

Keppel Infrastructure Trust

Investor Presentation

September 2016

Disclaimer

The information contained in this presentation is for information purposes only and does not constitute or form part of, and should not be construed as, any offer or invitation to sell or issue or any solicitation of any offer or invitation to purchase or subscribe for any units in Keppel Infrastructure Trust ("KIT") and the units in KIT (the "Units") or rights to purchase Units in Singapore, the United States or any other jurisdiction. This presentation is strictly confidential to the recipient, may not be reproduced, retransmitted or further distributed to the press or any other person, may not be reproduced in any form, may not be published, in whole or in part, for any purpose to any other person with the prior written consent of the Trustee-Managers (as defined hereinafter). This presentation should not, nor should anything contained in it, form the basis of, or be relied upon in any connection with any offer, contract, commitment or investment decision whatsoever and it does not constitute a recommendation regarding the Units.

The past performance of KIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking" statements due to 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 similar businesses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Such forward-looking statements speak only as of the date on which they are made and KIT does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. KIT, the Trustee-Managers (as defined hereinafter) and their affiliates, advisers and representatives do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Accordingly, you should not place undue reliance on any forward-looking statements.

Prospective investors and unitholders of KIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Infrastructure Fund Management Pte. Ltd. (as trustee-manager of KIT) (the "Trustee-Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. The information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and may not contain all material information concerning KIT. None of the Trustee-Manager, or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. Nothing in this presentation (including any opinions expressed) should be regarded as investment advice being provided by the Trustee-Manager or a solicitation or a recommendation that any particular investor should subscribe, purchase, sell, hold or otherwise deal in any Units. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. 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, KIT, the Trustee-Manager or any of its affiliates and/or subsidiaries. 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 Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

The information contained in this presentation is not for release, publication or distribution outside of Singapore (including to persons in the United States) and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

This presentation is not for distribution, directly or indirectly, in or into the United States. This presentation is not an offer of Units for sale in the United States (the "U.S."), nor does it contain an invitation by or on behalf of KIT or the Trustee-Manager to subscribe for, purchase or sell any Units to any person to whom the Units may not be offered or sold in any jurisdiction where such offer or sale is prohibited. No Units are being, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction and no such securities may be offered or sold in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the U.S. or any other jurisdiction outside of Singapore.

KIT at a glance

Key Highlights

- ✓ Largest Singapore focused infrastructure business trust
- ✓ Generates long term stable cashflows from a diversified portfolio of core infrastructure assets:
 - Sole producer and retailer of town gas in Singapore
 - 4 waste and water concession with Singapore government
 - 51% stake in KMC, a 1,300 MW CCGT in Singapore with a long term tolling contract
 - 51% stake in data centre in Singapore with a long term lease
 - Sole electricity interconnector between Tasmania and Victoria in Australia
- ✓ Created from the acquisition of Crystal Trust assets on 18 May 2015 and the acquisition of 51% of Keppel Merlimau Cogen (KMC) on 30 June 2015
- ✓ Sponsored by Keppel Infrastructure, which owns ~18.2% of KIT
- ✓ Temasek owns 15.9% with remaining 65.9% publicly held
- ✓ Part of FTSE/STI Mid-cap & Large Cap Index since September 2015

Financial Snapshot

Market Value ⁽¹⁾

Market Capitalisation	S\$ 1,967 m
Enterprise Value	S\$ 3,422 m

Cash Flows (Annualised)

Adjusted EBITDA ⁽²⁾	S\$ 239 m
DPU	S 3.72 cents
Distribution yield ⁽¹⁾	7.29%

Leverage

Cash	S\$ 251 m
Debt	S\$ 1,706 m
Net debt	S\$ 1,455 m

Total assets	S\$ 4,061 m
Net debt / Total assets	0.4x
Net debt / Annualised EBITDA	6.1x

(1) Based on KIT unit price of S\$0.51 as of 8 Sept 2016.






