



1H 2008 Results Announcement

31 July, 2008

Scope of Briefing

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

Address By Executive Chairman

Delivering Growth Amidst Challenges

- ◆ 2Q'08 PATMI grew 14% (q-o-q); 1H'08 PATMI up 10% (y-o-y) to \$561m
- ◆ Global economies face slowdown, inflation and credit crunch
- ◆ Asian economies appear relatively healthy

Strong financials to build growth platforms and seize opportunities

Positioned For Global Uncertainties

Offshore & Marine

- ◆ Grew net orderbook to \$13b
- ◆ Extended deliveries into 2012
- ◆ Sustained operating margins

Infrastructure

- ◆ Increased global environmental concerns
- ◆ Countries actively addressing waste and water problems
- ◆ Pursuing WTE and water reuse opportunities

Oil & Gas

- ◆ Upstream growth diversifies earnings stream from refining
- ◆ Oyong and Bohai boosted upstream earnings
- ◆ 1H'08 upstream operating earnings surpassed FY2007

Property

- ◆ Adding value to prime Keppel Bay development
- ◆ Increased MBFC pre-commitment to 60%
- ◆ Strong platforms in townships & integrated lifestyle developments and forging new eco-city platform

Launched Sustainable Development & Living Division

- ◆ To be headed by Ko Kheng Hwa, currently Economic Development Board (EDB) Managing Director
- ◆ Leverage and integrate Group's competencies in eco-developments, environmental and energy businesses to create new growth opportunities

Group Financial Highlights

1H'08 Financial Performance

PATMI	↑	10% to S\$561m
EPS	↑	9% to 35.3cts
Annualised ROE	↓	from 21.8% to 21.4%
EVA	↑	S\$31m to S\$396m
Free cash flow	↑	63% to S\$1,138m
Net gearing	↓	from 0.09x to 0.04x
Interim dividend	↑	56% to 14cts per share

Financial Highlights

S\$m	<u>1H 2008</u>	<u>1H 2007</u>	<u>% Change</u>
Revenue	4,854	4,482	8
EBITDA	589	552	7
Operating Profit	523	494	6
Profit Before Tax	800	741	8
PATMI	561	510	10
EPS (cents)	35.3	32.3	9

Revenue by Segments

S\$m

	<u>1H 2008</u>	<u>%</u>	<u>1H 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	3,219	66	3,259	72	(1)
Property	511	10	847	19	(40)
Infrastructure	1,103	23	347	8	218
Investments	21	1	29	1	(28)
Total	4,854	100	4,482	100	8

