



# **1Q 2008 Results Announcement**

**24 April, 2008**

# Scope of Briefing

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

# **Address By Executive Chairman**

# A Tough Year Ahead

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- ◆ 1Q'08 PATMI and EPS up 4% over 1Q'07
- ◆ Subprime mortgage problems – adverse impact on rest of the economy

**Steadfast in executing growth strategies**

# Sound Platforms For Sustainable Growth

## Offshore & Marine

- Robust orderbook – deliveries into 2011
- E&P spending remains robust

## Oil & Gas

- Strong global demand for refined products
- Search for upstream investments continues

## Property

- Growing regional footprint
- Demand underpinned by favourable demographic trends

## Infrastructure

- On-going projects on schedule
- Healthy demand from regional economies

**Underlying Fundamentals  
Remain Intact Despite More  
Challenging Environment**

# Group Financial Highlights

# 1Q'08 Financial Performance

PATMI	↑	4% to S\$262m
EPS	↑	4% to 16.5cts
Annualised ROE	↓	from 21.8% to 19.9%
EVA	↑	S\$17m to S\$177m
Free cash flow	↓	to -S\$143m
Net gearing	↑	from 0.09x to 0.11x



# Financial Highlights

<b>S\$m</b>	<b><u>1Q 2008</u></b>	<b><u>1Q 2007</u></b>	<b><u>% Change</u></b>
<b>Revenue</b>	<b>2,211</b>	<b>2,028</b>	<b>9</b>
<b>EBITDA</b>	<b>295</b>	<b>268</b>	<b>10</b>
<b>Operating Profit</b>	<b>262</b>	<b>242</b>	<b>8</b>
<b>Profit Before Tax</b>	<b>366</b>	<b>360</b>	<b>2</b>
<b>PATMI</b>	<b>262</b>	<b>252</b>	<b>4</b>
<b>EPS (cents)</b>	<b>16.5</b>	<b>15.9</b>	<b>4</b>

# Revenue by Segments

S\$m

	<u>1Q 2008</u>	<u>%</u>	<u>1Q 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	1,400	63	1,536	76	(9)
Property	300	14	318	16	(6)
Infrastructure	505	23	163	8	210
Investments	6	-	11	-	(45)
<b>Total</b>	<b>2,211</b>	<b>100</b>	<b>2,028</b>	<b>100</b>	<b>9</b>

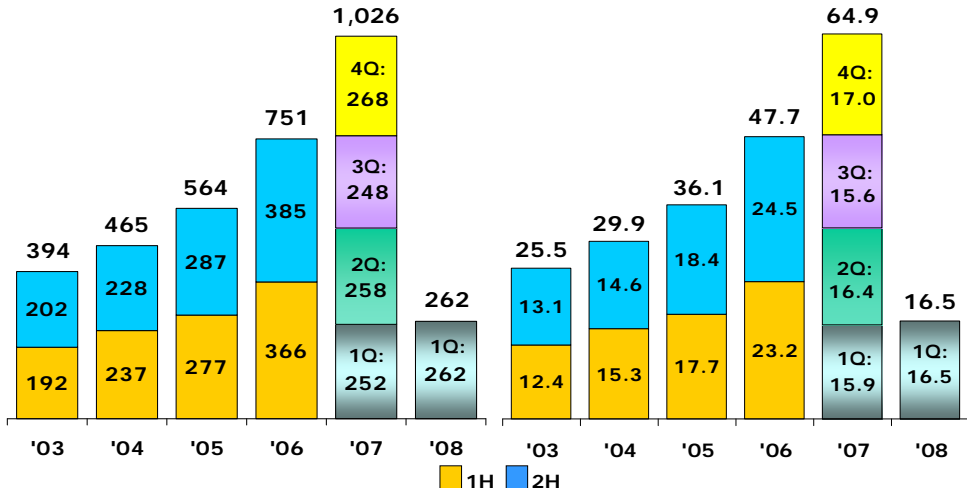
# Pretax Profits by Segments

S\$m	<u>1Q 2008</u>	<u>%</u>	<u>1Q 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	170	46	186	52	(9)
Property	105	29	91	25	15
Infrastructure	16	4	13	4	23
Investments	75	21	70	19	7
<b>Total</b>	<b>366</b>	<b>100</b>	<b>360</b>	<b>100</b>	<b>2</b>