(2) Adjusted to include reduction in concession receivables, annualised using reported 30 Jun 2016 results

Flagship investment vehicle for Singapore infrastructure

KIT Investment Criteria

- KIT aims to provide unitholders with long-term, regular and predictable distributions by pursuing investments that exhibit the characteristics listed below

Portfolio of highly strategic assets

Utilities Infra		Power Infra		Telecoms Infra
City Gas	Singapore Concessions	KMC	Basslink	DataCentre One
				

1	Long-term, regular and/or predictable cash flows	✓	✓	✓	✓	✓
2	Long-term contracts or concessions / customer stability	✓ ⁽¹⁾	✓	✓	✓	✓
3	Creditworthy or reputable off-takers	✓ ⁽²⁾	✓	✓	✓	✓
4	Diversification of asset class risks	✓	✓	✓	✓	✓
5	Jurisdictions with well-developed legal framework	✓	✓	✓	✓	✓

KIT's current portfolio of core infrastructure assets as well as KMC serve basic essential needs and provide KIT with a platform to further expand regionally and globally

- (1) City Gas is the sole producer and retailer of town gas in Singapore and has been in operation for over 100 years.
 (2) City Gas has a large, diversified customer base and is not reliant on any single customer.

Generates long term predictable cash flows uncorrelated to GDP...

Asset	Contract Life	Cashflows from	Customers
Senoko WTE	<ul style="list-style-type: none"> Expires in 2024 	<ul style="list-style-type: none"> Principally fixed availability payments 	<ul style="list-style-type: none"> NEA, Singapore government agency
Tuas WTE	<ul style="list-style-type: none"> Expires in 2034 	<ul style="list-style-type: none"> Principally fixed availability payment 	<ul style="list-style-type: none"> NEA, Singapore government agency
Ulu Pandan NEWater	<ul style="list-style-type: none"> Expires in 2027 	<ul style="list-style-type: none"> Around half fixed and half variable 	<ul style="list-style-type: none"> PUB, Singapore government agency
Sing Spring Desalination	<ul style="list-style-type: none"> Expires in 2025 Underlying land lease until 2033 	<ul style="list-style-type: none"> Principally fixed availability payment 	<ul style="list-style-type: none"> PUB, Singapore government agency
KMC	<ul style="list-style-type: none"> Expires in 2030 with 10-year extension Underlying land lease till 2035, with 30-year extension. 	<ul style="list-style-type: none"> 100% fixed availability payments as long as availability and capacity targets are met 	<ul style="list-style-type: none"> Keppel Energy
Basslink	<ul style="list-style-type: none"> Expires in 2032 with 15-year extension Useful life till 2072 	<ul style="list-style-type: none"> ~80% availability payments, 65% indexed to Australia CPI 	<ul style="list-style-type: none"> Hydro Tasmania, owned by Tasmania state government

Generates long term predictable cash flows uncorrelated to GDP... (Cont'd)

Asset	Contract Life	Cashflows From	Customer
DC One	<ul style="list-style-type: none"> 20-year lease from completion with 8-year extension option 	<ul style="list-style-type: none"> Specified rent payments with some indexation Potential for additional revenue if additional 2 floors are fitted out 	<ul style="list-style-type: none"> One-Net, 100% subsidiary of Mediacorp, Singapore national broadcaster
City Gas	<ul style="list-style-type: none"> In business for >100 years 	<ul style="list-style-type: none"> Stable fees with fuel and electricity costs passed through to consumer 	<ul style="list-style-type: none"> >700,000 commercial and residential customers. No significant exposure to any single customer

... supporting regular and stable distributions

DPU (S cents)

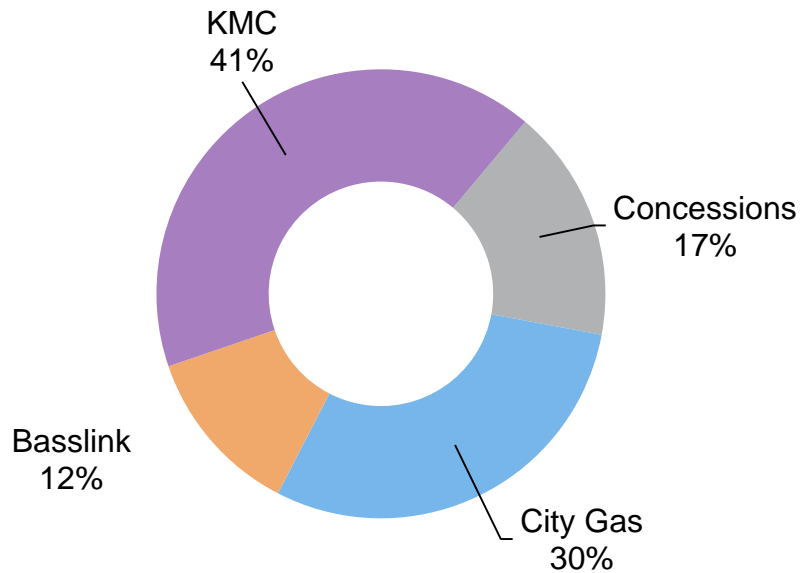
S cents/unit



⁽¹⁾ Lower DPU in 1Q FY15 as KMC (which was acquired on 30 June 2015), did not contribute for that quarter, while the issue of new units to finance the acquisition was completed on 22 June 2015