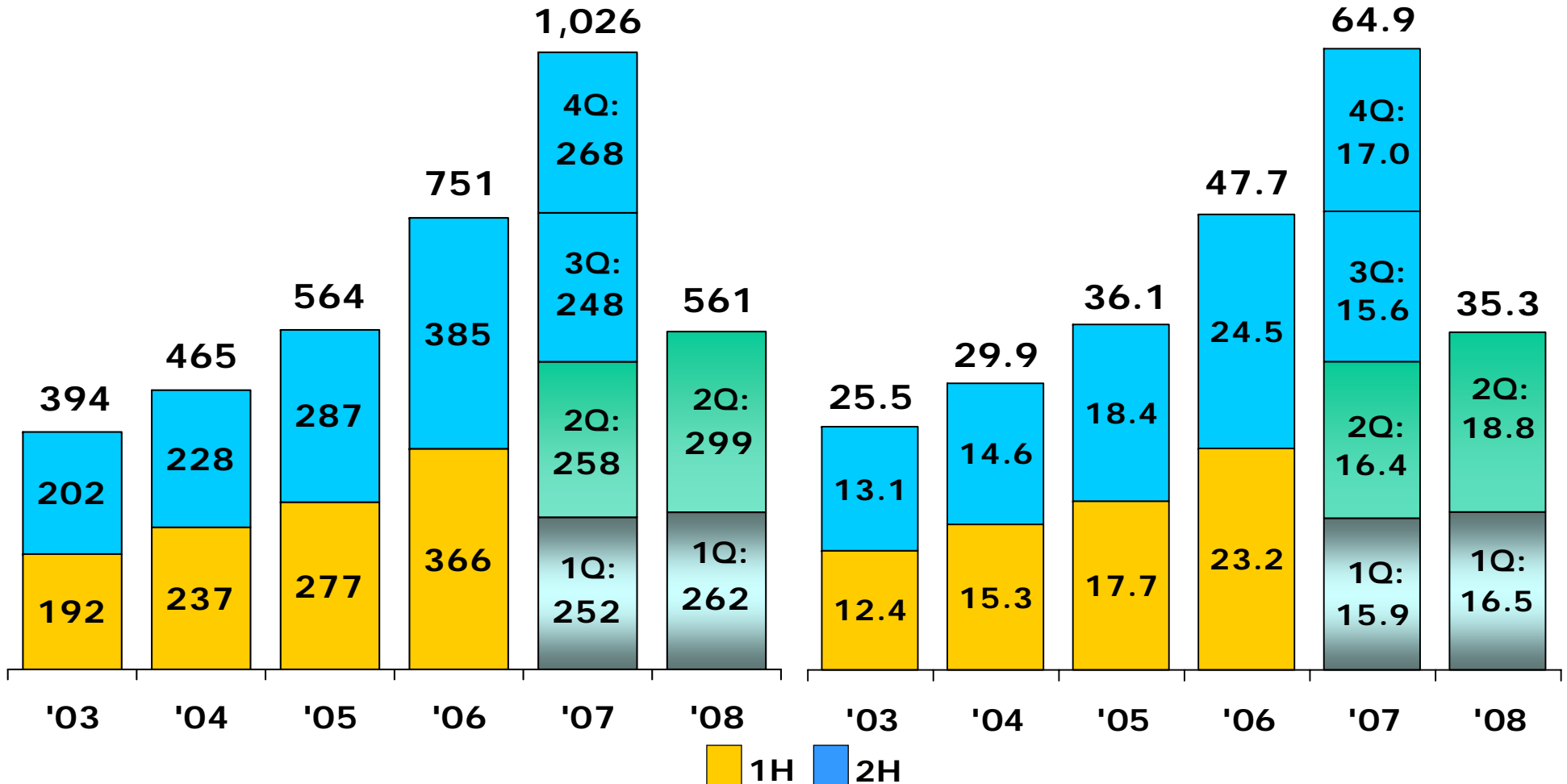
PATMI by Segments

S\$m	<u>1H 2008</u>	<u>%</u>	<u>1H 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	287	51	283	56	1
Property	79	14	94	18	(16)
Infrastructure	26	5	14	3	86
Investments	169	30	119	23	42
Total	561	100	510	100	10

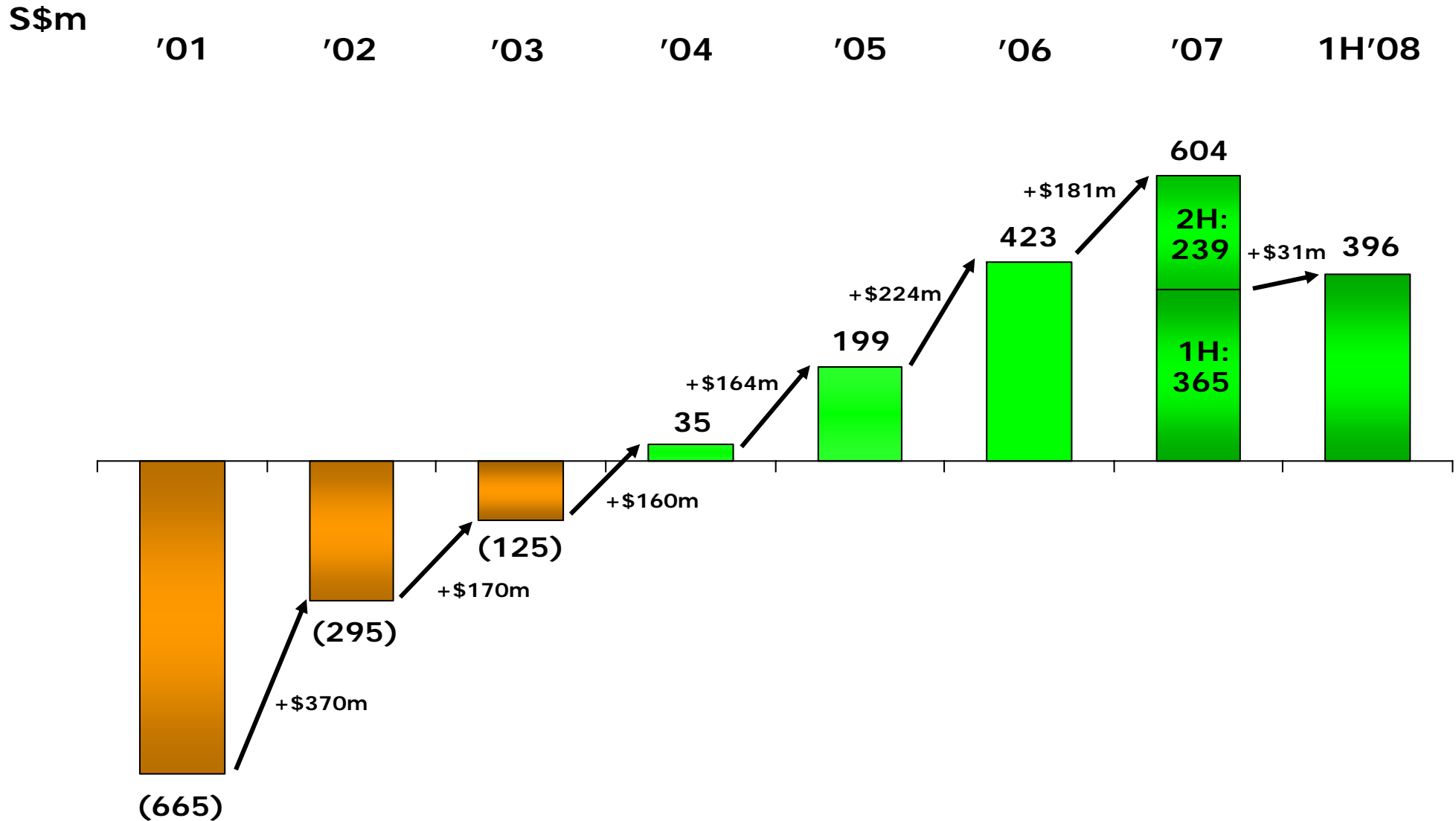
Consistent Earnings Growth

PATMI (\$m)

