Keppel Corporation

1Q 2011 Results Announcement

20 April 2011

Keppel Corporation

Scope of Briefing

- Address by Chief Executive Officer
- Group Financial Highlights
- Business Review & Outlook

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Address By

Chief Executive Officer

3

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Challenging External Environment

- US recovery remains sluggish
- Europe still mired with sovereign debt issues
- Asia expected to remain resilient despite rising inflation
- Uncertainties from a disaster-stricken Japan
- Oil price above US$100/barrel amidst unrest in North Africa and Middle East

4

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Sustained Good Performance

- 1Q11 net profit increased 7.8% over 1Q10
- Annualised ROE remains healthy at 19.3%
- EVA of S$225m

5

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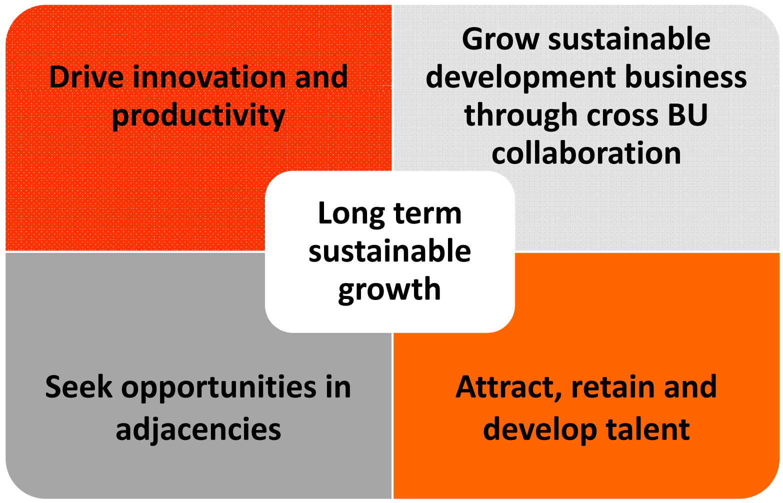
Prospects for 2011

Offshore & Marine	• Strong demand for high-spec jackups • Deepwater drilling resumes in Gulf of Mexico • Budgeted increase in E&P spending
Infrastructure	• Participating in UK tenders for WTE plants • Expansion of power plant progressing well • Growing logistics footprint in key markets
Property	• Measures cooled home purchases • Opportunities to acquire quality sites • Singapore office market likely to stay firm

6

Strategic Focus for Growth



Group Financial Highlights

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1Q11 Financial Performance

Net profit	↑	7.8% to S$346m
EPS	↑	7.0% to 21.5cts
Annualised ROE	↓	from 22.5% to 19.3%
EVA	↓	from S$237m to S$225m
Free cash flow	↑	from outflow of S$501m to outflow of S$20m
Net cash	–	remains at 0.02x

9

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Financial Highlights

S$m	1Q 2011	Restated* 1Q 2010	% Change
Revenue	**2,419**	**2,421**	**-**
EBITDA	**500**	**436**	**15**
Operating Profit	**453**	**392**	**16**
Profit Before Tax	**494**	**460**	**7**
Net Profit	**346**	**321**	**8**
EPS (cents)	**21.5**	**20.1**	**7**

* Restated due to retrospective application of INT FRS 115, which is effective 1 January 2011. 10

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Revenue by Segments

S$m	1Q 2011	%	Restated 1Q 2010	%	% Change
Offshore & Marine	1,199	50	1,493	62	(20)
Infrastructure	650	27	624	26	4
Property	568	23	303	12	87
Investments	2	-	1	-	NM
Total	2,419	100	2,421	100	-

11

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Pre-tax Profit by Segments

S$m	1Q 2011	%	Restated 1Q 2010	%	% Change
Offshore & Marine	266	54	270	59	(1)
Infrastructure	51	10	37	8	38
Property	167	34	147	32	14
Investments	10	2	6	1	NM
Total	494	100	460	100	7

12

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Net Profit by Segments

S$m	1Q 2011	%	Restated 1Q 2010	%	% Change
Offshore & Marine	216	62	205	64	5
Infrastructure	40	12	31	10	29
Property	83	24	83	26	-
Investments	7	2	2	-	NM
Total	346	100	321	100	8