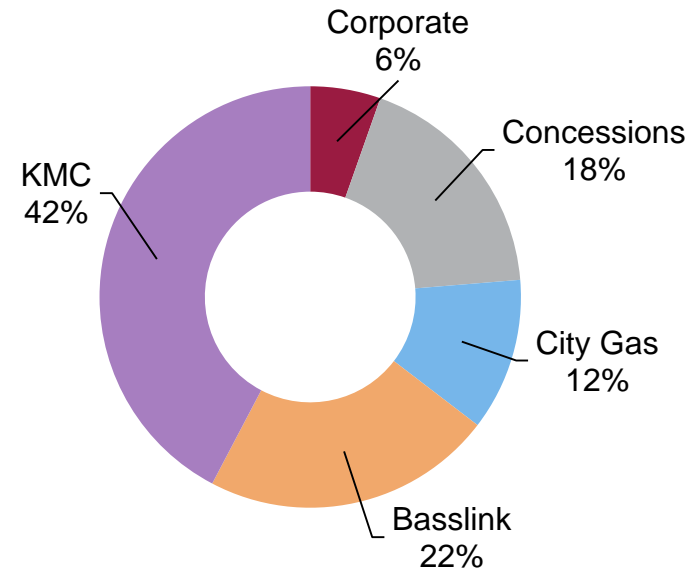
Diversified portfolio of core infrastructure assets

1H FY16 EBITDA ⁽¹⁾



⁽¹⁾ Excludes Trust / corporate expenses.

Total Assets as at 30 Jun 2016



Long term, regular and predictable cash flows generated from diversified portfolio

Strong balance sheet

S\$m	As at June 2016	
	Total	Excluding Basslink
Cash	251	208
Borrowings	1,706	1,007
Net debt	1,455	799
Total assets	4,061	3,155
Annualised EBITDA	239	208
Net debt / Total assets	36%	25%
Net debt / EBITDA	6.1x	3.8x

- ✓ Backed by long term contracts generating recurring and stable cash flows from credit worthy customers or a large customer base
- ✓ Blended interest rate of 4-5%
- ✓ >80% of loans hedged
- ✓ 4.5 years average loan duration
- ✓ Assets with non-recourse loans
- ✓ A\$ Basslink loan is a natural hedge for A\$ cash flows
- ✓ All A\$ cash used to repay A\$ debt. No short term A\$ forex exposure
- ✓ Headroom to bridge finance equity cheques for acquisitions or development opportunities

Three-pronged growth strategy

1 Organic growth of existing portfolio

Potential Upsides

- Organic growth of City Gas
 - 100,000 new units in 2016-2018
 - Higher penetration of gas water heaters
- DataCentre One completed in 1Q2016 with option for 2 more floors to be fitted out
- Basslink
 - Use all cash flows to repay debt
- Potential adjustment in KMC tolling fees after initial 15-year period

Solid Stable Base

- Stable cash flows
- Scale and liquidity
- Strong balance sheet

2 Keppel sponsorship

Keppel Capital

- Co-investment, bridge financing and incubation opportunities
- Non-energy space asset management

Keppel Infrastructure

- Keppel Group's energy infrastructure arm
- O&M development and industry expertise
- ROFRs over 49% of KMC and other assets owned and developed by Sponsor
- Co-investment and incubation opportunities

