



Keppel Telecommunications
& Transportation Ltd
(Co Reg No. 196500115G)
7 Gul Circle
Singapore 629563

Tel : (65) 6897 7372
Fax : (65) 6897 7872

PRESS RELEASE

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2011

18 January 2012

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the full year ended 31 December 2011.

These figures have not been audited.

FULL YEAR FY2011 RESULTS HIGHLIGHTS

1. Revenue increased 10% to \$118.1 million.
2. Net profit after exceptional items attributable to shareholders improved 38% to \$79.4 million, compared to \$57.6 million in FY 2010.
3. Earnings per share after exceptional items of 14.4 cents increased 39% compared to 10.4 cents in FY 2010.
4. Net asset value per ordinary share grew 15% to 71.0 cents per share, compared to 62.0 cents in FY 2010.

For more information, please contact:

Mr Ang Lai Lee
Senior Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413-6427
Email: lailee.ang@kepcorp.com

This press release is also available at www.kepcorp.com and www.keppeltt.com.sg.

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

FULL YEAR 2011 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
1(a)	GROUP PROFIT AND LOSS ACCOUNT	1
1(b)	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
1(c)(i)	BALANCE SHEETS	4
1(d)(i)	CONSOLIDATED STATEMENT OF CASH FLOWS	6
1(e)(i)	STATEMENTS OF CHANGES IN EQUITY	9
2	AUDIT	12
3	AUDITORS' REPORT	12
4	ACCOUNTING POLICIES	12
5	CHANGES IN ACCOUNTING POLICIES	12
6	EARNINGS PER ORDINARY SHARE	12
7	NET ASSET VALUE	13
8	REVIEW OF GROUP PERFORMANCE	13
9	VARIANCE FROM FORECAST STATEMENT	13
10	PROSPECTS	13
11	DIVIDENDS	14
12	SEGMENT ANALYSIS	15
13	REVIEW OF SEGMENT PERFORMANCE	17
14	BREAKDOWN OF SALES	18
15	INTERESTED PERSON TRANSACTIONS	19
16	REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER	20
17	TOTAL ANNUAL DIVIDEND	20

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

Full Year Financial Statements And Dividend Announcement

1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the year ended 31 December 2011.

1(a) GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2011

	Group		
	2011 \$'000	2010 \$'000	+/(-)%
REVENUE	118,125	107,762	9.6
Less operating expenses	<u>(97,483)</u>	<u>(95,377)</u>	2.2
OPERATING PROFIT	20,642	12,385	66.7
Interest income	711	1,225	(42.0)
Interest expense	(3,414)	(2,950)	15.7
Share of results of associated companies and jointly controlled entities	<u>59,258</u>	<u>64,382</u>	(8.0)
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	77,197	75,042	2.9
Exceptional items	<u>22,847</u>	<u>(4,573)</u>	nm
PROFIT BEFORE TAXATION	100,044	70,469	42.0
Taxation	<u>(12,335)</u>	<u>(9,736)</u>	26.7
PROFIT FOR THE YEAR	<u>87,709</u>	<u>60,733</u>	44.4
Attributable to:			
Shareholders of the Company			
Profit before exceptional items	58,488	62,132	(5.9)
Exceptional items	<u>20,944</u>	<u>(4,537)</u>	nm
	79,432	57,595	37.9
Non-controlling interests	<u>8,277</u>	<u>3,138</u>	163.8
	<u>87,709</u>	<u>60,733</u>	44.4
Earnings per share			
Before exceptional items			
- basic	10.6 cts	11.2 cts	(5.4)
- diluted	10.6 cts	11.2 cts	(5.4)
After exceptional items			
- basic	14.4 cts	10.4 cts	38.5
- diluted	14.3 cts	10.4 cts	37.5

nm – not meaningful

Notes to Group Profit and Loss Account

(i) Operating expenses comprise the following:

