



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

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

PRESS RELEASE

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2009

19 October 2009

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the third quarter ended 30 September 2009.

These figures have not been audited.

For more information, please contact:

Mr Say Huan Yuan
Executive
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413-6297
Email: huanyuan.say@kepcorp.com

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

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

Third Quarter Financial Statements

1 UNAUDITED RESULTS FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the third quarter and nine months ended 30 September 2009.

1(a) GROUP PROFIT AND LOSS ACCOUNT for the third quarter and nine months ended 30 September 2009

	2009 3Q \$'000	2008 3Q \$'000	+ / (-) %	2009 9 Months \$'000	2008 9 Months \$'000	+ / (-) %
REVENUE	29,618	32,327	(8.4)	88,665	94,145	(5.8)
Less operating expenses	<u>(26,873)</u>	<u>(29,756)</u>	(9.7)	<u>(83,214)</u>	<u>(86,737)</u>	(4.1)
OPERATING PROFIT	2,745	2,571	6.8	5,451	7,408	(26.4)
Interest income	312	419	(25.5)	1,074	1,425	(24.6)
Interest expense	(695)	(961)	(27.7)	(2,363)	(3,238)	(27.0)
Share of results of associated companies and jointly controlled entity	<u>14,371</u>	<u>14,348</u>	0.2	<u>40,605</u>	<u>41,604</u>	(2.4)
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	16,733	16,377	2.2	44,767	47,199	(5.2)
Exceptional items	<u>37</u>	<u>(602)</u>	n.m.	<u>(2,744)</u>	<u>(2,167)</u>	26.6
PROFIT BEFORE TAXATION	16,770	15,775	6.3	42,023	45,032	(6.7)
Taxation	<u>(2,555)</u>	<u>(3,059)</u>	(16.5)	<u>(6,301)</u>	<u>(9,989)</u>	(36.9)
PROFIT FOR THE PERIOD	<u>14,215</u>	<u>12,716</u>	11.8	<u>35,722</u>	<u>35,043</u>	1.9
Attributable to:						
Shareholders of the Company						
Profit before exceptional items	13,003	12,403	4.8	35,698	35,031	1.9
Exceptional items	<u>32</u>	<u>(589)</u>	n.m.	<u>(2,420)</u>	<u>(2,146)</u>	12.8
	13,035	11,814	10.3	33,278	32,885	1.2
Minority interests	<u>1,180</u>	<u>902</u>	30.8	<u>2,444</u>	<u>2,158</u>	13.3
	<u>14,215</u>	<u>12,716</u>	11.8	<u>35,722</u>	<u>35,043</u>	1.9
Earnings per share						
Before exceptional items						
- basic	2.4 cts	2.2 cts	9.1	6.5 cts	6.3 cts	3.2
- diluted	2.4 cts	2.2 cts	9.1	6.5 cts	6.3 cts	3.2
After exceptional items						
- basic	2.3 cts	2.1 cts	9.5	6.0 cts	6.0 cts	-
- diluted	2.3 cts	2.1 cts	9.5	6.0 cts	5.9 cts	1.7

n.m. – not meaningful

Notes to Group Profit and Loss Accounts

(i) Operating expenses comprise the following:

	2009 3Q \$'000	2008 3Q \$'000	+ /(-) %	2009 9 Months \$'000	2008 9 Months \$'000	+ /(-) %
Purchase of goods and services	11,140	11,781	(5.4)	33,699	36,056	(6.5)
Staff costs	8,175	9,655	(15.3)	26,990	27,801	(2.9)
Share-based payment expenses	370	328	12.8	956	1,255	(23.8)
Depreciation of fixed assets	1,575	1,658	(5.0)	4,843	4,886	(0.9)
Other operating expenses	5,613	6,334	(11.4)	16,726	16,739	(0.1)
	<u>26,873</u>	<u>29,756</u>	(9.7)	<u>83,214</u>	<u>86,737</u>	(4.1)

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

	2009 3Q \$'000	2008 3Q \$'000	+ /(-) %	2009 9 Months \$'000	2008 9 Months \$'000	+ /(-) %
(Write-back of)/provision for doubtful debts	(44)	15	n.m.	(161)	15	n.m.
Provision for stock obsolescence	28	-	n.m.	28	-	n.m.
Foreign exchange (gain)/loss	(23)	(84)	(72.6)	115	261	(55.9)
Profit on disposal of fixed assets	(11)	(1)	n.m.	(24)	(136)	(82.4)

n.m. – not meaningful

(iii) Taxation in the third quarter included an under-provision of taxation of \$29,000 (2008: \$28,000) and write-back of provision for deferred taxation of \$71,000 (2008: \$88,000) in respect of prior years as well as recognition of tax assets under the Group Relief System of \$239,000 (2008: Nil).

