

First Quarter 2016 Financial Results

18 April 2016

Keppel Corporation

Scope of Briefing

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

Address by CEO

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Macro Environment

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

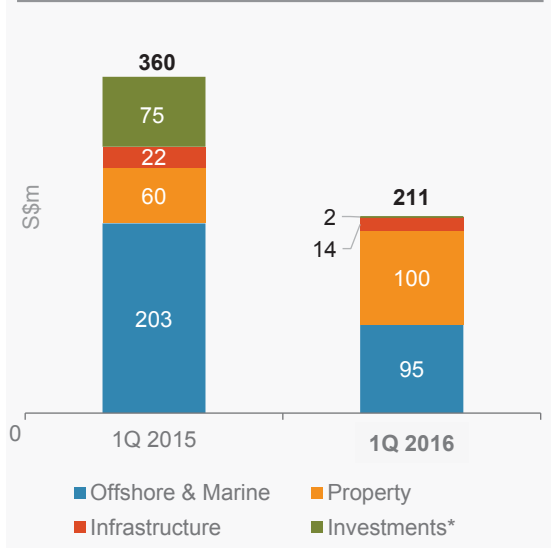
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Financial Performance

1Q 2016 net profit

S\$211m, down 41% yoy



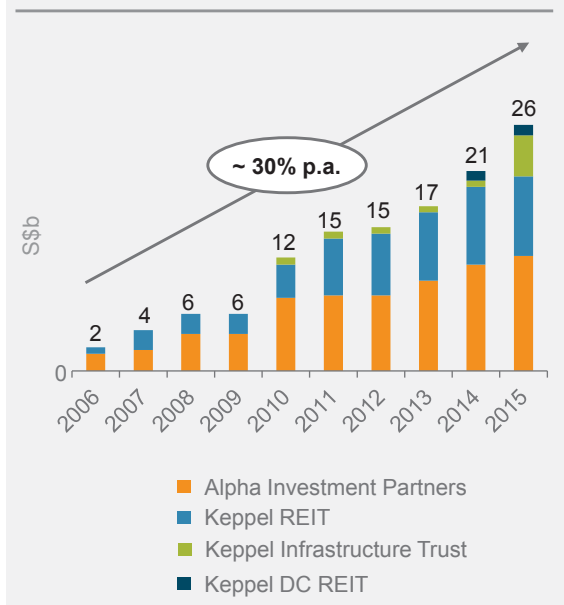
* Includes contributions from asset management businesses under Keppel Capital

Key highlights

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

Growing the Asset Management Business

Total AUM



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

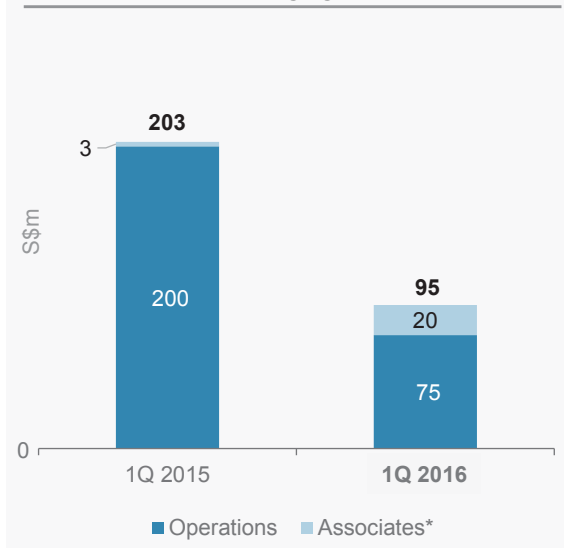
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Offshore & Marine

1Q 2016 net profit

S\$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

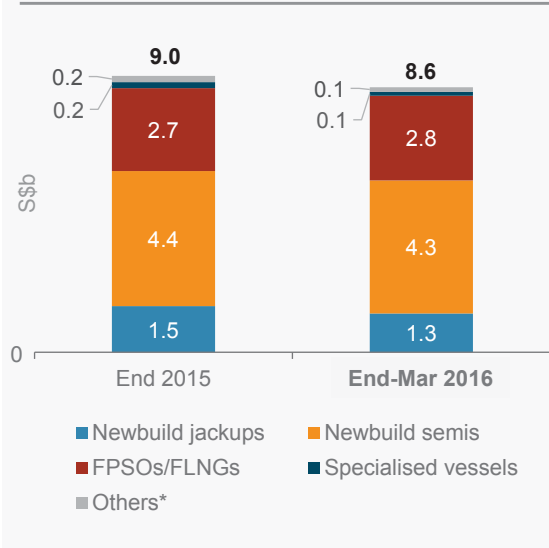
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Offshore & Marine

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.



