

## **PRESS RELEASE**

### **KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2012**

**17 April 2012**

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the first quarter ended 31 March 2012.

These figures have not been audited.

#### **1Q FY2012 RESULTS HIGHLIGHTS**

1. Revenue increased to \$33.6 million, 11% higher than the corresponding period in 2011.
2. Profit attributable to shareholders improved 4% to \$14.4 million.
3. Earnings per share improved 4% to 2.6 cents.
4. Net asset value per ordinary share increased 3 cents to 74.0 cents per share during the quarter.

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# KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

## FIRST QUARTER 2012 FINANCIAL STATEMENTS

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# KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

## First Quarter 2012 Financial Statements

### 1 UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the first quarter ended 31 March 2012.

#### 1(a) GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March 2012

|   | 1Q 2012<br>\$'000 | 1Q 2011<br>\$'000 | +/(-)<br>% |
|---|-------------------|-------------------|------------|
| REVENUE   | 33,596            | 30,248            | 11.1       |
| Less operating expenses   | <u>(27,178)</u>   | <u>(25,921)</u>   | 4.8        |
| OPERATING PROFIT  | 6,418             | 4,327             | 48.3       |
| Interest income   | 124               | 160               | (22.5)     |
| Interest expense  | (1,111)           | (731)             | 52.0       |
| Share of results of associated companies<br>and jointly controlled entities | <u>13,412</u>     | <u>15,037</u>     | (10.8)     |
| PROFIT BEFORE TAXATION  | 18,843            | 18,793            | 0.3        |
| Taxation  | <u>(2,854)</u>    | <u>(3,360)</u>    | (15.1)     |
| PROFIT FOR THE PERIOD   | <u>15,989</u>     | <u>15,433</u>     | 3.6        |
| Attributable to:  |                   |                   |            |
| Shareholders of the Company   | 14,417            | 13,930            | 3.5        |
| Non-controlling interests   | <u>1,572</u>      | <u>1,503</u>      | 4.6        |
|   | <u>15,989</u>     | <u>15,433</u>     | 3.6        |
| Earnings per share  |                   |                   |            |
| - basic   | 2.6 cts           | 2.5 cts           | 4.0        |
| - diluted   | 2.6 cts           | 2.5 cts           | 4.0        |

Notes to Group Profit and Loss Account

(i) Operating expenses comprise the following:

|                                | 1Q 2012<br>\$'000    | 1Q 2011<br>\$'000    | +/(-)<br>% |
|--------------------------------|----------------------|----------------------|------------|
| Purchase of goods and services | 7,324                | 7,275                | 0.7        |
| Staff costs                    | 7,509                | 7,785                | (3.5)      |
| Share-based payment expenses   | 260                  | 241                  | 7.9        |
| Depreciation of fixed assets   | 3,701                | 2,766                | 33.8       |
| Other operating expenses       | <u>8,765</u>         | <u>7,963</u>         | 10.1       |
|                                | 27,559               | 26,030               | 5.9        |
| Other income                   | <u>(381)</u>         | <u>(109)</u>         | 249.5      |
|                                | <u><u>27,178</u></u> | <u><u>25,921</u></u> | 4.8        |

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

|  | 1Q 2012<br>\$'000 | 1Q 2011<br>\$'000 | +/(-)<br>% |
|--|-------------------|-------------------|------------|
| (Write-back of)/provision for doubtful debts | (30)              | 11                | nm         |
| Foreign exchange (gain)/loss                 | (86)              | 62                | nm         |
| Loss on disposal of fixed assets             | 22                | 13                | 69.2       |

nm – not meaningful

(iii) Taxation expense for the current quarter included write-back of over-provision for taxation of \$15,000 (1Q 2011: \$16,000) and provision for deferred taxation of \$10,000 (1Q 2011: Nil) in respect of prior years.

(iv) There was no extraordinary item during the quarter.

