

# Keppel Infrastructure Trust

## Second Quarter and Half Year 2017 Financial Results

17 July 2017



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# Key Highlights for 2Q 2017



## Distribution per Unit

**0.93 cents**

Steady DPU of 0.93 cents for 2Q 2017 bringing total DPU to 1.86 cents for 1H 2017



## Distribution Yield

**6.6%**

As at 30 June 2017



## Distributable Cash Flows

**S\$38.7 million**

Stable distributable cash flows of S\$38.7 million for 2Q 2017 and S\$73.0 for 1H 2017



## Net Asset Value

**30.7 cents**

As at 30 June 2017



## Gearing

**39.1%**

As at 30 June 2017



## Hedged Loans

**~87%**

As at 30 June 2017

# Business Updates

## City Gas

- Customer base grew by 4.2% from 766,000 as of 2Q 2016 to 798,000 as of 2Q 2017
- Achieved 100% plant availability for 2Q 2017

## Concessions

- Consist of Senoko WTE, Tuas WTE, SingSpring Desalination and Ulu Pandan NEWater plants in Singapore
- Fulfilled all contractual obligations during 2Q 2017

## KMC

- Met contractual obligations for 2Q 2017

## DC One

- Fulfilled all contractual obligations in 2Q 2017
- Stepped up in core rent in 2Q 2017

## Basslink

- Returned to service on 13 June 2016
- Repair costs as well as revenue loss during the outage are covered by insurance, subject to the relevant terms of the insurance policy
- On 5 December 2016, Basslink announced the completion of its investigations into the cause of the outage. Cause of fault was unknown
- Based on current circumstances and professional advice, Basslink believes that the outage is a force majeure event
- Hydro Tasmania (HT) disagrees that outage is force majeure event and commercial discussions are ongoing between Basslink and HT to resolve this
- Notwithstanding the above, HT has made good faith payments to Basslink since December 2016
- Usage of insurance proceeds is subject to consent of the banking syndicate
- Basslink is also working with the insurer on the remaining claims under the insurance policy
- CRSM was -4.5% in 2Q 2017 (+0.8% in 1H 2017)

# 2Q 2017 Distributable Cash Flows

Delivered distributable cash flows of **S\$38.7 million** in **2Q 2017**

|                                       | 2Q 2017<br>S\$'000 | 2Q 2016<br>S\$'000 | Remarks   |
|---------------------------------------|--------------------|--------------------|---|
| City Gas                              | 11,590             | 12,062             | • Lower mainly due to time lag in the adjustment of gas tariffs to reflect actual fuel cost                 |
| Concessions                           | 17,790             | 17,354             | • All plants fulfilled contractual obligations  |
| KMC                                   | 11,339             | 11,143             | • Met contractual obligations   |
| DC One                                | 1,087              | 236                | • Construction completed and lease commenced in April 2016<br>• Full quarter contribution in 2Q 2017        |
| Others                                | (3,099)            | (2,796)            | • Due mainly to lower fees from CityNet upon cessation as Trustee-Manager of NetLink Trust on 13 April 2017 |
| <b>Total Distributable Cash Flows</b> | <b>38,707</b>      | <b>37,999</b>      |   |

# 1H 2017 Distributable Cash Flows

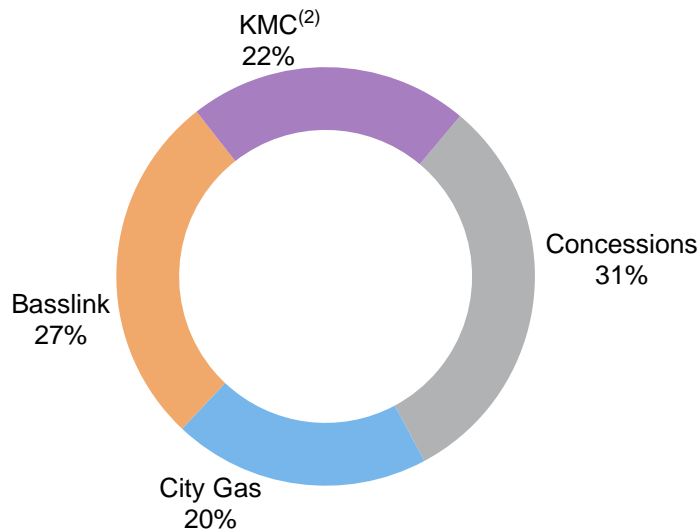
Delivered distributable cash flows of **S\$73.0 million** in **1H 2017**

|                                       | 1H 2017<br>S\$'000 | 1H 2016<br>S\$'000 | Remarks   |
|---------------------------------------|--------------------|--------------------|---|
| City Gas                              | 20,526             | 26,195             | <ul style="list-style-type: none"> <li>Lower mainly due to time lag in the adjustment of gas tariffs to reflect actual fuel cost</li> </ul>   |
| Concessions                           | 35,158             | 34,779             | <ul style="list-style-type: none"> <li>All plants fulfilled contractual obligations</li> </ul>  |
| KMC                                   | 22,647             | 21,616             | <ul style="list-style-type: none"> <li>Higher due to an extended maintenance for one of its turbines in 1Q 2016 resulting in reduction in capacity fee</li> <li>Met contractual obligations for 1H 2017</li> </ul>                    |
| DC One                                | 1,532              | 174                | <ul style="list-style-type: none"> <li>Construction completed and lease commenced in April 2016</li> </ul>  |
| Others                                | (6,912)            | (4,103)            | <ul style="list-style-type: none"> <li>Due mainly to abortive expenses incurred in connection with a potential acquisition and lower fees from CityNet upon cessation as Trustee-Manager of NetLink Trust on 13 April 2017</li> </ul> |
| <b>Total Distributable Cash Flows</b> | <b>72,951</b>      | <b>78,661</b>      |   |

