

MEDIA RELEASE

K-GREEN TRUST UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

15 APRIL 2013

The Directors of Keppel Infrastructure Fund Management Pte Ltd, as Trustee-Manager of K-Green Trust, advise the following results of K-Green Trust for the first quarter ended 31 March 2013.

These figures have not been audited.

1Q FY2013 RESULTS HIGHLIGHTS

1. Group revenue for the first quarter ended 31 March 2013 was \$17.0 million. Excluding construction revenue arising from the flue gas treatment upgrade following its completion, revenue for 1Q 2013 improved by \$0.5 million, representing a 3.0% increase compared to 1Q 2012.
2. The profit after tax achieved for 1Q 2013 was \$3.2 million, contributing to earnings per unit (EPU) for the quarter of 0.51 cents.
3. Net asset value per unit as at 31 March 2013 was \$1.01.
4. Cash generated from operations was \$10.0 million for the quarter.

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This press release is also available at www.kepcorp.com and www.kgreentrust.com.

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INTRODUCTION

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

On 31 August 2009, KGT acquired Senoko Plant when KGT was a private trust.

KGT was registered under the Business Trusts Act with the Monetary Authority of Singapore on 27 May 2010 and listed on the Singapore Exchange Securities Trading Limited on 29 June 2010 (the Listing Date). On the Listing Date, KGT acquired Tuas DBOO Plant and Ulu Pandan Plant.

The investment objective of KGT is to invest in “green” infrastructure assets (including, but not limited to, waste management, water and wastewater treatment, renewable energy, energy efficiency and other “green” initiatives) in Singapore and globally with a focus on Asia, Europe and the Middle East.

KGT, 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 2013

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of K-Green Trust**, advise the following unaudited results of the Group for the first quarter ended 31 March 2013.

1 (a) GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March

	1Q 2013 \$'000	1Q 2012 \$'000	+/ %
Construction revenue	-	2,494	-100.0
Finance income	4,286	4,473	-4.2
Operation and maintenance income	<u>12,714</u>	<u>12,038</u>	+5.6
Revenue	17,000	19,005	-10.5
Construction expense	-	(2,380)	-100.0
Operation and maintenance cost	(8,898)	(8,674)	+2.6
Electricity cost	(1,938)	(2,120)	-8.6
Depreciation	(59)	(61)	-3.3
Trustee-Manager's fees	(1,029)	(1,019)	+1.0
Trust expense	(949)	(190)	>+100.0
Other operating expenses	(1,001)	(1,017)	-1.6
Other income	<u>239</u>	<u>184</u>	+29.9
Operating profit	3,365	3,728	-9.7
Interest income	<u>18</u>	<u>24</u>	-25.0
Profit before tax	3,383	3,752	-9.8
Taxation	<u>(181)</u>	<u>(203)</u>	-10.8
Profit for the period	<u>3,202</u>	<u>3,549</u>	-9.8

1 (b)(i) **BALANCE SHEETS as at 31 March**

	GROUP		TRUST	
	31 Mar 13	31 Dec 12	31 Mar 13	31 Dec 12
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Plant and equipment	2,482	1,658	-	-
Subsidiaries	-	-	327,936	327,936
Service concession receivables	538,184	547,616	-	-
Notes receivable	-	-	290,142	290,142
	<u>540,666</u>	<u>549,274</u>	<u>618,078</u>	<u>618,078</u>
Current Assets				
Inventories	15,089	15,359	-	-
Service concession receivables	54,956	54,956	-	-
Trade and other receivables	19,212	19,048	4,529	161
Cash, bank and deposit balances	21,870	42,795	5,310	37,481
	<u>111,127</u>	<u>132,158</u>	<u>9,839</u>	<u>37,642</u>
Current Liabilities				
Trade and other payables	14,483	17,799	2,438	3,031
Provision for taxation	876	864	3	1
	<u>15,359</u>	<u>18,663</u>	<u>2,441</u>	<u>3,032</u>
Net Current Assets	<u>95,768</u>	<u>113,495</u>	<u>7,398</u>	<u>34,610</u>
Non-Current Liability				
Deferred taxation	67	67	-	-
	<u>67</u>	<u>67</u>	<u>-</u>	<u>-</u>
Net Assets	<u>636,367</u>	<u>662,702</u>	<u>625,476</u>	<u>652,688</u>
Represented by:				
Unitholders' Funds				
Units in issue	719,307	719,307	719,307	719,307
Revenue reserves	(82,940)	(56,605)	(93,831)	(66,619)
	<u>636,367</u>	<u>662,702</u>	<u>625,476</u>	<u>652,688</u>

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

As at 31 March 2013, the Group did not have any borrowing (31 December 2012: Nil).

