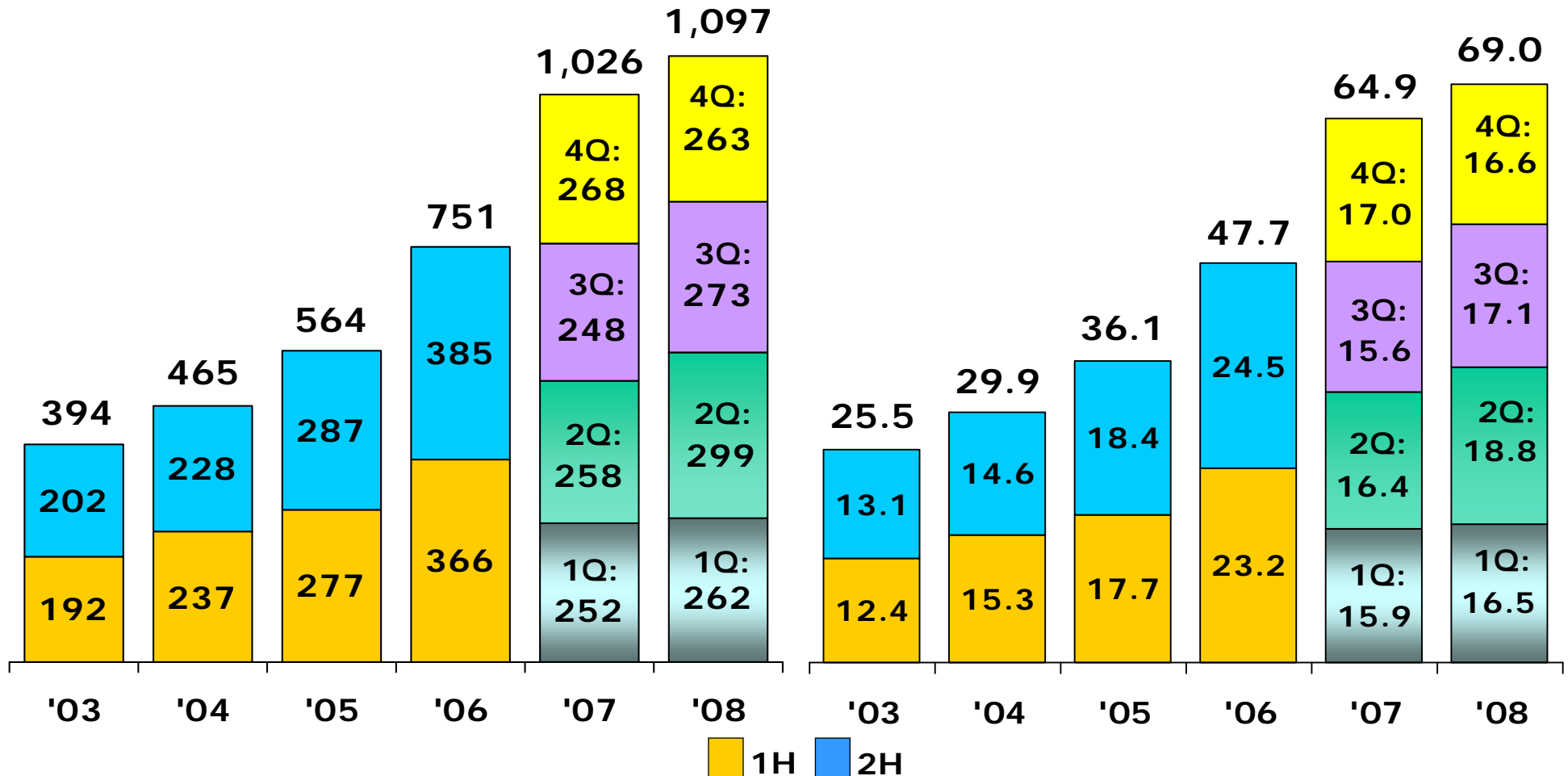
# PATMI by Segments

S\$m	<u>2008</u>	<u>%</u>	<u>2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	705	64	522	51	35
Property	157	14	209	20	(25)
Infrastructure	63	6	27	3	133
Investments	172	16	268	26	(36)
<b>Total</b>	<b>1,097</b>	<b>100</b>	<b>1,026</b>	<b>100</b>	<b>7</b>