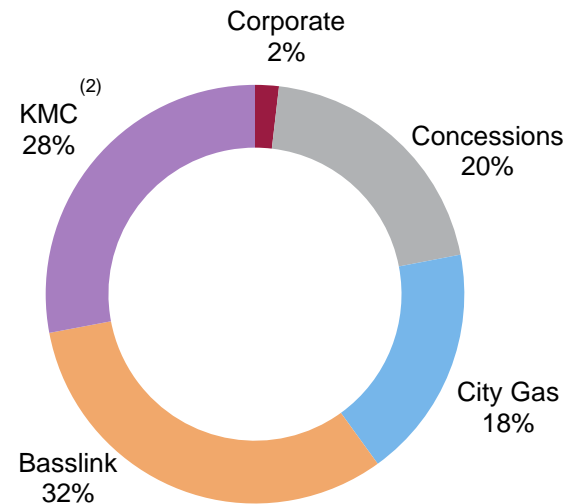
# Diversified Portfolio of Core Infrastructure Assets

- Long-term, regular and predictable cash flows generated from a diversified portfolio ranging from Utilities, Power and Telecommunications infrastructure assets

## 1H 2017 Adjusted EBITDA <sup>(1)</sup>



## Total Assets as at 30 Jun 2017



### Notes:

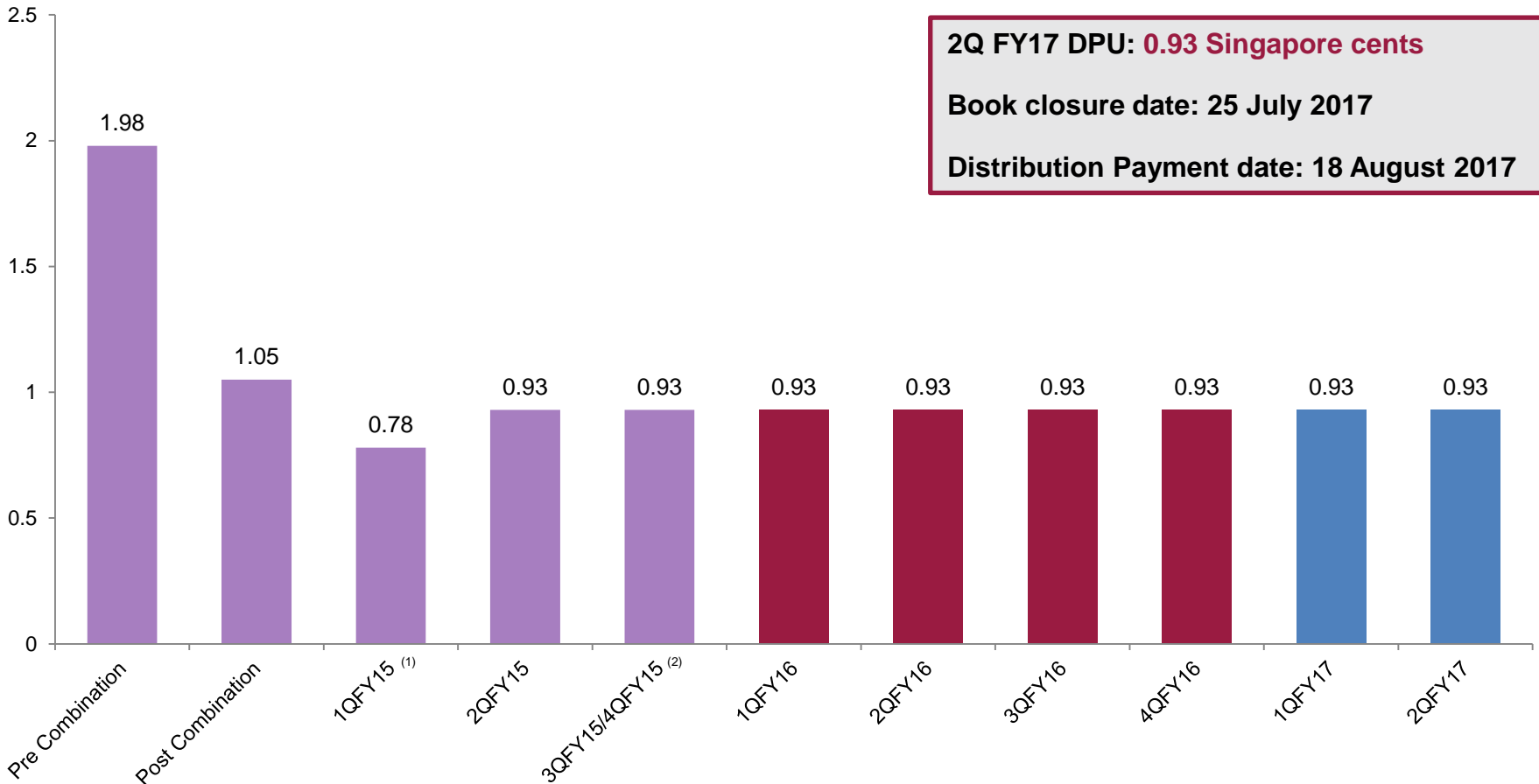
(1) Adjusted EBITDA includes reduction in concession receivables and excludes Trust/corporate expenses

(2) Based on KIT's 51% stake in KMC

# Regular and Stable Returns

## DPU (S cents)

S cents/unit



**2Q FY17 DPU: 0.93 Singapore cents**

**Book closure date: 25 July 2017**

**Distribution Payment date: 18 August 2017**

<sup>(1)</sup> 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.