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

	1Q 2013 \$'000	1Q 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	3,383	3,752
<u>Adjustments for :</u>		
Depreciation	59	61
Interest income	(18)	(24)
Operating profit before working capital changes	<u>3,424</u>	<u>3,789</u>
Decrease in inventories	270	31
Decrease in service concession receivables	9,432	9,146
(Increase)/decrease in trade and other receivables	(164)	3,746
Decrease in trade and other creditors	(2,997)	(5,003)
Cash generated from operations	<u>9,965</u>	<u>11,709</u>
Tax paid	(169)	(174)
Interest received	18	24
Net cash from operating activities	<u>9,814</u>	<u>11,559</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Construction of assets	(1,202)	(2,380)
Net cash used in investing activity	<u>(1,202)</u>	<u>(2,380)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Distribution paid	(29,537)	(29,537)
Net cash used in financing activity	<u>(29,537)</u>	<u>(29,537)</u>
Net change in cash and cash equivalents	(20,925)	(20,358)
Cash and cash equivalents at beginning of period	42,795	47,626
Cash and cash equivalents at end of period	<u>21,870</u>	<u>27,268</u>

**1 (d)(i) STATEMENTS OF MOVEMENTS 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 2013	719,307	(56,605)	662,702
Total comprehensive income for the period	-	3,202	3,202
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2013	719,307	(82,940)	636,367
As at 1 January 2012	719,307	(22,133)	697,174
Total comprehensive income for the period	-	3,549	3,549
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2012	719,307	(48,121)	671,186
TRUST			
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
As at 1 January 2013	719,307	(66,619)	652,688
Total comprehensive income for the period	-	2,325	2,325
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2013	719,307	(93,831)	625,476
As at 1 January 2012	719,307	(28,912)	690,395
Total comprehensive income for the period	-	3,130	3,130
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2012	719,307	(55,319)	663,988

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

	GROUP and TRUST Units
Issued units as at 1 January and 31 March 2013	629,781,279

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 2012.

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 2013. 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 2013	1Q 2012	+/- %
Earnings per unit ⁽¹⁾ (based on the weighted average number of units as at the end of the period)	0.51 cents	0.56 cents	-8.9
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 13	31 Dec 12	+/- %	31 Mar 13	31 Dec 12	+/- %
NAV per unit based on issued units at the end of the period / year (\$)	1.01	1.05	-3.8	0.99	1.04	-4.8
Adjusted NAV per unit (\$) - based on total issued units of 629,781,279 (and excluding distribution payable to unitholders)	1.01	1.01	-	0.99	0.99	-

8 REVIEW OF PERFORMANCE

Profit and Loss Analysis

Group revenue for the first quarter ended 31 March 2013 was \$17.0 million. Finance income was \$4.3 million for 1Q 2013, representing the accretion on the service concession receivables in respect of the fixed capital cost and recovery components. Revenue from operation and maintenance (O&M) was \$12.7 million for the quarter, representing a 5.6% increase over the corresponding period in 2012. This was mainly attributable to the annual adjustments of O&M and power tariffs to account for changes in consumer price index (CPI) and fuel price as well as higher output from the waste-to-energy plants. Excluding construction revenue contribution in the corresponding quarter in the prior year following the completion of the flue gas treatment (FGT) upgrade in 2012, revenue improved by \$0.5 million, representing a 3.0% increase compared to 1Q 2012.

The construction expense of \$2.4 million relates to the amount of capital expenditure spent on the FGT upgrade for 1Q 2012. The O&M cost of \$8.9 million for 1Q 2013 was 2.6% higher than last year due to changes in CPI and higher output from the waste-to-energy plants. Electricity cost was \$1.9 million for the first quarter of 2013 which was 8.6% lower than 1Q 2012 due to lower output of NEWater resulting in less electricity consumed in the quarter.

