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MEDIA RELEASE

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

14 April 2015

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 2015.

These figures have not been audited.

1Q FY2015 RESULTS HIGHLIGHTS

1. Revenue decreased by 2% to \$47.9 million.
2. Net profit attributable to shareholders improved by 2% to \$15.8 million.
3. Earnings per share was 2.8 cents.
4. Net asset value per ordinary share increased by 3% to \$1.31 per share.

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KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

FIRST QUARTER 2015 FINANCIAL STATEMENTS

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First Quarter 2015 Financial Statements

1 UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the first quarter ended 31 March 2015.

1(a) GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March 2015

| | <u>First Quarter</u> | | |
|---|----------------------|----------------------|--------------|
| | 2015 \$'000 | 2014 \$'000 | + / (-) % |
| REVENUE | 47,930 | 48,711 | (1.6) |
| Operating expenses | (44,263) | (42,431) | 4.3 |
| Other income | <u>2,626</u> | <u>1,120</u> | 134.5 |
| OPERATING PROFIT | 6,293 | 7,400 | (15.0) |
| Interest income | 374 | 43 | >500.0 |
| Interest expense | (2,621) | (2,422) | 8.2 |
| Share of results of associated companies and joint ventures | <u>17,755</u> | <u>16,225</u> | 9.4 |
| PROFIT BEFORE TAXATION | 21,801 | 21,246 | 2.6 |
| Taxation | <u>(4,182)</u> | <u>(4,021)</u> | 4.0 |
| PROFIT FOR THE PERIOD | <u><u>17,619</u></u> | <u><u>17,225</u></u> | 2.3 |
| Attributable to: | | | |
| Shareholders of the Company | 15,782 | 15,428 | 2.3 |
| Non-controlling interests | <u>1,837</u> | <u>1,797</u> | 2.2 |
| | <u><u>17,619</u></u> | <u><u>17,225</u></u> | 2.3 |
| Earnings per share | | | |
| - basic | 2.8 cts | 2.8 cts | - |
| - diluted | 2.8 cts | 2.8 cts | - |

**1(a) GROUP PROFIT AND LOSS ACCOUNT (cont'd)
for the first quarter ended 31 March 2015**

Notes to Group Profit and Loss Account

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

| | First Quarter | | |
|---|----------------------|----------------|---------|
| | 2015 \$'000 | 2014 \$'000 | +/(-) % |
| Purchase of goods and services ^(a) | 15,991 | 13,685 | 16.9 |
| Staff costs ^(b) | 14,350 | 11,884 | 20.8 |
| Share-based payment expenses | 608 | 419 | 45.1 |
| Depreciation of fixed assets ^(c) | 3,210 | 5,998 | (46.5) |
| Rental of equipment and facilities expenses | 7,041 | 7,631 | (7.7) |
| Other operating expenses | 3,063 | 2,814 | 8.8 |
| Operating expenses | <u>44,263</u> | <u>42,431</u> | 4.3 |
| Other income ^(d) | <u>2,626</u> | <u>1,120</u> | 134.5 |

Notes:

- (a) Purchase of goods and services increased due mainly to higher rental expense, transportation costs and handling fees in the Logistics Division.
- (b) Staff costs increased due mainly to higher head count in Logistics and Data Centre divisions.
- (c) Depreciation decreased due mainly to disposal of two data centre properties in December 2014.
- (d) Other income increased due largely to gain on disposal of fixed assets.

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

| | First Quarter | | |
|---|----------------------|----------------|---------|
| | 2015 \$'000 | 2014 \$'000 | +/(-) % |
| Gain on disposal of fixed assets | (1,031) | - | nm |
| Fair value gain on remeasurement of previously held equity interests in subsidiaries acquired | - | (219) | nm |
| Write-back of provision for doubtful debts | (4) | (8) | (50.0) |
| Write-back of provision for stock obsolescence | - | (2) | nm |
| Fair value loss on forward foreign currency contracts | - | 416 | nm |
| Foreign exchange loss | 470 | 15 | >500.0 |

(iii) Taxation expense for the quarter included provision for taxation in respect of prior years of \$1,000 (1Q 2014: write-back of over-provision \$34,000).