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the first quarter ended 31 March 2012**

|  | 1Q 2012<br>\$'000    | 1Q 2011<br>\$'000    | + / (-)<br>% |
|--|----------------------|----------------------|--------------|
| Profit for the period  | <u>15,989</u>        | <u>15,433</u>        | 3.6          |
| Available-for-sale financial assets                          |                      |                      |              |
| - Fair value changes   | (143)                | 1,531                | nm           |
| Foreign currency translation                                 |                      |                      |              |
| - Exchange differences arising on consolidation              | (91)                 | (5,264)              | (98.3)       |
| Share of other comprehensive expense of associated companies | <u>(51)</u>          | <u>(91)</u>          | (44.0)       |
| Other comprehensive expense for the period, net of tax       | <u>(285)</u>         | <u>(3,824)</u>       | (92.5)       |
| Total comprehensive income for the period                    | <u><u>15,704</u></u> | <u><u>11,609</u></u> | 35.3         |
| Attributable to:   |                      |                      |              |
| Shareholders of the Company                                  | 14,284               | 10,489               | 36.2         |
| Non-controlling interests                                    | <u>1,420</u>         | <u>1,120</u>         | 26.8         |
|  | <u><u>15,704</u></u> | <u><u>11,609</u></u> | 35.3         |

nm – not meaningful

**1(c)(i) BALANCE SHEETS as at 31 March 2012**

|  | Group               |                      | Company             |                      |
|--|---------------------|----------------------|---------------------|----------------------|
|  | 31.3.2012<br>\$'000 | 31.12.2011<br>\$'000 | 31.3.2012<br>\$'000 | 31.12.2011<br>\$'000 |
| SHARE CAPITAL  | 74,565              | 74,111               | 74,565              | 74,111               |
| RESERVES   | 335,049             | 320,959              | 60,944              | 61,381               |
| SHARE CAPITAL AND RESERVES                           | 409,614             | 395,070              | 135,509             | 135,492              |
| NON-CONTROLLING INTERESTS                            | 26,759              | 25,339               | -                   | -                    |
| <b>CAPITAL EMPLOYED</b>                              | <b>436,373</b>      | <b>420,409</b>       | <b>135,509</b>      | <b>135,492</b>       |
| Represented by:                                      |                     |                      |                     |                      |
| FIXED ASSETS   | 331,592             | 311,332              | -                   | -                    |
| INVESTMENTS  |                     |                      |                     |                      |
| Subsidiaries   | -                   | -                    | 72,963              | 72,962               |
| Associated companies and jointly controlled entities | 372,064             | 354,529              | 6,621               | 12,848               |
| Others   | 965                 | 687                  | -                   | -                    |
|  | 373,029             | 355,216              | 79,584              | 85,810               |
| <b>CURRENT ASSETS</b>                                |                     |                      |                     |                      |
| Stocks and work-in-progress                          | 460                 | 460                  | -                   | -                    |
| Debtors  | 35,646              | 35,831               | 269                 | 4                    |
| Amounts owing by holding and related companies       | 1,827               | 1,281                | 41,483              | 40,931               |
| Amounts owing by associated companies                | 19,930              | 2,139                | 17,240              | -                    |
| Fixed deposits                                       | 38,117              | 56,393               | 6,923               | 11,451               |
| Bank balances and cash                               | 18,676              | 9,165                | 31                  | 55                   |
|  | 114,656             | 105,269              | 65,946              | 52,441               |
| <b>LESS: CURRENT LIABILITIES</b>                     |                     |                      |                     |                      |
| Creditors  | 52,646              | 40,534               | 623                 | 561                  |
| Amounts owing to holding and related companies       | 1,633               | 1,081                | 396                 | 35                   |
| Amounts owing to associated companies                | 149                 | 31                   | -                   | -                    |
| Short-term borrowings                                | 55,600              | 46,010               | -                   | 2,160                |
| Taxation   | 1,318               | 1,204                | 2                   | 3                    |
|  | 111,346             | 88,860               | 1,021               | 2,759                |
| <b>NET CURRENT ASSETS</b>                            | <b>3,310</b>        | <b>16,409</b>        | <b>64,925</b>       | <b>49,682</b>        |
| <b>NON-CURRENT LIABILITIES</b>                       |                     |                      |                     |                      |
| Long-term borrowings                                 | 264,696             | 255,696              | 9,000               | -                    |
| Deferred taxation                                    | 6,862               | 6,852                | -                   | -                    |
|  | 271,558             | 262,548              | 9,000               | -                    |
| <b>NET ASSETS</b>                                    | <b>436,373</b>      | <b>420,409</b>       | <b>135,509</b>      | <b>135,492</b>       |

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

### Amount repayable in one year or less, or on demand

| As at 31.3.2012   |                     | As at 31.12.2011  |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| -                 | 55,600              | -                 | 46,010              |

### Amount repayable after one year

| As at 31.3.2012   |                     | As at 31.12.2011  |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| -                 | 264,696             | -                 | 255,696             |

### Details of any collateral

Not applicable.