3 Acquisition Strategy

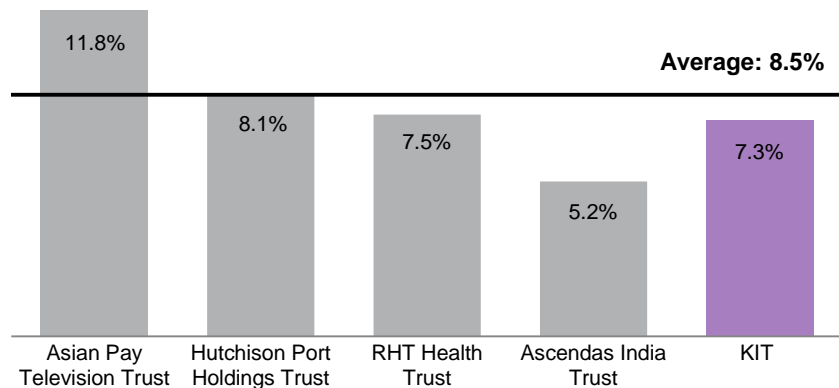
KIT New Investments

- Asset which generate long term stable cash flows with some growth
- Singapore and other developed markets in Asia / Europe
- Co invest with likeminded partners to reduce ticket size/risk and gain diversification
- Transaction types:
 - Availability based assets (utilities, transmission, storage and pipelines)
 - Customised sale and leaseback transaction
