

MEDIA RELEASE

KEPPEL INFRASTRUCTURE TRUST UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

18 July 2016

The Directors of Keppel Infrastructure Fund Management Pte Ltd, as Trustee-Manager of Keppel Infrastructure Trust, advise the following results of Keppel Infrastructure Trust for the second quarter and half year ended 30 June 2016.

These figures have not been audited.

1H 2016 RESULTS HIGHLIGHTS

1. Distribution per unit (“DPU”) of 0.93 Singapore cents was declared for the quarter ended 30 June 2016, bringing total DPU to 1.86 Singapore cents for 1H FY16.
2. Group revenue for 1H FY16 was S\$268.6 million, 0.5% higher than 1H FY15, with the inclusion of contributions from the Crystal and KMC acquisitions after their acquisitions on 18 May 2015 and 30 June 2015 respectively, partially offset by lower revenue from City Gas as town gas tariff decreased with lower fuel prices, and Basslink’s facility fee not being earned as a result of the outage between 20 December 2015 and 13 June 2016 caused by a cable fault.
3. Higher profit attributable to Unitholders of the Trust in 1H FY16 as compared to 1H FY15 was mainly due to the time lag in the adjustment of City Gas’ tariffs to reflect actual fuel cost last year, partially offset by insurance deductibles from Basslink’s outage.
4. 1H FY16 distributable cash flows of S\$78.7 million⁽¹⁾ was S\$29.8 million higher than 1H FY15 mainly due to contributions from the Crystal and KMC acquisitions.
5. Net asset value per unit as at 30 June 2016 decreased to 32.4 Singapore cents from 35.3 Singapore cents as at 31 December 2015 primarily attributable to the marked-to-market movement of derivative instruments and distributions to Unitholders.
6. Gearing⁽²⁾ as at 30 June 2016 was 36% compared to 35% as at 31 December 2015 as the Trust drew down loans to repay one of its subsidiaries and to fund the boilers upgrade for Senoko WTE plant.

(1) Excluding Basslink, being consistent with previous results announcements

(2) Defined as net debt over total assets

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**KEPPEL INFRASTRUCTURE TRUST
SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016 FINANCIAL STATEMENTS**

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INTRODUCTION

Keppel Infrastructure Trust ("KIT" or "Trust"), was originally listed on 12 February 2007 on the Singapore Exchange Securities Trading Limited as CitySpring Infrastructure Trust ("CIT").

On 18 May 2015, CIT acquired the business undertakings and assets of Crystal Trust (formerly known as Keppel Infrastructure Trust) in exchange for the issue of approximately 1.33 billion new CIT units to Crystal Trust Unitholders (the "Crystal Acquisition"), and was renamed Keppel Infrastructure Trust.

On 30 June 2015, KIT completed the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd ("KMC") which owns the Keppel Merlimau Cogen Plant (the "KMC Plant"), a 1,300 MW combined cycle gas turbine generation facility on Jurong Island, Singapore (the "KMC Acquisition"). The purchase consideration of S\$510 million was financed by an equity fund raising.

On 19 October 2015, KIT announced the change of its financial year end from 31 March to 31 December. The results for the second quarter and half year ended 30 June 2016 are compared to the results for the second quarter and half year ended 30 September 2015 of the previous financial period.

For ease of reference, the following abbreviations are used in this announcement:

"**2Q FY16**": For the 3 months ended 30 June 2016;

"**2Q FY15**": For the 3 months ended 30 September 2015;

"**1H FY16**": For the 6 months ended 30 June 2016; and

"**1H FY15**": For the 6 months ended 30 September 2015;

Keppel Infrastructure Fund Management Pte. Ltd. is the Trustee-Manager of KIT, and wholly-owned by the Sponsor of the Trust, Keppel Infrastructure Holdings Pte. Ltd., which is in turn a wholly-owned subsidiary of Keppel Corporation Limited.

With effect from 21 September 2015, KIT was included in the FTSE ST Large/Mid Cap Index and FTSE ST Mid Cap Index.

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

1. **UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016**

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust**, advise the following unaudited results of the Group for the second quarter and half year ended 30 June 2016.

1(a) **INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME
for the second quarter and half year ended 30 June 2016**