	Group		
	2011	2010	+ / (-)
	\$'000	\$'000	%
Purchase of goods and services	24,192	30,953	(21.8)
Staff costs	32,672	32,086	1.8
Share-based payment expenses	950	389	144.2
Depreciation of fixed assets	13,402	7,309	83.4
Other operating expenses	31,152	27,758	12.2
	<u>102,368</u>	<u>98,495</u>	3.9
Other income	<u>(4,885)</u>	<u>(3,118)</u>	56.7
	<u>97,483</u>	<u>95,377</u>	2.2

(ii) Operating profit is arrived at after charging/(crediting) the following:

	Group		
	2011	2010	+ / (-)
	\$'000	\$'000	%
Provision for doubtful debts	1,284	653	96.6
Bad debts written off	8	4	100.0
(Write-back of)/provision for obsolete stocks	(75)	249	nm
Foreign exchange loss	288	689	(58.2)
Gain on disposal of fixed assets	(654)	(64)	>500.0

(iii) Taxation in 2011 included write-back of over-provision for taxation of \$763,000 (2010: under-provision of \$28,000) and deferred taxation of \$865,000 (2010: Nil) in respect of prior years. Tax assets recognised under the Group Relief System was \$5,822,000 (2010: \$558,000).

(iv) Exceptional items consist of:

	Group		
	2011	2010	+ / (-)
	\$'000	\$'000	%
Gain on disposal of subsidiaries, associated company and other investments	24,140	2,105	>500.0
Impairment loss in value of investments	(9)	(6,661)	(99.9)
Impairment loss in associated companies	(1,164)	(1,544)	(24.6)
Write-back of impairment of fixed assets	-	1,300	nm
(Provision for)/write-back of restructuring expenses	<u>(120)</u>	<u>227</u>	nm
	<u>22,847</u>	<u>(4,573)</u>	nm
Share of non-controlling interests	<u>(1,903)</u>	<u>36</u>	nm
	<u>20,944</u>	<u>(4,537)</u>	nm

(v) There was no extraordinary item during the year.

nm – not meaningful

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2011**

	2011 \$'000	2010 \$'000	+ / (-) %
Profit for the year	<u>87,709</u>	<u>60,733</u>	44.4
Available-for-sale financial assets			
- Fair value changes	514	(1,041)	nm
- Fair value (gain)/loss realised and transferred to profit & loss account	(525)	790	nm
Foreign currency translation			
- Exchange differences arising on consolidation	(1,224)	4,351	nm
- Realised and transferred to profit & loss account	1,789	(733)	nm
Share of other comprehensive (expense)/income of associated companies	<u>(426)</u>	<u>39</u>	nm
Other comprehensive income for the year, net of tax	<u>128</u>	<u>3,406</u>	(96.2)
Total comprehensive income for the year	<u><u>87,837</u></u>	<u><u>64,139</u></u>	36.9
Attributable to:			
Shareholders of the Company	79,199	61,429	28.9
Non-controlling interests	<u>8,638</u>	<u>2,710</u>	218.7
	<u><u>87,837</u></u>	<u><u>64,139</u></u>	36.9

nm – not meaningful

1(c)(i) **BALANCE SHEETS as at 31 December 2011**

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
SHARE CAPITAL	74,111	73,750	74,111	73,750
RESERVES	320,959	267,966	61,381	50,874
SHARE CAPITAL AND RESERVES	395,070	341,716	135,492	124,624
NON-CONTROLLING INTERESTS	25,339	26,946	-	-
CAPITAL EMPLOYED	420,409	368,662	135,492	124,624
Represented by:				
FIXED ASSETS	311,332	153,715	-	-
INVESTMENTS				
Subsidiaries	-	-	72,962	73,317
Associated companies and jointly controlled entities	354,529	329,355	12,848	6,621
Others	687	4,553	-	-
	355,216	333,908	85,810	79,938
LONG-TERM RECEIVABLE	-	-	-	43,274
CURRENT ASSETS				
Stocks and work-in-progress	460	2,295	-	-
Debtors	35,831	24,998	4	108
Amounts owing by holding and related companies	1,281	661	40,931	30,474
Amounts owing by associated companies	2,139	4,575	-	-
Fixed deposits	56,393	52,289	11,451	7,594
Bank balances and cash	9,165	9,180	55	36
	105,269	93,998	52,441	38,212
LESS: CURRENT LIABILITIES				
Creditors	40,534	40,095	561	502
Amounts owing to holding and related companies	1,081	320	35	52
Amounts owing to associated companies	31	165	-	-
Short-term borrowings	46,010	22,506	2,160	10,029
Taxation	1,204	1,047	3	3
	88,860	64,133	2,759	10,586
NET CURRENT ASSETS	16,409	29,865	49,682	27,626
NON-CURRENT LIABILITIES				
Long-term borrowings	255,696	147,214	-	26,214
Deferred taxation	6,852	1,612	-	-
	262,548	148,826	-	26,214
NET ASSETS	420,409	368,662	135,492	124,624

