

## **KEPPEL REIT THIRD QUARTER 2013 FINANCIAL STATEMENTS ANNOUNCEMENT**

### **UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013**

#### **TABLE OF CONTENTS**

|  | Page |
|--|------|
| - SUMMARY OF KEPPEL REIT RESULTS   | 2    |
| - DISTRIBUTION DETAILS   | 3    |
| - INTRODUCTION   | 4    |
| 1(a)(i) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT                   | 5    |
| 1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME                                     | 7    |
| 1(b)(i) BALANCE SHEETS   | 8    |
| 1(b)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES                    | 10   |
| 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS                                      | 11   |
| 1(d)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS                          | 12   |
| 1(d)(ii) DETAILS OF CHANGES IN THE UNITS                                       | 16   |
| 1(d)(iii) TOTAL NUMBER OF ISSUED UNITS   | 16   |
| 1(d)(iv) SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS | 16   |
| 2 AUDIT  | 16   |
| 3 AUDITORS' REPORT   | 16   |
| 4 ACCOUNTING POLICIES  | 16   |
| 5 CHANGES IN ACCOUNTING POLICIES   | 16   |
| 6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT                     | 17   |
| 7 NET ASSET VALUE  | 17   |
| 8 REVIEW OF PERFORMANCE  | 18   |
| 9 VARIANCE FROM FORECAST STATEMENT   | 19   |
| 10 PROSPECTS   | 20   |
| 11 RISK FACTORS AND RISK MANAGEMENT  | 21   |
| 12 DISTRIBUTIONS   | 22   |
| 13 DISTRIBUTION STATEMENT  | 24   |
| 14 INTERESTED PERSON TRANSACTIONS  | 24   |
| Appendix QUARTERLY BREAKDOWN   | 25   |
| CONFIRMATION BY THE BOARD  | 26   |

**SUMMARY OF KEPPEL REIT RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013**

|  | GROUP             |                        |                        |         |
|--|-------------------|------------------------|------------------------|---------|
|  | 3Q2013<br>\$'000  | YTD Sep 2013<br>\$'000 | YTD Sep 2012<br>\$'000 | +/(-) % |
| Property Income                              | 43,952            | 126,551                | 116,073                | 9.0     |
| Net Property Income                          | 34,277            | 100,944                | 91,861                 | 9.9     |
| Share of Results of Associates               | 15,999            | 46,370                 | 34,801                 | 33.2    |
| Total Return before Tax                      | 40,636            | 115,901                | 101,094                | 14.6    |
| Income Available for Distribution            | 54,079            | 159,149                | 150,040                | 6.1     |
| Distribution to Unitholders <sup>1</sup>     | 54,079            | 159,149                | 150,040                | 6.1     |
| <b>Distribution per Unit ("DPU") (cents)</b> |                   |                        |                        |         |
| <b>For the Period</b>                        | <b>1.97</b>       | <b>5.91</b>            | <b>5.80</b>            | 1.9     |
| <b>Annualised</b>                            | <b>7.82</b>       | <b>7.90</b>            | <b>7.75</b>            | 1.9     |
| Distribution Yield                           | 6.4% <sup>2</sup> | 6.4% <sup>2</sup>      | 6.5% <sup>3</sup>      |         |

**Notes:**

- (1) The distribution to Unitholders is based on 100% of the income available for distribution.
- (2) The yield is based on the market closing price per unit of \$1.230 as at the last trading day, 30 September 2013.
- (3) The yield is based on the market closing price per unit of \$1.185 as at the last trading day, 28 September 2012.

## DISTRIBUTION DETAILS

|                           |   |
|---------------------------|---|
| Distribution <sup>1</sup> | 1 July 2013 to 5 August 2013  |
| Distribution Type         | (a) Taxable income<br>(b) Tax-exempt income<br>(c) Capital distribution   |
| Distribution Rate         | (a) Taxable income distribution - 0.39 cents per unit<br>(b) Tax-exempt income distribution - 0.08 cents per unit<br>(c) Capital distribution - 0.26 cents per unit |
| Books Closure Date        | 5 August 2013   |
| Payment Date              | 20 September 2013   |

|                    |   |
|--------------------|---|
| Distribution       | 6 August 2013 to 30 September 2013  |
| Distribution Type  | (a) Taxable income<br>(b) Tax-exempt income<br>(c) Capital distribution   |
| Distribution Rate  | (a) Taxable income distribution - 0.55 cents per unit<br>(b) Tax-exempt income distribution - 0.47 cents per unit<br>(c) Capital distribution - 0.22 cents per unit |
| Books Closure Date | 23 October 2013   |
| Payment Date       | 28 November 2013  |

