

Keppel Infrastructure Trust

2Q FY16 and 1H FY16 Results Presentation

18 July 2016

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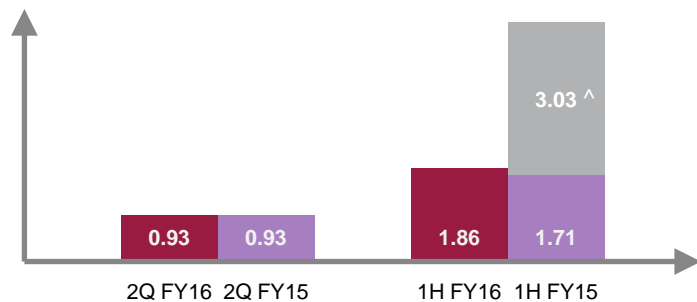
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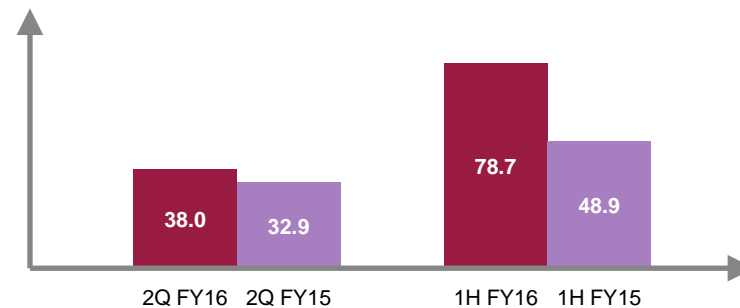
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Financials snapshot

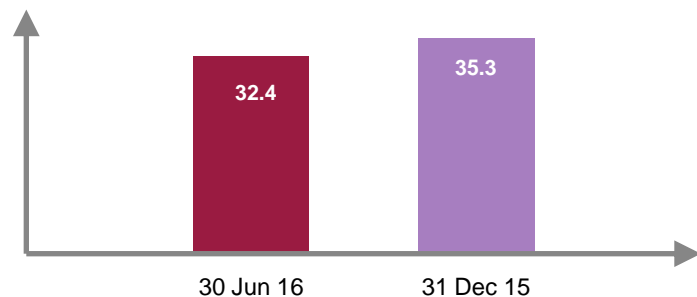
DPU (S Cents)



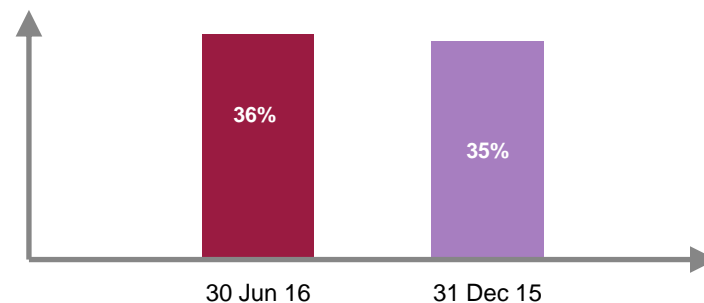
Distributable Cash Flows (S\$m)



NAV Per Unit (S Cents)



Gearing*



[^] Relates to pre and post combination special DPU of 1.98 cents and 1.05 cents, respectively

* Net debt over total assets

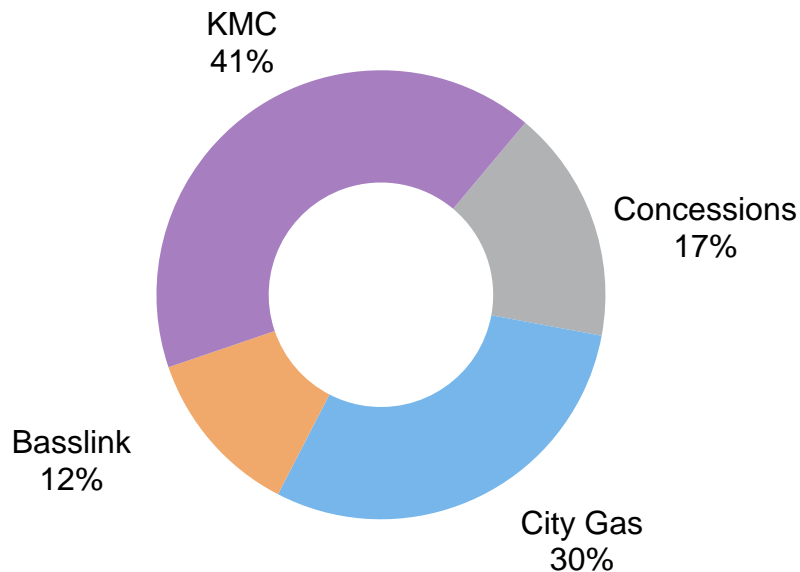
Note: Crystal and KMC acquisitions were completed on 18 May 2015 and 30 June 2015, respectively