1(c)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31.12.2011		As at 31.12.2010	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	46,010	-	22,506

Amount repayable after one year

As at 31.12.2011		As at 31.12.2010	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	255,696	-	147,214

Details of any collateral

Not applicable.

1(c)(iii) BALANCE SHEET ANALYSIS

Group share capital and reserves increased by \$53.4 million to \$395.1 million as at 31 December 2011. The increase was due mainly to profit attributable to shareholders, partly offset by payment of dividend in respect of financial year 2010.

Group total assets of \$771.8 million at 31 December 2011 were \$190.2 million higher than in the previous year. Fixed assets increased \$157.6 million to \$311.3 million due to acquisition of a subsidiary, fit-out of data centres and construction of warehouses. Investments in associated companies and jointly controlled entities of \$354.5 million increased \$25.2 million due to equity accounting for share of profits and new acquisitions during the year, partly offset by dividends received and disposals. Other investments decreased by \$3.9 million due mainly to capital distributions. Current assets of \$105.3 million increased \$11.3 million due largely to higher debtors and fixed deposits.

Group total liabilities of \$351.4 million were \$138.4 million higher than in the previous year due mainly to increase in borrowings and deferred taxation. Total borrowings were \$301.7 million.

**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2011**

	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit	20,642	12,385
Adjustments for non-cash items:		
Depreciation of fixed assets	13,402	7,309
Gain on disposal of fixed assets	(654)	(64)
Share-based payment expenses	950	389
Gain on dilution of associated companies	(2,979)	(1,787)
Translation of foreign companies	505	(189)
Operating cash flows before changes in working capital	<u>31,866</u>	<u>18,043</u>
Working capital changes:		
Stocks and work-in-progress	337	(31)
Debtors	(5,540)	1,525
Creditors	1,557	(692)
Cash flows from operations	28,220	18,845
Interest received	569	1,414
Interest paid	(3,322)	(3,223)
Income taxes (paid)/refunded, net	(2,680)	2,472
Proceeds from tax losses transferred under group relief system	5,822	558
Staff compensation and restructuring expenses	(1,072)	(623)
NET CASH FROM OPERATING ACTIVITIES	<u><u>27,537</u></u>	<u><u>19,443</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary (Note A)	(18,149)	-
Disposal of subsidiaries (Note B)	(153)	-
Purchase of other investments	(23)	(2,102)
Investment in associated companies	(36,100)	(1,810)
Proceeds from disposal of associated companies	51,757	-
Proceeds from capital reduction in an associated company	-	1,241
Capital distribution from other investments	3,611	903
Proceeds from disposal of fixed assets and other investments	1,681	825
Purchase of fixed assets	(82,344)	(14,578)
Dividends received from investments	37,125	33,379
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	<u><u>(42,595)</u></u>	<u><u>17,858</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of additional shares in a subsidiary	(17,850)	-
Net proceeds from share issues	154	77
Repayment of short-term loans	(44,306)	(35,893)
Proceeds from/(repayment of) long-term loans	108,482	(786)
Funds (to)/from associated companies	(8,468)	8,159
Proceeds from non-controlling shareholder of subsidiary	3,000	-
Dividends paid to shareholders of the company	(19,346)	(16,570)
Dividends paid to non-controlling shareholders of subsidiaries	(2,519)	(1,832)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u><u>19,147</u></u>	<u><u>(46,845)</u></u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as at 1 January	61,469	71,013
Cash and cash equivalents as at 31 December (Note C)	<u><u>65,558</u></u>	<u><u>61,469</u></u>

