



9 Months 2008 Results Announcement

23 October 2008

Scope of Briefing

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

Address By Executive Chairman

Sturdy Performance In Challenging Times

- ◆ Subprime problem snowballed into a financial crisis
- ◆ Major economies experiencing slowdown; business landscape changing
- ◆ 3Q'08 PATMI on track – rose 10% to \$273m, 9M'08 PATMI up 10% to \$834m

Weathering Uncertainties With Prudent & Measured Approach

Offshore & Marine

- ◆ Robust and well-diversified orderbook of \$13b into 2012
- ◆ Received aggregate 50% payment in respect of all existing contracts
- ◆ Prudent project selection process

Oil & Gas

- ◆ Upstream to partially mitigate weaker refining contribution

Property

- ◆ Singapore residential – extracting value from former shipyard site
- ◆ Office – positive rentals reversions from low base; long-term leases pre-committed for MBFC
- ◆ Regional residential – markets underpinned by fundamentals

Infrastructure

- ◆ Sovereign projects minimise contractual risks

Staying Focused

- ◆ Proactive management
- ◆ Healthy balance sheet and positive free cashflow
- ◆ Continue to build up resources and capabilities to capture opportunities

Group Financial Highlights

9M Financial Performance

PATMI	↑	10% to S\$834m
EPS	↑	9% to 52.4cts
Annualised ROE	↓	from 21.8% to 21.5%
EVA	↑	S\$27m to S\$614m
Free cash flow	↑	13% to S\$1,462m
Net gearing	↓	from 0.09x to 0.03x

Financial Highlights

S\$m	<u>9M 2008</u>	<u>9M 2007</u>	<u>% Change</u>
Revenue	8,071	7,073	14
EBITDA	949	874	9
Operating Profit	848	783	8
Profit Before Tax	1,200	1,135	6
PATMI	834	758	10
EPS (cents)	52.4	47.9	9

Revenue by Segments

S\$m

	<u>9M 2008</u>	<u>%</u>	<u>9M 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	5,581	69	5,048	71	11
Property	722	9	1,350	19	(47)
Infrastructure	1,742	22	633	9	175
Investments	26	-	42	1	(38)
Total	8,071	100	7,073	100	14

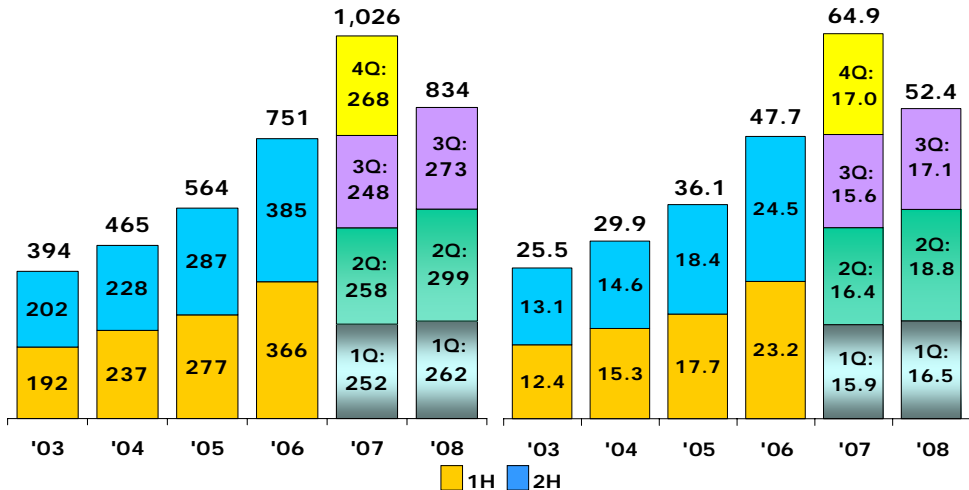
PATMI by Segments

S\$m	<u>9M 2008</u>	<u>%</u>	<u>9M 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	484	58	409	54	18
Property	116	14	159	21	(27)
Infrastructure	41	5	18	2	128
Investments	193	23	172	23	12
Total	834	100	758	100	10