 - Inflation + assets (transportation and telecoms)
- Selected greenfield investments with experienced operators, limited construction exposures and equity cheque funded entirely by debt

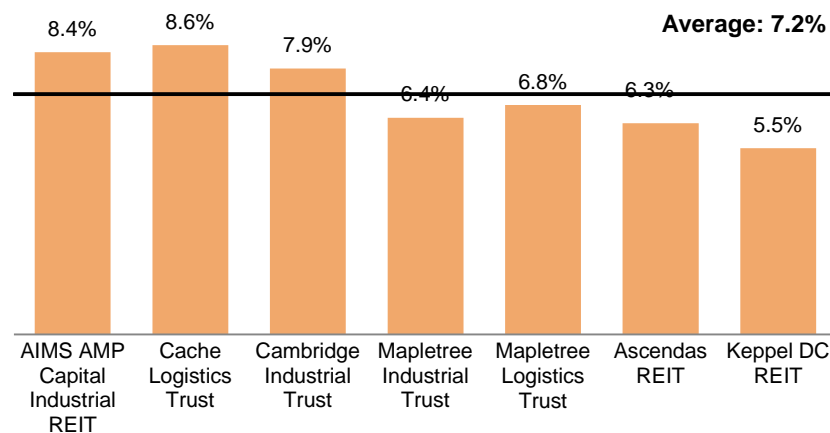
Attractive risk adjusted returns

Distribution yield ⁽¹⁾

Infrastructure trusts



Singapore Industrial REITs



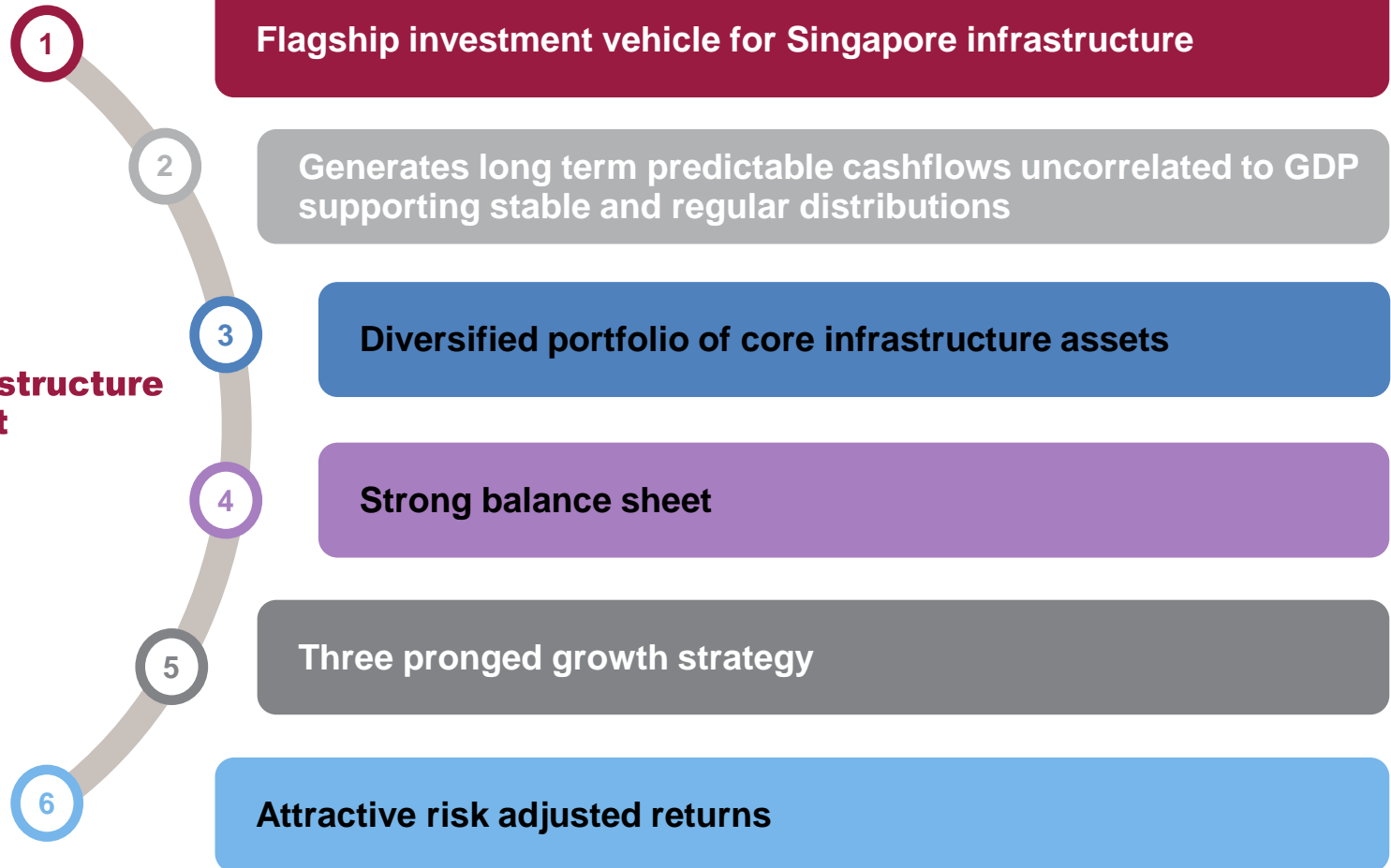
KIT offers compelling advantage over S-REITs