(iv) Exceptional items consist of:

	2009 3Q \$'000	2008 3Q \$'000	2009 9 Months \$'000	2008 9 Months \$'000
(Loss)/gain on disposal of subsidiaries	(16)	202	(505)	202
Loss on capital reduction of a subsidiary	-	(769)	-	(769)
Impairment loss in value of investments and write-back of provision for equity advances	(274)	1	(1,471)	(1,537)
Write-back of/(provision for) restructuring expenses	327	(36)	(768)	(63)
	<u>37</u>	<u>(602)</u>	<u>(2,744)</u>	<u>(2,167)</u>
Minority share of exceptional items	(5)	13	324	21
	<u>32</u>	<u>(589)</u>	<u>(2,420)</u>	<u>(2,146)</u>

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

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

	Group		Company	
	30.9.2009 \$'000	31.12.2008 \$'000	30.9.2009 \$'000	31.12.2008 \$'000
SHARE CAPITAL	73,659	73,651	73,659	73,651
RESERVES	213,238	203,065	54,276	68,205
SHARE CAPITAL AND RESERVES	286,897	276,716	127,935	141,856
MINORITY INTERESTS	27,045	29,357	-	-
CAPITAL EMPLOYED	313,942	306,073	127,935	141,856
Represented by:				
FIXED ASSETS	141,088	126,637	-	-
INVESTMENTS				
Subsidiaries	-	-	73,877	73,852
Associated companies and jointly controlled entity	291,219	285,429	6,621	6,621
Others	12,179	14,734	-	-
	303,398	300,163	80,498	80,473
CURRENT ASSETS				
Stocks and work-in-progress	3,225	3,732	-	-
Debtors	27,437	42,819	114	106
Amounts owing by holding and related companies	5,327	9,332	37,239	55,079
Amounts owing by associated companies	13,940	10,862	-	-
Fixed deposits	54,090	43,744	10,769	9,793
Bank balances and cash	7,589	9,249	38	55
	111,608	119,738	48,160	65,033
LESS: CURRENT LIABILITIES				
Creditors	40,955	49,791	667	577
Amounts owing to holding and related companies	413	872	38	3,055
Amounts owing to associated companies	173	218	-	-
Short-term borrowings	57,994	53,069	-	-
Taxation	1,196	1,468	18	18
	100,731	105,418	723	3,650
NET CURRENT ASSETS	10,877	14,320	47,437	61,383
NON-CURRENT LIABILITIES				
Long-term borrowings	140,750	134,000	-	-
Deferred taxation	671	1,047	-	-
	141,421	135,047	-	-
NET ASSETS	313,942	306,073	127,935	141,856

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2009		As at 31 Dec 2008	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	57,994	-	53,069

Amount repayable after one year

As at 30 Sep 2009		As at 31 Dec 2008	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	140,750	-	134,000

Details of any collateral

Not applicable.

1(b)(iii) BALANCE SHEET ANALYSIS

Group shareholders' fund increased \$10.2 million to \$286.9 million at 30 September 2009 due mainly to retained profits for the period partly offset by payment of dividend in respect of financial year 2008 and reduction in translation reserves.

Group total assets of \$556.1 million at 30 September 2009 were \$9.6 million higher compared to previous year end. Fixed assets increased \$14.5 million mainly due to capital expenditure for the fitting-out of data centre at Tampines. Investments in associated companies and jointly controlled entity increased by \$5.8 million attributed to equity accounting for share of profits and acquisition of a stake in Indo-Trans Keppel Logistics Vietnam partly offset by dividends received. Other investments decreased by \$2.6 million as a result of fair value adjustments. Current assets decreased by \$8.1 million to \$111.6 million due mainly to payments received from debtors.

