

MEDIA RELEASE

Keppel Corporation Limited Unaudited Results for the First Quarter Ended 31 March 2016

Singapore, 18 April 2016 – The Directors of Keppel Corporation Limited advise the following unaudited results of the Group for the first quarter ended 31 March 2016.

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This media release is also available at www.kepcorp.com.

KEPPEL CORPORATION LIMITED

1Q 2016 REPORT CARD

1. Net Profit down 41% to S\$211 million, compared to 1Q 2015's S\$360 million.
2. Earnings per Share was 11.6 cents, down 41% from 1Q 2015's 19.8 cents.
3. Annualised Return on Equity of 7.1%.
4. Economic Value Added decreased to S\$2 million from S\$122 million YoY.
5. Cash outflow of S\$306 million.
6. Net gearing was 0.56x.

KEPPEL CORPORATION LIMITED

Co. Reg. No. 196800351N

(Incorporated in the Republic of Singapore)

FIRST QUARTER 2016 FINANCIAL STATEMENTS**TABLE OF CONTENTS**

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
	CHIEF EXECUTIVE OFFICER'S ADDRESS	I - VI
	FINANCIAL STATEMENTS	1 – 21
1	GROUP PROFIT AND LOSS ACCOUNT	1
2	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
3	BALANCE SHEETS	5
4	STATEMENTS OF CHANGES IN EQUITY	7
5	CONSOLIDATED STATEMENT OF CASH FLOWS	12
6	AUDIT	14
7	AUDITORS' REPORT	14
8	ACCOUNTING POLICIES	14
9	CHANGES IN THE ACCOUNTING POLICIES	15
10	REVIEW OF GROUP PERFORMANCE	15
11	VARIANCE FROM FORECAST STATEMENT	16
12	PROSPECTS	16
13	DIVIDEND	16
14	SEGMENT ANALYSIS	17
15	REVIEW OF SEGMENT PERFORMANCE	19
16	INTERESTED PERSON TRANSACTIONS	20
17	CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)	20
	CONFIRMATION BY THE BOARD	21

KEPPEL CORPORATION LIMITED

ADDRESS BY MR LOH CHIN HUA, CHIEF EXECUTIVE OFFICER, KEPPEL CORPORATION

FIRST QUARTER ENDED 31 MARCH 2016

Welcome

1. Good evening. On behalf of my colleagues on the panel, we welcome you and those online to the conference and webcast on Keppel Corporation's results and performance in the first quarter of 2016. Joining us on the panel for the first time is Christina Tan, CEO-designate of Keppel Capital, under which we are consolidating our interests in the Group's fund management arm and the managers of our business trust and REITs.

Macro Environment

2. The macro environment remains challenging, with slowing growth in emerging economies. China continues its shift towards slower but more sustainable growth. OECD has also recently warned of growth easing off in several of the major advanced economies.
3. While oil prices have recovered from below US\$30 per barrel in January, it continues to hover at around US\$40 per barrel. The sustained low oil price environment continues to take a toll on the global oil and gas industry, which is in the midst of one of the most severe downturns in recent years. In the global offshore industry, we are seeing layoffs, mergers as well as large reductions in capital expenditure as the industry prepares for a longer winter.
4. Brazil, which has traditionally been one of Keppel O&M's key markets, continues to be mired in economic and political challenges, as well as the Lava Jato corruption scandal. Shareholders of Sete Brasil have yet to reach a decision on the future of the company. As I announced at the start of the year, Keppel has stopped construction on Sete Brasil's rigs since end-2015 and we will not resume construction until payment recommences.
5. Despite the challenges in the oil and gas sector, there continues to be engines of growth, especially in Asia, arising from continuing urbanisation. According to the World Bank, despite the migration of almost 200 million people to its cities in the first decade of the 21st century, Asia's urbanisation may only be just beginning. This will create demand for high quality homes and offices, clean urban environments, good infrastructure such as WTE plants and data centres, and connectivity. These are areas where Keppel has strong core competencies and where we can seize opportunities for growth.

Financial Performance

6. Against the volatile environment, our multi-business strategy continues to keep Keppel in good stead to perform creditably.
7. We achieved a net profit of S\$211 million in this quarter, down by 41% over the same period in 2015. The higher contribution from Property at 47% helped to partially offset lower profits from Offshore & Marine.
8. Economic Value Add for the period was S\$2 million. On an annualised basis, our Return on Equity was 7.1%.
9. Amidst the headwinds, we are keeping a watchful eye on our gearing and cash flows, exercising financial discipline to maintain an institutional quality balance sheet.

10. Creating high quality assets and then stabilising and monetising them to generate strong cash flow and recurring income are integral to Keppel's multi-business model. In particular, we want to work the assets in our asset-heavy businesses much harder, and recycle them at the right time to earn the best risk-adjusted returns.
11. To better reflect the contributions of our asset managers under Keppel Capital, we will henceforth report their performance as part of our Investments division.
12. Meanwhile, our share of associate earnings from the REITs and business trust run by the asset managers under Keppel Capital, will continue to be reported under their respective business divisions in Property and Infrastructure. For added clarity, we will distinguish the contributions of these associates to the two divisions in our results presentation. Similarly, for the Offshore & Marine Division, we will provide more detail by highlighting the collective contributions of associate companies such as Floatel International, Seafox and Dyna-Mac, among others.

Growing the Asset Management Business

13. Our asset management business has been a part of the Group for more than a decade. We have grown our assets under management from about S\$2 billion in 2006 to some S\$26 billion by end of 2015. This translates into a 30% growth compounded annually.
14. The consolidation of our interests in Alpha Investment Partners (Alpha), the Trustee Manager of Keppel Infrastructure Trust and the managers of Keppel REIT and Keppel DC REIT is part of the strategy to sharpen our focus in asset management and grow this business.
15. By bringing together the strengths of our four asset managers, we can create synergies by centralising certain non-regulated support functions, as well as enhance talent recruitment and retention, and the sharing of best practices.
16. More importantly, the creation of Keppel Capital will strengthen the Group's capital recycling platform, as well as allow us to expand our capital base through the creation of private funds in the real estate, infrastructure and energy spaces. As it creates opportunities for other investors in these areas, Keppel Capital can also serve as a catalyst, pulling through projects for our business verticals.
17. By enlarging the pie with like-minded co-investors, we can give the Group even greater financial capacity to grow, without putting a strain on our balance sheet.
18. Let me now run through the developments in the Group in the first quarter of 2016.

Offshore & Marine

19. Keppel Offshore & Marine continues to focus on executing our projects with our customers well, and delivering them safely, on time and on budget.

Key developments

20. Just a few weeks ago, we shared the welcome news that Keppel FELS Brasil was awarded a Floating Production Storage and Offloading (FPSO) module fabrication and integration project by its repeat customer MODEC Offshore Production Systems (Singapore) for a contract value of over S\$190 million. The vessel is expected to arrive at the shipyard by the first quarter of 2017 for the integration phase. In the past five years, BrasFELS has delivered five FPSO projects safely and ahead of schedule, of which three were for MODEC.

21. Pursuing opportunities in the non-drilling market, Keppel is further honing its capabilities in the LNG business across the value chain. We have jointly secured with the BG Group, now a part of Shell, the licence to supply LNG bunker to vessels in the Port of Singapore. This will enable us to capture pull through work for LNG-fuelled newbuilds, repairs and conversions.

Improving solutions and operations

22. Apart from sharpening capabilities, we are also taking advantage of the downturn to seek new opportunities and expand our services to customers. I am pleased to share that we have obtained the Antitrust approval for our acquisition of the LETOURNEAU™ jackup rig designs, rig kit business, and aftermarket services from Cameron. Expected to be completed in 2Q 2016, the acquisition of LETOURNEAU™ will broaden our offerings to customers, allowing us to better support them with end-to-end jackup rig solutions.
23. Meanwhile, to ride out the current turbulence, we will continue to stay close to our customers, and focus on execution whilst rightsizing the organisation so that we can remain profitable even with a lower top line.
24. Since the start of 2016, our global workforce has been further reduced by 9.4% or about 2,800 headcount, of which 2,300 are from overseas yards, while 500 are from those in Singapore.
25. Apart from optimising our resources across our yards, we are also committed to managing our overheads effectively. Keppel Offshore and Marine had cut its overheads by 10% last year compared to 2014. In this first quarter, we have further reduced overheads by another 28% compared to the first quarter of 2015, enabling us to achieve a healthy operating margin of 13.6% despite lower revenue.

Key deliveries

26. Last month, Keppel FELS delivered two jackup rigs to our customer Grupo R, both of which have secured charters from PEMEX, Mexico's national oil company. Built to our proprietary KFELS B Class design, CANTARELL I and CANTARELL II, are part of a series of five jackup rigs that Keppel FELS is building for Grupo R.
27. In total, we have delivered three drilling jackups in 1Q 2016, including one unit to Gulf Drilling International at the start of the year. During the quarter, we have also delivered a liftboat and a Transformer platform.
28. Last month, a naming ceremony was held by Keppel FELS for the accommodation semi "Floatel Triumph" which will be chartered by INPEX Operations Australia for work in the Ichthys Field, off Western Australia. Last week, a naming ceremony was held by Keppel Singmarine for a high-specification deepwater derrick lay vessel built for Hydro Marine Services, a subsidiary of McDermott International. These are among the key projects we expect to complete in 2016, which include a number of jackups, a semisubmersible, a land rig and several conversion projects for floating production and storage solutions.
29. During these challenging times, we are working closely with our customers for win-win outcomes wherever possible. Earlier this year, Transocean and Ensco have announced the deferment of their projects. Deliveries of two other jackups, for Clearwater and BOT Lease Co, have also been deferred to next year, while deliveries of two semis are deferred from 2017 to 2019/2020. The contracts are still valid, and we are working towards delivering them based on the new schedules agreed upon with our customers.
30. We do not need to make provisions for any of these contracts currently. However, we are monitoring the situation carefully and are focused on executing our projects well.

Property

31. At the Extraordinary General Meeting of Keppel Land held last week, the participating shareholders have given their approval for the proposed Selective Capital Reduction, which will result in the cancellation of 0.73% of the total issued share capital in the company.
32. Keppel Land has proceeded to seek the approval and confirmation by the Court of the Selective Capital Reduction. At the completion of this exercise, Keppel Corporation will own 100% of Keppel Land.

Home sales

33. In the first three months of 2016, our Property Division sold about 940 homes, mostly in China. This is higher than the 720 homes sold in the same quarter last year.
34. Despite tightening measures in the first-tier cities in China, we continue to experience positive demand for our premier developments in Shanghai, Chengdu, Tianjin and Wuxi.

Key developments

35. Keppel Land continues its focus on strengthening its presence in its core markets and growth cities, as well as recycling assets for higher returns.
36. As one of the largest and pioneer foreign real estate investors in Vietnam, Keppel Land has been privileged to play a part in Vietnam's urbanisation over the years. The recent relaxation of the Housing Law and Real Estate Business Law, improvements in public infrastructure, growing middle class as well as high urbanisation rate continue to drive the demand for quality homes and investment-grade offices in Vietnam.
37. Seizing more opportunities in Vietnam, Keppel Land took a 40% interest in a joint venture to develop a prime 14.6-hectare waterfront site in the Thu Thiem New Urban Area, which is poised to become Ho Chi Minh City's future central business district. The planned development will comprise premium residential apartments, office and retail properties as well as an 86-storey integrated mixed-use tower complex. We are excited that through this project, we will bring the best in waterfront and urban lifestyles to Ho Chi Minh City as well as augment Keppel Land's quality portfolio of prime residential and commercial properties in the city.
38. Separately, Keppel Land has also entered into a subscription agreement with Nam Long Investment Corporation, a leading affordable housing developer in Ho Chi Minh City, for the subscription of VND 500 billion (approximately S\$30.4 million) convertible bonds due in 2020. This is in addition to the approximately 5% stake Keppel Land has in the company. The investment underscores our confidence in the long-term investment potential of Vietnam, which is one of Keppel Land's key growth markets.
39. In Singapore, Keppel Land has expanded its commercial portfolio with 112 Katong in which it has recently acquired a 22.4% interest. Here is a good example of the collaboration and synergy in the Group where the different businesses in our property vertical work together to extract value from various aspects of asset ownership, management and operations. The remainder interest in 112 Katong is held by the Alpha Asia Macro Trends Fund, a fund managed by Alpha Investment Partners while Keppel Land Retail Management has been appointed the retail manager.
40. Reflecting the group's capital recycling strategy, over the first quarter, Keppel Land has also announced divestments of two properties in Hanoi, its stakes in a Thai-listed company as well as a property developing company in Sri Lanka.