# Consistent Earnings Growth

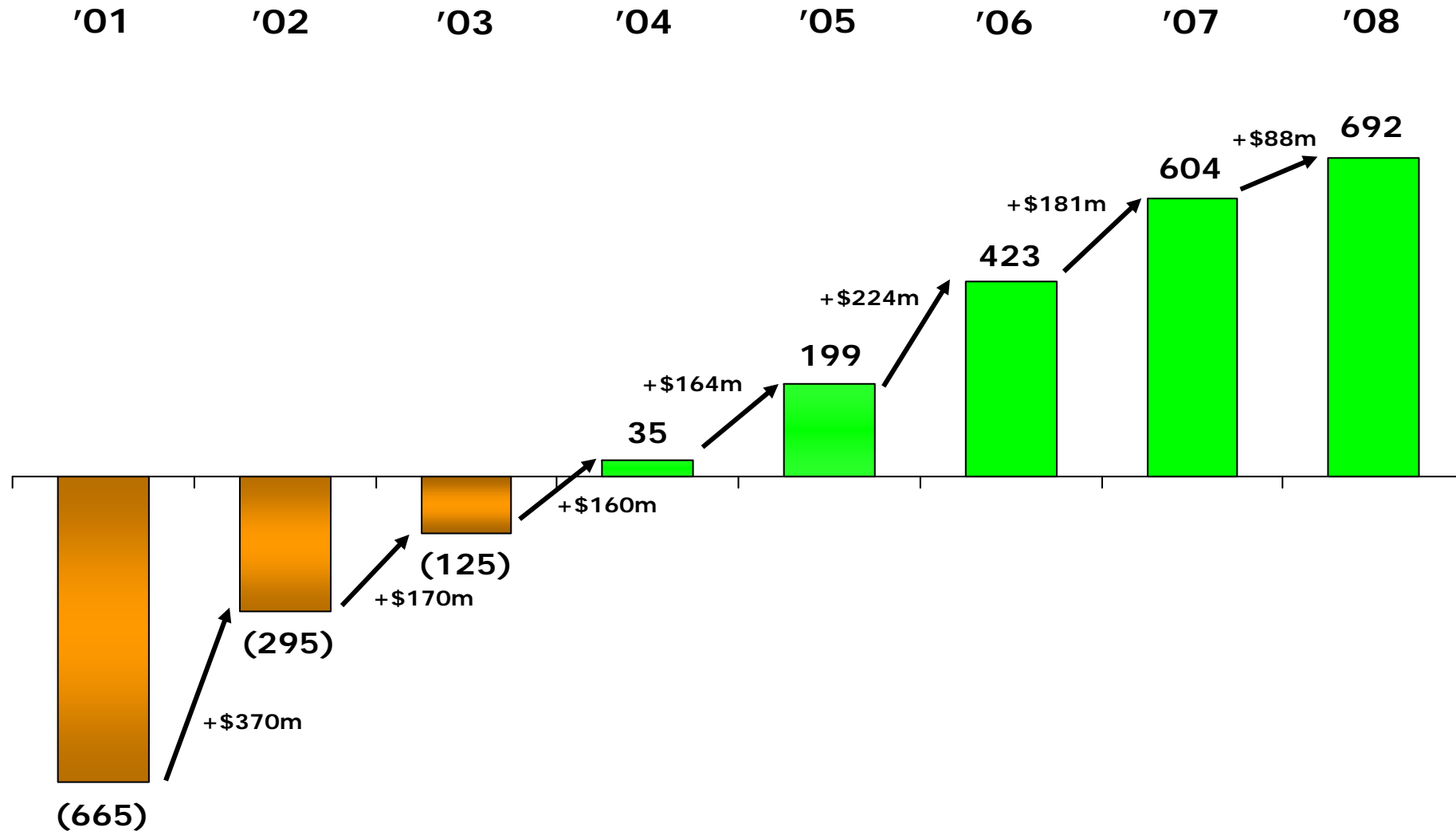
PATMI (S\$m)

EPS (Cents)