13

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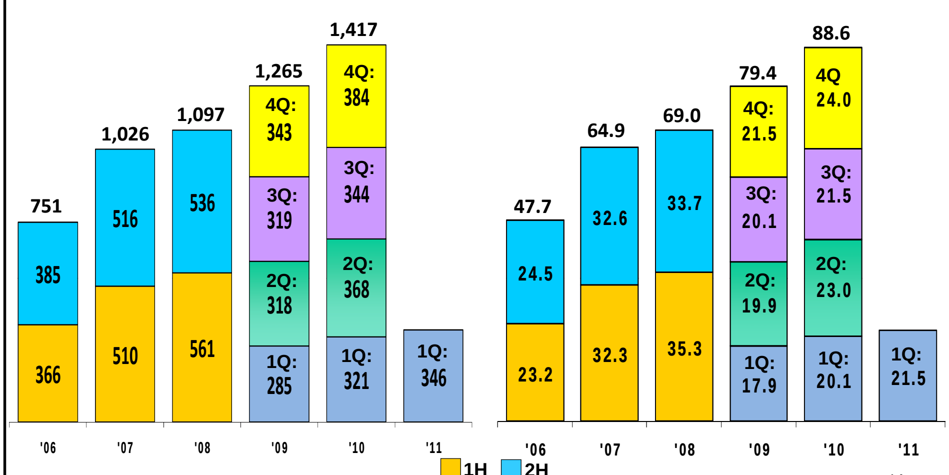
Consistent Earnings Growth

Net Profit (S$m)

EPS (Cents)



Note: Financials of FY2010 were restated.

14

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Free Cash Flow

	1Q 2011 S$m	Restated 1Q 2010 S$m
Operating profit	453	392
Depreciation & other non-cash items	53	50
	506	442
Working capital changes	(93)	(567)
Interest & tax paid	(26)	(61)
Net cash from operating activities	**387**	**(186)**
Investments & capex	(441)	(341)
Divestments & dividend income	34	26
Net cash used in investing activities	**(407)**	**(315)**
Free Cash Flow	**(20)**	**(501)**

15

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Business Review & Outlook

16

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Offshore & Marine

17

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Strong Start

KFELS MOD V-A class jackup is forerunner of KFELS Super A class design

- Returning confidence in jackup market led to S$5bn new orders secured year-to-date
- Net orderbook of S$7.5bn with deliveries extending to 2014 as at end Mar 2011
- Continued execution excellence with on-time deliveries:
  - 3 rigs
  - 2 major repairs/upgrades
  - 2 specialised vessels

18

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Growing Adjacencies

- 27% stake in topside fabricator Dyna-Mac Holdings

- Jointly pursue topside module business beyond Singapore

- Fortifies Keppel's capabilities in floating production systems

- Increased stake in Floatel International to 32%

- Good growth potential of high quality floating accommodation semis in key markets in Brazil and North Sea

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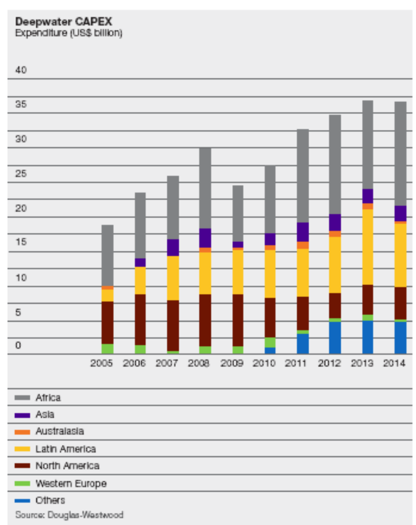
Increasing E&P Expenditure

- 2011 E&P spending to increase by 14% overall
- Shallow water spending to grow 20% from 2010 to 2014
- Deepwater expenditure expanding at CAGR of 8%, reaching US$35bn in 2014
- Global capex to reach US$167bn in 2014



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Infrastructure

21

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Capturing Growth

Keppel Energy

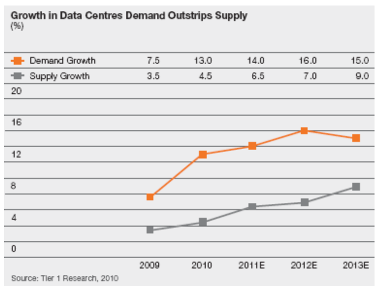
- Demand for electricity and gas in Singapore set to increase
- KMC 800 MW expansion on schedule to commence operations in 2013

