

KEPPEL CORPORATION LIMITED

1. UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2002

The Directors of Keppel Corporation Limited advise the following unaudited results of the Company and of the Group for first quarter ended 31 March 2002:

	COMPANY		GROUP	
	1Q 2002 \$'000	1Q 2001 \$'000	1Q 2002 \$'000	1Q 2001 \$'000
Turnover	<u>13,054</u>	<u>2,782</u>	<u>1,163,567</u>	<u>1,540,007</u>
Operating profit	8,392	3,894	113,625	184,268
Net investment & interest income/(expense)	(1,856)	2,057	(2,487)	(11,366)
Share of results of associates	<u>-</u>	<u>-</u>	<u>19,918</u>	<u>14,060</u>
Profit before exceptional items	6,536	5,951	131,056	186,962
Exceptional items*	<u>-</u>	<u>(17,089)</u>	<u>-</u>	<u>(17,089)</u>
Profit before taxation	6,536	(11,138)	131,056	169,873
Taxation	<u>(2,400)</u>	<u>(310)</u>	<u>(25,969)</u>	<u>(50,571)</u>
Profit after taxation	4,136	(11,448)	105,087	119,302
Minority interests	<u>-</u>	<u>-</u>	<u>(23,007)</u>	<u>(80,526)</u>
Profit attributable to shareholders	<u>4,136</u>	<u>(11,448)</u>	<u>82,080</u>	<u>38,776</u>
Comprising:-				
Profit before exceptional items	4,136	5,641	82,080	55,865
Exceptional items*	<u>-</u>	<u>(17,089)</u>	<u>-</u>	<u>(17,089)</u>
	<u>4,136</u>	<u>(11,448)</u>	<u>82,080</u>	<u>38,776</u>
Earnings per share:				
Profit before exceptional items			10.7 cts	7.3 cts
Profit after exceptional items			10.7 cts	5.1 cts
<i>Depreciation & amortisation</i>			42,298	51,827

* Represent imputed interest and exchange adjustment on Redeemable Convertible Cumulative Preference Shares reclassified from equity to debt in compliance with SAS32.

2. SUMMARISED SEGMENT RESULTS

Group Figures					
		Turnover		Profit before taxation (before exceptional items)	
		1Q 2002 \$'000	1Q 2001 \$'000	1Q 2002 \$'000	1Q 2001 \$'000
Offshore and Marine		385,129	261,718	54,201	11,945
Infrastructure		135,249	113,440	10,206	37,185
Property		93,309	67,986	31,059	25,286
Investments		549,880	653,614	35,590	(9,222)
		1,163,567	1,096,758	131,056	65,194
Keppel Capital Holdings		-	443,249	-	121,768
Total		1,163,567	1,540,007	131,056	186,962

3. FIRST QUARTER 2002 PERFORMANCE

Group attributable profit before exceptional items at \$82 million was \$26 million or 47% above that in the first quarter of 2001. The improved performance of the Group's businesses has been achieved despite the absence of contribution from the Financial Services business, Keppel Capital Holdings (KCH) which was divested in August 2001.

Group revenue of \$1.16 billion was \$376 million or 24% lower than that of first quarter 2001 due mainly to the divestment of KCH. The key businesses under Offshore & Marine, Infrastructure and Property reported increased revenue which was partially offset by lower revenue in Singapore Petroleum Company (SPC).

Group pre-tax profit of \$131 million, before exceptional items, was lower than \$187 million in first quarter of 2001 which included \$122 million from KCH. For the quarter, significantly improved earnings were reported by Offshore & Marine and SPC.

Taxation charge of \$26 million and minority interests of \$23 million were substantially lower than the corresponding period in 2001. This was due to the sale of KCH and the privatisation of Keppel FELS Energy & Infrastructure and Keppel Hitachi Zosen.

Save as disclosed, in the opinion of the Directors, no factors have arisen between the end of the quarter and the date of this report which would materially affect the results of the Group and of the Company for the quarter just ended.

