

Third Quarter and Nine Months 2015 Financial Results

22 October 2015

Keppel Corporation

Scope of Briefing

- **Address by CEO**
- **Group Financial Highlights by CFO**

Address by CEO

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Macro Environment

- Financial market volatility
- Weak emerging economies
- Softening Singapore economy
- Oil price remains low

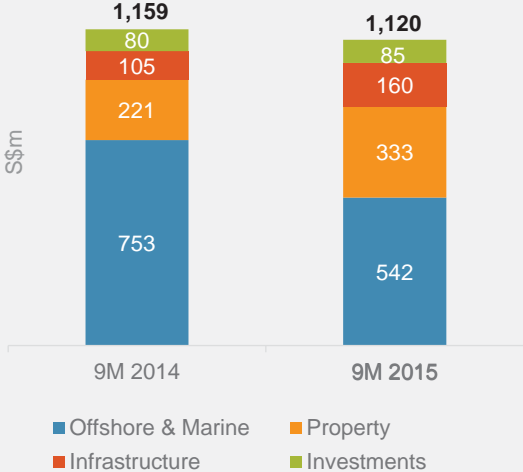
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Performance Highlights

9M 2015 net profit

S\$1,120m, down 3% yoy



Key highlights

- 3Q 2015 net profit was S\$363m
- 9M 2015 net profit was S\$1,120m
- 9M 2015 EVA was S\$456m
- Annualised ROE was 13.6%

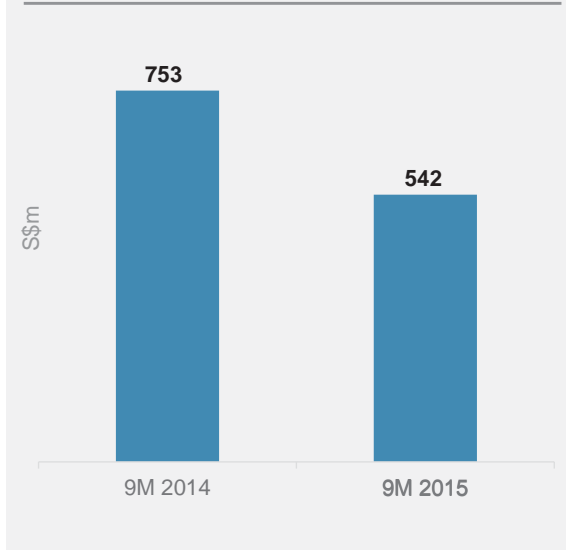


Offshore & Marine

Offshore & Marine

9M 2015 net profit

\$542m, down 28% yoy



\$S\$1.7b worth of contracts secured as at end-Sept 2015

- 1 FLNG conversion
- 1 ice-class multi-purpose vessel
- 2 liftboats
- 1 FPSO conversion
- Semi upgrade/repair work
- FPSO topside/turret fabrication work

FLNG

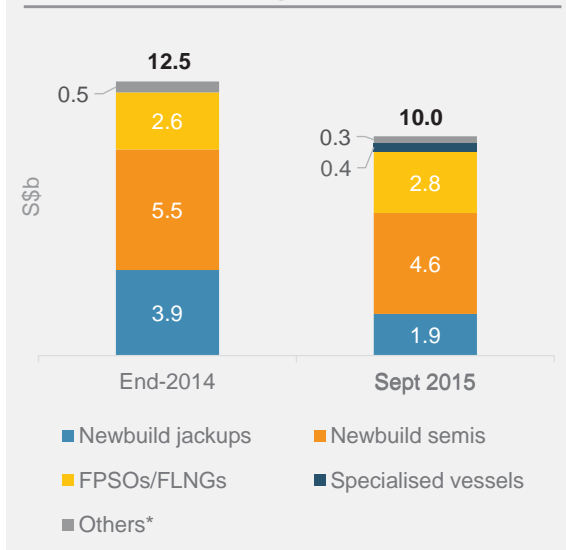
- In talks with Golar on the fourth FLNG conversion

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Offshore & Marine

Net orderbook

\$S\$10.0b at end-Sept 2015



Major deliveries in 9M 2015

- 6 Jackups
- 1 Accommodation Semi
- 1 Depletion Compression Platform
- 1 Floating Crane
- 1 FPSO conversion
- 1 FPSO modules integration
- 3 Turret fabrications

To be delivered in 4Q 2015

- 6 Jackups

* Includes modification, upgrading, fabrication and rig repairs.

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Expanding Products & Services



LETOURNEAU™

- Entered into agreement to acquire Cameron's offshore rig business, which enables Keppel to:
 - Offer more rig designs through the sale of rig kits and delivery of ready-to-drill solutions
 - Provide aftermarket services to over 100 LETOURNEAU™ rigs in operation

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Property

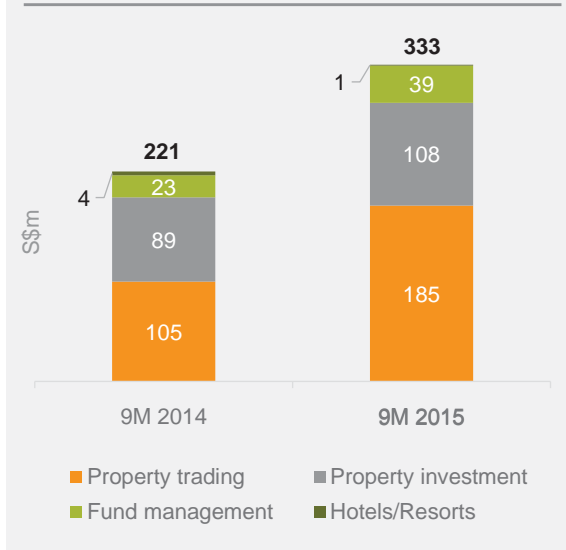
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Property

9M 2015 net profit

S\$333m, up 51% yoy



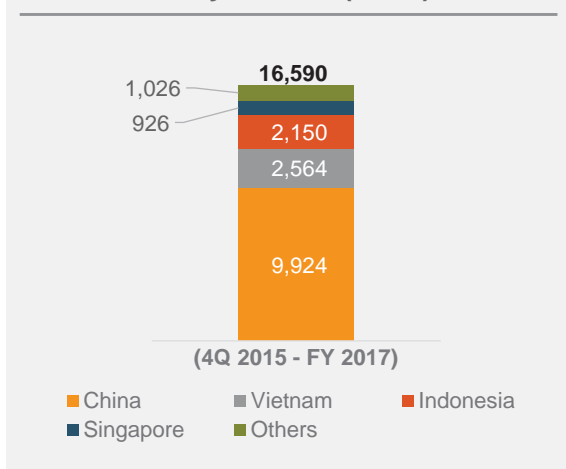
Highlights

- About 3,130 homes sold in 9M 2015:
 - Up 30% from over 2,400 homes sold for the whole of 2014
 - More than 70% from China
- Saigon Centre Phase 2 retail podium about 85% pre-committed
- International Financial Centre Jakarta Tower Two topped off
- Sedona Hotel Yangon launched new wing, adding 431 more rooms

