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PRESS RELEASE

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2007

24 July 2007

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the second quarter ended 30 June 2007.

These figures have not been audited.

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This press release is also available at www.kepcorp.com and
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KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

Second Quarter Financial Statement

1 UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the second quarter ended 30 June 2007.

1(a) GROUP PROFIT AND LOSS ACCOUNTS

for the second quarter and half year ended 30 June 2007

	2007 2Q \$'000	2006 2Q \$'000	+ / (-) %	2007 6 Months \$'000	2006 6 Months \$'000	+ / (-) %
TURNOVER	23,155	23,089	0.3	44,660	47,227	(5.4)
Less operating expenses	<u>(21,006)</u>	<u>(19,018)</u>	10.5	<u>(40,061)</u>	<u>(41,195)</u>	(2.8)
OPERATING PROFIT	2,149	4,071	(47.2)	4,599	6,032	(23.8)
Interest income	546	902	(39.5)	963	1,515	(36.4)
Interest expense	(1,441)	(1,324)	8.8	(3,040)	(2,633)	15.5
Share of results of associated companies and jointly controlled entity	<u>13,022</u>	<u>11,019</u>	18.2	<u>23,632</u>	<u>21,230</u>	11.3
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	14,276	14,668	(2.7)	26,154	26,144	-
Exceptional items	<u>(309)</u>	<u>(325)</u>	(4.9)	<u>(251)</u>	<u>(213)</u>	17.8
PROFIT BEFORE TAXATION	13,967	14,343	(2.6)	25,903	25,931	(0.1)
Taxation	<u>(2,610)</u>	<u>(3,843)</u>	(32.1)	<u>(2,315)</u>	<u>(4,688)</u>	(50.6)
PROFIT FOR THE PERIOD	<u>11,357</u>	<u>10,500</u>	8.2	<u>23,588</u>	<u>21,243</u>	11.0
Attributable to:						
Shareholders of the Company						
Profit before exceptional items	10,554	8,929	18.2	22,374	18,710	19.6
Exceptional items	<u>(294)</u>	<u>657</u>	n.m.	<u>(236)</u>	<u>769</u>	n.m.
	10,260	9,586	7.0	22,138	19,479	13.7
Minority interests	<u>1,097</u>	<u>914</u>	20.0	<u>1,450</u>	<u>1,764</u>	(17.8)
	<u>11,357</u>	<u>10,500</u>	8.2	<u>23,588</u>	<u>21,243</u>	11.0
Earnings per share						
Before exceptional items						
- basic	2.0 cts	1.6 cts		4.1 cts	3.4 cts	
- diluted	2.0 cts	1.6 cts		4.1 cts	3.4 cts	
After exceptional items						
- basic	1.8 cts	1.7 cts		4.0 cts	3.5 cts	
- diluted	1.8 cts	1.7 cts		4.0 cts	3.5 cts	

n.m. - not meaningful

Notes to Group Profit and Loss Accounts

(i) Operating expenses comprise the following:

	2007 2Q \$'000	2006 2Q \$'000	+ /(-) %	2007 6 Months \$'000	2006 6 Months \$'000	+ /(-) %
Purchase of goods and services	6,597	4,625	42.6	12,657	11,946	6.0
Staff costs	8,376	7,838	6.9	16,374	15,540	5.4
Defined contribution pension plans	485	557	(12.9)	1,144	1,101	3.9
Depreciation of fixed assets	1,559	1,773	(12.1)	3,130	3,594	(12.9)
Other operating expenses	3,989	4,225	(5.6)	6,756	9,014	(25.0)
	<u>21,006</u>	<u>19,018</u>	10.5	<u>40,061</u>	<u>41,195</u>	(2.8)

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

	2007 2Q \$'000	2006 2Q \$'000	+ /(-) %	2007 6 Months \$'000	2006 6 Months \$'000	+ /(-) %
Share-based payment expenses	243	199	22.1	451	452	(0.2)
Writeback of provision for doubtful debts and bad debts written off	(1,036)	(402)	157.7	(1,066)	(576)	85.1
Writeback of provision for stock obsolescence	-	-	-	-	(1)	n.m.
Foreign exchange (gain)/loss	(89)	251	n.m.	34	651	(94.8)
(Profit)/loss on disposal of fixed assets	(159)	36	n.m.	(227)	34	n.m.
Fair value gain on forward contract	-	(343)	n.m.	-	(616)	n.m.

