KEPPEL CORPORATION LIMITED

Co. Reg. No. 196800351N
(Incorporated in the Republic of Singapore)

FULL YEAR 2010 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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KEPPEL CORPORATION LIMITED

Full Year 2010 Financial Statements

ADDRESS BY MR CHOO CHIAU BENG, CHIEF EXECUTIVE OFFICER, KEPPEL CORPORATION

Mixed Outlook

The global economy ended 2010 on a mixed note. There continues to be uncertainty over whether the US recovery can be sustained. Consumer and business spending have improved but job creation has been sluggish. Europe is not yet out of the woods as it is still grappling with serious sovereign debt issues after several bailouts fail to restore confidence in the Euro. On a brighter note, Asia has continued to lead the global economic recovery and is expected to remain resilient this year despite signs of inflation. China posted 10.3% growth in 2010, with growth in 2011 expected to be lower but still healthy at 8.7%. India's economy has continued to do well, with growth of nearly 9% expected for 2010-2011. Singapore's dramatic growth of 14.7% last year coming from a low base will be moderated in 2011.

From all indications, oil price is expected to remain above US$70 a barrel in the year ahead.

Another Record Performance

This evening, I am pleased to announce that 2010 was another record year for Keppel Corporation. Net profit grew by 12% to a new high of just over $1.4 billion. For the fourth consecutive year, our Return on Equity has remained above 20%. Economic Value Added has increased to $1,035 million at year end.

Final Dividend

With the sterling results, the Board of Directors would be recommending a total distribution to shareholders of 42 cents per share for the whole year. This will comprise the interim dividend of 16 cents per share, and a proposed final dividend of 26 cents per share. In addition to this cash dividend, we are also proposing a bonus issue on the basis of one bonus share for every 10 existing ordinary shares.

Business Highlights in 2010

2010 was a busy year for the Group. Amidst the uneven recovery across the globe, our businesses have worked hard to capture value in regions and sectors of growth.

While waiting for deepwater drilling regulations to be spelt out clearly post-Macondo, the Offshore & Marine industry is seeing renewed interest in shallower waters, and their requirements for newer and safer rigs. This has sparked off a strong pick-up in orders in late 2010 for high specification jackups such as our proprietary KFELS B Class jackups. In the last quarter alone, we managed to secure $1.2 billion worth of new contracts. In expanding our solutions offerings to meet the needs of the market, we also launched a range of new products in 2010. Keppel FELS is partnering leading fleet owner and operator, Seafox, to commercialise our new wind turbine installation vessel design for deeper waters. In early 2010, our joint venture with J Ray McDermott also won a US$1 billion contract from Brazil for its tension leg wellhead platform.

To reinforce our Near Market, Near Customer strategy, our new yard in Santa Catarina was acquired to meet the strong local demand for offshore support vessels, and will complement our BrasFELS yard in offering comprehensive solutions for Brazil's offshore oil and gas industry. Taking a stake in the new Baku Shipyard strengthens our longstanding partnership with SOCAR, and when completed, will help to meet the growing needs of the oil industry in Azerbaijan and the broader Caspian Sea region. Meanwhile, we raised our shareholding in Subic Shipyard in the Philippines to better capture opportunities from the increase in general shiprepair and upgrading work. We also inaugurated the Nakilat-Keppel Offshore and Marine shipyard in Qatar in November, which we are positioning to be the preferred partner for solutions in the Middle East.

In Infrastructure, we officially opened the Keppel Seghers Tuas Waste-to-Energy (WTE) plant, which is one of the most compact WTE plants in the world, in late June. Keppel Integrated Engineering, or KIE, also secured a number of significant contracts, including a contract to provide technology for the largest WTE plant in China, and a second major contract in the UK. At our 3Q results webcast, I have shared that we have encountered cost overruns and delays with our projects in Qatar. The Middle East is a challenging environment to execute large-scale infrastructure projects. We have gleaned valuable lessons from our experience and will be making some provisions for the costs overruns and potential claims for the two projects.

In late June, we successfully listed our green infrastructure trust, K-Green Trust, which will deliver long-term, regular and predictable distribution to unitholders. Last week, the Trust announced better than forecasted performance and is actively seeking to acquire assets with recurring value to grow its portfolio.

In logistics, Keppel Telecommunications & Transportation (KTT) has expanded its capacity in Singapore, China and Vietnam to meet the growing demand for logistics in these markets. With its Arab partner, KTT also achieved initial closing of the world's first Shariah-compliant data centre fund to tap into the growing demand for data centres worldwide. Keppel Energy has also embarked on the S$900 million expansion of its 500 MW co-generation power plant on Jurong Island by another 800 MW to meet Singapore's growing electricity market.

Our Property Division has done well last year, with Keppel Land's net profit surpassing S$1 billion for the first time. 2010 also saw a number of significant milestones. With China now a major component of the regional strategy, we established Keppel Land China to consolidate and sharpen our focus on execution and delivery in this key growth market and maximise value creation. Since then, we have acquired land in Chengdu and Nantong and will continue to scan the market for attractive land acquisitions. The successful completion of the asset swap between Keppel Land and K-REIT Asia involving Phase One of the Marina Bay Financial Centre, and Keppel Towers and GE Towers is a strategic move to unlock value for both companies and ensure that assets are optimally utilised for value creation. K-REIT Asia also made its first foray overseas, acquiring two quality office assets in Australia.

<u>Business Prospects in 2011</u>

Now let me talk about the prospects for our businesses in 2011. Market confidence is returning in the Offshore & Marine industry. Industry experts have projected an increase in E&P spending by major oil companies, in pace with the continued growth in demand for oil. The jackup market is expected to remain active, on the back of the surge of orders late last year, and we will also continue to see good prospects for our deepwater solutions. The drought of newbuild orders until the second half of 2010 has meant that competition for jobs is intense. We have worked hard to build partnerships with our customers who continue to entrust us with their projects, and we will be selective in the orders that we take on to ensure that our yards are gainfully employed and to maximise value from each contract.

The climate change talks in Cancun have given some hope that governments around the world are taking climate change seriously. With unusually severe storms, floods and harsh winter conditions in many parts of the world, the man on the street has awakened to the impact of climate change. Together with the added emphasis on environmental and urban solutions around the world, momentum is also building towards tougher regulations on environmental protection. This presents more opportunities for our environmental engineering arm, KIE, to offer commercially viable solutions for waste and water treatment.