Portfolio

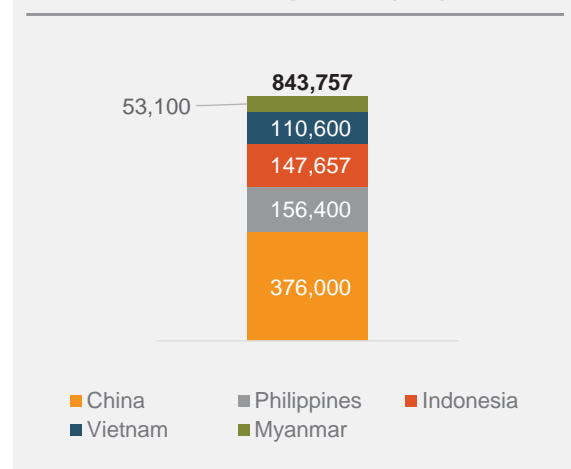
Residential

Launch-Ready Homes (units)



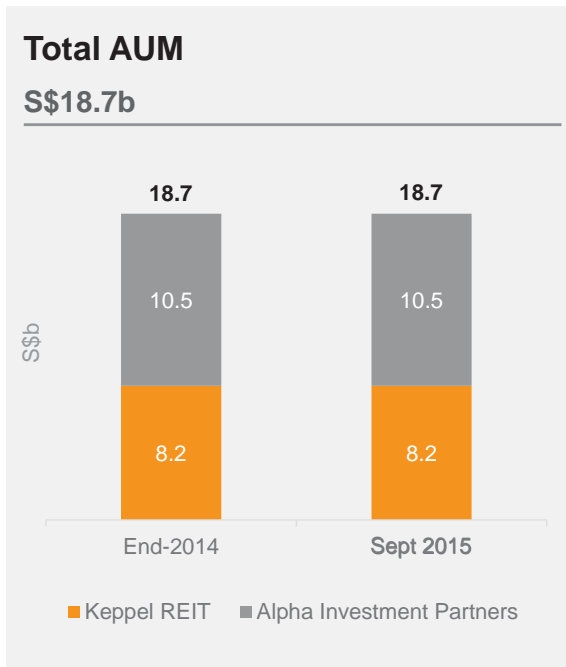
Commercial

GFA Under Development (sm)



* As at end-Sept 2015

Property Fund Management



Keppel REIT

- Topped out Old Treasury Building Office Tower in Perth
- Acquired three prime retail units at 8 Exhibition Street in Melbourne

Alpha Investment Partners

- Acquired a portfolio of retail properties in Singapore and an office building in Tokyo
- Divested two commercial buildings in Singapore and Tokyo, and a logistics centre in Korea in 3Q 2015

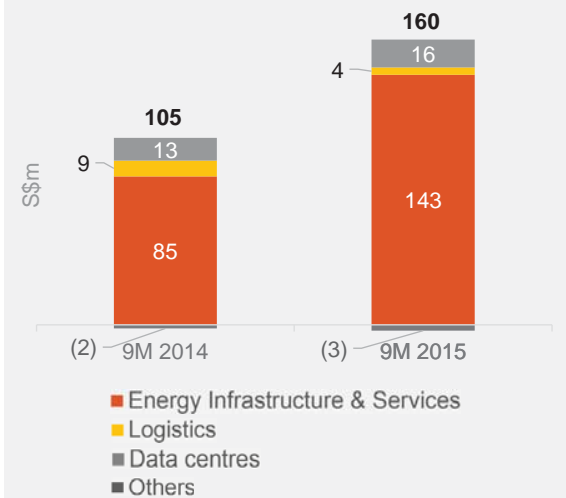


Infrastructure

Infrastructure

9M 2015 net profit

S\$160m, up 52% yoy



EPC project

- Substantial completion of Doha North Sewage Treatment Works by year-end

Logistics

- Opened new distribution centre in Vietnam Singapore Industrial Park 1

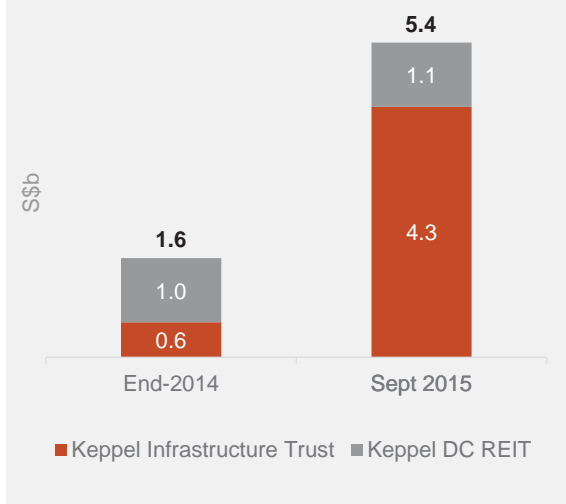
Data centres

- Embarked on 4th Singapore data centre
- Commenced operations at Almere Data Centre 2, the Netherlands

Infrastructure Fund Management

Total AUM

S\$5.4b, up 238%



Keppel DC REIT

- Acquired Intellicentre 2 in Sydney

Keppel Infrastructure Trust

- Completed full quarter of operations after combination of KIT and CitySpring, and acquisition of 51% interest in Keppel Merlimau Cogen



Investments

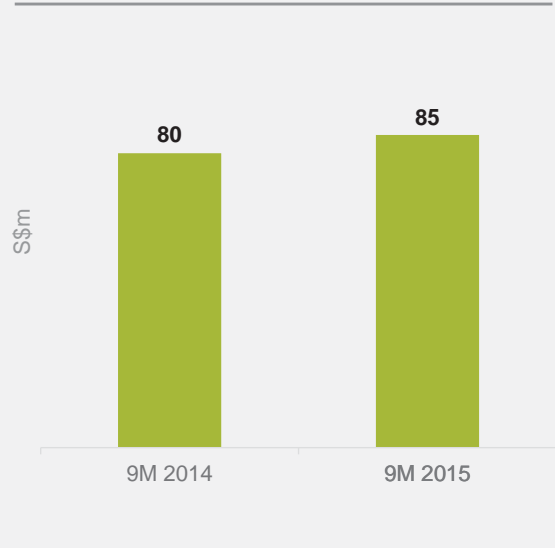
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Investments