(i) **Consolidated Income Statement**

	<u>Group</u>					
	2Q FY16 S\$'000	2Q FY15 S\$'000	Change %	1H FY16 S\$'000	1H FY15 S\$'000	Change %
Revenue	137,351	152,937	(10.2)	268,600	267,326	0.5
Other income	16,331	1,292	>100.0	18,039	2,114	>100.0
Other (losses)/gains - net	(1,303)	424	N/M	(2,654)	835	N/M
Expenses						
Fuel and electricity costs	(22,128)	(37,591)	(41.1)	(43,563)	(73,036)	(40.4)
Gas transportation costs	(22,539)	(21,512)	4.8	(44,212)	(43,349)	2.0
Depreciation and amortisation	(28,729)	(29,266)	(1.8)	(57,408)	(38,680)	48.4
Staff costs	(6,007)	(6,113)	(1.7)	(12,750)	(12,692)	0.5
Operation and maintenance costs	(24,113)	(19,848)	21.5	(47,229)	(28,555)	65.4
Finance costs	(27,481)	(30,566)	(10.1)	(53,545)	(46,777)	14.5
Management fees	(2,315)	(2,339)	(1.0)	(4,616)	(4,298)	7.4
Other operating expenses	(10,690)	(11,783)	(9.3)	(20,312)	(23,376)	(13.1)
Total expenses	<u>(144,002)</u>	<u>(159,018)</u>	(9.4)	<u>(283,635)</u>	<u>(270,763)</u>	4.8
Profit/(Loss) before joint venture	8,377	(4,365)	N/M	350	(488)	N/M
Share of results of joint venture	<u>236</u>	<u>(51)</u>	N/M	<u>174</u>	<u>(106)</u>	N/M
Profit/(Loss) before tax	8,613	(4,416)	N/M	524	(594)	N/M
Income tax expense	(974)	(314)	>100.0	(2,402)	(936)	>100.0
Net profit/(loss) after tax	<u>7,639</u>	<u>(4,730)</u>	N/M	<u>(1,878)</u>	<u>(1,530)</u>	22.7
Profit/(Loss) attributable to:						
Unitholders	<u>16,568</u>	4,132	>100.0	<u>16,570</u>	6,790	>100.0
Non-controlling interests	<u>(8,929)</u>	<u>(8,862)</u>	0.8	<u>(18,448)</u>	<u>(8,320)</u>	>100.0
	<u>7,639</u>	<u>(4,730)</u>	N/M	<u>(1,878)</u>	<u>(1,530)</u>	22.7

N/M - Not meaningful

Please refer to paragraph 8.2 for further details.

1(a) **INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME (CONT'D)**
for the second quarter and half year ended 30 June 2016

(ii) **Consolidated Statement of Comprehensive Income**

	<u>Group</u>			1H FY16	1H FY15	Change
	2Q FY16	2Q FY15	Change			
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit/(loss) after tax	7,639	(4,730)	N/M	(1,878)	(1,530)	22.7
Other comprehensive income:						
<u>Items that may be reclassified</u>						
<u>subsequently to income statement</u>						
Cash flow hedges:						
- Fair value (losses)/gains	(33,981)	(12,066)	>100.0	(65,013)	29,196	N/M
- Transfer to income statement	2,387	4,400	(45.8)	3,417	7,463	(54.2)
Currency translation differences relating to consolidation of foreign subsidiaries	1,279	(175)	N/M	405	(469)	N/M
Other comprehensive income, net of tax	(30,315)	(7,841)	>100.0	(61,191)	36,190	N/M
Total comprehensive income	(22,676)	(12,571)	80.4	(63,069)	34,660	N/M
Attributable to:						
Unitholders	(11,312)	(8,363)	35.3	(36,795)	38,382	N/M
Non-controlling interests	(11,364)	(4,208)	>100.0	(26,274)	(3,722)	>100.0
	(22,676)	(12,571)	80.4	(63,069)	34,660	N/M

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Trust</u>	
	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000
Non-Current Assets				
Property, plant and equipment	2,387,775	2,455,759	-	-
Intangibles	542,574	553,542	-	-
Investment in subsidiaries	-	-	1,028,331	1,029,111
Investment in and advances to joint venture	23,954	21,434	-	-
Long term receivables from subsidiaries	-	-	787,179	775,712
Service concession receivables	423,514	436,232	-	-
Finance lease receivables	119,520	124,142	-	-
Derivative financial instruments	629	12,939	-	-
Other assets	76,286	32,132	-	-
Total non-current assets	3,574,252	3,636,180	1,815,510	1,804,823
Current Assets				
Cash and bank deposits	250,474	243,636	38,345	56,759
Trade and other receivables	96,196	90,462	5,399	5,594
Service concession receivables	57,965	57,853	-	-
Finance lease receivables	9,143	8,995	-	-
Derivative financial instruments	499	-	-	-
Inventories	51,245	55,990	-	-
Other current assets	21,090	22,362	67	172
Total current assets	486,612	479,298	43,811	62,525
Current Liabilities				
Borrowings	30,987	25,108	-	-
Loan from related party	-	4,541	-	4,541
Loan from subsidiary company	-	-	97,335	99,000
Trade and other payables	142,521	144,279	4,590	4,023
Derivative financial instruments	27,571	20,481	-	-
Current tax liabilities	7,436	9,044	40	52
Total current liabilities	208,515	203,453	101,965	107,616
Net Current Assets/(Liabilities)	278,097	275,845	(58,154)	(45,091)
Non-Current Liabilities				
Borrowings	1,675,430	1,644,530	56,739	-
Notes payable to non-controlling interests	260,000	260,000	-	-
Loan from subsidiary company	-	-	-	43,335
Derivative financial instruments	119,064	73,312	-	-
Other payables	269,841	265,658	-	-
Provisions	37,956	38,143	-	-
Deferred tax liabilities	25,245	29,596	-	-
Total non-current liabilities	2,387,536	2,311,239	56,739	43,335
Net Assets	1,464,813	1,600,786	1,700,617	1,716,397
Represented by:				
Unitholders' Funds				
Units in issue	2,137,389	2,137,322	2,137,389	2,137,322
Hedging reserve	(255,630)	(201,772)	-	-
Translation reserve	(26,629)	(27,122)	-	-
Capital reserve	38,710	38,710	-	-
Accumulated losses	(642,521)	(587,350)	(436,772)	(420,925)
Total Unitholders' funds	1,251,319	1,359,788	1,700,617	1,716,397
Non-controlling interests	213,494	240,998	-	-
Total	1,464,813	1,600,786	1,700,617	1,716,397