## 1(c)(iii) BALANCE SHEET ANALYSIS

Group share capital and reserves increased by \$14.5 million to \$409.6 million at 31 March 2012 due mainly to profit attributable to shareholders for the period.

Group total assets of \$819.3 million at 31 March 2012 were \$47.5 million higher than the previous year end. Fixed assets increased by \$20.3 million to \$331.6 million due to fit-out of data centres. Investments in associated companies and jointly controlled entities increased \$17.5 million to \$372.1 million due to equity accounting for share of profits and additional investment in an associate during the period. Current assets increased by \$9.4 million to \$114.7 million due mainly to amounts owing from associated companies, partly offset by decrease in fixed deposits and bank balances.

Group total liabilities of \$382.9 million at 31 March 2012 were \$31.5 million higher than in the previous year end. Creditors increased by \$12.1 million due to fit-out cost of data centres. Higher borrowings by \$18.6 million were due mainly to additional investment and loans to associates. Group total borrowings were \$320.3 million at 31 March 2012.

**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS  
for the first quarter ended 31 March 2012**

|   | 1Q 2012<br>\$'000 | 1Q 2011<br>\$'000 |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |                   |                   |
| Operating profit  | 6,418             | 4,327             |
| Adjustments for non-cash items:                         |                   |                   |
| Depreciation of fixed assets                            | 3,701             | 2,766             |
| Loss on disposal of fixed assets                        | 22                | 13                |
| Share-based payment expenses                            | 260               | 241               |
| Translation of foreign companies                        | (285)             | (501)             |
| Operating cash flows before changes in working capital  | 10,116            | 6,846             |
| Working capital changes:                                |                   |                   |
| Stocks and work-in-progress                             | -                 | (723)             |
| Debtors   | (668)             | 942               |
| Creditors   | 18                | (3,807)           |
| Cash flows from operations                              | 9,466             | 3,258             |
| Interest received                                       | 94                | 127               |
| Interest paid   | (980)             | (440)             |
| Income taxes paid                                       | (513)             | (552)             |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>               | <b>8,067</b>      | <b>2,393</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>             |                   |                   |
| Acquisition of a subsidiary (Note A)                    | -                 | (18,149)          |
| Investment in an associated company                     | (12,430)          | -                 |
| Purchase of other investment                            | (282)             | -                 |
| Capital distribution from other investments             | -                 | 2,890             |
| Proceeds from disposal of fixed assets                  | 754               | -                 |
| Purchase of fixed assets                                | (12,531)          | (11,240)          |
| Dividends received from investments                     | 80                | 1,420             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>            | <b>(24,409)</b>   | <b>(25,079)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>             |                   |                   |
| Net proceeds from share issues                          | -                 | 102               |
| Proceeds from short-term loans                          | 9,590             | 7,664             |
| Proceeds from/(repayment of) long-term loans            | 9,000             | (250)             |
| Funds from a related company                            | -                 | 6,000             |
| Funds to an associated company                          | (11,013)          | -                 |
| Proceeds from non-controlling shareholder of subsidiary | -                 | 3,000             |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>               | <b>7,577</b>      | <b>16,516</b>     |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>        | <b>(8,765)</b>    | <b>(6,170)</b>    |
| Cash and cash equivalents as at 1 January               | 65,558            | 61,469            |
| Cash and cash equivalents as at 31 March (Note B)       | 56,793            | 55,299            |