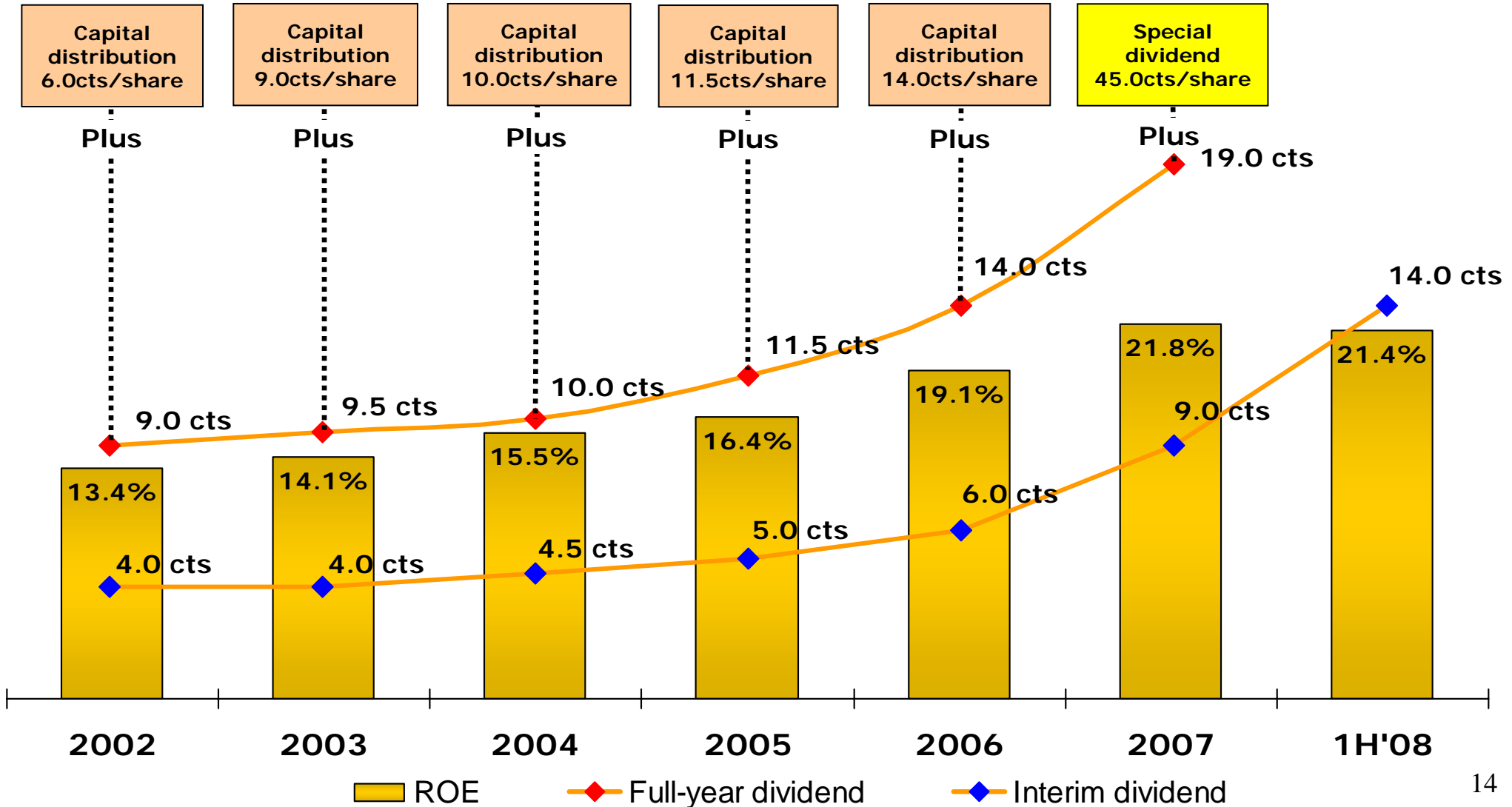
EPS (Cents)



Continued EVA Growth



ROE & Dividend



Healthy Free Cash Flow

	<u>1H 2008</u> S\$m
Operating profit	523
Depreciation & other non-cash items	79
	<hr/> 602
Working capital changes	720
Interest & tax paid	(125)
Net cash from operating activities	<hr/> 1,197 <hr/>
Investments & capex	(274)
Dividend income	215
Net cash used in investing activities	<hr/> (59) <hr/>
Free Cash Flow	<hr/> 1,138 <hr/>
Dividends paid	(971)