Asia's projected sustained growth will fuel increased demand for energy. In this light, Keppel Energy's capacity expansion is well-timed to meet market demand and capture value. It will also continue to seek opportunities to grow its power generation business both within Singapore and overseas.

Demand for logistics and warehousing services will also increase on the back of Asia's continued growth. KTT will ride on this wave of growing demand to expand in China, Vietnam, Indonesia, and Malaysia as well as at home in Singapore. KTT is also working to grow its data centre business in Singapore as well as abroad.

Despite signs of inflation, there are indications that China and other countries in Asia are taking the right approach to manage the problems and ensure that growth stays on a sustainable footing. As such, regional economic activity is expected to remain reasonably healthy. This augurs well for the office market in the region, presenting opportunities for Keppel Land to develop commercial and mixed developments both in Singapore and overseas as well as for K-REIT Asia to grow its portfolio as a pan-Asian entity.

The cooling measures in Singapore and China will hopefully stabilise the property markets in both countries onto a more sustainable growth path. We believe in the fundamentals of demand from the region's growing middle class for homes and will continue to position ourselves to capture value. The focus is on developing more properties in key markets such as China and Vietnam that have continued to show steady growth.

Our showcase for integrated sustainable urban solutions, the Sino-Singapore Tianjin Eco-City, continues to make steady progress. Our joint venture company with the Chinese has also secured around RMB55 billion of investments to-date, including regional developers that will build a variety of eco-homes as well as eco-technology companies offering urban solutions. With a new CEO, Ho Tong Yen, at the helm this year, we look forward to a new chapter of growth in the Tianjin Eco-City. Keppel's eco-homes in the Eco-City have also been well received by the local market, registering strong sales for the launched units. KIE and KTT are also looking to leverage the Eco-City's position as an eco-research and manufacturing hub to grow their presence in Northern China.

The Group continues to place great emphasis on talent management and succession planning. Through leveraging our collective strength and deploying talents optimally within and across our three businesses, we groom our next generation leaders to ensure sustainable growth for the Group.

Conclusion

We are happy to have achieved another record performance this year, but we are aware that it would be challenging to surpass this in 2011. Nonetheless, with our Can-do spirit, we will strive to build on our core competencies, sharpen our competitive edge, strengthen our businesses for sustainable growth, and focus on delivering value to our shareholders.

KEPPEL CORPORATION LIMITED

Full Year 2010 Financial Statements & Dividend Announcement

UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The Directors of **Keppel Corporation Limited** advise the following unaudited results of the Group for the year ended 31 December 2010.

1. GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December

	Note	**2010**	2009	+/-
		$'000	$'000	%
Revenue		**9,782,922**	12,247,121	-20.1
Materials & subcontract costs	(i)	**(6,210,898)**	(8,808,751)	-29.5
Staff costs		**(1,367,077)**	(1,372,405)	-0.4
Depreciation & amortisation	(ii)	**(188,633)**	(174,313)	+8.2
Other operating expenses	(iii)	**(259,820)**	(386,861)	-32.8
Operating profit		**1,756,494**	1,504,791	+16.7
Investment income		**7,946**	5,101	+55.8
Interest income	(iv)	**111,350**	73,676	+51.1
Interest expense	(v)	**(64,701)**	(49,675)	+30.2
Share of results of associated companies	(vi)	**215,249**	321,683	-33.1
Profit before tax & exceptional items		**2,026,338**	1,855,576	+9.2
Exceptional items		**661,101**	322,130	+105.2
Profit before tax		**2,687,439**	2,177,706	+23.4
Taxation		**(580,632)**	(347,875)	+66.9
Profit for the year		**2,106,807**	1,829,831	+15.1
Attributable to:				
Shareholders of the Company				
Profit before exceptional items		**1,419,052**	1,264,611	+12.2
Exceptional items		**203,932**	360,506	-43.4
		1,622,984	1,625,117	-0.1
Non-controlling interests		**483,823**	204,714	+136.3
		2,106,807	1,829,831	+15.1
Earnings per ordinary share				
Before exceptional items				
- basic		**88.7 cts**	79.4 cts	+11.7
- diluted		**88.1 cts**	79.2 cts	+11.2
After exceptional items				
- basic		**101.5 cts**	102.0 cts	-0.5
- diluted		**100.7 cts**	101.8 cts	-1.1
Return on equity		**22.3%**	23.9%	-6.7
Economic value added before exceptional items		**1,035,000**	1,026,000	+0.9

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Pre-tax profit of the Group is arrived at after charging/(crediting) the following:

	Note	**2010 $'000**	2009 $'000	+/- %
Share-based payment expenses		**38,437**	23,682	+62.3
Write-down of fixed assets		**227**	-	NM
(Profit)/loss on sale of fixed assets		**(4,949)**	5,781	NM
Profit on sale of investments	(vii)	**(11,795)**	(24,967)	-52.8
Provision/(write-back)				
- stocks & work-in-progress	(viii)	**5,104**	(11,274)	NM
- doubtful debts		**5,609**	12,056	-53.5
Bad debts written off/(recovered)		**1**	(146)	NM
Stocks (recovered)/written off	(ix)	**(169)**	72,975	NM
Fair value (gain)/loss				
- Investments	(x)	**(8,028)**	64,320	NM
- Forward contracts	(xi)	**(14,813)**	5,059	NM
- Financial derivatives		**1,742**	(2,163)	NM
Foreign exchange loss/(gain)	(xii)	**53,161**	(5,166)	NM

NM - Not Meaningful

Note:

(i) Materials & subcontract costs decreased mainly as a result of lower volume of work in the Offshore & Marine Division and lower revenue from Engineering, Procurement and Construction contracts in Qatar.

(ii) Higher depreciation charges were mainly attributable to capital expenditure of the Offshore & Marine and Infrastructure Divisions.

(iii) Other operating expenses decreased mainly due to fair value gain on investments compared to a loss in the corresponding period last year {note (x)}.

(iv) Interest income increased mainly due to interest earned on deferred payment granted to customers of the Offshore & Marine Division.

(v) Higher interest expense was mainly attributable to higher borrowings and mark-to-market loss on interest rate swaps.