Notes to Consolidated Statement of Cash Flows

A. Acquisition of a subsidiary

During the financial year, the fair values of net assets and liabilities of the subsidiary acquired were as follows:

	2011 \$'000	2010 \$'000
Fixed assets	89,084	-
Debtors	4,871	-
Creditors	(6,323)	-
Bank balances and cash	841	-
Taxation	(1,673)	-
Short-term borrowings	(67,810)	-
	<u>18,990</u>	<u>-</u>
Purchase consideration	18,990	-
Less: Bank balances and cash acquired	<u>(841)</u>	<u>-</u>
Cash outflow on acquisition, net of cash acquired	<u>18,149</u>	<u>-</u>

B. Disposal of subsidiaries

During the financial year, the fair values of net assets and liabilities of subsidiaries disposed were as follows:

	2011 \$'000	2010 \$'000
Fixed assets	(258)	(38)
Stocks & WIP	(932)	-
Debtors	(297)	-
Creditors	5,388	38
Bank balances and cash	(1,583)	-
Taxation	120	-
Exchange equalisation	-	777
Non-controlling interests	420	25
	<u>2,858</u>	<u>802</u>
Net gain on disposal	<u>(4,288)</u>	<u>(802)</u>
Sale proceeds	(1,430)	-
Add: Bank balances and cash disposed	<u>1,583</u>	<u>-</u>
Cash outflow on disposal, net of cash disposed	<u>153</u>	<u>-</u>

C. Cash and Cash Equivalents

Cash and cash equivalents consist of fixed deposits, bank balances and cash. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	2011 \$'000	2010 \$'000
Fixed deposits	56,393	52,289
Bank balances and cash	<u>9,165</u>	<u>9,180</u>
	<u>65,558</u>	<u>61,469</u>

1(d)(ii) CASH FLOW ANALYSIS

The Group's net cash from operating activities for the year was \$27.5 million compared to \$19.4 million in the previous year. This was due mainly to higher cash flows generated from operations and proceeds from transfer of tax losses under the group relief system, partly offset by higher income taxes paid and restructuring expenses.

Net cash used in investing activities for the year was \$42.6 million due mainly to acquisition of a subsidiary and purchase of fixed assets and investments, partly offset by cash inflows from dividends received, proceeds from disposal of associated companies and fixed assets as well as capital distribution from other investments.

Net cash from financing activities for the year was \$19.1 million due to proceeds from loans and non-controlling shareholder of a subsidiary, partly offset by cash outflows on the acquisition of additional shares in a subsidiary, loan given to an associated company and dividends paid to shareholders of the Company. In the previous year, net cash used of \$46.8 million was largely for repayment of loans and payment of dividends to the shareholders of the Company.

1(e)(i) **STATEMENTS OF CHANGES IN EQUITY**
for the year ended 31 December 2011

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non- Controlling Interests \$'000	Capital Employed \$'000
<u>The Group</u>							
Balance at 1 January 2011	73,750	11,491	265,719	(9,244)	341,716	26,946	368,662
Total comprehensive income for the year							
Profit for the year	-	-	79,432	-	79,432	8,277	87,709
Other comprehensive income for the year *	-	(437)	-	204	(233)	361	128
Total comprehensive income for the year	-	(437)	79,432	204	79,199	8,638	87,837
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares	361	(207)	-	-	154	-	154
Cost of share-based payment	-	950	-	-	950	-	950
Transfer from revenue reserve to capital reserves	-	18,076	(18,076)	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(2,519)	(2,519)
Dividend paid for 2010	-	-	(19,346)	-	(19,346)	-	(19,346)
Total contributions by and distributions to owners	361	18,819	(37,422)	-	(18,242)	(2,519)	(20,761)
<u>Changes in ownership interests in subsidiaries</u>							
Effect of change in interest without loss of control	-	-	(7,546)	-	(7,546)	-	(7,546)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(10,304)	(10,304)
Acquisition of a subsidiary	-	-	-	-	-	3,000	3,000
Disposal of subsidiaries	-	(57)	-	-	(57)	(422)	(479)
Total change in ownership interests in subsidiaries	-	(57)	(7,546)	-	(7,603)	(7,726)	(15,329)
Total transactions with owners	361	18,762	(44,968)	-	(25,845)	(10,245)	(36,090)
Balance at 31 December 2011	<u>74,111</u>	<u>29,816</u>	<u>300,183</u>	<u>(9,040)</u>	<u>395,070</u>	<u>25,339</u>	<u>420,409</u>

