

PRESS RELEASE

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2013

17 April 2013

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 2013.

These figures have not been audited.

1Q FY2013 RESULTS HIGHLIGHTS

1. Revenue increased to \$37.0 million, 10% higher than the corresponding period in 2012.
2. Net profit attributable to shareholders improved 4% to \$15.0 million.
3. Earnings per share improved 4% to 2.7 cents.
4. Net asset value per ordinary share increased 5% to 81.0 cents per share.

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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)

FIRST QUARTER 2013 FINANCIAL STATEMENTS

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KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

First Quarter 2013 Financial Statements

1 UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the first quarter ended 31 March 2013.

1(a) GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March 2013

	1Q 2013 \$'000	1Q 2012 \$'000	+ / (-) %
REVENUE	36,994	33,596	10.1
Operating expenses	(30,683)	(27,401)	12.0
Other income	757	223	239.5
OPERATING PROFIT	7,068	6,418	10.1
Interest income	113	124	(8.9)
Interest expense	(1,752)	(1,111)	57.7
Share of results of associated companies and jointly controlled entities	14,438	13,412	7.6
PROFIT BEFORE TAXATION	19,867	18,843	5.4
Taxation	(3,419)	(2,854)	19.8
PROFIT FOR THE PERIOD	16,448	15,989	2.9
Attributable to:			
Shareholders of the Company	14,997	14,417	4.0
Non-controlling interests	1,451	1,572	(7.7)
	16,448	15,989	2.9
Earnings per share			
- basic	2.7 cts	2.6 cts	3.8
- diluted	2.7 cts	2.6 cts	3.8

Notes to Group Profit and Loss Account

(i) Operating expenses/other income comprise the following:

	1Q 2013 \$'000	1Q 2012 \$'000	+/(%)
Purchase of goods and services	7,320	7,324	(0.1)
Staff costs ^(a)	9,563	7,509	27.4
Share-based payment expenses	314	260	20.8
Depreciation of fixed assets ^(b)	4,062	3,701	9.8
Rental of equipment and facilities expenses ^(c)	7,046	6,342	11.1
Other operating expenses ^(d)	<u>2,378</u>	<u>2,265</u>	5.0
Operating expenses	<u>30,683</u>	<u>27,401</u>	12.0
Other income ^(e)	<u>757</u>	<u>223</u>	239.5

Notes:

- (a) Staff costs increased due mainly to higher headcounts for Logistics and Data Centre divisions.
- (b) Higher depreciation due mainly to additional capital expenditure for data centres' equipment.
- (c) Rental of equipment and facilities expenses increased due to higher costs of maintenance and upkeep of data centres and warehouses.
- (d) Other operating expenses increased due to higher professional fees.
- (e) Other income increased due mainly to dilution gain in an associated company.

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

	1Q 2013 \$'000	1Q 2012 \$'000	+/(%)
Write-back of provision for doubtful debts	(3)	(30)	(90.0)
Write-back of provision for stock obsolescence	(134)	-	nm
Foreign exchange loss/(gain)	54	(86)	nm
Loss on disposal of fixed assets	-	22	nm

(iii) Taxation expense for the current quarter included write-back of provision for taxation of \$15,000 (1Q 2012: \$15,000) in respect of prior years and provision for deferred taxation of \$1,215,000 (1Q 2012: \$10,000). Tax assets recognised under the Group Relief System was \$1,373,000 (1Q 2012: Nil).

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

nm – not meaningful

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the first quarter ended 31 March 2013**

	1Q 2013 \$'000	1Q 2012 \$'000	+ / (-) %
Profit for the period	<u>16,448</u>	<u>15,989</u>	2.9
<u>Items that will be reclassified subsequently to profit or loss:</u>			
Available-for-sale financial assets			
- Fair value changes	(51)	(143)	(64.3)
Foreign currency translation			
- Exchange differences arising on consolidation	5,160	(690)	nm
Share of other comprehensive income of associated companies			
- Cash flow hedge	-	19	nm
- Foreign currency translation	3,894	599	>500.0
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Share of other comprehensive expense of associated companies			
- Share-based payment	<u>(228)</u>	<u>(70)</u>	225.7
Other comprehensive income/(expense) for the period, net of tax	<u>8,775</u>	<u>(285)</u>	nm
Total comprehensive income for the period	<u><u>25,223</u></u>	<u><u>15,704</u></u>	60.6
Attributable to:			
Shareholders of the Company	22,286	14,284	56.0
Non-controlling interests	<u>2,937</u>	<u>1,420</u>	106.8
	<u><u>25,223</u></u>	<u><u>15,704</u></u>	60.6