41. Keppel REIT has also successfully completed the divestment of its 100% interest in office development 77 King Street in Sydney, Australia, for A\$160 million. The sale of the property is approximately 40% above its original purchase price and an approximate 27% premium over its latest valuation.

Property Portfolio

42. Tapping on demand in recovering property markets across Asia, Keppel Land has about 20,000 homes in its portfolio ready for launch over the next two years, mostly in China.
43. In parallel, Keppel Land is actively strengthening its portfolio of commercial properties which has increased to over one million square metres of gross floor area.

Infrastructure

Energy Infrastructure & Services

44. On to our Infrastructure Division.
45. Our team is pursuing growth opportunities in key areas such as gas-to-power and waste-to-energy both in Singapore and overseas. They are focused on building Keppel Infrastructure into a stable contributor to the Group's bottom line.
46. In Qatar, Keppel Seghers has begun the 10-year operations and maintenance phase of the contract for the liquids stream, solids thickening and dewatering facilities in the Doha North Sewage Treatment Works.
47. Meanwhile, we continue to work at generating predictable and sustainable cash flows for Keppel Infrastructure Trust. Just last week, together with joint venture partner, Shimizu Corporation, Keppel Infrastructure Trust handed over the newly completed 1-Net North Data Centre to their client. The lease agreement is effective for a period of 20 years.

Data Centres

48. Under our data centre business, Keppel Data Centres Holding, a joint venture between Keppel T&T and Keppel Land, continues to display strong capabilities by securing \$84.5 million in contracts to provide colocation and data centre services at Keppel Datahub 2.
49. The contracts were signed with a blue-chip client in the internet enterprise industry and a government-related entity, bringing commitment at Keppel Datahub 2 to 100% within two years since the facility was completed in 2014. Built to energy-efficient specifications, the facility was the first newbuild data centre in Singapore to be awarded the BCA-IDA Green Mark Platinum Award for New Data Centres.
50. Keppel Data Centres also recently expanded its data centre footprint with the ground breaking of Keppel Datahub 3, its fourth data centre in Singapore. Once completed, it will feature approximately 183,000 sq ft of gross floor area, making it Keppel's second largest data centre in Singapore after Keppel Digihub.
51. Just this morning, Keppel Data Centres announced that it has entered into a long-term collaboration agreement with Hong Kong's PCCW Global to co-develop and market an international carrier exchange, which offers connectivity-related managed services to facilitate interconnects. The collaboration leverages PCCW Global's extensive global network connectivity and marks the expansion of Keppel T&T's data centre footprint into Hong Kong.

52. Expanding its value-added services to customers, Keppel Data Centres had also signed a Memorandum of Understanding with the National Supercomputing Centre to explore potential collaboration in areas of supercomputing and high performance computing, InfiniBand connectivity, networking and scientific software applications, green technology for data centres and related areas.

Logistics

53. In the first three months of 2016, Keppel T&T secured additional clients for its logistics facilities in Singapore and Vietnam. In China, the new distribution centre in Tianjin and the Lu'an logistics park are expected to commence operations later this year.

Investments

54. Our Investments Division is Keppel's fourth business vertical. It used to comprise mainly the Group's holdings in associate companies k1 Ventures, M1 and KrisEnergy. As of this quarter, we have also included contributions from the four asset managers under Keppel Capital.
55. Profit from the Investments Division was impacted in 1Q 2016 due mainly to the absence of gains from the sale of investments last year, which amounted to S\$50 million, as well as taking in our share of losses from KrisEnergy. However, the recurring earnings from our asset management business has been steady, contributing S\$15 million in 1Q 2016, vis-à-vis S\$13 million in the same period last year.
56. During the year, the Alpha Asia Macro Trends Fund II managed by Alpha Investment Partners has acquired the remaining 50% stake in the 78 Shenton Way office building as well as a Grade A office building, Jongro Place in Seoul's CBD. We also expect to launch the Alpha Asia Macro Trends Fund III this year.
57. I have shared our plans to grow Keppel's asset management business, and develop our Investments Division into a steady pillar of recurring income for the Group. Presenting our asset managers' performance in this manner will enable us to better demonstrate and account for the future growth of this business.
58. Finally, I am pleased to update that we have made good progress on the formation of Keppel Capital. Since the announcement in January this year, we have installed an experienced and capable team of professionals at Keppel Capital, and are on track with the restructuring of our asset management business, which will be completed by 2H 2016.
59. I shall now let our CFO, Hon Chew, take you through a review of the Group's financial performance.
60. Thank you.

KEPPEL CORPORATION LIMITED

First Quarter 2016 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

The Directors of **Keppel Corporation Limited** advise the following unaudited results of the Group for the first quarter ended 31 March 2016.

1. GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March

	Note	1Q 2016 \$'000	1Q 2015 \$'000	+/- %
Revenue		1,742,957	2,814,139	-38.1
Materials & subcontract costs	(i)	(1,076,138)	(1,802,770)	-40.3
Staff costs	(ii)	(284,179)	(486,449)	-41.6
Depreciation & amortisation		(56,589)	(65,680)	-13.8
Other operating expenses	(iii)	(48,101)	(60,999)	-21.1
Operating profit		277,950	398,241	-30.2
Investment income		4,367	1,224	+256.8
Interest income		28,760	31,422	-8.5
Interest expenses	(iv)	(46,594)	(36,607)	+27.3
Share of results of associated companies	(v)	13,723	61,174	-77.6
Profit before tax		278,206	455,454	-38.9
Taxation	1b	(52,488)	(81,302)	-35.4
Profit for the period		225,718	374,152	-39.7
Attributable to:				
Shareholders of the Company		210,558	360,226	-41.5
Non-controlling interests		15,160	13,926	+8.9
		225,718	374,152	-39.7
Earnings per ordinary share				
- basic		11.6 cts	19.8 cts	-41.4
- diluted		11.6 cts	19.7 cts	-41.1

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

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

	Note	1Q 2016 \$'000	1Q 2015 \$'000	+/- %
Share-based payment expenses		5,352	7,965	-32.8
Profit on sale of investments	(vi)	–	(49,605)	NM
Profit on sale of fixed assets (Write-back)/provision	(vii)	(913)	(1,271)	-28.2
- Stocks & work-in-progress	(viii)	(7,776)	(52)	NM
- Doubtful debts		240	1,075	-77.7
Bad debts written off		20	105	-81.0
Fair value (gain)/loss				
- Investments	(ix)	(2,679)	(822)	+225.9
- Forward contracts	(x)	(17,039)	24,153	NM
- Financial derivatives		1,962	(2,357)	NM
Foreign exchange loss/(gain)	(xi)	17,271	(12,518)	NM
Write-back of impairment of investments	(xii)	(284)	(777)	-63.4
Loss on disposal of a subsidiary	(xiii)	4,439	–	NM
Gain associated with restructuring of operations and others	(xiv)	(1,633)	–	NM

NM - Not Meaningful

Note:

- (i) Materials & subcontract costs decreased mainly as a result of lower revenue from the Offshore & Marine Division and Infrastructure Division, partly offset by higher revenue in the Property Division.
- (ii) Staff costs decreased due mainly to lower manpower cost in the Offshore & Marine Division and Infrastructure Division.
- (iii) Lower other operating expenses was due mainly to the write-back of provision for stocks and work-in-progress (Note (viii)) and fair value gain on forward contracts as compared to fair value loss in the prior period (Note (x)), partly offset by absence of profit on sale of investments in the current period (Note (vi)), foreign exchange loss in the current period (Note (xi)) and loss on disposal of a subsidiary (Note (xiii)).
- (iv) Higher interest expense was mainly attributable to higher borrowings.
- (v) Share of profits of associated companies was lower due mainly to lower contribution from associated companies in the Investments Division.
- (vi) The profit from sale of investments in the prior period was due mainly to the disposal of listed equities.
- (vii) Profit on sale of fixed assets in the current period was largely attributable to disposal of assets in the Infrastructure Division and the Offshore & Marine Division.
- (viii) The write-back in the current period was in relation to write-back of impairment in the Property Division.
- (ix) Fair value gain (mark-to-market) on investment portfolio held for trading was due to increase in stock prices.
- (x) Hedging differential on forward exchange contracts was due to elapse of time and fluctuations in interest rates.
- (xi) Foreign exchange loss mainly arose from the revaluation of assets denominated in United States dollar, which depreciated against Singapore Dollar.

- (xii) The write-back in the current period was in relation to write-back of impairment of investment in the Infrastructure Division.
 - (xiii) Loss on disposal of a subsidiary in the current period arose from the sale of Keppel CT Developments Pte Ltd in the Property Division.
 - (xiv) Gain associated with restructuring of operations and others arose mainly from the gain on change in interest in an associated company.
- 1b. Taxation expenses were lower because of lower taxable profits in the Offshore & Marine Division as well as write-back of prior years' provision.
- 1c. Earnings per ordinary share

	1Q 2016	1Q 2015	+/-%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on weighted average number of shares	11.6 cts	19.8 cts	-41.4
- Weighted average number of shares (excluding treasury shares) ('000)	1,814,576	1,815,924	-0.1
(ii) On a fully diluted basis	11.6 cts	19.7 cts	-41.1
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	1,821,380	1,827,006	-0.3

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the first quarter ended 31 March**

	Note	1Q 2016 \$'000	1Q 2015 \$'000	+/- %
Profit for the period		225,718	374,152	-39.7
Items that may be reclassified subsequently to profit & loss account:				
Available-for-sale assets				
- Fair value changes arising during the period	(i)	(21,425)	(20,856)	+2.7
- Realised and transferred to profit & loss account	(ii)	–	(39,241)	NM
Cash flow hedges				
- Fair value changes arising during the period, net of tax	(iii)	134,750	(380,506)	NM
- Realised and transferred to profit & loss account	(iv)	59,239	73,236	-19.1
Foreign exchange translation				
- Exchange differences arising during the period	(v)	(167,918)	220,222	NM
- Realised and transferred to profit & loss account		(382)	–	NM
Share of other comprehensive income of associated companies				
- Available-for-sale assets		22	2,182	-99.0
- Cash flow hedges		(15,159)	10,083	NM
- Foreign exchange translation		(40,919)	11,954	NM
Other comprehensive income for the period, net of tax		(51,792)	(122,926)	-57.9
Total comprehensive income for the period		173,926	251,226	-30.8
Attributable to:				
Shareholders of the Company		186,895	188,881	-1.1
Non-controlling interests		(12,969)	62,345	NM
		173,926	251,226	-30.8

NM - Not Meaningful

Note:

- (i) Fair value changes were attributable to movements in quoted prices of available-for-sale assets.
- (ii) These represented fair value changes on available-for-sale assets, which were transferred to profit & loss account upon realisation.
- (iii) Fair value differences were due mainly to the hedging differential on forward exchange contracts, which were largely entered to hedge exposures against United States dollar. The fair value gain was as a result of the weaker United States dollar exchange rate.
- (iv) These represented cash flow hedges, which were transferred to profit & loss account upon realisation.
- (v) These exchange differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations. The translation losses for the current period arose largely from weakening of foreign currencies, such as United States dollar and Renminbi against Singapore dollar, while the translation gains for 1Q 2015 arose from strengthening of foreign currencies, such as United States dollar and Renminbi against Singapore dollar.