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

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non- Controlling Interests \$'000	Capital Employed \$'000
<u>The Group</u>							
Balance at 1 January 2010	73,673	10,126	225,398	(13,290)	295,907	26,090	321,997
Total comprehensive income for the year							
Profit for the year	-	-	57,595	-	57,595	3,138	60,733
Other comprehensive income for the year *	-	(212)	-	4,046	3,834	(428)	3,406
Total comprehensive income for the year	-	(212)	57,595	4,046	61,429	2,710	64,139
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares	77	-	-	-	77	-	77
Cost of share-based payment	-	873	-	-	873	-	873
Transfer from revenue reserve to capital reserves	-	704	(704)	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(1,832)	(1,832)
Dividend paid for 2009	-	-	(16,570)	-	(16,570)	-	(16,570)
Total contributions by and distributions to owners	77	1,577	(17,274)	-	(15,620)	(1,832)	(17,452)
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of additional interest in a subsidiary	-	-	-	-	-	3	3
Disposal of subsidiary	-	-	-	-	-	(25)	(25)
Total change in ownership interests in subsidiaries	-	-	-	-	-	(22)	(22)
Total transactions with owners	77	1,577	(17,274)	-	(15,620)	(1,854)	(17,474)
Balance at 31 December 2010	73,750	11,491	265,719	(9,244)	341,716	26,946	368,662

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

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Total \$'000
<u>The Company</u>				
Balance at 1 January 2011	73,750	4,350	46,524	124,624
Profit for the year, representing total comprehensive income for the year	-	-	29,110	29,110
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares	361	(207)	-	154
Cost of share-based payment	-	950	-	950
Dividend paid for 2010	-	-	(19,346)	(19,346)
Total transactions with owners	<u>361</u>	<u>743</u>	<u>(19,346)</u>	<u>(18,242)</u>
Balance at 31 December 2011	<u>74,111</u>	<u>5,093</u>	<u>56,288</u>	<u>135,492</u>
Balance at 1 January 2010	73,673	3,477	57,280	134,430
Profit for the year, representing total comprehensive income for the year	-	-	5,814	5,814
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares	77	-	-	77
Cost of share-based payment	-	873	-	873
Dividend paid for 2009	-	-	(16,570)	(16,570)
Total transactions with owners	<u>77</u>	<u>873</u>	<u>(16,570)</u>	<u>(15,620)</u>
Balance at 31 December 2010	<u>73,750</u>	<u>4,350</u>	<u>46,524</u>	<u>124,624</u>

1(e)(ii) SHARE CAPITAL

During the financial year, the Company issued 187,000 ordinary shares upon the exercise of share options granted under the Company's Share Option Scheme and issued 167,000 shares under the KT&T Restricted Share Plan ("KT&T RSP"). The share capital of the Company as at the end of the financial year was 552,736,537 (2010: 552,382,537) ordinary shares.

As at 31 December 2011, the Company is not holding any treasury shares.

Share Options

As at 31 December 2011, there were unexercised options for 1,580,000 (2010: 1,822,000) of unissued ordinary shares under the Company's Share Option Scheme.

KT&T Restricted Share Plan ("KT&T RSP")

As at 31 December 2011, the number of contingent shares granted and not released was 604,000 (2010: 553,500) for KT&T Restricted Share Plan ("KT&T RSP"). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 604,000 ordinary shares of the Company for KT&T RSP. The number of contingent shares granted and not released but cancelled was 18,000 (2010: Nil).

