



## First Quarter 2013 Financial Results 15 April 2013

**Keppel REIT**



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## Growing from strength to strength



- 🔦 Portfolio of **nine** quality commercial Grade A office assets which are tenanted by established corporate tenants well-diversified across various business sectors
- 🔦 Total **portfolio** value of more than **\$6.6 billion**
- 🔦 Total NLA of approximately **2.8m sf** as at 31 March 2013
- 🔦 Market capitalisation of **\$3.6 billion<sup>(1)</sup>** as at 28 March 2013
- 🔦 Strong sponsorship by Keppel Land Limited
- 🔦 Proven organic growth and acquisition track record

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(1) Based on market closing unit price of \$1.36 on 28 March 2013.

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## Growth History



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# Sterling Property Portfolio

- 🚧 **Nine** premium Grade A office assets valued at more than **\$6.6 billion**
- 🚧 Young portfolio, average age of approximately **5 years**
- 🚧 Approximately **92%** of Singapore Portfolio by AUM located in the **Raffles Place and Marina Bay precincts**
- 🚧 Assets in Singapore and Australia, two of the handful of countries with AAA sovereign ratings.

## Singapore Properties



Ocean Financial Centre  
(99.9% interest)



MBFC Towers 1 and 2 and  
Marina Bay Link Mall  
(33.3% interest)



Bugis Junction  
Towers



One Raffles Quay  
(33.3% interest)



Prudential Tower  
(92.8% interest)

## Australia Properties



275 George Street  
(50% interest), Brisbane



77 King Street Office Tower,  
Sydney



8 Chifley Square (50% interest), Sydney  
*\* Expected to be completed  
in 3Q 2013.*



Old Treasury Building Office Tower  
(50% interest), Perth  
*\* Expected to be completed in 2H 2015.*

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## 1Q 2013 Highlights

## 1Q 2013 Highlights

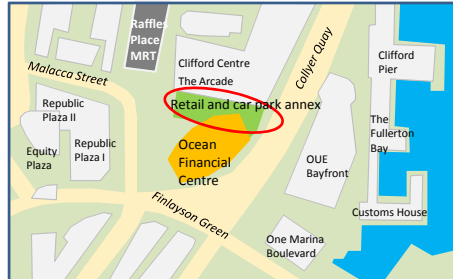
- Net property income **↑ 20.7%** y-o-y to **\$34.4 million**
- Share of results of associates **↑ 26.4%** y-o-y to **\$14.2 million**
- Distributable income **↑ 7.6%** y-o-y to **\$52.2 million**
- Distribution per Unit (DPU) **↑ 3.7%** y-o-y to **1.97 cents**
  - Annualised DPU **↑ 4.6%** y-o-y to **7.99 cents**
- All refinancing for 2013 completed
  - All-in interest rate at **2.17%** p.a.
- Average portfolio committed occupancy **↑ to ~ 99%**
  - Ocean Financial Centre **↑ to 96.6%**
  - MBFC Phase I **↑ to 100.0%**
- Four** out of seven completed properties 100% occupied

## Ocean Financial Centre

Retail and car park annex on track for completion in 3Q 2013



Retail and car park annex – 222 car park lots, and approximately 8,300 sf of retail and F&B space



Underground pedestrian network connecting Ocean Financial Centre to Raffles Place interchange MRT station



Ground floor plaza between the office tower and the retail and car park annex

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## 8 Chifley Square on schedule for completion in 3Q 2013

More than **56%** pre-committed by leading Australian companies

Corrs Chambers Westgarth

One of Australia's leading independent commercial law firms

Offices throughout Australia and partners around Asia, the Americas, Middle East and Europe

QBE Insurance Group

One of the world's top 20 general insurance and reinsurance companies

Listed on the ASX with a market cap of A\$15.6b



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## Acquired **Income-accretive asset in Perth**

- Acquired 50% interest in new office tower to be built on the Old Treasury Building site in Perth
- 98%** pre-committed by the Government of Western Australia
- Long-term lease of **25 years** with options for another **25 years**
- Will extend Keppel REIT's weighted average lease expiry<sup>(1)</sup> (WALE)



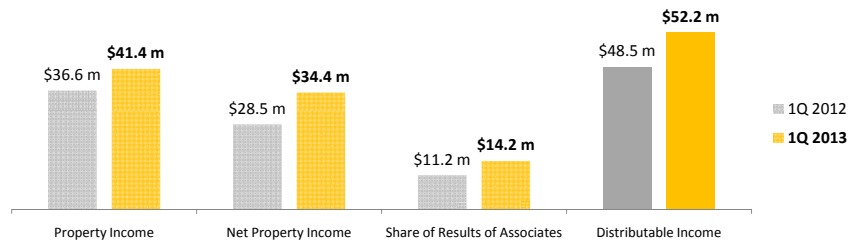
(1) Including the acquisition of the Old Treasury Building office tower, the top ten tenants WALE will be **9.3 years**.

