

MEDIA RELEASE

KEPPEL INFRASTRUCTURE TRUST UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

13 April 2015

The Directors of Keppel Infrastructure Fund Management Pte Ltd, as Trustee-Manager of Keppel Infrastructure Trust, advise the following results of Keppel Infrastructure Trust for the first quarter ended 31 March 2015.

These figures have not been audited.

1Q2015 RESULTS HIGHLIGHTS

1. Cash generated from operations was \$13.5 million for 1Q 2015 compared to \$14.4 million for 1Q 2014. The lower cash generated from operations was mainly due to the transaction costs paid in relation to the proposed transaction with CitySpring Infrastructure Trust and the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd.
2. Group revenue for 1Q 2015 was \$16.6 million, 1.1% lower than 1Q 2014. Operation and maintenance income was \$12.8 million, 0.5% higher compared to 1Q 2014.
3. Profit after tax for 1Q 2015 was \$4.3 million, resulting in earnings per unit (EPU) of 0.68 cents for the quarter, which was 21.4% higher compared to 1Q 2014 due to lower electricity costs and lower trust expenses.
4. Net asset value per unit as at 31 March 2015 was \$0.90 compared to \$0.94 as at 31 December 2014, mainly due to the distribution payment of 4.69 cents per unit on 13 February 2015.

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This media release is also available at www.kepcorp.com and www.kepinfratrust.com.

**KEPPEL INFRASTRUCTURE TRUST
FIRST QUARTER 2015 FINANCIAL STATEMENTS**

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INTRODUCTION

Keppel Infrastructure Trust (“KIT” or “Trust”), formerly known as K-Green Trust, is a business trust constituted on 23 July 2009 under the laws of Singapore, and managed by Keppel Infrastructure Fund Management Pte. Ltd. (“KIFM”) as Trustee-Manager of KIT.

KIT was listed as K-Green Trust on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 29 June 2010 with an initial portfolio comprising the Senoko Plant, Tuas DBOO Plant and Ulu Pandan Plant, and an investment focus on “green” infrastructure assets, which reflected the business focus of its then sponsor, Keppel Integrated Engineering (KIE). On 2 May 2013, KIE was reorganised under Keppel Infrastructure (KI), which assumed the role of the sponsor to KIT.

In line with the wider business scope of KI and to enable KIT to pursue a wider range of opportunities, unitholders on 15 April 2014 approved expanding KIT’s investment mandate to include utilities infrastructure assets, primary and alternative energy assets and other infrastructure assets.

On 18 November 2014, KIFM, in its capacity as trustee-manager of KIT, had entered into two separate conditional transactions (the “Proposed Transactions”). The first transaction is the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd which owns the Keppel Merlimau Cogen Plant (“KMC Plant”), a 1,300 MW combined cycle gas turbine generation facility on Jurong Island, Singapore (the “KMC acquisition”). The purchase consideration is \$510 million which will be financed by an equity fund raising and/or debt. The second transaction is the disposal of the business undertaking and assets of KIT (including all rights and obligations of KIT in respect of the KMC acquisition) by KIT to CIT (the “Disposal”).

The Proposed Transactions are subject to various approvals, including unitholders’ approval, which will be sought at an Extraordinary General Meeting on 30 April 2015.

Please refer to the circular dated 2 April 2015 for further details.

KIT, being a business trust, is allowed to pay distributions to unitholders out of its residual cash flows, in accordance with its distribution policy. This is unlike companies, which are governed by the Companies Act. Companies can only make dividend payments out of accounting profits.

1 UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust**, advise the following unaudited results of the Group for the first quarter ended 31 March 2015.

