

MEDIA RELEASE

Keppel Infrastructure Trust to acquire Ixom

- **Acquisition of one of the leading players in chemicals manufacturing and distribution in Australia and New Zealand extends KIT's capabilities in the industrial infrastructure space**
- **Provides long-term stable cash flows underpinned by multiple core infrastructure assets and a well-positioned network of infrastructure, increasing DPU stability for Unitholders**
- **Acquisition is expected to be DPU yield accretive**
- **Strengthens KIT's portfolio and increases AUM to S\$5.1 billion**

Singapore, 15 November 2018 – Keppel Infrastructure Fund Management Pte Ltd (“KIFM”), in its capacity as Trustee-Manager of Keppel Infrastructure Trust (“KIT”), is pleased to announce that through its wholly-owned subsidiary, it has entered into a share sale agreement with certain funds managed by Blackstone and certain management sellers for the proposed acquisition of a 100% interest in Ixom HoldCo Pty Ltd (“Ixom”). The enterprise value for Ixom is A\$1,100 million¹ (approximately S\$1,097 million²).

Ixom (together with its subsidiaries, “Ixom Group”) is amongst the leading industrial infrastructure businesses in Australia and New Zealand, supplying and distributing water treatment chemicals which are key to fundamental industries, as well as industrial and specialty chemicals. The Ixom Group manufactures and distributes water treatment chemicals, such as liquefied chlorine, chlorine derivatives and caustic soda (chlor-alkali). The Ixom Group is the sole manufacturer of liquefied chlorine in Australia, as well as a leading provider of manufactured caustic soda. The Ixom Group is also one of the largest bulk and packaged chemical distribution businesses in Australia and New Zealand dealing in chemicals such as sulphuric and nitric acids. The chemicals manufactured and distributed by the Ixom Group are fundamental components used in a range of industries, which have favourable demand outlooks, including water treatment, dairy and agriculture, mining, construction and nickel refining.

Underpinning the Ixom Group's business is a large network of well-positioned infrastructure. This includes chlor-alkali manufacturing facilities and bulk storage sites in key regions across Australia and New Zealand that support the Ixom Group's import and distribution activities.

¹ Subject to certain adjustments as set out in the KIT's announcement dated 15 November 2018.

² Based on an exchange rate of A\$1 = S\$0.9973 as at 14 November 2018.

Mr Matthew Pollard, CEO of KIFM, said, “The proposed DPU yield accretive acquisition of Ixom is strategic for KIT, allowing the Trust to gain a foothold in this stable sector of water treatment as well as industrial and specialty chemicals distribution. Ixom’s infrastructure-like business and strong position provides the Trust with stable and resilient cash flows that are driven by long-term customer relationships and a large, diversified customer base comprising many blue-chip companies and municipalities. The addition of Ixom to KIT’s portfolio will enhance the stability of distributions for our Unitholders over the long term.

“In addition, through the acquisition, we augment Keppel’s value proposition as a provider of solutions for sustainable urbanisation. The chemicals that Ixom manufactures and distributes are needed for daily life and many businesses. It is also a sector we are familiar with given that KIT, in its capacity as owner and operator, uses many of the major chemicals in our water desalination and wastewater treatment assets that are similar to those manufactured and distributed by Ixom.”

Looking ahead, the Ixom Group’s deep expertise and experience in the industrial infrastructure sector will allow it to capitalise on potential growth opportunities in existing and new business segments. Buoyed by positive industry fundamentals and growing urbanisation, the Ixom Group is strategically positioned for long-term growth. Its deep knowledge of the local markets, supply chains and regulations, as well as economies of scale, will allow it to maintain its position in each of its chosen markets.

The proposed transaction will be initially funded via debt. Subsequently, it is envisioned that a portion of the debt will be paid down with the proceeds from an equity fund raising. The structure and timing of the equity fund raising will be determined by the Trustee-Manager at a later date, subject to the then prevailing market conditions. Keppel Infrastructure Holdings Pte. Ltd.³, as Sponsor and an 18.2% Unitholder of KIT, intends to participate in the equity fund raising when launched.

On completion of the acquisition, expected to be in 1Q 2019, KIT’s enlarged portfolio will grow from S\$3.8 billion⁴ to S\$5.1 billion. The acquisition also diversifies KIT’s portfolio with exposure to the distribution and network segment and reduces the portfolio’s concentration of defined life, concession assets through the addition of a stable business with potential for long-term growth.

The acquisition is subject to government and agency approvals as well as Unitholders’ approval at an Extraordinary General Meeting to be announced at a later date.

Please refer to KIT’s SGXNET announcement for more details.

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³ Keppel Infrastructure Holdings Pte. Ltd. is a wholly-owned subsidiary of Keppel Corporation Limited.

⁴ As at 30 September 2018.

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About Keppel Infrastructure Trust

Keppel Infrastructure Trust (KIT) is a listed business trust that provides investors with the opportunity to invest in a large and well-diversified portfolio of core infrastructure assets located in jurisdictions with well-developed legal frameworks that support infrastructure investment. The Trust aims to provide long-term, regular and sustainable distributions to its Unitholders.

Keppel Infrastructure Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation Limited, is the Sponsor of KIT.

The Trustee-Manager of KIT is Keppel Infrastructure Fund Management Pte Ltd (KIFM), which is a wholly-owned subsidiary of Keppel Capital, a premier asset manager in Asia with assets under management of approximately S\$29 billion in real estate, infrastructure and data centre properties in key global markets as at December 2017.

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.