(2) Including the acquisition of the Old Treasury Building office tower, the portfolio WALE will be **6.9 years**.

## Financial Highlights

## Distributable income ↑ 7.6% y-o-y to \$52.2m

	1Q 2013	1Q 2012	Change	
Property Income	\$41.4m	\$36.6m	\$4.8m	13.2%
Net Property Income	\$34.4m	\$28.5m	\$5.9m	20.7%
Share of Results of Associates	\$14.2m	\$11.2m	\$3.0m	26.4%
Distributable Income to Unitholders <sup>(1)</sup>	\$52.2m	\$48.5m	\$3.7m	7.6%
<b>Distribution Per Unit (DPU)</b>				
- For the Period	1.97 cents <sup>(2)</sup>	1.90 cents	0.07 cents	3.7%
- Annualised	7.99 cents	7.64 cents	0.35 cents	4.6%



(1) The distributable income to Unitholders is based on 100% of the income available for distribution.

(2) The Distribution per Unit is 1.97 cents in 1Q 2013 (based on advanced distribution of 1.35 cents for the period 1 January 2013 to 3 March 2013 pursuant to the placement of 40 million new units on 4 March 2013, and 0.62 cents for the period 4 March 2013 to 31 March 2013).

## 1Q 2013 Distribution Per Unit

DPU ↑ 3.7% y-o-y to 1.97 cents<sup>(1)</sup>

Advanced distribution: 1.35 cents (distributed on 12 April)

Remaining distribution: 0.62 cents (to be distributed on 28 May)

Distribution Per Unit (DPU)	1.97 cents <sup>(1)</sup>
Distribution Period	1 January 2013 – 31 March 2013

	Advanced Distribution	Remaining Distribution
Distribution Per Unit (DPU)	1.35 cents	0.62 cents
Distribution Period	1 Jan 2013 – 3 Mar 2013	4 Mar 2013 – 31 Mar 2013
<b>Distribution Timetable</b>		
Trading on "Ex" Basis	Wednesday, 27 Feb 2013	Friday, 19 Apr 2013
Books Closure Date	Friday, 1 Mar 2013	Tuesday, 23 Apr 2013
Distribution Payment Date	Friday, 12 Apr 2013	Tuesday, 28 May 2013

(1) DPU is 1.97 cents in 1Q 2013 (based on advanced distribution of 1.35 cents for the period 1 January 2013 to 3 March 2013 pursuant to the placement of 40 million new units on 4 March 2013, and 0.62 cents for the period 4 March 2013 to 31 March 2013).

## Healthy Balance Sheet

	As at 31 Mar 2013	As at 31 Dec 2012
<b>Non-current Assets</b>	\$6,107 m	\$6,002 m
<b>Total Assets</b>	\$6,254 m	\$6,139 m
<b>Borrowings<sup>(1)</sup></b>	\$2,878 m	\$2,801 m
<b>Total Liabilities</b>	\$2,734 m	\$2,674 m
<b>Unitholders' Funds</b>	\$3,518 m	\$3,464 m
<b>Net Asset Value (NAV) Per Unit</b>	\$1.31	\$1.32
<b>Adjusted NAV Per Unit<sup>(2)</sup></b>	\$1.29	\$1.30

(1) These include borrowings accounted for at the level of associates and excludes the unamortised portion of upfront fees in relation to the borrowings.

(2) For 31 March 2013, this excludes the advanced distribution in April 2013, and the remaining distribution in May 2013.  
For 31 December 2012, this excludes the distribution in February 2013.