Please refer to paragraphs 8.3 and 8.4 for further details.

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

	<u>Group</u>	
	30 Jun 2016	31 Dec 2015
	S\$'000	S\$'000
Unsecured borrowings		
Amount repayable within one year	-	4,541
Amount repayable after one year	<u>56,739</u>	<u>-</u>
	56,739	4,541
Secured borrowings		
Amount repayable within one year	30,987	25,108
Amount repayable after one year	<u>1,618,691</u>	<u>1,644,530</u>
	1,649,678	1,669,638
Total borrowings	<u>1,706,417</u>	<u>1,674,179</u>

Details of collaterals

The bank borrowings are secured over the assets and business undertakings of City Gas, SingSpring and Basslink Group. The bank borrowings granted to SingSpring is also secured by a charge over the units in SingSpring held by the Trustee-Manager and Hyflux Ltd¹, and a charge over the shares held by the Trustee-Manager in SingSpring Pte Ltd. The bank borrowings granted to KMC is secured mainly by an assignment of KMC's rights under the Capacity Tolling Agreement.

¹ 30% unitholder of SingSpring Trust

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS**
for the second quarter and half year ended 30 June 2016

	Group			
	2Q FY16	2Q FY15	1H FY16	1H FY15
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit/(loss) before tax	8,613	(4,416)	524	(594)
Adjustments for:				
Depreciation and amortisation	28,729	29,266	57,408	38,680
Finance costs	27,481	30,566	53,545	46,777
Interest income	(401)	(763)	(856)	(1,284)
Fair value loss/(gain) on derivative financial instruments	897	(598)	2,239	(1,049)
Allowance for doubtful debt	30	-	30	-
Loss/(gain) on disposal of property, plant and equipment	237	(13)	486	(13)
Share of results of joint venture	(236)	51	(174)	106
Unrealised translation loss/(gain)	89	(178)	113	(183)
Management fees paid in units	67	-	67	-
Operating cash flow before working capital changes	65,506	53,915	113,382	82,440
Changes in working capital:				
Trade and other receivables	5,800	(15,388)	(22,115)	(15,195)
Trade and other payables	(5,983)	(4,163)	2,456	7,254
Inventories	2,733	(662)	4,745	1,330
Cash generated from operations	68,056	33,702	98,468	75,829
Interest received	381	814	795	1,037
Interest paid	(21,813)	(28,922)	(50,581)	(42,487)
Income tax paid	(1,936)	(2,452)	(4,890)	(4,153)
Net cash generated from operating activities	44,688	3,142	43,792	30,226
Investing activities				
Advances to joint venture	(2,346)	(1,173)	(2,346)	(5,253)
Purchase of property, plant and equipment	(468)	(664)	(581)	(1,472)
Construction of assets	-	-	(6,926)	-
Proceeds from sale of property, plant and equipment	-	21	-	21
Acquisition of subsidiaries, net of cash acquired (Note a)	-	-	-	(13,148)
Net cash used in investing activities	(2,814)	(1,816)	(9,853)	(19,852)
Financing activities				
Decrease/(increase) in restricted cash	16,490	(632)	24,974	(3,486)
Proceeds from notes issued by subsidiary to non-controlling interest	-	-	-	245,000
Proceeds from borrowings	31,930	-	57,027	-
Repayment of related parties' loans	(4,541)	-	(4,541)	(500,000)
Repayment of borrowings	(3,163)	(4,262)	(6,317)	(11,516)
Net proceeds raised from issuance of units (Note b)	-	-	-	521,116
Payment of loan upfront fees	-	(2,100)	(315)	(2,100)
Distributions paid to Unitholders of the Trust	(35,872)	(9,642)	(71,741)	(91,608)
Distributions paid by subsidiaries to non-controlling interests	(630)	(1,204)	(1,230)	(1,684)
Net cash generated from/(used in) financing activities	4,214	(17,840)	(2,143)	155,722
Net increase/(decrease) in cash and cash equivalents	46,088	(16,514)	31,796	166,096
Cash and cash equivalents at beginning of the period	185,794	380,273	200,064	197,862
Effect of currency translation on cash and cash equivalents	(8)	(707)	14	(906)
Cash and cash equivalents at end of the period (Note c)	231,874	363,052	231,874	363,052

Note a: Acquisition of subsidiaries, net of cash acquired, relates to the Crystal Acquisition and the KMC Acquisition. Cash acquired from the Crystal Acquisition and the KMC Acquisition was S\$11.9 million and S\$230 million, respectively. The cash of S\$230 million from the KMC Acquisition was designated as a prepayment of the capacity tolling fee.

