

KEPPEL CORPORATION LIMITED

1. UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2002

The Directors of Keppel Corporation Limited advise the following unaudited results of the Company and of the Group for the nine months ended 30 September 2002:

	COMPANY		GROUP	
	2002 9 months \$'000	2001 9 months \$'000	2002 9 months \$'000	2001 9 months \$'000
Turnover	70,463	59,363	3,974,606	4,394,778
Operating profit	91,295	53,211	351,457	521,430
Net investment & interest income/(expense)	(11,421)	8,256	(20,259)	(21,406)
Share of results of associates	-	-	52,625	49,303
Profit before exceptional items	79,874	61,467	383,823	549,327
Exceptional items	(790)	* 243,281	-	* 660,186
Profit before taxation	79,084	304,748	383,823	1,209,513
Taxation	(9,503)	(14,000)	(62,111)	(146,400)
Profit after taxation	69,581	290,748	321,712	1,063,113
Minority interests	-	-	(58,300)	(224,027)
Profit attributable to shareholders	69,581	290,748	263,412	839,086
Comprising:-				
Profit before exceptional items	70,371	47,467	263,412	178,319
Exceptional items	(790)	* 243,281	-	* 660,767
	69,581	290,748	263,412	839,086
Earnings per share:				
Profit before exceptional items			34.3 cts	23.3 cts
Profit after exceptional items			34.3 cts	109.6 cts
<i>Depreciation & amortisation</i>			129,158	159,661

* Exceptional gain of \$661 million for the Group and \$243 million for the Company in 2001 represent principally profit on disposal of Keppel Capital Holdings less imputed interest and exchange adjustment on Redeemable Convertible Cumulative Preference Shares reclassified from equity to debt in compliance with SAS 32.

2. SUMMARISED SEGMENT RESULTS

	Group Figures			
	Turnover		Profit before taxation (before exceptional items)	
	2002 9 months \$'000	2001 9 months \$'000	2002 9 months \$'000	2001 9 months \$'000
Offshore & Marine	1,377,857	890,272	183,317	62,436
Infrastructure	474,659	340,171	22,351	82,253
Property	247,312	224,315	114,271	79,711
Investments	1,874,778	2,115,584	63,884	5,197
	3,974,606	3,570,342	383,823	229,597
Keppel Capital Holdings (KCH)	-	824,436	-	319,730
Total	3,974,606	4,394,778	383,823	549,327

3. NINE MONTHS 2002 PERFORMANCE

In the third quarter Group attributable profit before exceptional items at \$81 million compared favourably with \$39 million in the corresponding quarter in 2001.

For the first nine months Group attributable profit before exceptional items of \$263 million was \$85 million or 48% above \$178 million achieved in the same period of last year.

The improved earnings continued to be underpinned by the performance of Offshore & Marine which contributed \$139 million or 53% of the Group's attributable profit for the nine months. Earnings from Property and Singapore Petroleum Company were also higher. However, Infrastructure's earnings were lower as the corresponding period's results in 2001 included gains from the disposal of a toll road investment.

Group revenue at \$3.97 billion and pre-tax profit before exceptional items of \$384 million were lower than the first nine months of 2001 mainly due to the divestment of KCH in August last year. Besides the divestment of KCH, the substantially reduced taxation charge and minority interests were due to the reversal of deferred taxation and the privatisation of Keppel FELS Energy & Infrastructure and Keppel Hitachi Zosen respectively.

Save as disclosed, in the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which will affect substantially the results of the operations of the Company and of the Group for the financial period in respect of which this report is made.

4. CURRENT YEAR'S PROSPECTS

Barring unforeseen circumstances the Group expects its earnings in the fourth quarter to be maintained at the level achieved in the third quarter. As such, the Group's earnings before exceptional items for the full year are expected to be higher than those in 2001.

Going forward, the Group will continue to focus its efforts to expand its core businesses, Offshore & Marine, Property and Infrastructure, to provide for sustainable long-term earnings growth. At the same time, the Group is aggressively pursuing opportunities to divest non-core assets. Proposals to list MobileOne on the Singapore Exchange through an initial public offering and to dispose of the Group's interest in Capital Square have been announced recently.

5. DIVIDEND

An interim dividend of 16% or 8 cents per share less tax in respect of the first half year ended 30 June 2002 was paid on 5 September 2002.