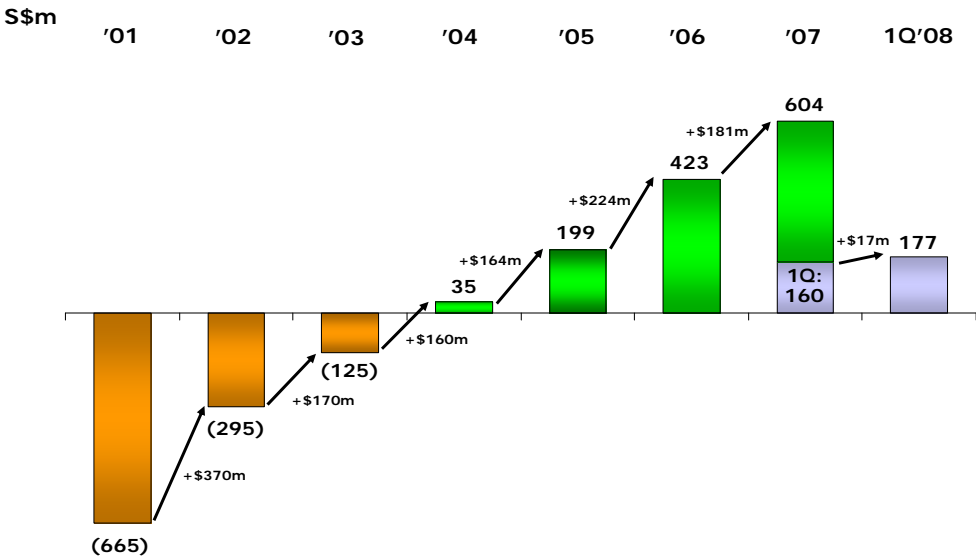
# PATMI by Segments

S\$m	<u>1Q 2008</u>	<u>%</u>	<u>1Q 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	131	50	151	60	(13)
Property	51	19	38	15	34
Infrastructure	12	5	9	4	33
Investments	68	26	54	21	26
<b>Total</b>	<b>262</b>	<b>100</b>	<b>252</b>	<b>100</b>	<b>4</b>

# Consistent Earnings Growth

PATMI (S\$m)
EPS (Cents)


# Continued EVA Growth



# Free Cash Flow

	<u>1Q 2008</u>
	S\$m
Operating profit	262
Depreciation & other non-cash items	39
	<hr/> 301
Working capital changes	(382)
Interest & tax paid	(48)
<b>Net cash used in operating activities</b>	<hr/> <b>(129)</b> <hr/>
Investments & capex	(108)
Divestments & dividend income	94
<b>Net cash used in investing activities</b>	<hr/> <b>(14)</b> <hr/>
<b>Free Cash Flow</b>	<hr/> <b>(143)</b> <hr/>

# **Business Review & Outlook**



# Offshore & Marine

# A Modest Start

- ◆ S\$664m worth of contracts secured in 1Q'08 (1Q'07: S\$621m)
- ◆ S\$11.8b net orderbook at end-Mar'08 – deliveries into 2011

**Healthy enquiries across all segments**

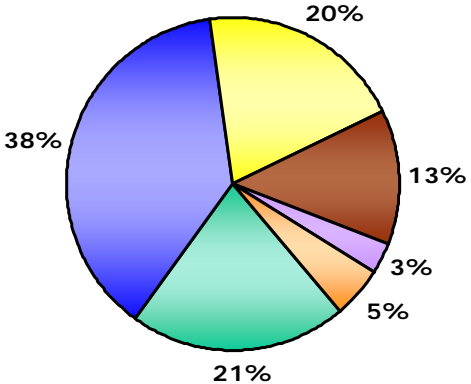
# Sustaining Our Delivery Focus

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- ◆ Deliveries in 1Q'08
  - 3 jackups
  - 1 jackup upgrade
  - 2 FPSO/FSO conversions
  - 3 AHTS
  - 1 tug
  