Distributable cash flows

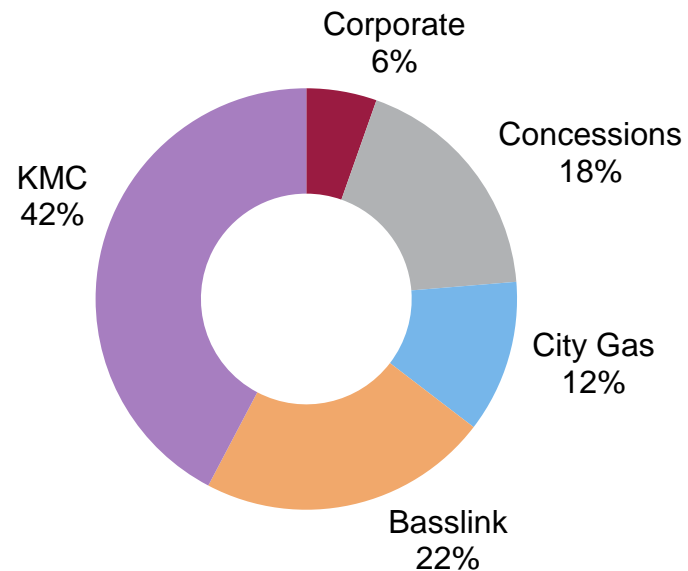
S\$m	2Q FY16	2Q FY15	Explanations
City Gas	12,062	7,309	<ul style="list-style-type: none"> 2Q FY15 was lower due to the time lag in the adjustment of gas tariffs to reflect actual fuel cost for City Gas
Concessions	17,355	16,989	<ul style="list-style-type: none"> Better performance mainly due to progressive completion of Senoko boiler upgrade
KMC	11,143	12,000	<ul style="list-style-type: none"> Declined due to higher finance cost Interest rates have been hedged for ~ five years
Others	(2,561)	(3,383)	<ul style="list-style-type: none"> Mainly Trust / corporate expenses Lower interest expenses due to lower corporate loan balance CityNet TM fees remains stable
Total distributable cash flows	37,999	32,915	

Diversified portfolio of core infrastructure assets

1H FY16 EBITDA ⁽¹⁾



Total Assets as at 30 Jun 2016



⁽¹⁾ Excludes Trust / corporate expenses.