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

nm – not meaningful

1(b) **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
for the first quarter ended 31 March 2015

| | <u>First Quarter</u> | | |
|--|----------------------|----------------------|---------|
| | 2015 | 2014 | + / (-) |
| | \$'000 | \$'000 | % |
| Profit for the period | <u>17,619</u> | <u>17,225</u> | 2.3 |
| <u>Items that may be reclassified subsequently to profit and loss account:</u> | | | |
| Foreign currency translation | | | |
| - Exchange differences arising on consolidation | 6,472 | (108) | nm |
| - Realised and transferred to profit and loss account | - | 470 | nm |
| Share of other comprehensive income /(expense) of associated companies | | | |
| - Foreign currency translation | <u>(593)</u> | <u>1,838</u> | nm |
| Other comprehensive income for the period, net of tax | <u>5,879</u> | <u>2,200</u> | 167.2 |
| Total comprehensive income for the period | <u><u>23,498</u></u> | <u><u>19,425</u></u> | 21.0 |
| Attributable to: | | | |
| Shareholders of the Company | 19,842 | 17,678 | 12.2 |
| Non-controlling interests | <u>3,656</u> | <u>1,747</u> | 109.3 |
| | <u><u>23,498</u></u> | <u><u>19,425</u></u> | 21.0 |

nm – not meaningful

1(c)(i) **BALANCE SHEETS as at 31 March 2015**

| | Group | | Company | |
|---|---------------------|----------------------|---------------------|----------------------|
| | 31.3.2015 \$'000 | 31.12.2014 \$'000 | 31.3.2015 \$'000 | 31.12.2014 \$'000 |
| Share capital | 78,027 | 76,741 | 78,027 | 76,741 |
| Reserves | 649,105 | 629,817 | 98,508 | 97,545 |
| Share capital and reserves | 727,132 | 706,558 | 176,535 | 174,286 |
| Non-controlling interests | 92,002 | 86,003 | - | - |
| Capital employed | 819,134 | 792,561 | 176,535 | 174,286 |
| Represented by: | | | | |
| <u>Non-current assets</u> | | | | |
| Fixed assets | 322,587 | 304,880 | - | - |
| Investment properties | 184,860 | 127,067 | - | - |
| Investments | | | | |
| Subsidiaries | - | - | 88,959 | 88,959 |
| Associated companies and joint ventures | 555,333 | 542,450 | 34,572 | 34,572 |
| Others | 79 | 79 | - | - |
| Intangibles | 18,229 | 18,229 | - | - |
| Long-term receivables | - | - | 156,860 | 142,822 |
| | <u>1,081,088</u> | <u>992,705</u> | <u>280,391</u> | <u>266,353</u> |
| <u>Current assets</u> | | | | |
| Stocks | 750 | 737 | - | - |
| Debtors | 93,672 | 124,925 | 583 | 255 |
| Amounts owing by holding and related companies | 1,902 | 1,625 | 1,880 | 20,492 |
| Amounts owing by associated companies | 3,713 | 2,308 | 1,967 | - |
| Fixed deposits | 229,390 | 221,026 | 15,985 | 12,562 |
| Bank balances and cash | 54,653 | 59,638 | 293 | 184 |
| | <u>384,080</u> | <u>410,259</u> | <u>20,708</u> | <u>33,493</u> |
| <u>Current liabilities</u> | | | | |
| Creditors | 102,455 | 83,634 | 2,817 | 3,815 |
| Amounts owing to holding and related companies | 893 | 1,048 | 1,747 | 1,745 |
| Amounts owing to associated companies | 31,260 | 21,036 | - | - |
| Short-term borrowings | 50,582 | 53,405 | - | - |
| Taxation | 25,130 | 24,653 | - | - |
| | <u>210,320</u> | <u>183,776</u> | <u>4,564</u> | <u>5,560</u> |
| Net current assets | 173,760 | 226,483 | 16,144 | 27,933 |
| <u>Non-current liabilities</u> | | | | |
| Long-term borrowings | 434,662 | 425,575 | 120,000 | 120,000 |
| Deferred taxation | 1,052 | 1,052 | - | - |
| | <u>435,714</u> | <u>426,627</u> | <u>120,000</u> | <u>120,000</u> |
| Net assets | 819,134 | 792,561 | 176,535 | 174,286 |

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

Amount repayable in one year or less, or on demand

| As at 31.3.2015 | | As at 31.12.2014 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 2,307 | 48,275 | 2,076 | 51,329 |

Amount repayable after one year

| As at 31.3.2015 | | As at 31.12.2014 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 66,474 | 368,188 | 59,726 | 365,849 |

The Group funds its operations from internal sources, banks and related companies.

