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PRESS RELEASE

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2009

20 July 2009

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 2009.

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 Statements

1 UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2009

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the second quarter ended 30 June 2009

1(a) GROUP PROFIT AND LOSS ACCOUNTS

for the second quarter and half year ended 30 June 2009

	2009 2Q \$'000	2008 2Q \$'000	+ / (-) %	2009 6 Months \$'000	2008 6 Months \$'000	+ / (-) %
REVENUE	29,172	34,399	(15.2)	59,047	61,818	(4.5)
Less operating expenses	<u>(27,070)</u>	<u>(32,856)</u>	(17.6)	<u>(56,341)</u>	<u>(56,981)</u>	(1.1)
OPERATING PROFIT	2,102	1,543	36.2	2,706	4,837	(44.1)
Interest income	384	483	(20.5)	762	1,006	(24.3)
Interest expense	(851)	(977)	(12.9)	(1,668)	(2,277)	(26.7)
Share of results of associated companies and jointly controlled entity	<u>13,620</u>	<u>15,365</u>	(11.4)	<u>26,234</u>	<u>27,256</u>	(3.7)
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	15,255	16,414	(7.1)	28,034	30,822	(9.0)
Exceptional items	<u>(2,292)</u>	<u>(1,565)</u>	46.5	<u>(2,781)</u>	<u>(1,565)</u>	77.7
PROFIT BEFORE TAXATION	12,963	14,849	(12.7)	25,253	29,257	(13.7)
Taxation	<u>(2,257)</u>	<u>(3,275)</u>	(31.1)	<u>(3,746)</u>	<u>(6,930)</u>	(45.9)
PROFIT FOR THE PERIOD	<u>10,706</u>	<u>11,574</u>	(7.5)	<u>21,507</u>	<u>22,327</u>	(3.7)
Attributable to:						
Shareholders of the Company						
Profit before exceptional items	11,970	12,259	(2.4)	22,695	22,628	0.3
Exceptional items	<u>(1,963)</u>	<u>(1,557)</u>	26.1	<u>(2,452)</u>	<u>(1,557)</u>	57.5
	10,007	10,702	(6.5)	20,243	21,071	(3.9)
Minority interests	<u>699</u>	<u>872</u>	(19.8)	<u>1,264</u>	<u>1,256</u>	0.6
	<u>10,706</u>	<u>11,574</u>	(7.5)	<u>21,507</u>	<u>22,327</u>	(3.7)
Earnings per share						
Before exceptional items						
- basic	2.2 cts	2.2 cts	-	4.1 cts	4.1 cts	-
- diluted	2.2 cts	2.2 cts	-	4.1 cts	4.1 cts	-
After exceptional items						
- basic	1.8 cts	1.9 cts	(5.3)	3.7 cts	3.8 cts	(2.6)
- diluted	1.8 cts	1.9 cts	(5.3)	3.7 cts	3.8 cts	(2.6)

Notes to Group Profit and Loss Accounts

(i) Operating expenses comprise the following:

	2009 2Q \$'000	2008 2Q \$'000	+ / (-) %	2009 6 Months \$'000	2008 6 Months \$'000	+ / (-) %
Purchase of goods and services	10,423	14,165	(26.4)	22,559	24,275	(7.1)
Staff costs	9,271	9,321	(0.5)	18,815	18,146	3.7
Share-based payment expenses	293	506	(42.1)	586	927	(36.8)
Depreciation of fixed assets	1,618	1,617	0.1	3,268	3,228	1.2
Other operating expenses	5,465	7,247	(24.6)	11,113	10,405	6.8
	<u>27,070</u>	<u>32,856</u>	(17.6)	<u>56,341</u>	<u>56,981</u>	(1.1)

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

	2009 2Q \$'000	2008 2Q \$'000	+ / (-) %	2009 6 Months \$'000	2008 6 Months \$'000	+ / (-) %
Write-back of provision for doubtful debts	(117)	-	n.m.	(117)	-	n.m.
Foreign exchange loss	358	167	114.4	138	345	(60.0)
Profit on disposal of fixed assets	(13)	(73)	(82.2)	(13)	(135)	(90.4)

n.m. – not meaningful

(iii) Taxation in the second quarter included write-back of provision for taxation of \$347,000 (2008: Nil) and write-back of provision for deferred taxation of \$4,000 (2008: \$267,000).