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**
for the second quarter and half year ended 30 June 2016

Note a: During the financial year ended 31 December 2015, the fair values of the net assets of subsidiaries acquired were as follows:

	Fair value S\$'000
ASSETS	
Property, plant and equipment	1,636,643
Intangible assets	38,234
Cash and bank deposits	241,852
Trade and other receivables	44,043
Service concession receivables	509,468
Inventories	38,950
Total assets	<u>2,509,190</u>
LIABILITIES	
Borrowings	(703,479)
Trade and other payables	(715,011)
Current tax liabilities	(2,275)
Deferred tax liabilities	(6,500)
Total liabilities	<u>(1,427,265)</u>
Net identifiable assets acquired	1,081,925
Non-controlling interest measured at non-controlling interest's proportionate share of the net assets	(245,000)
Goodwill arising from acquisition	153,425
Total purchase consideration	<u>990,350</u>
Less: Purchase consideration via units swap	(729,475)
Less: Cash and cash equivalents in subsidiaries acquired	(241,852)
Less: Transaction cost paid	(5,875)
Acquisition of subsidiaries, net of cash acquired	<u>13,148</u>

Note b: Of the proceeds of approximately S\$525 million raised from the equity fund raising (comprising of a private placement and preferential offering), approximately S\$510 million had been utilised to fund the KMC Acquisition as announced on 30 June 2015. The remaining proceeds of approximately S\$15 million were largely utilised in accordance with the intended uses and allocation of amounts set out in the same announcement of 30 June 2015 in relation to professional and other fees payable in connection with the equity fund raising and the KMC Acquisition.

Note c:

	30 Jun 2016 S\$'000	30 Sep 2015 S\$'000
Cash and bank deposits	250,474	406,240
Less: Restricted cash	<u>(18,600)</u>	<u>(43,188)</u>
Cash and cash equivalents	<u>231,874</u>	<u>363,052</u>

Restricted cash represents the amount of cash and cash equivalents required to be set aside to meet interest and principal repayments for loans extended to, and for secured bank guarantees of, the Group.

Refer to paragraph 8.1 for further details.

1(d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS
for the second quarter and half year ended 30 June 2016

Group	Attributable to Unitholders of the Trust							
	Units in Issue S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Non-controlling Interests S\$'000	Total S\$'000
2016								
Balance as at 1 Jan 2016	2,137,322	(201,772)	(27,122)	38,710	(587,350)	1,359,788	240,998	1,600,786
<u>Total comprehensive income</u>								
Profit/(loss) for the period	-	-	-	-	2	2	(9,519)	(9,517)
Other comprehensive income for the period	-	(24,661)	(824)	-	-	(25,485)	(5,391)	(30,876)
Total	-	(24,661)	(824)	-	2	(25,463)	(14,910)	(40,393)
<u>Transactions with owners, recognised directly in equity</u>								
Units issued	67	-	-	-	-	67	-	67
Distributions paid	-	-	-	-	(35,869)	(35,869)	(600)	(36,469)
Total	67	-	-	-	(35,869)	(35,802)	(600)	(36,402)
Balance as at 31 Mar 2016	2,137,389	(226,433)	(27,946)	38,710	(623,217)	1,298,503	225,488	1,523,991
<u>Total comprehensive income</u>								
Profit/(loss) for the period	-	-	-	-	16,568	16,568	(8,929)	7,639
Other comprehensive income for the period	-	(29,197)	1,317	-	-	(27,880)	(2,435)	(30,315)
Total	-	(29,197)	1,317	-	16,568	(11,312)	(11,364)	(22,676)
<u>Transactions with owners, recognised directly in equity</u>								
Distributions paid	-	-	-	-	(35,872)	(35,872)	(630)	(36,502)
Balance as at 30 Jun 2016	2,137,389	(255,630)	(26,629)	38,710	(642,521)	1,251,319	213,494	1,464,813

1(d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)
for the second quarter and half year ended 30 June 2016