3. BALANCE SHEETS as at 31 March

	Group		Company	
	31.3.2016	31.12.2015	31.3.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
Share capital	1,288,394	1,288,394	1,288,394	1,288,394
Treasury shares	(18,629)	(49,011)	(18,629)	(49,011)
Reserves	10,014,450	9,856,278	5,604,628	5,608,423
Share capital & reserves	11,284,215	11,095,661	6,874,393	6,847,806
Non-controlling interests	812,779	830,198	–	–
Capital employed	12,096,994	11,925,859	6,874,393	6,847,806
Represented by:				
Fixed assets	2,808,691	2,845,547	1,136	1,281
Investment properties	3,203,247	3,272,112	–	–
Subsidiaries	–	–	8,249,802	8,139,235
Associated companies	5,464,734	5,521,756	–	–
Investments	359,863	350,103	–	–
Long term assets	284,721	283,464	467	380
Intangibles	98,851	99,825	–	–
	12,220,107	12,372,807	8,251,405	8,140,896
Current assets				
Stocks & work-in-progress				
in excess of related billings	10,510,054	10,650,500	–	–
Amounts due from:				
- subsidiaries	–	–	3,390,433	3,445,760
- associated companies	504,731	509,041	497	511
Debtors	3,173,683	3,144,822	926	1,257
Derivative assets	122,917	125,472	109,567	120,507
Short term investments	210,422	225,118	–	–
Bank balances, deposits & cash	1,636,255	1,892,841	554	91
	16,158,062	16,547,794	3,501,977	3,568,126
Current liabilities				
Creditors	4,518,008	4,971,549	115,191	144,866
Derivative liabilities	577,634	780,275	375,736	515,746
Billings on work-in-progress				
in excess of related costs	1,687,951	1,888,468	–	–
Provisions	87,600	90,216	–	–
Amounts due to:				
- subsidiaries	–	–	987,857	993,056
- associated companies	104,709	137,376	–	–
Term loans	1,134,576	856,735	836,523	631,879
Taxation	350,573	352,595	9,567	15,867
	8,461,051	9,077,214	2,324,874	2,301,414
Net current assets	7,697,011	7,470,580	1,177,103	1,266,712
Non-current liabilities				
Term loans	7,308,785	7,401,934	2,500,000	2,500,000
Deferred taxation	372,963	373,173	–	–
Other non-current liabilities	138,376	142,421	54,115	59,802
	7,820,124	7,917,528	2,554,115	2,559,802
Net assets	12,096,994	11,925,859	6,874,393	6,847,806
Group net debt	6,807,106	6,365,828	n.a.	n.a.
Group net gearing ratio	0.56x	0.53x	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 31.3.2016		As at 31.12.2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
17,772	1,116,804	11,764	844,971

(ii) Amount repayable after one year

As at 31.3.2016		As at 31.12.2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,236,187	6,072,598	1,216,914	6,185,020

(iii) Details of any collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The Group has mortgaged certain properties and assets of up to an aggregate amount of \$2,482,700,000 (31 December 2015: \$2,455,633,000) to banks for loan facilities.

3b. Net asset value

	Group			Company		
	31.3.2016	31.12.2015	+/-%	31.3.2016	31.12.2015	+/-%
Net asset value per ordinary share *	\$6.22	\$6.13	+1.5	\$3.79	\$3.78	+0.3
Net tangible asset per ordinary share *	\$6.16	\$6.07	+1.5	\$3.79	\$3.78	+0.3

* Based on share capital of 1,815,230,963 ordinary shares (excluding treasury shares) as at the end of the financial period (31 December 2015: 1,811,147,200 ordinary shares (excluding treasury shares)).

3c. Balance sheet analysis

Group shareholder's funds increased by \$0.19 billion to \$11.28 billion at 31 March 2016. The increase was mainly attributable to retained profits for the quarter ended 31 March 2016 and increase in fair value on cash flow hedges. This is partly offset by losses arising from foreign exchange translation and fair value losses on available-for-sale assets.

Group total assets were \$28.38 billion at 31 March 2016, \$0.54 billion lower than the previous year end. Decrease in current assets was due mainly to decrease in bank balances, deposits & cash, largely due to net cash outflow from operating activities during the quarter. Non-current assets decreased due mainly to foreign currency translation of fixed assets and investment properties in China as a result of weaker Renminbi exchange rate. Associated companies decreased due mainly to the share of losses of KrisEnergy and dividends received during the quarter.

Group total liabilities of \$16.28 billion at 31 March 2016 were \$0.71 billion lower than the previous year end. This was largely attributable to reduction in creditors in the Offshore & Marine Division and Property Division.

Group net debt increased by \$0.44 billion to \$6.81 billion at 31 March 2016.

4. STATEMENTS OF CHANGES IN EQUITY for the first quarter ended 31 March

4a. Statement of changes in equity of the Group

	Attributable to owners of the Company							
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Foreign Exchange Transla- tion Account \$'000	Share Capital & Reserves \$'000	Non- controlling Interests \$'000	Capital Employed \$'000
2016								
As at 1 January	1,288,394	(49,011)	(383,540)	10,379,320	(139,502)	11,095,661	830,198	11,925,859
Total comprehensive income for the quarter								
Profit for the quarter	-	-	-	210,558	-	210,558	15,160	225,718
Other comprehensive income *	-	-	158,821	-	(182,484)	(23,663)	(28,129)	(51,792)
Total comprehensive income for the quarter	-	-	158,821	210,558	(182,484)	186,895	(12,969)	173,926
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Share-based payment	-	-	4,560	-	-	4,560	124	4,684
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(10,246)	(10,246)
Purchase of treasury shares	-	(3,069)	-	-	-	(3,069)	-	(3,069)
Treasury shares reissued pursuant to share plans	-	33,451	(33,451)	-	-	-	-	-
Transfer of statutory, capital and other reserves from revenue reserves	-	-	30	(30)	-	-	-	-
Cash subscribed by non-controlling shareholders	-	-	-	-	-	-	4,356	4,356
Contributions to defined benefits plans	-	-	168	-	-	168	-	168
Total contributions by and distributions to owners	-	30,382	(28,693)	(30)	-	1,659	(5,766)	(4,107)
<u>Changes in ownership interests in subsidiaries</u>								
Disposal of interest in subsidiaries	-	-	-	-	-	-	1,316	1,316
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	1,316	1,316
Total transactions with owners	-	30,382	(28,693)	(30)	-	1,659	(4,450)	(2,791)
As at 31 March	1,288,394	(18,629)	(253,412)	10,589,848	(321,986)	11,284,215	812,779	12,096,994

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

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

	Attributable to owners of the Company							
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Foreign Exchange Transla- tion Account \$'000	Share Capital & Reserves \$'000	Non- controlling Interests \$'000	Capital Employed \$'000
2015								
As at 1 January	1,287,595	(48,665)	(89,335)	9,422,754	(191,587)	10,380,762	4,346,879	14,727,641
Total comprehensive income for the quarter								
Profit for the quarter	–	–	–	360,226	–	360,226	13,926	374,152
Other comprehensive income *	–	–	(355,920)	–	184,575	(171,345)	48,419	(122,926)
Total comprehensive income for the quarter	–	–	(355,920)	360,226	184,575	188,881	62,345	251,226
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Share-based payment	–	–	7,741	–	–	7,741	164	7,905
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	(1,344)	(1,344)
Shares issued	799	–	(20)	–	–	779	–	779
Treasury shares reissued pursuant to share plans and share option scheme	–	39,198	(37,538)	–	–	1,660	–	1,660
Cash subscribed by non-controlling shareholders	–	–	1,348	–	–	1,348	3,500	4,848
Contributions to defined benefits plans	–	–	1,661	–	–	1,661	474	2,135
Total contributions by and distributions to owners	799	39,198	(26,808)	–	–	13,189	2,794	15,983
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of subsidiaries	–	–	–	–	–	–	1,224	1,224
Acquisition of additional interest in subsidiaries	–	–	(4,833)	273,636	–	268,803	(3,066,524)	(2,797,721)
Total change in ownership interests in subsidiaries	–	–	(4,833)	273,636	–	268,803	(3,065,300)	(2,796,497)
Total transactions with owners	799	39,198	(31,641)	273,636	–	281,992	(3,062,506)	(2,780,514)
As at 31 March	1,288,394	(9,467)	(476,896)	10,056,616	(7,012)	10,851,635	1,346,718	12,198,353

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

4b. Statement of changes in equity of the Company

	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total \$'000
2016					
As at 1 January	1,288,394	(49,011)	199,713	5,408,710	6,847,806
Profit / Total comprehensive income for the quarter	–	–	–	25,595	25,595
Transactions with owners, recognised directly in equity					
Share-based payment	–	–	4,061	–	4,061
Purchase of treasury shares	–	(3,069)	–	–	(3,069)
Treasury shares reissued pursuant to share plans	–	33,451	(33,451)	–	–
Total transactions with owners	–	30,382	(29,390)	–	992
As at 31 March	1,288,394	(18,629)	170,323	5,434,305	6,874,393
2015					
As at 1 January	1,287,595	(48,665)	191,294	4,400,277	5,830,501
Profit / Total comprehensive income for the quarter	–	–	–	(23,323)	(23,323)
Transactions with owners, recognised directly in equity					
Share-based payment	–	–	6,508	–	6,508
Shares issued	799	–	(20)	–	779
Treasury shares reissued pursuant to share plans and share option scheme	–	39,198	(37,538)	–	1,660
Total transactions with owners	799	39,198	(31,050)	–	8,947
As at 31 March	1,288,394	(9,467)	160,244	4,376,954	5,816,125

4c. Share capital

Issued share capital and treasury shares

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 January 2016	1,817,910,180	6,762,980
Treasury shares transferred pursuant to restricted share plan and performance share plan	–	(4,673,763)
Treasury shares purchased	–	590,000
As at 31 March 2016	1,817,910,180	2,679,217

Treasury shares

During the quarter, the Company transferred 4,673,763 (31 March 2015: 4,777,980) treasury shares to employees upon vesting of shares released under the KCL Share Plans. The Company also purchased 590,000 treasury shares (31 March 2015: Nil) during the quarter. As at 31 March 2016, the number of treasury shares held by the Company represented 0.15% (31 March 2015: 0.06%) of the total number of issued shares (excluding treasury shares). Except for the transfer, there was no other sale, disposal, cancellation and/or other use of treasury shares during the quarter ended 31 March 2016.

Share options

As at 31 March 2016, there were unexercised options for 16,632,374 of unissued ordinary shares (31 March 2015: 19,182,304 ordinary shares) under the KCL Share Options Scheme. Unexercised options for 1,189,100 of unissued ordinary shares were cancelled during the three months ended 31 March 2016 (31 March 2015: 9,100).

KCL Performance Share Plan ("KCL PSP")

As at 31 March 2016, the number of contingent shares granted but not released were 1,497,400 (31 March 2015: 1,832,119) for KCL PSP. 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 2,246,100 under KCL PSP.

KCL Restricted Share Plan ("KCL RSP")

As at 31 March 2016, the number of contingent shares granted but not released was nil (31 March 2015: 4,863,286).

As at 31 March 2016, the number of awards released but not vested was 5,027,947 (31 March 2015: 4,350,160) for KCL RSP.

The movements in the number of shares under KCL RSP and KCL PSP are as follows:

Contingent awards:

Date of Grant	Number of shares					
	At 1.1.16	Contingent awards granted	Adjustment upon release	Released	Cancelled	At 31.3.16
<u>KCL PSP</u>						
28.3.2013	554,719	–	(421,619)	(133,100)	–	–
31.3.2014	577,400	–	–	–	–	577,400
31.3.2015	700,000	–	–	–	–	700,000
30.7.2015	220,000	–	–	–	–	220,000
	2,052,119	–	(421,619)	(133,100)	–	1,497,400
<u>KCL RSP</u>						
31.3.2015	4,731,880	–	–	(4,683,980)	(47,900)	–
30.7.2015	789,603	–	–	(764,298)	(25,305)	–
	5,521,483	–	–	(5,448,278)	(73,205)	–

Awards released but not vested:

Date of Grant	Number of shares					
	At 1.1.16	Released	Vested	Cancelled	Other adjustments	At 31.3.16
<u>KCL PSP</u>						
28.3.2013	–	133,100	(122,600)	–	(10,500)	–
	–	133,100	(122,600)	–	(10,500)	–
<u>KCL RSP</u>						
28.3.2013	1,309,027	–	(1,293,231)	(7,512)	(5,177)	3,107
31.3.2014	2,884,098	–	(1,432,200)	(18,016)	(10,000)	1,423,882
31.3.2015	–	4,683,980	(1,580,991)	(958)	(14,630)	3,087,401
30.7.2015	–	764,298	(244,741)	(5,000)	(1,000)	513,557
	4,193,125	5,448,278	(4,551,163)	(31,486)	(30,807)	5,027,947

4d. Capital reserves

	Group		Company	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	\$'000	\$'000	\$'000	\$'000
Share option and share plans reserve	176,383	175,365	154,878	152,662
Fair value reserve	52,645	44,891	–	–
Hedging reserve	(611,531)	(814,043)	–	–
Bonus issue by subsidiaries	40,000	40,000	–	–
Others	89,091	76,891	15,445	7,582
	<u>(253,412)</u>	<u>(476,896)</u>	<u>170,323</u>	<u>160,244</u>