(iv) Exceptional items consist of:

	2009 2Q \$'000	2008 2Q \$'000	2009 6 Months \$'000	2008 6 Months \$'000
Loss on disposal of subsidiary	-	-	(489)	-
Impairment loss in value of other investments	(1,197)	(1,538)	(1,197)	(1,538)
Staff compensation and restructuring expenses	(1,095)	(27)	(1,095)	(27)
	<u>(2,292)</u>	<u>(1,565)</u>	<u>(2,781)</u>	<u>(1,565)</u>
Minority share of exceptional items	329	8	329	8
	<u>(1,963)</u>	<u>(1,557)</u>	<u>(2,452)</u>	<u>(1,557)</u>

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

1(b)(i) BALANCE SHEETS as at 30 June 2009

	Group		Company	
	30.6.2009 \$'000	31.12.2008 \$'000	30.6.2009 \$'000	31.12.2008 \$'000
SHARE CAPITAL	73,651	73,651	73,651	73,651
RESERVES	203,438	203,065	54,202	68,205
SHARE CAPITAL AND RESERVES	<u>277,089</u>	<u>276,716</u>	<u>127,853</u>	<u>141,856</u>
MINORITY INTERESTS	<u>26,221</u>	<u>29,357</u>	-	-
CAPITAL EMPLOYED	<u>303,310</u>	<u>306,073</u>	<u>127,853</u>	<u>141,856</u>
Represented by:				
FIXED ASSETS	124,567	126,637	-	-
INVESTMENTS				
Subsidiaries	-	-	73,863	73,852
Associated companies and jointly controlled entity	293,297	285,429	6,621	6,621
Others	12,575	14,734	-	-
	<u>305,872</u>	<u>300,163</u>	<u>80,484</u>	<u>80,473</u>
CURRENT ASSETS				
Stocks and work-in-progress	3,198	3,732	-	-
Debtors	41,578	42,819	105	106
Amounts owing by holding and related companies	7,460	9,332	47,422	55,079
Amounts owing by associated companies	13,143	10,862	-	-
Fixed deposits	36,404	43,744	729	9,793
Bank balances and cash	8,772	9,249	46	55
	<u>110,555</u>	<u>119,738</u>	<u>48,302</u>	<u>65,033</u>
LESS: CURRENT LIABILITIES				
Creditors	43,006	49,791	814	577
Amounts owing to holding and related companies	767	872	101	3,055
Amounts owing to associated companies	178	218	-	-
Short-term borrowings	58,685	53,069	-	-
Taxation	806	1,468	18	18
	<u>103,442</u>	<u>105,418</u>	<u>933</u>	<u>3,650</u>
NET CURRENT ASSETS	<u>7,113</u>	<u>14,320</u>	<u>47,369</u>	<u>61,383</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	133,500	134,000	-	-
Deferred taxation	742	1,047	-	-
	<u>134,242</u>	<u>135,047</u>	<u>-</u>	<u>-</u>
NET ASSETS	<u>303,310</u>	<u>306,073</u>	<u>127,853</u>	<u>141,856</u>

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

Amount repayable in one year or less, or on demand

As at 30 Jun 2009		As at 31 Dec 2008	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	58,685	-	53,069

Amount repayable after one year

As at 30 Jun 2009		As at 31 Dec 2008	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	133,500	-	134,000

Details of any collateral

Not applicable.

1(b)(iii) BALANCE SHEET ANALYSIS

Group shareholders' fund increased marginally to \$277.1 million at 30 June 2009 due mainly to retained profits for the period.