Business Review & Outlook

Offshore & Marine

A Sturdy First Half

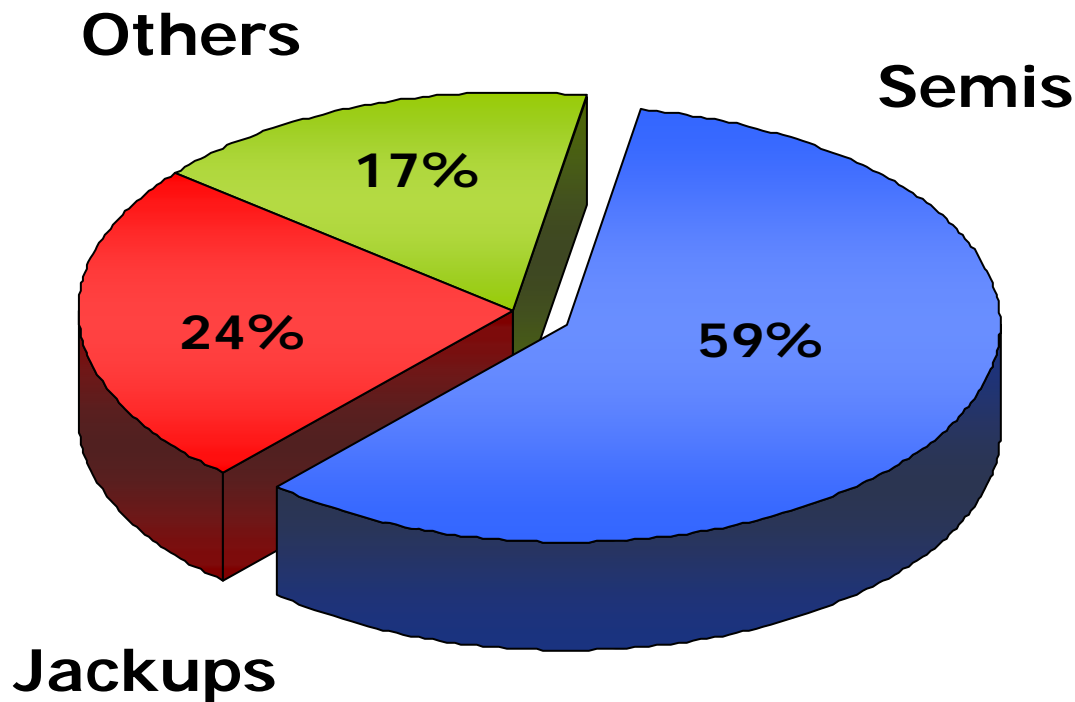
- ◆ Secured S\$2.9b contracts in 2Q'08, bringing 1H'08 orders to S\$3.6b (1H'07: S\$3.3b)
- ◆ Grew net orderbook to S\$13.0b at end-Jun'08, from S\$11.8b at end-Mar'08
- ◆ Good order flows for both jackups and semis

Won orders worth S\$0.8b in July, including another semi

Good Market Share Of Semis

Contracts Secured in 1H'08

Total: S\$3.6b



- ◆ Won 3 of 5 semi orders in 1H'08
 - 2 repeat orders from ENSCO
 - Endorsement of proprietary DSS38 design
- ◆ Building 25% of world's semis

Major Completions In 1H'08

◆ 7 Jackups

◆ 3 FPSO/FSO conversions

◆ 2 Semi upgrades

◆ 1 Jackup upgrade

◆ 1 FSRU conversion

◆ 4 AHTS & 1 Tug

Buoyant Exploration Demand

Jackups

- ◆ Utilisation rose to >92% despite 11 deliveries in 1H'08
- ◆ Shallow water still holds substantial E&P potential
- ◆ High oil & gas prices revive economics of marginal fields
- ◆ ~300 units >25 yrs old - good replacement potential

Semisubmersibles

- ◆ Utilisation at 98%, rig supply remains tight
- ◆ Recent deepwater finds off India, West Africa and Brazil
- ◆ 40 deepwater rigs required by Petrobras by 2017
- ◆ Majority of newbuilds on order already committed for work