nm – not meaningful

1(c)(i) BALANCE SHEETS as at 31 March 2013

	Group		Company	
	31.3.2013 \$'000	31.12.2012 \$'000	31.3.2013 \$'000	31.12.2012 \$'000
SHARE CAPITAL	75,135	74,565	75,135	74,565
RESERVES	374,570	352,526	57,839	58,477
SHARE CAPITAL AND RESERVES	449,705	427,091	132,974	133,042
NON-CONTROLLING INTERESTS	41,194	33,262	-	-
CAPITAL EMPLOYED	490,899	460,353	132,974	133,042
Represented by:				
FIXED ASSETS	345,342	339,153	-	-
INVESTMENTS				
Subsidiaries	-	-	87,345	87,345
Associated companies and jointly controlled entities	432,425	403,486	34,572	34,572
Others	453	504	-	-
	432,878	403,990	121,917	121,917
LONG-TERM RECEIVABLES	-	-	94,850	94,850
CURRENT ASSETS				
Stocks	374	437	-	-
Debtors	54,446	49,375	337	219
Amounts owing by holding and related companies	1,480	1,186	41,659	27,306
Amounts owing by associated companies	5,519	4,826	2,491	2,302
Fixed deposits	35,465	44,717	7,783	10,299
Bank balances and cash	48,680	19,012	159	163
	145,964	119,553	52,429	40,289
LESS: CURRENT LIABILITIES				
Creditors	49,179	47,349	2,180	2,896
Amounts owing to holding and related companies	1,661	1,304	1,442	1,112
Amounts owing to associated companies	287	515	-	-
Short-term borrowings	52,200	25,000	12,600	-
Taxation	2,140	1,572	-	6
	105,467	75,740	16,222	4,014
NET CURRENT ASSETS	40,497	43,813	36,207	36,275
NON-CURRENT LIABILITIES				
Long-term borrowings	315,696	315,696	120,000	120,000
Deferred taxation	12,122	10,907	-	-
	327,818	326,603	120,000	120,000
NET ASSETS	490,899	460,353	132,974	133,042

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

Amount repayable in one year or less, or on demand

As at 31.3.2013		As at 31.12.2012	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	52,200	-	25,000

Amount repayable after one year

As at 31.3.2013		As at 31.12.2012	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	315,696	-	315,696

The Group funds its operations from internal sources, banks and related companies. On 29 June 2012, the Group established a S\$500 million Medium Term Note ("MTN") Programme and on 13 August 2012, it issued a S\$120 million 7-year Fixed Rate Note from the programme at 2.625% per annum for the first five years and 3.825% per annum for the remaining two years.

Details of any collateral

Not applicable.

1(c)(iii) BALANCE SHEET ANALYSIS

Group share capital and reserves increased by \$22.6 million to \$449.7 million as at 31 March 2013. The increase was due mainly to profits attributable to shareholders and foreign currency translation gains.

Group total assets of \$924.2 million at 31 March 2013 were \$61.5 million higher than the previous year end. Fixed assets increased by \$6.2 million to \$345.3 million due mainly to cost incurred to fit out data centres. Investments in associated companies and jointly controlled entities of \$432.4 million increased by \$28.9 million due to equity accounting for share of profits and additional investments during the period, partly offset by dividends received. Current assets of \$146.0 million increased \$26.4 million due largely to higher debtors and bank balances.

Group total liabilities of \$433.3 million were \$30.9 million higher than the previous year end due mainly to increase in creditors, borrowings and deferred taxation. Total borrowings increased by \$27.2 million to \$367.9 million due mainly to additional investment in an associated company and capital injection into a subsidiary.