## Notes to Consolidated Statement of Cash Flows

### A. Acquisition of a subsidiary

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

|   | 1Q 2012<br>\$'000 | 1Q 2011<br>\$'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>-</u>          | <u>(67,810)</u>   |
| Purchase consideration                            | -                 | 18,990            |
| Less: Bank balances and cash acquired             | <u>-</u>          | <u>(841)</u>      |
| Cash outflow on acquisition, net of cash acquired | <u>-</u>          | <u>18,149</u>     |

### B. 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:

|                        | 1Q 2012<br>\$'000 | 1Q 2011<br>\$'000 |
|------------------------|-------------------|-------------------|
| Fixed deposits         | 38,117            | 38,879            |
| Bank balances and cash | 18,676            | 16,420            |
|                        | <u>56,793</u>     | <u>55,299</u>     |

## 1(d)(ii) CASH FLOW ANALYSIS

Net cash from operating activities for the quarter was \$8.1 million compared to \$2.4 million in the corresponding quarter of the previous year. This was due mainly to higher operating profit and lower cash outflow from working capital changes, partly offset by higher interest paid.

Net cash used in investing activities for the quarter was \$24.4 million due mainly to investment in an associated company, capital expenditure for fit-out of data centres and purchase of other investment, partly offset by cash inflow on disposal of fixed assets.

Net cash from financing activities for the quarter was \$7.6 million due to proceeds from loans, partly offset by cash outflow on loan to an associated company.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY  
for the first quarter ended 31 March 2012**

|  | Share<br>Capital<br>\$'000 | Capital<br>Reserves<br>\$'000 | Revenue<br>Reserve<br>\$'000 | Foreign<br>Currency<br>Translation<br>Account<br>\$'000 | Share<br>Capital &<br>Reserves<br>\$'000 | Non-<br>Controlling<br>Interests<br>\$'000 | Capital<br>Employed<br>\$'000 |
|--|----------------------------|-------------------------------|------------------------------|---|--|--|-------------------------------|
| <u>The Group</u>   |                            |                               |                              |   |  |  |                               |
| Balance at 1 January 2012  | 74,111                     | 29,816                        | 300,183                      | (9,040)   | 395,070                                  | 25,339                                     | 420,409                       |
| <b>Total comprehensive income<br/>for the period</b>                   |                            |                               |                              |   |  |  |                               |
| Profit for the period  | -                          | -                             | 14,417                       | -   | 14,417                                   | 1,572                                      | 15,989                        |
| Other comprehensive income<br>for the period *                         | -                          | (194)                         | -                            | 61  | (133)                                    | (152)                                      | (285)                         |
| <b>Total comprehensive income<br/>for the period</b>                   | -                          | (194)                         | 14,417                       | 61  | 14,284                                   | 1,420                                      | 15,704                        |
| <b>Transactions with owners,<br/>recognised directly in<br/>equity</b> |                            |                               |                              |   |  |  |                               |
| <u>Contributions by and<br/>distributions to owners</u>                |                            |                               |                              |   |  |  |                               |
| Issue of shares  | 454                        | (454)                         | -                            | -   | -  | -  | -                             |
| Cost of share-based payment  | -                          | 260                           | -                            | -   | 260                                      | -  | 260                           |
| Total contributions by<br>and distributions to owners                  | 454                        | (194)                         | -                            | -   | 260                                      | -  | 260                           |
| <b>Total transactions with<br/>owners</b>                              | 454                        | (194)                         | -                            | -   | 260                                      | -  | 260                           |
| Balance at 31 March 2012   | 74,565                     | 29,428                        | 314,600                      | (8,979)   | 409,614                                  | 26,759                                     | 436,373                       |
| <u>The Group</u>   |                            |                               |                              |   |  |  |                               |
| Balance at 1 January 2011  | 73,750                     | 11,491                        | 265,719                      | (9,244)   | 341,716                                  | 26,946                                     | 368,662                       |
| <b>Total comprehensive income<br/>for the period</b>                   |                            |                               |                              |   |  |  |                               |
| Profit for the period  | -                          | -                             | 13,930                       | -   | 13,930                                   | 1,503                                      | 15,433                        |
| Other comprehensive income<br>for the period *                         | -                          | 1,440                         | -                            | (4,881)   | (3,441)                                  | (383)                                      | (3,824)                       |
| <b>Total comprehensive income<br/>for the period</b>                   | -                          | 1,440                         | 13,930                       | (4,881)   | 10,489                                   | 1,120                                      | 11,609                        |
| <b>Transactions with owners,<br/>recognised directly in<br/>equity</b> |                            |                               |                              |   |  |  |                               |
| <u>Contributions by and<br/>distributions to owners</u>                |                            |                               |                              |   |  |  |                               |
| Issue of shares  | 309                        | (207)                         | -                            | -   | 102                                      | -  | 102                           |
| Cost of share-based payment  | -                          | 241                           | -                            | -   | 241                                      | -  | 241                           |
| Total contributions by<br>and distributions to owners                  | 309                        | 34                            | -                            | -   | 343                                      | -  | 343                           |
| <u>Changes in ownership<br/>interests in subsidiaries</u>              |                            |                               |                              |   |  |  |                               |
| Acquisition of a subsidiary  | -                          | -                             | -                            | -   | -  | 3,000                                      | 3,000                         |
| Total change in ownership<br>interests in subsidiaries                 | -                          | -                             | -                            | -   | -  | 3,000                                      | 3,000                         |
| <b>Total transactions with<br/>owners</b>                              | 309                        | 34                            | -                            | -   | 343                                      | 3,000                                      | 3,343                         |
| Balance at 31 March 2011   | 74,059                     | 12,965                        | 279,649                      | (14,125)  | 352,548                                  | 31,066                                     | 383,614                       |