5. CONSOLIDATED STATEMENT OF CASH FLOWS for the first quarter ended 31 March

		1Q 2016 \$'000	1Q 2015 \$'000
	Note		
OPERATING ACTIVITIES			
Operating profit		277,950	398,241
Adjustments:			
Depreciation and amortisation		56,589	65,680
Share-based payment expenses		5,352	7,965
Profit on sale of investments		–	(49,605)
Profit on sale of fixed assets		(913)	(1,271)
Write-back of impairment of investments		(284)	(777)
Loss on disposal of a subsidiary		4,439	–
Gain associated with restructuring of operations and others		(1,633)	–
Operational cash flow before changes in working capital		341,500	420,233
Working capital changes:			
Stocks & work-in-progress		(9,371)	(586,466)
Debtors		(86,549)	(336,036)
Creditors		(512,482)	767,263
Investments		(16,489)	71,569
Advances to associated companies		(28,994)	(27,076)
		(312,385)	309,487
Interest received		28,760	31,422
Interest paid		(46,594)	(36,607)
Income taxes paid, net of refunds received		(24,067)	(19,970)
Net cash (used in)/from operating activities		(354,286)	284,332
INVESTING ACTIVITIES			
Acquisition of a subsidiary	5a	–	(2,290)
Acquisition and further investment in associated companies		(75,486)	(61,502)
Acquisition of fixed assets and investment properties		(50,336)	(364,419)
Disposal of a subsidiary	5b	4,908	–
Proceeds from disposal of fixed assets		2,034	1,377
Proceeds from disposal of associated companies and return of capital		67	–
Dividends received from investments and associated companies		84,587	38,767
Net cash used in investing activities		(34,226)	(388,067)
FINANCING ACTIVITIES			
Acquisition of additional interest in subsidiaries		–	(2,770,662)
Proceeds from share issues		–	779
Proceeds from share options exercised with issue of treasury shares		–	1,660
Proceeds from non-controlling shareholders of subsidiaries		4,356	4,848
Proceeds from term loans		248,153	1,042,341
Repayment of term loans		(75,846)	(288,544)
Purchase of treasury shares		(3,069)	–
Dividend paid to non-controlling shareholders of subsidiaries		(10,246)	(1,344)
Net cash from/(used in) financing activities		163,348	(2,010,922)
Net decrease in cash and cash equivalents		(225,164)	(2,114,657)
Cash and cash equivalents as at 1 January		1,859,118	5,712,351
Effects of exchange rate changes on the balance of cash held in foreign currencies		(25,122)	55,568
Cash and cash equivalents as at 31 March	5c	1,608,832	3,653,262

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Acquisition of a subsidiary

There were no acquisition of subsidiaries during the current period. During the prior financial period, the fair values of net assets of the subsidiary acquired were as follows:

	1Q 2016 \$'000	1Q 2015 \$'000
Fixed assets	–	59
Intangible assets	–	3,245
Debtors and other assets	–	2,795
Bank balances and cash	–	2,210
Creditors	–	(2,649)
Current and deferred taxation	–	(763)
Total identifiable net assets at fair value	–	4,897
Non-controlling interests measured at non-controlling interests' proportionate share of the net assets	–	(1,224)
Goodwill arising from acquisition	–	827
Total purchase consideration	–	4,500
Less: Bank balances and cash acquired	–	(2,210)
Cash flow on acquisition	–	2,290

In the prior period, the significant acquisition of subsidiary relates to acquisition of 75% interest in Array Real Estate Pte Ltd.

5b. Disposal of a subsidiary

During the financial period, the book values of net assets of the subsidiary disposed were as follows:

	1Q 2016 \$'000	1Q 2015 \$'000
Fixed assets	(122)	–
Stocks and work-in-progress	(14,233)	–
Debtors and other assets	(481)	–
Bank balances and cash	(266)	–
Creditors and other liabilities	6,486	–
Current and deferred taxation	2	–
Non-controlling interest deconsolidated	(1,316)	–
Net assets disposed of	(9,930)	–
Net loss on disposal	4,439	–
Realisation of foreign currency translation reserve	317	–
Sale proceeds	(5,174)	–
Less: Bank balances and cash disposed	266	–
Cash flow on disposal	(4,908)	–

Significant disposal during the period relates to the sale of 60% interest in Keppel CT Developments Pte Ltd.

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:

	1Q 2016 \$'000	1Q 2015 \$'000
Bank balances, deposits and cash	1,636,255	3,667,308
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and liabilities	(27,423)	(14,046)
	<u>1,608,832</u>	<u>3,653,262</u>

5d. Cash flow analysis

Net cash used in operating activities was \$354 million compared to net cash from operating activities of \$284 million in the prior period. This was due mainly to higher cash outflow for working capital requirements.

Net cash used in investment activities was \$34 million. This comprised principally the acquisition of fixed assets, the acquisition of 22.4% stake in an associated company, 112 Katong, and further investment in associated companies. Dividend income amounted to \$85 million.

Net cash from financing activities was \$163 million compared to net cash used in financing activities of \$2.01 billion in the previous period. The net cash used in financing activities in the prior year was mainly attributable to the acquisition of additional shareholding in Keppel Land Limited. The net proceeds from term loans of \$172 million was \$581 million lower than prior period.

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 period compared with those of the audited financial statements as at 31 December 2015.

9. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised FRS that are effective for annual periods beginning on or after 1 January 2016. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

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

- Improvements to Financial Reporting Standards (November 2014)
- Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*
- Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 111 *Joint Arrangements : Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 28 *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

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

10. REVIEW OF GROUP PERFORMANCE

Group net profit for the quarter was \$211 million as compared to \$360 million for the same quarter in 2015. Earnings per share were 11.6 cents. Economic Value Added decreased by \$120 million to \$2 million. Annualised return on equity was 7.1%.

Group revenue of \$1,743 million was \$1,071 million or 38% below that of the first quarter of 2015. Revenue from the Offshore & Marine Division decreased by \$1,109 million to \$818 million due to lower volume of work, deferment of some projects and the suspension of the Sete Brasil contracts. Major jobs completed and delivered during the current quarter included three jack-up rigs. The Property Division saw its revenue increase by 66% to \$503 million due mainly to higher revenue from China and Singapore. Revenue from the Infrastructure Division contracted by \$116 million to \$390 million as a result of a drop in revenue recorded by the power and gas business due to lower prices and volume.

At the pre-tax level, Group profit was down by \$177 million or 39% to \$278 million for the quarter ended 31 March 2016. Pre-tax earnings of the Offshore & Marine Division declined by 51% to \$122 million due mainly to lower operating results arising from lower revenue and net interest expense, partly offset by higher share of associated companies profits. For the first quarter of 2016, pre-tax profit of the Property Division increased by \$49 million to \$136 million due mainly to higher contribution from China property trading and lower net interest expense. Pre-tax profit for the Infrastructure Division dropped by \$15 million to \$18 million due mainly to reduced contribution from the power and gas business. Pre-tax profit of the Investments Division was \$2 million for the current quarter as compared to \$84 million for the same quarter in 2015 due mainly to share of associated companies' losses and the absence of gain from sale of investments in the same period last year.

Taxation expenses declined by \$29 million or 36% due mainly to lower taxable profits. Non-controlling interests is comparable to that of same quarter in 2015. Taking into account income tax expenses and non-controlling interests, net profit attributable to shareholders was \$211 million, down \$149 million from \$360 million last year. The Property Division was the largest contributor to Group net profit with 47% share, followed by the Offshore & Marine Division's 45%, Infrastructure Division's 7% and the Investments Division at 1%.

11. VARIANCE FROM FORECAST STATEMENT

No forecast was previously provided.

12. PROSPECTS

The Offshore & Marine Division secured \$0.2 billion of new orders to-date. Its net order book stands at \$8.6 billion, with deliveries extending into 2020. Faced with the global sector downturn, the Division is rightsizing its operations for what could be an extended slowdown, while pursuing opportunities in niche markets and in non-drilling areas. It will continue to build new capabilities and position itself to seize opportunities when the upturn comes.

The Property Division sold about 940 homes in the first quarter of 2016, comprising about 830 in China, 50 in Vietnam and 60 in Singapore. This is higher than the 720 homes sold in the same quarter in 2015. The improvement is mainly attributable to sales in China. Total assets under management by Keppel REIT and Alpha stood at \$20.1 billion as at end-March 2016. Keppel REIT's office buildings in Singapore and Australia continue to maintain high occupancy of 99.4% as at end-March 2016. The Division will remain focused on strengthening its presence in its core and growth markets, seeking opportunities to unlock value and recycle capital as well as growing its fund management business for a sustainable recurring income stream.

In the Infrastructure Division, Keppel Infrastructure ("KI") will remain focused on its power and gas as well as its other energy-related infrastructure businesses and will continue to pursue promising growth areas. The electricity market is still expected to remain competitive but KI's integrated power and gas business platform will enable it to weather the challenges ahead through driving synergies and value creation across its diversified portfolio. Keppel Telecommunications & Transportation will continue to develop both logistics and data centre businesses locally and overseas. It will also focus on growing a portfolio of quality data centre assets for injection into Keppel DC REIT. Total assets under management by Keppel DC REIT are about \$1.2 billion as at end-March 2016.

The Group will continue to execute its multi-business strategy, capturing value by harnessing its core strengths and growing collaboration across divisions to unleash potential synergies, while being agile and investing in the future.

13. DIVIDEND

13a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?
No

13b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

13c. Date Payable

Not applicable

13d. Books Closure Date

Not applicable

13e. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the quarter ended 31 March 2016.

For the year ended 31 December 2015, the Directors had recommended a tax exempt one-tier final cash dividend of 22 cents per share for approval by shareholders at the Annual General Meeting to be held on 19 April 2016. If approved, the final dividend will be paid on 6 May 2016.

14. SEGMENT ANALYSIS

First Quarter ended 31 March 2016

	Offshore & Marine \$'000	Property \$'000	Infra- structure \$'000	Invest- ments \$'000	Elimina- tion \$'000	Total \$'000
Revenue						
External sales	817,888	503,026	390,005	32,038	–	1,742,957
Inter-segment sales	99	2,983	7,028	15,150	(25,260)	–
Total	817,987	506,009	397,033	47,188	(25,260)	1,742,957
Segment Results						
Operating profit	110,827	108,527	14,823	40,568	3,205	277,950
Investment income	287	3,625	–	455	–	4,367
Interest income	13,285	6,263	11,367	55,939	(58,094)	28,760
Interest expenses	(25,740)	(16,096)	(5,404)	(54,243)	54,889	(46,594)
Share of results of associated companies	23,447	32,759	(2,560)	(39,923)	–	13,723
Profit before tax	122,106	135,078	18,226	2,796	–	278,206
Taxation	(14,125)	(38,392)	(1,952)	1,981	–	(52,488)
Profit for the period	107,981	96,686	16,274	4,777	–	225,718
Attributable to:						
Shareholders of Company	94,988	98,768	13,935	2,867	–	210,558
Non-controlling interests	12,993	(2,082)	2,339	1,910	–	15,160
	107,981	96,686	16,274	4,777	–	225,718
Other information						
Segment assets	10,074,284	16,055,461	2,927,548	6,697,514	(7,376,638)	28,378,169
Segment liabilities	8,452,412	6,995,191	1,801,664	6,408,546	(7,376,638)	16,281,175
Net assets	1,621,872	9,060,270	1,125,884	288,968	–	12,096,994
Investment in associated companies	578,203	3,287,994	902,632	695,905	–	5,464,734
Additions to non-current assets	13,971	99,160	12,654	37	–	125,822
Depreciation and amortisation	39,460	6,494	9,944	691	–	56,589

GEOGRAPHICAL SEGMENT

	Singapore \$'000	China \$'000	Brazil \$'000	Far East & Other ASEAN Countries \$'000	Other Countries \$'000	Elimination \$'000	Total \$'000
External sales	1,131,728	300,975	50,717	175,891	83,646	–	1,742,957
Non-current assets	6,017,023	3,202,560	290,827	1,170,620	894,493	–	11,575,523

First Quarter ended 31 March 2015

	Offshore & Marine \$'000	Property \$'000	Infra- structure \$'000	Invest- ments \$'000	Elimina- tion \$'000	Total \$'000
Revenue						
External sales	1,926,834	302,972	505,967	78,366	–	2,814,139
Inter-segment sales	68	2,464	8,096	18,498	(29,126)	–
Total	1,926,902	305,436	514,063	96,864	(29,126)	2,814,139

Segment Results

Operating profit	231,835	69,161	29,992	62,556	4,697	398,241
Investment income	284	558	–	382	–	1,224
Interest income	20,434	5,765	1,506	40,230	(36,513)	31,422
Interest expenses	(5,352)	(18,825)	(9,600)	(34,646)	31,816	(36,607)
Share of results of associated companies	3,507	30,556	10,870	16,241	–	61,174
Profit before tax	250,708	87,215	32,768	84,763	–	455,454
Taxation	(46,257)	(20,159)	(7,797)	(7,089)	–	(81,302)
Profit for the period	204,451	67,056	24,971	77,674	–	374,152

Attributable to:

Shareholders of Company	202,929	60,480	21,820	74,997	–	360,226
Non-controlling interests	1,522	6,576	3,151	2,677	–	13,926
	204,451	67,056	24,971	77,674	–	374,152

Other information

Segment assets	9,568,401	16,664,825	4,073,114	7,294,490	(6,779,999)	30,820,831
Segment liabilities	7,428,865	7,522,044	3,075,863	7,375,705	(6,779,999)	18,622,478
Net assets	2,139,536	9,142,781	997,251	(81,215)	–	12,198,353

Investment in associated companies	564,694	3,328,999	643,687	622,985	–	5,160,365
Additions to non-current assets	44,330	286,203	95,271	117	–	425,921
Depreciation and amortisation	36,876	6,065	22,650	89	–	65,680

GEOGRAPHICAL SEGMENT

	Singapore \$'000	China \$'000	Brazil \$'000	Far East & Other ASEAN Countries \$'000	Other Countries \$'000	Elimination \$'000	Total \$'000
External sales	1,930,661	240,196	405,149	132,121	106,012	–	2,814,139
Non-current assets	5,763,603	2,428,792	289,441	1,013,804	798,522	–	10,294,162

Note:

- The Group is organised into business units based on their products and services, and has four reportable operating segments: Offshore & Marine, Property, Infrastructure and Investments. Investments consist mainly of the Group's investments in fund management, M1 Limited, KrisEnergy Limited, k1 Ventures Limited and equities.
- Pricing of inter-segment goods and services is at fair market value.
- In 1Q 2016, other than Singapore and China, no single country accounted for 10% or more of the Group's revenue. In 1Q 2015, other than Singapore and Brazil, no single country accounted for 10% or more of the Group's revenue.
- No single external customer accounted for 10% or more of the Group's revenue for 1Q 2016. In 1Q 2015, revenue of \$287,647,000 is derived from a single external customer and is attributable to the Offshore & Marine Division.