<sup>(2)</sup> On 19 October 2015, KIT changed its financial year end from 31 March to 31 December. Figures for 4Q FY15 and 3Q FY15 are similar, as they refer to the 3 months ended 31 December 2015.

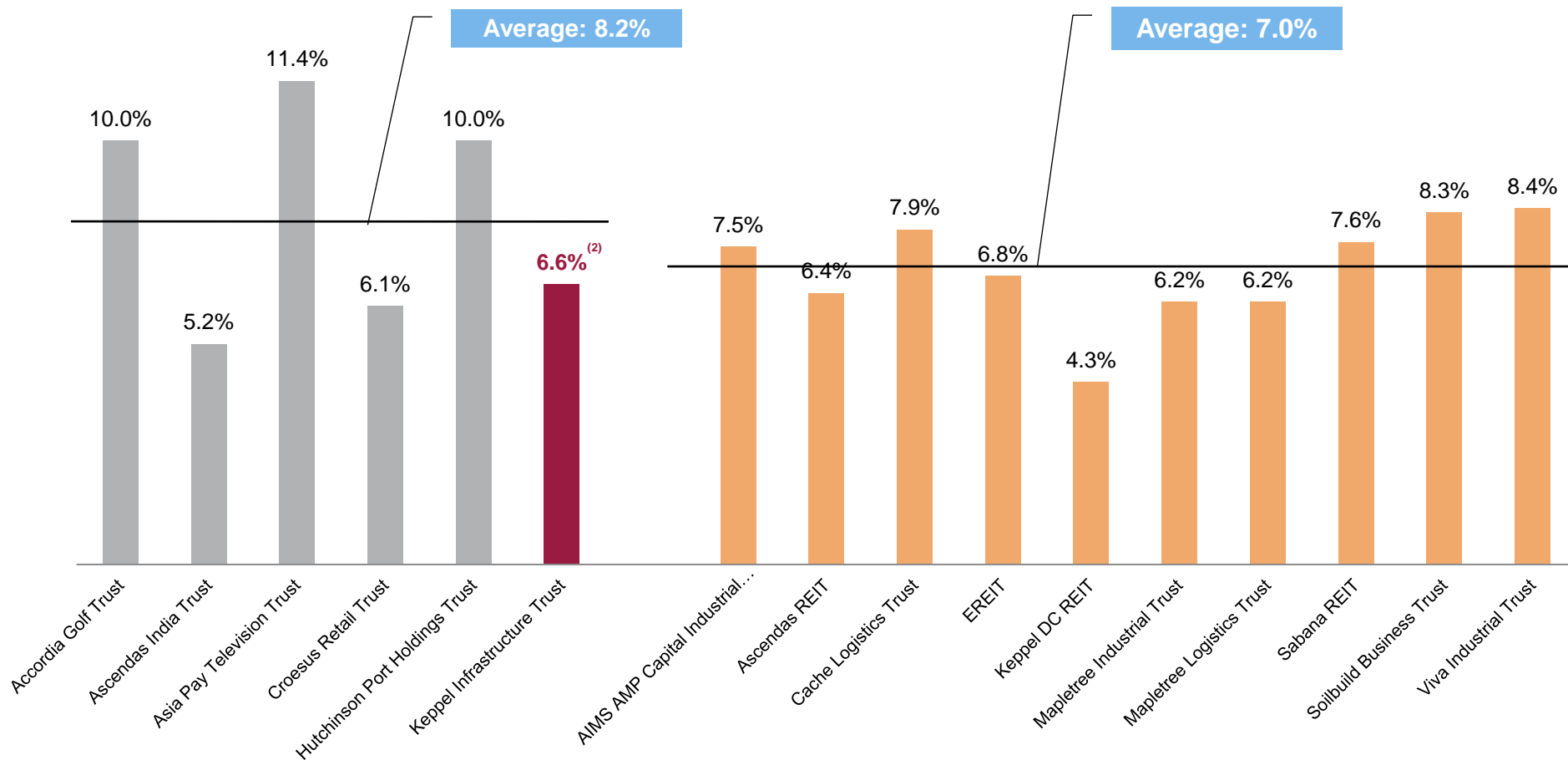


# Regular and Stable Returns

## Distribution Yield (1)

### Infrastructure Trusts

### Singapore Industrial REITs



(1) Source: Bloomberg's dividend yield data as at 30 June 2017

(2) Based on market closing price of S\$0.565 as at 30 June 2017

# Strong Balance Sheet

| S\$m              | As at 30 June 2017 |                    |
|-------------------|--------------------|--------------------|
|                   | Total              | Excluding Basslink |
| Cash              | 232                | 188                |
| Borrowings        | 1,816              | 1,087              |
| Net debt          | 1,584              | 899                |
| Total assets      | 4,051              | 3,041              |
| Total liabilities | 2,692              | 1,218              |
| Annualised EBITDA | 244                | 176                |
| Net gearing       | 39.1%              | 29.6%              |
| Net debt / EBITDA | 6.5X               | 5.1X               |

Sustainable gearing backed by

- / Long term contracts expiring between 2024 and 2046
- / Creditworthy customers and City Gas' large and stable customer base
- / Recurring and stable revenue streams