Group total assets were \$541.0 million at 30 June 2009. Investments in associated companies and jointly controlled entity increased \$7.9 million to \$293.3 million due to acquisition of a stake in Indo-Trans Keppel Logistics Vietnam, an associated company, and equity accounting of share of profits in associates, partially set-off by dividends received. Other investments decreased \$2.2 million to \$12.6 million as a result of fair value adjustments. Current assets decreased \$9.2 million to \$110.6 million due mainly to reduction in fixed deposits as a result of payment of dividend to shareholders.

Group total liabilities decreased \$2.8 million to \$237.7 million mainly due to decrease in creditors and taxation partially offset by increase in borrowings. Creditors were lower due to payments to major suppliers.

Group total borrowings were higher at \$192.2 million compared to \$187.1 million.

**1(c) CONSOLIDATED CASH FLOW STATEMENT
for the second quarter and half year ended 30 June 2009**

	2009 2Q \$'000	2008 2Q \$'000	2009 6 Months \$'000	2008 6 Months \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit	2,102	1,543	2,706	4,837
Adjustments for non-cash items:				
Depreciation of fixed assets	1,618	1,617	3,268	3,228
Gain on disposal of fixed assets	(13)	(73)	(13)	(135)
Share-based payment expense	293	564	586	927
Gain on dilution of associated company	-	(181)	-	(181)
Translation of foreign companies	(1,545)	233	(258)	(240)
Operating cash flows before changes in working capital	2,455	3,703	6,289	8,436
Working capital changes:				
Stocks	199	182	411	(1,353)
Debtors	(6,230)	(6,978)	820	2,199
Creditors	(1,588)	6,460	(7,334)	5,938
Cash flows (used in)/from operations	(5,164)	3,367	186	15,220
Interest received	266	548	560	1,041
Interest paid	(864)	(958)	(1,753)	(2,179)
Income taxes (paid)/refunded, net	(405)	1,047	(1,118)	776
Staff compensation and restructuring expenses	-	(27)	-	(27)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(6,167)	3,977	(2,125)	14,831
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary	(150)	-	(150)	-
Purchase of other investments	-	-	(230)	-
Investment in an associated company	(2,646)	(2,006)	(2,646)	(2,006)
Acquisition of fixed assets	(596)	(1,554)	(1,903)	(4,566)
Proceeds from disposal of fixed assets	30	100	30	731
Dividends received from investments	15,597	16,092	15,597	16,092
NET CASH FROM INVESTING ACTIVITIES	12,235	12,632	10,698	10,251
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from share issues	-	39	-	883
Proceeds from/(repayment of) short-term loans	5,199	(17,180)	5,616	(25,030)
(Repayment of)/proceeds from long-term loans	(250)	18,812	(500)	17,625
Funds to holding and related companies	-	(3,110)	-	(4,761)
Funds (to)/from associated companies	(1,403)	(41)	(1,403)	1,657
Dividends paid to shareholders of the company	(16,568)	(33,109)	(16,568)	(33,109)
Dividends paid to minority shareholders of subsidiaries	(533)	(163)	(3,535)	(5,982)
NET CASH USED IN FINANCING ACTIVITIES	(13,555)	(34,752)	(16,390)	(48,717)
NET DECREASE IN CASH AND CASH EQUIVALENTS				
	(7,487)	(18,143)	(7,817)	(23,635)
Cash and cash equivalents at beginning of period	52,663	61,857	52,993	67,349
Cash and cash equivalents at end of period (Note A)	45,176	43,714	45,176	43,714

Notes to Consolidated Cash Flow Statement

A. 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:

	2009 2Q \$'000	2008 2Q \$'000	2009 6 Months \$'000	2008 6 Months \$'000
Fixed deposits	36,404	36,677	36,404	36,677
Bank balances and cash	8,772	7,037	8,772	7,037
	<u>45,176</u>	<u>43,714</u>	<u>45,176</u>	<u>43,714</u>

1(c)(i) CASH FLOW ANALYSIS

Second Quarter 2009

Net cash used in operating activities in the current quarter was \$6.2 million. This was largely due to reduction in working capital as a result of an advance payment to a sub-contractor for the fitting-out of the data centre at Tampines.