- 1 **Limited supply of infrastructure assets** vs. a less regulated property market that could be subject to over-supply
- 2 **Stable and long-term cash flows across all economic cycles**
 - Not correlated to GDP
 - Unlike REITs that are subject to rental cycles / renegotiations and fluctuating occupancy rates
- 3 **Long-term contracts**
 - Weighted average lease expiry (“WALE”) for Singapore Industrial REITs is approximately 3.5 years, whereas KIT’s contracts are 9.5 – 31 years
- 4 **Low credit risks** with creditworthy and reputable offtakers or large diversified customer base
- 5 **Sustainable leverage** positions KIT for growth

(1) Source: Bloomberg as of 8 Sept 2016

Key investment highlights

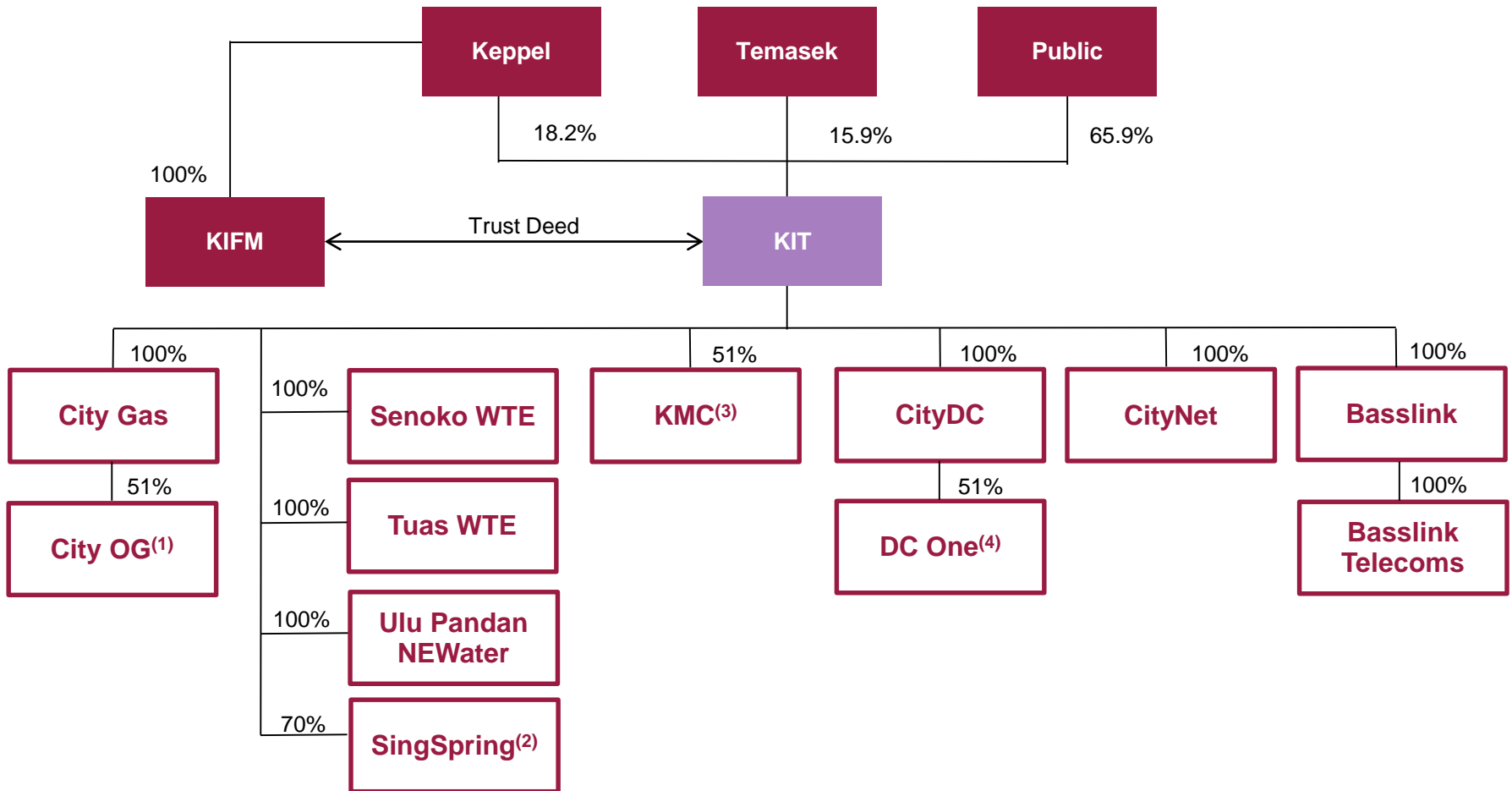
Keppel Infrastructure Trust



Appendices

KIT's shareholding structure

- Keppel Corporation completed the consolidation of its asset management businesses under Keppel Capital in July 2016
- This includes a 100% interest in Keppel Infrastructure Fund Management (KIFM), the Trustee-Manager of KIT
- KIFM will be able to leverage the scale and resources of a larger asset management platform through Keppel Capital



(1) Osaka Gas Singapore Pte. Ltd. holds the remaining 49% equity interest in City OG.

(2) Hyflux Ltd holds the remaining 30% equity interest in SingSpring.

(3) Keppel Energy holds the remaining 49% equity interest in KMC.

(4) WDC Development Pte. Ltd. holds the remaining 49% equity interest in DC One.

Pipeline from Sponsor

Keppel Infrastructure's pipeline



Keppel Merlimau Cogen - 49% through Keppel Energy

- Operational since 2007
- KI, as the sponsor of KIT, owns 49% shareholding in KMC through Keppel Energy



Changi Business Park - 100% through Keppel DHCS Pte Ltd (“ Keppel DHCS”)

- First district cooling systems (DCS) plant in Singapore since June 2000
- Plant design capacity of 37,000 refrigeration tonnes (RT)



One-North (Biopolis DCS) - 100% through Keppel DHCS

- Operational since July 2003, ongoing expansion will increase plant capacity to almost 30,000 RT in 2015