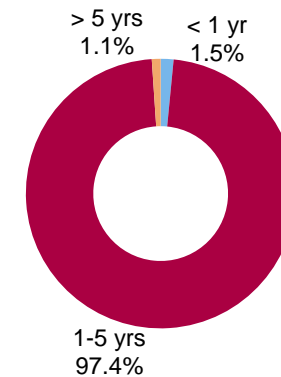
# Prudent Capital Management

## Debt Overview

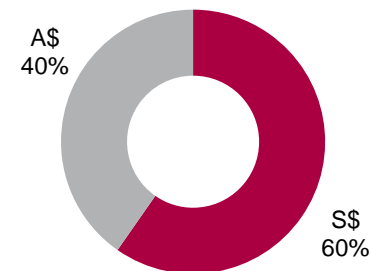
- / Hedged ~87% of total loans
- / Other than KIT corporate loan, rest of the loans are non-recourse
- / Maintain stable interest rate of 4-5%
  - Singapore average: 3-4%
  - Australian average: 6-7%
- / Weighted average term to expiry of ~2.6 years
  - ~100% of loans due in 2019 and beyond
- / S\$736m (A\$706m)<sup>(1)</sup> Basslink loan
  - Interest rate substantially hedged
  - Natural currency hedge for A\$ cash flows
  - All residual cash flows used for debt service
  - No dependence on Basslink's cash flows for distribution
  - No cash flow exposure to near term A\$ forex movement