Details of any collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The Group has mortgaged certain properties and assets of up to an aggregate amount of \$126,460,000 (31 December 2014: \$116,990,000) to banks for loan facilities.

1(c)(iii) BALANCE SHEET ANALYSIS

Group shareholders' funds increased by \$20.6 million to \$727.1 million as at 31 March 2015 due mainly to retained profits and exchange translation gains for the period.

Group total assets of \$1,465.2 million as at 31 March 2015 were \$62.2 million higher than as at the previous year end. Fixed assets increased by \$17.7 million to \$322.6 million due mainly to construction of warehouses. Investment properties of \$184.9 million increased by \$57.8 million due to fit-out of a data centre in Singapore and acquisition of a data centre property in the Netherlands. Associated companies and joint ventures increased by \$12.9 million to \$555.3 million due to equity accounting for share of profits, partly offset by dividends received. Current assets decreased by \$26.2 million to \$384.1 million due largely to decrease in debtors partly offset by increase in cash and cash equivalents. Debtors decreased due largely to reduction in deposits paid in the previous year for acquisition of the data centre property in the Netherlands.

Group total liabilities of \$646.0 million as at 31 March 2015 were \$35.6 million higher than as at the previous year end due mainly to increase in creditors, amount due to associated companies and borrowings. Increase in creditors was due largely to increase in payables for fit-out of a data centre. Increase in amount due to associated companies was due largely to lease payables owing to an associated company. Increase in borrowings was due to drawdown of existing loan facilities for capital expenditure on construction of warehouses. Group total borrowings as at 31 March 2015 were \$485.2 million compared to \$479.0 million as at the previous year end.

**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS
for the first quarter ended 31 March 2015**

| | First Quarter | |
|---|----------------------|-----------------|
| | 2015 \$'000 | 2014 \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating profit | 6,293 | 7,400 |
| Adjustments for non-cash items: | | |
| Depreciation of fixed assets | 3,210 | 5,998 |
| Share-based payment expenses | 608 | 419 |
| Gain on disposal of fixed assets | (1,031) | - |
| Fair value gain on remeasurement of previously held equity interests in subsidiaries acquired | - | (219) |
| Fair value loss on forward foreign currency contracts | - | 416 |
| Gain on dilution of interest in an associated company | (842) | (571) |
| Operating cash flows before changes in working capital | 8,238 | 13,443 |
| Working capital changes: | | |
| Stocks | (13) | 12 |
| Debtors | (1,585) | 3,137 |
| Creditors | (641) | (3,285) |
| Amount due to associated companies | 9,307 | - |
| Cash flows from operations | 15,306 | 13,307 |
| Interest received | 300 | 49 |
| Interest paid | (3,561) | (2,939) |
| Income taxes paid | (921) | (344) |
| NET CASH FROM OPERATING ACTIVITIES | 11,124 | 10,073 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of subsidiaries (Note A) | - | (13,983) |
| Additions to fixed assets | (23,302) | (24,709) |
| Addition to investment properties | (100) | - |
| Proceeds from disposal of fixed assets | 1,262 | - |
| Dividends received from associated companies | 1,827 | 2,471 |
| NET CASH USED IN INVESTING ACTIVITIES | (20,313) | (36,221) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from share issues | 90 | 228 |
| Proceeds from short-term loans | 346 | 17,667 |
| Repayment of short-term loans | - | (9,000) |
| Proceeds from long-term loans | 7,911 | 16,581 |
| Repayment of long-term loans | (528) | (494) |
| Contribution from non-controlling shareholders of subsidiaries | 2,343 | - |
| NET CASH FROM FINANCING ACTIVITIES | 10,162 | 24,982 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 973 | (1,166) |
| Cash and cash equivalents at beginning of period | 280,664 | 80,178 |
| Effect of exchange rate changes on cash and cash equivalents | 2,406 | 52 |
| Cash and cash equivalents as at 31 March (Note B) | 284,043 | 79,064 |

1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
for the first quarter ended 31 March 2015