1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS
for the first quarter ended 31 March 2013

	1Q 2013 \$'000	1Q 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit	7,068	6,418
Adjustments for non-cash items:		
Depreciation of fixed assets	4,062	3,701
Loss on disposal of fixed assets	-	22
Share-based payment expenses	314	260
Gain on dilution of an associated company	(714)	-
Translation of foreign companies	3,254	(82)
Operating cash flows before changes in working capital	13,984	10,319
Working capital changes:		
Stocks	63	-
Debtors	(6,727)	(668)
Creditors	(2,030)	18
Cash flows from operations	5,290	9,669
Interest received	112	94
Interest paid	(2,462)	(980)
Income taxes paid	(610)	(513)
Proceeds from tax losses transferred under group relief system	2,554	-
NET CASH FROM OPERATING ACTIVITIES	4,884	8,270
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in an associated company	(13,330)	(12,430)
Purchase of other investment	-	(282)
Proceeds from disposal of fixed assets	-	754
Purchase of fixed assets	(4,481)	(12,531)
Dividend received from an associated company	366	80
NET CASH USED IN INVESTING ACTIVITIES	(17,445)	(24,409)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from share issues	29	-
Proceeds from short-term loans	27,200	9,590
Proceeds from long-term loans	-	9,000
Funds to an associated company	-	(11,013)
Proceeds from non-controlling shareholder of a subsidiary	5,400	-
Dividend paid to non-controlling shareholders of a subsidiary	(405)	-
NET CASH FROM FINANCING ACTIVITIES	32,224	7,577
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19,663	(8,562)
Cash and cash equivalents as at 1 January	63,729	65,558
Effect of exchange rate changes on cash and cash equivalents	753	(203)
Cash and cash equivalents as at 31 March (Note A)	84,145	56,793

Notes to Consolidated Statement of Cash Flows

A. 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 2013 \$'000	1Q 2012 \$'000
Fixed deposits	35,465	38,117
Bank balances and cash	<u>48,680</u>	<u>18,676</u>
	<u>84,145</u>	<u>56,793</u>

1(d)(ii) CASH FLOW ANALYSIS

Net cash from operating activities for the quarter was \$4.9 million compared to \$8.3 million for the corresponding quarter last year. Higher operating cash flows and proceeds from transfer of tax losses under the group relief system were partly offset by cash outflow on working capital requirements and interest paid.

Net cash used in investing activities for the quarter was \$17.4 million mainly for additional investment in an associated company and capital expenditure for fit out of data centres, partly offset by cash inflow from dividend received.

Net cash from financing activities for the quarter was \$32.2 million mainly proceeds from short-term loan and non-controlling shareholder of a subsidiary, partly offset by cash outflow on dividend paid to non-controlling shareholders of a subsidiary.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY
for the first quarter ended 31 March 2013**

	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 2013	74,565	30,663	336,209	(14,346)	427,091	33,262	460,353
Total comprehensive income for the period							
Profit for the period	-	-	14,997	-	14,997	1,451	16,448
Other comprehensive income for the period*	-	(279)	-	7,568	7,289	1,486	8,775
Total comprehensive income for the period	-	(279)	14,997	7,568	22,286	2,937	25,223
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares	570	(541)	-	-	29	-	29
Cost of share-based payment	-	299	-	-	299	-	299
Transfer from revenue reserve to capital reserves	-	1	(1)	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(405)	(405)
Total contributions by and distributions to owners	570	(241)	(1)	-	328	(405)	(77)
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of a subsidiary	-	-	-	-	-	5,400	5,400
Total change in ownership interests in subsidiaries	-	-	-	-	-	5,400	5,400
Total transactions with owners	570	(241)	(1)	-	328	4,995	5,323
Balance at 31 March 2013	75,135	30,143	351,205	(6,778)	449,705	41,194	490,899

* 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
The Group							
Balance at 1 January 2012	74,111	29,816	300,183	(9,040)	395,070	25,339	420,409
Total comprehensive income for the period							
Profit for the period	-	-	14,417	-	14,417	1,572	15,989
Other comprehensive income for the period *	-	(194)	-	61	(133)	(152)	(285)
Total comprehensive income for the period	-	(194)	14,417	61	14,284	1,420	15,704
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares	454	(454)	-	-	-	-	-
Cost of share-based payment	-	260	-	-	260	-	260
Total contributions by and distributions to owners	454	(194)	-	-	260	-	260
Total transactions with owners	454	(194)	-	-	260	-	260
Balance at 31 March 2012	74,565	29,428	314,600	(8,979)	409,614	26,759	436,373