15. REVIEW OF SEGMENT PERFORMANCE

15a. Prior to 2016, the Group had presented the contribution of its fund management businesses within the Infrastructure Division and the Property Division accordingly. Following a restructuring plan to grow the contribution from the Investments Division, the contributions from these businesses are presented in the Investments Division from 2016. The 2015 segment information has been restated to align to the current reportable segment presentation.

15b. Revenue by Segments

Group revenue of \$1,743 million was \$1,071 million or 38% lower than that of corresponding period in 2015. Revenue from the Offshore & Marine Division of \$818 million was \$1,109 million lower due mainly to lower volume of work, deferment of some projects and the suspension of the Sete Brasil contracts. Revenue from the Property Division of \$503 million was \$200 million higher due mainly to higher revenue from China and Singapore. Revenue from the Infrastructure Division of \$390 million was \$116 million lower, mainly attributable to lower revenue recorded by the power and gas business due to lower prices and volume.

15c. Net profit by Segments

Group net profit of \$211 million was \$149 million or 41% lower than that of corresponding period in 2015. Profit from the Offshore & Marine Division of \$95 million was \$108 million lower than that of corresponding period in the prior year due mainly to lower operating results arising from lower revenue and higher net interest expense, partly offset by higher share of associated companies' profits. Profit from the Property Division of \$100 million increased by \$40 million due largely to higher contribution from China property trading and lower net interest expense. Profit from the Infrastructure Division of \$14 million was \$8 million lower due largely to the reduced contribution from the power and gas business. Profit from Investments decreased by \$73 million due mainly to share of associated companies' losses and the absence of gain from sale of investments in the same period last year. The Property Division was the largest contributor to Group net profit with 47% share, followed by the Offshore & Marine Division's 45%, Infrastructure Division's 7% and the Investments Division at 1%.

15d. Revenue by Geographical Segments

Revenue from Singapore of \$1,132 million was \$799 million lower, due largely to lower revenue from the Offshore & Marine Division. Higher revenue from China were mainly from the Property Division.

16. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 17 April 2015. During the financial period, the following interested person transactions were entered into by the Group:

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)	
	3 months 31.3.2016 \$'000	3 months 31.3.2015 \$'000	3 months 31.3.2016 \$'000	3 months 31.3.2015 \$'000
Transaction for the Sale of Goods and Services				
SATS Group	–	–	–	37,654
Sembcorp Marine Group	–	–	401	–
Singapore Airlines Group	–	–	–	5,600
Singapore Power Group	–	–	–	4,300
Transaction for the Purchase of Goods and Services				
Certis CISCO Security Group	–	–	101	158
Gas Supply Pte Ltd	–	–	–	80,000
Mapletree Investments Group	–	–	–	143
Pavilion Gas Pte Ltd	–	–	50,000	–
Singapore Technologies Engineering Group	–	–	–	3,565
Singapore Telecommunications Group	–	–	560	840
Total Interested Person Transactions	–	–	51,062	132,260

17. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

CAROLINE CHANG/KELVIN CHUA
Company Secretaries

18 April 2016

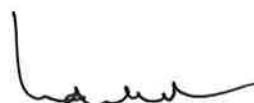
CONFIRMATION BY THE BOARD

We, LEE BOON YANG and LOH CHIN HUA, being two directors of Keppel Corporation Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter 2016 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



LEE BOON YANG
Chairman



LOH CHIN HUA
Chief Executive Officer

Singapore, 18 April 2016

First Quarter 2016 Financial Results

18 April 2016

Scope of Briefing

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

Address by CEO

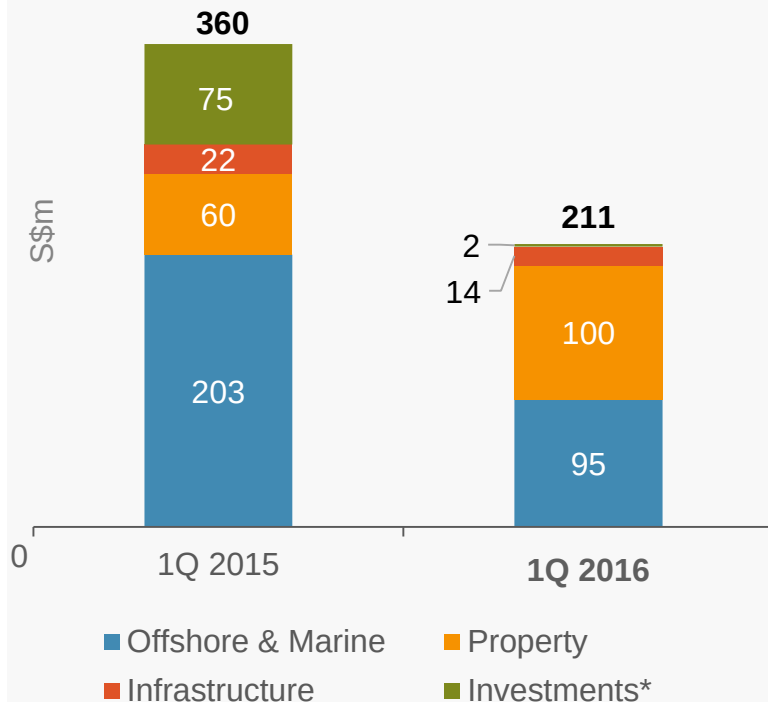
Macro Environment

- Weaker global growth
- Oil & gas sector remains challenging
- Continued economic and political challenges in Brazil
- Opportunities in Asia underpinned by urbanisation trends

Financial Performance

1Q 2016 net profit

S\$211m, down 41% yoy

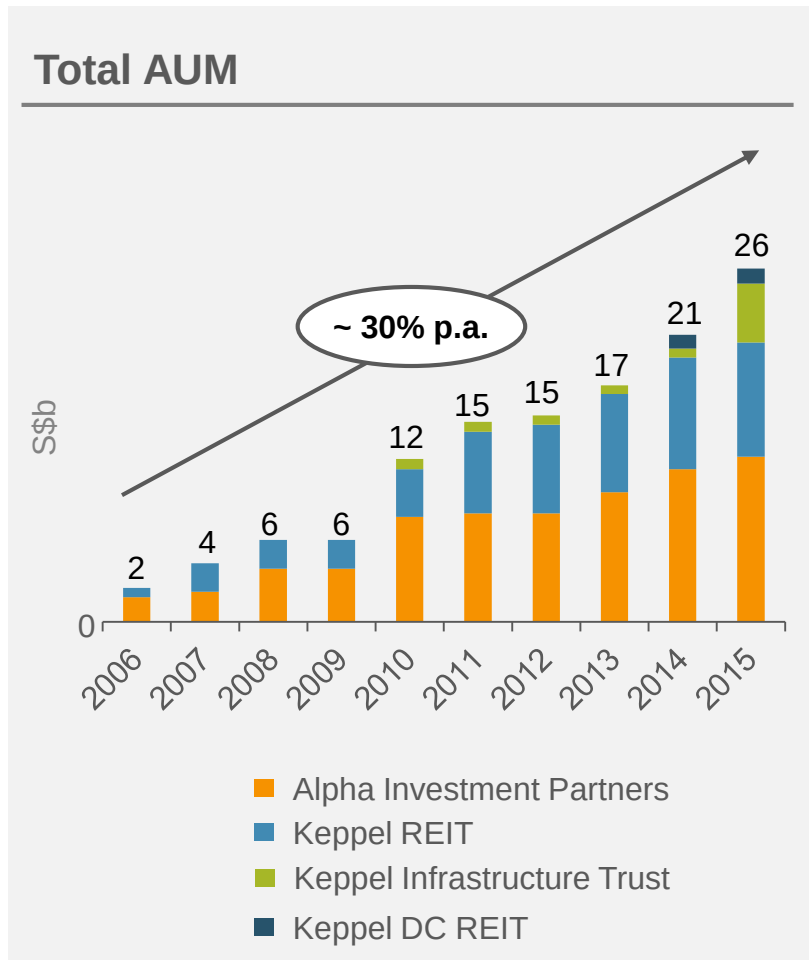


Key highlights

- Net profit was S\$211m
- EVA was S\$2m
- Annualised ROE was 7.1%
- Reporting asset management businesses under Investments Division

** Includes contributions from asset management businesses under Keppel Capital*

Growing the Asset Management Business



Restructuring asset managers under Keppel Capital

- Grow assets under management
- Create a larger platform for capital recycling and co-investing
- Enhance stable, recurring fee income

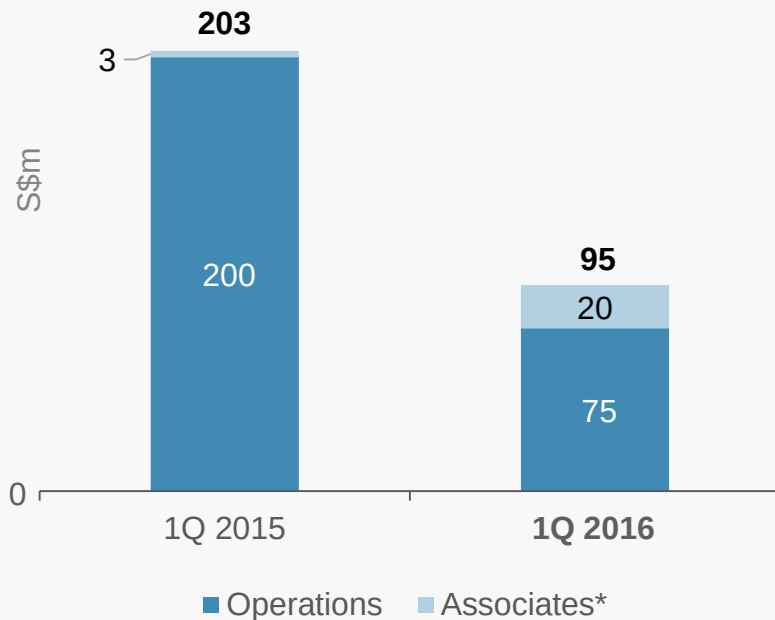


Offshore & Marine

Offshore & Marine

1Q 2016 net profit

\$95m, down 53% yoy



* Includes contributions from Floatel, Seafox and Dyna-Mac, etc.