Group	Attributable to Unitholders of the Trust							Non-controlling Interests S\$'000	Total S\$'000
	Units in Issue S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Total S\$'000		
2015									
Balance as at 1 Apr 2015	886,731	(236,114)	(27,124)	38,710	(475,329)	186,874	11,855	198,729	
<u>Total comprehensive income</u>	-	-	-	-	2,658	2,658	542	3,200	
Profit for the period	-	44,333	(246)	-	-	44,087	(56)	44,031	
Other comprehensive income for the period	-	44,333	(246)	-	2,658	46,745	486	47,231	
<u>Total</u>	1,249,466	(191,781)	(27,370)	38,710	(554,637)	1,401,119	256,861	1,657,980	
Balance as at 30 Jun 2015	2,136,197	(204,023)	(27,623)	38,710	(560,147)	1,383,114	251,449	1,634,563	
<u>Total comprehensive income</u>	-	-	-	-	4,132	4,132	(8,862)	(4,730)	
Profit/(loss) for the period	-	(12,242)	(253)	-	-	(12,495)	4,654	(7,841)	
Other comprehensive income for the period	-	(12,242)	(253)	-	4,132	(8,363)	(4,208)	(12,571)	
<u>Total</u>	2,136,197	(204,023)	(27,623)	38,710	(560,147)	1,383,114	251,449	1,634,563	
Balance as at 30 Sep 2015	2,136,197	(204,023)	(27,623)	38,710	(560,147)	1,383,114	251,449	1,634,563	
<u>Transactions with owners, recognised directly in equity</u>									
Units issued	1,249,466	-	-	-	-	1,249,466	-	1,249,466	
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	245,000	245,000	
Distributions paid	-	-	-	-	(81,966)	(81,966)	(480)	(82,446)	
<u>Total</u>	1,249,466	-	-	-	(81,966)	1,167,500	244,520	1,412,020	
Balance as at 30 Jun 2015	2,136,197	(191,781)	(27,370)	38,710	(554,637)	1,401,119	256,861	1,657,980	
<u>Total comprehensive income</u>	-	-	-	-	4,132	4,132	(8,862)	(4,730)	
Profit/(loss) for the period	-	(12,242)	(253)	-	-	(12,495)	4,654	(7,841)	
Other comprehensive income for the period	-	(12,242)	(253)	-	4,132	(8,363)	(4,208)	(12,571)	
<u>Total</u>	2,136,197	(204,023)	(27,623)	38,710	(560,147)	1,383,114	251,449	1,634,563	
Balance as at 30 Sep 2015	2,136,197	(204,023)	(27,623)	38,710	(560,147)	1,383,114	251,449	1,634,563	
<u>Transactions with owners, recognised directly in equity</u>									
Distributions paid	-	-	-	-	(9,642)	(9,642)	(1,204)	(10,846)	
<u>Total</u>	2,136,197	(204,023)	(27,623)	38,710	(560,147)	1,383,114	251,449	1,634,563	

1(d)(i) **STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)**
for the second quarter and half year ended 30 June 2016

<u>Trust</u>	Units in Issue S\$'000	Hedging Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000
2016				
Balance as at 1 Jan 2016	2,137,322	-	(420,925)	1,716,397
<u>Total comprehensive income</u>				
Profit for the period	-	-	31,915	31,915
<u>Transactions with owners_</u> <u>recognised directly in equity</u>				
Units issued	67	-	-	67
Distributions paid	-	-	(35,869)	(35,869)
Total	67	-	(35,869)	(35,802)
Balance as at 31 Mar 2016	2,137,389	-	(424,879)	1,712,510
<u>Total comprehensive income</u>				
Profit for the period	-	-	23,979	23,979
<u>Transactions with owners_</u> <u>recognised directly in equity</u>				
Distributions paid	-	-	(35,872)	(35,872)
Balance as at 30 Jun 2016	2,137,389	-	(436,772)	1,700,617
2015				
Balance as at 1 Apr 2015	886,731	-	(163,201)	723,530
<u>Total comprehensive income</u>				
Profit for the period	-	-	8,459	8,459
Other comprehensive income for the period	-	(134)	-	(134)
Total	-	(134)	8,459	8,325
<u>Transactions with owners_</u> <u>recognised directly in equity</u>				
Units issued	1,249,466	-	-	1,249,466
Distributions paid	-	-	(81,966)	(81,966)
Total	1,249,466	-	(81,966)	1,167,500
Balance as at 30 Jun 2015	2,136,197	(134)	(236,708)	1,899,355
<u>Total comprehensive income</u>				
Profit for the period	-	-	29,647	29,647
Other comprehensive income for the period	-	641	-	641
Total	-	641	29,647	30,288
<u>Contributions by and</u> <u>distributions to owners</u>				
Distributions paid	-	-	(9,642)	(9,642)
Balance as at 30 Sept 2015	2,136,197	507	(216,703)	1,920,001

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

	1 Apr 2016 to 30 Jun 2016	1 Jul 2015 to 30 Sep 2015	1 Jan 2016 to 30 Jun 2016	1 Apr 2015 to 30 Sep 2015
<u>GROUP and TRUST</u>				
Issued units at the beginning of the period	3,857,063,631	3,856,931,931	3,856,931,931	1,518,893,062
Issuance of consideration units ⁽¹⁾	-	-	-	1,326,319,374
Issuance of placement and preferential units ⁽²⁾	-	-	-	1,011,719,495
Issuance of new units ⁽³⁾	-	-	131,700	-
Issued units at the end of the period	3,857,063,631	3,856,931,931	3,857,063,631	3,856,931,931

Notes:

- (1) The consideration units were issued on 18 May 2015 pursuant to the Crystal Acquisition.
- (2) This relates to the placement of 792,857,000 units at an issue price of \$0.52 per unit on 28 May 2015 and issuance of 218,862,495 preferential units at an issue price of \$0.515 per unit on 19 June 2015 pursuant to the equity fund raising in connection with the KMC Acquisition.
- (3) This relates to the payment of 2.4% of management fee and performance fee in the form of units to the Trustee-Manager on 24 February 2016.