(vi) Share of profits of associated companies was lower mainly due to the sale of SPC in June 2009.

(vii) Higher profit on sale of investments in the prior year was due to higher investment trading activities.

(viii) Provision for stocks & work-in-progress was made mainly for investment impairment in the Property Division. Prior year write-back of provision was mainly due to reversal of cost provisions no longer required for Singapore trading property projects.

(ix) Higher stocks written off in prior year was mainly attributable to the Offshore & Marine Division as a result of decline in the value of steel inventory.

(x) Fair value gain (mark-to-market) on investment portfolio held for trading was due to rise in stock prices.

(xi) Higher hedging differential on forward contracts was due to the fluctuations in interest rate.

(xii) Foreign exchange loss mainly arose from the revaluation of assets denominated in United States dollar as a result of the weakening of United States dollar.

1b. Taxation expenses were higher because of increased profit. Prior year's tax charge included write-back of provision of $14 million resulting from the reduction in Singapore corporate tax rate from 18% to 17%.

1c. Exceptional items for the year comprise the following:

	2010	2009
	$'000	$'000
Gain on disposal of subsidiaries, associated companies and investments	**8,645**	646,359
Impairment of assets / loss provision	**(183,945)**	(258,026)
Fair value gain/(loss) on investment properties	**64,719**	(131,920)
Share of associated companies	**775,821**	100,684
Costs associated with restructuring of operations and others	**(4,139)**	(34,967)
	661,101	322,130
Taxation	**(164,150)**	24,060
	496,951	346,190
Non-controlling interests share of exceptional items	**(293,019)**	14,316
Net exceptional items	**203,932**	360,506

1d. Earnings per ordinary share

	2010	2009	+/-%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on weighted average number of shares	**101.5 cts**	102.0 cts	-0.5
- Weighted average number of shares ('000)	**1,599,251**	1,593,398	+0.4
(ii) On a fully diluted basis	**100.7 cts**	101.8 cts	-1.1
- Adjusted weighted average number of shares ('000)	**1,610,268**	1,596,872	+0.8

1e. Breakdown of sales

	2010 $'000	2009 $'000	+/-%
First Half			
Sales reported for first half year	**4,888,516**	6,179,718	-20.9
Operating profit after tax and exceptional items before deducting non-controlling interests reported for first half year	**773,809**	1,116,612	-30.7
Second Half			
Sales reported for second half year	**4,894,406**	6,067,403	-19.3
Operating profit after tax and exceptional items before deducting non-controlling interests reported for second half year	**1,332,998**	713,219	+86.9

1f. There was no extraordinary item during the year.

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December

	2010	2009	+/-
	$'000	$'000	%
Profit for the year	**2,106,807**	1,829,831	+15.1
Available-for-sale assets			
- Fair value changes arising during the year	**130,996**	139,760	-6.3
- Realised and transferred to profit & loss account	**1,663**	66,405	-97.5
Cash flow hedges			
- Fair value changes arising during the year, net of tax	**(1,247)**	207,336	NM
- Realised and transferred to profit & loss account	**(47,508)**	247	NM
Foreign exchange translation			
- Exchange differences arising during the year	**(100,559)**	(144,436)	-30.4
- Realised and transferred to profit & loss account	**10,013**	23,505	-57.4
Share of other comprehensive income/(expense) of associated companies	**3,133**	(20,832)	NM
Other comprehensive (expense)/income for the year, net of tax	**(3,509)**	271,985	NM
Total comprehensive income for the year	**2,103,298**	2,101,816	+0.1
Attributable to:			
Shareholders of the Company	**1,659,042**	1,943,492	-14.6
Non-controlling interests	**444,256**	158,324	+180.6
	2,103,298	2,101,816	+0.1

NM - Not Meaningful

3. BALANCE SHEETS as at 31 December

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Share capital	**906,409**	832,908	**906,409**	832,908
Reserves	**5,833,377**	5,152,439	**3,783,517**	3,924,918
Share capital & reserves	**6,739,786**	5,985,347	**4,689,926**	4,757,826
Non-controlling interests	**2,984,097**	2,727,226	**-**	-
Capital employed	**9,723,883**	8,712,573	**4,689,926**	4,757,826
Represented by:				
Fixed assets	**2,243,150**	2,157,172	**5,120**	5,430
Investment properties	**3,207,539**	3,051,247	**-**	-
Subsidiaries	**-**	-	**3,580,409**	3,393,466
Associated companies	**3,606,723**	2,723,169	**55**	3,074
Investments	**299,896**	152,046	**-**	-
Long term receivables	**28,646**	547,665	**360**	584
Intangibles	**107,676**	90,118	**-**	-
	9,493,630	8,721,417	**3,585,944**	3,402,554
Current assets				
Stocks & work-in-progress				
in excess of related billings	**4,440,827**	3,178,182	**-**	-
Amounts due from:				
- subsidiaries	**-**	-	**1,732,273**	1,642,528
- associated companies	**305,162**	287,922	**2,575**	6,056
Debtors	**1,958,993**	1,727,099	**82,416**	103,575
Short term investments	**536,872**	456,515	**-**	-
Bank balances, deposits & cash	**4,245,990**	2,935,787	**207,073**	33,507
	11,487,844	8,585,505	**2,024,337**	1,785,666
Current liabilities				
Creditors	**4,342,963**	4,051,972	**138,435**	132,302
Billings on work-in-progress				
in excess of related costs	**1,638,193**	1,683,392	**-**	-
Provisions	**83,586**	68,856	**-**	-
Amounts due to:				
- subsidiaries	**-**	-	**241,792**	265,546
- associated companies	**180,609**	168,186	**-**	-
Term loans	**391,764**	839,117	**9,047**	-
Taxation	**484,699**	450,951	**26,147**	27,169
Bank overdrafts	**736**	1,668	**-**	-
	7,122,550	7,264,142	**415,421**	425,017
Net current assets	**4,365,294**	1,321,363	**1,608,916**	1,360,649
Non-current liabilities				
Term loans	**3,675,968**	918,410	**500,000**	-
Deferred taxation	**459,073**	411,797	**4,934**	5,377
	4,135,041	1,330,207	**504,934**	5,377
Net assets	**9,723,883**	8,712,573	**4,689,926**	4,757,826
Group net cash	***177,522***	*1,176,592*	***n.a.***	*n.a.*
Group net cash ratio	***0.02x***	*0.14x*	***n.a.***	*n.a.*

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

As at 31.12.2010		As at 31.12.2009	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
30,526	361,974	176,429	664,356

(ii) Amount repayable after one year

As at 31.12.2010		As at 31.12.2009	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
1,221,141	2,454,827	458,130	460,280

(iii) Details of any collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The net book value of properties and other assets pledged/mortgaged to financial institutions amounted to $2,552,701,000 (31 December 2009: $2,405,138,000).