Net cash from investing activities in the current quarter of \$12.2 million was mainly attributed to dividends received from MobileOne partly offset by cash used for acquisition of a stake in Indo-Trans Keppel Logistics Vietnam and fixed assets.

Net cash used in financing activities in the current quarter at \$13.6 million was significantly lower than the corresponding quarter of 2008 due to lower dividends paid to shareholders of the company.

Half Year 2009

Net cash used in operating activities for the half year was \$2.1 million compared to \$14.8 million net cash generated for first half of last year. The lower cash flow from operations was mainly due to payments for fitting-out of the data centre at Tampines and other suppliers as well as higher income taxes paid.

Net cash from investing activities for the half year was \$10.7 million arising mainly from dividends received from investments partly offset by cash used for the acquisition of Indo-Trans Keppel Logistics Vietnam and fixed assets.

Net cash used in financing activities for the half year was \$16.4 million mainly for payment of dividends to shareholders of the company and minority shareholders of subsidiaries, and loan given to an associated company partly offset by proceeds from short-term loans.

**1(d) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the first half ended 30 June 2009**

	2009 2Q \$'000	2008 2Q \$'000	2009 6 Months \$'000	2008 6 Months \$'000
Profit for the period	<u>10,706</u>	<u>11,574</u>	<u>21,507</u>	<u>22,327</u>
Fair value changes on available-for-sale financial assets	46	(894)	(2,065)	(1,653)
Fair value loss on available-for-sale financial assets realised and transferred to profit & loss account	1,160	1,528	1,160	1,528
Exchange differences arising on consolidation	(7,976)	1,917	(3,870)	(1,627)
Foreign currency translation reserve realised and transferred to profit & loss account	-	-	1,548	-
Share of other comprehensive income of associated companies	<u>4</u>	<u>280</u>	<u>178</u>	<u>(198)</u>
Other comprehensive income for the period	<u>(6,766)</u>	<u>2,831</u>	<u>(3,049)</u>	<u>(1,950)</u>
Total comprehensive income for the period	<u><u>3,940</u></u>	<u><u>14,405</u></u>	<u><u>18,458</u></u>	<u><u>20,377</u></u>
Attributable to:				
Shareholders of the Company	4,167	13,300	16,454	19,050
Minority interests	<u>(227)</u>	<u>1,105</u>	<u>2,004</u>	<u>1,327</u>
	<u><u>3,940</u></u>	<u><u>14,405</u></u>	<u><u>18,458</u></u>	<u><u>20,377</u></u>

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY
for the second quarter and half year ended 30 June 2009**