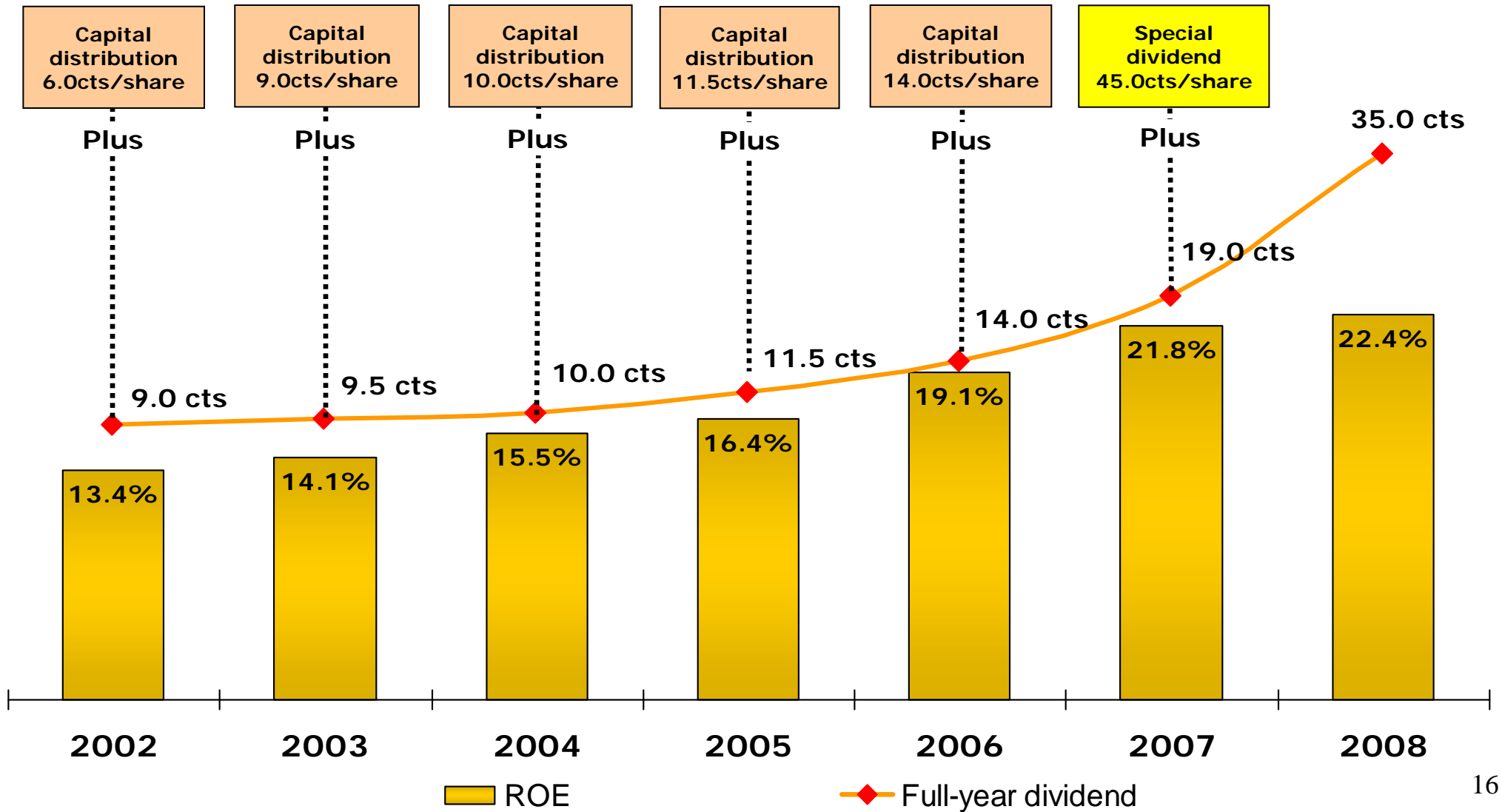


# Continued EVA Growth

S\$m



# ROE & Dividend





# Healthy Free Cash Flow

	<u>2008</u>
	S\$m
Operating profit	1,238
Depreciation & other non-cash items	158
	<hr/> 1,396
Working capital changes	852
Interest & tax paid	(201)
<b>Net cash from operating activities</b>	<hr/> <b>2,047</b> <hr/>
Investments & capex	(563)
Dividend income	392
<b>Net cash used in investing activities</b>	<hr/> <b>(171)</b> <hr/>
<b>Free Cash Flow</b>	<hr/> <b>1,876</b> <hr/>
<b>Dividends paid</b>	<hr/> <b>(1,201)</b> <hr/>