Mediapolis (connected to Biopolis DCS plant) - 100% through Keppel DHCS

- Plant design capacity of 28,000 RT, due for completion in 2015



Woodlands Wafer Fab Park (Keppel DHCS plant) - 100% through Keppel DHCS

- Operational since July 2006, with a plant capacity of 11,000 RT

Key Differences between Business Trusts, REITs & Listed Companies in Singapore

	Business Trust	REIT	Listed Company
Legislation Regime	<ul style="list-style-type: none"> Business Trusts Act 	<ul style="list-style-type: none"> Code on Collective Investment Scheme 	<ul style="list-style-type: none"> Companies Act
Constitution	<ul style="list-style-type: none"> Not a separate legal entity Created by a trust deed Unitholders have beneficial interest and a lesser degree of control than shareholders of a company 	<ul style="list-style-type: none"> Not a separate legal entity Created by a trust deed Unitholders have beneficial interest and a lesser degree of control than shareholders of a company 	<ul style="list-style-type: none"> A separate legal entity
Responsible Entity	<ul style="list-style-type: none"> Trustee-Manager as the single responsible entity with its role similar to the combined roles of the REIT's asset manager and trustee 	<ul style="list-style-type: none"> Trustee and Asset Manager are separate entities 	<ul style="list-style-type: none"> Board of directors and management
Board of Directors	<ul style="list-style-type: none"> Majority of directors must be independent Higher standard of independence 	<ul style="list-style-type: none"> One-third of the Board to consist of independent directors 	<ul style="list-style-type: none"> At least two nonexecutive directors who are independent and free of any material business or financial connection with the company
Asset	<ul style="list-style-type: none"> No restriction 	<ul style="list-style-type: none"> Real estate 	<ul style="list-style-type: none"> No restriction
Depreciation/ Revaluation	<ul style="list-style-type: none"> No impact on distribution payout 	<ul style="list-style-type: none"> No impact on distribution payout 	<ul style="list-style-type: none"> Affects dividend payout, which is restricted to accounting profits
Gearing Limit	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> 35% of deposited property (60% if rated publicly) 	<ul style="list-style-type: none"> None
Taxation on Distributions	<ul style="list-style-type: none"> Distributions are net of tax 	<ul style="list-style-type: none"> Tax transparent if more than 90% of taxable profits are distributed 	<ul style="list-style-type: none"> Dividends are net of tax

Source: Adapted from SGX-ST website

KIFM Management Fee Structure

Management Fee	<ul style="list-style-type: none">• S\$2.2 million per annum• Inflation adjustment in reference to the CPIS
Performance Fee	<ul style="list-style-type: none">• 4.5% p.a. of sum of cashflow received by KIT
Acquisition Fee	<ul style="list-style-type: none">• 0.5% of the Enterprise Value of any investment acquired, where the investment is acquired from:<ul style="list-style-type: none">– Sponsor Group Entities (SGE)– Partly from SGE and third party with SGE >50% in aggregate or indirect interests in investment prior to acquisition• 1% for all other cases
Divestment Fee	<ul style="list-style-type: none">• 0.5% of the Enterprise Value of any investment sold or divested by KIT or a KIT entity

Outstanding loans

Entity	Outstanding amounts (S\$m)	Maturity	Repayment
City Gas	178.0	Feb 2019	Bullet*
SingSpring	76.2	Oct 2024	Amortising
Basslink	707.9 (A\$709.3)	Nov 2019	Amortising*
KMC	700.0	Jun 2020	Bullet*
KIT	57.0	Feb 2019	Bullet*

* To be refinanced upon maturity

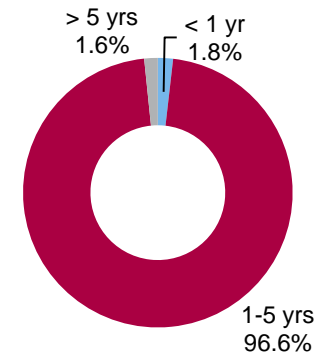
Prudent capital management

Debt Overview

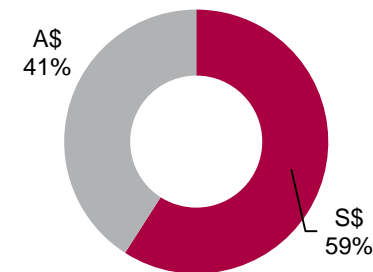
- Blended average interest rate of 4 - 5%
 - Singapore average: 3 – 4%
 - Australian average: 6 – 7%
 - ~85% of loans are hedged
- Weighted average term to expiry of ~3.6 years
 - ~100% of KIT's loans are due in 2019 and beyond
- All non-recourse loans
- A\$709m (S\$708m)⁽¹⁾ Basslink loan
 - Interest rate substantially hedged
 - Natural currency hedge for A\$ cash flows
 - All residual cash flows used for debt service
 - Do not depend on Basslink's cash flows for distribution; no cashflow exposure to near term AUD forex movement

Debt Breakdown

Debt repayment profile



Debt breakdown by currency



⁽¹⁾ Based on exchange rate of A\$1.00 = S\$0.998