3b. Net asset value

	Group			Company		
	2010	2009	+/-%	**2010**	2009	+/-%
Net asset value per ordinary share *	**$4.20**	$3.75	+12.0	**$2.92**	$2.98	-2.0
Net tangible asset per ordinary share *	**$4.13**	$3.70	+11.6	**$2.92**	$2.98	-2.0

* Based on share capital of 1,605,513,880 ordinary shares as at the end of the financial year (31 December 2009: 1,594,496,680 ordinary shares).

3c. Balance sheet analysis

Group shareholders' funds increased from $5.99 billion at 31 December 2009 to $6.74 billion at 31 December 2010. The increase was mainly attributable to retained profits for the year and fair value gain on available-for-sale assets, partially offset by payment of final dividend of 23 cents per share and special dividend in specie of K-Green Trust units of approximately 23 cents per share in respect of financial year 2009 and interim dividend of 16 cents per share for financial year 2010.

Group total assets of $20.98 billion at 31 December 2010 were $3.67 billion or 21.2% higher than the previous year end. Associated companies increased because K-Green Trust became an associated company following the distribution in specie of 51% of K-Green Trust units to shareholders in June 2010. Increase in investment properties was due to the acquisition of 2 commercial buildings in Australia and redevelopment cost of Ocean Financial Centre. Decrease in long term receivables was due to the sale of Senoko WTE Plant, Keppel Seghers Tuas WTE Plant and Keppel Seghers Ulu Pandan NEWater Plant to associated company, K-Green Trust. Higher stocks & work-in-progress was due to expenditure on trading properties and acquisitions of land for development.

Group total liabilities of $11.26 billion at 31 December 2010 were $2.66 billion or 31.0% higher than the previous year end. Higher level of term loans was due to increased bank borrowings and funds raised in the capital markets during the year for working capital requirements, operational capital expenditure and acquisitions.

Group net cash of $178 million at 31 December 2010 was a decrease of $999 million from $1,177 million at 31 December 2009. This was mainly due to operational cash outflow, capital expenditure and dividend payment.

4. STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December

4a. Statement of changes in equity of the Group

	Attributable to equity holders of the Company						
	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Capital Employed $'000
2010							
As at 1 January	**832,908**	**540,289**	**4,695,478**	**(83,328)**	**5,985,347**	**2,727,226**	**8,712,573**
Total comprehensive income for the year							
Profit for the year	**-**	**-**	**1,622,984**	**-**	**1,622,984**	**483,823**	**2,106,807**
Other comprehensive income	**-**	**91,717**	**-**	**(55,659)**	**36,058**	**(39,567)**	**(3,509)**
Total comprehensive income for the year	**-**	**91,717**	**1,622,984**	**(55,659)**	**1,659,042**	**444,256**	**2,103,298**
Transactions with equity holders, recorded directly in equity							
Dividend paid	**-**	**-**	**(991,006)**	**-**	**(991,006)**	**-**	**(991,006)**
Share-based payment	**-**	**36,633**	**-**	**-**	**36,633**	**1,608**	**38,241**
Transfer of statutory, capital and other reserves to revenue reserves	**-**	**(345)**	**441**	**(96)**	**-**	**-**	**-**
Dividend paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**(129,580)**	**(129,580)**
Cash subscribed by non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**5,091**	**5,091**
Disposal to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**282**	**282**
Acquisition of additional interest in subsidiaries	**-**	**(20,987)**	**(9,060)**	**-**	**(30,047)**	**(96,987)**	**(127,034)**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**16,973**	**16,973**
Equity component of convertible bond issued by a subsidiary	**-**	**6,317**	**-**	**-**	**6,317**	**5,733**	**12,050**
Other adjustments	**-**	**-**	**(1)**	**-**	**(1)**	**9,495**	**9,494**
Shares issued	**73,501**	**-**	**-**	**-**	**73,501**	**-**	**73,501**
Total transactions with equity holders	**73,501**	**21,618**	**(999,626)**	**(96)**	**(904,603)**	**(187,385)**	**(1,091,988)**
As at 31 December	**906,409**	**653,624**	**5,318,836**	**(139,083)**	**6,739,786**	**2,984,097**	**9,723,883**

4a. Statement of changes in equity of the Group (cont'd)

	Attributable to equity holders of the Company						
	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Capital Employed $'000
2009							
As at 1 January	824,571	127,345	3,643,141	1,119	4,596,176	2,152,331	6,748,507
Total comprehensive income for the year							
Profit for the year	-	-	1,625,117	-	1,625,117	204,714	1,829,831
Other comprehensive Income	-	402,819	-	(84,444)	318,375	(46,390)	271,985
Total comprehensive income for the year	-	402,819	1,625,117	(84,444)	1,943,492	158,324	2,101,816
Transactions with equity holders, recorded directly in equity							
Dividend paid	-	-	(573,562)	-	(573,562)	-	(573,562)
Share-based payment	-	22,672	-	-	22,672	1,142	23,814
Transfer of statutory, capital and other reserves to revenue reserves	-	(1,572)	1,575	(3)	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(87,136)	(87,136)
Cash subscribed by non-controlling shareholders	-	-	-	-	-	510,224	510,224
Acquisition of additional interest in subsidiaries	-	(11,116)	-	-	(11,116)	(3,065)	(14,181)
Other adjustments	-	141	(793)	-	(652)	(4,594)	(5,246)
Shares issued	8,337	-	-	-	8,337	-	8,337
Total transactions with equity holders	8,337	10,125	(572,780)	(3)	(554,321)	416,571	(137,750)
As at 31 December	832,908	540,289	4,695,478	(83,328)	5,985,347	2,727,226	8,712,573