Key developments

- New FPSO contract worth over \$190m from MODEC
- Jointly secured licence with Shell to supply LNG bunker in Singapore

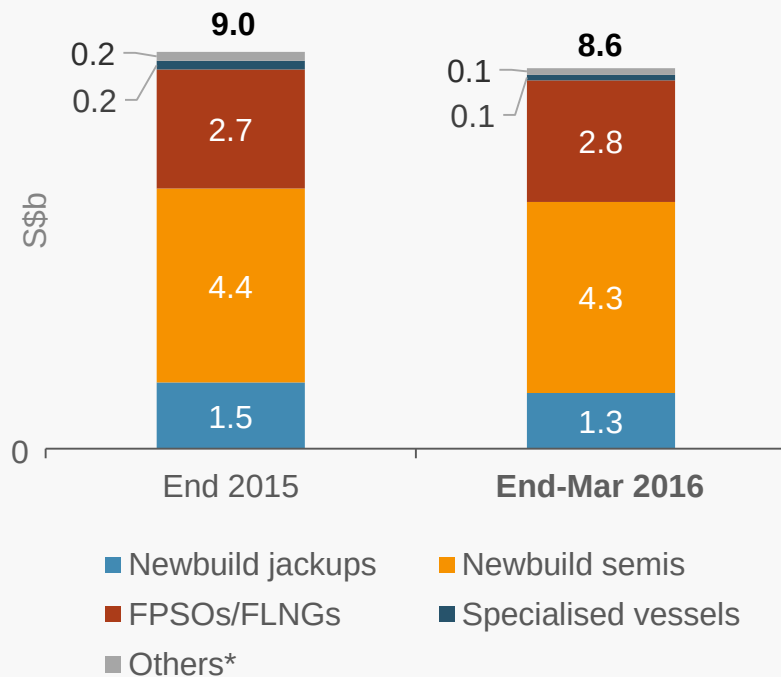
Improving solutions & operations

- Completing acquisition of LETOURNEAU™ rig designs and aftermarket business
- Continuing focus on optimising and rightsizing operations

Offshore & Marine

Net orderbook

S\$8.6b as at end-Mar 2016



Key deliveries in 1Q 2016

- 3 Jackups
- 1 Liftboat
- 1 Transformer platform

Other key projects to be completed in 2016 include 6 jackups, 2 semisubmersibles, a land rig, a derrick lay vessel and 5 FPSO/FSU conversions.

* Includes modification, upgrading, fabrication and rig repairs.



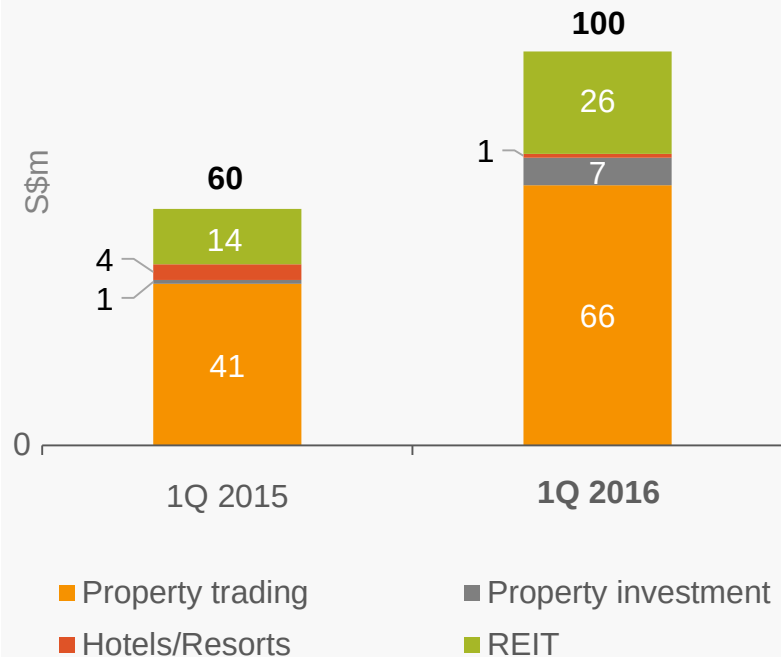
Keppel Land's latest waterfront development site in Ho Chi Minh City's Thu Thiem New Urban Area

Property

Property

1Q 2016 net profit

S\$100m, up 67% yoy



Home sales

- Sold about 940 homes, 31% higher than in 1Q 2015

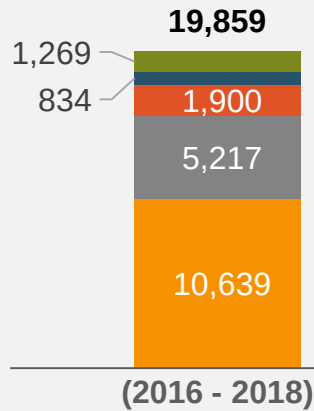
Key developments

- Acquired prime waterfront site in Ho Chi Minh City's Thu Thiem New Urban Area
- Acquired a 22.4% stake in 112 Katong lifestyle mall in Singapore
- Announced divestments in Hanoi, Bangkok and Colombo for capital recycling
- Keppel REIT divested 77 King Street, Sydney at 27% above valuation

Property Portfolio

Residential

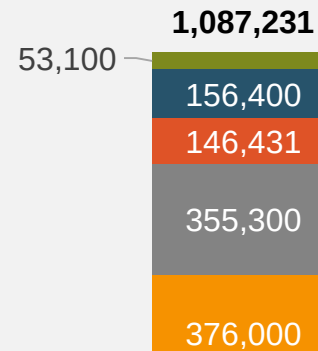
Launch-Ready Homes (units)



China Vietnam Indonesia
Singapore Others

Commercial

GFA under Development (sm)



China Vietnam Indonesia
Philippines Myanmar

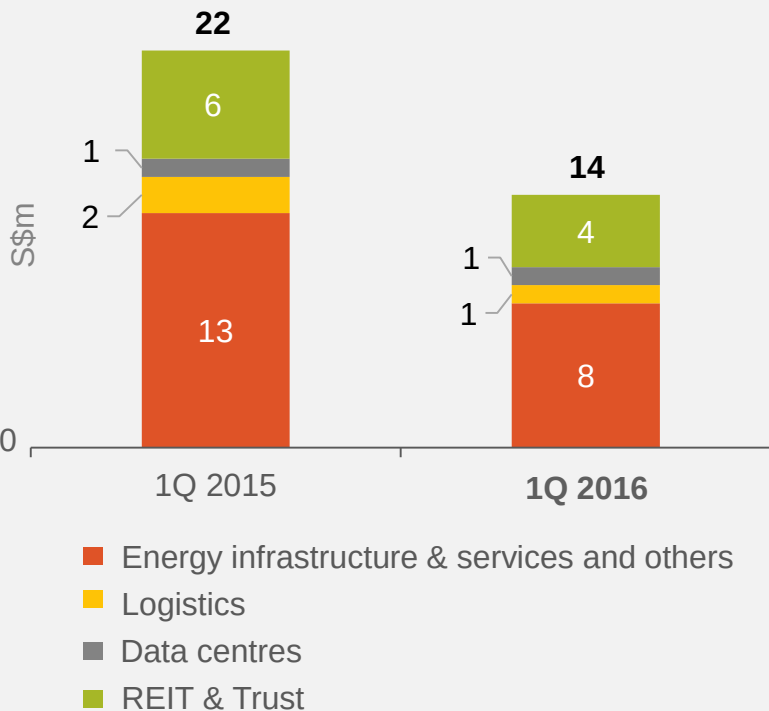


Infrastructure

Infrastructure

1Q 2016 net profit

S\$14m, down 36% yoy



Energy Infrastructure & Services

- Started 10-year operations & maintenance phase for Doha North Sewage Treatment Works in Qatar
- Keppel Infrastructure Trust completed 1-Net North Data Centre and commenced 20-year lease to 1-Net Singapore

Infrastructure



Keppel Datahub 2 in Tampines, Singapore

Data Centres

- Keppel Datahub 2 fully committed with new contracts of \$84.5m secured
- Broke ground for Keppel Datahub 3
- Co-developing and marketing an international carrier exchange in Hong Kong with PCCW Global

Logistics

- Secured new clients in Singapore and Vietnam
- Projects in Tianjin and Lu'an, China to be operational in 2Q and 3Q 2016

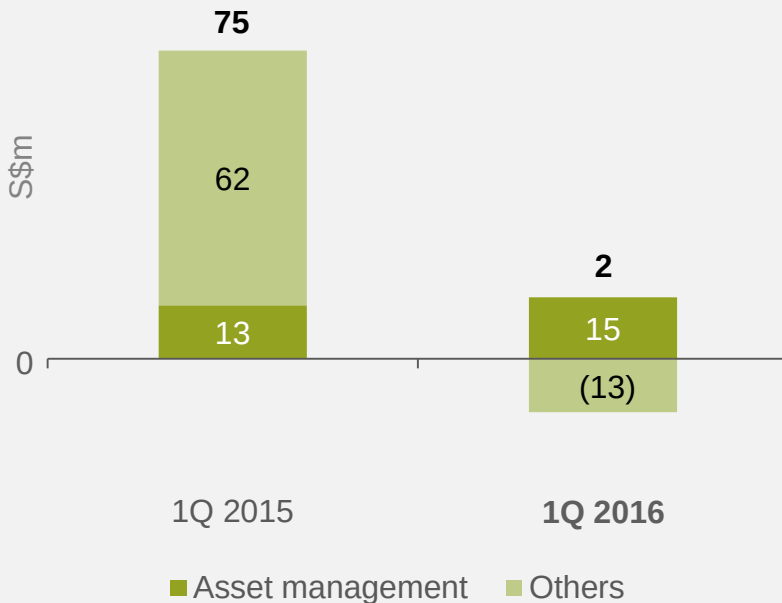


Investments

Investments

1Q 2016 net profit

S\$2m, down 97% yoy



Business updates

- Alpha acquired an office building at 78 Shenton Way in Singapore and Jongro building in Seoul
- Launch of Alpha Asia Macro Trends Fund III

Growing recurring income

- Steady, year-on-year contributions from asset management business
- Restructuring of asset managers to be completed by 2H 2016

Group Financial Highlights by CFO

1Q 2016 Financial Performance

Net Profit	↓	41% to S\$211m
EPS	↓	41% to 11.6cts
Annualised ROE	↓	from 12.9% to 7.1%
EVA	↓	from S\$122m to S\$2m
Free Cash Flow	↓	from inflow of S\$226m to outflow of S\$306m
Net Gearing	↑	from 0.53x to 0.56x

Financial Highlights

S\$m	<u>1Q 2016</u>	<u>1Q 2015</u>	<u>% Change</u>
Revenue	1,743	2,814	(38)
EBITDA	334	464	(28)
Operating Profit	278	398	(30)
Profit Before Tax	278	455	(39)
Net Profit	211	360	(41)
EPS (cents)	11.6	19.8	(41)

Revenue by Segments

S\$m	<u>1Q 2016</u>	<u>%</u>	<u>1Q 2015</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	818	47	1,927	68	(58)
Property	503	29	303	11	66
Infrastructure	390	22	506	18	(23)
Investments	32	2	78	3	(59)
Total	1,743	100	2,814	100	(38)