## Capital Management



## Proactive Capital Management

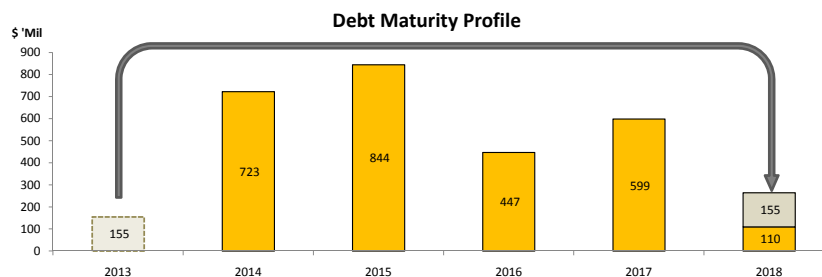
- 🚧 Completed all refinancing for FY2013
- 🚧 2013 refinancing quantum termed out to 2018
- 🚧 Well-staggered debt maturity profile
- 🚧 Low all-in average cost of borrowing at **2.17% p.a.**
- 🚧 Further diversified number of lenders from **12 to 14**
- 🚧 Interest coverage ratio of **4.8 times<sup>(1)</sup>**
- 🚧 Weighted average term to expiry of **3.2 years<sup>(2)</sup>**

(1) Interest coverage ratio = Ratio of quarter earnings before interest, tax, depreciation and amortisation divided by interest expense.

(2) As refinancing was completed on 15 April 2013, the proforma weighted average term to expiry as of 31 March 2013 is 3.2 years.

## Proactive Capital Management

	As at 31 March 2013
Gross Borrowings	\$2,878 m
Aggregate Leverage	43.3%
Average All-in Interest Rate	2.17% p.a.
Interest Coverage Ratio	4.8 times
Weighted Average Term to Expiry	3.2 years <sup>(1)</sup>

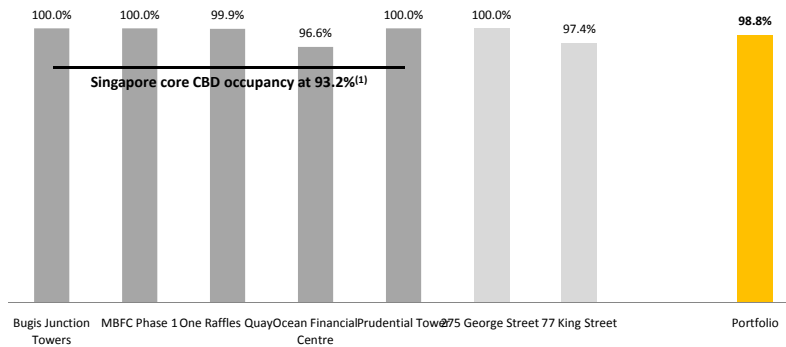


(1) As refinancing is completed on 15 April 2013, the proforma weighted average term to expiry as of 31 March 2013 is 3.2 years.

# Portfolio Analysis

## Strong Portfolio Occupancy at 99%

- Four out of seven completed properties are **100% occupied**
- Portfolio average occupancy has **increased steadily** since end-2011, post-acquisition of the 87.5% interest in Ocean Financial Centre
- Ocean Financial Centre is **~97% occupied**



(1) Source: CB Richard Ellis

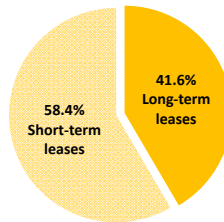
## Stable Lease Portfolio

Top ten tenants have long WALE of **6.9 years**<sup>(1)</sup>

### Weighted Average Lease Expiry (WALE)



### Portfolio with Long-Term Leases<sup>(3)</sup> by NLA



(1) Including the acquisition of the Old Treasury Building office tower, the top ten tenants WALE will be **9.3 years**.

(2) Including the acquisition of the Old Treasury Building office tower, the portfolio WALE will be **6.9 years**.

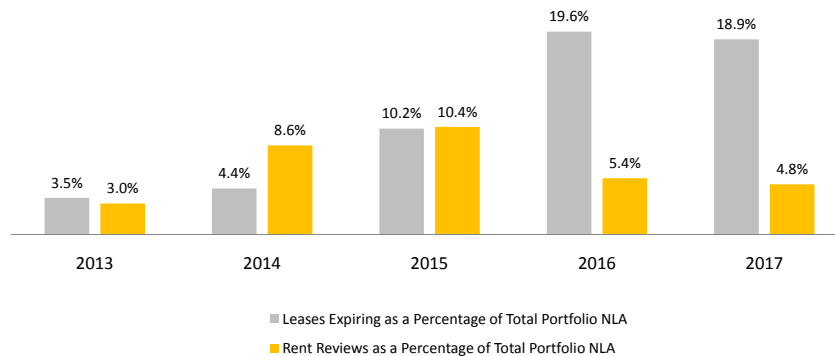
(3) Long-term leases are those with lease terms to expiry of at least five years.