4b. Statement of changes in equity of the Company

	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Total $'000
2010				
As at 1 January	**832,908**	**91,555**	**3,833,363**	**4,757,826**
Profit / Total comprehensive income for the year	**-**	**-**	**815,140**	**815,140**
Transactions with equity holders, recorded directly in equity				
Dividend paid	**-**	**-**	**(991,006)**	**(991,006)**
Share-based payment	**-**	**34,465**	**-**	**34,465**
Shares issued	**73,501**	**-**	**-**	**73,501**
Total transactions with equity holders	**73,501**	**34,465**	**(991,006)**	**(883,040)**
As at 31 December	**906,409**	**126,020**	**3,657,497**	**4,689,926**
2009				
As at 1 January	824,571	70,042	2,250,226	3,144,839
Profit / Total comprehensive income for the year	-	-	2,156,699	2,156,699
Transactions with equity holders, recorded directly in equity				
Dividend paid	-	-	(573,562)	(573,562)
Share-based payment	-	21,513	-	21,513
Shares issued	8,337	-	-	8,337
Total transactions with equity holders	8,337	21,513	(573,562)	(543,712)
As at 31 December	832,908	91,555	3,833,363	4,757,826

4c. Share capital

	2010	2009
As at 1 January	**1,594,496,680**	1,593,134,180
Issue of shares under share option scheme	**11,017,200**	1,362,500
As at 31 December	**1,605,513,880**	1,594,496,680

At the Extraordinary General Meeting of the Company held on 23 April 2010, the Company's shareholders approved the adoption of two new share plans, namely, the KCL Restricted Share Plan ("KCL RSP") and the KCL Performance Share Plan ("KCL PSP") with effect from the date of termination of the KCL Share Option Scheme. The KCL Share Option Scheme was terminated on 30 June 2010. Options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the KCL Share Option Scheme.

As at 31 December 2010, there were unexercised options for 53,391,000 of unissued ordinary shares (31 December 2009: 59,594,000 ordinary shares) under the KCL Share Option Scheme.

As at 31 December 2010, the number of contingent shares granted but not released were 680,000 for KCL PSP and 3,757,966 for KCL RSP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 1,020,000 under KCL PSP and could be zero or a maximum of 3,757,966 under KCL RSP.

As at 31 December 2010, the Company is not holding any treasury shares (31 December 2009: Nil).

4d. Capital reserves

	Group		**Company**	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Share option reserve	**137,410**	100,777	**126,020**	91,555
Fair value reserve	**370,162**	231,920	**-**	-
Hedging reserve	**95,474**	141,999	**-**	-
Bonus issue by subsidiaries	**40,000**	40,000	**-**	-
Others	**10,578**	25,593	**-**	-
	653,624	540,289	**126,020**	91,555

4e. Bonus issue

The board of directors is proposing a bonus issue to shareholders on the basis of one bonus share for every ten existing ordinary shares in the capital of the Company.

The Company will be making an application to the SGX-ST in due course for its approval for the listing and quotation of all the bonus shares arising from the proposed bonus issue.

A separate announcement containing further details of the proposed bonus issue has been issued today.

5. CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December

	Note	**2010 $'000**	2009 $'000
OPERATING ACTIVITIES			
Operating profit		**1,756,494**	1,504,791
Adjustments:			
Depreciation and amortisation		**188,633**	174,313
Share-based payment expenses		**38,437**	23,682
(Profit)/loss on sale of fixed assets		**(4,949)**	5,781
Impairment of assets		**10,715**	-
Operational cash flow before changes in working capital		**1,989,330**	1,708,567
Working capital changes:			
Stocks & work-in-progress		**(794,558)**	(1,066,070)
Debtors		**(292,304)**	183,639
Creditors		**(65,033)**	235,389
Investments in bonds and shares		**(71,646)**	41,610
Intangibles		**(5,256)**	-
Advances to associated companies		**928**	(225,378)
Translation of foreign subsidiaries		**(73,660)**	(79,593)
		687,801	798,164
Interest received		**112,888**	70,315
Interest paid		**(57,223)**	(52,183)
Income taxes paid		**(293,226)**	(146,148)
Net cash from operating activities		**450,240**	670,148
INVESTING ACTIVITIES			
Acquisition of subsidiary and business	5a	**(49,184)**	(529,434)
Acquisition of additional shares in subsidiaries		**(117,464)**	(3,814)
Acquisition and further investment in associated companies		**(343,788)**	(212,395)
Acquisition of fixed assets and investment properties		**(873,073)**	(475,797)
Proceeds from disposal of interest in a subsidiary		**16,281**	-
Disposal of subsidiaries	5b	**-**	-
Return of capital and disposal of associated companies		**303,165**	1,465,767
Proceeds from disposal of fixed assets		**58,430**	48,936
Dividends received from investments and associated companies		**245,119**	130,282
Net cash (used in)/from investing activities		**(760,514)**	423,545
FINANCING ACTIVITIES			
Proceeds from share issues		**73,501**	8,337
Proceeds from non-controlling shareholders of subsidiaries		**5,091**	510,224
Proceeds from term loans		**3,221,224**	196,658
Repayment of term loans		**(921,644)**	(431,184)
Dividend paid to shareholders of the Company		**(627,183)**	(573,562)
Dividend paid to non-controlling shareholders of subsidiaries		**(129,580)**	(87,136)
Net cash from/(used in) financing activities		**1,621,409**	(376,663)
Net increase in cash and cash equivalents		**1,311,135**	717,030
Cash and cash equivalents as at 1 January		**2,934,119**	2,217,089
Cash and cash equivalents as at 31 December	5c	**4,245,254**	2,934,119
Free cash flow		***(310,274)***	*1,093,693*

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Acquisition of subsidiary and business

During the financial year, the fair values of net assets of subsidiary and business acquired were as follows:

	2010 $'000	2009 $'000
Fixed assets	**123,536**	143,507
Investments	**185**	-
Stocks & work-in-progress	**8,425**	161
Long term receivables	**120**	-
Amount due to associates	**(494)**	-
Debtors	**20,764**	463,546
Bank balances and cash	**16,643**	12,842
Creditors	**(25,679)**	(13,752)
Loans	**(10,625)**	(70,935)
Current and deferred tax	**(415)**	(9,765)
Non-controlling interests	**(16,973)**	-
	115,487	525,604
Goodwill on consolidation	**10,560**	24,615
Amount previously accounted for as associated companies	**(42,689)**	-
Purchase consideration	**83,358**	550,219
Less: Purchase consideration payable	**(17,531)**	(7,943)
Less: Bank balances and cash acquired	**(16,643)**	(12,842)
Cash flow on acquisition net of cash acquired	**49,184**	529,434