Notes to Consolidated Statement of Cash Flows

A. Acquisition of subsidiaries

The fair values of assets and liabilities of subsidiaries acquired were as follows:

| | First Quarter | |
|---|----------------------|----------------|
| | 2015 \$'000 | 2014 \$'000 |
| Fixed assets | - | 5,929 |
| Trade debtors | - | 4,431 |
| Other debtors | - | 3,065 |
| Bank balances and cash | - | 717 |
| Creditors | - | (4,227) |
| Short-term borrowings | - | (927) |
| Taxation | - | (86) |
| Long-term borrowings | - | (1,487) |
| | <hr/> | <hr/> |
| Total identifiable net assets at fair value | - | 7,415 |
| Non-controlling interests measured at non-controlling interests' proportionate share of net identifiable assets | - | (3,737) |
| Amounts previously accounted for as associated companies | - | (3,887) |
| Fair value gain on remeasurement of previously held equity interests in subsidiaries acquired | - | (219) |
| Goodwill arising from acquisition | - | 1,472 |
| | <hr/> | <hr/> |
| Purchase consideration | - | 1,044 |
| Add: Settlement of deferred payment | - | 13,656 |
| Less: Bank balances and cash acquired | - | (717) |
| | <hr/> | <hr/> |
| Cash outflow on acquisition | - | 13,983 |

B. Cash and cash equivalents

Cash and cash equivalents consist of fixed deposits, bank balances and cash. Cash and cash equivalents in the consolidated statement of cash flows comprise the following:

| | First Quarter | |
|------------------------|----------------------|----------------|
| | 2015 \$'000 | 2014 \$'000 |
| Fixed deposits | 229,390 | 33,903 |
| Bank balances and cash | 54,653 | 45,161 |
| | <hr/> | <hr/> |
| | <u>284,043</u> | <u>79,064</u> |

1(d)(ii) CASH FLOW ANALYSIS

Net cash from operating activities was \$11.1 million compared to \$10.1 million last year due to higher cash flows from operations after working capital changes, partly offset by higher interest and taxes paid.

Net cash used in investing activities was \$20.3 million due mainly to capital expenditure on construction of warehouses, partly offset by dividends received from an associated company.

Net cash from financing activities was \$10.2 million mainly from drawdown of loans and contribution from non-controlling interests.

1(e)(i) STATEMENTS OF CHANGES IN EQUITY for the first quarter ended 31 March 2015

| | Attributable to owners of the Company | | | | | | |
|--|---------------------------------------|-------------------------------|------------------------------|---|--|--|-------------------------------|
| | 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 |
| Group | | | | | | | |
| Balance at 1 January 2015 | 76,741 | 30,646 | 607,083 | (7,912) | 706,558 | 86,003 | 792,561 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | 15,782 | - | 15,782 | 1,837 | 17,619 |
| Other comprehensive income for the period * | - | - | - | 4,060 | 4,060 | 1,819 | 5,879 |
| Total comprehensive income for the period | - | - | 15,782 | 4,060 | 19,842 | 3,656 | 23,498 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Issue of shares | 1,286 | (1,196) | - | - | 90 | - | 90 |
| Cost of share-based payment | - | 572 | - | - | 572 | - | 572 |
| Total contributions by and distributions to owners | 1,286 | (624) | - | - | 662 | - | 662 |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | | |
| Cash contributed by non-controlling shareholders | - | - | - | - | - | 2,343 | 2,343 |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | 2,343 | 2,343 |
| Total transactions with owners | 1,286 | (624) | - | - | 662 | 2,343 | 3,005 |
| Share of reserves of associated companies | - | 70 | - | - | 70 | - | 70 |
| Balance at 31 March 2015 | 78,027 | 30,092 | 622,865 | (3,852) | 727,132 | 92,002 | 819,134 |