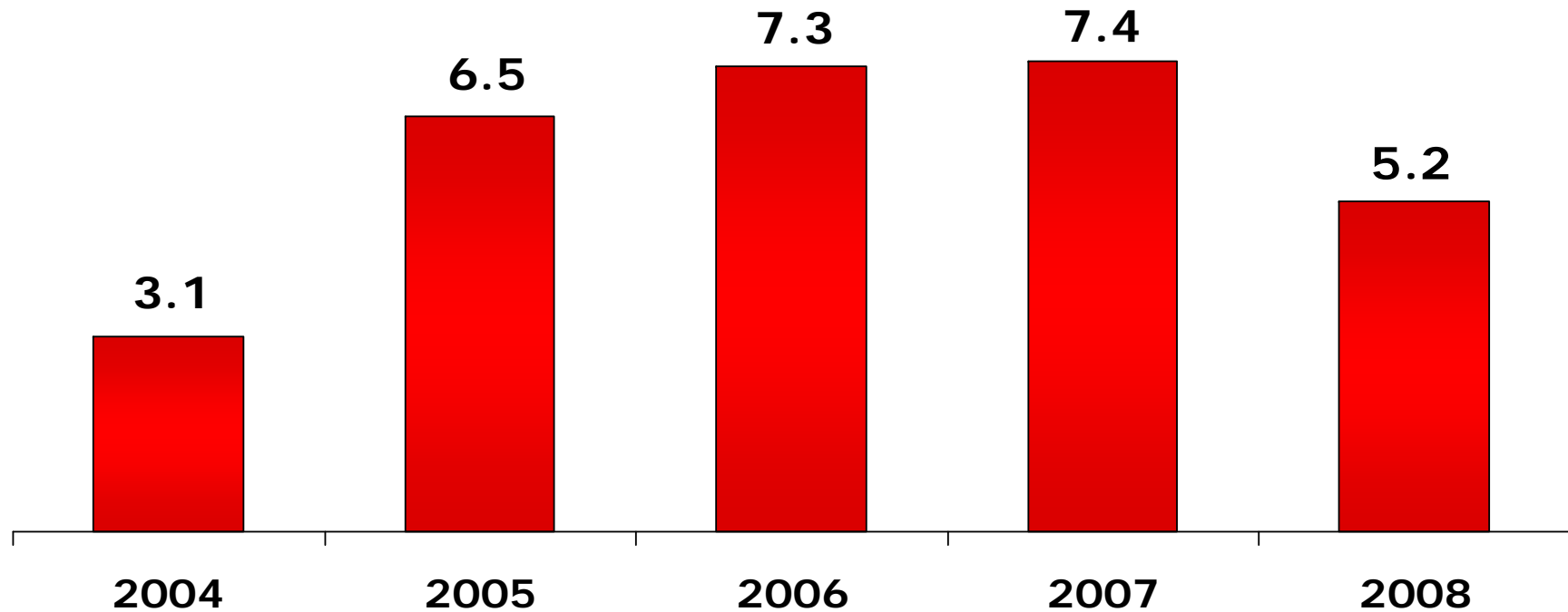
# **Business Review & Outlook**

# Offshore & Marine

# A Creditable Performance

\$b

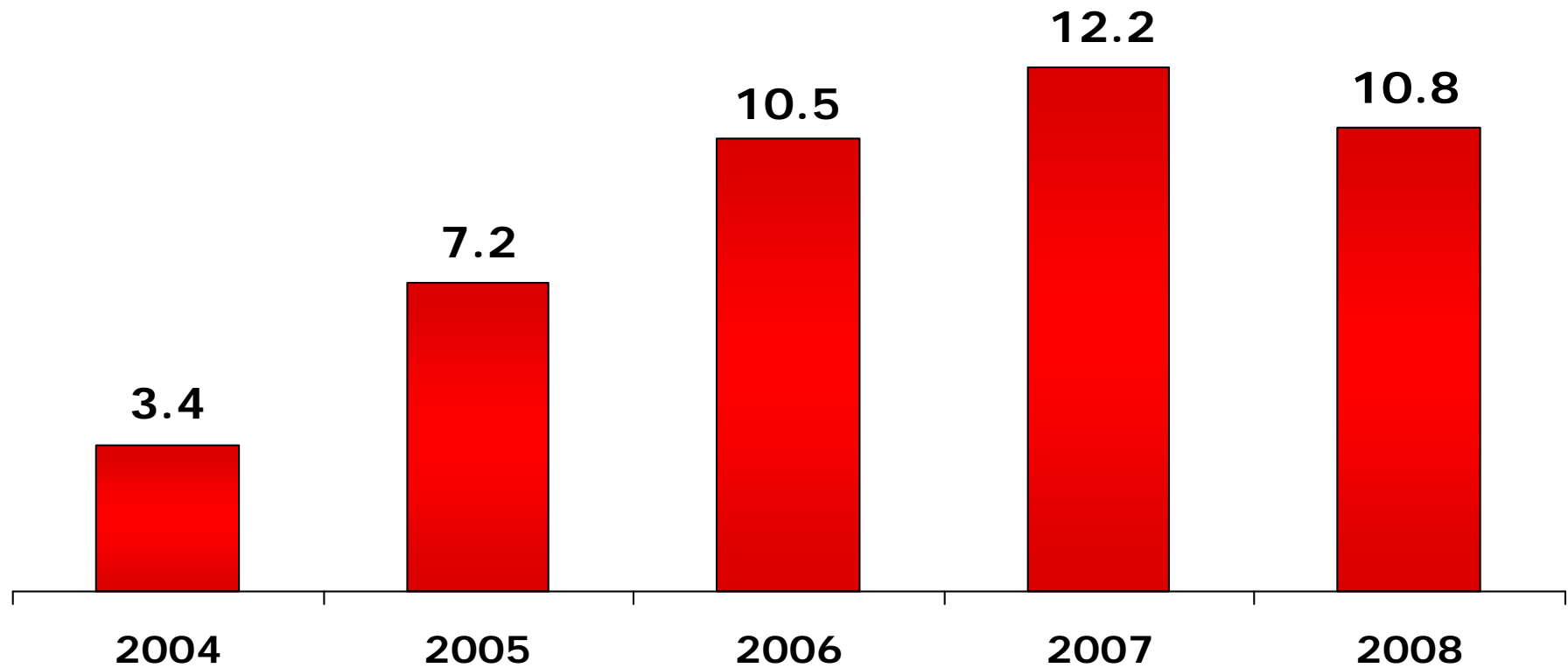
Contracts Secured



**Won \$700m worth of contracts in 4Q despite downturn**

# Net Orderbook

S\$b



**Deliveries extend into 2012**

# Driving Our Competitive Advantages

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## Strong Execution Track Record

- ◆ All deliveries in 2008 on time
- ◆ Won MAXA Award for manufacturing excellence

## Cutting-Edge Technology

- ◆ Customers endorse our proprietary designs
- ◆ Sustained investments in R&D and innovation

## Focus on Long-Term Relationships

- ◆ Contracts awarded by repeat customers
- ◆ Continue 'near market, near customer' strategy

# Fundamentals Remain Sound

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- ◆ Oil field production continues to deplete; no viable replacement for hydrocarbons
- ◆ Urgent need to replenish reserves
- ◆ Deepwater and Arctic hold potential for more E&P