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

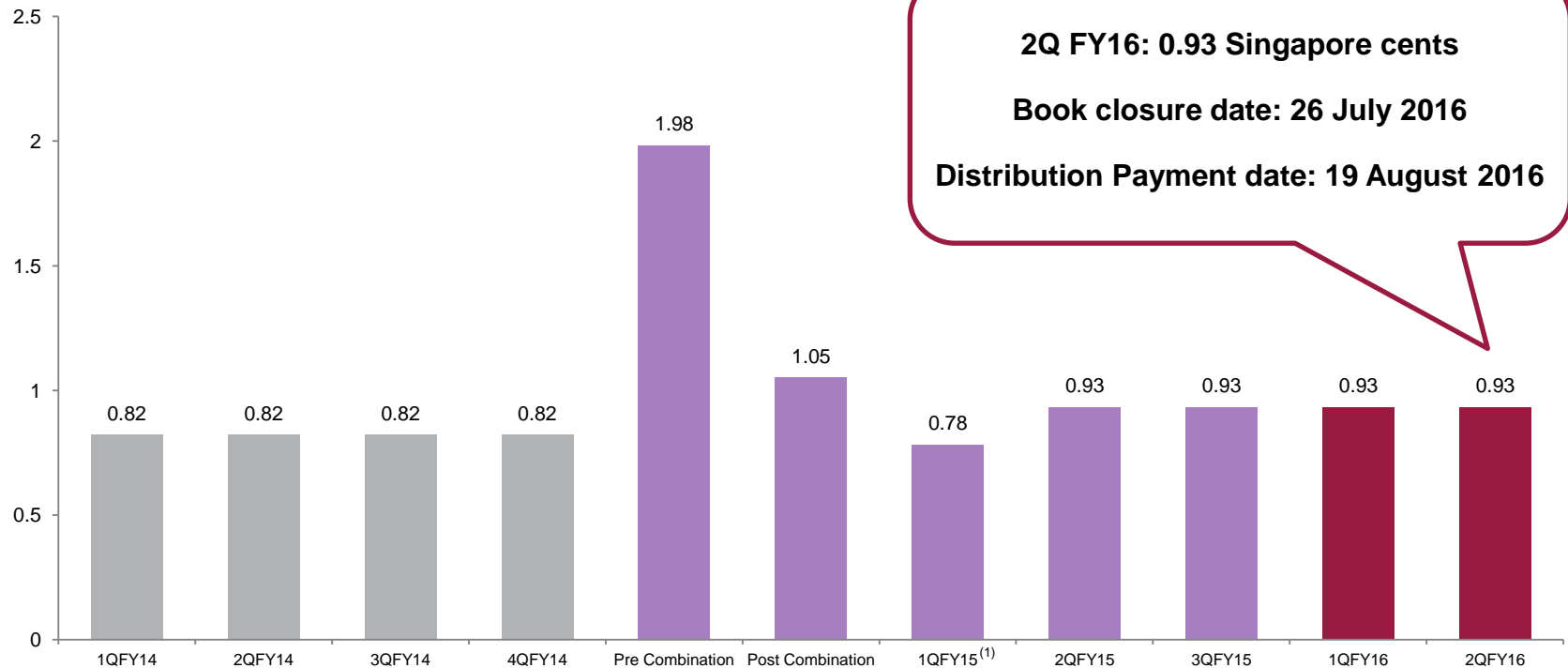
Business updates

Units	Business updates
City Gas	<ul style="list-style-type: none"> Customer base grew by approximately 4% from about 737,000 as at the end of 2Q FY15 to about 766,000 as at the end of 2Q FY16 Achieved 100% plant availability
Concessions	<ul style="list-style-type: none"> Consist of Senoko WTE, Tuas WTE, SingSpring and Ulu Pandan NEWater plants in Singapore 5 out of 6 boilers completed upgrade in Senoko WTE as at 30 June 2016 Fulfilled contractual obligations
KMC	<ul style="list-style-type: none"> Achieved 97.7% plant availability Slight decrease in capacity fee which would be mitigated if no further unscheduled outage for the rest of 2016
DC One	<ul style="list-style-type: none"> Construction completed and handed over on 12 April 2016
Basslink	<ul style="list-style-type: none"> On 20 December 2015, Basslink was taken out of service due to a cable fault incident, the cause of which is still being investigated. Based on current circumstances and subject to further professional advice and investigation, Basslink believes that the outage is a force majeure event. The cable has since returned to service on 13 June 2016 and Basslink has been in discussions with HydroTasmania and the lenders on matters arising from the outage. The insurer has confirmed that the physical loss and damage to the cable as well as time element loss (such as business interruption loss) arising from the incident are insurable (subject to the relevant terms of the insurance policy) and Basslink is working with the insurer on Basslink's claims under the insurance policy.

Regular and stable distributions

DPU (S cents)

S cents/unit



2Q FY16: 0.93 Singapore cents

Book closure date: 26 July 2016

Distribution Payment date: 19 August 2016

⁽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

Balance sheet

S\$m	30 Jun 16	31 Dec 15
Total assets	4,061	4,115
Total liabilities	2,596	2,515
Borrowings	1,706	1,674
Unitholders' funds	1,251	1,360
Units in issue (million)	3,857	3,857
NAV per Unit (cents)	32.4	35.3

- Borrowings increased as the Trust drew down loans to repay one of its subsidiaries and to fund the boilers upgrade for Senoko WTE plant
- Unitholders' funds and NAV per Unit decreased due to marked-to-market movement of the derivative financial instruments and distributions to Unitholders

Sustainable gearing

S\$m	As at Jun 2016	
	Total	Excluding Basslink
Cash	251	208
Borrowings	1,706	1,007
Net debt	1,455	799
Total assets	4,060	3,155
Annualised EBITDA	239	208
Net gearing	36%	25%
Net debt / EBITDA	6.1X	3.8X

- Sustainable gearing backed by
 - ✓ Long term contracts expiring between 2024 and 2046
 - ✓ Credit worthy customers and City Gas' large and stable customer base
 - ✓ Recurring and stable revenue streams