5b. Disposal of subsidiaries

During the financial year, the fair values of net assets of subsidiaries disposed were as follows:

	2010 $'000	2009 $'000
Fixed assets	**(1,007)**	-
Long term receivables	**(589,440)**	-
Stocks & work-in-progress	**(14,538)**	-
Debtors	**(86,376)**	-
Bank balances and cash	**(57,949)**	-
Creditors	**21,492**	-
Current and deferred tax	**14,441**	-
	(713,377)	-
Amount accounted for as associated company	**349,552**	-
Amount accounted for as advance from associated company	**(57,947)**	-
Distribution of dividend in specie (less expenses)	**363,823**	-
Add: Bank balances and cash disposed	**57,949**	-
Cash flow on disposal net of cash disposed	**-**	-

5c. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	2010 $'000	2009 $'000
Bank balances, deposits and cash	**4,245,990**	2,935,787
Bank overdrafts	**(736)**	(1,668)
	4,245,254	2,934,119

5d. Cash flow analysis

Net cash from operating activities was $450 million compared to $670 million in the previous year. This was mainly due to increased working capital and higher income taxes paid, partly offset by higher operating profit.

Net cash used in investing activities was $761 million. The Group spent $1,384 million on acquisitions and operational capital expenditure. This comprised principally acquisition of 2 commercial buildings in Australia, equity injection into Tianjin Eco-City project and Dong Nai project, further investment in Marina Bay Financial Centre, redevelopment cost of Ocean Financial Centre and other operational capital expenditure. Divestment and dividend income totalled $623 million.

Free cash flow was negative $310 million as compared to positive $1,094 million in the previous year.

6. AUDIT

The financial statements have not been audited nor reviewed by our auditors.

7. AUDITORS' REPORT

Not applicable

8. ACCOUNTING POLICIES

Except as disclosed in paragraph 9 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2009.

9. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised FRS and Interpretations of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2010. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

Amendments to FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
INT FRS 117	Distributions of Non-Cash Assets to Owners
INT FRS 118	Transfer of Assets from Customers
FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 103 (Revised)	Business Combinations

The adoption of the above FRS and INT FRS did not have any significant impact on the financial statements of the Group.

10. REVIEW OF GROUP PERFORMANCE

The Group delivered a strong fourth quarter, with net profit exceeding the $400 million mark for the first time. For the year, Group net profit increased by 12% to reach a record of $1,419 million. Earnings per share also rose by 12% to 88.7 cents. Return on equity was 22.3%. Economic Value Added before exceptional items was $1,035 million, $9 million above the previous year.

Group revenue of $9,783 million was 20% lower than last year. Revenue from Offshore & Marine Division of $5,577 million decreased by $2,696 million or 33% because of a lower volume of work. During the year, the Division completed and delivered twelve rigs, seventeen specialised vessels, five FPSO conversions/upgrades and several rig upgrade/repair contracts. Revenue from Infrastructure Division increased by $83 million or 3% to $2,510 million. Higher revenue generated from the cogen power plant in Singapore was partly offset by lower revenue from Engineering, Procurement and Construction (EPC) contracts in Qatar. Revenue from Property Division of $1,685 million was $177 million or 12% above the previous year. The increase was mainly attributable to the sale of apartments at Keppel Bay and progressive revenue recognition from Reflections at Keppel Bay. Rental income from investment properties improved because of the acquisitions of investment buildings in Australia in 2010 and additional six strata floors of Prudential Tower in November 2009.

At the pre-tax level, Group profit of $2,026 million was 9% higher than FY 2009. Pre-tax earnings from Offshore & Marine Division increased by 15% to $1,242 million. This was due to improved margins driven by cost efficiencies and higher productivity on delivered contracts. Profit from Infrastructure Division decreased by 38% to $93 million as a result of losses from EPC contracts in Qatar, partly offset by better performance from the cogen power plant in Singapore. Property Division recorded profit of $625 million, an increase of 31% over the preceding year. This was mainly attributable to higher contribution from several residential projects in Singapore, China and Vietnam, and share of profit of the associated company developing Marina Bay Suites in Singapore. Profit from Investments Division was lower as the previous year included contribution from Singapore Petroleum Company which was disposed in June 2009.

Exceptional gains of $204 million comprised principally net appreciation in value of investment properties, partially offset by provisions for cost overruns and completion delays for the EPC contracts in Qatar.

After taking into account income tax expenses and non-controlling interests, net profit including exceptional items attributable to shareholders was $1,623 million. Excluding exceptional items, attributable profit was $1,419 million. Offshore & Marine remained the largest contributor to net profit with 70%, followed by Property Division with 23%, Infrastructure Division with 4% and Investments with 3%.

In the opinion of the Directors, no factor has arisen between 31 December 2010 and the date of this report which would materially affect the results of the Group and the Company for the year just ended.

11. VARIANCE FROM FORECAST STATEMENT

No forecast was previously provided.

12. PROSPECTS

The Offshore & Marine Division secured $3.2 billion of new orders for the year. The net order book stands at $4.6 billion with deliveries into 2013. The incident in the Gulf of Mexico has raised safety and environmental concerns in offshore drilling. With increasing focus on safety afforded by newer rigs and a global rig fleet that is relatively old, rigbuilders are expected to benefit from renewal of existing rigs. The sharp divergence in utilisation and day rates between new and old jackups has already led to the building of new jackups in the last quarter of the year. The Division's focus on innovation, quality, on-time delivery, and safety will place it in a good position to win more orders and to widen and deepen its market leadership.

In the Infrastructure Division, the Group has commenced our expansion of the Keppel Merlimau cogen power plant which will increase generation capacity from the current 500MW to 1,300MW by 2013. Notwithstanding the cost overruns and delays in our Qatar projects, the Group believes that the global drive towards sustainable development will provide opportunities for our environmental engineering business. The Group has just announced the consolidation of our data centre assets, which we expect to derive greater economies of scale and offer more cost-effective solutions to our customers.