**Long-term energy supply challenges still unresolved**

# Oil & Gas



# Expanding Upstream Activities

## Vietnam

- Blocks 102 & 106
- Block 101-100/04

## Indonesia

- Mahakam Hilir PSC
- Kakap PSC
- Sampang PSC

## Cambodia

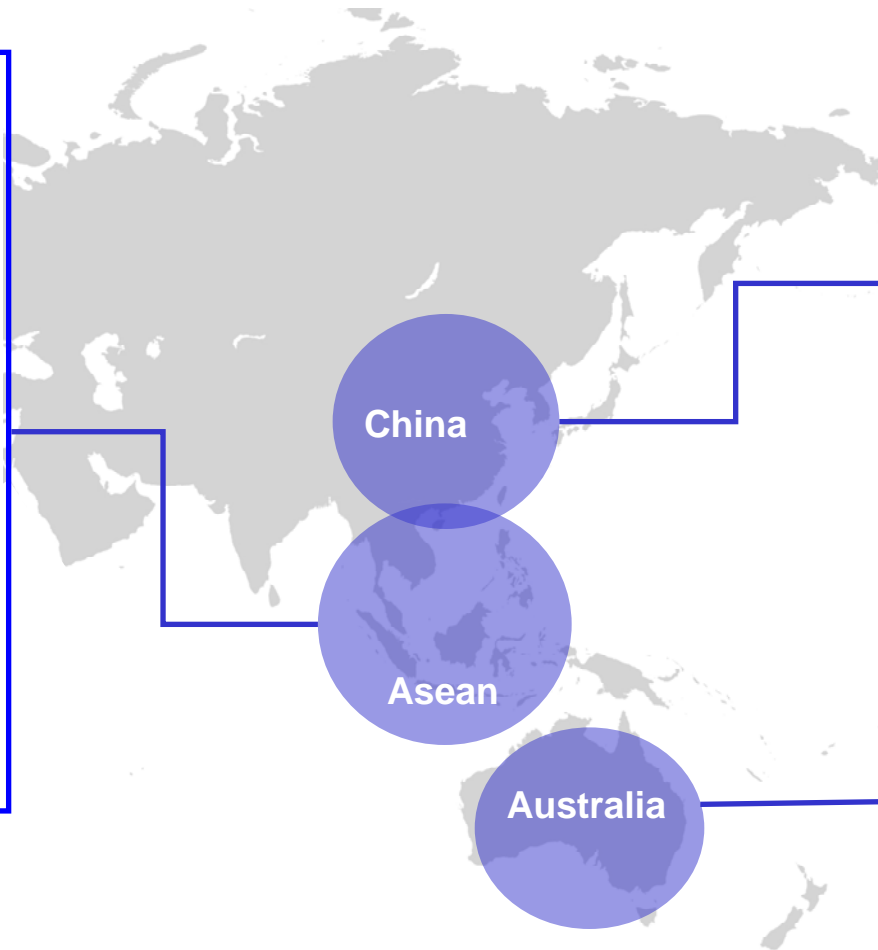
- Block B

## China

- Block 04/36
- Block 05/36
- Block 26/18

## Australia

- Block T/47P



# Property

# Property Market Review

## Singapore

- ◆ Prime office rents declined 20% q-o-q
- ◆ Tenants cautious on leasing commitments
- ◆ Slowdown in private residential sales take-up

## Asia Pacific

- ◆ Sales affected by weak sentiments
- ◆ Declining construction costs and lower interest rates
- ◆ Home ownership aspirations supported by demographic fundamentals

**Challenging Environment with Cautious Sentiment**

# Proactive Policies Offer Support

- ◆ Decisive monetary easing & fiscal stimulus by govts to address onset of global crisis
- ◆ Swift response in China – cuts in interest rates, taxes and downpayments

**Emerging economies see importance of maintaining a healthy domestic property sector**

# Strategic Thrusts

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## Residential

- Monitor market, with timely and selective project launches
- Pursue township, lifestyle and sustainable developments

## Commercial

- Continue to grow pre-commitments of prime office space in Singapore
- Tap potential positive rental reversions

# Infrastructure

# Projects Progressing On Track



## Qatar Domestic Solid Waste Management Facility

- ◆ EPC: 2007-09
- ◆ Operations to commence in 1Q'10



## Doha North Wastewater Treatment Facility

- ◆ EPC: 2008-10
- ◆ EPC revenue contribution from 1H'09



## Tuas South Incineration Plant

- ◆ Operations to commence in 2Q'09

# Sharpening Competitive Edge

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- ◆ Declining material and construction costs have eased pressure on project costs
- ◆ Continue to explore and offer technologically-advanced, cost-effective solutions to customers

**Awarded contracts in  
Sweden, Guadeloupe (France) and Honduras**



# Outlook

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**Strengthening Our Businesses  
To Deliver  
Sustained Value**

# Keppel Corporation FY 2008 Results

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**Thank You**  
**Q&A**

# Additional Info

# Keppel Corporation

# Financial Highlights

<b>S\$m</b>	<b><u>4Q 2008</u></b>	<b><u>4Q 2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>3,734</b>	<b>3,358</b>	<b>11</b>
<b>EBITDA</b>	<b>428</b>	<b>302</b>	<b>42</b>
<b>Operating Profit</b>	<b>390</b>	<b>268</b>	<b>46</b>
<b>Profit Before Tax</b>	<b>397</b>	<b>421</b>	<b>(6)</b>
<b>PATMI</b>	<b>263</b>	<b>268</b>	<b>(2)</b>