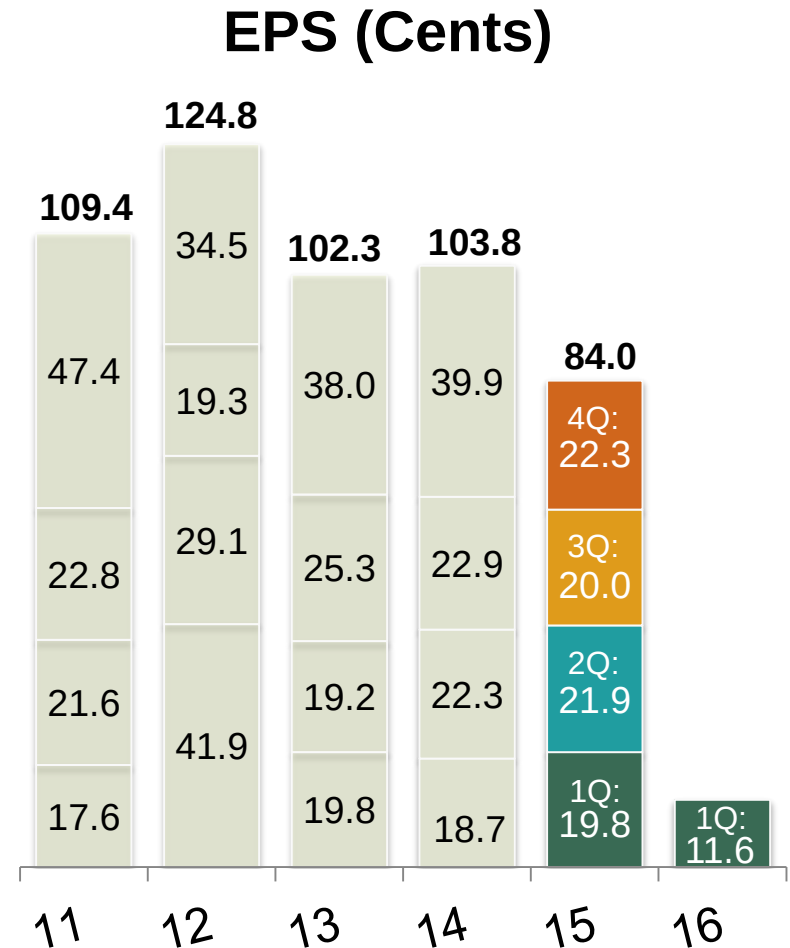
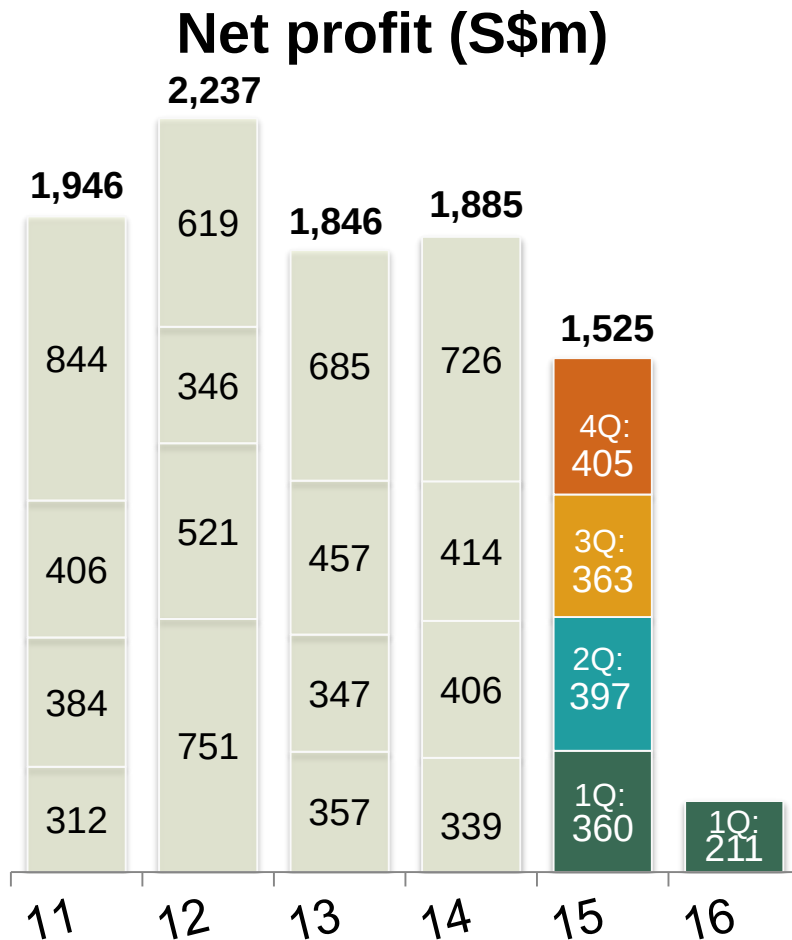
Pre-tax Profit by Segments

S\$m	<u>1Q 2016</u>	<u>%</u>	<u>1Q 2015</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	122	44	251	55	(51)
Property	136	49	87	19	56
Infrastructure	18	6	33	7	(46)
Investments	2	1	84	19	(98)
Total	278	100	455	100	(39)

Net Profit by Segments

S\$m	<u>1Q 2016</u>	<u>%</u>	<u>1Q 2015</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	95	45	203	56	(53)
Property	100	47	60	17	67
Infrastructure	14	7	22	6	(36)
Investments	2	1	75	21	(97)
Total	211	100	360	100	(41)

Net Profit & EPS



Free Cash Flow

	<u>1Q 2016</u>	<u>1Q 2015</u>
	S\$m	S\$m
Operating profit	278	398
Depreciation & other non-cash items	64	22
	342	420
Working capital changes	(654)	(111)
Interest & tax paid	(42)	(25)
Net cash (used in)/from operating activities	(354)	284
Investments & capex	(44)	(98)
Divestments & dividend income	92	40
Net cash from/(used in) investing activities	48	(58)
Cash (outflow)/inflow	(306)	226

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

**Harnessing strengths and
building resilience through a
robust multi-business strategy.**

1Q 2016 Results

Q&A

Additional Information

Revenue by Geography

	1Q 2016		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	<u>S\$m</u>	<u>Customers</u>	<u>Customers</u>
		%	%
Offshore & Marine	818	88	12
Property	503	62	38
Infrastructure	390	16	84
Investments	32	3	97
Total	1,743	64	36

64% of total revenue came from overseas customers

EBITDA by Segments

S\$m	<u>1Q 2016</u>	<u>%</u>	<u>1Q 2015</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	150	45	269	58	(44)
Property	115	34	75	16	53
Infrastructure	25	8	53	11	(53)
Investments	44	13	67	15	(34)
Total	334	100	464	100	(28)

Capital/Gearing/ROE

S\$m	<u>31 Mar 2016</u>	<u>31 Dec 2015</u>
Shareholders' Funds	11,284	11,096
Capital Employed	12,097	11,926
Net Debt	6,807	6,366
Net Gearing Ratio	0.56x	0.53x
ROE	7.1%	14.2%

OFFSHORE & MARINE

Financial Highlights – Offshore & Marine

S\$m	<u>1Q 2016</u>	<u>1Q 2015</u>	<u>% Change</u>
Revenue	818	1,927	(58)
EBITDA	150	269	(44)
Operating Profit	111	232	(52)
Profit Before Tax	122	251	(51)
Net Profit	95	203	(53)

Offshore & Marine Review

- **Over S\$190m contract secured in 1Q 2016:**

An FLNG modules fabrication and integration.

- **Contract completions in 1Q 2016:**

3 jackups, a liftboat, a transformer platform and a field development vessel repair/upgrade.

Offshore & Marine Orderbook

	Contract Value		Client
	Gross \$m.	Net \$m.	
<u>For delivery in 2016</u>			
6 JUs/1 Semi/1 Accom. Semi/1 Land Rig/1 Semi Upgrade/ 4 FPSO Conversions/1 FSU Conversion/1 FPSO Integration/ 1 FPSO Topsides Fabrication/1 Turret Fabrication/ 1 Barge Upgrade/1 Derrick Lay Vessel/1 AHT	3,962	244	Grupo R/Parden/Perforadora Central/ Falcon Energy/SOCAR/Floatel/ CDC/Bumi Armada/Yinson/ Modec/BP Exploration/ McDermott/Seaways
<u>For delivery in 2017</u>			
6 JUs/2 Semis/1 FLNG Conversion/1 FPSO Modules Fab. & Integration/1 RORO Vessel Engine Conversion/1 Subsea Construction Vessel/1 Ice-class Multi-Purpose Vessel/1 Liftboat	6,495	1,727	TS Offshore/Fecon/Clearwater/BOT Lease Co./ Sete Brasil/Golar/Petrobras/Modec/Totem Ocean/ Baku Shipyard/New Orient Marine/Crystal Heights
<u>For delivery in 2018</u>			
1 JU/1 Semi/1 FPSO Modules Fab. & Integration/ 1 FLNG Conversion	2,844	1,795	Ensco/Sete Brasil/Petrobras/Golar
<u>For delivery in 2019-2020</u>			
5 JUs/5 Semis/1 FLNG Conversion	5,922	4,868	Transocean/Sete Brasil/Golar
Total as at 31 March 2016	19,223	8,634	

PROPERTY

Financial Highlights - Property

S\$m	<u>1Q 2016</u>	<u>1Q 2015</u>	<u>% Change</u>
Revenue	503	303	66
EBITDA	115	75	53
Operating Profit	110	69	59
Profit Before Tax	136	87	56
Net Profit	100	60	67

Notes on Profit Recognition

Projects	% Sales	% Completion	Profit Recognised in 1Q 2016
Singapore			
Corals at Keppel Bay (366 units)	49.1%	88.9%	\$5.8m
The Glades (726 units)	49.8%	61.2%	\$2.0m
China			
8 Park Avenue, Shanghai			
- Phase 4 (130 units)	98.7%	100%	\$63.6m
- Phase 5 (130 units)	97.2%	100%	
- Phase 6 (106 units)	47.1%	100%	
The Springdale, Shanghai			
- Plot 2-1 (502 units)	99.9%	100%	\$2.3m
- Plot 2-2 (444 units)	100.0%	100%	
- Plot 3-3 (332 units)	100.0%	100%	
- Plot 4-1 (60 units)	93.9%	100%	
Park Avenue Heights, Chengdu			
- Phase 1 (575 units)	96.1%	100%	\$1.5m
- Phase 2A (240 units)	60.0%	100%	
- Phase 2B (220 units)	96.7%	100%	

Profit recognition for overseas projects is based on completion of the project/phase.

Sales Achieved in China

Key Projects	Location	Units Sold in YTD Mar 2016	Sales Value in YTD Mar 2016 (RMB'm)	Average Selling Price (RMB'psm)
8 Park Avenue (Ph 6)	Shanghai	15	405.6	~98,000
Central Park City (Ph 3, Plot C2)	Wuxi	154	127.5	~7,400
Park Avenue Heights (Ph 1&2)	Wuxi	95	172.0	~14,700
V City (Ph 1)	Chengdu	385	276.2	~8,600
Seasons Park (Plot 6,7&10)	Tianjin	45	27.3	~9,800
Seasons Gardens (Plot 11 & 12)	Tianjin	41	69.3	~12,200
Total		735	1,077.9	

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	480	424	302
Corals at Keppel Bay	100%	99-yr	152,999	366	366	205	161
Reflections at Keppel Bay	100%	99-yr	624,527	1,129	950	924	52*
Highline Residences	100%	99-yr	473,218	500	210	181	319
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			1,743,214	3,041	2,006	1,734	1,154

[#] As at 31 Mar 2016

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

[^] Estimated no. of units

Residential Landbank - China

China	Location	KLL's Stake	Total GFA (sm)	Total Units	Units Launched	Units Sold	Remaining Units For Sale [#]	Remaining Area For Sale (sm)
8 Park Avenue	Shanghai	99%	133,393	918	918	862	56	9,506
The Springdale	Shanghai	99.4%	328,792	2,596	2,596	2,595	1	236 [^]
Seasons Residence	Shanghai	99.9%	128,918	1,102	773	761	341	50,252
Hill Crest Villa	Shanghai	100%	83,174	217	-	-	217	83,174
Waterfront Residence	Nantong	100%	189,437	1,199	79	24	1,175	182,812*
Central Park City	Wuxi	49.7%	671,477	5,339	4,215	4,146	1,193	160,563 [^]
Waterfront Residence	Wuxi	100%	294,174	1,393	62	28	1,365	282,798
Park Avenue Heights	Wuxi	100%	165,308	1,048	-	-	1,048	165,308
Stamford City	Jiangyin	99.4%	299,991	1,478	1,125	999	479	105,896 [^]
Park Avenue Heights	Chengdu	100%	200,200	1,535	945	924	611	98,473
Hill Crest Villa	Chengdu	100%	163,147	274	-	-	274	163,147
Serenity Villa	Chengdu	100%	233,862	573	-	-	573	233,862
V City	Chengdu	35%	560,963	5,761	1,261	1,137	4,624	464,429*
The Seasons	Shenyang	100%	365,186	2,794	390	267	2,527	341,008 [^]
Hunnan Township Devt	Shenyang	99.8%	756,580	7,026	-	-	7,026	756,580
Serenity Villa	Tianjin	100%	80,000	340	212	97	243	64,384
Mixed-use Devt	Tianjin	100%	1,358,202	11,299	-	-	11,299	1,358,202
Tianjin Eco-City	Tianjin	55%	625,292	4,296	1,998	1,930	2,366	428,221*
Waterfront Residence	Tianjin	100%	61,417	341	188	181	160	30,168
Keppel Cove	Zhongshan	80%	460,000	1,647	-	-	1,647	460,000
Hill Crest Residence (Ph 1)	Kunming	68.8%	20,193	133	133	116	17	3,661
Hill Crest Residence (Ph 2)	Kunming	68.8%	24,428	130	33	6	124	25,264
La Quinta II	Kunming	68.8%	10,928	62	62	53	9	1,950
Total			7,215,062	51,501	14,990	14,126	37,375	5,469,894