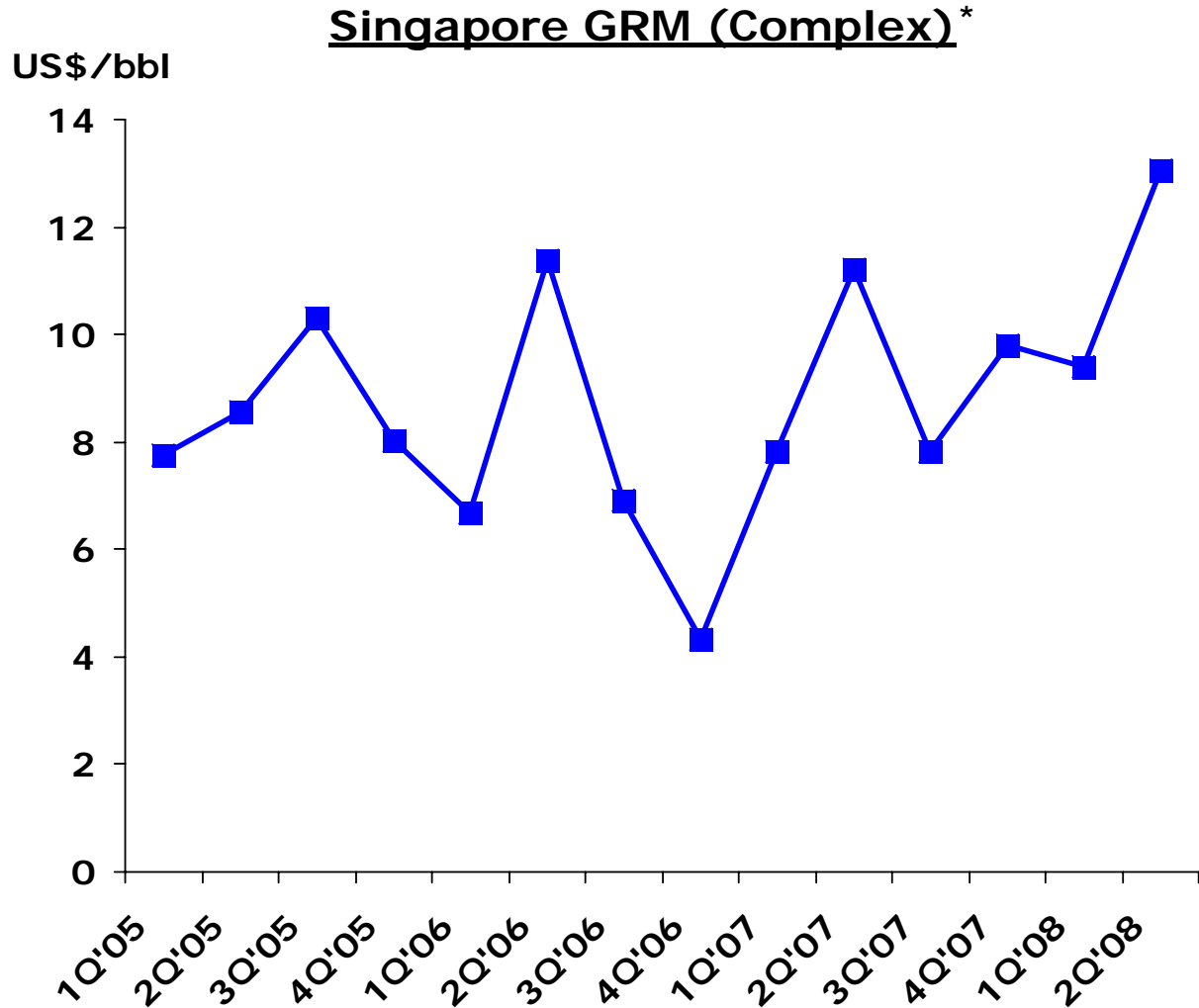
Expecting to win more contracts

Solid Industry Fundamentals

- ◆ High oil prices and falling hydrocarbon reserves drive sustained E&P activities
- ◆ E&P extends into deeper waters, challenging environments and marginal fields - technological competencies key to unlocking hydrocarbon potential