(iii) Taxation in the second quarter included an over-provision of \$395,000 (2006: \$19,000) in respect of prior years and recognition of tax assets under the Group Relief System of \$1,141,000 (2006: Nil).

(iv) Exceptional items consist of:

	2007 2Q \$'000	2006 2Q \$'000	2007 6 Months \$'000	2006 6 Months \$'000
Gain on disposal of other investments	9	802	67	1,241
Provision for impairment in value of other investments and equity advances	-	(1,127)	-	(1,454)
Staff compensation and restructuring expenses	(318)	-	(318)	-
	(309)	(325)	(251)	(213)
Minority share of exceptional items	<u>15</u>	<u>982</u>	<u>15</u>	<u>982</u>
	<u>(294)</u>	<u>657</u>	<u>(236)</u>	<u>769</u>

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

n.m. – not meaningful

1(b)(i) BALANCE SHEETS as at 30 June 2007

	Group		Company	
	30.6.2007 \$'000	31.12.2006 \$'000	30.6.2007 \$'000	31.12.2006 \$'000
SHARE CAPITAL	71,332	70,006	71,332	70,006
RESERVES	153,490	157,331	75,304	102,213
SHARE CAPITAL AND RESERVES	<u>224,822</u>	<u>227,337</u>	<u>146,636</u>	<u>172,219</u>
MINORITY INTERESTS	<u>34,695</u>	<u>32,371</u>	-	-
CAPITAL EMPLOYED	<u>259,517</u>	<u>259,708</u>	<u>146,636</u>	<u>172,219</u>
Represented by:				
FIXED ASSETS	124,390	125,669	-	-
INVESTMENTS				
Subsidiaries	-	-	76,023	78,479
Associated companies and jointly controlled entity	209,584	188,240	6,621	6,673
Others	20,437	19,806	-	-
	<u>230,021</u>	<u>208,046</u>	<u>82,644</u>	<u>85,152</u>
LONG-TERM RECEIVABLES	-	26	-	-
CURRENT ASSETS				
Stocks and work-in-progress	5,010	3,130	-	-
Debtors	43,028	54,086	1,725	1,727
Amounts owing by holding and related companies	1,441	544	60,886	64,520
Amounts owing by associated companies	7,052	2,027	-	-
Fixed deposits	50,368	69,015	2,666	21,955
Bank balances and cash	6,789	7,949	35	68
	<u>113,688</u>	<u>136,751</u>	<u>65,312</u>	<u>88,270</u>
LESS: CURRENT LIABILITIES				
Creditors	43,561	50,510	874	783
Amounts owing to holding and related companies	1,108	529	201	53
Amounts owing to associated companies	295	333	-	82
Short-term borrowings	61,719	55,623	-	-
Taxation	1,864	1,405	245	285
	<u>108,547</u>	<u>108,400</u>	<u>1,320</u>	<u>1,203</u>
NET CURRENT ASSETS	<u>5,141</u>	<u>28,351</u>	<u>63,992</u>	<u>87,067</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	99,125	101,500	-	-
Deferred taxation	910	884	-	-
	<u>100,035</u>	<u>102,384</u>	-	-
NET ASSETS	<u>259,517</u>	<u>259,708</u>	<u>146,636</u>	<u>172,219</u>

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

Amount repayable in one year or less, or on demand

As at 30 Jun 2007		As at 31 Dec 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	61,719	-	55,623

Amount repayable after one year

As at 30 Jun 2007		As at 31 Dec 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	99,125	-	101,500

Details of any collateral

Not applicable.

1(b)(iii) BALANCE SHEET ANALYSIS

The Group's investments in associated companies and jointly controlled entity increased by \$21.3 million during the first half of 2007 with the acquisition of additional shares in MobileOne, 30% equity stake in iCELL Network Pte Ltd and 50% equity interest in Premier Data Centres Ltd.