9M 2015 net profit

S\$85m, up 6% yoy



Highlights

- Subscribed for and sub-underwrote KrisEnergy's rights issue; total shareholding rose to 40.2%
- k1 Ventures completed the sale of its US childcare business

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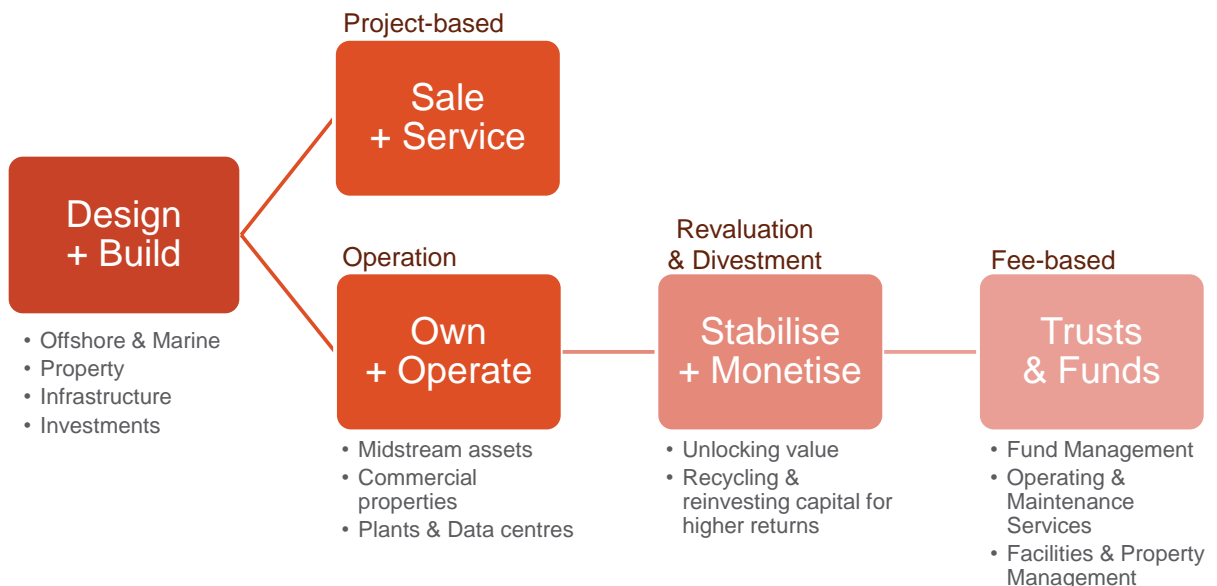
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Harnessing Core Strengths

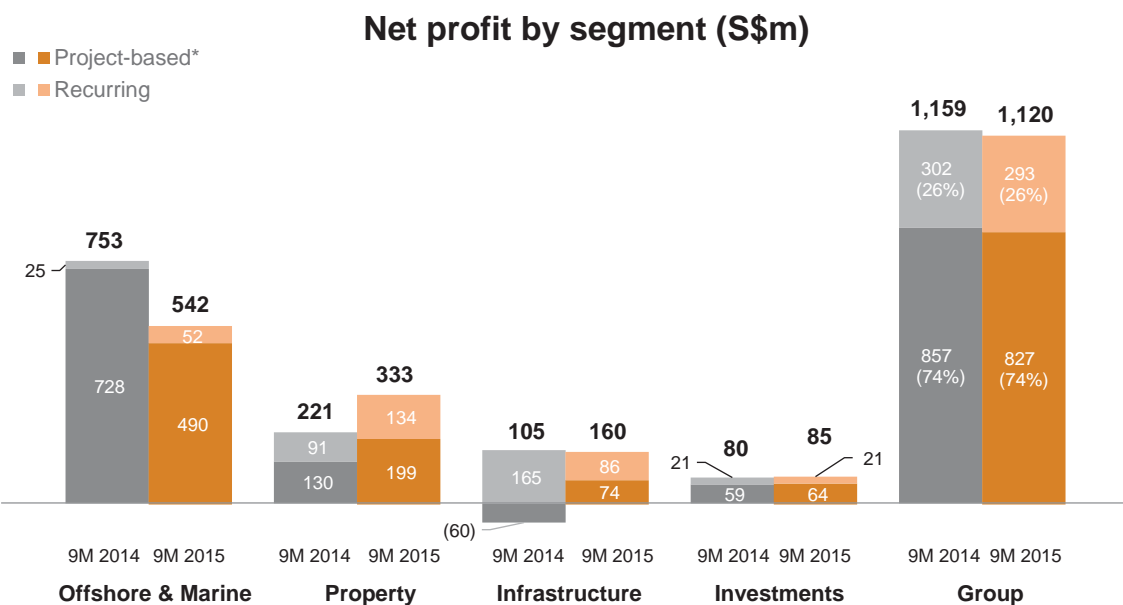


Capturing Value

Keppel is poised to capture value and recurring income from asset creation till even after injection into a trust or fund.



Recurring Income



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Group Financial Highlights by CFO

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3Q 2015 Financial Performance

Net Profit	↓	12% to S\$363m
EPS	↓	13% to 20.0cts
EVA	↓	from S\$620m to S\$194m
Free Cash Flow	↓	from inflow of S\$648m to outflow of S\$468m

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3Q 2015 Financial Highlights

S\$m	<u>3Q 2015</u>	<u>3Q 2014</u>	<u>% Change</u>
Revenue	2,440	3,185	(23)
EBITDA	425	632	(33)
Operating Profit	371	565	(34)
Profit Before Tax	470	642	(27)
Net Profit	363	414	(12)
EPS (cents)	20.0	22.9	(13)

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3Q 2015 Revenue by Segments

S\$m	<u>3Q 2015</u>	<u>%</u>	<u>3Q 2014</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	1,411	58	2,199	69	(36)
Property	487	20	219	7	122
Infrastructure	536	22	762	24	(30)
Investments	6	-	5	-	20
Total	<u>2,440</u>	<u>100</u>	<u>3,185</u>	<u>100</u>	<u>(23)</u>