As at 31 December 2011, the number of restricted shares released but not vested and cancelled was 316,000 (2010: Nil) and 18,000 (2010: Nil) for KT&T RSP respectively.

KT&T Performance Share Plan ("KT&T PSP")

As at 31 December 2011, the number of contingent shares granted and not released was 360,000 (2010: 180,000) for KT&T Performance Share Plan ("KT&T PSP"). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 540,000 ordinary shares of the Company for KT&T PSP.

2. AUDIT

The financial statements have not been audited nor reviewed by our auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2010, except as disclosed in paragraph 5 below.

5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2011. The revised FRS that is relevant to the Group includes Revised FRS 24 – Related Party Disclosures and Improvements in FRSs (issued in 2010). The adoption of these FRSs did not have any significant impact on the financial performance or position of the Group.

6. EARNINGS PER ORDINARY SHARE

	GROUP		
	2011	2010	+/(-)%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on the weighted average number of shares (cents)	14.4	10.4	38.5
- Weighted average number of shares ('000)	552,697	552,368	0.1
(ii) On a fully diluted basis (cents)	14.3	10.4	37.5
- Adjusted weighted average number of shares ('000)	553,922	553,234	0.1

7. NET ASSET VALUE

	GROUP			COMPANY		
	2011	2010	+/(-)%	2011	2010	+/(-)%
	Net asset value per ordinary share based on issued share capital at the end of the financial year (\$)	0.71	0.62	14.5	0.25	0.23

8. REVIEW OF GROUP PERFORMANCE

Group revenue of \$118.1 million rose \$10.4 million or 10% compared to last year due to higher revenue generated by Data Centre Division, partly offset by decline in Investments due to disposal of non-core businesses.

Operating profit of \$20.6 million increased by \$8.3 million or 67% due mainly to higher contribution from the data centre business.

Profit before tax and exceptional items improved 3% to \$77.2 million. The improvement in operating profit was partly reduced by lower share of profits from associated companies.

Exceptional items of \$22.8 million comprised mainly gain on disposal of subsidiaries, associated companies and other investments, partly offset by impairment loss in associated companies.

After taking into account taxation expenses and non-controlling interests, the Group's net profit after exceptional items attributable to shareholders rose 38% to \$79.4 million.

In the opinion of the Directors, no factors have arisen between the end of the financial year and the date of this report which would materially affect the results of the Group and the Company for the year just ended.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the full year ended 31 December 2011 was previously provided.

10. PROSPECTS

The Group will strive to maintain high occupancy in its logistics facilities across Guangdong and South East Asia amidst the uncertain global economy. It will continue to seek opportunities to expand its logistics business.

The Group's data centres are enjoying high occupancy in its current facilities. It will continue to focus on acquiring high-quality data centre assets.

11. DIVIDENDS

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Directors are pleased to recommend a first and final dividend of 3.5 cents per share tax exempt one-tier (2010: 3.5 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2011 for approval by shareholders at the next Annual General Meeting to be convened.

Name of Dividend	Final
Dividend Type	Cash
Dividend per share (cents)	3.5
Tax rate	Tax-exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend per share (cents)	3.5
Tax rate	Tax-exempt (one-tier)

(c) Date Payable

The proposed first and final dividend if approved at the Annual General Meeting, tentatively scheduled to be held on 18 April 2012, will be paid on 7 May 2012.

(d) Books Closure Date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 26 April 2012 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 25 April 2012 will be registered to determine members' entitlement to the proposed first and final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 25 April 2012 will be entitled to the proposed first and final dividend.