1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the first quarter ended 31 March 2015

| | Attributable to owners of the Company | | | | | | |
|--|---------------------------------------|-------------------------------|------------------------------|---|--|--|-------------------------------|
| | 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 |
| Group | | | | | | | |
| Balance at 1 January 2014 | 75,468 | 30,533 | 379,943 | (15,486) | 470,458 | 74,430 | 544,888 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | 15,428 | - | 15,428 | 1,797 | 17,225 |
| Other comprehensive income for the period * | - | - | - | 2,250 | 2,250 | (50) | 2,200 |
| Total comprehensive income for the period | - | - | 15,428 | 2,250 | 17,678 | 1,747 | 19,425 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Issue of shares | 1,225 | (997) | - | - | 228 | - | 228 |
| Cost of share-based payment | - | 395 | - | - | 395 | - | 395 |
| Total contributions by and distributions to owners | 1,225 | (602) | - | - | 623 | - | 623 |
| Changes in ownership interests in subsidiaries | | | | | | | |
| Acquisition of subsidiaries | - | - | - | - | - | 3,737 | 3,737 |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | 3,737 | 3,737 |
| Total transactions with owners | 1,225 | (602) | - | - | 623 | 3,737 | 4,360 |
| Share of reserves of associated companies | - | 55 | - | - | 55 | - | 55 |
| Balance at 31 March 2014 | 76,693 | 29,986 | 395,371 | (13,236) | 488,814 | 79,914 | 568,728 |

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

1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the first quarter ended 31 March 2015

| | Share Capital \$'000 | Capital Reserves \$'000 | Revenue Reserve \$'000 | Total \$'000 |
|--|----------------------------|-------------------------------|------------------------------|-----------------|
| <u>Company</u> | | | | |
| Balance at 1 January 2015 | 76,741 | 5,884 | 91,661 | 174,286 |
| Profit for the period, representing total comprehensive income for the period | - | - | 1,587 | 1,587 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | |
| Issue of shares | 1,286 | (1,196) | - | 90 |
| Cost of share-based payment | - | 572 | - | 572 |
| Total transactions with owners | 1,286 | (624) | - | 662 |
| Balance at 31 March 2015 | <u>78,027</u> | <u>5,260</u> | <u>93,248</u> | <u>176,535</u> |
| | | | | |
| Balance at 1 January 2014 | 75,468 | 5,781 | 61,961 | 143,210 |
| Profit for the period, representing total comprehensive income for the period | - | - | 173 | 173 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | |
| Issue of shares | 1,225 | (997) | - | 228 |
| Cost of share-based payment | - | 395 | - | 395 |
| Total transactions with owners | 1,225 | (602) | - | 623 |
| Balance at 31 March 2014 | <u>76,693</u> | <u>5,179</u> | <u>62,134</u> | <u>144,006</u> |

1(e)(ii) SHARE CAPITAL

Issued share capital and treasury shares

| | <u>Number of shares</u> |
|--|-------------------------|
| Balance at 1 January 2015 | 554,911,837 |
| Issue of shares under share option scheme | 60,000 |
| Issue of shares under restricted share plan and performance share plan | <u>866,150</u> |
| Balance at 31 March 2015 | <u>555,837,987</u> |

As at 31 March 2015, the number of ordinary shares in issue was 555,837,987 of which none were held by the Company as treasury shares (31 March 2014: 554,876,837 ordinary shares of which none were held as treasury shares; 31 December 2014: 554,911,837 ordinary shares of which none were held as treasury shares).

Share Options

As at 31 March 2015, there were unexercised options for 740,000 (31 March 2014: 1,090,000) of unissued ordinary shares under the Company's Share Option Scheme.

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

As at 31 March 2015, there was no contingent shares granted and not released (31 March 2014: Nil) for KT&T Restricted Share Plan ("KT&T RSP").

As at 31 March 2015, the number of restricted shares released but not vested was 946,315 (31 March 2014: 884,200) for KT&T RSP.

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

As at 31 March 2015, the number of contingent shares granted and not released was 250,000 (31 March 2014: 500,000) 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 375,000 ordinary shares of the Company for KT&T PSP.

1(e)(ii) SHARE CAPITAL (cont'd)

The movements in number of shares under KT&T RSP and PSP are as follows:

Contingent awards:

| Date of Grant | Number of Shares | | | | |
|---------------------|------------------|-------------------------|------------------|-----------------|----------------|
| | At 1.1.15 | Adjustment upon release | Released | Cancelled | At 31.3.15 |
| KT&T RSP | | | | | |
| 7.4.14 | 1,015,000 | - | (993,215) | (21,785) | - |
| | <u>1,015,000</u> | <u>-</u> | <u>(993,215)</u> | <u>(21,785)</u> | <u>-</u> |
| KT&T PSP | | | | | |
| 2.7.12 | 75,000 | 23,250 | (98,250) | - | - |
| 3.4.13 | 125,000 | - | - | - | 125,000 |
| 7.4.14 | 125,000 | - | - | - | 125,000 |
| | <u>325,000</u> | <u>23,250</u> | <u>(98,250)</u> | <u>-</u> | <u>250,000</u> |