Consistent Earnings Growth

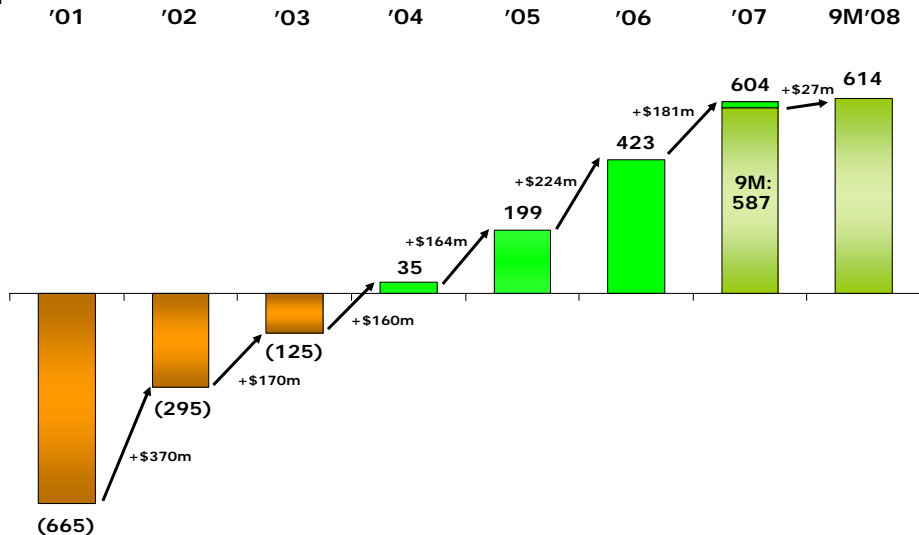
PATMI (\$m)

EPS (Cents)

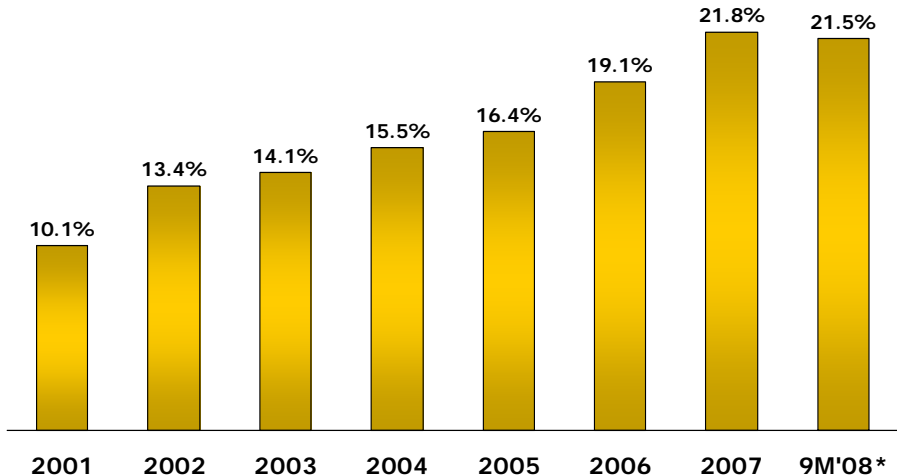


Continued EVA Growth

S\$m



ROE Performance



* Annualised ROE

Healthy Free Cash Flow

	<u>9M 2008</u>
	S\$m
Operating profit	848
Depreciation & other non-cash items	114
	<hr/> 962
Working capital changes	765
Interest & tax paid	(175)
Net cash from operating activities	<hr/> 1,552 <hr/>
Investments & capex	(391)
Dividend income	301
Net cash used in investing activities	<hr/> (90) <hr/>
Free Cash Flow	<hr/> 1,462 <hr/>
Dividends paid	<hr/> (1,197) <hr/>

Business Review & Outlook

Offshore & Marine

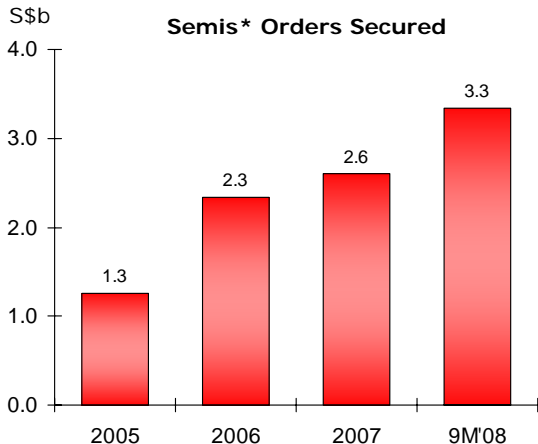
Steady Order Flow

- ◆ Secured S\$1.6b contracts in 3Q'08, taking 9M'08 orders to S\$5.2b (9M'07: S\$4.4b)
 - Another 2 semis
 - 1 FPSO conversion, 1 FSO upgrade
 - An eco-friendly derrick pipelay vessel