Keppel Integrated Engineering

- Actively pursuing projects in UK and China
- Energy-From-Waste technology increasingly preferred in UK

22

Increasing Demand for Logistics and Data Centres



Logistics

- Good growth in third-party logistics outsourcing in China, with double-digit increase over next 5 years
- Overall logistics market in China to grow over 6% yearly from 2008 to 2013

Data Centres

- Global utilisation rates to hit 97% by 2013
- Double-digit annual growth in data centre demand to outstrip supply growth
- Keppel Datahub awarded Green DC pioneer certification

Property

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Steady Home Sales

Singapore

- Increase in home prices moderated in 1Q11
- 85 Keppel homes sold in 1Q11

Overseas

- Prospects remain good in Asia
- Healthy long-term demand despite slowing growth in China
- 360 Keppel homes sold in Asia in 1Q11

25

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Firm Office Market

- Singapore prime Grade A office rentals posted 4% q-o-q increase
- New developments lead growth
- Continued strength in commitment levels expected for MBFC Phase 2 and OFC

26

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Active Acquisitions

- Keppel Land growing Singapore pipeline with prime residential site in Sengkang
  - 622 homes when completed in 2015
- K-REIT Asia increased stake in Singapore's Prudential Tower to 93%
- Alpha Asia Macro Trends Fund acquires Capital Square in Singapore jointly with NTUC Income

27

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Outlook

Building Strengths
Defining Distinction

28

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1Q 2011 Results

Thank you

Q&A

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Additional Info

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Revenue by Customers

	1Q 2011 Total S$m	Overseas %	Singapore %
Offshore & Marine	1,199	94	6
Infrastructure	650	24	76
Property	568	40	60
Investments	2	3	97
Total	2,419	63	37

63% of total revenue
came from overseas customers

31

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EBITDA by Segments

S$m	1Q 2011	%	Restated 1Q 2010	%	% Change
Offshore & Marine	281	56	273	63	3
Infrastructure	58	12	49	11	18
Property	161	32	126	29	28
Investments	-	-	(12)	(3)	NM
Total	500	100	436	100	15

32

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Capital/Gearing/ROE

S$m	31 Mar 2011	Restated 31 Dec 2010
Shareholders' Funds	7,127	6,685
Capital Employed	10,038	9,586
Net Cash	222	178
Net Cash Ratio	0.02x	0.02x
ROE	19.3%	22.5%

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Offshore & Marine

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Financial Highlights – Offshore & Marine

S$m	1Q 2011	1Q 2010	% Change
Revenue	1,199	1,493	(20)
EBITDA	281	273	3
Operating Profit	248	242	2
Profit Before Tax	266	270	(1)
Net Profit	216	205	5

35

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Offshore & Marine Review

- S$4.5bn contracts secured in 1Q 2011:

  12 Jackups, 1 Jackup repair, 1 Semi repair, Spud Cans, 2 FPSO fabrication/integrations, 1 FSO Conversion, 1 Pipelay Vessel Completion, 1 Crane Installation and 1 Barge Upgrade.

- Major contract completions in 1Q 2011:

  1 Jackup , 1 Semi, 1 Semi Tender, 2 major repairs/upgrades and 2 specialised vessels.

36

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Offshore & Marine Orderbook

	Order Balance $m	Clients
For delivery in 2011		
3 Semis / 1 Semi Completion / 1 Semi Repair / 2 Jack Ups / 2 Jackup Repairs / Spud Cans / 6 FPSO Conversions / 1 FSO Conversion / Pipe Racks & Pontoons / 1 Derrick Pipelay Vessel / 1 Launch Barge Upgrade / 1 Drillship Upgrade / 2 Drillship Outfittings / 6 Tugs / 1 AHT / 1 Rock Dumping Vessel / 1 Coal Barge / 1 Livestock Carrier Conversion / 1 Crane Installation	715	Ensco /Petrobras / Petrovietnam / Saipem /Rowan / Transocean / Maersk / BP / Noble / Frontier Drilling / Emas / SBM / Bumi Armada / OSX / Hijazi / Agip KCO / Global Offshore / Keppel Smit / Seaways / Boskalis / P.T. Indo Straits
For delivery in 2012		
2 Semis / 6 Jackups / 1 Drillship Upgrade / 1 FPSO Hull Conversion / 1 FPSO Upgrade / 2 FPSO Modules Fab. & Integration / 1 Diving Support Vessel / 1 Transformer Platform / 1 AHT / 1 Pipelayer Completion	2,802	Ensco / Saudi Aramco / Standard Drilling / Mermaid / Jasper / Transocean / Noble / SBM / Modec / Wetfeet / Seaways Saipem
For delivery in 2013 / 2014		
11 Jackups / 1 TLWP	4,028	Mermaid / Clearwater / Discovery Offshore / Ensco / Maersk / JDC / Perforadora Central / Petrobras / Chevron
Total as at 31 March 2011	**7,545**	