12. SEGMENT ANALYSIS

2011

Business Segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	85,727	28,657	3,741	-	118,125
Inter-segment sales	3,966	226	62	(4,254)	-
Total	89,693	28,883	3,803	(4,254)	118,125
<u>Segment results</u>					
Operating profit/(loss)	13,326	10,964	(3,648)		20,642
Interest income	470	29	212		711
Interest expense	(49)	(1,694)	(1,671)		(3,414)
Share of results of associated companies and jointly controlled entities	6,460	4,298	48,500		59,258
Profit before tax and exceptional items	20,207	13,597	43,393		77,197
Exceptional items	17,931	221	4,695		22,847
Profit before taxation	38,138	13,818	48,088		100,044
Taxation	(2,801)	(646)	(8,888)		(12,335)
Profit for the year	35,337	13,172	39,200		87,709
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	15,167	9,912	33,409		58,488
Exceptional items	17,909	221	2,814		20,944
	33,076	10,133	36,223		79,432
Non-controlling interests	2,261	3,039	2,977		8,277
	35,337	13,172	39,200		87,709
<u>Other Information</u>					
Segment assets	220,599	308,791	305,842	(63,415)	771,817
Segment liabilities	(56,379)	(260,406)	(98,038)	63,415	(351,408)
Net assets	164,220	48,385	207,804	-	420,409
Investment in associated companies and jointly controlled entities					
	35,217	96,270	223,042		354,529
Additions to non-current assets	27,947	89,264	1,256		118,467
Depreciation	6,186	7,113	103		13,402
Impairment losses	-	-	1,173		1,173
<u>Geographical Information</u>					
	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000		Consolidated Total \$'000
External sales	85,605	32,520	-		118,125
Non-current assets	443,810	112,919	109,819		666,548

2010

Business Segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	85,738	6,885	15,139	-	107,762
Inter-segment sales	3,990	-	89	(4,079)	-
Total	<u>89,728</u>	<u>6,885</u>	<u>15,228</u>	<u>(4,079)</u>	<u>107,762</u>

Segment results

Operating profit/(loss)	14,438	1,234	(3,287)		12,385
Interest income	1,105	4	116		1,225
Interest expense	(495)	(8)	(2,447)		(2,950)
Share of results of associated companies and jointly controlled entities	12,172	4,495	47,715		64,382
Profit before tax and exceptional items	27,220	5,725	42,097		75,042
Exceptional items	43	-	(4,616)		(4,573)
Profit before taxation	27,263	5,725	37,481		70,469
Taxation	(3,936)	4,571	(10,371)		(9,736)
Profit for the year	<u>23,327</u>	<u>10,296</u>	<u>27,110</u>		<u>60,733</u>

Attributable to:

Shareholders of the Company					
Profit before exceptional items	20,679	10,296	31,157		62,132
Exceptional items	43	-	(4,580)		(4,537)
	20,722	10,296	26,577		57,595
Non-controlling interests	2,605	-	533		3,138
	<u>23,327</u>	<u>10,296</u>	<u>27,110</u>		<u>60,733</u>

Other Information

Segment assets	248,789	96,872	369,532	(133,572)	581,621
Segment liabilities	(104,214)	(64,286)	(178,031)	133,572	(212,959)
Net assets	<u>144,575</u>	<u>32,586</u>	<u>191,501</u>	<u>-</u>	<u>368,662</u>

Investment in associated

companies and jointly controlled entities	59,269	51,655	218,431		329,355
Additions to non-current assets	13,392	3,478	1,620		18,490
Depreciation	5,703	1,141	465		7,309
Impairment losses	-	-	6,905		6,905

Geographical Information

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	68,930	36,601	2,231	107,762
Non-current assets	291,144	131,771	64,708	487,623

Notes:

- (a) The Group is organised into business units based on their products and services, and has three reportable operating segments namely Logistics, Data Centre and Investments. The Logistics division provides port operations, integrated logistics services, supply chain solutions, warehousing, distribution, container storage and repairs and freight forwarding services. The Data Centre division provides data centre facilities and co-location services including business continuity and disaster recovery services. The Investments division is the investment holding arm for various entities not within the Logistics and Data Centre divisions.
- (b) Pricing of inter-segment sales is at fair market value.
- (c) Segment assets and liabilities are those used in the operation of each segment.