	Share Capital \$'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 2009	73,651	9,375	196,653	(2,963)	276,716	29,357	306,073
Total comprehensive income for the period	-	(1,937)	10,236	3,988	12,287	2,231	14,518
Cost of share-based payment	-	224	-	-	224	-	224
Transfer to revenue reserves	-	(1,299)	1,299	-	-	-	-
Dividends paid to minority shareholders	-	-	-	-	-	(3,002)	(3,002)
Disposal of subsidiaries	-	-	-	-	-	(1,357)	(1,357)
Balance at 31 March 2009	73,651	6,363	208,188	1,025	289,227	27,229	316,456
Total comprehensive income for the period	-	1,210	10,007	(7,050)	4,167	(227)	3,940
Cost of share-based payment	-	263	-	-	263	-	263
Dividends paid to minority shareholders	-	-	-	-	-	(533)	(533)
Acquisition of subsidiary	-	-	-	-	-	(248)	(248)
Dividend paid for 2008	-	-	(16,568)	-	(16,568)	-	(16,568)
Balance at 30 June 2009	<u>73,651</u>	<u>7,836</u>	<u>201,627</u>	<u>(6,025)</u>	<u>277,089</u>	<u>26,221</u>	<u>303,310</u>
Balance at 1 January 2008	72,112	8,094	178,456	(12,173)	246,489	34,498	280,987
Total comprehensive income for the period	-	(1,237)	10,369	(3,382)	5,750	222	5,972
Issue of shares	844	-	-	-	844	-	844
Cost of share-based payment	-	363	-	-	363	-	363
Dividends paid to minority shareholders	-	-	-	-	-	(5,819)	(5,819)
Balance at 31 March 2008	72,956	7,220	188,825	(15,555)	253,446	28,901	282,347
Total comprehensive income for the period	-	914	10,702	1,684	13,300	1,105	14,405
Issue of shares	39	-	-	-	39	-	39
Cost of share-based payment	-	461	-	-	461	-	461
Dividends paid to minority shareholders	-	-	-	-	-	(163)	(163)
Dividend paid for 2007	-	-	(33,109)	-	(33,109)	-	(33,109)
Balance at 30 June 2008	<u>72,995</u>	<u>8,595</u>	<u>166,418</u>	<u>(13,871)</u>	<u>234,137</u>	<u>29,843</u>	<u>263,980</u>

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total \$'000
<u>The Company</u>				
Balance at 1 January 2009	73,651	2,629	65,576	141,856
Total comprehensive income for the period	-	-	(121)	(121)
Cost of share-based payment	-	194	-	194
Balance at 31 March 2009	73,651	2,823	65,455	141,929
Total comprehensive income for the period	-	-	2,298	2,298
Cost of share-based payment	-	194	-	194
Dividend paid for 2008	-	-	(16,568)	(16,568)
Balance at 30 June 2009	<u>73,651</u>	<u>3,017</u>	<u>51,185</u>	<u>127,853</u>
Balance at 1 January 2008	72,112	1,442	93,255	166,809
Total comprehensive income for the period	-	-	1,494	1,494
Issue of shares	844	-	-	844
Cost of share-based payment	-	288	-	288
Balance at 31 March 2008	72,956	1,730	94,749	169,435
Total comprehensive income for the period	-	-	126	126
Issue of shares	39	-	-	39
Cost of share-based payment	-	398	-	398
Dividend paid for 2007	-	-	(33,109)	(33,109)
Balance at 30 June 2008	<u>72,995</u>	<u>2,128</u>	<u>61,766</u>	<u>136,889</u>

1(e)(ii) SHARE CAPITAL

Since the end of the previous period, the Company did not issue any shares under the Company's Share Option Scheme. The share capital of the Company as at the end of the financial period was 552,250,537 (31 December 2008: 552,250,537) shares.

As at 30 June 2009, there were unexercised options for 2,513,000 (30 June 2008: 2,111,000) of unissued shares under the Company's Share Option Scheme.

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 2008, except as disclosed in paragraph 5 below.

5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. The FRS that are relevant to the Group include FRS 1 Presentation of Financial Statements – Revised Presentation, Amendments to FRS 107 Financial Instruments – Improving Disclosures about Financial Instruments and FRS 108 Operating Segments. The adoption of these new/revised FRS and INT FRS does not result in substantial change to the Group's and Company's accounting policies or have any significant impact on the financial statements.