# Revenue by Customers

	2008		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	8,569	90	10
Property	950	36	64
Infrastructure	2,232	26	74
Investments	54	31	69
<b>Total</b>	<u><u>11,805</u></u>	<b>74</b>	<b>26</b>

**74% of total revenue  
came from overseas customers**

# EBITDA by Segments

S\$m	<u>2008</u>	<u>%</u>	<u>2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	932	68	648	55	44
Property	337	24	453	39	(26)
Infrastructure	82	6	45	4	82
Investments	26	2	30	2	(13)
<b>Total</b>	<b>1,377</b>	<b>100</b>	<b>1,176</b>	<b>100</b>	<b>17</b>

# Capital/Gearing/ROE

<b>S\$m</b>	<b><u>31 Dec 2008</u></b>	<b><u>31 Dec 2007</u></b>
<b>Shareholders' Funds</b>	<b>4,596</b>	<b>5,205</b>
<b>Capital Employed</b>	<b>6,749</b>	<b>7,035</b>
<b>Net Cash/(Debt)</b>	<b>275</b>	<b>(634)</b>
<b>Net Cash/(Gearing)</b>	<b>0.04</b>	<b>(0.09x)</b>
<b>ROE</b>	<b>22.4%</b>	<b>21.8%</b>



# Offshore & Marine

# Financial Highlights – Offshore & Marine

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<b>S\$m</b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>8,569</b>	<b>7,258</b>	<b>18</b>
<b>EBITDA</b>	<b>932</b>	<b>648</b>	<b>44</b>
<b>Operating Profit</b>	<b>837</b>	<b>570</b>	<b>47</b>
<b>Profit Before Tax</b>	<b>943</b>	<b>700</b>	<b>35</b>
<b>PATMI</b>	<b>705</b>	<b>522</b>	<b>35</b>

# Financial Highlights – Offshore & Marine

<b>S\$m</b>	<b><u>4Q 2008</u></b>	<b><u>4Q 2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>2,988</b>	<b>2,210</b>	<b>35</b>
<b>EBITDA</b>	<b>304</b>	<b>136</b>	<b>124</b>
<b>Operating Profit</b>	<b>278</b>	<b>114</b>	<b>144</b>
<b>Profit Before Tax</b>	<b>297</b>	<b>152</b>	<b>95</b>
<b>PATMI</b>	<b>221</b>	<b>113</b>	<b>96</b>

# Offshore & Marine Review

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- ◆ S\$0.70b contracts secured in 4Q 2008:  
2 FPSO Conversions, 1 FSO Conversion, 1 FSRU Conversion, 1 Turret, 1 Semi Upgrade, 1 FPSO Modules/Integration, 2 AHT, 3 Tugs, 2 Pontoons
  
- ◆ Major contract completions in 4Q 2008:  
2 Semis, 3 Semi Upgrades, 2 JUs, 1 FPSO Conversion, 1 FPSO Outfitting, 1 Sludge Vessel, 1 Ice Breaker, 2 Tugs, 2 Barges

# Offshore & Marine Orderbook

	<u>Balance Order</u> <u>S\$m</u>	<u>Clients</u>
<b><u>For delivery in 2009</u></b>		
6 Semis / 1 Semi Upgrade / 10 Jack Ups / 1 Jack Up Repair / 9 FPSO Conversions / 1 FSRU Conversion / 1 FSO / 9 AHTS / 3 PSVs / 2 Ice Class Standby/Rescue Vessels / 1 Drillship Outfitting / 2 Tugs / 1 Tanker Barge / 1 Derrick Barge Upgrade / 1 Dredger Lengthening	1,923	Maersk / Ensco / GSF / QGP / Seadrill / Sinvest / Awilco / Scorpion / Mercator / Great Eastern / Petrovietnam / Perforadora Central / Transocean / Prosafe / BW Offshore / Bumi Armada / SBM / M3nergy / Golar / Lukoil / Whitesea / Seaways / Hadi Hammam / Gulfmark / Greatship / Frontier Drilling / Batangas Bay Carriers / Petrobras / Boskalis
<b><u>For delivery in 2010</u></b>		
5 Semis / 8 Jack Ups / 1 FPSO Conversion / FPSO Modules/Integration / 1 Turret / Pipe Racks & Pontoons / 1 Derrick Pipelay Vessel / 3 AHTS / 1 PSV / 1 Drillship Outfitting / 4 Tugs	5,499	Maersk / Ensco / Floatel / Petrobras / Skeie / Rowan / Seadrill / SBM / Agip KCO / Global Offshore / Hadi Hammam / Smit Int'l / Greatship / Frontier Drilling / Keppel Smit / Salalah Port
<b><u>For delivery in 2011</u></b>		
3 Semis / 1 Jack Up / 1 Derrick Pipelay Vessel / 6 Tugs / 2 AHT	1,782	Ensco / QGP / Seadrill / Rowan / Global Offshore / Keppel Smit / Seaways
<b><u>For delivery in 2012</u></b>		
2 Semis / 1 Derrick Pipelay Vessel	1,580	Ensco / GSP
<b>TOTAL as at 31 Dec 2008</b>	<b><u><u>10,784</u></u></b>	