6. CONSOLIDATED BALANCE SHEETS AS AT

	Company		Group	
	30.9.02 \$'000	31.12.01 \$'000	30.9.02 \$'000	31.12.01 \$'000
Share capital	384,380	382,869	384,380	382,869
Share premium account	961,405	954,600	961,405	954,600
Capital reserves	240,782	240,782	440,098	422,538
Revenue reserves	697,438	771,661	1,028,422	918,678
Foreign exchange translation account	-	-	(25,401)	(20,388)
Share capital and reserves	<u>2,284,005</u>	<u>2,349,912</u>	<u>2,788,904</u>	<u>2,658,297</u>
Minority interests	-	-	1,325,316	1,455,586
Capital employed	<u>2,284,005</u>	<u>2,349,912</u>	<u>4,114,220</u>	<u>4,113,883</u>
Represented by:				
Fixed assets & investment properties	8,599	7,535	5,258,032	5,038,751
Investments	3,546,350	3,079,203	1,242,135	1,337,425
Others	451,289	451,301	203,033	77,203
	<u>4,006,238</u>	<u>3,538,039</u>	<u>6,703,200</u>	<u>6,453,379</u>
Current assets				
Debtors	22,845	11,863	1,514,309	1,158,784
Bank balances, deposits and cash	41,237	48,404	1,026,626	736,837
Other current assets	1,188,613	1,150,232	3,154,014	3,371,397
	<u>1,252,695</u>	<u>1,210,499</u>	<u>5,694,949</u>	<u>5,267,018</u>
Current liabilities				
Creditors	37,946	49,383	1,838,017	1,715,860
Short term loans and overdraft	1,915,765	1,595,795	2,902,879	2,858,940
Other current liabilities	506,070	237,515	340,471	417,539
	<u>2,459,781</u>	<u>1,882,693</u>	<u>5,081,367</u>	<u>4,992,339</u>
Net current assets/(liabilities)	(1,207,086)	(672,194)	613,582	274,679
Non-current liabilities				
Term loans	450,000	450,000	2,712,562	2,402,415
Deferred taxation and other liabilities	65,147	65,933	188,000	211,760
Proceeds from sale of receivables	-	-	302,000	-
	<u>515,147</u>	<u>515,933</u>	<u>3,202,562</u>	<u>2,614,175</u>
Net assets	<u>2,284,005</u>	<u>2,349,912</u>	<u>4,114,220</u>	<u>4,113,883</u>

7. GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2002

	<u>Share Capital</u> \$'000	<u>Share Premium Account</u> \$'000	<u>Capital Reserves</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Foreign Exchange Translation Account</u> \$'000	<u>Total</u> \$'000
As at 1 January 2002	382,869	954,600	422,538	918,678	(20,388)	2,658,297
Currency translation loss	-	-	-	-	(5,013)	(5,013)
Loss not recognised in profit & loss account	-	-	-	-	(5,013)	(5,013)
Profit for the period	-	-	-	263,412	-	263,412
Dividend paid for 2002	-	-	-	(143,804)	-	(143,804)
Transfer to revenue reserves						
- statutory reserves	-	-	(45)	45	-	-
- others	-	-	8,379	(8,379)	-	-
Transfer to profit & loss account	-	-	9,226	-	-	9,226
Other adjustments	-	-	-	(1,530)	-	(1,530)
Shares issued	1,511	6,805	-	-	-	8,316
As at 30 September 2002	384,380	961,405	440,098	1,028,422	(25,401)	2,788,904

8. **SUMMARISED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2002**

	\$'000
CASH FLOW FROM OPERATING ACTIVITIES	
Operating profit	351,457
Non-cash items	147,007
Working capital changes	67,825
Interest received	23,052
Interest paid	(46,816)
Income taxes paid	(53,232)
Net cash from operating activities	<u>489,293</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition less disposal of subsidiaries	(362,583)
Acquisition less disposal of associates	56,566
Acquisition of fixed assets	(48,294)
Acquisition of development properties	(28,210)
Dividends received from investments	15,805
Net cash used in investing activities	<u>(366,716)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from share issues	8,316
Proceeds from minority shareholders of subsidiaries	7,424
Proceeds from term loans	317,305
Dividend paid to shareholders of the Company	(143,804)
Dividend paid to minority shareholders of subsidiaries	(15,961)
Net cash from financing activities	<u>173,280</u>
Net increase in cash and cash equivalents	295,857
Cash and cash equivalents as at 1 January	<u>729,999</u>
Cash and cash equivalents as at 30 September	<u>1,025,856</u>

BY ORDER OF THE BOARD
CAROLINE CHANG
COMPANY SECRETARY

Singapore, 28 October 2002