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3Q 2015 Pre-tax Profit by Segments

S\$m	<u>3Q 2015</u>	<u>%</u>	<u>3Q 2014</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	206	44	359	56	(43)
Property	200	43	198	31	1
Infrastructure	43	9	54	8	(20)
Investments	21	4	31	5	(32)
Total	<u>470</u>	<u>100</u>	<u>642</u>	<u>100</u>	<u>(27)</u>

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3Q 2015 Net Profit by Segments

S\$m	<u>3Q 2015</u>	<u>%</u>	<u>3Q 2014</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	166	46	252	61	(34)
Property	144	40	92	22	57
Infrastructure	34	9	38	9	(11)
Investments	19	5	32	8	(41)
Total	<u>363</u>	<u>100</u>	<u>414</u>	<u>100</u>	<u>(12)</u>

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9M 2015 Financial Performance

Net Profit	↓	3% to S\$1,120m
EPS	↓	3% to 61.7cts
Annualised ROE	↓	from 14.5% to 13.6%
EVA	↓	from S\$1,032m to S\$456m
Cash Outflow	↑	from S\$133m to S\$784m
Net Gearing	↑	from 0.19x to 0.52x

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9M 2015 Financial Highlights

S\$m	<u>9M 2015</u>	<u>9M 2014</u>	<u>% Change</u>
Revenue	7,817	9,358	(16)
EBITDA	1,368	1,643	(17)
Operating Profit	1,183	1,447	(18)
Profit Before Tax	1,423	1,727	(18)
Net Profit	1,120	1,159	(3)
EPS (cents)	61.7	63.9	(3)

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9M 2015 Revenue by Segments

S\$m	<u>9M 2015</u>	<u>%</u>	<u>9M 2014</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	4,918	63	6,180	66	(20)
Property	1,245	16	896	10	39
Infrastructure	1,594	20	2,259	24	(29)
Investments	60	1	23	-	161
Total	7,817	100	9,358	100	(16)

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9M 2015 Pre-tax Profit by Segments

S\$m	<u>9M 2015</u>	<u>%</u>	<u>9M 2014</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	678	48	1,008	58	(33)
Property	454	32	489	28	(7)
Infrastructure	193	13	149	9	30
Investments	98	7	81	5	21
Total	<u>1,423</u>	<u>100</u>	<u>1,727</u>	<u>100</u>	<u>(18)</u>

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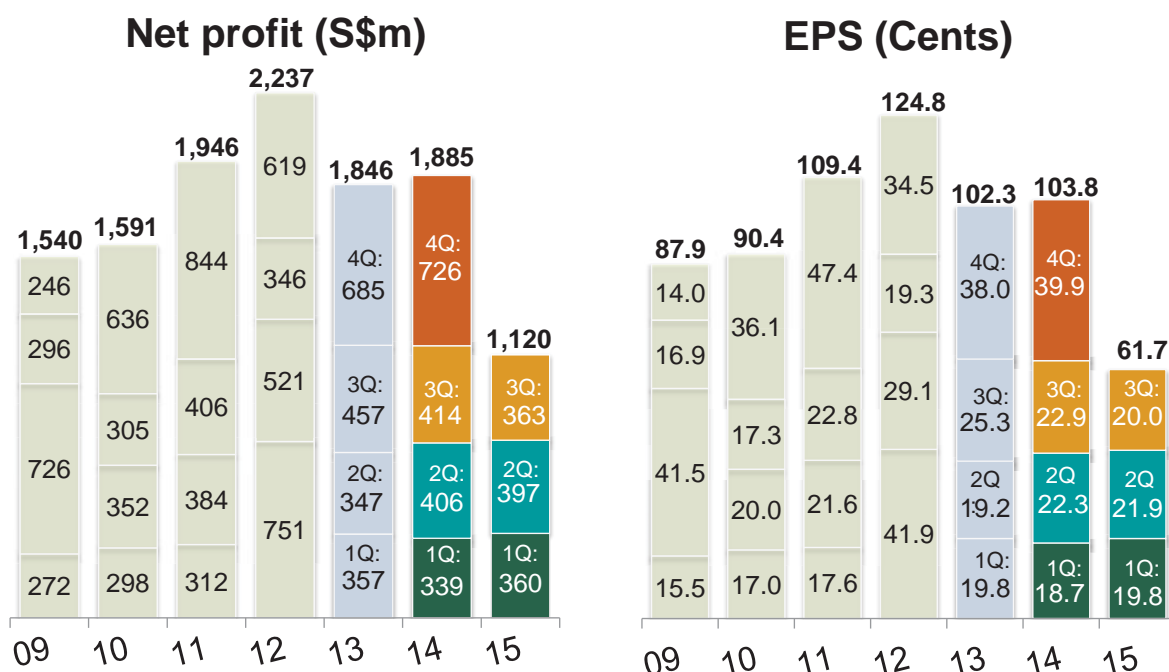
9M 2015 Net Profit by Segments

S\$m	<u>9M 2015</u>	<u>%</u>	<u>9M 2014</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	542	48	753	65	(28)
Property	333	30	221	19	51
Infrastructure	160	14	105	9	52
Investments	85	8	80	7	6
Total	<u>1,120</u>	<u>100</u>	<u>1,159</u>	<u>100</u>	<u>(3)</u>

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Net Profit & EPS



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Free Cash Flow

	9M 2015 S\$m	9M 2014 S\$m
Operating profit	1,183	1,447
Depreciation & other non-cash items	(131)	76
	<hr/>	<hr/>
	1,052	1,523
Working capital changes	(1,447)	(1,665)
Interest & tax paid	(343)	(335)
Net cash used in operating activities	(738)	(477)
Investments & capex	(291)	(545)
Divestments & dividend income	245	889
Net cash (used in)/from investing activities	(46)	344
Cash outflow	(784)	(133)
Dividend paid	(930)	(954)

Free cash flow excludes expansionary acquisitions and capex, and major divestments.