Awards released but not vested:

| Date of Grant | Number of Shares | | | | |
|---------------------|------------------|----------------|------------------|-----------------|----------------|
| | At 1.1.15 | Released | Vested | Cancelled | At 31.3.15 |
| KT&T RSP | | | | | |
| 2.7.12 | 160,600 | - | (154,000) | (6,600) | - |
| 3.4.13 | 587,000 | - | (283,000) | (20,000) | 284,000 |
| 7.4.14 | - | 993,215 | (330,900) | - | 662,315 |
| | <u>747,600</u> | <u>993,215</u> | <u>(767,900)</u> | <u>(26,600)</u> | <u>946,315</u> |
| KT&T PSP | | | | | |
| 2.7.12 | - | 98,250 | (98,250) | - | - |
| | <u>-</u> | <u>98,250</u> | <u>(98,250)</u> | <u>-</u> | <u>-</u> |

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 2014, except as disclosed in paragraph 5.

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 2015.

Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
 Improvements to FRSs (January 2014)
 Improvements to FRSs (February 2014)

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 | | |
|---|----------------------|---------|--------|
| | First Quarter | | |
| | 2015 | 2014 | +/(-)% |
| Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders of the Company:- | | | |
| (i) Based on the weighted average number of shares (cents) | 2.8 | 2.8 | - |
| - Weighted average number of shares ('000) | 555,521 | 554,500 | 0.2 |
| (ii) On a fully diluted basis (cents) | 2.8 | 2.8 | - |
| - Adjusted weighted average number of shares ('000) | 556,714 | 555,864 | 0.2 |

7. NET ASSET VALUE

| | GROUP | | | COMPANY | | |
|--|---|------------|--------|----------------|------------|--------|
| | 31.3.2015 | 31.12.2014 | +/(-)% | 31.3.2015 | 31.12.2014 | +/(-)% |
| | Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$) | 1.31 | 1.27 | 3.1 | 0.32 | 0.31 |

8. REVIEW OF GROUP PERFORMANCE

Group revenue in the first quarter of \$47.9 million was 2% lower compared to the corresponding quarter in 2014 due mainly to lower revenue from Data Centre Division, partly offset by higher revenue from Logistics Division.

Operating profit was lower by \$1.1 million due largely to absence of contribution from the two data centre properties disposed in December 2014, partly offset by gain on disposal of fixed assets.

Profit before taxation of \$21.8 million increased by \$0.6 million due to higher share of results from associated companies, partly offset by lower operating profit.

After taking into account higher taxation and non-controlling interests, the Group's net profit attributable to shareholders was higher by \$0.4 million at \$15.8 million.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the first quarter ended 31 March 2015 was previously provided.

10. PROSPECTS

During the quarter, operations commenced at the new Tampines Logistics Hub in Singapore, which has received healthy demand. The new warehouse in Vietnam Singapore Industrial Park 1 (VSIP1) has been partially fitted out and is operational, while construction of the distribution centre in Tianjin Eco-city, China is in the last stage of completion. Meanwhile, the Group's integrated river ports in Foshan and Wuhu in China continued to register encouraging throughput, despite the overall slowdown in China's economic growth. The Logistics Division will continue to focus on building up a strong pipeline of customers for the new facilities as well as driving growth opportunities in selected markets and verticals.

In the Data Centre Division, high occupancy was maintained at the assets managed by the Group. The occupancy rate for Keppel Datahub 2 is 60% and is ramping up steadily. Preparation for fit-out work is progressing well for Almere Data Centre 2 – the most recently acquired data centre in Almere, the Netherlands. Almere Data Centre 2 is expected to commence operations with a major tenant by 3Q 2015. Keppel DC REIT performed well during the quarter, yielding a stable contribution to the Division's results. To further capitalise on the strong demand for data centre space, the Division continues to seek new data centre development and acquisition opportunities in its targeted markets in Asia Pacific and Europe.

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 2015 (31 March 2014: Nil).