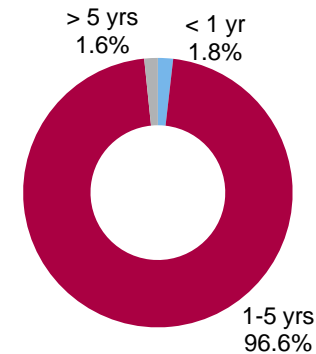
Prudent capital management

Debt Overview

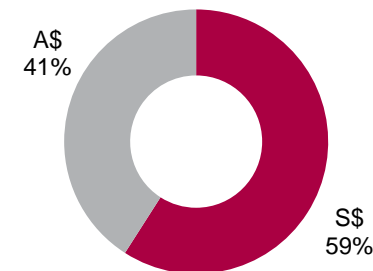
- Blended average interest rate of 4 - 5%
 - Singapore average: 3 – 4%
 - Australian average: 6 – 7%
 - ~85% of loans are hedged
- Weighted average term to expiry of ~3.6 years
 - ~100% of KIT's loans are due in 2019 and beyond
- All non-recourse loans
- A\$709m (S\$708m)⁽¹⁾ Basslink loan
 - Interest 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
- See slide 20 for loan breakdown

Debt Breakdown

Debt repayment profile

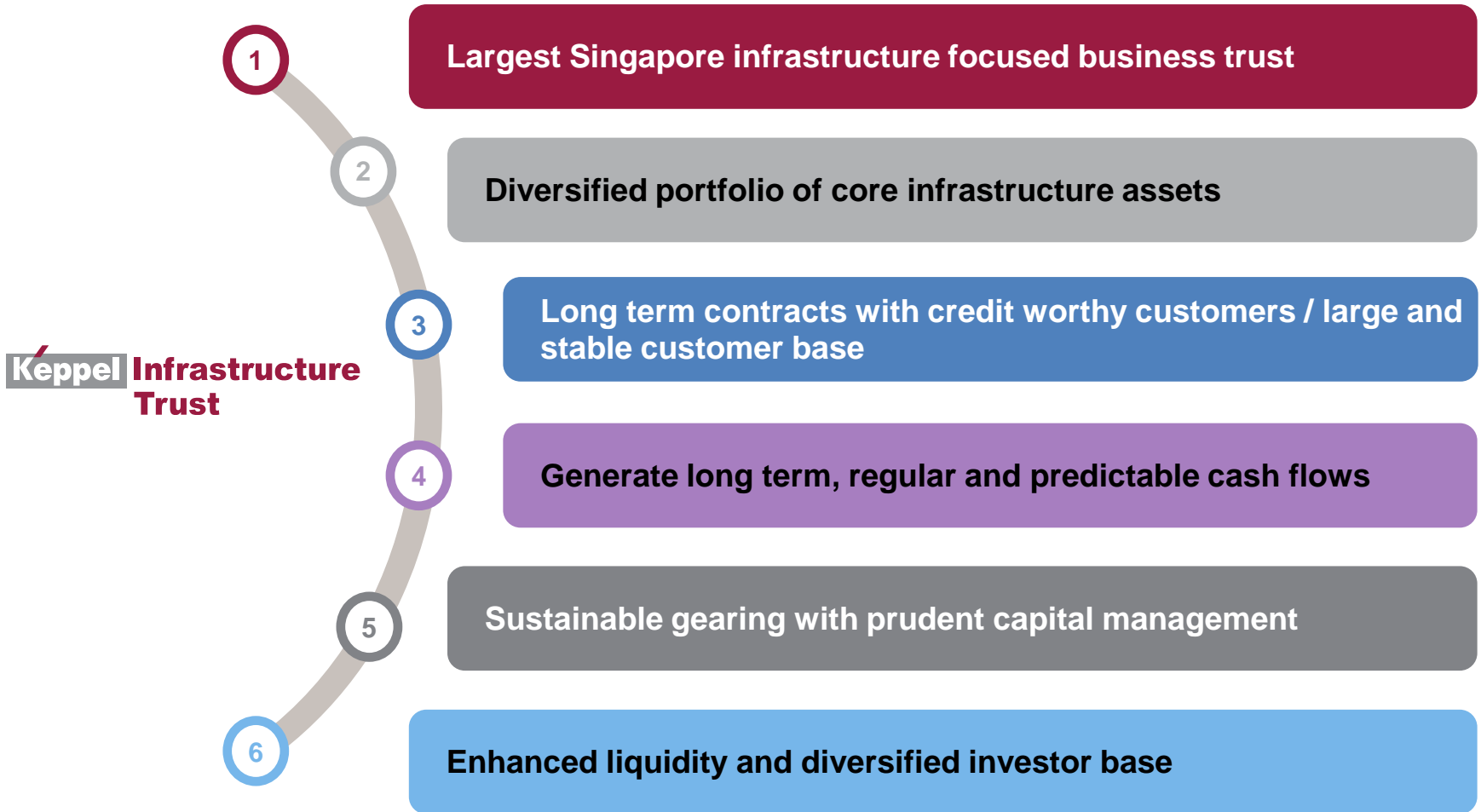


Debt breakdown by currency



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

Uniquely positioned to deliver long term value and growth



Appendix I: Additional financial information

City Gas' results

	2Q FY16 S\$'000	2Q FY15 S\$'000	Change %	1H FY16 S\$'000	1H FY15 S\$'000	Change %
Revenue	70,450	78,332	(10.1)	140,992	160,944	(12.4)
Other income	404	390	3.6	790	647	22.1
Other gains/(losses) - net	392	(83)	N/M	597	(110)	N/M
Expenses						
Fuel and electricity costs	(19,426)	(33,508)	(42.0)	(38,261)	(65,920)	(42.0)
Gas transportation costs	(22,538)	(21,512)	4.8	(44,212)	(43,349)	2.0
Depreciation and amortisation	(3,458)	(3,720)	(7.0)	(6,928)	(7,414)	(6.6)
Operation and maintenance costs	(2,648)	(2,038)	29.9	(4,455)	(4,637)	(3.9)
Staff costs	(5,287)	(5,420)	(2.5)	(11,357)	(11,290)	0.6
Finance costs ⁽¹⁾	(7,565)	(7,712)	(1.9)	(15,221)	(15,239)	(0.1)