## Debt Breakdown

### Debt Repayment Profile



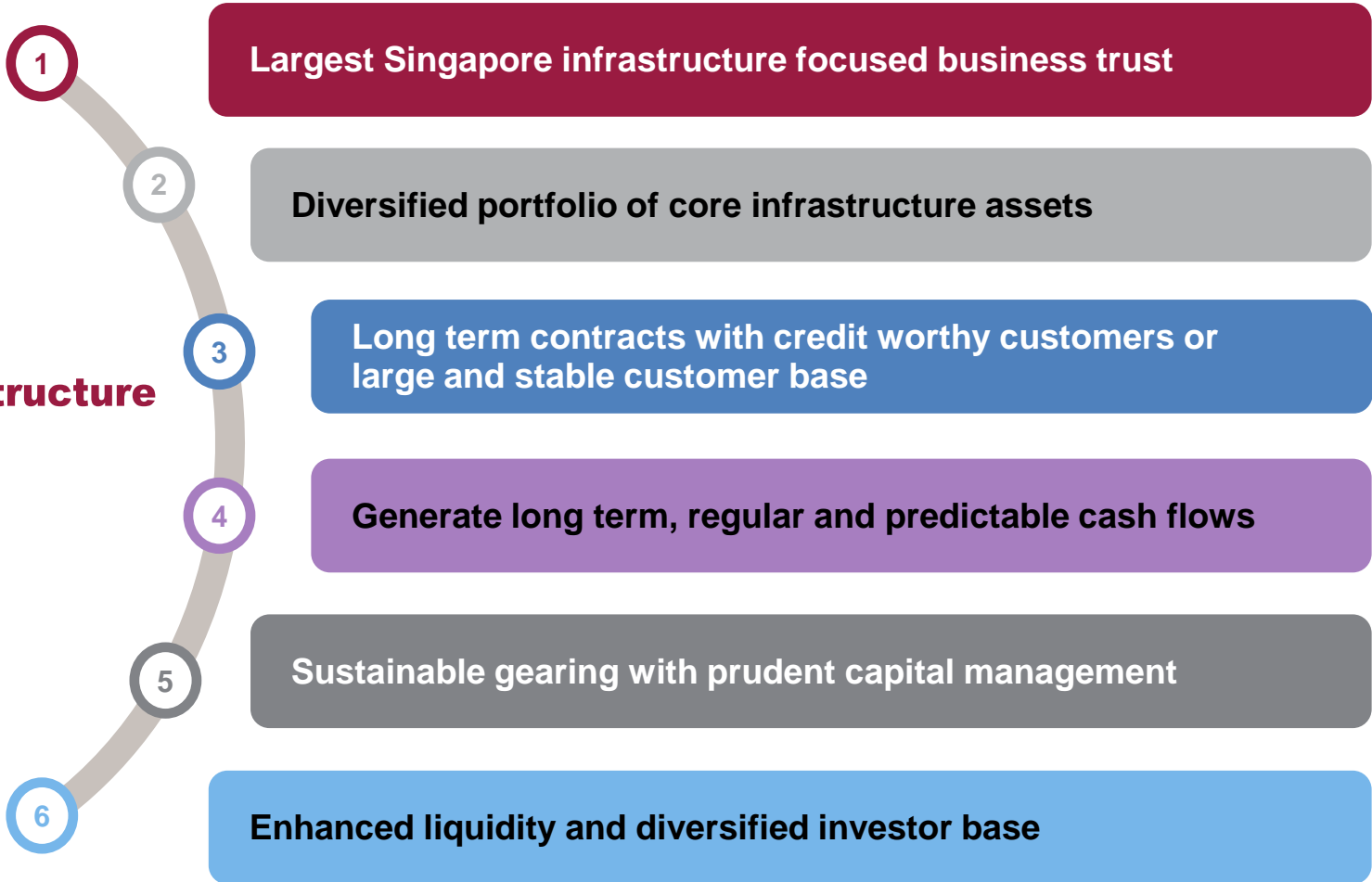
### Debt Breakdown by Currency



<sup>(1)</sup> Based on exchange rate of A\$1.00 = S\$1.042

# Well-Positioned to Deliver Long-term Value and Growth

**Keppel Infrastructure Trust**



# Appendix I: Additional Information

# 2Q 2017 Results: City Gas

|  | 2Q FY17<br>S\$'000 | 2Q FY16<br>S\$'000 | Change<br>%  | 1H FY17<br>S\$'000 | 1H FY16<br>S\$'000 | Change<br>%   |
|--|--------------------|--------------------|--------------|--------------------|--------------------|---------------|
| <b>Revenue</b>   | 80,026             | 70,450             | 13.6         | 157,495            | 140,992            | 11.7          |
| <b>Other income</b>  | 399                | 404                | (1.2)        | 699                | 790                | (11.5)        |
| <b>Other (losses)/gains - net</b>                              | (161)              | 392                | N/M          | (822)              | 597                | N/M           |
| <b>Expenses</b>  |                    |                    |              |                    |                    |               |
| Fuel and electricity costs                                     | (28,511)           | (19,426)           | 46.8         | (57,617)           | (38,261)           | 50.6          |
| Gas transportation costs                                       | (23,100)           | (22,538)           | 2.5          | (46,298)           | (44,212)           | 4.7           |
| Depreciation and amortisation                                  | (684)              | (3,458)            | (80.2)       | (2,118)            | (6,928)            | (69.4)        |
| Operation and maintenance costs                                | (2,409)            | (2,648)            | (9.0)        | (4,440)            | (4,455)            | (0.3)         |
| Staff costs  | (5,755)            | (5,287)            | 8.9          | (11,387)           | (11,357)           | 0.3           |
| Finance costs <sup>(1)</sup>                                   | (7,539)            | (7,565)            | (0.3)        | (14,976)           | (15,221)           | (1.6)         |
| Other operating expenses                                       | (6,553)            | (5,865)            | 11.7         | (13,001)           | (11,946)           | 8.8           |
| <b>Profit before tax</b>                                       | 5,713              | 4,459              | 28.1         | 7,535              | 9,999              | (24.6)        |
| Income tax expense   | (1,010)            | (591)              | 70.9         | (1,348)            | (1,582)            | (14.8)        |
| <b>Net profit after tax</b>                                    | 4,703              | 3,868              | 21.6         | 6,187              | 8,417              | (26.5)        |
| <b>Funds from operations<sup>(2)</sup> attributable to KIT</b> | <b>11,590</b>      | <b>12,062</b>      | <b>(3.9)</b> | <b>20,526</b>      | <b>26,195</b>      | <b>(21.6)</b> |

<sup>(1)</sup> Includes QPDS interest payable to KIT

<sup>(2)</sup> 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

# 2Q 2017 Results: Concessions

|  | 2Q FY17<br>S\$'000 | 2Q FY16<br>S\$'000 | Change<br>% | 1H FY17<br>S\$'000 | 1H FY16<br>S\$'000 | Change<br>% |
|--|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
| <b>Revenue</b>                                   | 23,274             | 28,056             | (17.0)      | 46,478             | 55,970             | (17.0)      |
| <b>Other income</b>                              | 114                | 181                | (37.0)      | 219                | 367                | (40.3)      |
| <b>Expenses</b>                                  |                    |                    |             |                    |                    |             |
| Fuel and electricity costs                       | (2,306)            | (2,647)            | (12.9)      | (4,572)            | (5,207)            | (12.2)      |
| Depreciation and amortisation                    | (1,763)            | (1,763)            | 0.0         | (3,526)            | (3,525)            | 0.0         |
| Operation and maintenance costs                  | (11,780)           | (15,298)           | (23.0)      | (23,824)           | (30,362)           | (21.5)      |
| Finance costs <sup>(1)</sup>                     | (5,962)            | (5,864)            | 1.7         | (11,713)           | (11,757)           | (0.4)       |
| Other operating expenses                         | (1,434)            | (1,328)            | 8.0         | (2,658)            | (2,645)            | 0.5         |
| <b>Profit before tax</b>                         | 143                | 1,337              | (89.3)      | 404                | 2,841              | (85.8)      |
| Income tax expense                               | (136)              | (228)              | (40.4)      | (283)              | (485)              | (41.6)      |
| <b>Net profit after tax</b>                      | 7                  | 1,109              | (99.4)      | 121                | 2,356              | (94.9)      |
| <b>Funds from operations attributable to KIT</b> | <b>19,618</b>      | <b>19,182</b>      | <b>2.3</b>  | <b>38,813</b>      | <b>38,433</b>      | <b>1.0</b>  |

<sup>(1)</sup> Includes QPDS interest payable to KIT and non-controlling interest

# 2Q 2017 Results: Basslink

|  | 2Q FY17<br>A\$'000 | 2Q FY16<br>A\$'000 | Change<br>%   | 1H FY17<br>A\$'000 | 1H FY16<br>A\$'000 | Change<br>%      |
|--|--------------------|--------------------|---------------|--------------------|--------------------|------------------|
| <b>Revenue</b>                                   | 21,722             | 5,168              | >100.0        | 41,499             | 6,325              | >100.0           |
| <b>Other income</b>                              | 235                | 15,420             | (98.5)        | 432                | 15,614             | (97.2)           |
| <b>Other losses - net</b>                        | (1,377)            | (1,363)            | 1.0           | (2,729)            | (2,691)            | 1.4              |
| <b>Expenses</b>                                  |                    |                    |               |                    |                    |                  |
| Fuel and electricity costs                       | (72)               | (55)               | 30.9          | (139)              | (93)               | 49.5             |
| Depreciation and amortisation                    | (4,443)            | (4,489)            | (1.0)         | (8,884)            | (8,982)            | (1.1)            |
| Staff costs                                      | (740)              | (705)              | 5.0           | (1,306)            | (1,374)            | (4.9)            |
| Operation and maintenance costs                  | (1,186)            | (1,190)            | (0.3)         | (2,476)            | (2,382)            | 3.9              |
| Finance costs                                    | (11,844)           | (9,165)            | 29.2          | (23,686)           | (17,158)           | 38.0             |
| Other operating expenses                         | (883)              | (1,123)            | (21.4)        | (1,630)            | (2,163)            | (24.6)           |
| <b>Loss before tax</b>                           | 1,412              | 2,498              | (43.5)        | 1,081              | (12,904)           | N/M              |
| Income tax                                       | -                  | -                  | -             | -                  | -                  | -                |
| <b>Net loss after tax</b>                        | 1,412              | 2,498              | (43.5)        | 1,081              | (12,904)           | N/M              |
| <b>Funds from operations attributable to KIT</b> | <b>7,836</b>       | <b>9,035</b>       | <b>(13.3)</b> | <b>13,964</b>      | <b>131</b>         | <b>&gt;100.0</b> |