The investments were funded by internal cash and bank borrowings. As a result, the Group's net current assets decreased \$23.2 million to \$5.1 million as at 30 June 2007.

Non-current liabilities of the Group decreased marginally to \$100.0 million due to scheduled repayments.

**1(c) CONSOLIDATED CASH FLOW STATEMENT
for the second quarter and half year ended 30 June 2007**

	2007 2Q \$'000	2006 2Q \$'000	2007 6 Months \$'000	2006 6 Months \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit	2,149	4,071	4,599	6,032
Adjustments for non-cash items:				
Depreciation of fixed assets	1,559	1,773	3,130	3,594
(Gain)/loss on sale of fixed assets and investment	(159)	36	(227)	34
Share-based payment expense	243	199	451	452
Fair value gain on financial instruments	-	(343)	-	(616)
Gain on dilution of associated company	(255)	(803)	(437)	(803)
Translation of foreign companies	769	(670)	1,482	(1,635)
Operating profit before working capital changes	4,306	4,263	8,998	7,058
Working capital changes:				
Stocks	191	(1,133)	(1,880)	849
Debtors	(3,442)	3,217	12,141	42,104
Creditors	360	(2,945)	(6,666)	(16,714)
Cash from operations	1,415	3,402	12,593	33,297
Interest received	497	941	974	1,586
Interest paid	(1,714)	(1,324)	(2,972)	(2,723)
Income taxes paid	(745)	(2,007)	(1,172)	(2,774)
Proceeds from tax losses transferred under group relief system	796	625	796	625
Staff compensation and restructuring expenses	(328)	-	(328)	-
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(79)	1,637	9,891	30,011
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries (Note A)	69	-	20	-
Investment in associated companies	(23,187)	(18,968)	(50,593)	(18,968)
Proceeds from capital reduction of an associated company	38,544	-	38,544	-
Purchase of other investments	-	(403)	(1,919)	(403)
Proceeds from disposal of other investments	-	1,045	702	1,211
Return of capital from other investments	-	-	334	-
Acquisition of fixed assets	(996)	(256)	(1,198)	(613)
Proceeds from sale of fixed assets	244	1	315	4
Dividends received from investments	14,695	29,124	14,695	30,115
NET CASH FROM INVESTING ACTIVITIES	29,369	10,543	900	11,346
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from share issues	616	181	1,326	1,082
Proceeds from/(repayment of) short-term loans	3,003	(26,914)	6,096	(35,105)
Repayment of long-term loans	(1,188)	(1,875)	(2,375)	(1,875)
Funds (to)/from holding and related companies	(490)	(1,154)	(283)	92
Funds (to)/from associated companies	(1,558)	(348)	(4,989)	653
Dividends paid to shareholders of the company	(30,270)	(21,966)	(30,270)	(21,966)
Dividends to minorities of subsidiaries	(103)	-	(103)	-
NET CASH USED IN FINANCING ACTIVITIES	(29,990)	(52,076)	(30,598)	(57,119)
NET DECREASE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	57,857	100,144	76,964	76,010
Cash and cash equivalents at end of period (Note B)	57,157	60,248	57,157	60,248

Notes to Consolidated Cash Flow Statement

A. Acquisition of Subsidiaries

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

	2007 2Q \$'000	2006 2Q \$'000	2007 6 Months \$'000	2006 6 Months \$'000
Fixed assets	68	-	72	-
Debtors and creditors	144	-	305	-
Bank balances and cash	994	-	1,106	-
Taxation	-	-	(1)	-
Minority interest	(281)	-	(281)	-
	925	-	1,201	-
Amount previously accounted for as associated companies	-	-	(115)	-
Purchase consideration	925	-	1,086	-
Less: Bank balances and cash acquired	(994)	-	(1,106)	-
Cash inflow on acquisition, net of cash acquired	(69)	-	(20)	-

B. Cash and Cash Equivalents

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

	2007 2Q \$'000	2006 2Q \$'000	2007 6 Months \$'000	2006 6 Months \$'000
Fixed deposits	50,368	46,328	50,368	46,328
Bank balances and cash	6,789	13,920	6,789	13,920
	57,157	60,248	57,157	60,248

1(c)(i) CASH FLOW ANALYSIS

Second Quarter 2007

Net cash from operating activities in the second quarter of 2007 was marginally negative due to increase in debtors.