- ◆ S\$13.0b net orderbook at end-Sep'08 – added deliveries into 2012

Secured two conversion contracts worth S\$150m in Oct'08

Buoyant Deepwater Market



- ◆ Tight deepwater rig market – high semis utilisation at 99%
- ◆ Deepwater finds to prompt new orders
- ◆ Clinched 42% of global semi newbuilds in 9M'08

Well-positioned to tap opportunities with our global yards

All 9M'08 Deliveries On Schedule

◆ 11 jackups ◆ 2 jackup upgrades/repairs

◆ 1 semi ◆ 4 semi upgrades

◆ 6 AHTS & 1 tug ◆ 4 FPSO/FSO conversions

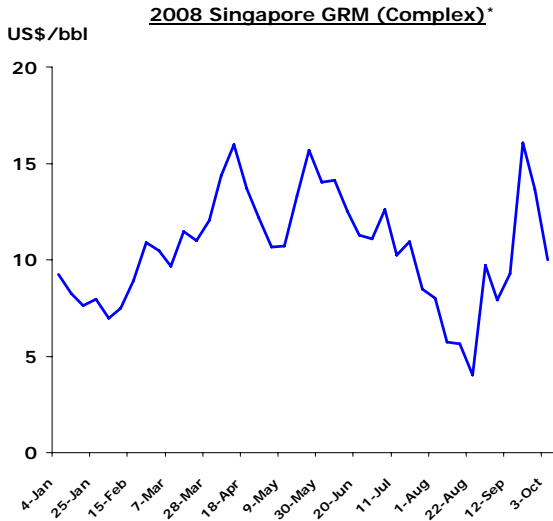
Projects under construction progressing on schedule

Fundamentals Remain Intact

- ◆ Ageing global rig fleet poses increasing performance and safety concerns
- ◆ Need to replenish depleting reserves prompts search for new fields
- ◆ Current oil prices appear above E&P spending thresholds of big oil companies

Oil & Gas

Refining Margins Weakened In 3Q'08



- ◆ 3Q'08 refining margins highly volatile
- ◆ Global macro-economic turbulence impacts refined products demand

* Source: Merrill Lynch

Property

Landmark MBFC Draws Healthy Pre-Commitment

- ◆ Premium office address
- ◆ Pre-committed 66% of Ph 1 and 55% of Ph 2 ahead of completion in 2010 and 2012 respectively
- ◆ Over 80% of pre-commitments are long-term leases of up to 12 years

A Sturdy K-REIT Portfolio

- ◆ Broad tenancy mix across industry sectors
- ◆ Portfolio 99.4% committed as at end-3Q'08
- ◆ Rentals largely signed at previously low levels vs higher current prime rent – portfolio rental reversions expected to be positive
- ◆ Rights issue has strengthened its balance sheet – aggregate leverage at 27.6%
- ◆ Bank loans due only in 2011; no refinancing needs next 2 years

Local Homes Sales In 3Q'08

- ◆ *Reflections at Keppel Bay* maintains average selling price of \$2,000psf
 - 14 units sold
- ◆ Projects strategically-located along New Downtown MRT Line achieve good prices
 - *Park Infinia and The Tresor* – 28 units sold at average range of \$1,500 – \$1,600psf

Homes Demand In China & Vietnam Supported By Fundamentals

- ◆ Young population
- ◆ Urbanisation trend continues
- ◆ Growing middle-class
- ◆ Vietnam – Viet Kieus purchase potential