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

The Group and Trust does not hold any treasury units as at 30 June 2016 and 31 December 2015.

The total number of issued units as at 30 June 2016 and 31 December 2015 were 3,857,063,631 and 3,856,931,931 respectively.

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

Not applicable.

2. AUDIT

The figures have not been audited nor 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 2015.

5. CHANGES IN 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 2016. 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”)

	2Q FY16	2Q FY15	%	Group		%
				1H FY16	1H FY15	
Weighted average number of units	3,857,063,631	3,856,931,931	0.0	3,857,024,555	3,102,308,738	24.3
EPU						
- based on the weighted average number of units in issue (cents)						
- basic and diluted	0.43	0.11	>100.0	0.43	0.22	95.5

7. NET ASSET VALUE (“NAV”) PER UNIT

	Group			Trust		
	30 Jun 2016	31 Dec 2015	%	30 Jun 2016	31 Dec 2015	%
NAV per unit (cents)	32.4	35.3	(8.2)	44.1	44.5	(0.9)
Adjusted NAV per unit (cents)						
- (after distribution payable to unitholders)	31.5	34.3	(8.2)	43.2	43.6	(0.9)

The Group NAV per unit before hedging and translation reserves was 39.8 cents as at 30 June 2016 and 41.2 cents as at 31 December 2015.

The number of units used for computation of NAV per unit and adjusted NAV per unit were 3,857,063,631 and 3,856,931,931 which were the number of units in issue as at 30 June 2016 and 31 December 2015 respectively.

8. REVIEW OF PERFORMANCE

8.1 Cashflow

Net cash generated from operating activities for 1H FY16 was S\$43.8 million, S\$13.6 million higher than that for 1H FY15. This was mainly due to the inclusion of contributions from KMC in 1H FY16, after the KMC Acquisition on 30 June 2015, partially offset by higher interest paid (please refer to Section 8.2 for the underlying reasons).

Net cash used in investing activities was S\$9.9 million for 1H FY16 which was related to the boiler upgrade at the Senoko Waste-to-Energy (“WTE”) plant. This was lower than that in 1H FY15 by S\$10.0 million as a result of the Crystal Acquisition and the KMC Acquisition and higher advances made to the DataCentre One joint venture in 1H FY15.

Net cash used in financing activities in 1H FY16 was S\$2.1 million as the reduction in restricted cash and increase in net borrowings were offset by distributions to KIT Unitholders.

In 1H FY15, proceeds from the issue of new KIT Units and notes issued by a subsidiary to non-controlling interests were primarily used to repay loans from related parties. After making distributions to KIT Unitholders, net cash generated from financing activities was S\$155.7 million.

Cash and bank deposits less restricted cash as at 30 June 2016 was S\$231.9 million compared to S\$363.1 million as at 30 September 2015.

8. REVIEW OF PERFORMANCE (CONT'D)

8.2 Income Statement

Revenue

Group revenue for 2Q FY16 was S\$137.4 million, bringing the total revenue recognised in 1H FY16 to S\$268.6 million.

At City Gas, revenue of S\$70.5 million in 2Q FY16 and S\$141.0 million in 1H FY16 were lower than that for the corresponding periods in the last financial year as town gas tariff decreased with lower fuel prices. City Gas achieved 100% plant availability throughout 1H FY16.

The Concessions² contributed revenue of S\$28.1 million in 2Q FY16 and S\$56.0 million in 1H FY16 compared to S\$26.0 million in 2Q FY15 and S\$40.2 million in 1H FY15. Revenue was higher in 2Q FY16 mainly due to the boiler upgrade at the Senoko WTE plant. Revenue was higher in 1H FY16 as the Crystal Assets (Senoko WTE, Tuas WTE and Ulu Pandan NEWater plants) were acquired on 18 May 2015, contributing full 6 months of revenue in 1H FY16 compared to approximately 4.5 months of revenue in 1H FY15. All 4 plants fulfilled their contractual obligations during the period.

Basslink's revenue decreased to A\$5.2 million (approximately S\$5.3 million) in 2Q FY16 from A\$14.8 million (approximately S\$14.9 million) in 2Q FY15. Similarly, 1H FY16 revenue was lower at A\$6.4 million (approximately S\$6.5 million) compared to A\$30.6 million (approximately S\$31.5 million) in 1H FY15. The decreased revenue was due mainly to facility fee not being earned as a result of the outage between 20 December 2015 and 13 June 2016 caused by a cable fault. Revenue resumed thereafter.

CityNet contributed revenue of S\$1.1 million and S\$2.1 million in 2Q FY16 and 1H FY16, respectively, similar to the last financial year.