4. CURRENT YEAR'S PROSPECTS

With a strong order book and benefits from its integration efforts, Offshore & Marine is expected to, at least, maintain its improved performance for the rest of the year. Infrastructure earnings will be underpinned by a growing order book and contributions from the Brazilian power generation contract in the second half year. Property is expected to continue to benefit from a low interest rate environment and the launch of several development projects.

Barring unforeseen circumstances, the Group expects to maintain its first quarter performance in the second quarter, and attributable earnings for the year before exceptional items will exceed those of 2001.

Going forward, the Group has adopted an aggressive but disciplined approach to leverage on its developed competencies to exploit opportunities to grow its core businesses globally. Funding for this growth will come from the Group's strong operational cash flows and planned divestment of non-core activities.

5. DIVIDEND

No dividend has been declared for the first quarter ended 31 March 2002.

6. **CONSOLIDATED BALANCE SHEETS** as at

	31.3.02 \$'000	31.12.01 \$'000
Share capital	383,607	382,869
Share premium account	957,045	954,600
Capital reserves	422,435	422,538
Revenue reserves	1,000,861	918,678
Foreign exchange translation account	<u>(20,918)</u>	<u>(20,388)</u>
Share capital and reserves	2,743,030	2,658,297
Minority interests	<u>1,313,498</u>	<u>1,455,586</u>
Capital employed	<u>4,056,528</u>	<u>4,113,883</u>
Represented by:		
Fixed assets & investment properties	5,167,635	5,038,751
Investments	1,340,517	1,337,425
Others	<u>123,719</u>	<u>77,203</u>
	<u>6,631,871</u>	<u>6,453,379</u>
Current assets		
Development properties & work-in-progress	2,269,530	2,443,877
Debtors	1,222,186	1,158,784
Bank balances, deposits and cash	652,173	736,837
Other current assets	<u>862,698</u>	<u>927,520</u>
	<u>5,006,587</u>	<u>5,267,018</u>
Current liabilities		
Creditors	1,664,300	1,715,860
Short term loans and overdraft	2,755,969	2,858,940
Other current liabilities	<u>310,153</u>	<u>417,539</u>
	<u>4,730,422</u>	<u>4,992,339</u>
Net current assets	<u>276,165</u>	<u>274,679</u>
Non-current liabilities		
Term loans	2,633,514	2,402,415
Deferred taxation and other liabilities	<u>217,994</u>	<u>211,760</u>
	<u>2,851,508</u>	<u>2,614,175</u>
Net assets	<u>4,056,528</u>	<u>4,113,883</u>

**7. SUMMARISED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER
ENDED 31 MARCH 2002**

\$'000

CASH FLOW FROM OPERATING ACTIVITIES

Operating profit	113,625
Non-cash items	42,543
Cash flow provided by operations before changes in working capital	<u>156,168</u>
Working capital changes	(92,532)
Interest received	7,700
Interest paid	(11,863)
Income taxes paid	<u>(19,944)</u>
Net cash from operating activities	<u>39,529</u>

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition less disposal of subsidiaries	(220,812)
Acquisition of associates	(4,445)
Acquisition of fixed assets	(21,398)
Acquisition of development properties	(15,538)
Dividends received from investments	1,904
Net cash used in investing activities	<u>(260,289)</u>

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from share issues	3,183
Proceeds from minority shareholders of subsidiaries	7,382
Proceeds from term loans	134,151
Dividend paid to minority shareholders of subsidiaries	<u>(2,597)</u>
Net cash from financing activities	<u>142,119</u>

Net decrease in cash and cash equivalents	(78,641)
Cash and cash equivalents as at 1 January 2002	<u>729,999</u>
Cash and cash equivalents as at 31 March 2002	<u>651,358</u>

BY ORDER OF THE BOARD
CAROLINE CHANG
COMPANY SECRETARY

Singapore, 18 April 2002