Riding on robust economic performance and favourable demographics, the Property Division sold more than 650 homes in Singapore for the year. With the latest round of cooling measures, buying sentiment is expected to turn cautious. We will time our launch of units in our projects at Keppel Bay and Lakeside Drive when market stabilises. The recent asset swap with K-REIT Asia has increased the Group's quality residential pipeline with the potential redevelopment of the Keppel Towers and GE Tower site to meet the demand for city living. The Division also posted record sales of about 4,600 homes overseas in 2010. Capitalising on aspirations for homes due to rising affluence and urbanisation in the region, the Group boosted its China portfolio and expanded its presence in Vietnam with several land acquisitions during the year. With healthy leasing activities on the back of buoyant economic growth, prime office rents in Singapore registered good increase in 2010. The Group achieved creditable office space take-up for our Marina Bay Financial Centre and Ocean Financial Centre projects.

With another year of record earnings, the Group is mindful of the challenges in 2011. The Group will continue to sharpen our competitive edge by leveraging on collective strengths and synergies among the Divisions so as to create value for our stakeholders.

13. DIVIDEND

13a. Current Financial Period Reported On

Any dividend recommended for the current financial year reported on? Yes

The Directors are pleased to recommend a final dividend of 26 cents per share tax exempt one-tier (2009: 23 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2010 for approval by shareholders at the next Annual General Meeting to be convened.

Together with the interim dividend of 16 cents per share tax exempt one-tier (2009: 15 cents per share tax exempt one-tier), total dividends paid and proposed in respect of the financial year ended 31 December 2010 will be 42 cents per share (2009: 61 cents per share which included the special dividend in specie of K-Green Trust (KGT) units of 23 cents per share tax-exempt one-tier).

Name of Dividend	Final
Dividend type	Cash
Dividend per share	26 cents
Tax rate	Tax exempt

13b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final	Special
Dividend type	Cash	Dividend in specie of KGT units
Dividend per share	23 cents	23 cents
Tax rate	Tax exempt	Tax exempt

13c. Date Payable

The proposed final dividend, if approved at the Annual General Meeting to be held on 21 April 2011, will be paid on 10 May 2011.

13d. Books Closure Date

Notice is hereby given that, the Share Transfer Books and Register of Members of the Company will be closed on 29 April 2011 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company (“Shares”) received by the Company’s Registrar, B.A.C.S. Private Limited, at 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 28 April 2011 will be registered to determine shareholders’ entitlement to the proposed final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited (CDP) are credited with Shares at 5.00 p.m. on 28 April 2011 will be entitled to the proposed final dividend.

13e. Total Annual Dividend

Total distribution paid and proposed in respect of the financial year ended 31 December 2010 will be 42 cents per share (2009: 61 cents per share).

	2010	2009	+/-
	$'000	$'000	%
Interim dividend	**256,103**	239,004	+7.2
Final dividend	**417,434***	368,021	+13.4
Special dividend in specie	**-**	366,882	NM
Total annual dividend	**673,537**	973,907	-30.8

* Estimated based on share capital of 1,605,513,880 ordinary shares at the end of the financial year.

14. BONUS ISSUE

As described in paragraph 4e, the board of directors is proposing a bonus issue to shareholders on the basis of one bonus share for every ten existing ordinary shares in the capital of the Company.

The bonus shares will not be entitled to the proposed final dividend in respect of the financial year ended 31 December 2010.

15. SEGMENT ANALYSIS

2010

	Offshore & Marine $'000	Infra-structure $'000	Property $'000	Invest-ments $'000	Elimina-tion $'000	Total $'000
Revenue						
External sales	**5,577,010**	**2,510,113**	**1,684,786**	**11,013**	**-**	**9,782,922**
Inter-segment sales	**-**	**111,958**	**2,537**	**63,541**	**(178,036)**	**-**
Total	**5,577,010**	**2,622,071**	**1,687,323**	**74,554**	**(178,036)**	**9,782,922**
Segment Results						
Operating profit	**1,119,047**	**75,027**	**553,157**	**12,316**	**(3,053)**	**1,756,494**
Investment income	**2,441**	**-**	**5,425**	**80**	**-**	**7,946**
Interest income	**74,888**	**4,037**	**36,765**	**86,339**	**(90,679)**	**111,350**
Interest expenses	**(4,787)**	**(23,306)**	**(71,860)**	**(58,480)**	**93,732**	**(64,701)**
Share of results of associated companies	**50,061**	**37,197**	**101,995**	**25,996**	**-**	**215,249**
Profit before tax & exceptional items	**1,241,650**	**92,955**	**625,482**	**66,251**	**-**	**2,026,338**
Exceptional items	**(31,743)**	**(136,932)**	**844,176**	**(14,400)**	**-**	**661,101**
Profit before tax	**1,209,907**	**(43,977)**	**1,469,658**	**51,851**	**-**	**2,687,439**
Taxation	**(242,119)**	**(26,978)**	**(301,035)**	**(10,500)**	**-**	**(580,632)**
Profit for the year	**967,788**	**(70,955)**	**1,168,623**	**41,351**	**-**	**2,106,807**
Attributable to:						
Shareholders of Company						
Profit before exceptional items	**987,202**	**56,627**	**325,957**	**49,266**	**-**	**1,419,052**
Exceptional items	**(24,762)**	**(135,998)**	**379,092**	**(14,400)**	**-**	**203,932**
	962,440	**(79,371)**	**705,049**	**34,866**	**-**	**1,622,984**
Non-controlling interests	**5,348**	**8,416**	**463,574**	**6,485**	**-**	**483,823**
	967,788	**(70,955)**	**1,168,623**	**41,351**	**-**	**2,106,807**
Other information						
Segment assets	**6,211,833**	**2,886,615**	**12,532,848**	**5,998,926**	**(6,648,748)**	**20,981,474**
Segment liabilities	**4,350,655**	**1,974,392**	**7,133,845**	**4,447,447**	**(6,648,748)**	**11,257,591**
Net assets	**1,861,178**	**912,223**	**5,399,003**	**1,551,479**	**-**	**9,723,883**
Investment in associated companies	**171,501**	**499,445**	**2,704,497**	**231,280**	**-**	**3,606,723**
Additions to non-current assets	**244,138**	**421,006**	**887,326**	**13,299**	**-**	**1,565,769**
Depreciation and amortisation	**133,189**	**44,824**	**10,194**	**426**	**-**	**188,633**