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

|   | Share<br>Capital<br>\$'000 | Capital<br>Reserves<br>\$'000 | Revenue<br>Reserve<br>\$'000 | Total<br>\$'000 |
|---|----------------------------|-------------------------------|------------------------------|-----------------|
| <u>The Company</u>  |                            |                               |                              |                 |
| Balance at 1 January 2012   | 74,111                     | 5,093                         | 56,288                       | 135,492         |
| Loss for the period, representing total comprehensive income for the period   | -                          | -                             | (243)                        | (243)           |
| <b><i>Transactions with owners,<br/>recognised directly in equity</i></b>     |                            |                               |                              |                 |
| Issue of shares   | 454                        | (454)                         | -                            | -               |
| Cost of share-based payment   | -                          | 260                           | -                            | 260             |
| <b>Total transactions with owners</b>   | <u>454</u>                 | <u>(194)</u>                  | <u>-</u>                     | <u>260</u>      |
| Balance at 31 March 2012  | <u>74,565</u>              | <u>4,899</u>                  | <u>56,045</u>                | <u>135,509</u>  |
| <br>  |                            |                               |                              |                 |
| Balance at 1 January 2011   | 73,750                     | 4,350                         | 46,524                       | 124,624         |
| Profit for the period, representing total comprehensive income for the period | -                          | -                             | 5,250                        | 5,250           |
| <b><i>Transactions with owners,<br/>recognised directly in equity</i></b>     |                            |                               |                              |                 |
| Issue of shares   | 309                        | (207)                         | -                            | 102             |
| Cost of share-based payment   | -                          | 241                           | -                            | 241             |
| <b>Total transactions with owners</b>   | <u>309</u>                 | <u>34</u>                     | <u>-</u>                     | <u>343</u>      |
| Balance at 31 March 2011  | <u>74,059</u>              | <u>4,384</u>                  | <u>51,774</u>                | <u>130,217</u>  |

#### 1(e)(ii) SHARE CAPITAL

Since the end of the previous period, the Company issued 359,200 shares under the KT&T Restricted Share Plan ("KT&T RSP"). The share capital of the Company as at the end of the period was 553,095,737 (31 December 2011: 552,736,537) ordinary shares.

As at 31 March 2012, the Company is not holding any treasury shares.

##### Share Options

As at 31 March 2012, there were unexercised options for 1,580,000 (31 March 2011: 1,627,000) of unissued ordinary shares under the Company's Share Option Scheme.

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

As at 31 March 2012, the number of restricted shares released but not vested was 560,800 (31 March 2011: 334,000) for KT&T RSP.

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

As at 31 March 2012, the number of contingent shares granted and not released was 360,000 (31 March 2011: 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 period compared with those of the audited financial statements as at 31 December 2011, except as disclosed in paragraph 5 below.