Other operating expenses	(5,865)	(6,883)	(14.8)	(11,946)	(14,634)	(18.4)
Profit/(loss) before tax	4,459	(2,154)	N/M	9,999	(1,002)	N/M
Income tax expense	(591)	426	N/M	(1,582)	247	N/M
Net profit/(loss) after tax	3,868	(1,728)	N/M	8,417	(755)	N/M
Funds from operations⁽²⁾ attributable to KIT	12,062	7,309	65.0	26,195	18,361	42.7

⁽¹⁾ Includes QPDS interest payable to KIT

⁽²⁾ Funds from Operations ("FFO") is defined as profit after tax adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capex, non-cash adjustments and non-controlling interests adjustments

Concessions' results

	2Q FY16	2Q FY15	Change	1H FY16	1H FY15	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	28,056	26,058	7.7	55,970	40,226	39.1
Other income	181	229	(21.0)	367	314	16.9
Expenses						
Fuel and electricity costs	(2,647)	(3,999)	(33.8)	(5,207)	(6,956)	(25.1)
Depreciation and amortisation	(1,763)	(2,034)	(13.3)	(3,525)	(2,959)	19.1
Operation and maintenance costs	(15,298)	(11,574)	32.2	(30,362)	(16,488)	84.1
Finance costs ⁽¹⁾	(5,864)	(5,972)	(1.8)	(11,757)	(8,981)	30.9
Other operating expenses	(1,328)	(1,747)	(24.0)	(2,645)	(2,432)	8.8
Total expenses	(26,900)	(25,326)	6.2	(53,496)	(37,816)	41.5
Profit before tax	1,337	961	39.1	2,841	2,724	4.3
Income tax expense	(366)	(744)	(50.8)	(762)	(1,048)	(27.3)
Net profit after tax	971	217	>100	2,079	1,676	24.0
Funds from operations attributable to KIT	19,182	18,816	1.9	38,433	27,568	39.4