For the financial year ended 31 December 2014, the Directors have recommended a final dividend of 3.5 cents per share tax exempt one-tier and a special dividend of 11.5 cents per share tax exempt one-tier for approval by shareholders at the Annual General Meeting to be held on 15 April 2015. If approved, the dividend will be paid on 5 May 2015.

13. SEGMENT ANALYSIS

First Quarter ended 31 March 2015 By business segments

| | Logistics \$'000 | Data Centre \$'000 | Investments \$'000 | Eliminations \$'000 | Consolidated Total \$'000 |
|--|---------------------|-----------------------|-----------------------|------------------------|---------------------------------|
| <u>Revenue</u> | | | | | |
| External sales | 38,082 | 9,848 | - | - | 47,930 |
| Inter-segment sales | 25 | - | - | (25) | - |
| Total | 38,107 | 9,848 | - | (25) | 47,930 |
| <u>Segment results</u> | | | | | |
| Operating profit/(loss) | 4,337 | 4,225 | (2,269) | - | 6,293 |
| Interest income | 55 | 328 | 633 | (642) | 374 |
| Interest expense | (526) | (1,520) | (1,217) | 642 | (2,621) |
| Share of results of associated companies and joint ventures | 402 | 5,025 | 12,328 | - | 17,755 |
| Profit before taxation | 4,268 | 8,058 | 9,475 | - | 21,801 |
| Taxation | (667) | (1,167) | (2,348) | - | (4,182) |
| Profit for the period | 3,601 | 6,891 | 7,127 | - | 17,619 |
| <u>Attributable to:</u> | | | | | |
| Shareholders of the Company | 2,512 | 6,192 | 7,078 | - | 15,782 |
| Non-controlling interests | 1,089 | 699 | 49 | - | 1,837 |
| | 3,601 | 6,891 | 7,127 | - | 17,619 |
| <u>Other Information</u> | | | | | |
| Segment assets | 504,437 | 698,585 | 435,143 | (172,997) | 1,465,168 |
| Segment liabilities | (218,783) | (383,809) | (216,439) | 172,997 | (646,034) |
| Net assets | 285,654 | 314,776 | 218,704 | - | 819,134 |
| <u>Investment in associated companies and joint ventures</u> | | | | | |
| Investment in associated companies and joint ventures | 53,643 | 245,287 | 256,403 | - | 555,333 |
| Additions to non-current assets | 15,483 | 61,181 | 10 | - | 76,674 |
| Depreciation | 3,144 | 51 | 15 | - | 3,210 |

By geographical information

| | Singapore \$'000 | China \$'000 | ASEAN other than Singapore \$'000 | Others \$'000 | Consolidated Total \$'000 |
|--------------------|---------------------|-----------------|--|------------------|---------------------------------|
| External sales | 26,353 | 13,647 | 5,411 | 2,519 | 47,930 |
| Non-current assets | 747,094 | 220,346 | 52,780 | 60,868 | 1,081,088 |

Information about major customers

No single external customer accounted for 10% or more of the Group's revenue for the first quarter ended 31 March 2015.

13. SEGMENT ANALYSIS (cont'd)

First Quarter ended 31 March 2014 By business segments

| | Logistics \$'000 | Data Centre \$'000 | Investments \$'000 | Eliminations \$'000 | Consolidated Total \$'000 |
|--|---------------------|-----------------------|-----------------------|------------------------|---------------------------------|
| <u>Revenue</u> | | | | | |
| External sales | 34,589 | 14,122 | - | - | 48,711 |
| Inter-segment sales | 24 | - | - | (24) | - |
| Total | 34,613 | 14,122 | - | (24) | 48,711 |
| <u>Segment results</u> | | | | | |
| Operating profit/(loss) | 3,239 | 6,007 | (1,846) | - | 7,400 |
| Interest income | 20 | 17 | 663 | (657) | 43 |
| Interest expense | (416) | (1,417) | (1,246) | 657 | (2,422) |
| Share of results of associated companies and joint ventures | 1,086 | 3,837 | 11,302 | - | 16,225 |
| Profit before taxation | 3,929 | 8,444 | 8,873 | - | 21,246 |
| Taxation | (236) | (1,291) | (2,494) | - | (4,021) |
| Profit for the period | 3,693 | 7,153 | 6,379 | - | 17,225 |
| <u>Attributable to:</u> | | | | | |
| Shareholders of the Company | 3,383 | 5,730 | 6,315 | - | 15,428 |
| Non-controlling interests | 310 | 1,423 | 64 | - | 1,797 |
| | 3,693 | 7,153 | 6,379 | - | 17,225 |
| <u>Other Information</u> | | | | | |
| Segment assets | 402,792 | 507,170 | 435,914 | (169,818) | 1,176,058 |
| Segment liabilities | (140,778) | (390,331) | (246,039) | 169,818 | (607,330) |
| Net assets | 262,014 | 116,839 | 189,875 | - | 568,728 |
| <u>Investment in associated companies and joint ventures</u> | | | | | |
| Investment in associated companies and joint ventures | 57,934 | 165,800 | 248,379 | - | 472,113 |
| Additions to non-current assets | 11,042 | 1,952 | - | - | 12,994 |
| Depreciation | 2,760 | 3,218 | 20 | - | 5,998 |