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**Configured for growth and
value creation through
innovation, discipline and agility.**

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**3Q & 9M 2015 Results
Q&A**

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Additional Information

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Revenue by Geography

	9M 2015		
	<u>Total</u> S\$m	<u>Overseas</u> <u>Customers</u> %	<u>Singapore</u> <u>Customers</u> %
Offshore & Marine	4,918	95	5
Property	1,245	58	42
Infrastructure	1,594	12	88
Investments	60	2	98
Total	<u>7,817</u>	71	29

71% of total revenue came from overseas customers

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EBITDA by Segments

S\$m	<u>9M 2015</u>	<u>%</u>	<u>9M 2014</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	706	52	1,016	62	(31)
Property	399	29	337	20	18
Infrastructure	235	17	239	15	(2)
Investments	28	2	51	3	(45)
Total	1,368	100	1,643	100	(17)

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Capital/Gearing/ROE

S\$m	<u>30 Sep 2015</u>	<u>31 Dec 2014</u>
Shareholders' Funds	10,702	10,381
Capital Employed	11,687	14,728
Net Debt	6,029	1,647
Net Gearing Ratio	0.52x	0.11x
ROE	13.6%	18.8%

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OFFSHORE & MARINE

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Financial Highlights – Offshore & Marine

S\$m	<u>3Q 2015</u>	<u>3Q 2014</u>	<u>% Change</u>
Revenue	1,411	2,199	(36)
EBITDA	209	365	(43)
Operating Profit	173	329	(47)
Profit Before Tax	206	359	(43)
Net Profit	166	252	(34)

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Financial Highlights – Offshore & Marine

S\$m	<u>9M 2015</u>	<u>9M 2014</u>	<u>% Change</u>
Revenue	4,918	6,180	(20)
EBITDA	706	1,016	(31)
Operating Profit	599	911	(34)
Profit Before Tax	678	1,008	(33)
Net Profit	542	753	(28)

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Offshore & Marine Review

- **About S\$1.7b contracts secured in 9M 2015:**

An FLNG conversion, an FPSO conversion, a topside fabrication, a turret fabrication, an ice-class multi-purpose vessel, 2 liftboats, an AHT, a semi upgrade, 3 semi repairs, a drillship upgrade, a conversion of RORO to dual fuel, a field development vessel refurbishment/upgrade and an LNG vessel upgrade.

- **Contract completions in 9M 2015:**

6 jackups, 2 jackup repairs, a jackup integration, 2 semi repairs, an Accommodation Semi, an FLNG conversion, an integration of FPSO topside modules, an FPSO update, a Depletion Compression Platform, a floating crane, 3 turret fabrications, 2 ice-class supply vessels, an ice-class multi-purpose duty rescue vessel, a submersible barge and a tug.

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Offshore & Marine Orderbook

	Contract Value		Client
	Gross S\$m.	Net S\$m.	
<u>For delivery in 2015</u>			
6 JUs/2 Semi Repairs/1 Drillship Repair/1 Transformer Platform/ 1 Liftboat/1 Submersible Barge			Grupo R/Falcon Energy/ Arabian Drilling Co./ Perforadora Central/Transocean/Stena/ Smit Shipping
	1,694	68	
<u>For delivery in 2016</u>			
7 JUs/2 Semis/1 Accom. Semi/1 Land Rig/1 Semi Upgrade/ 3 FPSO Conversions/1 FPSO Topsides Fabrication/ 1 Turret Fabrication/1 LNG Vessel Upgrade/1 RORO* conversion/ 1 Field Dev. Vessel Upgrade/1 Pipelay Vessel/1 AHT			Ensco/Clearwater/GDI/BOT Lease Co. (JDC)/ Grupo R/Parden/Sete Brasil/SOCAR/Floatel/ Bumi Armada/Totem Ocean/Saipem/ McDermott/Seaways
	5,280	1,070	
<u>For delivery in 2017</u>			
4 JUs/3 Semis/1 FLNG Conversion/2 FPSO Modules Fab. & Integration/1 Subsea Construction Vessel/ 1 Ice-class Multi-Purpose Vessel/ 1 Liftboat			TS Offshore/Fecon/Sete Brasil/Golar/ Petrobras/Baku Shipyard/New Orient Marine/ Crystal Heights
	5,495	2,520	
<u>For delivery in 2018-2020</u>			
5 JUs/4 Semis/2 FLNG Conversions			Transocean/Setebras/Golar
	7,512	6,312	
Total as of today	19,981	9,970	

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PROPERTY

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Financial Highlights - Property

S\$m	<u>3Q 2015</u>	<u>3Q 2014</u>	<u>% Change</u>
Revenue	487	219	122
EBITDA	180	160	13
Operating Profit	172	155	11
Profit Before Tax	200	198	1
Net Profit	144	92	57

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Financial Highlights - Property

S\$m	<u>9M 2015</u>	<u>9M 2014</u>	<u>% Change</u>
Revenue	1,245	896	39
EBITDA	399	337	18
Operating Profit	378	324	17
Profit Before Tax	454	489	(7)
Net Profit	333	221	51

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Residential Landbank - Singapore

Singapore	Stake	Tenure	Attributable GFA (sf)	Total Units	Units Launched	Units Sold	Remaining Units [#]
Launched Projects							
The Glades	70%	99-yr	384,357	726	400	348	378
Corals at Keppel Bay	100%	99-yr	152,999	366	250	202	164
Reflections at Keppel Bay	100%	99-yr	624,527	1,129	950	922	54 [*]
Marina Bay Suites	33.3%	99-yr	156,462	221	221	221	-
Highline Residences	100%	99-yr	473,218	500	210	170	330
Upcoming Projects							
Keppel Bay Plot 4	39%	99-yr	40,300	234 [^]	-	-	234
Keppel Bay Plot 6	100%	99-yr	67,813	86 [^]	-	-	86
Total			1,899,676	3,262	2,031	1,863	1,246

[#] As at end-Sept 2015

^{*} Excludes about 150 units set aside for corporate residences

[^] Estimated no. of units

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Residential Landbank - China