# Property

# Financial Highlights - Property

<b>S\$m</b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>950</b>	<b>1,835</b>	<b>(48)</b>
<b>EBITDA</b>	<b>337</b>	<b>453</b>	<b>(26)</b>
<b>Operating Profit</b>	<b>326</b>	<b>440</b>	<b>(26)</b>
<b>Profit Before Tax</b>	<b>365</b>	<b>471</b>	<b>(23)</b>
<b>PATMI</b>	<b>157</b>	<b>209</b>	<b>(25)</b>

# Financial Highlights - Property

<b>S\$m</b>	<b><u>4Q 2008</u></b>	<b><u>4Q 2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>228</b>	<b>485</b>	<b>(53)</b>
<b>EBITDA</b>	<b>80</b>	<b>129</b>	<b>(38)</b>
<b>Operating Profit</b>	<b>77</b>	<b>126</b>	<b>(39)</b>
<b>Profit Before Tax</b>	<b>97</b>	<b>130</b>	<b>(25)</b>
<b>PATMI</b>	<b>41</b>	<b>50</b>	<b>(18)</b>



# Infrastructure

# Financial Highlights – Infrastructure

<b>S\$m</b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>2,232</b>	<b>1,277</b>	<b>75</b>
<b>EBITDA</b>	<b>82</b>	<b>45</b>	<b>82</b>
<b>Operating Profit</b>	<b>50</b>	<b>11</b>	<b>355</b>
<b>Profit Before Tax</b>	<b>70</b>	<b>51</b>	<b>37</b>
<b>PATMI</b>	<b>63</b>	<b>27</b>	<b>133</b>

# Financial Highlights – Infrastructure

<b>S\$m</b>	<b><u>4Q 2008</u></b>	<b><u>4Q 2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>490</b>	<b>644</b>	<b>(24)</b>
<b>EBITDA</b>	<b>30</b>	<b>19</b>	<b>58</b>
<b>Operating Profit</b>	<b>22</b>	<b>9</b>	<b>144</b>
<b>Profit Before Tax</b>	<b>18</b>	<b>20</b>	<b>(10)</b>
<b>PATMI</b>	<b>22</b>	<b>9</b>	<b>144</b>

# Investments

# Financial Highlights - Investments

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<b>S\$m</b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>54</b>	<b>61</b>	<b>(11)</b>
<b>EBITDA</b>	<b>26</b>	<b>30</b>	<b>(13)</b>
<b>Operating Profit</b>	<b>25</b>	<b>30</b>	<b>(17)</b>
<b>Profit Before Tax</b>	<b>219</b>	<b>334</b>	<b>(34)</b>
<b>PATMI</b>	<b>172</b>	<b>268</b>	<b>(36)</b>

# Financial Highlights - Investments

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<b>S\$m</b>	<b><u>4Q 2008</u></b>	<b><u>4Q 2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>28</b>	<b>19</b>	<b>47</b>
<b>EBITDA</b>	<b>14</b>	<b>18</b>	<b>(22)</b>
<b>Operating Profit</b>	<b>13</b>	<b>19</b>	<b>(32)</b>
<b>Profit Before Tax</b>	<b>(15)</b>	<b>119</b>	<b>NM</b>
<b>PATMI</b>	<b>(21)</b>	<b>96</b>	<b>NM</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.*