* 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 2013	74,565	5,565	52,912	133,042
Loss for the period, representing total comprehensive income for the period	-	-	(396)	(396)
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares	570	(541)	-	29
Cost of share-based payment	-	299	-	299
Total transactions with owners	570	(242)	-	328
Balance at 31 March 2013	75,135	5,323	52,516	132,974
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)
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares	454	(454)	-	-
Cost of share-based payment	-	260	-	260
Total transactions with owners	454	(194)	-	260
Balance at 31 March 2012	74,565	4,899	56,045	135,509

1(e)(ii) SHARE CAPITAL

Since the end of the previous period, the Company issued 488,600 shares being 40,000 shares issued upon the exercise of options under the Company's Share Option Scheme, 313,600 shares issued under the KT&T Restricted Share Plan ("KT&T RSP") and 135,000 shares issued under the KT&T Performance Share Plan ("KT&T PSP"). The share capital of the Company as at 31 March 2013 was 553,584,337 (31 December 2012: 553,095,737) ordinary shares.

As at 31 March 2013, the Company is not holding any treasury shares (31 March 2012: Nil).

Share Options

As at 31 March 2013, there were unexercised options for 1,385,000 (31 March 2012: 1,580,000) of unissued ordinary shares under the Company's Share Option Scheme.

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

As at 31 March 2013, the number of contingent shares granted and not released was 870,000 (31 March 2012: Nil) 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 870,000 ordinary shares of the Company for KT&T RSP.

As at 31 March 2013, the number of restricted shares released but not vested was 172,600 (31 March 2012: 560,800) for KT&T RSP.

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

As at 31 March 2013, the number of contingent shares granted and not released was 405,000 (31 March 2012: 360,000) 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 607,500 ordinary shares of the Company for KT&T PSP. The number of contingent shares granted and not released but cancelled was 45,000 (31 March 2012: Nil).

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 2012, 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 2013. These include Amendments to FRS 1 Presentation of Items of Other Comprehensive Income, FRS 113 Fair Value Measurement, FRS 107 Disclosure – Offsetting Financial Assets and Financial Liabilities and Improvements to FRSs 2012. 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

	GROUP		
	1Q 2013	1Q 2012	+/(-)%
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)	2.7	2.6	3.8
- Weighted average number of shares ('000)	553,421	552,976	0.1
(ii) On a fully diluted basis (cents)	2.7	2.6	3.8
- Adjusted weighted average number of shares ('000)	554,803	553,877	0.2

7. NET ASSET VALUE

	GROUP			COMPANY		
	31.3.2013	31.12.2012	+/(-)%	31.3.2013	31.12.2012	+/(-)%
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	0.81	0.77	5.2	0.24	0.24	-

8. REVIEW OF GROUP PERFORMANCE

Group revenue of \$37.0 million was \$3.4 million or 10% above the corresponding quarter in 2012 due to higher revenue generated from Logistics and Data Centre Divisions. Consequently, operating profit increased \$0.7 million or 10% to \$7.1 million.

Profit before taxation of \$19.9 million was higher by \$1.0 million compared to the corresponding quarter in 2012. The increase in operating profit and share of contributions from associated companies was partly offset by higher interest expense.

After taking into account taxation expense and non-controlling interests, the Group's net profit attributable to shareholders was higher at \$15.0 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 2013 was previously provided.

10. PROSPECTS

In logistics, the Group continues to focus on maintaining high occupancy rates and executing its major projects. During the quarter, the Wuhu Port in Anhui commenced trial operations after completing the first phase of construction. The Group has also secured a two hectare site in Tampines, Singapore to develop an air logistics hub. It continues to explore other new development opportunities.

Demand for the Group's data centre services remains strong. The data centre fund recently completed its second round of capital raising, making Keppel T&T the single largest shareholder. The Fund has acquired the remaining 50% stake in Citadel 100, a data centre in Ireland.

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 2013.

For the year ended 31 December 2012, 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 2013. If approved, the dividend will be paid on 7 May 2013.