China	Location	Stake	Total GFA (sm)	Total Units	Units Launched	Units Sold	Remaining Area For Sale (sm)	Remaining Units For Sale [#]
8 Park Avenue	Shanghai	99%	133,393	918	918	832	17,270	86
The Springdale	Shanghai	99.4%	328,792	2,596	2,569	2,554	33,213 [*]	42
Seasons Residence	Shanghai	99.9%	128,918	1,102	702	639	62,802	463
Hill Crest Villa	Shanghai	100%	83,174	217	-	-	83,962	217
Waterfront Residence	Nantong	100%	189,437	1,199	79	16	184,944	1,183
Central Park City	Wuxi	49.7%	671,477	5,339	3,921	3,845	193,324 [^]	1,494
Waterfront Residence	Wuxi	100%	294,174	1,393	-	-	294,174	1,393
Park Avenue Heights	Wuxi	100%	165,308	1,048	-	-	165,308	1,048
Stamford City	Jiangyin	99.4%	299,991	1,478	1,125	991	108,380 [^]	487
Park Avenue Heights	Chengdu	100%	200,200	1,535	875	727	122,039	808
Hill Crest Villa	Chengdu	100%	163,147	274	-	-	163,147	274
Serenity Villa	Chengdu	100%	233,862	573	-	-	233,862	573
V City	Chengdu	35%	560,963	6,480	502	290	535,832 [*]	6,190
The Seasons	Shenyang	100%	365,186	2,794	390	258	342,396 [^]	2,536
Hunnan Township Devt	Shenyang	99.8%	756,580	7,026	-	-	756,580	7,026
Serenity Villa	Tianjin	100%	80,000	340	132	36	72,767	304
Mixed-use Devt	Tianjin	100%	1,358,202	11,299	-	-	1,358,202	11,299
Tianjin Eco-City	Tianjin	55%	633,798	4,354	1,882	1,732	475,316 [*]	2,622
Waterfront Residence	Tianjin	100%	61,417	341	157	138	38,109	203
Keppel Cove	Zhongshan	80%	460,000	1,647	-	-	460,000	1,647
Hill Crest Residence (Ph 1)	Kunming	68.8%	20,193	133	133	120	3,217	13
Hill Crest Residence (Ph 2)	Kunming	68.8%	24,428	130	33	10	24,428	120
La Quinta II	Kunming	68.8%	10,928	62	62	55	1,666	7
Total			7,223,568	52,278	13,480	12,243	5,712,938	40,035

[#] As at end-Sept 2015 ^{*}Includes commercial area [^]Excludes commercial area

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Residential Landbank - Other Overseas

Projects	Stake	Total GFA (sm)	Total Units	Units Launched	Units Sold	Remaining Area for Sale (sm)	Remaining Units For Sale [#]
Vietnam							
Saigon Sports City, HCMC	90%	688,180	2,622	-	-	289,850 [^]	2,622
The Estella, HCMC	55%	117,117	719	719	719	-	-
Estella Heights, HCMC	98%	160,980	872	496	409	54,383 [^]	463
Riviera Point, Dist. 7, HCMC	75%	438,814	2,400	549	375	247,539 [^]	2,025
Dong Nai Waterfront City, Dong Nai	50%	2,046,955	7,850	-	-	1,293,500 [^]	7,850
Riviera Cove, Dist. 9, HCMC	60%	34,711	96	96	79	10,649	17
South Rach Chiec, Dist 2, HCMC	42%	995,000	6,699	-	-	641,067 [^]	6,699
Villa Devt, Saigon South, HCMC	50%	58,800	168	-	-	55,186	168
Casuarina Cove, Dist 9, HCMC	60%	39,807	120	-	-	47,194	120
Sub-Total:		4,580,364	21,546	1,860	1,582	2,639,368	19,964
Indonesia							
West Vista, West Jakarta	100%	149,399	2,855	300	117	111,878 [^]	2,738
Daan Mogot, West Jakarta	100%	226,800 [~]	4,523	-	-	-	4,523
Sub-Total:		376,199	7,378	300	117	111,878	7,261
India							
Elita Horizon	51%	167,226	1,226	-	-	167,226	1,226
Thailand							
Villa Arcadia Srinakarin	53.7%	76,565	365	314	265	18,696	100
Villa Arcadia Watcharapol	71.7%	68,314	270	45	27	60,719	243
Sub-Total:		144,879	635	359	292	79,415	343
Sri Lanka							
The Belvedere, Colombo	60%	51,511	297	-	-	46,652	297
Total		5,320,179	31,082	2,519	1,991	3,044,539	29,091

[#] As at end-Sept 2015 [^] Excludes commercial area

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Residential Launch Readiness – China

Project	Location	Units Ready to Launch		
		4Q2015	2016	2017
8 Park Avenue*	Shanghai	20	66	-
The Springdale*	Shanghai	55	-	-
Seasons Residence*	Shanghai	-	350	226
Hill Crest Villa [^]	Shanghai	20	47	47
Waterfront Residence*	Nantong	10	20	21
Central Park City*	Wuxi	164	581	430
Waterfront Residence [^]	Wuxi	30	344	339
Park Avenue Heights [^]	Wuxi	50	400	400
Stamford City*	Jiangyin	19	90	263
Park Avenue Heights*	Chengdu	8	300	325
Hill Crest Villa [^]	Chengdu	5	24	36
Serenity Villa [^]	Chengdu	18	42	48
V City*	Chengdu	598	1,807	1,542
The Seasons*	Shenyang	19	50	60
Serenity Villa*	Tianjin	-	19	24
Tianjin Eco-City*	Tianjin	117	300	173
Waterfront Residence*	Tianjin	-	118	114
Keppel Cove [^]	Zhongshan	24	42	48
Hill Crest Residence*	Kunming	9	15	38
La Quinta II*	Kunming	2	7	-
Total		1,168	4,622	4,134

*Balance units [^]New launches

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Residential Launch Readiness – Other Overseas

Project	Location	Units Ready to Launch		
		4Q2015	2016	2017
Indonesia				
West Vista*	West Jakarta	150	1,000	1,000
Vietnam				
Estella Heights, Dist 2*	HCMC	137	258	75
Riviera Point, Dist 7*	HCMC	192	250	269
Dong Nai Waterfront City ^	Dong Nai	-	220	460
Riviera Cove, Dist 9*	HCMC	3	12	3
South Rach Chiec, Dist 2^	HCMC	-	200	300
Villa Development, Saigon South^	HCMC	-	60	55
Casuarina Cove, Dist 9^	HCMC	-	30	40
Thailand				
Villa Arcadia Srinakarin (Ph 1)*	Bangkok	8	-	-
Villa Arcadia Srinakarin (Ph 2)^	Bangkok	45	51	-
Villa Arcadia Watcharapol (Ph 1)*	Bangkok	18	-	-
India				
Elita Horizon^	Bangalore	-	628	276
Total		553	2,709	2,478

*Balance units ^New launches

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Expected Completion for Launched Projects