Dividends received from MobileOne and other associates together with capital distribution from MobileOne amounted to \$53.2 million. Of this, \$23.2 million was used in investment in associated companies. Net cash from investing activities during the period was \$29.4 million.

Net cash used in financial activities was \$30.0 million mainly due to payment of dividends to shareholders during the quarter.

Half Year 2007

The Group generated net cash of \$9.9 million from its operating activities, mainly due to operating profits and reduction in debtors. This net cash is lower than the first half of 2006 because the previous year benefited from a significant reduction in trade debtors after payment by a customer upon completion of a major project.

Net cash from investing activities amounted to \$0.9 million for the half year. Cash received from dividends and capital reduction was used in investments and capital expenditure.

Net cash used in financing activities for the half year of \$30.6 million was mainly due to payment of dividends to shareholders.

1(d)(i) STATEMENTS OF CHANGES IN EQUITY for the second quarter and half year ended 30 June 2007

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Foreign Currency Translation Reserves \$'000	Share Capital & Reserves \$'000	Minority Interests \$'000	Capital Employed \$'000
<u>The Group</u>								
Balance at								
1 January 2007	70,006	-	16,662	149,117	(8,448)	227,337	32,371	259,708
Issue of shares	710	-	-	-	-	710	-	710
Cost of share-based payment	-	-	175	-	-	175	-	175
Net fair value changes on available-for-sale financial assets	-	-	(144)	-	-	(144)	-	(144)
Net fair value changes on cash flow hedge	-	-	9	-	-	9	-	9
Transfer to capital reserves	-	-	117	(117)	-	-	-	-
Profit for the period	-	-	-	11,878	-	11,878	353	12,231
Exchange differences arising on consolidation	-	-	-	-	1,952	1,952	238	2,190
Balance at								
31 March 2007	70,716	-	16,819	160,878	(6,496)	241,917	32,962	274,879
Issue of shares	616	-	-	-	-	616	-	616
Cost of share-based payment	-	-	166	-	-	166	-	166
Net fair value changes on available-for-sale financial assets	-	-	(62)	-	-	(62)	-	(62)
Net fair value changes on cash flow hedge	-	-	38	-	-	38	-	38
Transfer to capital reserves	-	-	125	(125)	-	-	-	-
Profit for the period	-	-	-	10,260	-	10,260	1,097	11,357
Dividend paid for 2006	-	-	-	(30,270)	-	(30,270)	-	(30,270)
Exchange differences arising on consolidation	-	-	-	-	2,157	2,157	458	2,615
Dividends paid to minority shareholders	-	-	-	-	-	-	(103)	(103)
Acquisition of subsidiary	-	-	-	-	-	-	281	281
Balance at								
30 June 2007	71,332	-	17,086	140,743	(4,339)	224,822	34,695	259,517

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Foreign Currency Translation Reserves \$'000	Share Capital & Reserves \$'000	Minority Interests \$'000	Capital Employed \$'000
<u>The Group</u>								
Balance at								
1 January 2006	54,822	13,738	15,518	128,158	(2,085)	210,151	32,401	242,552
Issue of shares	789	112	-	-	-	901	-	901
Transfer of share premium reserve to share capital account (Note 1)	13,850	(13,850)	-	-	-	-	-	-
Cost of share-based payment	-	-	114	-	-	114	-	114
Net fair value changes on available-for-sale financial assets	-	-	(618)	-	-	(618)	-	(618)
Net fair value changes on cash flow hedge	-	-	177	-	-	177	-	177
Transfer to profit and loss account	-	-	318	-	-	318	-	318
Transfer to capital reserves	-	-	65	(65)	-	-	-	-
Profit for the period	-	-	-	9,893	-	9,893	850	10,743
Exchange differences arising on consolidation	-	-	-	-	(2,817)	(2,817)	(650)	(3,467)
Balance at								
31 March 2006	69,461	-	15,574	137,986	(4,902)	218,119	32,601	250,720
Issue of shares	181	-	-	-	-	181	-	181
Cost of share-based payment	-	-	171	-	-	171	-	171
Net fair value changes on available-for-sale financial assets	-	-	(338)	-	-	(338)	-	(338)
Net fair value changes on cash flow hedge	-	-	50	-	-	50	-	50
Transfer to profit and loss account	-	-	(735)	-	-	(735)	-	(735)
Profit for the period	-	-	-	9,586	-	9,586	914	10,500
Dividend paid for 2005	-	-	-	(21,966)	-	(21,966)	-	(21,966)
Exchange differences arising on consolidation	-	-	-	-	(1,325)	(1,325)	(224)	(1,549)
Balance at								
30 June 2006	69,642	-	14,722	125,606	(6,227)	203,743	33,291	237,034