# 2Q 2017 Results: KMC

|  | 2Q FY17<br>S\$'000 | 2Q FY16<br>S\$'000 | Change<br>% | 1H FY17<br>S\$'000 | 1H FY16<br>S\$'000 | Change<br>% |
|--|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
| <b>Revenue</b>                                   | 32,537             | 32,561             | (0.1)       | 64,960             | 63,156             | 2.9         |
| <b>Other income</b>                              | 117                | 700                | (83.3)      | 521                | 2,366              | (78.0)      |
| <b>Other losses - net</b>                        | 4                  | (248)              | N/M         | 3                  | (492)              | N/M         |
| <b>Expenses</b>                                  |                    |                    |             |                    |                    |             |
| Depreciation and amortisation                    | (18,902)           | (18,921)           | (0.1)       | (37,787)           | (37,848)           | (0.2)       |
| Operation and maintenance costs                  | (4,826)            | (4,952)            | (2.5)       | (9,660)            | (9,997)            | (3.4)       |
| Finance costs <sup>(1)</sup>                     | (26,837)           | (26,834)           | 0.0         | (53,434)           | (53,667)           | (0.4)       |
| Other operating expenses                         | (1,395)            | (1,372)            | 1.7         | (2,815)            | (2,829)            | (0.5)       |
| <b>Loss before tax</b>                           | (19,302)           | (19,066)           | 1.2         | (38,212)           | (39,311)           | (2.8)       |
| Income tax credit                                | 105                | -                  | N/M         | 227                | -                  | N/M         |
| <b>Net loss after tax</b>                        | (19,197)           | (19,066)           | 0.7         | (37,985)           | (39,311)           | (3.4)       |
| <b>Funds from operations attributable to KIT</b> | <b>11,339</b>      | <b>11,143</b>      | <b>1.8</b>  | <b>22,647</b>      | <b>21,616</b>      | <b>4.8</b>  |

<sup>(1)</sup> Includes QPDS interest payable to KIT and non-controlling interest

# 2Q 2017: Distributable Cash Flows

| S\$'000   | City Gas | Concessions            | Basslink           | KMC      | Others   | Group                 |
|---|----------|------------------------|--------------------|----------|----------|-----------------------|
| <b>Profit/(loss) after tax</b>                      | 4,703    | 7                      | 1,492              | (19,197) | 19,932   | 6,937                 |
| <b>Add/(less)</b>                                   |          |                        |                    |          |          |                       |
| Reduction in concessions/lease receivables          | -        | 13,350                 | -                  | -        | -        | 13,350                |
| Non-cash finance cost                               | 97       | 7                      | 1,263              | 158      | 26       | 1,551                 |
| Other non-cash items                                | 89       | 941                    | 867                | 660      | (703)    | 1,854                 |
| Adjustment for cash tax paid/deferred tax           | (64)     | 23                     | -                  | (106)    | 17       | (130)                 |
| Depreciation and amortisation                       | 684      | 1,763                  | 4,646              | 18,902   | -        | 25,995                |
| QPDS interest                                       | 6,339    | 5,150                  | -                  | 21,815   | (22,371) | 10,933                |
| Maintenance capital expenditure incurred            | (32)     | -                      | (50)               | -        | -        | (82)                  |
| FFO from joint venture                              | -        | -                      | -                  | -        | 1,618    | 1,618                 |
| <b>Sub-total</b>                                    | 11,816   | 21,241                 | 8,218              | 22,232   | (1,481)  | 62,026                |
| Less: FFO attributable to non-controlling interests | (226)    | (1,623)                | -                  | (10,893) | -        | (12,742)              |
| <b>Funds from operations</b>                        | 11,590   | 19,618                 | 8,218              | 11,339   | (1,481)  | 49,284                |
| Mandatory debt repayment                            | -        | (1,828) <sup>(1)</sup> | N/A <sup>(2)</sup> | -        | (531)    |                       |
| <b>Distributable cash flows</b>                     | 11,590   | 17,790                 | -                  | 11,339   | (2,012)  | 38,707 <sup>(3)</sup> |

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

# 2Q 2016: Distributable Cash Flows

| S\$'000   | City Gas | Concessions            | Basslink           | KMC      | Others   | Group                 |
|---|----------|------------------------|--------------------|----------|----------|-----------------------|
| <b>Profit/(loss) after tax</b>                      | 3,868    | 1,109                  | 2,397              | (19,066) | 19,331   | 7,639                 |
| <b>Add/(less)</b>                                   |          |                        |                    |          |          |                       |
| Reduction in concessions/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)  | 91                     | -                  | -        | 59       | (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                   |
| <b>Sub-total</b>                                    | 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)              |
| <b>Funds from operations</b>                        | 12,062   | 19,182                 | 9,089              | 11,143   | (2,560)  | 48,916                |
| Mandatory debt repayment                            | -        | (1,828) <sup>(1)</sup> | N/A <sup>(2)</sup> | -        | -        | -                     |
| <b>Distributable cash flows</b>                     | 12,062   | 17,354                 | -                  | 11,143   | (2,560)  | 37,999 <sup>(3)</sup> |