Projects/Phases Launched	Total Units	Units Launched as at end-Sept 2015	Units Sold as at end-Sept 2015	Units Remaining as at end-Sept 2015	Expected Completion ^
China					
Central Park City (Plot C2C), Wuxi	520	354	286	234	4Q15
Seasons Residence (Ph 2&3), Shanghai	594	396	339	255	4Q15
Park Avenue Heights (Ph 2A), Chengdu	240	80	36	204	4Q15
8 Park Avenue (Blk 9 & 10), Shanghai	106	36	23	83	4Q15
V City (Ph1), Chengdu	1,434	502	290	1,144	2017
Indonesia					
West Vista	2,855	300	117	2,738	1Q18
Vietnam					
Estella Heights Ph 1	496	496	409	87	4Q17
Thailand					
Villa Arcadia Srinakarin Ph 1	209	209	202	7	4Q15
Villa Arcadia Srinakarin Ph 2	156	105	63	93	4Q16
Total	6,610	2,478	1,765	4,845	

^Subject to changes

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Expected Completion for Upcoming Projects

Projects/Phases to be Launched	Location	No. of Units Expected to be Completed [^]		
		4Q2015	2016	2017
China				
Seasons Residence	Shanghai	-	198	-
Hill Crest Villa	Shanghai	-	112	105
Central Park City	Wuxi	-	344	-
Waterfront Residence	Wuxi	62	220	339
Park Avenue Heights	Wuxi	-	-	328
Stamford City	Jiangyin	-	-	161
Park Avenue Heights	Chengdu	-	220	280
Serenity Villa	Chengdu	84	-	-
Seasons Garden	Tianjin	-	270	-
Waterfront Residence	Tianjin	-	-	180
Keppel Cove	Zhongshan	42	48	45
Hill Crest Residence Ph 2B	Kunming	-	-	56
Total		188	1,412	1,494

[^] Subject to changes

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New Commercial Projects Overseas

Commercial Projects under Development	GFA (sm)	Development Cost ⁽¹⁾	Completion
Indonesia			
IFC Jakarta Tower 1 (100% stake)	86,357	\$266.8m	2020
Vietnam			
Saigon Centre Ph 2, HCMC (45.3% stake)	50,000 (Retail) 40,000 (Office) 20,600 (Serviced apt)	\$225m	2016 (Retail) 2017 (Office)
Myanmar			
Junction City Office Tower, Yangon (40% stake)	53,100	\$67.4m ⁽²⁾	2017
Philippines			
SM-KL Project Ph 2, Manila (24.2% stake)	46,300 (Retail) 110,100 (Office)	\$344.4m	2016 (Retail) 2019 (Office)
Completed Properties			
75 King William Street, London (100% stake)	11,917	S\$186m	1989

(1) Excluding land cost

(2) Investment cost for 40% stake

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INFRASTRUCTURE

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Financial Highlights - Infrastructure

S\$m	<u>3Q 2015</u>	<u>3Q 2014</u>	<u>% Change</u>
Revenue	536	762	(30)
EBITDA	46	84	(45)
Operating Profit	36	57	(37)
Profit Before Tax	43	54	(20)
Net Profit	34	38	(11)

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Financial Highlights - Infrastructure

S\$m	<u>9M 2015</u>	<u>9M 2014</u>	<u>% Change</u>
Revenue	1,594	2,259	(29)
EBITDA	235	239	(2)
Operating Profit	178	161	11
Profit Before Tax	193	149	30
Net Profit	160	105	52

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INVESTMENTS

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Financial Highlights - Investments

S\$m	<u>3Q 2015</u>	<u>3Q 2014</u>	<u>% Change</u>
Revenue	6	5	20
EBITDA	(10)	23	NM
Operating Profit	(10)	24	NM
Profit Before Tax	21	31	(32)
Net Profit	19	32	(41)

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Financial Highlights - Investments

S\$m	<u>9M 2015</u>	<u>9M 2014</u>	<u>% Change</u>
Revenue	60	23	161
EBITDA	28	51	(45)
Operating Profit	28	51	(45)
Profit Before Tax	98	81	21
Net Profit	85	80	6

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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.

**ADDRESS BY KEPPEL CORPORATION LIMITED'S
CHIEF FINANCIAL OFFICER, CHAN HON CHEW**

AT THE 9M 2015 RESULTS PRESENTATION

THURSDAY, 22 OCTOBER 2015

1. Group Financial Highlights by CFO (Slide 22)

2. 3Q 2015 Financial Performance (Slide 23)

Thank you, Chin Hua, and good evening to all.

I shall now take you through the Group's financial performance for the third quarter of 2015.

The Group recorded a net profit of \$363 million this quarter, which was 12% below the third quarter last year. Earnings per share correspondingly decreased by 13% to 20.0 cents, while EVA was lower at \$194 million.

The free cash outflow of \$468 million for this quarter is a decrease from the \$648 million inflow in the third quarter of 2014. The higher free cash inflow in 2014 was due mainly to the proceeds from the sale of Equity Plaza in the same quarter last year.

3. 3Q 2015 Financial Highlights (Slide 24)

The Group's revenue for third quarter was 23% or \$745 million lower than the same quarter last year. All divisions except Property recorded lower revenues during the quarter.

Operating profit at \$371 million declined 34% or \$194 million from the same quarter last year. Lower profits from Offshore & Marine, Infrastructure and Investments divisions were partially offset by higher profits from Property.

Profit before tax decreased by a smaller extent of 27% or \$172 million, due to higher contributions from associated companies.

After tax and non-controlling interests, the drop in net profit was at a lower rate of 12% or \$51 million, as a result of lower non-controlling interests due to the acquisition of additional shareholding in Keppel Land. Correspondingly, earnings per share (EPS) decreased by 13%.

4. 3Q 2015 Revenue by Segments (Slide 25)

At the Group level, revenue was 23% lower than the same quarter last year, driven largely by the decline in the Offshore & Marine division as a result of lower volume of work and deferment of some projects.

This was partially offset by a 122% growth in Property revenue, primarily due to higher revenues from residential projects in China such as Park Avenue Heights in Chengdu, Stamford City in Jiangyin, Seasons Park and Seasons Garden in Tianjin Eco-City, and also The Glades in Singapore.

Infrastructure's 30% drop in revenue was mainly due to lower revenue from sale of electricity as a result of lower prices and volume, as well as the absence of revenue from Keppel FMO Pte Ltd, which was divested in the fourth quarter of 2014.

5. 3Q 2015 Pre-tax Profit by Segments (Slide 26)

Offshore & Marine division's pre-tax profit was 43% or \$153 million lower due to lower revenues at lower operating margins and lower net interest income. The division's operating margin for the quarter was 12.3% compared to 15% in the same quarter last year.