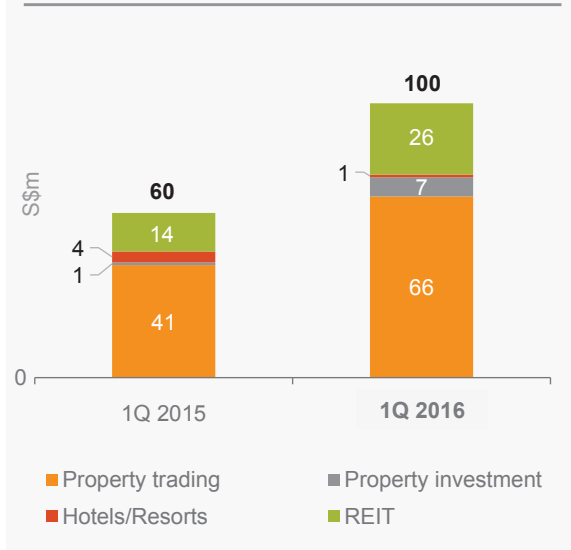
Keppel Land's latest waterfront development site in Ho Chi Minh City's Thu Thiem New Urban Area

Property

Property

1Q 2016 net profit

S\$100m, up 67% yoy



Home sales

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

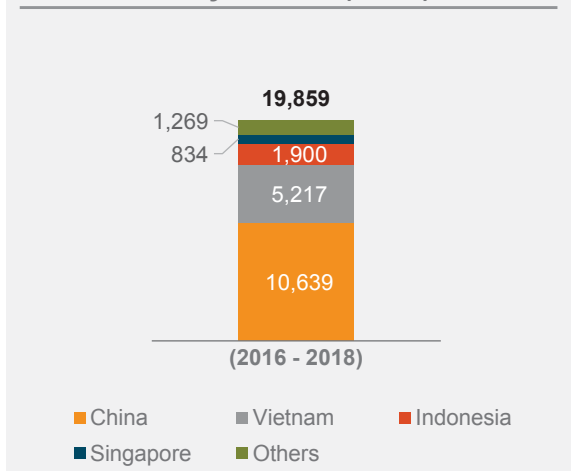
Key developments

- 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

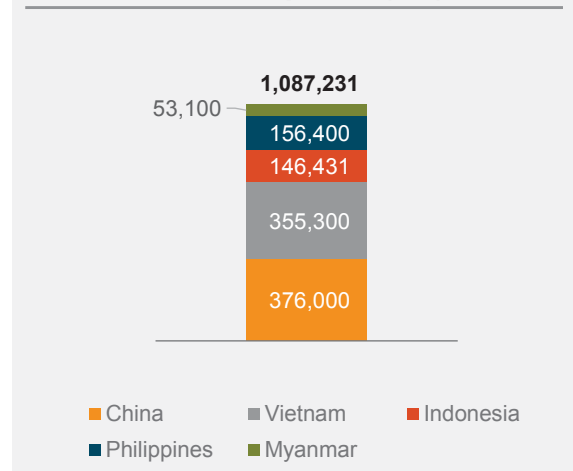
Residential

Launch-Ready Homes (units)



Commercial

GFA under Development (sm)





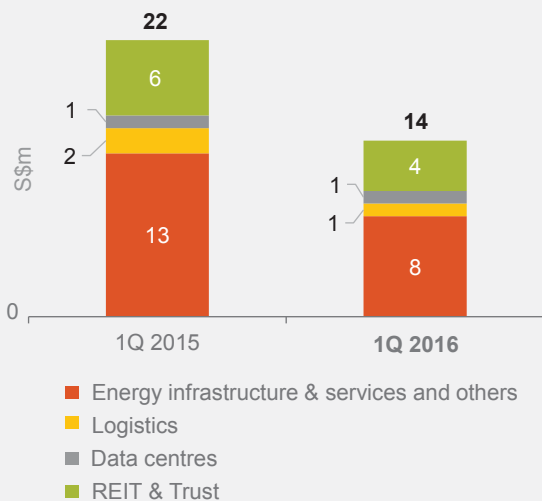
Infrastructure

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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

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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

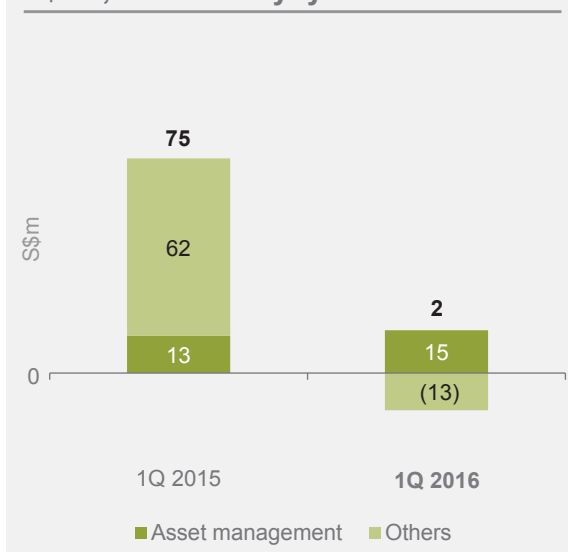


Investments

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

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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)

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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	<u>1,743</u>	<u>100</u>	<u>2,814</u>	<u>100</u>	<u>(38)</u>