Group total liabilities increased \$1.7 million to \$242.2 million mainly due to higher borrowings offset by decrease in creditors. Total borrowings were higher at \$198.7 million compared to \$187.1 million as at 31 December 2008 mainly due to loan obtained for the fitting-out of the data centre.

1(c) CONSOLIDATED CASH FLOW STATEMENT
for the third quarter and nine months ended 30 September 2009

	2009 3Q \$'000	2008 3Q \$'000	2009 9 Months \$'000	2008 9 Months \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit	2,745	2,571	5,451	7,408
Adjustments for non-cash items:				
Depreciation of fixed assets	1,575	1,658	4,843	4,886
Gain on disposal of fixed assets	(11)	(1)	(24)	(136)
Share-based payment expense	370	328	956	1,255
Gain on dilution of associated company	-	-	-	(181)
Translation of foreign companies	(746)	1,140	(1,004)	900
Operating cash flow before changes in working capital	3,933	5,696	10,222	14,132
Working capital changes:				
Stocks	(26)	1	385	(1,352)
Debtors	15,426	(338)	16,246	1,861
Creditors	(1,815)	872	(9,149)	6,810
Cash flows from operations	17,518	6,231	17,704	21,451
Interest received	336	585	896	1,626
Interest paid	(864)	(1,281)	(2,617)	(3,460)
Income taxes (paid)/refunded, net	92	(595)	(1,026)	181
Staff compensation and restructuring expenses	-	(15)	-	(42)
NET CASH FROM OPERATING ACTIVITIES	17,082	4,925	14,957	19,756
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of further shares in a subsidiary	-	-	(150)	-
Purchase of other investments	-	(138)	(230)	(138)
Investment in associated companies	-	-	(2,646)	(2,006)
Return of capital from other investments	-	529	-	529
Acquisition of fixed assets	(18,679)	(2,000)	(20,582)	(6,566)
Proceeds from disposal of fixed assets	83	3	113	734
Dividends received from investments	11,399	11,910	26,996	28,002
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(7,197)	10,304	3,501	20,555
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from share issues	8	656	8	1,539
(Repayment of)/proceeds from short-term loans	(691)	133	4,925	(24,897)
Proceeds from/(repayment of) long-term loans	7,250	(9,187)	6,750	8,438
Funds to holding and related companies	-	(1,090)	-	(5,851)
Funds from/(to) associated companies	51	(433)	(1,352)	1,224
Dividends paid to shareholders of the company	-	-	(16,568)	(33,109)
Dividends paid to minority shareholders of subsidiaries	-	-	(3,535)	(5,982)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	6,618	(9,921)	(9,772)	(58,638)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	45,176	43,714	52,993	67,349
Cash and cash equivalents at end of period (Note A)	61,679	49,022	61,679	49,022

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 3Q \$'000	2008 3Q \$'000	2009 9 Months \$'000	2008 9 Months \$'000
Fixed deposits	54,090	42,794	54,090	42,794
Bank balances and cash	7,589	6,228	7,589	6,228
	<u>61,679</u>	<u>49,022</u>	<u>61,679</u>	<u>49,022</u>

1(c)(i) CASH FLOW ANALYSIS

Third Quarter

Net cash from operating activities in the current quarter of \$17.1 million improved compared to the corresponding quarter in 2008 mainly due to significant improvement in working capital changes as result of payments received from debtors.

Net cash used in investing activities for the quarter was \$7.2 million mainly due to capital expenditure for fit-out of data centre at Tampines partly offset by dividends received from associated companies.

Net cash from financing activities was \$6.6 million for the quarter mainly due to proceeds received from long-term loans.

Nine Months

The Group generated net cash flow from operating activities of \$15.0 million compared to \$19.8 million in the corresponding period of last year mainly due to the lower cash flows from operations and higher taxation expenses paid.

Net cash received from investing activities for the nine months was \$3.5 million mainly from dividends received from investments set-off partially by cash used in acquisition of fixed assets as well as a stake in an associated company, Indo-Trans Keppel Logistics Vietnam.

Net cash used in financing activities was \$9.8 million mainly due to dividends paid to shareholders of the company and minority shareholders of subsidiaries partly offset by proceeds from loans. In the corresponding period of last year, net cash used was higher at \$58.6 million owing to higher payment of dividends and repayment of term loans.