⁽¹⁾ Includes QPDS interest payable to KIT and non-controlling interest

Basslink's results

	2Q FY16 A\$'000	2Q FY15 A\$'000	Change %	1H FY16 A\$'000	1H FY15 A\$'000	Change %
Revenue	5,168	14,790	(65.1)	6,325	30,618	(79.3)
Other income	15,420	239	>100	15,614	485	>100
Other (losses)/gains - net	(1,363)	595	N/M	(2,691)	1,025	N/M
Expenses						
Fuel and electricity costs	(55)	(79)	(30.4)	(93)	(155)	(40.0)
Depreciation and amortisation	(4,489)	(4,577)	(1.9)	(8,982)	(9,156)	(1.9)
Staff costs	(705)	(685)	2.9	(1,374)	(1,362)	0.9
Operation and maintenance costs	(1,190)	(1,159)	2.7	(2,382)	(2,296)	3.7
Finance costs	(9,165)	(12,367)	(25.9)	(17,158)	(24,767)	(30.7)
Other operating expenses	(1,123)	(966)	16.3	(2,163)	(1,837)	17.7
Profit/(Loss) before tax	2,498	(4,209)	N/M	(12,904)	(7,445)	>100
Income tax expense	-	-	-	-	-	-
Net profit/(loss) after tax	2,498	(4,209)	N/M	(12,904)	(7,445)	>100
Funds from operations attributable to KIT	9,035	448	>100	131	2,078	(93.7)

KMC's results

	2Q FY16 S\$'000	2Q FY15 S\$'000	Change %	1H FY16 S\$'000	1H FY15 S\$'000	Change %
Revenue	32,561	32,565	(0.0)	63,156	32,565	93.9
Other income	700	372	88.2	2,366	372	>100
Other losses - net	(248)	(37)	>100	(492)	(37)	>100
Expenses						
Depreciation and amortisation	(18,921)	(18,879)	0.2	(37,848)	(18,879)	>100
Operation and maintenance costs	(4,952)	(5,067)	(2.3)	(9,997)	(5,067)	97.3
Finance costs ⁽¹⁾	(26,834)	(26,008)	3.2	(53,667)	(26,008)	>100
Other operating expenses	(1,372)	(1,452)	(5.5)	(2,829)	(1,452)	94.8
Loss before tax	(19,066)	(18,506)	3.0	(39,311)	(18,506)	>100
Tax expense	-	-	-	-	-	-
Net loss after tax	(19,066)	(18,506)	3.0	(39,311)	(18,506)	>100
Funds from operations attributable to KIT	11,143	12,000	(7.1)	21,616	12,000	80.1

⁽¹⁾ Includes QPDS interest payable to KIT and non-controlling interest

Note: Acquisition of KMC was completed on 30 June 2015 with contributions starting from 1 July 2015. Therefore the contributions for 2QFY15 is the same as 1HFY15.

Distributable cash flows (2Q FY16)

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
Profit/(loss) after tax	3,868	971	2,397	(19,066)	19,469	7,639
Add/(less):						
Reduction in concession/lease receivables	-	12,672	-	-	-	12,672
Non-cash finance cost	96	7	1,253	150	32	1,538
Other non-cash items	(468)	-	852	30	154	568
Adjustment for cash tax paid/deferred tax	(1,109)	229	-	-	(79)	(959)
Depreciation and amortisation	3,458	1,763	4,587	18,921	-	28,729
QPDS interest	6,339	5,150	-	21,815	(22,372)	10,932
Maintenance capital expenditure incurred	(40)	-	-	-	-	(40)
FFO from joint venture	-	-	-	-	236	236
Sub-total	12,144	20,792	9,089	21,850	(2,560)	61,315
Less: FFO attributable to non-controlling interests	(82)	(1,610)	-	(10,707)	-	(12,399)
Funds from operations	12,062	19,182 ⁽¹⁾	9,089	11,143	(2,560)	48,916
Mandatory debt repayment	-	(1,827)	(9,089)	-	(1)	(10,917)
Distributable cash flows	12,062	17,355	-	11,143	(2,561)	37,999 ⁽²⁾

⁽¹⁾ 70% of Singspring debt repayment

⁽²⁾ Excludes Basslink

Distributable cash flows (2Q FY15)

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
(Loss)/profit after tax	(1,728)	217	(4,287)	(18,506)	19,575	(4,729)
Add/(less):						
Reduction in concession/lease receivables	-	12,142	-	-	-	12,142
Non-cash finance cost	95	8	1,287	116	93	1,599
Other non-cash items	27	226	(1,136)	746	100	(37)
Transaction costs in relation to acquisition	-	-	-	-	-	-
Adjustment for cash tax paid/deferred tax	(722)	604	(6)	-	(360)	(484)
Depreciation and amortisation	3,720	2,034	4,633	18,879	-	29,266
QPDS interest	6,408	5,207	-	22,295	(22,740)	11,170
Maintenance capital expenditure incurred	(568)	-	(59)	-	-	(627)
FFO from joint venture	-	-	-	-	(51)	(51)
Sub-total	7,232	20,438	432	23,530	(3,383)	48,249
Less: FFO attributable to non-controlling interests	77	(1,622)	-	(11,530)	-	(13,075)
Funds from operations	7,309	18,816	432	12,000	(3,383)	35,174
Mandatory debt repayment	-	(1,827) ⁽¹⁾	(432)	-	-	(2,259)
Distributable cash flows	7,309	16,989	-	12,000	(3,383)	32,915 ⁽²⁾