Home ownership aspirations and demographics underpin demand

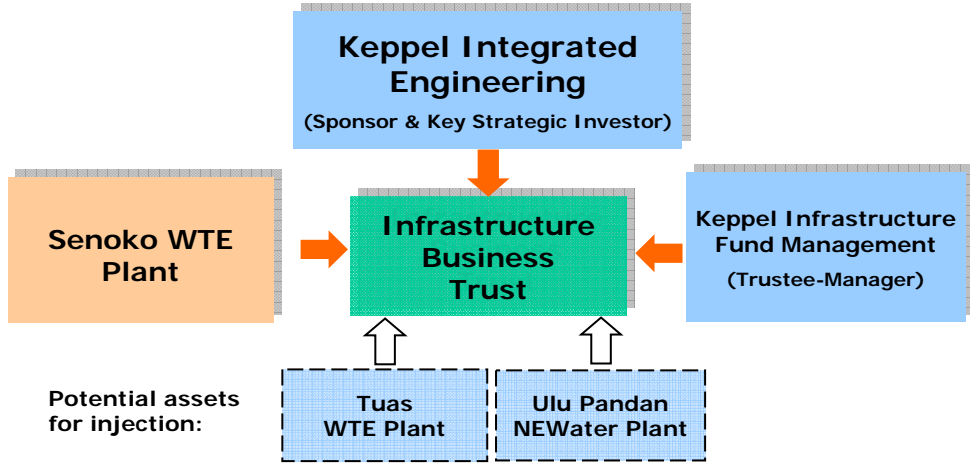
Infrastructure

Expanding Green Business Platforms

- ◆ Joint ventures with Tianjin partners targeting Tianjin Eco-City
 - Environmental infrastructure development, investment and operation
 - Energy and utilities-related development and O&M

- ◆ Framework agreement with local Guangdong partner
 - Select from S\$1.2b pipeline of water and solid waste treatment and management projects

Sponsor for World's First Green Business Trust



Proposed trust to be listed on SGX

Our Infrastructure Platforms

Water

- ◆ **Doha North Wastewater Treatment and Water Reuse Facility**
 - EPC: 2008-10 (1st recognition in 2009); O&M: 10 yrs
- ◆ **Ulu Pandan NEWater Plant**
 - Operational: 2007

Waste Management

- ◆ **Tuas WTE Plant**
 - Operational: 2009
- ◆ **Qatar Solid Waste Management Facility**
 - EPC: 2007-09; O&M: 20 yrs

Power

- ◆ **Keppel Merlimau Cogen Plant**
 - Operational: 2007

Outlook

**Staying On Course In A
Tougher Environment**

Keppel Corporation 9M 2008 Results

Thank You
Q&A

Additional Info

Keppel Corporation

Financial Highlights

S\$m	<u>3Q 2008</u>	<u>3Q 2007</u>	<u>% Change</u>
Revenue	3,217	2,591	24
EBITDA	360	322	12
Operating Profit	325	289	12
Profit Before Tax	400	394	2
PATMI	273	248	10

Revenue by Customers

	9M 2008		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	S\$m	%	%
Offshore & Marine	5,581	88	12
Property	722	36	64
Infrastructure	1,742	28	72
Investments	26	26	74
Total	<u>8,071</u>	71	29

**71% of total revenue
came from overseas customers**

EBITDA by Segments

S\$m	<u>9M 2008</u>	<u>%</u>	<u>9M 2007</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	628	66	512	59	23
Property	257	27	324	37	(21)
Infrastructure	52	6	26	3	100
Investments	12	1	12	1	-
Total	949	100	874	100	9

Capital/Gearing/ROE

S\$m	<u>30 Sep 2008</u>	<u>31 Dec 2007</u>
Shareholders' Funds	4,640	5,205
Capital Employed	6,679	7,035
Net Debt	167	634
Net Gearing	0.03x	0.09x
ROE	21.5%*	21.8%

* Annualised ROE

Offshore & Marine

Financial Highlights – Offshore & Marine

S\$m	<u>9M 2008</u>	<u>9M 2007</u>	<u>% Change</u>
Revenue	5,581	5,048	11
EBITDA	628	512	23
Operating Profit	559	456	23
Profit Before Tax	646	548	18
PATMI	484	409	18

Financial Highlights – Offshore & Marine

S\$m	<u>3Q 2008</u>	<u>3Q 2007</u>	<u>% Change</u>
Revenue	2,362	1,789	32
EBITDA	262	166	58
Operating Profit	238	147	62
Profit Before Tax	264	185	43
PATMI	197	126	56

Offshore & Marine Review

- ◆ S\$1.6b contracts secured in 3Q 2008:
2 Semis, 1 Derrick Pipelay Vessel, 1 FPSO Conversion, 1 FSO upgrade, 1 Dredger Lengthening, 1 JU repair, 1 Semi repair