**1(d) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the third quarter and nine months ended 30 September 2009**

	2009 3Q \$'000	2008 3Q \$'000	2009 9 Months \$'000	2008 9 Months \$'000
Profit for the period	<u>14,215</u>	<u>12,716</u>	<u>35,722</u>	<u>35,043</u>
Fair value changes on available-for-sale financial assets	(167)	453	(2,232)	(1,200)
Fair value loss on available-for-sale financial assets realised and transferred to profit & loss account	294	58	1,454	1,586
Currency translation (loss)/gain realised and transferred to profit & loss account	(4,035)	5,419	(7,905)	3,792
Share of other comprehensive income of associated companies	(1)	183	1,547	183
Other comprehensive income for the period	<u>38</u>	<u>(79)</u>	<u>216</u>	<u>(277)</u>
Total comprehensive income for the period	<u>(3,871)</u>	<u>6,034</u>	<u>(6,920)</u>	<u>4,084</u>
	<u>10,344</u>	<u>18,750</u>	<u>28,802</u>	<u>39,127</u>
Attributable to:				
Shareholders of the Company	9,493	17,336	25,947	36,386
Minority interests	<u>851</u>	<u>1,414</u>	<u>2,855</u>	<u>2,741</u>
	<u>10,344</u>	<u>18,750</u>	<u>28,802</u>	<u>39,127</u>

1(e)(i) STATEMENTS OF CHANGES IN EQUITY
for the third quarter and nine months ended 30 September 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	-	(727)	20,243	(3,062)	16,454	2,004	18,458
Cost of share-based payment	-	487	-	-	487	-	487
Transfer to revenue reserves	-	(1,299)	1,299	-	-	-	-
Dividends paid to minority shareholders	-	-	-	-	-	(3,535)	(3,535)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(248)	(248)
Disposal of subsidiaries	-	-	-	-	-	(1,357)	(1,357)
Dividend paid for 2008	-	-	(16,568)	-	(16,568)	-	(16,568)
Balance at 30 June 2009	73,651	7,836	201,627	(6,025)	277,089	26,221	303,310
Total comprehensive income for the period	-	165	13,035	(3,707)	9,493	851	10,344
Issue of shares	8	-	-	-	8	-	8
Cost of share-based payment	-	307	-	-	307	-	307
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(14)	(14)
Disposal of subsidiaries	-	-	-	-	-	(13)	(13)
Balance at 30 September 2009	73,659	8,308	214,662	(9,732)	286,897	27,045	313,942
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	-	(323)	21,071	(1,698)	19,050	1,327	20,377
Issue of shares	883	-	-	-	883	-	883
Cost of share-based payment	-	824	-	-	824	-	824
Dividends paid to minority shareholders	-	-	-	-	-	(5,982)	(5,982)
Dividend paid for 2007	-	-	(33,109)	-	(33,109)	-	(33,109)
Balance at 30 June 2008	72,995	8,595	166,418	(13,871)	234,137	29,843	263,980
Total comprehensive income for the period	-	432	11,814	5,090	17,336	1,414	18,750
Issue of shares	656	-	-	-	656	-	656
Cost of share-based payment	-	258	-	-	258	-	258
Disposal of subsidiary	-	-	-	-	-	20	20
Balance at 30 September 2008	73,651	9,285	178,232	(8,781)	252,387	31,277	283,664

	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	-	-	2,177	2,177
Cost of share-based payment	-	388	-	388
Dividend paid for 2008	-	-	(16,568)	(16,568)
Balance at 30 June 2009	73,651	3,017	51,185	127,853
Total comprehensive income for the period	-	-	(174)	(174)
Issue of shares	8	-	-	8
Cost of share-based payment	-	248	-	248
Balance at 30 September 2009	<u>73,659</u>	<u>3,265</u>	<u>51,011</u>	<u>127,935</u>
Balance at 1 January 2008	72,112	1,442	93,255	166,809
Total comprehensive income for the period	-	-	1,620	1,620
Issue of shares	883	-	-	883
Cost of share-based payment	-	686	-	686
Dividend paid for 2007	-	-	(33,109)	(33,109)
Balance at 30 June 2008	72,995	2,128	61,766	136,889
Total comprehensive income for the period	-	-	(114)	(114)
Issue of shares	656	-	-	656
Cost of share-based payment	-	204	-	204
Balance at 30 September 2008	<u>73,651</u>	<u>2,332</u>	<u>61,652</u>	<u>137,635</u>

1(e)(ii) SHARE CAPITAL

Since the end of the previous period, the Company issued 7,000 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 552,257,537 (31 December 2008: 552,250,537) shares.