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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	<u>278</u>	<u>100</u>	<u>455</u>	<u>100</u>	<u>(39)</u>

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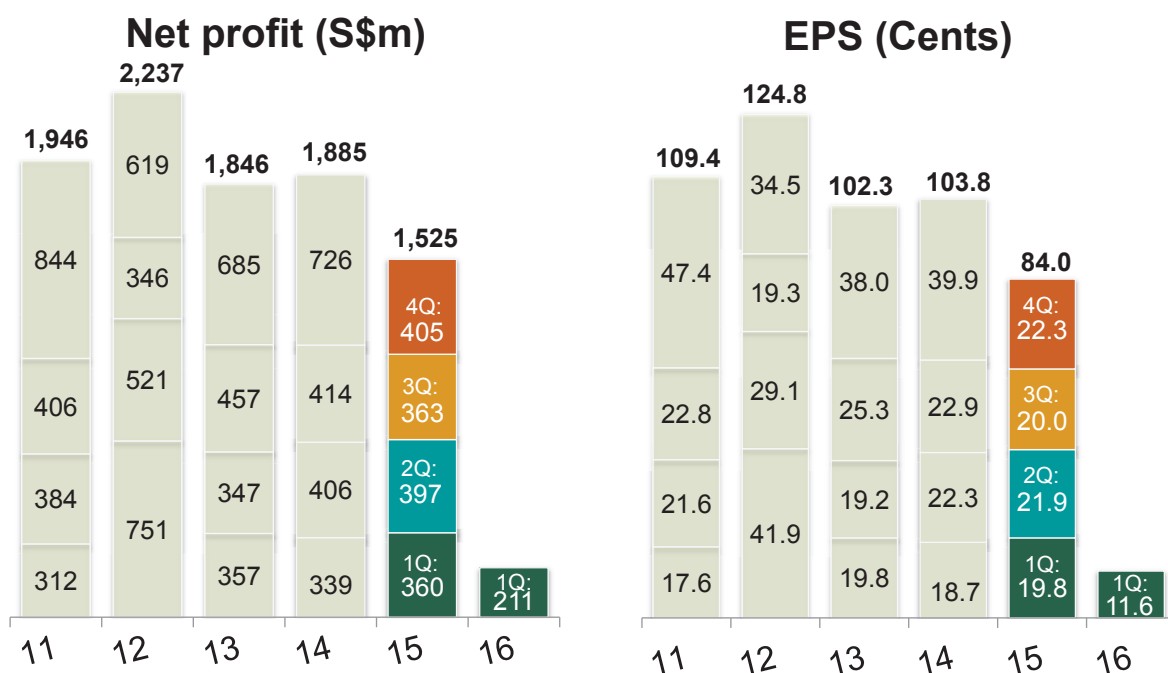
Net Profit by Segments

S\$m	1Q 2016	%	1Q 2015	%	% Change
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)

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Net Profit & EPS



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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
	<hr/>	<hr/>
	342	420
Working capital changes	(654)	(111)
Interest & tax paid	(42)	(25)
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(354)	284
Investments & capex	(44)	(98)
Divestments & dividend income	92	40
	<hr/>	<hr/>
Net cash from/(used in) investing activities	48	(58)
	<hr/>	<hr/>
Cash (outflow)/inflow	(306)	226

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

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

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1Q 2016 Results Q&A

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Additional Information

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Revenue by Geography

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

64% of total revenue came from overseas customers

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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	<u>334</u>	<u>100</u>	<u>464</u>	<u>100</u>	<u>(28)</u>

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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%

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OFFSHORE & MARINE

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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)

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Offshore & Marine Review

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

An FPSO modules fabrication and integration.

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

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

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Offshore & Marine Orderbook

	Contract Value		Client
	Gross	Net	
	\$m.	\$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	

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PROPERTY

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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

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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%	
- Phase 5 (130 units)	97.2%	100%	\$63.6m
- Phase 6 (106 units)	47.1%	100%	
The Springdale, Shanghai			
- Plot 2-1 (502 units)	99.9%	100%	
- Plot 2-2 (444 units)	100.0%	100%	
- Plot 3-3 (332 units)	100.0%	100%	\$2.3m
- Plot 4-1 (60 units)	93.9%	100%	
Park Avenue Heights, Chengdu			
- Phase 1 (575 units)	96.1%	100%	
- Phase 2A (240 units)	60.0%	100%	\$1.5m
- Phase 2B (220 units)	96.7%	100%	

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

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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)	Chengdu	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	

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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

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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

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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

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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

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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)

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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 Srinakaran Ph 1	209	209	202	7	1Q16
Villa Arcadia Srinakaran Ph 2	156	105	74	82	4Q16
Total	6,199	3,113	2,541	3,658	

[^]Subject to changes

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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

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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			
75 King William Street, London (100% stake)	11,917	\$186m	1989

(1) Excluding land cost

(2) Investment cost for 40% stake

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INFRASTRUCTURE

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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)

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INVESTMENTS

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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)

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This release may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.

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Keppel Corporation

**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.