1 (a) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the first quarter ended 31 March

	1Q 2015	1Q 2014	+/-
	\$'000	\$'000	%
Finance income	3,807	4,050	-6.0
Operation and maintenance income	12,799	12,734	+0.5
Revenue	16,606	16,784	-1.1
Operation and maintenance costs	(9,279)	(9,259)	+0.2
Electricity costs	(778)	(1,621)	-52.0
Depreciation	(33)	(92)	-64.1
Trustee-Manager's fees	(1,051)	(1,045)	+0.6
Trust expenses	(191)	(345)	-44.6
Other operating expenses	(937)	(1,024)	-8.5
Other income	206	231	-10.8
Operating profit	4,543	3,629	+25.2
Interest income	41	23	+78.3
Interest expense	(14)	-	N.M.
Profit before income tax	4,570	3,652	+25.1
Income tax expense	(258)	(150)	+72.0
Profit for the period, representing total comprehensive income for the period	4,312	3,502	+23.1

1 (b)(i) STATEMENTS OF FINANCIAL POSITION as at 31 March

	GROUP		TRUST	
	31 Mar 15	31 Dec 14	31 Mar 15	31 Dec 14
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Plant and equipment	1,554	1,587	-	-
Subsidiaries	-	-	253,792	253,792
Service concession receivables	461,136	471,047	-	-
Notes receivable	-	-	290,142	290,142
	<u>462,690</u>	<u>472,634</u>	<u>543,934</u>	<u>543,934</u>
Current Assets				
Inventories	11,107	11,411	-	-
Service concession receivables	54,956	54,956	-	-
Trade and other receivables	22,697	22,281	8,011	3,727
Cash, bank and deposit balances	33,627	49,744	5,814	37,971
	<u>122,387</u>	<u>138,392</u>	<u>13,825</u>	<u>41,698</u>
Current Liabilities				
Trade and other payables	15,110	15,940	1,954	3,361
Loan from a related party	3,479	3,479	3,479	3,479
Income tax payable	617	511	4	1
	<u>19,206</u>	<u>19,930</u>	<u>5,437</u>	<u>6,841</u>
Net Current Assets	<u>103,181</u>	<u>118,462</u>	<u>8,388</u>	<u>34,857</u>
Net Assets	<u>565,871</u>	<u>591,096</u>	<u>552,322</u>	<u>578,791</u>
Represented by:				
Unitholders' Funds				
Units in issue	719,307	719,307	719,307	719,307
Revenue reserves	(153,436)	(128,211)	(166,985)	(140,516)
	<u>565,871</u>	<u>591,096</u>	<u>552,322</u>	<u>578,791</u>

1 (b)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES

In year 2014, an unsecured loan of \$3.5 million was drawn down from Kephinance Investment Pte Ltd, a wholly owned subsidiary of Keppel Corporation Limited.

As at 31 March 2015, the unsecured loan of \$3.5 million (31 December 2014: \$3.5 million) remains outstanding and is repayable by 13 November 2015.

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

	1Q 2015 \$'000	1Q 2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	4,570	3,652
<u>Adjustments for :</u>		
Depreciation	33	92
Interest income	(41)	(23)
Interest expense	14	-
Operating cash flows before movements in working capital	<u>4,576</u>	<u>3,721</u>
Decrease in inventories	304	-
Decrease in service concession receivables	9,911	9,669
Increase in trade and other receivables	(406)	(335)
(Decrease) / Increase in trade and other payables	<u>(844)</u>	<u>1,381</u>
Cash generated from operations	13,541	14,436
Income tax paid	(152)	(133)
Interest received	31	23
Net cash from operating activities	<u>13,420</u>	<u>14,326</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Distribution paid	<u>(29,537)</u>	<u>(29,537)</u>
Net cash used in financing activity	(29,537)	(29,537)
Net decrease in cash and cash equivalents	(16,117)	(15,211)
Cash and cash equivalents at beginning of period	49,744	43,143
Cash and cash equivalents at end of period	<u>33,627</u>	<u>27,932</u>

**1 (d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS
for the first quarter ended 31 March**

GROUP	Attributable to equity holders of the Trust		
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
As at 1 January 2015	719,307	(128,211)	591,096
Total comprehensive income for the period	-	4,312	4,312
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2015	719,307	(153,436)	565,871
As at 1 January 2014	719,307	(91,671)	627,636
Total comprehensive income for the period	-	3,502	3,502
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2014	719,307	(117,706)	601,601
TRUST			
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
As at 1 January 2015	719,307	(140,516)	578,791
Total comprehensive income for the period	-	3,068	3,068
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2015	719,307	(166,985)	552,322
As at 1 January 2014	719,307	(104,543)	614,764
Total comprehensive income for the period	-	2,916	2,916
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2014	719,307	(131,164)	588,143