Despite the higher revenue, Property division's pre-tax profit was at the same level as last year due mainly to higher net interest expenses and lower contribution from associated companies, mainly Marina Bay Financial Centre Tower 3, which was sold in the fourth quarter of 2014.

Infrastructure division reported a 20% or \$11 million decrease in pre-tax earnings from the same period last year, largely driven by reduced contribution from the power and gas business.

As a result, the Group recorded \$470 million of pre-tax profit for the quarter, 27% or \$172 million lower than last year.

6. 3Q 2015 Net Profit by Segments (Slide 27)

After tax and non-controlling interests, the Group's net profit decreased at a lower rate of 12% or \$51 million.

There was a 57% or \$52 million increase in net profit of the Property division although the division's pre-tax profit was flat as compared to the same period last year. This is due to lower non-controlling interests following the Group's acquisition of additional shareholdings in Keppel Land. The increase is offset by the drop in net profit of Offshore & Marine and Infrastructure divisions.

7. 9M 2015 Financial Performance (Slide 28)

Next, I shall take you through the performance of the Group for the first nine months of 2015.

Net profit for the first nine months of 2015 was \$1.12 billion, down 3% from the same period last year. Earnings per share also decreased by the same extent to 61.7 cents.

Annualised ROE declined to 13.6% from 14.5% last year, while EVA was lower at \$456 million.

Free cash outflow increased from \$133 million in the first nine months of 2014 to \$784 million. In the prior year, cash inflow included the proceeds from the sale of Equity Plaza.

Our net gearing increased from 19% in the first nine months of 2014 to 52% this year, mainly due to funds used for the acquisition of additional shareholding in Keppel Land, partially offset by proceeds from the disposal of 51% of the Keppel Merlimau Cogen plant this year.

8. 9M 2015 Financial Highlights (Slide 29)

The Group recorded a 16% or \$1.5 billion decrease in revenue to \$7.8 billion, largely due to lower revenue from the Offshore & Marine and Infrastructure divisions.

Similarly, operating profit decreased to \$1.4 billion, an 18% or \$264 million decrease from the first nine months of 2014. The decrease is led by lower revenues from Offshore & Marine and Infrastructure divisions, and losses following finalisation of the cost to complete the Doha North Sewage Treatment Plant, partially offset by gains from divestment of Keppel Merlimau Cogen and the combination of Keppel Infrastructure Trust and CitySpring Infrastructure Trust.

Pre-tax profit dropped by 18% as well, in line with the decrease in operating profit.

After tax and non-controlling interests, net profit was lower by a smaller extent of 3% or \$39 million as a result of lower tax expenses and reduced non-controlling interests in Keppel Land.

9. 9M 2015 Revenue by Segments (Slide 30)

The Group earned total revenues of \$7.8 billion in the first nine months of the year, a drop of 17% as compared to the same period last year. The decrease was mainly driven by lower revenues from Offshore & Marine and Infrastructure, partially offset by higher revenues from Property and Investments.

In the Offshore & Marine division, major jobs completed to date this year include six jack-up rigs, an accommodation semi, one depletion compression platform, one floating crane, one FPSO conversion and an FPSO integration.

For the first nine months of 2015, Property revenue increased by 39% as compared to 2014, led by higher revenue from residential projects in China.

Lower revenue for Infrastructure was attributed mainly to decreases in revenue from the power generation business as well as the absence of revenue from Keppel FMO Pte Ltd, which was disposed in the fourth quarter of 2014.

10. 9M 2015 Pre-tax Profit by Segments (Slide 31)

With lower revenues and operating margin in Offshore & Marine, the division reported a 33% decrease in pre-tax profit for the first nine months of 2015. The division also recorded lower net interest income, offset by higher contribution from associated companies. Offshore & Marine operating margin for the first nine months was 12.4%, compared to 14.6% in the same period last year.

Despite higher revenues, the Property division's pre-tax profit was lower by 7% in the first nine months of the year, mainly as a result of higher net interest expense and lower contribution from associated companies which was partially offset by gain from divestment of BG Junction.

The Infrastructure division registered an increase of 30% in pre-tax profit, largely due to gains from divestment of Keppel Merlimau Cogen and the combination of Keppel Infrastructure Trust and CitySpring Infrastructure Trust. This increase was partially offset by losses recognised for the Doha North Sewage Treatment project and reduced contribution from the power and gas business.

The decrease in pre-tax profits of Offshore & Marine and Property divisions were partially offset by the increase in pre-tax profit from Infrastructure and Investment divisions, resulting in an overall 18% or \$304 million decrease in Group pre-tax profit to \$1.4 billion.

11. 9M 2015 Net Profit by Segments (Slide 32)

Despite the 18% decrease in the Group's pre-tax profit, the overall net profit after tax and non-controlling interests was only 3% or \$39 million lower than the same period last year. As mentioned earlier, this was due to decreases in tax expenses and non-controlling interests in Keppel Land.

12. Net Profit and EPS (Slide 33)

Against the backdrop of a challenging macro environment, the Group's net profit for the first nine months of 2015 stands at a respectable \$1.1 billion. This translates to an earnings per share (EPS) of 61.7 cents, which is 2.2 cents lower than the previous year.

13. Free Cash Flow (Slide 34)

In the first nine months of 2015, the Group generated \$1.1 billion of cash flow from operations.

After accounting for working capital requirements mainly from the Offshore & Marine and Property divisions, partially offset by proceeds from sale of investments, operating cash outflow for the nine months was \$738 million, compared to an outflow of \$477 million in the same period last year.

Net cash used in investing activities amounted to \$46 million comprising investments and operational capital expenditure amounting to \$291 million, mainly from the Offshore & Marine division, partially offset by divestment and dividend income from associated companies of \$245 million.

The resultant cash outflow was \$784 million for the first nine months of 2015, which is \$651 million higher than 2014.

As a reminder, we exclude expansionary acquisitions and capex, and major divestments in our free cash flow statement. For instance, the cash inflow of \$952 million from the divestment of the 51% interest in Keppel Merlimau Cogen during the second quarter in 2015, as well as the cash outflow of \$205 million for the acquisition of UK property this year, are excluded.

14. Outlook (Slide 35)

The Group continues to focus on its core strengths and competencies to meet the challenges of an uncertain macro environment.

Our robust balance sheet and ability to remain competitive through our resilience and agility, will allow Keppel to weather the business cycles, and continue to deliver sustainable growth and create value for our shareholders and customers.

Thank you.