## 5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all amendments to Financial Reporting Standards (FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2012. These include Amendments to FRS 107 Disclosures – Transfers of Financial Assets, Amendments to FRS 101 – Severe Hyperinflation and Removal of Fixed dates for First-time Adopters and Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets. The adoption of these FRS did not have any significant impact on the financial performance or position of the Group.

## 6. EARNINGS PER ORDINARY SHARE

|  | <b>GROUP</b> |         |        |
|--|--------------|---------|--------|
|  | 1Q 2012      | 1Q 2011 | +/(-)% |
| Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:- |              |         |        |
| (i) Based on the weighted average number of shares (cents)   | 2.6          | 2.5     | 4.0    |
| - Weighted average number of shares ('000)   | 552,976      | 552,582 | 0.1    |
| (ii) On a fully diluted basis (cents)  | 2.6          | 2.5     | 4.0    |
| - Adjusted weighted average number of shares ('000)  | 553,877      | 553,145 | 0.1    |

## 7. NET ASSET VALUE

|   | GROUP     |            |        | COMPANY   |            |        |
|---|-----------|------------|--------|-----------|------------|--------|
|   | 31.3.2012 | 31.12.2011 | +/(-)% | 31.3.2012 | 31.12.2011 | +/(-)% |
| Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$) | 0.74      | 0.71       | 4.2    | 0.25      | 0.25       | -      |

## 8. REVIEW OF GROUP PERFORMANCE

Group revenue of \$33.6 million was \$3.3 million or 11% above the corresponding quarter in 2011 due to higher revenue generated by Data Centre and Logistics Divisions.

Operating profit of \$6.4 million increased by \$2.1 million due mainly to improved performance by the Data Centre Division.

Profit before taxation of \$18.8 million remained at the same level compared to the corresponding quarter in 2011. Increase in operating profit was offset by higher interest expense and lower contributions from associated companies.

After taking into account taxation expense and non-controlling interests, the Group's net profit attributable to shareholders of the Company improved 4% to \$14.4 million.

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

## 9. VARIANCE FROM FORECAST STATEMENT

No forecast for the first quarter ended 31 March 2012 was previously provided.

## 10. PROSPECTS

The Group will strive to maintain high occupancy rates in its logistics facilities in China and Southeast Asia. Recently, a Joint Venture Agreement was signed with the Jilin City Government to develop a food logistics hub in Jilin, China. At the same time, the Group continues to search for new development opportunities to expand the logistics business.

The Group's data centres are currently enjoying strong demand. The data centre fund recently acquired an asset in Europe. The fund will continue its efforts to grow through further acquisitions.

**11. DIVIDENDS**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(c) Date Payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared for the quarter ended 31 March 2012.

For the year ended 31 December 2011, Directors have recommended a first and final dividend of 3.5 cents per share tax exempt one-tier for approval by shareholders at the Annual General Meeting to be held on 18 April 2012. If approved, the dividend will be paid on 7 May 2012.