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total \$'000
The Company					
Balance at 1 January 2007	70,006	-	9,809	92,404	172,219
Issue of shares	710	-	-	-	710
Cost of share-based payment	-	-	105	-	105
Profit for the period	-	-	-	3,294	3,294
Balance at 31 March 2007	70,716	-	9,914	95,698	176,328
Issue of shares	616	-	-	-	616
Cost of share-based payment	-	-	124	-	124
Profit for the period	-	-	-	(162)	(162)
Dividend paid for 2006	-	-	-	(30,270)	(30,270)
Balance at 30 June 2007	<u>71,332</u>	<u>-</u>	<u>10,038</u>	<u>65,266</u>	<u>146,636</u>
Balance at 1 January 2006	54,822	13,738	9,485	61,503	139,548
Issue of shares	789	112	-	-	901
Transfer of share premium reserve to share capital account (Note 1)	13,850	(13,850)	-	-	-
Cost of share-based payment	-	-	88	-	88
Profit for the period	-	-	-	30,804	30,804
Balance at 31 March 2006	69,461	-	9,573	92,307	171,341
Issue of shares	181	-	-	-	181
Cost of share-based payment	-	-	88	-	88
Profit for the period	-	-	-	1,323	1,323
Dividend paid for 2005	-	-	-	(21,966)	(21,966)
Balance at 30 June 2006	<u>69,642</u>	<u>-</u>	<u>9,661</u>	<u>71,664</u>	<u>150,967</u>

Note 1:

With effect from 30 January 2006, the concepts of “par value” and “authorised capital” were abolished under the Companies (Amendment) Act 2005 and the amount standing to the credit of the Company’s share premium account as at 30 January 2006 became part of the Company’s share capital as at that date.

1(d)(ii) SHARE CAPITAL

Since the end of the previous period, the Company issued 1,148,000 shares upon the exercise of options granted under the Company’s Share Option Scheme. The share capital of the Company as at the end of the financial period was 550,767,537 shares.

As at 30 June 2007, there were unexercised options for 2,049,000 (30 June 2006: 2,719,000) of unissued shares under the Company’s Share Option Scheme.

2. AUDIT

The figures have not been audited nor reviewed by 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 2006, except as described in paragraph 5.

5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all the new/revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning on or after 1 January 2007. These FRS include FRS 107 Financial Instruments: Disclosures and the Amendments to FRS 1 Presentation of Financial Statements (Capital Disclosures).

6. EARNINGS PER ORDINARY SHARE

	GROUP					
	2007 2Q	2006 2Q	+/(-)%	2007 6 Months	2006 6 Months	+/(-)%
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)	1.8	1.7	5.9	4.0	3.5	14.3
- Weighted average number of shares ('000)	550,233	549,023	0.2	550,233	549,023	0.2
(ii) On a fully diluted basis (cents)	1.8	1.7	5.9	4.0	3.5	14.3
- Adjusted weighted Average number of shares ('000)	550,905	549,620	0.2	550,905	549,620	0.2

7. NET ASSET VALUE

	GROUP			COMPANY		
	30.6.2007	31.12.2006	+/(-)%	30.6.2007	31.12.2006	+/(-)%
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	0.41	0.41	-	0.27	0.31	(12.9)

8. REVIEW OF GROUP PERFORMANCE

Second Quarter

Turnover for the quarter improved marginally to \$23.2 million.