Oil & Gas

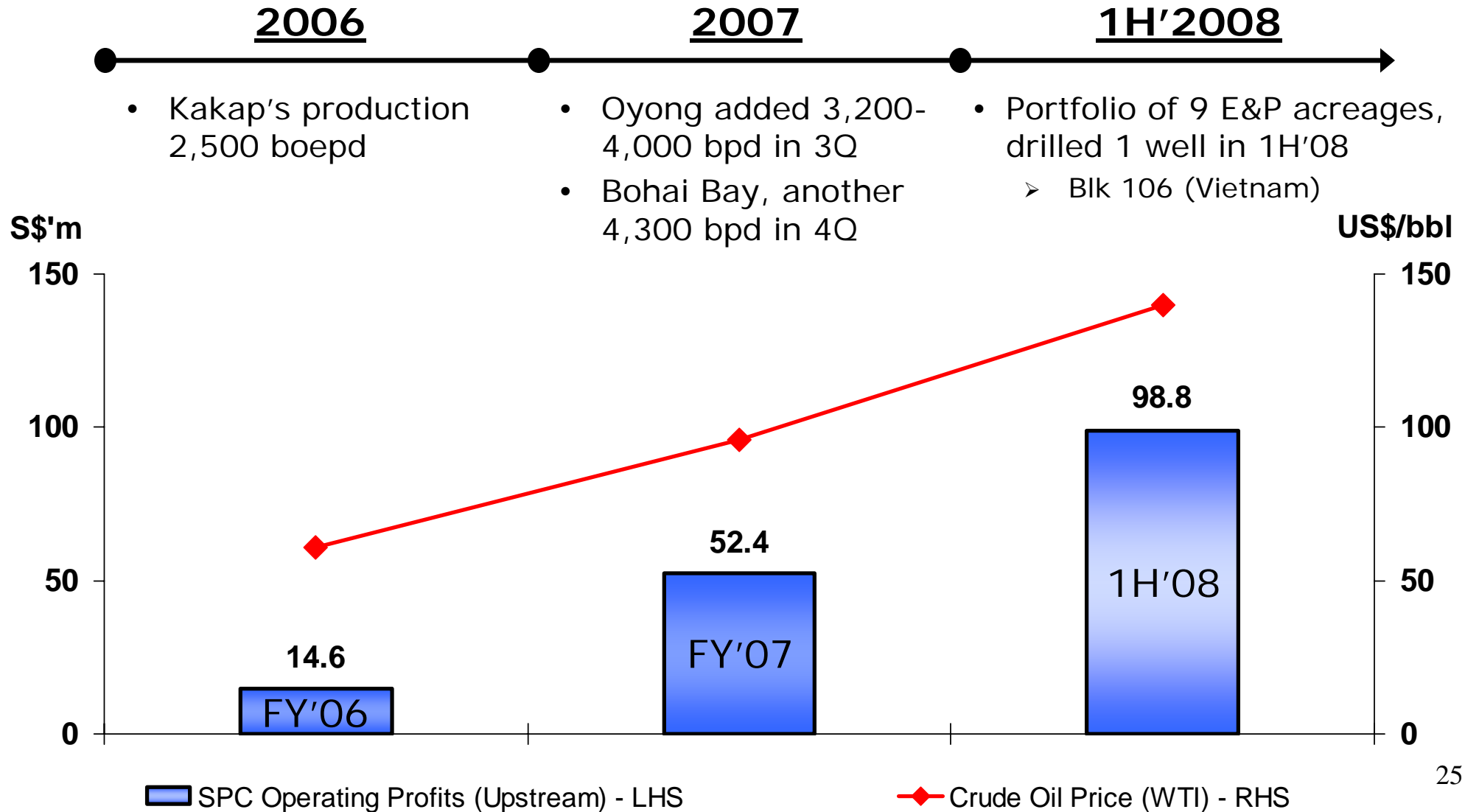
Higher Refining Margins In 2Q



- ◆ Good demand for refined products
- ◆ Maintenance shutdowns lowered product supply

* Source: Merrill Lynch

Increasing Upstream Contribution



Property

Steadfast Execution Of Regional Thrusts

- ◆ Replicating integrated waterfront cum marina lifestyle developments – secured first regional project
 - Zhongshan, Pearl River Delta – 305 villas, 1,350 condos, 1,200 serviced apts
- ◆ Recent township launches draw good response
 - Jakarta Garden City (Indonesia) – 91% of 191 launched units sold
 - Central Park City, Wuxi (China) – 96% of 728 launched units sold
- ◆ Healthy residential sales at Elita Garden Vista (Kolkata), Summer Ville (Changzhou) and Stamford City (Jiangyin)