1 (d)(ii) DETAILS OF ANY CHANGE IN THE UNITS

	GROUP and TRUST Units
Issued units as at 1 January and 31 March 2015	629,781,279

1 (d)(iii) TOTAL NUMBER OF ISSUED UNITS EXCLUDING TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL YEAR, AND AS AT THE END OF THE IMMEDIATELY PRECEDING YEAR

The Group and Trust did not hold any treasury units as at 31 March 2015 and 31 December 2014.

The total number of issued units as at 31 March 2015 and 31 December 2014 is 629,781,279 units.

1 (d)(iv) STATEMENT OF ALL SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL YEAR REPORTED ON

Not applicable.

2 AUDIT

The figures have not been audited or reviewed by the auditors.

3 AUDITORS' REPORT

Not applicable

4 ACCOUNTING POLICIES

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation in the financial statements for the current financial period are consistent with those of the audited financial statements as at 31 December 2014.

5 CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new and revised FRSs and INT FRSs did not result in changes to the Group's and Trust's accounting policies.

6 EARNINGS PER UNIT ("EPU")

	1Q 2015	1Q 2014	+/- %
Earnings per unit ⁽¹⁾ (based on the weighted average number of units as at the end of the period)	0.68 cents	0.56 cents	+21.4
Weighted average number of units as at the end of the period	629,781,279	629,781,279	-

(1) *Diluted EPU is the same as basic EPU as there is no dilutive instrument in issue during the period.*

7 NET ASSET VALUE (“NAV”) PER UNIT

	GROUP			TRUST		
	31 Mar 15	31 Dec 14	+/- %	31 Mar 15	31 Dec 14	+/- %
NAV per unit based on issued units at the end of the period / year (\$)	0.90	0.94	-4.3	0.88	0.92	-4.3
Adjusted NAV per unit (\$) - based on total issued units of 629,781,279 (after distribution payable to unitholders)	0.90	0.89	+1.1	0.88	0.87	+1.1

8 REVIEW OF PERFORMANCE

Cash Flow Analysis

Cash generated from operations of \$13.5 million for 1Q 2015 was derived from the Group's pre-tax profit of \$4.6 million, after adjusting for non-cash items and changes in working capital of \$8.9 million. Decrease in inventories by \$0.3 million was due to spare parts utilised by the O&M operator for maintenance and repair of the waste-to-energy plants. The decrease in trade and other payables in 1Q 2015 was mainly due to transaction costs paid in relation to the Proposed Transactions. Taking into account income taxes paid, net cash flow from operating activities was \$13.4 million for 1Q 2015 as compared to \$14.3 million in prior year.

The net decrease in cash and cash equivalents was \$16.1 million for the quarter, after making the distribution payment of \$29.5 million in February this year.

Profit and Loss Analysis

Group revenue for 1Q 2015 was \$16.6 million. Finance income, representing the accretion on the service concession receivables in respect of the fixed capital cost and recovery components, decreased by 6.0% to \$3.8 million in 1Q 2015, in line with lower service concession receivables. Revenue from operation and maintenance (O&M) was \$12.8 million for the quarter, which was 0.5% higher than the corresponding period in 2014. The increase was mainly due to higher production of NEWater and higher O&M tariffs due to changes in consumer price index (CPI), partially offset by lower output from the waste-to-energy plants and lower power tariff arising from changes in fuel price.

O&M costs of \$9.3 million for 1Q 2015 was 0.2% higher than 1Q 2014 as a result of higher production of NEWater and higher O&M tariffs due to changes in CPI, partly offset by lower output from the waste-to-energy plants. Electricity cost of \$0.8 million for the quarter was \$0.8 million lower than prior year due to lower electricity prices, partially offset by higher production of NEWater.