- ◆ Expect to deliver projects as per contract

# Orderbook Is Robust

Newbuild JU and Semi Contracts Secured (2007-1Q'08) - S\$6b



■ U.S. Drillers ■ NOCs ■ Skeie ■ Floatel ■ Seadrill ■ Perforadora Central

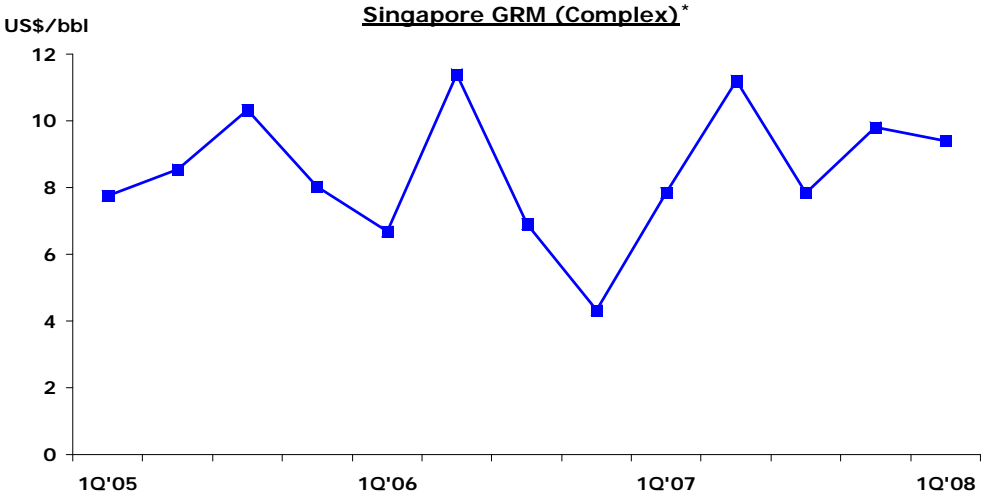
# Outlook Remains Favourable

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- ◆ Healthy demand for rigs with dayrates and utilisation at high levels
  
- ◆ Deepwater market remains strong
  - >130 production floater orders forecasted for 2008-13\*
  
  - Semi newbuilds secure long-term contracts at attractive rates
  
- ◆ Demand for shiprepair and conversions continues to be strong

# Oil & Gas

# Tight Capacity Expected To Sustain Margins



\* Source: Merrill Lynch

# Property



# Continuing To Grow Our Regional Footprint

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- ◆ Long-term housing demand underpinned by favourable demographics and rising incomes
- ◆ Two core pillars of our regional thrust
  - Townships targeted at large growing middle-income population
  - Luxury integrated developments offer unique lifestyle propositions
- ◆ Secured 8 projects in Vietnam in 2007
  - Launched *The Estella* in March 2008 – 165 units sold
- ◆ Regional launches in 2008 – China, Vietnam, India, Middle East

# Creating Lifestyle Propositions



KEPPEL BAY (32-ha)

*Reflections*  
(Ph.1 – 620 units sold)

*Caribbean*  
(Sold 100% launched units)

*170-berth  
world-class marina*

*Landmark cable-  
stayed bridge*

**Developing waterfront projects and marinas regionally**

# Office Market Remains Firm

- ◆ Financial institutions continue to seek space expansion
- ◆ Tight prime office supply into 2010
  - 1Q'08 Grade A rentals up 8.7% q-o-q
- ◆ Our premium office pipeline
  - Marina Bay Financial Centre
    - >50% pre-committed with healthy enquiries
  - Ocean Financial Centre
    - 850,000 sf NLA

# Infrastructure

# Making Progress In Infrastructure

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- ◆ Secured S\$3b long-term natural gas supply contract to ExxonMobil commencing 2009
  
- ◆ Awarded S\$75m turnkey contract for WTE plant in Sweden; 22% stake provides recurring income

# Outlook

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**Continuing to Target Growth  
Opportunities Amidst  
Challenging Global Conditions**

# Keppel Corporation

## 1Q 2008 Results

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

# Additional Info



# Keppel Corporation

# Revenue by Customers

1Q 2008

	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	1,400	90	10
Property	300	27	73
Infrastructure	505	26	74
Investments	6	19	81
Total	<u>2,211</u>	67	33

**67% of total revenue  
came from overseas customers**

# EBITDA by Segments

S\$m	<u>1Q 2008</u>	<u>%</u>	<u>1Q 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	160	54	176	66	(9)
Property	102	35	70	26	46
Infrastructure	21	7	9	3	133
Investments	12	4	13	5	(8)
<b>Total</b>	<b>295</b>	<b>100</b>	<b>268</b>	<b>100</b>	<b>10</b>