6. EARNINGS PER ORDINARY SHARE

	GROUP					
	2009 2Q	2008 2Q	+ / (-)%	2009 6 Months	2008 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	1.9	(5.3)	3.7	3.8	(2.6)
- Weighted average number of shares ('000)	552,251	551,763	(0.01)	552,251	551,763	(0.01)
(ii) On a fully diluted basis (cents)	1.8	1.9	(5.3)	3.7	3.8	(2.6)
- Adjusted weighted average number of shares ('000)	552,251	552,559	(0.01)	552,251	552,559	(0.01)

7. NET ASSET VALUE

	GROUP			COMPANY		
	30.6.2009	31.12.2008	+ / (-)%	30.6.2009	31.12.2008	+ / (-)%
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	0.50	0.50	-	0.23	0.26	(11.5)

8. REVIEW OF GROUP PERFORMANCE

Second Quarter

Compared to the corresponding period in 2008, the Group's revenue dipped 15% in second quarter 2009 mainly due to lower logistics revenue. Operating profit, however, improved 36% due to better performance of Data Centre Division.

The Group's associated companies generally had a weaker second quarter because of the weak economic environment. As a result, profit before tax and exceptional items declined 7% to \$15.3 million.

After accounting for exceptional loss of \$2.3 million, the Group had a profit after tax for the quarter of \$10.7 million.

Half Year

In the first half of the year, the Group's revenue declined 5% to \$59.0 million largely due to the winding down of Network Engineering business as the Group switched its focus to data centre business.

Group profit before tax and exceptional items was lower by 9% at \$28.0 million as a result of lower first quarter operating profit and weaker second quarter profit contribution from associated companies.

Exceptional items for the first half of the year relate to impairment loss in investment and provision for restructuring cost.

Profit after tax in first half of 2009 declined by 4% to \$21.5 million.

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

The logistics industry continues to face a challenging time. Global consumption remains weak, which adversely impacted exports and, in turn, logistics activities.

The Group has also begun marketing co-location space for its data centre in Singapore, which is scheduled for completion of fitting-out by the end of the year.

The Group will continue to remain vigilant in managing cost and improving efficiency while seeking opportunities that may emerge.

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 2009 (30 June 2008: Nil).

13. SEGMENT ANALYSIS

Half Year ended 30 June 2009

Business Segments

	Logistics \$'000	Data Centre & Networks \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	46,913	12,128	6	-	59,047
Inter-segment sales	2,390	170	-	(2,560)	-
Total	49,303	12,298	6	(2,560)	59,047
<u>Segment results</u>					
Operating profit/(loss)	5,245	1,032	(3,571)		2,706
Interest income	683	43	36		762
Interest expense	(430)	(37)	(1,201)		(1,668)
Share of results of associated companies and jointly controlled entity	3,295	4,641	18,298		26,234
Profit before tax and exceptional items	8,793	5,679	13,562		28,034
Exceptional items	(1,095)	(489)	(1,197)		(2,781)
Profit before taxation	7,698	5,190	12,365		25,253
Taxation	(1,046)	(1,294)	(1,406)		(3,746)
Profit for the period	6,652	3,896	10,959		21,507
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	6,594	3,931	12,170		22,695
Exceptional items	(766)	(489)	(1,197)		(2,452)
	5,828	3,442	10,973		20,243
Minority interests	824	454	(14)		1,264
	6,652	3,896	10,959		21,507
<u>Other Information</u>					
Segment assets	259,470	110,095	271,048	(99,619)	540,994
Segment liabilities	(127,876)	(42,138)	(167,289)	99,619	(237,684)
Net assets	131,594	67,957	103,759	-	303,310
Investment in associated companies and jointly controlled entity					
	53,024	73,277	166,996		293,297
Additions to non-current assets	4,496	53	230		4,779
Depreciation	2,919	205	144		3,268
<u>Geographical Information</u>					
	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000		Consolidated Total \$'000
External sales	36,872	18,058	4,117		59,047
Non-current assets	254,856	119,110	56,473		430,439