37

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Infrastructure

38

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Financial Highlights – Infrastructure

S$m	1Q 2011	1Q 2010	% Change
Revenue	650	624	4
EBITDA	58	49	18
Operating Profit	47	39	21
Profit Before Tax	51	37	38
Net Profit	40	31	29

39

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Property

40

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Financial Highlights – Property

S$m	1Q 2011	Restated 1Q 2010	% Change
Revenue	568	303	87
EBITDA	161	126	28
Operating Profit	158	123	28
Profit Before Tax	167	147	14
Net Profit	83	83	-

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Investments

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Financial Highlights – Investments

S$m	1Q 2011	1Q 2010
Revenue	2	1
EBITDA	-	(12)
Operating Profit	-	(12)
Profit Before Tax	10	6
Net Profit	7	2

43

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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.

44

ADDRESS BY KEPPEL CORPORATION LIMITED'S GROUP FINANCE DIRECTOR, TEO SOON HOE

AT THE FIRST QUARTER 2011 RESULTS PRESENTATION

WEDNESDAY 20 APRIL 2011

Group Financial Highlights (Slide 8)

1. 1Q11 Financial Performance (Slide 9)

I'm pleased to report that the Group posted a 7.8% increase in net profit to $346 million compared to the corresponding quarter last year.

Earnings per share, or EPS, grew 7% to 21.5 cents.

ROE, or Return on Equity, was 19.3%.

Due to the higher cost of capital, our EVA declined marginally from $237 million in the first quarter of 2010, to $225 million in the first quarter of this year.

Our cash outflow decreased to $20 million, from an outflow of $501 million in the corresponding quarter in 2010.

We remain in a marginally net cash position.

2. Financial Highlights (Slide 10)

The financial figures for 1Q2010 have been restated, due to a new accounting rule which impacted revenue recognition for overseas property projects. These are now accounted on the "Completion of Construction" method, instead of the "Percentage of Completion" method. This new rule came into effect on 1 January this year.

On the financial highlights, Group revenue, at $2.419 billion, was about the same level as 1Q2010, while all other key profit items grew at a healthy rate.

3. Revenue by Segments (Slide 11)

Revenue at Offshore & Marine Division declined as a result of fewer new orders for most part of last year.

Infrastructure Division saw a slight increase in revenue owing to continued good performance at Keppel Energy.

Revenue at Property Division jumped a significant 87% due to higher recognition of local projects and the completion of a development in India.

4. Pre-tax Profit by Segments (Slide 12)

Offshore & Marine Division recorded a slight drop in pre-tax profit due to lower interest income and share of profit from associated companies.

Keppel Energy's better performance was the key contributor to the increase in Infrastructure Division's pre-tax profits.

Profit recognition of property development projects and rental income from investment properties drove a higher pre-tax profits at Property Division.

5. Net Profit by Segments (Slide 13)

Net profit for Offshore & Marine Division increased due to lower tax expenses and lower non-controlling interests. This Division remains the largest earnings contributor to the Group.

Infrastructure Division recorded a healthy 29% increase in net profit, and its contribution to Group earnings in the first quarter climbed to 12%.

Property Division's net profit for the quarter remained flat at $83 million.

6. Consistent Earnings Growth (Slide 14)

For the first quarter of this year, we have continued to deliver a set of stronger results compared to the corresponding period last year.

It will continue to be challenging to surpass 2010's performance. Nonetheless, we are working hard to create and unlock value from our businesses, and we hope to continue to deliver good results in the coming quarters.

7. Free Cash Flow (Slide 15)

Net cash generated from operations for the quarter was $506 million, $64 million higher than the same period last year.

Expenditure on property developments and existing Offshore & Marine contracts were partially offset by deposits received from new Offshore & Marine orders. This led to a smaller negative working capital change of $93 million. As a result, net cash from operating activities was a healthy $387 million.