⁽¹⁾ 70% of Singspring debt repayment

⁽²⁾ Excludes Basslink

Distributable cash flows (1H FY16)

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
Profit/(loss) after tax	8,417	2,079	(13,093)	(39,311)	40,030	(1,878)
Add/(less):						
Reduction in concession/lease receivables	-	25,195	-	-	-	25,195
Non-cash finance cost	191	14	2,476	310	32	3,023
Other non-cash items	(689)	-	1,643	(87)	616	1,483
Adjustment for cash tax paid/deferred tax	(1,230)	521	-	-	(37)	(746)
Depreciation and amortisation	6,928	3,525	9,107	37,848	-	57,408
QPDS interest	12,678	10,300	-	43,630	(44,744)	21,864
Maintenance capital expenditure incurred	(40)	-	(1)	(7)	-	(48)
FFO from joint venture	-	-	-	-	174	174
Sub-total	26,255	41,634	132	42,383	(3,929)	106,475
Less: FFO attributable to non-controlling interests	(60)	(3,201)	-	(20,767)	-	(24,028)
Funds from operations	26,195	38,433	132	21,616	(3,929)	82,447
Mandatory debt repayment	-	(3,654) ⁽¹⁾	(132)	-	-	(3,786)
Distributable cash flows	26,195	34,779	-	21,616	(3,929)	78,661 ⁽²⁾

⁽¹⁾ 70% of Singspring debt repayment

⁽²⁾ Excludes Basslink

Distributable cash flows (1H FY15)

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
(Loss)/profit after tax	(755)	1,676	(7,684)	(18,506)	23,739	(1,530)
Add/(less):						
Reduction in concession/lease receivables	-	17,621	-	-	-	17,621
Non-cash finance cost	189	16	2,605	116	186	3,112
Other non-cash items	40	226	(2,156)	746	167	(977)
Transaction costs in relation to acquisition	-	-	-	-	1,914	1,914
Adjustment for cash tax paid/deferred tax	(542)	857	(7)	-	(218)	90
Depreciation and amortisation	7,414	2,960	9,427	18,879	-	38,680
QPDS interest	12,747	7,448	-	22,295	(31,077)	11,413
Maintenance capital expenditure incurred	(645)	-	(59)	-	-	(704)
FFO from joint venture	-	-	-	-	(106)	(106)
Sub-total	18,448	30,804	2,126	23,530	(5,395)	69,513
Less: FFO attributable to non-controlling interests	(87)	(3,236)	-	(11,530)	-	(14,853)
Funds from operations	18,361	27,568	2,126	12,000	(5,395)	54,660
Mandatory debt repayment	-	(3,655) ⁽¹⁾	(2,126)	-	-	(5,781)
Distributable cash flows	18,361	23,913	-	12,000	(5,395)	48,879⁽²⁾