As at 30 September 2009, there were unexercised options for 2,866,000 (30 September 2008: 2,213,000) 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 23 – Borrowing Costs, 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 3Q	2008 3Q	+/(-)%	2009 9 Months	2008 9 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)	2.3	2.1	9.5	6.0	6.0	-
- Weighted average number of shares ('000)	552,252	551,871	*	552,252	551,871	*
(ii) On a fully diluted basis (cents)	2.3	2.1	9.5	6.0	5.9	1.7
- Adjusted weighted average number of shares ('000)	552,323	552,577	*	552,323	552,577	*

* Denotes less than 0.1%

7. NET ASSET VALUE

	GROUP			COMPANY		
	30.9.2009	31.12.2008	+/(-)%	30.9.2009	31.12.2008	+/(-)%
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	0.52	0.50	4.0	0.23	0.26	(11.5)

8. REVIEW OF GROUP PERFORMANCE

Third Quarter

Compared to corresponding period of 2008, the Group recorded lower revenue by 8.4% to \$29.6 million mainly due to the decline in logistics revenue. Operating profit, however, improved 6.8% due to lower overheads as a result of cost savings.

Group profit before tax and exceptional items increased 2.2% to \$16.7 million due to lower net interest expense.

Group profit for the period of \$14.2 million improved 11.8% mainly due to lower taxation expense.

Nine Months

Group revenue of \$88.7 million for the first nine months of this year decreased 5.8% largely due to reduced activity in TradeOneAsia and winding down of Network Engineering business as the Group switched its focus to data centre business.

Group profit before tax and exceptional items declined 5.2% to \$44.8 million due mainly to the lower operating profit and weaker contributions from associated companies.

Exceptional items for the first nine months relate mainly to impairment loss in investments and provision for restructuring costs.

As a result of lower taxation expense, the Group's profit after tax improved by 1.9% to \$35.7 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 quarter just ended.

9. VARIANCE FROM PROSPECTS STATEMENT

No variance from previous statement.

10. PROSPECTS

The logistics industry in Singapore is expected to improve on the back of improving economic outlook. Our China port operations, however, will face keener competition from nearby ports in Foshan.

The Group has begun marketing co-location space for its data centre in Singapore, which will be operational by end of this year.

The Group remains vigilant in managing costs 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 September 2009 (30 September 2008: Nil).

13. SEGMENT ANALYSIS

Nine Months ended 30 September 2009

Business Segments

	Logistics \$'000	Data Centre & Networks \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	70,535	18,124	6	-	88,665
Inter-segment sales	2,912	194	-	(3,106)	-
Total	73,447	18,318	6	(3,106)	88,665
<u>Segment results</u>					
Operating profit/(loss)	9,126	1,001	(4,676)		5,451
Interest income	958	62	54		1,074
Interest expense	(611)	(57)	(1,695)		(2,363)
Share of results of associated companies and jointly controlled entity	6,147	6,748	27,710		40,605
Profit before tax and exceptional items	15,620	7,754	21,393		44,767
Exceptional items	(1,053)	(193)	(1,498)		(2,744)
Profit before taxation	14,567	7,561	19,895		42,023
Taxation	(1,578)	(1,590)	(3,133)		(6,301)
Profit for the period	12,989	5,971	16,762		35,722
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	11,942	5,472	18,284		35,698
Exceptional items	(729)	(193)	(1,498)		(2,420)
	11,213	5,279	16,786		33,278
Minority interests	1,776	692	(24)		2,444
	12,989	5,971	16,762		35,722
<u>Other Information</u>					
Segment assets	264,796	114,989	275,896	(99,587)	556,094
Segment liabilities	(128,749)	(46,565)	(166,425)	99,587	(242,152)
Net assets	136,047	68,424	109,471	-	313,942
Investment in associated companies and jointly controlled entity					
	54,635	73,588	162,996		291,219
Additions to non-current assets	5,551	17,677	230		23,458
Depreciation	4,329	301	213		4,843
<u>Geographical Location</u>					
	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000		Consolidated Total \$'000
External sales	54,482	28,151	6,032		88,665
Non-current assets	266,798	120,517	57,171		444,486