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

# 1H 2017: Distributable Cash Flows

| S\$'000   | City Gas | Concessions            | Basslink           | KMC      | Others   | Group                 |
|---|----------|------------------------|--------------------|----------|----------|-----------------------|
| <b>Profit/(loss) after tax</b>                      | 6,187    | 121                    | 1,137              | (37,985) | 35,569   | 5,029                 |
| <b>Add/(less)</b>                                   |          |                        |                    |          |          |                       |
| Reduction in concessions/lease receivables          | -        | 26,570                 | -                  | -        | -        | 26,570                |
| Non-cash finance cost                               | 193      | 13                     | 2,547              | 316      | 2,769    | 5,838                 |
| Other non-cash items                                | 744      | 1,464                  | 1,748              | 1,123    | (836)    | 4,243                 |
| Adjustment for cash tax paid/deferred tax           | (797)    | 94                     | -                  | (226)    | 83       | (846)                 |
| Depreciation and amortisation                       | 2,118    | 3,526                  | 9,416              | 37,787   | -        | 52,847                |
| QPDS interest                                       | 12,608   | 10,244                 | -                  | 43,390   | (44,497) | 21,745                |
| Maintenance capital expenditure incurred            | (131)    | -                      | (50)               | -        | -        | (181)                 |
| FFO from joint venture                              | -        | -                      | -                  | -        | 2,590    | 2,590                 |
| <b>Sub-total</b>                                    | 20,922   | 42,032                 | 14,798             | 44,405   | (4,322)  | 117,835               |
| Less: FFO attributable to non-controlling interests | (396)    | (3,219)                | -                  | (21,758) | -        | (25,373)              |
| <b>Funds from operations</b>                        | 20,526   | 38,813                 | 14,798             | 22,647   | (4,322)  | 92,462                |
| Mandatory debt repayment                            | -        | (3,655) <sup>(1)</sup> | N/A <sup>(2)</sup> | -        | (1,058)  |                       |
| <b>Distributable cash flows</b>                     | 20,526   | 35,158                 | -                  | 22,647   | (5,380)  | 72,951 <sup>(3)</sup> |

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

# 1H 2016: Distributable Cash Flows

| S\$'000   | City Gas | Concessions            | Basslink           | KMC      | Others   | Group                 |
|---|----------|------------------------|--------------------|----------|----------|-----------------------|
| <b>Profit/(loss) after tax</b>                      | 8,417    | 2,356                  | (13,093)           | (39,311) | 39,753   | (1,878)               |
| <b>Add/(less)</b>                                   |          |                        |                    |          |          |                       |
| Reduction in concessions/lease receivables          | -        | 25,195                 | -                  | -        | -        | 25,195                |
| Non-cash finance cost                               | 191      | 16                     | 2,476              | 310      | 586      | 3,579                 |
| Other non-cash items                                | (689)    | (279)                  | 1,643              | (87)     | 339      | 927                   |
| 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                   |
| <b>Sub-total</b>                                    | 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)              |
| <b>Funds from operations</b>                        | 26,195   | 38,433                 | 132                | 21,616   | (3,929)  | 82,447                |
| Mandatory debt repayment                            | -        | (3,654) <sup>(1)</sup> | N/A <sup>(2)</sup> | -        | -        | -                     |
| <b>Distributable cash flows</b>                     | 26,195   | 34,779                 | -                  | 21,616   | (3,929)  | 78,661 <sup>(3)</sup> |