Trustee-Manager's fee 1Q 2015 was \$1.0 million comprising a fixed management fee and a performance fee of 4.5% per annum of all cash inflow received by KIT from the sub-trusts. Trust expenses were lower compared to previous year due to bank commission charges incurred by the Trust in 1Q 2014. Profit before and after income tax was \$4.6 million and \$4.3 million respectively for 1Q 2015.

Balance Sheet Analysis

Group unitholders' funds decreased from \$591.1 million at 31 December 2014 to \$565.9 million at 31 March 2015. The decrease was mainly attributable to the distribution of \$29.5 million paid to unitholders, partially offset by increase in total comprehensive income of \$4.3 million for the period.

Total assets of the Group decreased by \$25.9 million to \$585.1 million as at 31 March 2015. Group total liabilities decreased by \$0.7 million to \$19.2 million as compared to the previous year-end principally due to transaction costs paid in relation to the Proposed Transactions.

At the trust level, notes receivable of \$290.1 million represents qualifying project debt securities ("QPDS") issued to KIT by the sub-trusts to fund the acquisition of the businesses in FY2010. The QPDS are eliminated on consolidation.

9 VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2015 has been previously disclosed.

10 PROSPECTS

The underlying performance of the three assets in KIT's portfolio is expected to remain stable. All three assets have long-term concession agreements with Singapore statutory bodies (namely NEA and PUB). Senoko Trust and Tuas DBOO Trust derive most of their income from capacity payments, which offer a stable source of income with little correlation to economic or demographic fluctuations. Ulu Pandan Trust's income is derived in approximate equal parts from availability payments and from NEWater output payments (both include power revenue). Production of NEWater is subject to demand from PUB.

Ulu Pandan Trust's cash earnings could fluctuate depending on changes in variable power revenue received from PUB and changes in electricity costs. The Trustee-Manager will continue to take measures, where appropriate, to mitigate the price volatility of electricity by fixing the electricity price. In addition, the 1MWp solar PV installation on the rooftops of Ulu Pandan NEWater Plant, which was completed in 1Q 2013, will also reduce the intake of grid electricity.

On 26 September 2014, KIT entered into an agreement with NEA to provide additional incineration capacity at the Senoko Waste-To-Energy plant. The upgrade is currently planned to take place between 3Q 2015 and 3Q 2016 and will progressively increase the contracted incineration capacity of the plant by up to 10% from 2,100 tonnes per day. This is expected to increase the operating cash flows from the plant.

As mentioned earlier, on 18 November 2014, KIFM, in its capacity as Trustee-Manager of KIT, entered into conditional agreements in connection with the Proposed Transactions.

After the completion of the Proposed Transactions, the Trustee-Manager will manage a significantly larger portfolio, where it will continue to evaluate asset enhancement opportunities. In addition, the Trustee-Manager will seek suitable acquisitions opportunities, including those from the Sponsor, under its expanded investment mandate to further grow the trust.

11 DISTRIBUTIONS

11a. Current Financial Period Reported On

Any distribution recommended for the current financial period reported on? No

11b. Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year? No

11c. Date Payable

Not applicable

11d. Books Closure Date

Not applicable

11e. If no dividend has been declared/recommended, a statement to that effect.

No distribution has been declared / recommended for the quarter ended 31 March 2015.

12 INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from unitholders for interested person transactions in the Annual General Meeting held on 15 April 2014. During the financial year, 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 year under review (excluding transactions less than \$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a unitholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	1 Jan 15 to 31 Mar 15 \$'000	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 15 to 31 Mar 15 \$'000	1 Jan 14 to 31 Mar 14 \$'000
Keppel Corporation Group				
- Treasury Transactions	-	-	32,569	27,111
Total	-	-	32,569	27,111

BY ORDER OF THE BOARD

Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

NG WAI HONG / WINNIE MAK
Company Secretaries
13 April 2015

CONFIRMATION BY THE BOARD

We, KHOR POH HWA and ONG TIONG GUAN being two Directors of Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as trustee-manager of Keppel Infrastructure Trust), 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 of Keppel Infrastructure Trust to be false or misleading in any material aspect.

On behalf of the Board of Directors



KHOR POH HWA
Chairman



ONG TIONG GUAN
Director

Singapore
13 April 2015