Group profit before tax and exceptional items declined during the quarter mainly due to weaker performance of the Network Engineering division in Malaysia. MobileOne remained a significant contributor, accounting for 61% of the quarter's pre-tax profits.

Profit after tax for the quarter rose 8%.

Half Year

Group profit before tax and exceptional items of \$26.2 million is of the same level as the first half of the previous year. Contributions from associated companies continued to account for a significant proportion of the Group's profit, with MobileOne contributing 64%.

Profit after tax for the first half year rose 11% after taking into account lower tax charge resulting from a reduction in Singapore's corporate tax rate.

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

9. VARIANCE FROM PROSPECTS STATEMENT

No variance from previous statement.

10. PROSPECTS

Network Engineering division is actively re-positioning its resources in network deployment to emerging markets in the region where operators need to upgrade their networks to meet a growing subscriber base. At the same time, the Group will continue to pursue adjacent opportunities like data storage and value-added solutions.

The domestic logistics outlook improved along with the economy, but some new warehouse capacity is expected in the near future. Throughput in Foshan should remain healthy while associate Wuhu Annto Logistics will continue to extend its distribution and warehouse network.

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/recommendeded, a statement to that effect.

No interim dividend has been declared for the period ended 30 June 2007 (30 June 2006: Nil).

13. SEGMENT ANALYSIS
Half Year ended 30 June 2007
Business Segments

	Network Engineering \$'000	Logistics \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
Sales to third parties	13,824	30,567	269	-	44,660
Inter-segment sales	2,561	2,336	-	(4,897)	-
Consolidated sales	<u>16,385</u>	<u>32,903</u>	<u>269</u>	<u>(4,897)</u>	<u>44,660</u>
Operating (loss)/profit	(67)	3,677	989		4,599
Interest income	290	399	274		963
Interest expense	(5)	(584)	(2,451)		(3,040)
Share of results of associated companies and jointly controlled entity	2,992	1,512	19,128		23,632
Profit before tax and exceptional items	3,210	5,004	17,940		26,154
Exceptional items	(318)	-	67		(251)
Profit before taxation	2,892	5,004	18,007		25,903
Taxation	(1,441)	505	(1,379)		(2,315)
Profit for the period	<u>1,451</u>	<u>5,509</u>	<u>16,628</u>		<u>23,588</u>
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	1,033	4,748	16,593		22,374
Exceptional items	(303)	-	67		(236)
Minority interests	730	4,748	16,660		22,138
	721	761	(32)		1,450
	<u>1,451</u>	<u>5,509</u>	<u>16,628</u>		<u>23,588</u>
<u>Other Information</u>					
Segment assets	54,487	172,604	125,232	(93,808)	258,515
Investment in associated companies and jointly controlled entity	57,914	33,603	118,067	-	209,584
Total	<u>112,401</u>	<u>206,207</u>	<u>243,299</u>	<u>(93,808)</u>	<u>468,099</u>
Segment liabilities	49,242	103,526	146,848	(93,808)	205,808
Tax provision and deferred taxation	474	840	1,460	-	2,774
Total	<u>49,716</u>	<u>104,366</u>	<u>148,308</u>	<u>(93,808)</u>	<u>208,582</u>
Net assets	<u>62,685</u>	<u>101,841</u>	<u>94,991</u>	<u>-</u>	<u>259,517</u>
Capital expenditure	565	602	31		1,198
Depreciation	355	2,637	138		3,130

By Geographical Location

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
Sales to third parties	23,766	17,286	3,608	44,660
Total assets	283,644	171,336	13,119	468,099
Capital expenditure	246	397	555	1,198