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

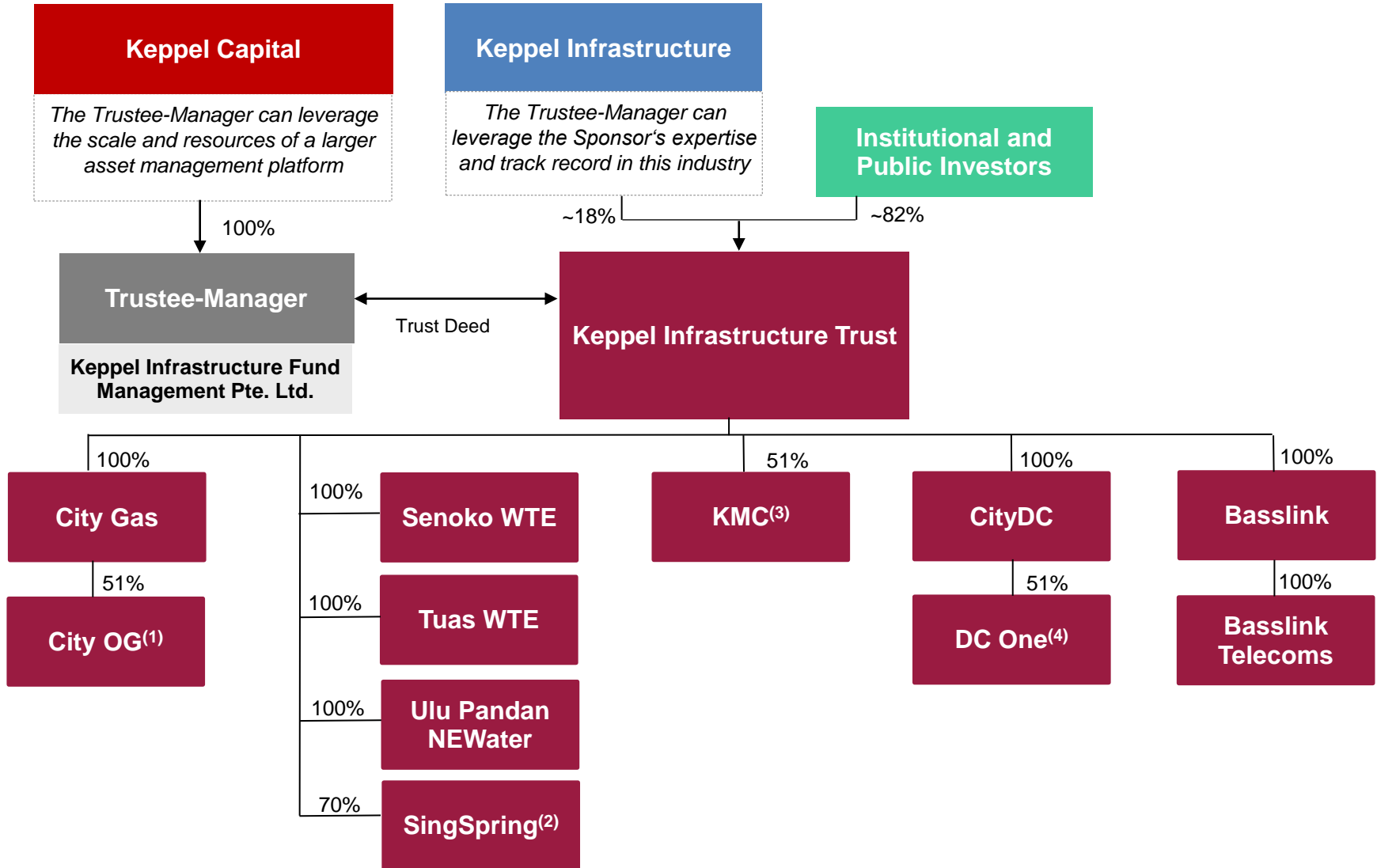
# Loan Profile

| Entity     | Amount (S\$m)       | Loan Maturity | Repayment   |
|------------|---------------------|---------------|-------------|
| City Gas   | 178.0               | Feb 2019      | Bullet*     |
| SingSpring | 65.8                | Dec 2024      | Amortising  |
| Basslink   | 735.6<br>(A\$705.9) | Nov 2019      | Amortising* |
| KMC        | 700.0               | Jun 2020      | Bullet*     |
| KIT        | 145.6               | Feb 2019      | Bullet*     |

\* To be refinanced upon maturity

## Appendix II: Overview of KIT

# Keppel Infrastructure Trust Structure



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




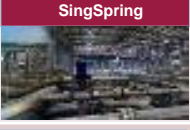




(2) Hyflux Ltd holds the remaining 30% equity interest in SingSpring.

(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.



# Portfolio Overview

|           | Asset   | Business  | Customer   | Contract Terms  | Cash Flows   |
|-----------|---|---|--|---|--|
| SINGAPORE |  <p>Senoko WTE Plant</p>   | 2,310 tonnes/day waste incineration concession  | NEA, Singapore government agency                               | 2024  | Principally fixed availability payment                                 |
|           |  <p>Tuas WTE Plant</p>     | 800 tonnes/day waste incineration concession  | NEA, Singapore government agency                               | 2034  | Principally fixed availability payment                                 |
|           |  <p>Ulu Pandan NEWater</p> | 148,000 m <sup>3</sup> /day <sup>1</sup> NEWater concession                                   | PUB, Singapore government agency                               | 2027  | Approximately half fixed, and half variable payments                   |
|           |  <p>SingSpring</p>         | 136,380 m <sup>3</sup> /day seawater desalination concession                                  | PUB, Singapore government agency                               | 2025<br><i>(Underlying land lease till 2033)</i>  | Principally fixed availability payment                                 |
|           |  <p>City Gas</p>           | Sole producer and retailer of piped town gas  | Over 750,000 commercial and residential customers              | n.a.  | Stable fees with fuel and electricity costs passed through to consumer |
|           |  <p>KMC</p>               | 1,300MW Combine Cycle Gas Turbine power plant capacity tolling agreement                      | Keppel Electric  | 2030, with option for 10-year extension<br><i>(Underlying land lease till 2035, with 30-year extension)</i> | Principally fixed availability payment                                 |
|           |  <p>DataCentre One</p>   | Data centre   | One-Net, 100% subsidiary of MediaCorp, SG national broadcaster | 2036, with option for 8-year extension  | Contractual lease revenue  |
| AUST      |  <p>Basslink</p>         | Owner and operator of the Basslink Interconnector between the States of Victoria and Tasmania | Hydro Tasmania<br><i>(Owned by Tasmania state government)</i>  | 2031, with option for 15-year extension   | 87.5% availability payments, 65% indexed to Australia CPI              |






<sup>1</sup> Ulu Pandan has an overall capacity of 162,800m<sup>3</sup> of which, 14,800m<sup>3</sup> is undertaken by Keppel Seghers.

# KIT Investment Criteria

## 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  |
|  |  |  |  |  |

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

(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.

# Three-pronged Growth Strategy

## 1 Organic Growth from Existing Portfolio

### Potential Upsides

- Organic growth of City Gas
  - Higher penetration of gas water heaters
  - Over 100,000 new units expected over 2017 – 2019
- Stable positive contributions from DataCentre One, 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 Synergy

### Keppel Capital

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

### Keppel Infrastructure

- Keppel Group's energy and environmental infrastructure arm
- Operation and maintenance, as well as development and industry expertise
- ROFRs for 49% of KMC, as well as other assets owned and developed by Sponsor
- Co-investment and incubation opportunities

## 3 Acquisition Strategy

### KIT New Investments

- Assets that generate long term stable cash flows with some growth
- Singapore and other developed markets in Asia or 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

# Thank You

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