### 13. SEGMENT ANALYSIS

First Quarter ended 31 March 2012

#### Business Segments

|  | Logistics<br>\$'000 | Data Centre<br>\$'000                                      | Investments<br>\$'000 | Adjustments/<br>Eliminations<br>\$'000 | Consolidated<br>Total<br>\$'000 |
|--|---------------------|--|-----------------------|--|---------------------------------|
| <u>Revenue</u>   |                     |  |                       |  |                                 |
| External sales   | 22,481              | 11,115   | -                     | -                                      | 33,596                          |
| Inter-segment sales  | 535                 | 29   | -                     | (564)                                  | -                               |
| <b>Total</b>   | <b>23,016</b>       | <b>11,144</b>  | <b>-</b>              | <b>(564)</b>                           | <b>33,596</b>                   |
| <u>Segment results</u>   |                     |  |                       |  |                                 |
| Operating profit/(loss)  | 3,224               | 4,636  | (1,442)               |  | 6,418                           |
| Interest income  | 110                 | 5  | 9                     |  | 124                             |
| Interest expense   | (45)                | (780)  | (286)                 |  | (1,111)                         |
| Share of results of associated<br>companies and jointly<br>controlled entities | 1,082               | 1,466  | 10,864                |  | 13,412                          |
| Profit before taxation   | 4,371               | 5,327  | 9,145                 |  | 18,843                          |
| Taxation   | (794)               | (143)  | (1,917)               |  | (2,854)                         |
| <b>Profit for the period</b>   | <b>3,577</b>        | <b>5,184</b>   | <b>7,228</b>          |  | <b>15,989</b>                   |
| Attributable to:   |                     |  |                       |  |                                 |
| Shareholders of the Company  | 3,205               | 4,004  | 7,208                 |  | 14,417                          |
| Non-controlling interests  | 372                 | 1,180  | 20                    |  | 1,572                           |
|  | <b>3,577</b>        | <b>5,184</b>   | <b>7,228</b>          |  | <b>15,989</b>                   |
| <u>Other Information</u>   |                     |  |                       |  |                                 |
| Segment assets   | 216,012             | 341,565  | 325,997               | (64,297)                               | 819,277                         |
| Segment liabilities  | (55,399)            | (286,514)  | (105,288)             | 64,297                                 | (382,904)                       |
| <b>Net assets</b>  | <b>160,613</b>      | <b>55,051</b>  | <b>220,709</b>        | <b>-</b>                               | <b>436,373</b>                  |
| Investment in associated<br>companies and jointly<br>controlled entities       |                     |  |                       |  |                                 |
|  | 29,514              | 111,536  | 231,014               |  | 372,064                         |
| Additions to non-current assets  | 2,609               | 34,983   | 428                   |  | 38,020                          |
| Depreciation   | 1,903               | 1,778  | 20                    |  | 3,701                           |
| <u>Geographical Information</u>  |                     |  |                       |  |                                 |
|  | Singapore<br>\$'000 | Far East<br>and ASEAN<br>other than<br>Singapore<br>\$'000 | Others<br>\$'000      |  | Consolidated<br>Total<br>\$'000 |
| External sales   | 26,061              | 7,535  | -                     |  | 33,596                          |
| Non-current assets   | 488,880             | 103,365  | 112,376               |  | 704,621                         |

First Quarter ended 31 March 2011  
Business Segments

|  | Logistics<br>\$'000 | Data Centre<br>\$'000                                      | Investments<br>\$'000 | Adjustments/<br>Eliminations<br>\$'000 | Consolidated<br>Total<br>\$'000 |
|--|---------------------|--|-----------------------|--|---------------------------------|
| <u>Revenue</u>   |                     |  |                       |  |                                 |
| External sales   | 20,788              | 6,822  | 2,638                 | -                                      | 30,248                          |
| Inter-segment sales  | 960                 | -  | 62                    | (1,022)                                | -                               |
| <b>Total</b>   | <b>21,748</b>       | <b>6,822</b>   | <b>2,700</b>          | <b>(1,022)</b>                         | <b>30,248</b>                   |
| <u>Segment results</u>   |                     |  |                       |  |                                 |
| Operating profit/(loss)  | 3,108               | 2,705  | (1,486)               |  | 4,327                           |
| Interest income  | 26                  | 2  | 132                   |  | 160                             |
| Interest expense   | -                   | (298)  | (433)                 |  | (731)                           |
| Share of results of associated<br>companies and jointly<br>controlled entities | 1,965               | 1,149  | 11,923                |  | 15,037                          |
| Profit before taxation   | 5,099               | 3,558  | 10,136                |  | 18,793                          |
| Taxation   | (784)               | (132)  | (2,444)               |  | (3,360)                         |
| <b>Profit for the period</b>   | <b>4,315</b>        | <b>3,426</b>   | <b>7,692</b>          |  | <b>15,433</b>                   |
| Attributable to:   |                     |  |                       |  |                                 |
| Shareholders of the Company  | 3,787               | 2,655  | 7,488                 |  | 13,930                          |
| Non-controlling interests  | 528                 | 771  | 204                   |  | 1,503                           |
|  | <b>4,315</b>        | <b>3,426</b>   | <b>7,692</b>          |  | <b>15,433</b>                   |
| <u>Other Information</u>   |                     |  |                       |  |                                 |
| Segment assets   | 244,901             | 200,249  | 379,107               | (142,060)                              | 682,197                         |
| Segment liabilities  | (101,480)           | (162,088)  | (177,075)             | 142,060                                | (298,583)                       |
| <b>Net assets</b>  | <b>143,421</b>      | <b>38,161</b>  | <b>202,032</b>        | <b>-</b>                               | <b>383,614</b>                  |
| Investment in associated<br>companies and jointly<br>controlled entities       | 56,612              | 51,821   | 226,331               |  | 334,764                         |
| Additions to non-current assets  | 4,014               | 7,191  | 59                    |  | 11,264                          |
| Depreciation   | 1,415               | 1,304  | 47                    |  | 2,766                           |
| <u>Geographical Information</u>  |                     |  |                       |  |                                 |
|  | Singapore<br>\$'000 | Far East<br>and ASEAN<br>other than<br>Singapore<br>\$'000 | Others<br>\$'000      |  | Consolidated<br>Total<br>\$'000 |
| External sales   | 21,556              | 8,692  | -                     |  | 30,248                          |
| Non-current assets   | 397,356             | 126,202  | 64,922                |  | 588,480                         |