Half Year ended 30 June 2006

Business Segments

	Network Engineering \$'000	Logistics \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
Sales to third parties	16,899	29,779	549	-	47,227
Inter-segment sales	2,906	2,437	-	(5,343)	-
Consolidated sales	<u>19,805</u>	<u>32,216</u>	<u>549</u>	<u>(5,343)</u>	<u>47,227</u>
Operating profit/(loss)	3,564	3,685	(1,217)		6,032
Interest income	558	227	730		1,515
Interest expense	(172)	(490)	(1,971)		(2,633)
Share of results of associated companies and jointly controlled entity	1,904	2,673	16,653		21,230
Profit before tax and exceptional items	5,854	6,095	14,195		26,144
Exceptional items	(982)	-	769		(213)
Profit before taxation	4,872	6,095	14,964		25,931
Taxation	(574)	(318)	(3,796)		(4,688)
Profit for the period	<u>4,298</u>	<u>5,777</u>	<u>11,168</u>		<u>21,243</u>
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	3,152	5,149	10,409		18,710
Exceptional items	-	-	769		769
Minority interests	3,152	5,149	11,178		19,479
	1,146	628	(10)		1,764
	<u>4,298</u>	<u>5,777</u>	<u>11,168</u>		<u>21,243</u>

	Network Engineering \$'000	Logistics \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Other Information</u>					
Segment assets	71,012	162,036	84,299	(46,131)	271,216
Investment in associated companies and jointly controlled entity	<u>27,795</u>	<u>19,751</u>	<u>78,542</u>	<u>-</u>	<u>126,088</u>
Total	<u>98,807</u>	<u>181,787</u>	<u>162,841</u>	<u>(46,131)</u>	<u>397,304</u>
Segment liabilities	60,946	45,874	95,615	(46,131)	156,304
Tax provision and deferred taxation	<u>1,927</u>	<u>703</u>	<u>1,336</u>	<u>-</u>	<u>3,966</u>
Total	<u>62,873</u>	<u>46,577</u>	<u>96,951</u>	<u>(46,131)</u>	<u>160,270</u>
Net assets	<u>35,934</u>	<u>135,210</u>	<u>65,890</u>	<u>-</u>	<u>237,034</u>
Capital expenditure	224	371	18		613
Depreciation	457	3,001	136		3,594
Impairment losses	-	-	472		472

By Geographical Location

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
Sales to third parties	23,673	20,390	3,164	47,227
Total assets	225,483	162,204	9,617	397,304
Capital expenditure	315	178	120	613

Notes:

- Pricing of inter-segment sales is at fair market value.
- Net assets employed by segments are those identifiable assets less liabilities that are used in the operation of each segment as at the end of the financial period.
- Share of associated companies' results and investments in associated companies are included in the results and net assets employed in the appropriate segments.
- Analysis by geographical location is based on the locations in which the Group's activities are carried out.

14. REVIEW OF SEGMENT PERFORMANCE

Network Engineering division's first half performance weakened mainly due to weaker performance by its Malaysian operations upon completion of a major project. Contributions from the 50% stake in Premier Data Centres in Dublin remained healthy as the data centre operated at almost full capacity.

Performance for Logistics division was weaker due to lower profit contribution from Asia Airfreight Terminal (AAT). AAT has recently completed its capacity expansion and is in the process of rolling out the services to its customers.

Investments division recorded better performance in the first half of 2007 on the back of higher contribution from MobileOne as well as sundry income from subsidiaries. The deferred tax adjustment arising from a reduction of Singapore's corporate tax rate boosted the Group's profit after tax.

15. **INTERESTED PERSON TRANSACTIONS**

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).		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual.	
	2007 6 Months \$'000	2006 6 Months \$'000	2007 6 Months \$'000	2006 6 Months \$'000
<u>General Transactions</u> Singapore Telecommunications Limited	-	-	731	995
<u>Treasury Transactions</u> Keppel Corporation Limited	-	-	37,893	22,861
<u>Management Services</u> Keppel Corporation Limited	-	-	500	500
<u>Investment Transactions</u> Keppel Corporation Limited	1,085	-	-	-
	1,085	-	39,124	24,356

16. **ANNUAL DIVIDEND**

Not applicable

BY ORDER OF THE BOARD

CAROLINE CHANG/LAURA LOW
Company Secretaries
24 July 2007

Confirmation by the Board

We, TEO SOON HOE and LAM KWOK CHONG 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 2Q 2007 financial results to be false or misleading.

On behalf of the board of directors


TEO SOON HOE
Chairman
Singapore 24 July 2007


LAM KWOK CHONG
Managing Director