For the quarter, the Group spent $441 million, which includes the acquisitions of our stakes in Dyna-Mac Holdings and Floatel International, the development cost of Marina Bay Financial Centre (MBFC), Ocean Financial Centre (OFC) and the expansion of Keppel Merlimau Cogen plant. There was also some operational capital expenditure by Offshore & Marine Division.

The resultant free cash flow was an outflow of $20 million for the quarter.

Business Review & Outlook (Slide 16)

1. Offshore & Marine (Slide 17)

1.1 Strong Start (Slide 18)

Thanks to the returning market confidence, we enjoyed a strong order flow for high specification jackups in the first quarter of this year. Of the 12 rigs ordered, 9 are of our proprietary KFELS design.

While we saw healthy new orders, we continued to focus on executing the ongoing projects well for our customers, making several on-time, within budget and safe deliveries.

As a case in point, we received a bonus of US$8 million from Brazilian customer QGOG, for delivering the DSS™ 38 semi-submersible to them four months ahead of schedule with zero incidents. This rig is now chartered by Petrobras for six years to support its E&P activities in offshore Brazil.

1.2 Growing Adjacencies (Slide 19)

We are also constantly seeking opportunities to strengthen our core competencies in our Offshore & Marine Division.

Our investments in topside fabricator Dyna-Mac Holdings and Floatel International, enable us to better tap the growth prospects in deepwater floating production systems and quality floating accommodation semi-submersibles.

1.3 Increasing E&P Expenditure (Slide 20)

Looking ahead, the Offshore and Marine industry is set to continue on its robust recovery path. Such optimism is underpinned by the overall increase in E&P spending budgets this year, and the longer term growth in global capex by oil companies.

Spending in both shallow water and deepwater is expected to increase in the next few years.

2. Infrastructure (Slide 21)

2.1 Capturing Growth (Slide 22)

The latest industry figures point to a strong correlation between GDP growth and demand for gas and electricity in Singapore. The timely completion of the 800 MW expansion of the Keppel Merlimau Cogen plant in 2013 is therefore expected to meet the increasing electricity demand in Singapore.

We believe the invaluable experiences gained from past and existing projects, put Keppel Integrated Engineering in a good position to capture opportunities to offer cost-effective environmental engineering solutions.

The UK and China markets are currently seeing a growing acceptance of WTE and water technologies, and KIE is leveraging this trend to actively pursue projects in the two markets.

2.2 Increasing Demand for Logistics and Data Centres (Slide 23)

Also within the Infrastructure Division, our Logistics and Data Centres businesses are poised to ride the uptrend in demand to grow further in the years ahead.

Recently, Keppel Datahub was one of the pioneering data centres in Singapore to be certified as “green”, or energy efficient, by the Infocomm Development Authority of Singapore. With growing environmental awareness, this certification helps to strengthen our competitive edge in the data centres business.

3. Property (Slide 24)

3.1 Steady Home Sales (Slide 25)

The cooling measures targeted at the property sector in our key markets have had some impact on home sales in the past quarter.

In Singapore, home prices have continued to increase, but the rate of increase is moderating.

The longer term prospects in China remain good due to urbanisation and economic growth, despite some volatility in the near term. With the rest of Asia continuing to perform well, demand for quality homes is expected to be sustained.

We are monitoring the markets closely and will time our property launches according to market conditions.

3.2 Firm Office Market (Slide 26)

Over in the office market, industry figures point to a continued recovery in prime Grade A office rentals in Singapore, owing to the healthy take-up for newer, better quality offices.

We expect commitment levels for Phase 2 of MBFC and OFC to continue to do well this year.

K-REIT Asia, as a key landlord in Singapore's business and financial districts, is also expected to benefit from this positive trend in the office market.

3.3 Active Acquisitions (Slide 27)

With the homes and offices markets enjoying stable growth, we are actively seeking attractive opportunities to grow our pipeline.

The past quarter saw a slew of acquisitions, from a prime residential site in Sengkang, to good grade offices in CBD locations in Singapore. These acquisitions will contribute to the earnings stream from our Property Division.

4. Outlook (Slide 28)

After a decade of growth, we are committed to differentiate ourselves through driving excellence in our businesses, and harnessing synergy from our core competencies, with the aim of maximising and sustaining value for our stakeholders.

Thank you.