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.

#### **14. REVIEW OF SEGMENT PERFORMANCE**

Logistics Division's revenue of \$22.5 million was \$1.7 million higher than the corresponding period last year. Operating profit at \$3.2 million was higher due to lower overheads. Profit before taxation at \$4.4 million decreased by \$0.7 million due mainly to the disposal of Wuhu Annto in mid 2011. After taking into account taxation and non-controlling interests, profit attributable to shareholders was \$3.2 million.

Data Centre Division's revenue of \$11.1 million increased by \$4.3 million compared to the corresponding period of last year. This was due to higher revenue from its Singapore operations. Operating profit was \$1.9 million higher at \$4.6 million. Profit before taxation of \$5.3 million increased by \$1.8 million. Profit attributable to shareholders improved \$1.3 million to \$4.0 million.

Investments Division's profit before taxation decreased \$1.0 million to \$9.1 million compared to the corresponding period of last year due to lower contributions from associated companies. After taking into account taxation and non-controlling interests, profit attributable to shareholders was \$7.2 million.

## 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 period 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 |                            |
|--|---|----------------------------|--|----------------------------|
|  | 2012<br>3 Months<br>\$'000  | 2011<br>3 Months<br>\$'000 | 2012<br>3 Months<br>\$'000   | 2011<br>3 Months<br>\$'000 |
| <u>General Transactions</u>  |   |                            |  |                            |
| Keppel Corporation Limited Group   | -   | -                          | 384  | 449                        |
| Singapore Telecommunications Limited   | -   | -                          | 93   | 415                        |
| <u>Treasury Transactions</u>   |   |                            |  |                            |
| Keppel Corporation Limited Group   | -   | -                          | 35,684   | 24,850                     |
| <u>Management Services</u>   |   |                            |  |                            |
| Keppel Corporation Limited Group   | -   | -                          | 550  | 500                        |
| <u>Investment Transactions</u>   |   |                            |  |                            |
| Keppel Land Limited Group  |   |                            |  |                            |
| - Capital commitment for the formation of joint venture company, Keppel Data Centres Holding Pte Ltd ("JV Co") | -   | 21,000                     | -  | -                          |
| - Acquisition of Keppel Digihub Limited by the JV Co <sup>(1)</sup>  | -   | 13,293                     | -  | -                          |
| - Disposal of Keppel Datahub Pte Ltd to the JV Co <sup>(2)</sup>   | -   | 2,689                      | -  | -                          |
|  | -   | 36,982                     | 36,711   | 26,214                     |

### Notes:

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.

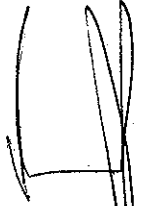
### BY ORDER OF THE BOARD

CAROLINE CHANG/KELVIN CHUA  
Company Secretaries  
17 April 2012

**Confirmation by the Board**

We, TEO SOON HOE and REGGIE THEIN being two directors of Keppel Telecommunications & Transportation Ltd (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 2012 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



TEO SOON HOE  
Chairman

Singapore, 17 April 2012



REGGIE THEIN  
Director