⁽¹⁾ 70% of Singspring debt repayment

⁽²⁾ Excludes Basslink









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

Appendix II: Overview of KIT

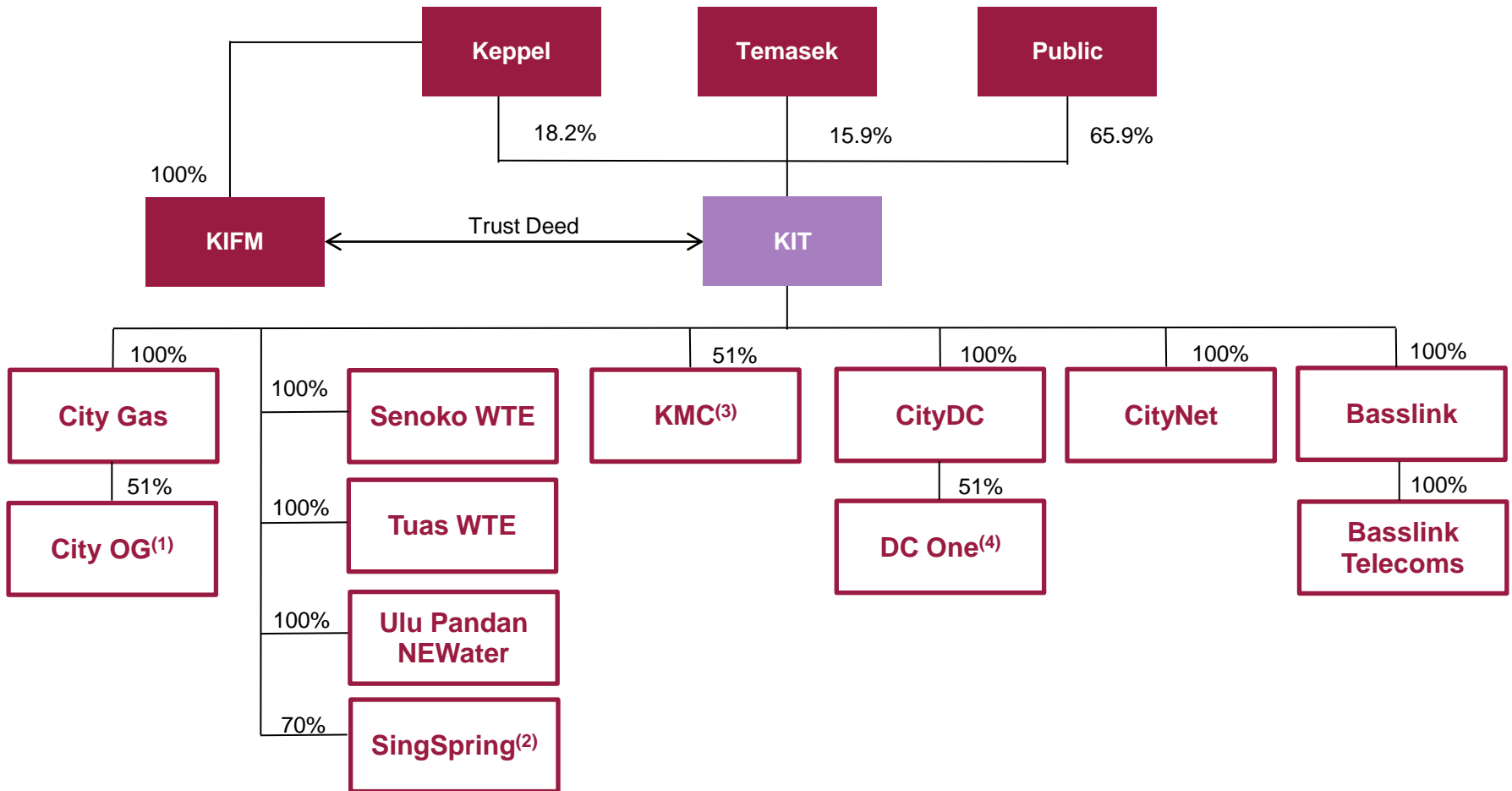
Portfolio snapshot

Asset	Business	Customer	Contract Expiry	Revenues
 <p>Senoko Plant</p>	2,275 tonnes/day waste incineration concession in Singapore ⁽¹⁾	NEA	2024	Principally availability payment
 <p>Tuas DBOO Plant</p>	800 tonnes/day waste incineration concession in Singapore	NEA	2034	Principally availability payment
 <p>Ulu Pandan Plant</p>	148,000 m3/day NEWater concession in Singapore	PUB	2027	Principally availability payment
 <p>SingSpring</p>	136,380 m3/day seawater desalination concession in Singapore	PUB	2025	Principally availability payment
 <p>City Gas</p>	Sole producer and retailer of piped town gas in Singapore	Diversified client base	NA	Based on volumes and regulated tariffs
 <p>KMC</p>	1,300MW Combine Cycle Gas Turbine power plant capacity tolling agreement in Singapore	Keppel Electric	2030, with option for 10-year extension	Principally availability payment
 <p>DataCentre One</p>	Data centre in Singapore (under construction), lease 100% committed by 1-Net	1-Net	2036, with option for 8-year extension	Contractual lease revenue
 <p>Basslink</p>	Owner and operator of the Basslink Interconnector between the States of Victoria and Tasmania in Australia	Hydro Tasmania	2031, with option for 15-year extension	Principally availability payment

(1) 5 out of 6 boiler upgrade have been completed as at 30 June 2016

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.

Thank you