By geographical information

| | Singapore \$'000 | China \$'000 | ASEAN other than Singapore \$'000 | Others \$'000 | Consolidated Total \$'000 |
|--------------------|---------------------|-----------------|--|------------------|---------------------------------|
| External sales | 30,860 | 12,089 | 4,887 | 875 | 48,711 |
| Non-current assets | 662,879 | 187,807 | 42,893 | 100,622 | 994,201 |

Information about major customers

No single external customer accounted for 10% or more of the Group's revenue for the first quarter ended 31 March 2014.

13. SEGMENT ANALYSIS (cont'd)

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 segment 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 segment provides data centre co-location services, business continuity, disaster recovery, facility management and REIT management services. The Investments segment is the investment holding arm for various entities not within the Logistics and Data Centre segments.
- (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.
- (d) Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the first quarter ended 31 March 2015 and 31 March 2014.

14. REVIEW OF SEGMENT PERFORMANCE

Logistics Division's revenue of \$38.1 million increased by \$3.5 million compared to the same period last year due to higher warehousing and port operations revenue. Operating profit increased by \$1.1 million to \$4.3 million due largely to gain on disposal of fixed assets. Profit before taxation of \$4.3 million increased by \$0.3 million due to higher operating profit partly offset by lower share of results of associated companies and higher interest expense. After taking into account higher taxation and higher non-controlling interests, net profit attributable to shareholders was lower at \$2.5 million.

Data Centre Division's revenue of \$9.8 million was \$4.3 million lower as compared to the same period last year due to absence of revenue from the two data centre properties disposed in December 2014, partly offset by higher REIT management fees. Consequently, operating profit decreased by \$1.8 million to \$4.2 million. Profit before taxation decreased by \$0.4 million to \$8.1 million due to lower operating profit, partly offset by higher share of results of an associated company. Net profit attributable to shareholders was higher at \$6.2 million after taking into account lower taxation and non-controlling interests.

Investments Division's profit before taxation of \$9.5 million increased by \$0.6 million compared to the same period last year due to higher contributions from associated companies, partly offset by higher overheads. After taking into account lower taxation, net profit attributable to shareholders was higher at \$7.1 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 30 April 2014. 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 period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) | | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000) | |
|--|---|----------------------------|---|----------------------------|
| | 2015 3 Months \$'000 | 2014 3 Months \$'000 | 2015 3 Months \$'000 | 2014 3 Months \$'000 |
| <u>General Transactions</u> | | | | |
| Keppel Corporation Limited Group | - | - | 1,046 | 13,308 |
| Singapore Telecommunications Limited Group | - | - | 177 | 293 |
| Mapletree Investments Pte Ltd Group | - | - | - | 183 |
| Singapore Technologies Telemedia Pte Ltd Group | - | - | 146 | - |
| <u>Treasury Transactions</u> | | | | |
| Keppel Corporation Limited Group | - | - | 205,057 | 94,495 |
| <u>Management Services</u> | | | | |
| Keppel Corporation Limited Group | - | - | 842 | 921 |
| | - | - | 207,268 | 109,200 |

BY ORDER OF THE BOARD

TOK BOON SHENG/KENNY LEE
Company Secretaries
14 April 2015

Confirmation by the Board

We, LOH CHIN HUA 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 2015 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



LOH CHIN HUA
Chairman



NEO BOON SIONG
Director

Singapore, 14 April 2015