Continue to make selective regional land acquisitions

Tapping China's Next Growth Area – Bohai Rim

China's Bohai Rim

Population 230m,
26% of China's 2006 GDP

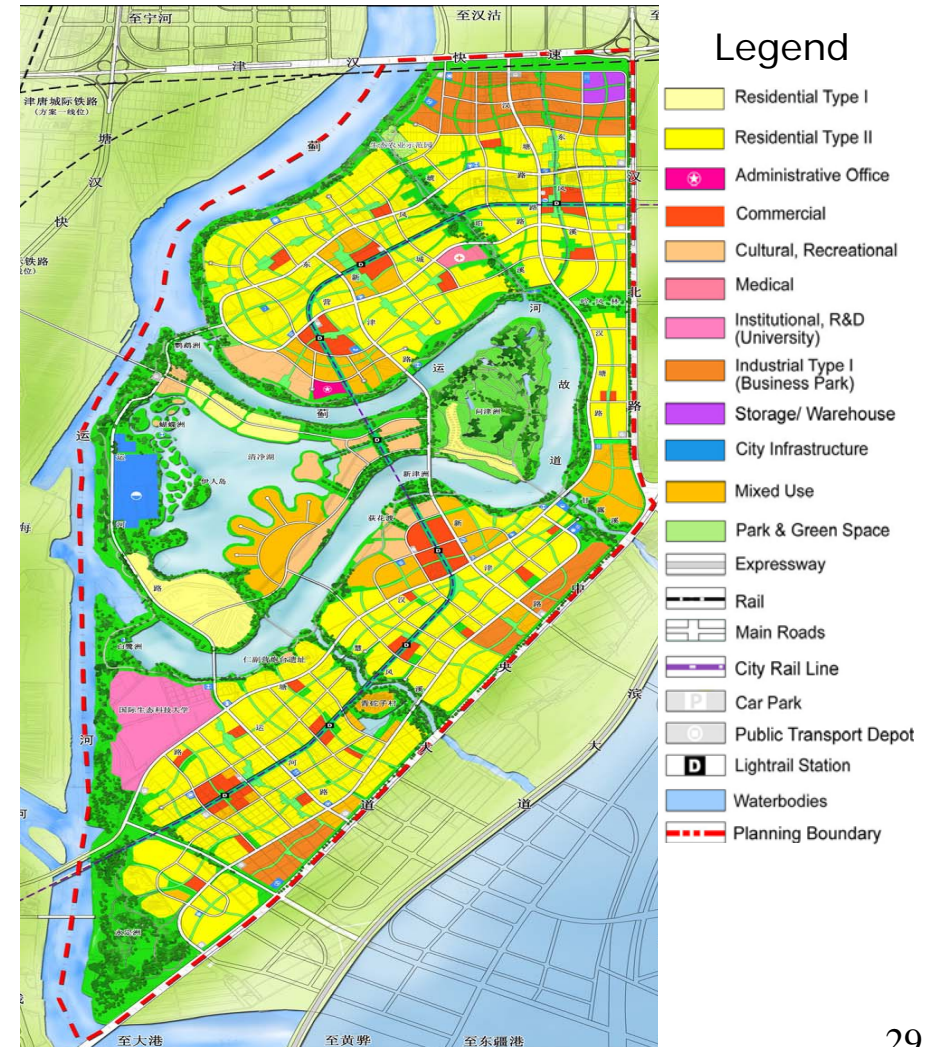


- ◆ Bohai Rim, the next strategic development zone – following success of Pearl River Delta and Yangtze River Delta regions
- ◆ Revitalisation of Northeast China
- ◆ Keppel's new projects
 - Shenyang township (5,600 homes)
 - Tianjin Eco-City (>100,000 homes)

Sino-Singapore Tianjin Eco-City

A Socially Harmonious, Environmentally Friendly & Resource-Efficient City

- ◆ Keppel intends to own 50% of Singapore Consortium (which holds 50% of Eco-City)
- ◆ 30km² land to be transferred in phases at pre-agreed price by end 2018
- ◆ Major infrastructure provided by the Chinese government
- ◆ Revenue from land sales and property developments
- ◆ Developments comprise mainly residential, some commercial and business parks
- ◆ 3km² start-up to be developed over 3-5 years



Vietnam Fundamentals Remain Healthy

Favourable fundamentals

- ◆ Young population
- ◆ Growing middle-class
- ◆ Substantial urbanisation potential
- ◆ Regulatory changes allowing foreigners (from Jan'09) and Viet Kieus to buy property

Proactive economic management by Govt

- ◆ Tightening monetary policy
- ◆ Curbing discretionary fiscal spending
- ◆ GDP growth moderated – 1H'08: 6.5% (>8.0% last 3 years)
- ◆ Healthy balance of payments with strong FDIs

Encouraging response and sales at The Estella

Positive Outlook For Singapore Office

- ◆ MBFC pre-commitment increased from 52% to 60% to-date
- ◆ 98% average occupancy for office portfolio
- ◆ Higher rental reversions expected

S'pore Makeover To Benefit Office Market

- ◆ 2Q'08 Singapore prime rents hold firm
- ◆ Avg. 2m sf new supply p.a. over 2008-12 (23% already pre-committed)
 - Avg. demand 1.9m sf p.a. (2004-07)

Infrastructure

Qatar Projects Progressing On Track



Domestic Solid Waste Management Facility

- ◆ EPC: 2007-09
- ◆ Construction on schedule



Doha North Wastewater Treatment Facility

- ◆ EPC: 2008-10
- ◆ Construction to commence in 2H'08

Qatar to freeze construction material prices for three years

Environmental Opportunities

Waste-To-Energy

- ◆ Adverse impact of landfill raises global concerns
- ◆ WTE as a viable large-scale option to landfill and an alternative clean energy source
- ◆ High energy costs result in more viable project economics

Water

- ◆ Global water scarcity exacerbated by climate change and pollution
- ◆ Up to 75% of world's population to face freshwater scarcity by 2050
- ◆ Water reuse extends range of traditional water resources; gains greater acceptance over the more expensive desalinated water

Pursuing more prospects globally

Outlook

Delivering On Keppel's Multi-Business Strategy

Keppel Corporation 1H 2008 Results

**Thank You
Q&A**

Additional Info

Keppel Corporation

Financial Highlights

S\$m	<u>2Q 2008</u>	<u>2Q 2007</u>	<u>% Change</u>
Revenue	2,643	2,454	8
EBITDA	294	284	4
Operating Profit	261	252	4
Profit Before Tax	434	381	14
PATMI	299	258	16

Revenue by Customers

	1H 2008		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	3,219	87	13
Property	511	34	66
Infrastructure	1,103	27	73
Investments	21	27	73
Total	<u><u>4,854</u></u>	69	31

**69% of total revenue
came from overseas customers**

EBITDA by Segments

S\$m	<u>1H 2008</u>	<u>%</u>	<u>1H 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	366	62	346	63	6
Property	179	31	179	32	-
Infrastructure	31	5	17	3	82
Investments	13	2	10	2	30
Total	589	100	552	100	7

Capital/Gearing/ROE

S\$m	<u>30 Jun 2008</u>	<u>31 Dec 2007</u>
Shareholders' Funds	4,751	5,205
Capital Employed	6,691	7,035
Net Debt	291	634
Net Gearing	0.04x	0.09x
ROE	21.4% *	21.8%

* Annualised ROE

Offshore & Marine

Financial Highlights – Offshore & Marine

S\$m	<u>1H 2008</u>	<u>1H 2007</u>	<u>% Change</u>
Revenue	3,219	3,259	(1)
EBITDA	366	346	6
Operating Profit	321	309	4
Profit Before Tax	382	363	5
PATMI	287	283	1