Trustee-Manager's fee for the quarter was \$1.0 million comprising a fixed management fee and performance fee of 4.5% per annum of all cash inflow received by KGT from the sub trusts. Trust expense was higher compared to corresponding quarter in prior year, mainly due to project evaluation and due diligence expenses incurred by the Trust. Profit before and after tax was \$3.4 million and \$3.2 million, respectively for the three months ended 31 March 2013.

Balance Sheet Analysis

Group unitholders' funds decreased from \$662.7 million at 31 December 2012 to \$636.4 million at 31 March 2013. The decrease was mainly attributable to the distribution of \$29.5 million paid to unitholders during the quarter, partially offset by increase in comprehensive income of \$3.2 million.

Total assets of the Group amounted to \$651.8 million as at 31 March 2013. This was \$29.6 million lower than the previous year end. Plant and equipment increased by another \$0.8 million due to the remaining solar photovoltaic (PV) installation on the rooftops of Ulu Pandan NEWater Plant. Service concession receivables decreased by \$9.4 million due to collection of fixed capacity payments during the quarter. Group total liabilities decreased by \$3.3 million to \$15.4 million as compared to \$18.7 million in the previous year end, mainly due to payments made to O&M operators.

At the trust level, notes receivable of \$290.1 million represents qualifying project debt securities ("QPDS") issued to KGT by Senoko Trust, Tuas DBOO Trust and Ulu Pandan Trust ("Sub-Trusts") to fund the acquisition of the businesses in FY2010. Trade and other receivables as at 31 March 2013 were higher by \$4.4 million, which mainly relate to interest receivable on the QPDS. These QPDS are eliminated on consolidation.

As at 31 March 2013, the Group had no external borrowing.

Cash Flow Analysis

Cash generated from operations of \$10.0 million for the quarter was derived from the Group's pre-tax profit of \$3.4 million, after adjusting for non-cash items and changes in working capital of \$6.6 million. Taking into account income taxes paid, cash flow from operating activities was \$9.8 million for 1Q 2013 as compared to \$11.6 million in 1Q 2012.

Net cash used in investing activity of \$1.2 million was the payment made for installation of solar PV system during the quarter, compared to \$2.4 million made for the FGT upgrading contract in 1Q 2012. The net decrease in cash and cash equivalents was \$20.9 million for the quarter, after making the distribution payment of \$29.5 million in February this year.

9 VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2013 has been previously disclosed.

10 PROSPECTS

The underlying performance of the three assets in KGT'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 equal parts from availability payments and from NEWater output payments (both include power revenue). Demand for 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 price. The total electricity cost is pegged to current fuel price whilst the variable power revenue received is based on the monthly average of the previous 12 months fuel price adjustable at end of each contract year. The Trustee-Manager has taken measures to mitigate the price volatility of electricity by partially fixing the electricity price.

The 1MWp solar PV installation on the rooftops of Ulu Pandan NEWater Plant has been completed in the quarter and is expected to reduce the intake of grid electricity. The Trustee-Manager will continue to evaluate asset enhancement opportunities in all three assets and will remain focused on acquisitions in areas of waste management, water treatment, renewable energy and energy efficiency. Key geographies for potential acquisitions remain Europe and Asia Pacific.

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 2013

12 INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from unitholders for interested person transactions in the Annual General Meeting held on 17 April 2012. During the financial period, 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 13 to 31 Mar 13 \$'000	1 Jan 12 to 31 Mar 12 \$'000	1 Jan 13 to 31 Mar 13 \$'000	1 Jan 12 to 31 Mar 12 \$'000
Keppel Corporation Group				
- Treasury Transactions	-	-	20,773	26,575
Total	-	-	20,773	26,575

BY ORDER OF THE BOARD
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number: 200803959H)
As Trustee-Manager of K-Green Trust

NG WAI HONG / WINNIE MAK
 Company Secretaries
 15 April 2013

CONFIRMATION BY THE BOARD

We, KHOR POH HWA and TEO SOON HOE being two Directors of Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as trustee-manager of K-Green 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 2013 financial statements of K-Green Trust to be false or misleading in any material aspect.

On behalf of the Board of Directors



KHOR POH HWA
Chairman

Singapore
15 April 2013



TEO SOON HOE
Director