- ◆ Major contract completions in 3Q 2008:
1 Semi, 2 Semi upgrades, 4 JUs, 1 JU repair, 1 MOPU Outfitting, 1 FPSO conversion, 1 Ice Breaker, 2 AHTS, 3 Barges/Pipe Racks, 2 CALM Buoys

Offshore & Marine Orderbook

	<u>Balance Order</u> <u>S\$m</u>	<u>Clients</u>
<u>For delivery in 2008</u>		
2 Semis / 3 Semi Upgrades/Repairs / 2 Jack Ups / 3 FPSO Conversions / 1 FPSO Outfitting / 2 AHTS / 1 Ice Breaker / 2 Tugs / Sludge Vessel / 2 Barges	327	Petrobras / Maersk / Diamond / Transocean / Aban / Jindal / Atwood / SBM / BW Offshore / Prosafe / Sevan / Gulfmark / Whitesea / Lukoil / Keppel Smit / City of New York / BUE Marine
<u>For delivery in 2009</u>		
6 Semis / 10 Jack Ups / 1 Jack Up Repair / 5 FPSO Conversions / 1 FSO / Pipe Racks / 7 AHTS / 3 PSVs / 2 Ice Class Standby/Rescue Vessels / 1 Drillship Outfitting / 2 Tugs / 1 Tanker Barge / 1 Derrick Barge Upgrade / 1 Dredger Lengthening	2,500	Maersk / Ensco / GSF / QGP / Seadrill / Sinvest / Awilco / Scorpion / Mercator / Great Eastern / Petrovietnam / Perforadora Central / Transocean / Prosafe / BW Offshore / Bumi Armada / Lukoil / Agip KCO / Whitesea / Seaways / Hadi Hammam / Gulfmark / Greatship / Frontier Drilling / Keppel Smit / Batangas Bay Carriers / Petrobras / Boskalis
<u>For delivery in 2010</u>		
5 Semis / 8 Jack Ups / 1 Derrick Pipelay Vessel / 4 AHTS / 1 PSV / 1 Drillship Outfitting / 1 Tug	6,328	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>		
6 Semis / 1 Jack Up / 2 Derrick Pipelay Vessels / 6 Tugs	3,855	Ensco / QGP / Seadrill / Scorpion / Rowan / Global Offshore / GSP / Keppel Smit
TOTAL as at 30 Sep 2008	<u>13,010</u>	

Property

Financial Highlights - Property

S\$m	<u>9M 2008</u>	<u>9M 2007</u>	<u>% Change</u>
Revenue	722	1,350	(47)
EBITDA	257	324	(21)
Operating Profit	249	314	(21)
Profit Before Tax	268	341	(21)
PATMI	116	159	(27)

Financial Highlights - Property

S\$m	<u>3Q 2008</u>	<u>3Q 2007</u>	<u>% Change</u>
Revenue	211	503	(58)
EBITDA	78	145	(46)
Operating Profit	75	142	(47)
Profit Before Tax	87	138	(37)
PATMI	37	65	(43)

Infrastructure

Financial Highlights – Infrastructure

S\$m	<u>9M 2008</u>	<u>9M 2007</u>	<u>% Change</u>
Revenue	1,742	633	175
EBITDA	52	26	100
Operating Profit	28	2	>500
Profit Before Tax	52	31	68
PATMI	41	18	128

Financial Highlights – Infrastructure

S\$m	<u>3Q 2008</u>	<u>3Q 2007</u>	<u>% Change</u>
Revenue	639	286	123
EBITDA	21	9	133
Operating Profit	13	(1)	NM
Profit Before Tax	21	8	163
PATMI	15	4	275

Investments

Financial Highlights - Investments

S\$m	<u>9M 2008</u>	<u>9M 2007</u>	<u>% Change</u>
Revenue	26	42	(38)
EBITDA	12	12	-
Operating Profit	12	11	9
Profit Before Tax	234	215	9
PATMI	193	172	12

Financial Highlights - Investments

S\$m	<u>3Q 2008</u>	<u>3Q 2007</u>	<u>% Change</u>
Revenue	5	13	(62)
EBITDA	(1)	2	NM
Operating Profit	(1)	1	NM
Profit Before Tax	28	63	(56)
PATMI	24	53	(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.