Nine Months ended 30 September 2008

Business Segments

	Logistics \$'000	Data Centre & Networks \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	74,134	19,522	489	-	94,145
Inter-segment sales	5,405	1,197	-	(6,602)	-
Total	<u>79,539</u>	<u>20,719</u>	<u>489</u>	<u>(6,602)</u>	<u>94,145</u>

Segment results

Operating profit/(loss)	8,585	(413)	(764)		7,408
Interest income	971	281	173		1,425
Interest expense	(614)	(4)	(2,620)		(3,238)
Share of results of associated companies and jointly controlled entity	4,691	5,824	31,089		41,604
Profit before tax and exceptional items	13,633	5,688	27,878		47,199
Exceptional items	(48)	(784)	(1,335)		(2,167)
Profit before taxation	13,585	4,904	26,543		45,032
Taxation	(1,284)	(1,584)	(7,121)		(9,989)
Profit for the period	<u>12,301</u>	<u>3,320</u>	<u>19,422</u>		<u>35,043</u>

Attributable to:

Shareholders of the Company					
Profit before exceptional items	10,549	3,710	20,772		35,031
Exceptional items	(27)	(784)	(1,335)		(2,146)
	10,522	2,926	19,437		32,885
Minority interests	1,779	394	(15)		2,158
	<u>12,301</u>	<u>3,320</u>	<u>19,422</u>		<u>35,043</u>

Other Information

Segment assets	246,161	95,288	261,101	(84,432)	518,118
Segment liabilities	(125,489)	(25,323)	(168,074)	84,432	(234,454)
Net assets	<u>120,672</u>	<u>69,965</u>	<u>93,027</u>	<u>-</u>	<u>283,664</u>

Investment in associated

companies and jointly controlled entity	40,887	65,057	155,137		261,081
Additions to non-current assets	6,383	157	2,032		8,572
Depreciation	4,209	460	217		4,886

By Geographical Location

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	59,777	28,289	6,079	94,145
Non-current assets	250,357	108,452	44,028	402,837

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 8% lower at \$73.4 million compared to nine months of 2008 due mainly to decrease in revenue from TradeOneAsia affected by weaker demand for steel. Profit before tax and exceptional items of the division improved 15% attributed to higher operating profits from Singapore and Foshan as well as improved profit contribution from its associated company, Wuhu Annto Logistics. Despite higher exceptional loss and taxation charge, profit after tax improved 6% to \$13.0 million compared to \$12.3 million in the nine months of 2008.

Data Centre & Networks Division revenue was lower by 12% largely due to the de-consolidation of Trisilco Folec Sdn Bhd which became an associated company in February 2009. Despite lower revenue, profit before tax and exceptional items improved \$2.1 million to \$7.8 million for the nine months of 2009 due to lower overheads and higher contribution from associated company, Citadel100.

Profit before tax and exceptional items from Investment Division declined 23% to \$21.4 million for the nine months of 2009 largely because of lower operating profit in the absence of sundry income and lower contributions from associated companies, MobileOne and CGS Inc. MobileOne remained a significant contributor, accounting for 59% 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 9 Months \$'000	2008 9 Months \$'000	2009 9 Months \$'000	2008 9 Months \$'000
<u>General Transactions</u>				
Keppel Corporation Limited	-	-	11,239	1,681
Singapore Telecommunications Limited	-	-	1,664	4,939
<u>Treasury Transactions</u>				
Keppel Corporation Limited	-	-	33,134	21,404
<u>Management Services</u>				
Keppel Corporation Limited	-	-	500	500
	-	-	46,537	28,524

16. ANNUAL DIVIDEND

Not applicable


BY ORDER OF THE BOARD

CAROLINE CHANG/LAURA LOW
Company Secretaries
19 October 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 third 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, 19 October 2009


LAM KWOK CHONG
Managing Director