13. SEGMENT ANALYSIS

First Quarter ended 31 March 2013

Business Segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	25,086	11,908	-	-	36,994
Inter-segment sales	604	68	-	(672)	-
Total	25,690	11,976	-	(672)	36,994
<u>Segment results</u>					
Operating profit/(loss)	3,676	4,835	(1,443)	-	7,068
Interest income	107	245	619	(858)	113
Interest expense	(120)	(1,315)	(1,175)	858	(1,752)
Share of results of associated companies and jointly controlled entities	1,059	2,641	10,738	-	14,438
Profit before taxation	4,722	6,406	8,739	-	19,867
Taxation	(581)	(755)	(2,083)	-	(3,419)
Profit for the period	4,141	5,651	6,656	-	16,448
Attributable to:					
Shareholders of the Company	3,792	4,601	6,604	-	14,997
Non-controlling interests	349	1,050	52	-	1,451
	4,141	5,651	6,656	-	16,448
<u>Other Information</u>					
Segment assets	292,004	377,773	401,623	(147,216)	924,184
Segment liabilities	(75,042)	(279,963)	(225,496)	147,216	(433,285)
Net assets	216,962	97,810	176,127	-	490,899
Investment in associated companies and jointly controlled entities					
	58,625	134,480	239,320	-	432,425
Additions to non-current assets	928	21,558	8	-	22,494
Depreciation	1,874	2,167	21	-	4,062

Geographical Information

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	27,361	8,904	729	36,994
Non-current assets	550,568	126,715	100,937	778,220

First Quarter ended 31 March 2012

Business Segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	22,481	11,115	-	-	33,596
Inter-segment sales	535	29	-	(564)	-
Total	23,016	11,144	-	(564)	33,596
<u>Segment results</u>					
Operating profit/(loss)	3,224	4,636	(1,442)	-	6,418
Interest income	117	232	9	(234)	124
Interest expense	(52)	(1,007)	(286)	234	(1,111)
Share of results of associated companies and jointly 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)
Profit for the period	3,577	5,184	7,228	-	15,989
Attributable to:					
Shareholders of the Company	3,205	4,004	7,208	-	14,417
Non-controlling interests	372	1,180	20	-	1,572
	3,577	5,184	7,228	-	15,989
<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)
Net assets	160,613	55,051	220,709	-	436,373
Investment in associated companies and jointly 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 \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000	
External sales	26,061	7,535	-	33,596	
Non-current assets	505,239	108,924	90,458	704,621	

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 integrated logistics port operations, third party logistics services, supply chain solutions, warehousing, distribution, container storage and repairs and freight forwarding services. The Data Centre division provides data centre co-location services including business continuity and disaster recovery services, and other data centre fund management 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 \$25.1 million increased by \$2.6 million compared to corresponding quarter of last year due to higher warehousing and distribution income. Operating profit improved by \$0.5 million to \$3.7 million. Profit before taxation of \$4.7 million was \$0.4 million higher. After taking into account taxation and non-controlling interests, net profit attributable to shareholders increased to \$3.8 million.

Data Centre Division's revenue of \$11.9 million rose by \$0.8 million compared to corresponding quarter of last year. Operating profit improved by \$0.2 million to \$4.8 million. Profit before taxation increased by \$1.1 million to \$6.4 million due to higher contributions from associated companies partly offset by increase in interest expense. After taking into account taxation and non-controlling interests, net profit attributable to shareholders rose by \$0.6 million to \$4.6 million.

Investments Division's profit before taxation of \$8.7 million decreased by \$0.4 million compared to corresponding quarter of last year. This was due mainly to lower contributions from associated companies and higher net interest expense. After taking into account taxation and non-controlling interests, net profit attributable to shareholders was \$6.6 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 18 April 2012. During the financial period, 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 (excluding transactions less than \$100,000)	
	2013 3 Months \$'000	2012 3 Months \$'000	2013 3 Months \$'000	2012 3 Months \$'000
<u>General Transactions</u>				
Keppel Corporation Limited Group	-	-	3,105	384
Singapore Telecommunications Limited	-	-	123	93
<u>Treasury Transactions</u>				
Keppel Corporation Limited Group	-	-	30,525	35,684
<u>Management Services</u>				
Keppel Corporation Limited Group	-	-	706	550
	-	-	34,459	36,711

BY ORDER OF THE BOARD

TOK BOON SHENG/KELVIN CHUA
Company Secretaries
17 April 2013

Confirmation by the Board

We, TEO SOON HOE and NEO BOON SIONG 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 2013 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 2013



NEO BOON SIONG
Director