Contributions from KMC only commenced after its acquisition on 30 June 2015. Accordingly, revenue contributions for 2Q FY16 and 1H FY16 were higher than the comparative periods at S\$26.3 million and S\$56.9 million respectively. KMC underwent extended maintenance for one of its four turbines in 1Q FY16, which resulted in a slight reduction in capacity fee.

Other income

Other income in 2Q FY16 included insurance compensation recognised in connection with Basslink's cable fault.

Other gains/(losses) - net

Other gains/(losses) comprise mainly the fair value movement on derivative instruments.

Expenses

Fuel and electricity costs of S\$22.1 million in 2Q FY16 and S\$43.6 million in 1H FY16 were lower than 2Q FY15 and 1H FY15 due to lower fuel prices.

Gas transportation costs of S\$22.5 million in 2Q FY16 and S\$44.2 million in 1H FY16 were comparable to 2Q FY15 and 1H FY15.

Depreciation and amortisation expenses of S\$57.4 million in 1H FY16 were higher compared to 1H FY15 as the depreciation and amortisation expenses of the Crystal Assets and KMC were included after their acquisitions.

Operation and maintenance costs increased to S\$24.1 million in 2Q FY16 from S\$19.8 million in 2Q FY15 as a result of the boiler upgrade at Senoko WTE plant. Similarly, operations and maintenance costs increased to S\$47.2 million in 1H FY16 from S\$28.6 million in 1H FY15 mainly due to the boiler upgrade at the Senoko WTE plant, and the inclusion of the costs of the Crystal Assets and KMC after their acquisitions.

Finance costs for 2Q FY16 reduced by S\$3.1 million to S\$27.5 million as a result of lower interest rates. Finance costs for 1H FY16 of S\$53.5 million was higher compared to 1H FY15 by S\$6.8 million as finance costs of KMC and interests on notes to its non-controlling interest were included after its acquisition.

² Concessions comprise Senoko Waste-to-Energy ("WTE"), Tuas WTE, SingSpring and Ulu Pandan NEWater plants

8. REVIEW OF PERFORMANCE (CONT'D)

8.2 Income Statement (Cont'd)

Expenses (cont'd)

Other operating expenses fell from S\$11.8 million in 2Q FY15 to S\$10.7 million in 2Q FY16 due mainly to lower expenses incurred at City Gas. Other operating expenses for 1H FY16 was S\$20.3 million, S\$3.1 million lower than 1H FY15, mainly due to one-off transaction costs which were incurred in connection with the Crystal and KMC Acquisitions in 1H FY15.

Management fees for 2Q FY16 were comparable to 2Q FY15. The fees were S\$0.3 million higher in 1H FY16 compared to 1H FY15 as a result of the contributions from the Crystal Assets and KMC, following their acquisitions and a more favourable management fee structure being adopted.

Share of results of joint venture relates to KIT's interest in DataCentre One. The construction of the DataCentre was completed on 12 April 2016 and the lease commenced on the same date. The joint venture started contributing profits to the Group in 2Q FY16.

Profit attributable to Unitholders of the Trust

Profit attributable to Unitholders of the Trust in 2Q FY16 was higher compared to 2Q FY15 due mainly to higher other income being recognized. Profit attributable to Unitholders of the Trust in 1H FY16 was higher than that for 1H FY15 as the time lag in the adjustment of City Gas' tariffs to reflect actual fuel cost in 1H FY15 was partially offset by the impact of insurance deductibles from Basslink's outage.

8.3 Balance Sheet – Group

Total assets as at 30 June 2016 was S\$4,060.9 million, which was marginally lower than total assets of S\$4,147.4 million as at 31 December 2015.

Total liabilities was S\$2,596.1 million as at 30 June 2016, S\$81.4 million higher than S\$2,514.7 million as at 31 December 2015. The increase was mainly due to higher borrowings of approximately S\$31.0 million and higher derivative financial liability as a result of marked-to-market movements.

Total Unitholders' funds stood at S\$1,251.3 million as at 30 June 2016 as compared to S\$1,359.8 million as at 31 December 2015 due to distributions paid and marked-to-market movements of the derivative financial instruments.

8.4 Balance Sheet – Trust

Net assets as at 30 June 2016 of S\$1,700.6 million was comparable to S\$1,716.4 million as at 31 December 2015.

9. VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2016 has been disclosed.

10. PROSPECTS

KIT's assets typically generate stable cash flows, with repairs and maintenance of the plants provided for as scheduled outages.

However, if such an outage lasts longer than anticipated and causes the availabilities of the plants to fall below their respective contracted levels, the plants will not be able to receive full payments due under their contracts. In addition, if the plants incur significant downtime due to extraordinary or extensive repairs, it could also lead to termination of contracts and/or liabilities or compensation arising under such agreements. Similarly, reduced availability due to the foregoing reasons would also affect production levels and revenues at City Gas.