## Well-staggered Lease Expiry Profile

Approximately **3.5%** of portfolio NLA due for renewal in 2013

Approximately **3.0%** of portfolio NLA due for rent review in 2013

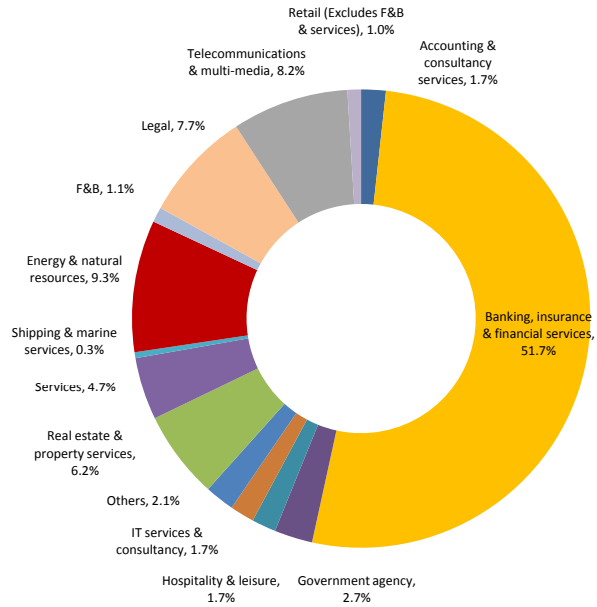
### Portfolio Lease Profile (by NLA) as at 31 Mar 2013



## Tenants Diversified Across Various Business Sectors

222<sup>(1)</sup> tenants from a diversified range of business sectors

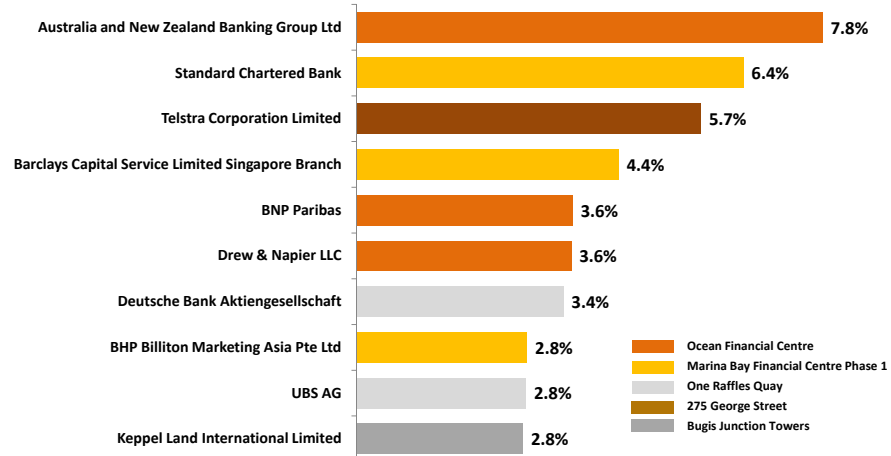
(1) Tenants with multiple leases are accounted as one tenant.



## Blue-Chip Tenant Base

Top ten tenants account for 43.3% of portfolio NLA

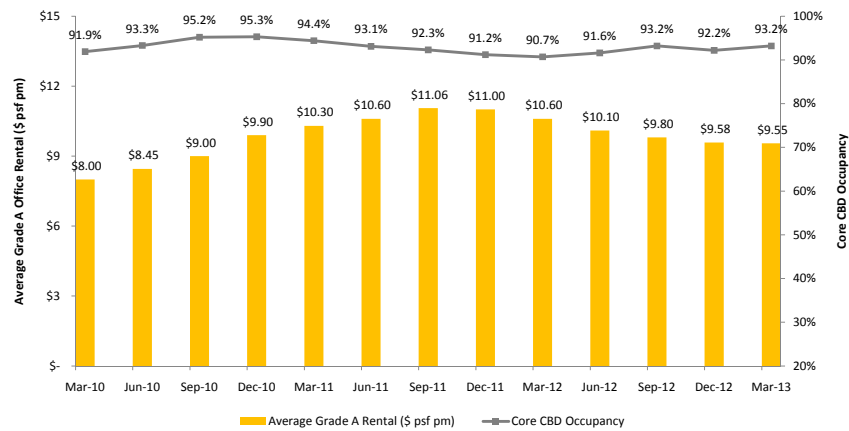
### Top Ten Tenants



# Market Review and Outlook

## Singapore Office Market

- Occupier demand has been diversified across the insurance, commodities, multi-media, business services and the legal sectors.
- Leasing activity in 1Q 2013 was mainly driven by the Grade A market.
- Grade A office rentals remained relatively stable in 1Q 2013 at \$9.55 psf pm.