Half Year ended 30 June 2008
Business Segments

	Logistics \$'000	Data Centre & Networks \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	47,798	13,645	375	-	61,818
Inter-segment sales	3,245	799	-	(4,044)	-
Total	51,043	14,444	375	(4,044)	61,818
<u>Segment results</u>					
Operating profit/(loss)	5,055	(779)	561		4,837
Interest income	660	213	133		1,006
Interest expense	(427)	(3)	(1,847)		(2,277)
Share of results of associated companies and jointly controlled entity	2,641	3,712	20,903		27,256
Profit before tax and exceptional items	7,929	3,143	19,750		30,822
Exceptional items	(27)	-	(1,538)		(1,565)
Profit before taxation	7,902	3,143	18,212		29,257
Taxation	(662)	(1,235)	(5,033)		(6,930)
Profit for the period	7,240	1,908	13,179		22,327
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	6,267	1,639	14,722		22,628
Exceptional items	(19)	-	(1,538)		(1,557)
	6,248	1,639	13,184		21,071
Minority interests	992	269	(5)		1,256
	7,240	1,908	13,179		22,327
<u>Other Information</u>					
Segment assets	233,911	97,159	263,290	(87,527)	506,833
Segment liabilities	(121,775)	(30,403)	(178,202)	87,527	(242,853)
Net assets	112,136	66,756	85,088	-	263,980
Investment in associated companies and jointly controlled entity					
	37,502	62,674	158,452		258,628
Additions to non-current assets	4,427	117	2,028		6,572
Depreciation	2,752	330	146		3,228
<u>Geographical Information</u>					
			Far East and ASEAN other than Singapore		Consolidated Total
	Singapore \$'000		Singapore \$'000	Others \$'000	\$'000
External sales	38,746		18,909	4,163	61,818
Non-current assets	251,533		99,746	47,262	398,541

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 & Networks and Investments. The Logistics division provides warehousing, distribution, container storage and freight forwarding services. The Data Centre & Networks division provides data centre facilities and co-location services, in-building network designs, network optimisation and geographical information system. The Investments division is the investment holding arm of the other telecommunications entities within the Group.
- (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 revenue was lower by 3% compared to first half of 2008 due to decrease in revenue from TradeOneAsia affected by weaker demand for steel. Profit before tax and exceptional items of the division improved by 11% due mainly to higher profits from Foshan and contribution from its associated company, Annto. Profit after tax decreased by 8% to \$6.7 million due to exceptional loss and higher taxation charge.

Data Centre & Networks Division's revenue was lower by 15% largely due to the disposal of Trisilco Folec Sdn Bhd as a result of restructuring. Profit before tax and exceptional items improved 81% to \$5.7 million in the first half of 2009 due to lower overheads and higher contributions from its associated companies.

Investments Division's profit before tax and exceptional items was lower by 31% at \$13.6 million compared to first half of 2008 due mainly to lower operating profit in the absence of sundry income and lower contributions from its associated companies; CGS Inc and MobileOne. MobileOne remained a significant contributor, accounting for 64% of the Group's pre-tax profit.

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	
	2009 6 Months \$'000	2008 6 Months \$'000	2009 6 Months \$'000	2008 6 Months \$'000
<u>General Transactions</u>				
Keppel Corporation Limited	-	-	9,282	269
Singapore Telecommunications Limited	-	-	1,024	3,525
<u>Treasury Transactions</u>				
Keppel Corporation Limited	-	-	17,378	10,902
<u>Management Services</u>				
Keppel Corporation Limited	-	-	500	500
	-	-	28,184	15,196

16. ANNUAL DIVIDEND

Not applicable

BY ORDER OF THE BOARD

CAROLINE CHANG/LAURA LOW
Company Secretaries
20 July 2009

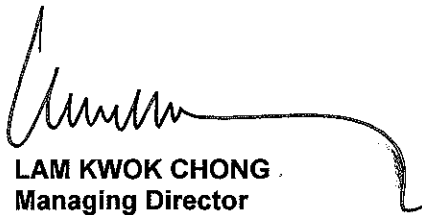
Confirmation by the Board

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 second quarter 2009 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



TEO SOON HOE
Chairman
Singapore, 20 July 2009



LAM KWOK CHONG
Managing Director