City Gas' performance could fluctuate depending on changes in economic conditions and time lag in the adjustments of gas tariffs in response to changes in fuel costs. The tariff adjustments mechanism is designed to ensure that City Gas fully recovers its fuel costs over the long run.

Waste and water concessions have long-term contracts with Singapore statutory bodies and derive most of their cash flows from capacity and availability payments. As such, the underlying performance of these assets are expected to remain stable.

KIT has entered into an agreement with NEA to provide additional incineration capacity at the Senoko WTE Plant. The upgrade, started in September 2015, is planned to be completed in 3Q 2016 and will progressively increase the contracted incineration capacity of the Plant by up to 10% from 2,100 tonnes per day. This is expected to increase the operating cash flows of the Plant. Five out of six boilers have been completed as at 30 June 2016.

Under the capacity tolling agreement, KMC will receive a maximum annual capacity fee of S\$108 million as long as it meets the availability and capacity test targets, with most of its operating costs being passed through.

While intended to be neutral over the long-term, the CRSM in Basslink may fluctuate in the short-term and such fluctuations will affect the revenues of Basslink. Following a review in April 2016, the CRSM has been adjusted from a band of +25%/-20% to +12.5%/-12.5%, thus reducing the volatility in the facility fees to be received.

DataCentre One has been completed and handed over on 12 April 2016 and has commenced generating cash flows.

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. Unitholders will be updated as more information becomes available.

The Trustee-Manager will evaluate asset enhancement opportunities in its enlarged portfolio, and will continue to identify and evaluate suitable acquisitions, including those from the Sponsor, under its investment mandate to further grow the Trust.

11. DISTRIBUTIONS

11a. Current financial period reported on

Any distributions recommended for the current financial period reported on? Yes

Amount	:	S\$35.9 million
Distribution period	:	1 April 2016 to 30 June 2016
Distribution rate	:	0.93 Singapore cents per unit
Distribution type	:	Cash, Tax-exempt Distribution
Tax rate	:	Distributions to Unitholders are exempt from Singapore income tax, regardless of their nationality, corporate identity or tax residence status. No credit is allowed to Unitholders for the tax paid by the Trustee-Manager.

11b. Corresponding Period of the Immediately Preceding Financial Year

Any distributions recommended for the current financial period reported on? Yes

Amount	:	S\$35.9 million
Distribution period	:	1 July 2015 to 30 September 2015
Distribution rate	:	0.93 Singapore cents per unit
Distribution type	:	Cash, Tax-exempt Distribution
Tax rate	:	Distributions to Unitholders are exempt from Singapore income tax, regardless of their nationality, corporate identity or tax residence status. No credit is allowed to Unitholders for the tax paid by the Trustee-Manager.

11c. Date Payable

19 August 2016

11d. Books Closure Date

Notice is hereby given that, the Unit Transfer Books and Register of Unitholders of KIT will be closed at 5.00 p.m. on 26 July 2016 for the purposes of determining each Unitholder's entitlement to the Distribution. Duly completed transfers in respect of Units in the capital of KIT received by the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, up to 5.00 p.m. on 26 July 2016 will be registered to determine Unitholders' entitlement to the Distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 p.m. on 26 July 2016 will be entitled to the Distribution.

12. INTERESTED PERSON TRANSACTIONS

The Group had obtained a general mandate pursuant to Rule 920 for interested person transactions as approved by independent unitholders at the extraordinary general meeting held on 28 July 2015. The figures below are calculated based on the effective interest held by the Trust in each subsidiary. During the financial period, the following interested person transactions were entered into by the Group:

Name of Interested Person / Nature of Transaction	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	1H FY16 S\$'000	1H FY15 S\$'000	1H FY16 S\$'000	1H FY15 S\$'000
1. Temasek Holdings (Private) Limited and its Associates				
General Transaction				
(a) Sales of Goods and Services	-	-	1,595	7,753
(b) Management Fee Income	-	-	2,068	2,068
(c) Reimbursement of expenses	-	-	3,260	3,159
(d) Purchases	-	-	76,750	102,978
(e) Rental expense	-	-	2,820	586
(f) Management Fee Expense	-	-	-	1,204
Total	-	-	86,493	117,748
2. Keppel Corporation Group				
General Transaction				
(a) Sales of Goods and Services	-	1,052,456 [#]	-	-
(b) Management Fee Expense	-	-	4,803	3,352
(c) Purchases	-	194,213 [#]	49,473	10,561
(d) Acquisition of subsidiary	-	510,000 [#]	-	-
(e) Acquisition fee	-	4,335 [#]	-	-
Treasury Transactions	-	-	33,447	128,669
Total	-	1,761,004 [#]	87,723	142,582

[#] These transactions were approved during the Crystal Acquisition and KMC Acquisition, prior to the approval of the IPT mandate.

CONFIRMATION BY THE BOARD

Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we 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 second quarter and half year ended 30 June 2016 financial statements of Keppel Infrastructure Trust to be false or misleading, in any material aspect.

CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Trust confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors



KOH BAN HENG
Chairman



ONG TIONG GUAN
Director

Singapore
18 July 2016