13. REVIEW OF SEGMENT PERFORMANCE

Logistics Division's revenue of \$89.7 million was at the same level as last year. Operating profit at \$13.3 million decreased \$1.1 million due to higher overheads and redevelopment of the 44 Benoi Road warehouse. Profit before tax and exceptional items at \$20.2 million was lower by \$7.0 million due largely to the disposal of an associated company and weaker contributions from associates. Exceptional gain of \$17.9 million relates mainly to the disposal of an associated company. Profit attributable to shareholders improved \$12.4 million to \$33.1 million.

Data Centre Division's revenue of \$28.9 million increased by \$22.0 million compared to last year due to the inclusion of a new subsidiary, Keppel Digihub and higher revenue from its Singapore operations. Profit before tax and exceptional items increased by \$7.9 million to \$13.6 million. Taxation expense was higher as the previous year included a tax refund of \$5.1 million in respect of prior years' taxes deducted at source. Profit attributable to shareholders after exceptional items decreased \$0.2 million to \$10.1 million.

Investments Division's revenue decreased \$11.4 million due to the disposal of non-core businesses. Profit before tax and exceptional items rose \$1.3 million to \$43.4 million due to recognition of dilution gain in an associated company, partly offset by higher overheads and lower contributions from associated companies. Exceptional items of \$4.7 million comprised mainly gains on disposal of subsidiaries and other investments. Profit attributable to shareholders after exceptional items improved 36% to \$36.2 million.

14. **BREAKDOWN OF SALES**

	G R O U P		
	2011 \$'000	2010 \$'000	+ / (-) %
<u>First Half</u>			
Sales reported for first half year	58,607	52,651	11.3
Operating profit after tax and exceptional items before deducting non-controlling interests reported for first half year	35,050	28,171	24.4
<u>Second Half</u>			
Sales reported for second half year	59,518	55,111	8.0
Operating profit after tax and exceptional items before deducting non-controlling interests reported for second half year	52,659	32,562	61.7

15. 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 19 April 2011. During the financial year, 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 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<u>General Transactions</u>				
Keppel Corporation Limited Group	-	-	17,564	2,623
Singapore Telecommunications Limited	-	-	1,039	2,313
Mapletree Investments Pte Ltd	-	-	4,554	-
<u>Treasury Transactions</u>				
Keppel Corporation Limited Group	-	-	84,813	46,716
<u>Management Services</u>				
Keppel Corporation Limited Group	-	-	500	500
<u>Investment Transactions</u>				
Keppel Land Limited Group				
- Capital commitment for the formation of joint venture company, Keppel Data Centre Holdings Pte Ltd ("JV Co")	21,000	-	-	-
- Principal and interest of shareholders' loan to the JV Co	73,591	-	-	-
- Acquisition of Keppel Digihub Limited by the JV Co ⁽¹⁾	13,293	-	-	-
- Disposal of Keppel Datahub Pte Ltd to the JV Co ⁽²⁾	2,689	-	-	-
<u>Electricity Transactions</u>				
Keppel Corporation Limited Group	6,459	-	-	-
Singapore Power Limited	608	-	-	-
<u>Security Services</u>				
Certis Cisco Security Pte Ltd	167	-	-	-
	117,807	-	108,470	52,152

Notes:

⁽¹⁾ Based on the purchase consideration of approximately \$19.0 million for the shares of Keppel Digihub Limited and having regard to the Company's 70% interest in the JV Co, the value of the transaction to which the Company is considered to be at risk pursuant to Rule 909 of the Listing Manual is approximately \$13.293 million.

⁽²⁾ Pursuant to the sale of shares in Keppel Datahub Pte Ltd to the JV Co for a consideration of approximately \$9.0 million, the Company's effective interest in Keppel Datahub Pte Ltd has decreased by 30% to 70%. Accordingly, the value of the transaction to which the Company is considered to be at risk pursuant to Rule 909 of the Listing Manual is approximately \$2.689 million.

16. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Keppel Telecommunications & Transportation Ltd (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

17. TOTAL ANNUAL DIVIDEND

Total Annual Dividend amounted to:

	2011 \$'000	2010 \$'000
Ordinary	19,346	16,570
Preference	-	-
Total	19,346	16,570

BY ORDER OF THE BOARD

CAROLINE CHANG/LAURA LOW
Company Secretaries
18 January 2012