# Capital/Gearing/ROE

S\$m	<u>31 Mar 2008</u>	<u>31 Dec 2007</u>
Shareholders' Funds	5,424	5,205
Capital Employed	7,262	7,035
Net Debt	772	634
Net Gearing	0.11x	0.09x
ROE	19.9%*	21.8%

\* Annualised ROE

# Offshore & Marine

# Financial Highlights – Offshore & Marine

<b>S\$m</b>	<b><u>1Q 2008</u></b>	<b><u>1Q 2007</u></b>	<b><u>% Change</u></b>
Revenue	1,400	1,536	(9)
EBITDA	160	176	(9)
Operating Profit	137	158	(13)
Profit Before Tax	170	186	(9)
PATMI	131	151	(13)

# Offshore & Marine Review

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- ◆ S\$664m contracts secured in 1Q 2008:  
1 JU, 1 Drillship Outfitting, 2 FPSO conversions, 2 Barges
  
- ◆ Major contract completions in 1Q 2008:  
3 JUs, 1 JU upgrade/repair, 1 FPSO conversion, 1 FSO conversion, 3 AHTS, 1 Tug

# Offshore & Marine Orderbook

	<u>Balance Order S\$m</u>	<u>Clients</u>
<b><u>For delivery in 2008</u></b>		
3 Semis / 4 Semi Upgrades / 11 Jack Ups / 6 FPSO Conversions / 1 FPSO Outfitting / 1 FSRU Conversion / 8 AHTS / 2 Ice Breakers / 2 Tugs / 1 Derrick Barge Upgrade / 1 Sludge Vessel / 2 CALM Buoys / 1 Semi Heavy Lift Upgrade / 1 Tanker Barge / Barges & Pipe Racks / 2 Barges	1,514	Petrobras / Maersk / Ensco / Diamond / Transocean / Fred. Olsen / Sinvest / Scorpion / Jindal / Atwood / Seadrill / SBM / Prosafe / Emas Offshore / Sevan / Golar / Hadi Hammam / Gulfmark / Whitesea / Lukoil / Keppel Smit / City of New York / Saipem / Batangas Bay Carriers / Agip KCO / BUE Marine
<b><u>For delivery in 2009</u></b>		
6 Semis / 9 Jack Ups / 2 FPSO Conversions / 1 FSO / 4 AHTS / 3 PSVs / 1 Heavy Lift Vessel / 2 Ice Class Standby / Rescue Vessels / 1 Drillship Outfitting / 2 Tugs	3,989	Maersk / Ensco / GSF / QGP / Seadrill / Sinvest / Awilco / Mercator / Great Eastern / Petrovietnam / Perforadora Central / BW Offshore / Lukoil / Whitesea / Seaways / Hadi Hammam / Greatship / MPU Offshore / Frontier Drilling / Keppel Smit
<b><u>For delivery in 2010</u></b>		
5 Semis / 6 Jack Ups / 1 Derrick Pipelay Vessel / 3 AHTS / 1 PSV / 1 Drillship Outfitting / 1 Tug	6,120	Maersk / Ensco / Floatel / Petrobras / Skeie / Rowan / Global Offshore / Hadi Hammam / Smit Int'l / Greatship / Frontier Drilling / Keppel Smit
<b><u>For delivery in 2011</u></b>		
1 Jack Up / 6 Tugs	210	Rowan / Keppel Smit
<b>TOTAL as at 31 Mar 2008</b>	<b><u>11,833</u></b>	



# Property

# Financial Highlights - Property

S\$m	<u>1Q 2008</u>	<u>1Q 2007</u>	<u>% Change</u>
Revenue	300	318	(6)
EBITDA	102	70	46
Operating Profit	100	67	49
Profit Before Tax	105	91	15
PATMI	51	38	34

# Infrastructure

# Financial Highlights – Infrastructure

S\$m	<u>1Q 2008</u>	<u>1Q 2007</u>	<u>% Change</u>
Revenue	505	163	210
EBITDA	21	9	133
Operating Profit	13	4	225
Profit Before Tax	16	13	23
PATMI	12	9	33

# Investments

# Financial Highlights - Investments

S\$m	<u>1Q 2008</u>	<u>1Q 2007</u>	<u>% Change</u>
Revenue	6	11	(45)
EBITDA	12	13	(8)
Operating Profit	12	13	(8)
Profit Before Tax	75	70	7
PATMI	68	54	26

*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.*