## Economic and Office Market Outlook

### Singapore

- Fitch Ratings reaffirms Singapore's AAA sovereign ratings, citing Singapore's strong economic fundamentals and stable political landscape as the main reasons for the reaffirmation
- Rental rates for Grade A office space remained relatively stable<sup>(1)</sup>

### Australia

- Australian economy registered a stronger than expected employment growth
- Consumer sentiments as well as the outlook on asset prices and housing construction sector also showed improvements
- The limited supply and sustained demand in the Sydney and Brisbane office markets continue to support occupancy and rental rates

(1) Source: CB Richard Ellis.

## Going Forward

## Vision

*Keppel REIT aims to be a successful commercial real estate investment trust with a sterling portfolio of assets pan-Asia.*

## Mission

*To deliver stable and sustainable returns to Unitholders by continually enhancing our assets and expanding our portfolio.*

## Additional Information

## Portfolio Information

Approximately 92% of the Singapore portfolio by AUM is located in the **Raffles Place and Marina Bay precincts**.

Singapore Portfolio					
	Bugis Junction Towers	MBFC Interest <sup>(3)</sup>	Ocean Financial Centre Interest	One Raffles Quay Interest <sup>(3)</sup>	Prudential Tower Property
Description	15-storey Grade A office tower	A pair of 33 and 50 storey premium Grade A office towers and subterranean mall	43-storey premium Grade A office tower	A pair of 50 and 29 storey premium Grade A office towers	30-storey Grade A office tower
Attributable NLA (sf)	244,976	581,902	874,411	444,524	221,899
Ownership	100.0%	33.3%	99.9%	33.3%	92.8%
Number of tenants <sup>(1)</sup>	11	83	37	30	40
Principal tenants	IE Singapore, InterContinental Hotels Group, Keppel Land	Barclays Capital, BHP Billiton, Standard Chartered Bank	ANZ, BNP Paribas, Drew & Napier LLC	Royal Bank of Scotland, Deutsche Bank, UBS	Prudential Assurance Company, UniCredit Bank, Kumon Asia & Oceania
Tenure	99 years expiring 9 Sep 2089	99 years expiring 10 Oct 2104	99 years expiring 13 Dec 2110	99 years expiring 12 Jun 2100	99 years expiring 14 Jan 2095
Valuation <sup>(2)</sup> (\$ million)	455.0	1,528.0	2,377.0 <sup>(4)</sup>	1,137.3	489.7
Committed occupancy	100.0%	100.0%	96.6%	99.9%	100.0%

(1) Tenants with multiple leases accounted as one tenant.

(2) Valuation as at 31 December 2012 based on Keppel REIT's interest in the respective properties unless otherwise stated.

(3) Refers to Keppel REIT's one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall, and a one-third interest in One Raffles Quay.

(4) Valuation as at 28 December 2012.

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## Portfolio Information

Australian Portfolio				
	275 George Street Property	77 King Street Property	8 Chifley Square Interest	Office Tower to be built at the Old Treasury Building site
Description	30-storey Grade A office tower	18-storey Grade A office tower	34-storey Grade A office tower scheduled for completion in 3Q 2013	35-storey Grade A office tower scheduled for completion in 2H 2015
Attributable NLA (sf)	224,688	147,980	102,893	165,685
Ownership	50.0%	100.0%	50.0%	50.0%
Number of tenants <sup>(1)</sup>	9	16	2	1
Principal tenants	Queensland Gas Company, Telstra Corporation	Apple, Capgemini Australia, Facebook	Corrs Chambers Westgarth, QBE Insurance Group <sup>(3)</sup>	Government of Western Australia <sup>(3)</sup>
Tenure	Freehold	Freehold	99 years expiring 5 Apr 2105	99 years <sup>(5)</sup>
Valuation <sup>(2)</sup> (\$ million)	241.2	155.6	206.2 <sup>(4)</sup>	214.0 <sup>(6)</sup>
Committed occupancy	100.0%	97.4%	56.5%	98.0%

(1) Tenants with multiple leases accounted as one tenant

(2) Valuation as at 31 December 2012 based on Keppel REIT's interest in the respective properties unless otherwise stated and based on the exchange rate of A\$1 = S\$1.297.

(3) Pre-committed leases.

(4) Valuation as at 31 December 2012 based on completed basis.

(5) The 99 year leasehold tenure will commence on the date of practical completion of the property.

(6) Based on purchase price of A\$165 million as the valuation of the property which is under construction has not been performed.

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<http://www.keppelreit.com>

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