GEOGRAPHICAL SEGMENT

	Singapore $'000	Far East & Other ASEAN Countries $'000	America $'000	Other Countries $'000	Elimination $'000	Total $'000
External sales	**7,088,728**	**1,045,200**	**1,117,208**	**531,786**	**-**	**9,782,922**
Non-current assets	**7,155,063**	**1,300,191**	**161,592**	**548,242**	**-**	**9,165,088**

2009

	Offshore & Marine $'000	Infra-structure $'000	Property $'000	Invest-ments $'000	Elimina-tion $'000	Total $'000
Revenue						
External sales	8,273,390	2,426,513	1,508,247	38,971	-	12,247,121
Inter-segment sales	-	170,229	2,591	57,921	(230,741)	-
Total	8,273,390	2,596,742	1,510,838	96,892	(230,741)	12,247,121
Segment Results						
Operating profit	1,003,907	126,474	371,181	(1,088)	4,317	1,504,791
Investment income	1,866	-	3,133	102	-	5,101
Interest income	33,195	7,833	44,581	126,416	(138,349)	73,676
Interest expenses	(3,691)	(12,688)	(84,947)	(82,381)	134,032	(49,675)
Share of results of associated companies	45,546	28,526	142,028	105,583	-	321,683
Profit before tax & exceptional items	1,080,823	150,145	475,976	148,632	-	1,855,576
Exceptional items	(22,565)	(169,330)	(30,546)	544,571	-	322,130
Profit before tax	1,058,258	(19,185)	445,430	693,203	-	2,177,706
Taxation	(234,065)	(16,439)	(74,655)	(22,716)	-	(347,875)
Profit for the year	824,193	(35,624)	370,775	670,487	-	1,829,831
Attributable to:						
Shareholders of Company						
Profit before exceptional items	810,033	125,692	209,445	119,441	-	1,264,611
Exceptional items	(22,550)	(167,396)	4,270	546,182	-	360,506
	787,483	(41,704)	213,715	665,623	-	1,625,117
Non-controlling interests	36,710	6,080	157,060	4,864	-	204,714
	824,193	(35,624)	370,775	670,487	-	1,829,831
Other information						
Segment assets	5,807,974	2,887,191	9,983,553	4,907,752	(6,279,548)	17,306,922
Segment liabilities	4,250,761	2,017,490	5,503,550	3,102,096	(6,279,548)	8,594,349
Net assets	1,557,213	869,701	4,480,003	1,805,656	-	8,712,573
Investment in associated companies	108,940	182,213	2,199,896	232,120	-	2,723,169
Additions to non-current assets	239,822	69,108	404,500	467	-	713,897
Depreciation and amortisation	125,274	34,800	13,718	521	-	174,313

GEOGRAPHICAL SEGMENT

	Singapore $'000	Far East & Other ASEAN Countries $'000	America $'000	Other Countries $'000	Elimination $'000	Total $'000
External sales	8,489,626	1,494,261	1,713,466	549,768	-	12,247,121
Non-current assets	6,708,057	1,068,854	170,310	74,485	-	8,021,706

Note:

(a) The Group is organised into business units based on their products and services, and has four reportable operating segments: Offshore & Marine, Infrastructure, Property and Investments. The Investments division consists mainly of the Group's investments in k1 Ventures Ltd and M1 Limited.

(b) Pricing of inter-segment goods and services is at fair market value.

16. REVIEW OF SEGMENT PERFORMANCE

16a. Revenue by Segments

Group revenue of $9,783 million was $2,464 million or 20% lower than that of the previous year. Revenue from Offshore & Marine Division of $5,577 million was $2,696 million or 33% lower and accounted for 57% of Group revenue. The decrease in revenue was due to lower volume of work. Revenue from Infrastructure Division of $2,510 million was $83 million or 3% higher and accounted for 26% of Group Revenue. The higher revenue earned from the electricity and gas businesses of Keppel Energy, was partly offset by the lower revenue from EPC contracts in Qatar. Revenue from Property Division of $1,685 million was $177 million or 12% higher due to sale of apartments at Keppel Bay and progressive revenue recognition from Reflections at Keppel Bay, partly offset by lower revenue from Keppel Land as several residential projects were completed last year.

16b. Net profit (before exceptional items) by Segments

Group net profit of $1,419 million was $154 million or 12% higher than that of the previous year. Profit from Offshore & Marine Division of $987 million was 22% higher because of improved operating margins. The division remains the largest contributor to Group net profit with 70% share. Profit from Infrastructure Division of $57 million was 55% lower due to losses from EPC contracts in Qatar, partially offset by better performance by Keppel Energy. Profit from Property Division of $326 million was $116 million or 55% higher than that of previous year due to contribution from several residential projects in Singapore, China and Vietnam, and share of profit of associated company developing Marina Bay Suites in Singapore. Profit from Investments was lower due to the disposal of Singapore Petroleum Company in June 2009.

17. INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual. (excluding transactions less than $100,000)	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Transaction for the Sale of Goods and Services				
Certis CISCO Secuity Pte Ltd	**-**	-	**2,400**	-
Gas Supply Pte Ltd	**-**	-	**19,300**	25,420
Mount Faber Leisure Group	**-**	-	**-**	142
SembCorp Industries Group	**-**	-	**-**	482
SembCorp Marine Group	**-**	-	**1,988**	2,179
Singapore Airlines Group	**-**	-	**14,500**	10,500
Singapore Airport Terminal Services Group	**-**	-	**21,000**	-
Transaction for the Purchase of Goods and Services				
Gas Supply Pte Ltd	**-**	-	**40,000**	28,500
Mapletree Investments Pte Ltd	**-**	-	**668**	570
SembCorp Industries Group	**-**	-	**-**	2,500
Divestment Transaction				
Singbridge International Singapore Pte Ltd	**10,582**	-	**-**	-
Total Interested Person Transactions	**10,582**	-	**99,856**	70,293

BY ORDER OF THE BOARD

CAROLINE CHANG
Company Secretary

25 January 2011