Financial Highlights – Offshore & Marine

S\$m	<u>2Q 2008</u>	<u>2Q 2007</u>	<u>% Change</u>
Revenue	1,819	1,723	6
EBITDA	206	170	21
Operating Profit	184	151	22
Profit Before Tax	212	177	20
PATMI	156	132	18

Offshore & Marine Review

- ◆ **\$2.886b contracts secured in 2Q 2008:**
3 Semis, 1 Semi drilling tender, 2 JUs, 1 Derrick Pipelay Vessel, 1 AHTS, 1 Semi repair, 1 JU repair, 1 MOPU outfitting
- ◆ **Major contract completions in 2Q 2008:**
4 JUs, 1 Semi upgrade, 1 Semi Heavy Lift upgrade, 1 FPSO conversion, 1 FSRU conversion, 1 AHTS

Offshore & Marine Orderbook

	<u>Balance Order</u> <u>S\$m</u>	<u>Clients</u>
<u>For delivery in 2008</u>		
3 Semis / 3 Semi Upgrades / 6 Jack Ups / 1 Jack Up Repair / 5 FPSO Conversions / 1 FPSO Outfitting / 1 MOPU Outfitting / 6 AHTS / 2 Ice Breakers / 2 Tugs / 1 Derrick Barge Upgrade / 2 CALM Buoys / Sludge Vessel / Barges & Pipe Racks / 2 Barges	683	Petrobras / Maersk / Ensco / Diamond / Transocean / Aban / Sinvest / Scorpion / Jindal / Atwood / Emas Offshore / SBM / Prosafe / Sevan / Hadi Hammam / Gulfmark / Whitesea / Lukoil / Keppel Smit / City of New York / Agip KCO / BUE Marine
<u>For delivery in 2009</u>		
6 Semis / 10 Jack Ups / 2 FPSO Conversions / 1 FSO / Pipe Racks / 5 AHTS / 3 PSVs / 2 Ice Class Standby/Rescue Vessels / 1 Drillship Outfitting / 2 Tugs / 1 Tanker Barge	3,097	Maersk / Ensco / GSF / QGP / Seadrill / Sinvest / Awilco / Scorpion / Mercator / Great Eastern / Petrovietnam / Perforadora Central / BW Offshore / Lukoil / Agip KCO / Whitesea / Seaways / Hadi Hammam / Greatship / Frontier Drilling / Keppel Smit / Batangas Bay Carriers
<u>For delivery in 2010</u>		
5 Semis / 8 Jack Ups / 1 Derrick Pipelay Vessel / 4 AHTS / 1 PSV / 1 Drillship Outfitting / 1 Tug	6,757	Maersk / Ensco / Floatel / Petrobras / Skeie / Rowan / Seadrill / Global Offshore / Hadi Hammam / Smit Int'l / Lewek / Greatship / Frontier Drilling / Keppel Smit
<u>For delivery in 2011/2012</u>		
4 Semis / 1 Jack Up / 1 Derrick Pipelay Vessel / 6 Tugs	2,415	Ensco / QGP / Seadrill / Rowan / Global Offshore / Keppel Smit
TOTAL as at 30 June 2008	<u><u>12,952</u></u>	

Property

Financial Highlights – Property

S\$m	<u>1H 2008</u>	<u>1H 2007</u>	<u>% Change</u>
Revenue	511	847	(40)
EBITDA	179	179	-
Operating Profit	174	172	1
Profit Before Tax	181	203	(11)
PATMI	79	94	(16)

Financial Highlights – Property

S\$m	<u>2Q 2008</u>	<u>2Q 2007</u>	<u>% Change</u>
Revenue	211	529	(60)
EBITDA	77	109	(29)
Operating Profit	74	105	(30)
Profit Before Tax	76	112	(32)
PATMI	28	56	(50)

Infrastructure

Financial Highlights – Infrastructure

S\$m	<u>1H 2008</u>	<u>1H 2007</u>	<u>% Change</u>
Revenue	1,103	347	218
EBITDA	31	17	82
Operating Profit	15	3	400
Profit Before Tax	31	23	35
PATMI	26	14	86

Financial Highlights – Infrastructure

S\$m	<u>2Q 2008</u>	<u>2Q 2007</u>	<u>% Change</u>
Revenue	598	184	225
EBITDA	10	8	25
Operating Profit	2	(1)	NM
Profit Before Tax	15	10	50
PATMI	14	5	180

Investments

Financial Highlights – Investments

S\$m	<u>1H 2008</u>	<u>1H 2007</u>	<u>% Change</u>
Revenue	21	29	(28)
EBITDA	13	10	30
Operating Profit	13	10	30
Profit Before Tax	206	152	36
PATMI	169	119	42

Financial Highlights – Investments

S\$m	<u>2Q 2008</u>	<u>2Q 2007</u>	<u>% Change</u>
Revenue	15	18	(17)
EBITDA	1	(3)	NM
Operating Profit	1	(3)	NM
Profit Before Tax	131	82	60
PATMI	101	65	55

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.