[#] As at 31 Mar 2016 ^{*}Includes commercial area [^]Excludes commercial area

Residential Landbank - Other Overseas

Projects	Stake	Total GFA (sm)	Total Units	Units Launched	Units Sold	Remaining Units For Sale [#]	Remaining Area for Sale (sm)
Vietnam							
Saigon Sports City, HCMC	90%	825,648	3,389	-	-	3,389	406,697 [^]
Estella Heights, HCMC	98%	160,980	872	872	681	191	24,874 [^]
Riviera Point, Dist. 7, HCMC	75%	437,944	2,400	549	476	1,924	234,697 [^]
Dong Nai Waterfront City , Dong Nai	50%	2,046,955	7,850	-	-	7,850	1,293,500 [^]
Riviera Cove, Dist. 9, HCMC	60%	34,711	96	96	80	16	9,731
South Rach Chiec, Dist 2, HCMC	42%	874,044	6,170	-	-	6,170	644,259 [^]
Villa Devt, Saigon South, HCMC	50%	58,800	168	-	-	168	55,186
Casuarina Cove, Dist 9, HCMC	60%	39,807	120	-	-	120	47,194
Thu Thiem Development, Dist 2, HCMC	40%	417,300	3,500	-	-	3,500	417,300 [^]
Sub-Total:		4,896,189	24,565	1,517	1,237	23,328	3,133,438
Indonesia							
West Vista, West Jakarta	100%	153,464 [*]	2,855	300	134	2,721	111,069 [^]
Daan Mogot, West Jakarta	100%	226,800	4,523	-	-	4,523 [*]	226,800 [*]
Sub-Total:		380,264	7,378	300	134	7,244	337,869
India							
Elita Horizon	51%	167,226	1,226	-	-	1,226	167,226
Thailand							
Villa Arcadia Srinakarin	53.7%	76,622	365	314	276	89	16,762
Villa Arcadia Watcharapol	71.7%	68,314	270	45	27	243	60,719
Sub-Total:		144,936	635	359	303	332	77,481
USA							
Residential Development, New York	86%	18,170	68	-	-	68	11,750 [^]
Total		5,606,785	33,872	2,176	1,674	32,198	3,727,764

[#] As at 31 Mar 2016 [^] Excludes commercial area ^{*} Preliminary estimates

Residential Launch Readiness – China

Projects	Location	Units Ready to Launch		
		2016	2017	2018
8 Park Avenue*	Shanghai	56	-	-
The Springdale	Shanghai	1	-	-
Seasons Residence*	Shanghai	241	100	-
Hill Crest Villa^	Shanghai	56	47	47
Waterfront Residence*	Nantong	13	21	28
Central Park City*	Wuxi	410	280	500
Waterfront Residence^	Wuxi	81	399	348
Park Avenue Heights^	Wuxi	300	400	348
Stamford City*	Jiangyin	36	214	131
Park Avenue Heights*	Chengdu	182	300	129
Hill Crest Villa^	Chengdu	0	24	36
Serenity Villa^	Chengdu	18	24	48
V City^	Chengdu	936	1,176	1,029
The Seasons*	Shenyang	48	65	65
Serenity Villa*	Tianjin	12	55	56
Tianjin Eco-City*	Tianjin	354	786	903
Waterfront Residence*	Tianjin	77	83	-
Keppel Cove^	Zhongshan	24	36	48
Hill Crest Residence*	Kunming	6	15	38
La Quinta II*	Kunming	7	2	-
Total		2,858	4,027	3,754

*Balance units ^New launches

Residential Launch Readiness – Other Overseas

Projects	Location	Units Ready to Launch		
		2016	2017	2018
Indonesia				
West Vista	West Jakarta	300	800	800
Vietnam				
Estella Heights (Ph1&2), Dist 2*	HCMC	101	50	40
Riviera Point, Dist 7	HCMC	293 [#]	200 [^]	399 [^]
Riviera Cove, Dist 9*	HCMC	11	5	-
South Rach Chiec, Dist 2^	HCMC	530	687	376
Saigon Sports City, Dist 2^	HCMC	-	300	350
Thu Thiem Development, Dist 2^	HCMC	300	425	470
Dong Nai Waterfront City^	Dong Nai	-	220	460
Thailand				
Villa Arcadia Srinakarin (Ph 1)*	Bangkok	7	-	-
Villa Arcadia Srinakarin (Ph 2)^	Bangkok	82	-	-
India				
Elita Horizon^	Bangalore	628	276	276
Total		2,252	2,963	3,171

*Balance units ^New launches

[#] Including 73 balance units of Phase 1A and 220 units of Phase 1B (new launches)

Expected Completion for Launched Projects

Projects/Phases launched	Total Units	Units Launched as at 31 Mar 2016	Units Sold as at 31 Mar 2016	Units Remaining as at 31 Mar 2016	Expected Completion^
China					
Waterfront Residence (Ph 1) , Wuxi	62	62	28	34	2Q16
Seasons Garden (Plot 11), Tianjin	270	116	104	166	4Q16
Waterfront Residence, Tianjin (Ph 1, 2, 3)	341	188	181	160	Ph 1: 2Q16 Ph 2: 3Q16 Ph3: 1Q17
V City (Ph 1)	1,434	1,261	1,137	297	1Q17
Indonesia					
West Vista	2,855	300	134	2,721	3Q19
Vietnam					
Estella Heights – Ph 1	496	496	445	51	3Q17
Estella Heights – Ph 2	376	376	236	140	4Q18
Thailand					
Villa Arcadia Srinakarin Ph 1	209	209	202	7	1Q16
Villa Arcadia Srinakarin Ph 2	156	105	74	82	4Q16
Total	6,199	3,113	2,541	3,658	

^Subject to changes

Expected Completion for Upcoming Projects

Projects/Phases to be launched	Location	No. of Units Expected to be Completed^		
		2016	2017	2018
China				
Seasons Residence	Shanghai	198	-	-
Hill Crest Villa	Shanghai	112	-	105
Central Park City	Wuxi	344	-	780
Waterfront Residence	Wuxi	-	360	198
Park Avenue Heights	Wuxi	-	328	720
Stamford City	Jiangyin	-	-	353
Park Avenue Heights	Chengdu	220	280	-
Hill Crest Villa	Chengdu	-	-	97
Serenity Villa	Chengdu	84	-	-
V City	Chengdu	-	-	1,639
Seasons Garden	Tianjin	-	-	710
Eco-City	Tianjin	-	-	516
Keppel Cove	Zhongshan	42	18	30
Hill Crest Residence	Kunming	-	-	97
Total		1,000	986	5,245

^ Subject to changes

New Commercial Projects Overseas

Commercial Projects under Development	GFA (sm)	Development Cost ⁽¹⁾	Completion
Indonesia			
IFC Jakarta Tower 1 (100% stake)	85,131	\$273.1m	2020
Vietnam			
Saigon Centre Ph 2, HCMC (45.3% stake)	47,000 (Retail) 44,000 (Office) 20,600 (Serviced apt)	\$220.3m	2016 (Retail) 2017 (Office)
Thu Thiem Development, HCMC (40% stake)	100,700 (Retail) 143,000 (Office)	US\$820m	2023 (Retail) 2024 (Office)
Myanmar			
Junction City Office Tower, Yangon (40% stake)	53,100	US\$47.4m ⁽²⁾	2017
Philippines			
SM-KL Project Ph 2, Manila (24.2% stake)	46,300 (Retail), 110,100 (Office)	\$344.4m	2017 (Retail) 2019 (Office)
Completed Properties	GFA (sm)	Acquisition Cost	Completion
75 King William Street, London (100% stake)	11,917	\$186m	1989

(1) Excluding land cost

(2) Investment cost for 40% stake

INFRASTRUCTURE

Financial Highlights - Infrastructure

S\$m	<u>1Q 2016</u>	<u>1Q 2015</u>	<u>% Change</u>
Revenue	390	506	(23)
EBITDA	25	53	(53)
Operating Profit	15	30	(50)
Profit Before Tax	18	33	(46)
Net Profit	14	22	(36)

INVESTMENTS

Financial Highlights - Investments

S\$m	<u>1Q 2016</u>	<u>1Q 2015</u>	<u>% Change</u>
Revenue	32	78	(59)
EBITDA	44	67	(34)
Operating Profit	42	67	(37)
Profit Before Tax	2	84	(98)
Net Profit	2	75	(97)

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 1Q 2016 RESULTS PRESENTATION

MONDAY, 18 APRIL 2016

1. Group Financial Highlights by CFO (Slide 18)

2. 1Q 2016 Financial Performance (Slide 19)

Thank you, Chin Hua, and good evening to all. I shall now take you through the Group's financial performance for the first quarter of 2016.

The Group recorded a net profit of \$211 million in this quarter, which was 41% below the same quarter in 2015. Earnings per share also decreased by the same extent to 11.6 cents.

EVA was lower at \$2 million, and annualised ROE decreased from 12.9% to 7.1%.

Free cash outflow was \$306 million as compared to free cash inflow of \$226 million in the first quarter of 2015 due mainly to lower cash flow from operations and higher working capital requirements mainly from the Offshore & Marine and Property Divisions.

Net gearing increased from 53% as at the end of year 2015 to 56%.

3. Financial Highlights (Slide 20)

The Group's revenue for the first quarter was 38% or \$1.07 billion lower than the same quarter last year. Lower revenue from Offshore & Marine, Infrastructure and Investments divisions were partially offset by higher revenue from Property.

As compared to the same quarter last year, operating profit at \$278 million was lower by 30% or \$120 million. Lower profits from Offshore & Marine, Infrastructure and Investments divisions were partially offset by higher profits from Property.

Profit before tax fell by a wider margin of 39% or \$177 million due mainly to lower share of results of associated companies.

After tax and non-controlling interests, net profit was lower by 41% or \$149 million.

Similarly, earnings per share decreased by 41% to 11.6 cents.

4. Revenue by Segments (Slide 21)

Before I present the performance by division, I would like to highlight that with effect from this year, the asset management business is reported as part of the Investments division to better reflect the contributions from our asset managers to be consolidated under Keppel Capital in the second half of this year.

At the Group level, revenue was 38% lower than the same quarter last year, led by lower revenues from the Offshore & Marine division as a result of lower volume of work, deferment of some projects and suspension of the Sete Brasil contracts.

The Property division recorded an increase of 66% in revenue, contributed by higher revenue from residential projects in China such as 8 Park Avenue in Shanghai, and The Glades in Singapore, partly offset by the absence of revenue from The Luxurie in Singapore as the project obtained TOP in June 2015.

Infrastructure's revenue decreased by 23% due to lower revenues from our power and gas business as a result of lower prices and volume.

5. Pre-tax Profit by Segments (Slide 22)

The Group recorded \$278 million of pre-tax profit for the quarter, 39% or \$177 million lower than last year.

Pre-tax profit for the Offshore & Marine division decreased by 51% or \$129 million, driven mainly by lower operating results arising from lower revenue, and net interest expense as compared to the net interest income in prior period, partially offset by higher contribution from associated companies. The division's operating margin was 13.6% as compared to 12% for the same quarter last year.

The Property division's pre-tax profit was 56% or \$49 million higher than that of the corresponding quarter in 2015, as a result of higher contributions from residential projects in China and Singapore, and lower net interest expense.

The Infrastructure division registered a 46% or \$15 million decrease in pre-tax earnings as compared to the previous year, due to lower contribution from the power and gas business.

Pre-tax profit from Investments decreased by \$82 million due to share of losses from associated company KrisEnergy, and the absence of gains from sale of investments, which amounted to \$50 million in the first quarter of 2015.

6. Net Profit by Segments (Slide 23)

After tax and non-controlling interests, the Group's net profit decreased by 41% or \$149 million to \$211 million as compared to the same period last year, with Property division being the top contributor to the Group's earnings at 47%, followed by Offshore & Marine division at 45%.

Higher net profit from the Property division partially offset the weaker earnings from Offshore & Marine, Infrastructure and Investments.

7. Net Profit and EPS (Slide 24)

The Group's net profit of \$211 million for the quarter translated to an earnings per share of 11.6 cents, 41% lower than first quarter of 2015.

8. Free Cash Flow (Slide 25)

Cash flow from the Group's operations was \$342 million in this quarter, down from \$420 million in the same quarter of last year.

After accounting for working capital requirements mainly from the Offshore & Marine and Property divisions, the Group's net operating cash outflow was \$354 million, as compared to an inflow of \$284 million in the first quarter of 2015.

Net cash inflow from investing activities was \$48 million, comprising divestment proceeds and dividend income from associated companies of \$92 million, partially offset by operational capital expenditure mainly from Offshore & Marine division and Investments amounting to \$44 million.

As a result, there was an overall free cash outflow of \$306 million during the quarter, as compared to the inflow of \$226 million in the same period of 2015.

9. Outlook (Slide 26)

In the face of the challenges in the oil & gas sector and the global economy, the Group stays focused on our multi-business strategy.

With our financial discipline and resilience built from the Group's competencies in our chosen core businesses, we remain poised for new opportunities to deliver sustainable value for our customers and shareholders in the long run.

Thank you.