**Note:**

- (1) 95 million new units ("placement units") were issued on a non pro-rata basis on 6 August 2013. On 20 September 2013, eligible unitholders received an advanced distribution of 0.73 cents per unit for the period from 1 July 2013 to 5 August 2013. Thereafter, the placement units rank *pari passu* in all respects with the units in issue prior to 6 August 2013, including the entitlement of all future distributions.

## INTRODUCTION

Listed by way of an introduction on 28 April 2006, K-REIT Asia was renamed Keppel REIT on 15 October 2012. Keppel REIT is currently one of the largest real estate investment trusts listed on the Singapore Exchange Securities Trading Limited.

Keppel REIT's objective is to generate stable income and long-term growth for Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets pan-Asia.

As at 30 September 2013, Keppel REIT has an asset size of approximately \$6.8 billion comprising ten premium commercial assets strategically located in the central business districts of Singapore, and Melbourne, Sydney, Brisbane and Perth in Australia.

In Singapore, Keppel REIT owns a 99.9% interest in Ocean Financial Centre, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall, a one-third interest in One Raffles Quay, a 92.8% interest in Prudential Tower, and Bugis Junction Towers.

In July 2013, 8 Chifley Square received its Certificate of Practical Completion. On 1 August 2013, Keppel REIT completed the acquisition of the 50% interest in 8 Exhibition Street.

Post the completion of the acquisition in 8 Exhibition Street, Keppel REIT now owns five premium commercial assets in Australia: a 50% interest in 8 Chifley Square and the office tower at 77 King Street, both in Sydney, a 50% interest in the office building at 8 Exhibition Street in Melbourne, a 50% interest in 275 George Street in Brisbane, as well as a 50% interest in the new office tower to be built on the site of the Old Treasury Building in Perth.

Keppel REIT is sponsored by Keppel Land Limited ("Keppel Land"), one of Asia's leading property developers, and managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Land.

## 1. UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the third quarter and nine months ended 30 September 2013:

### 1(a)(i) Statement of total return and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Statement of Total Return

|  | Note |                |                | Group       |                 |                 |             |
|--|------|----------------|----------------|-------------|-----------------|-----------------|-------------|
|  |      | 3Q2013         | 3Q2012         | + / (-)     | YTD Sep 2013    | YTD Sep 2012    | + / (-)     |
|  |      | \$'000         | \$'000         | %           | \$'000          | \$'000          | %           |
| Gross rent   |      | 43,010         | 39,441         | 9.0         | 124,086         | 113,850         | 9.0         |
| Car park income  |      | 439            | 347            | 26.5        | 1,138           | 1,019           | 11.7        |
| Other income   |      | 503            | 412            | 22.1        | 1,327           | 1,204           | 10.2        |
| <b>Property income</b>   |      | <b>43,952</b>  | <b>40,200</b>  | <b>9.3</b>  | <b>126,551</b>  | <b>116,073</b>  | <b>9.0</b>  |
| Property tax   |      | (3,224)        | (2,930)        | 10.0        | (7,299)         | (8,415)         | (13.3)      |
| Other property expenses  | 1    | (4,715)        | (3,494)        | 34.9        | (13,112)        | (10,919)        | 20.1        |
| Property management fee  |      | (1,089)        | (1,045)        | 4.2         | (3,251)         | (2,933)         | 10.8        |
| Maintenance and sinking fund contributions                     |      | (647)          | (648)          | (0.2)       | (1,945)         | (1,945)         | -           |
| <b>Property expenses</b>                                       |      | <b>(9,675)</b> | <b>(8,117)</b> | <b>19.2</b> | <b>(25,607)</b> | <b>(24,212)</b> | <b>5.8</b>  |
| <b>Net property income</b>                                     |      | <b>34,277</b>  | <b>32,083</b>  | <b>6.8</b>  | <b>100,944</b>  | <b>91,861</b>   | <b>9.9</b>  |
| Rental support   | 2    | 18,697         | 22,785         | (17.9)      | 55,114          | 69,029          | (20.2)      |
| Interest income  | 3    | 9,753          | 7,468          | 30.6        | 27,171          | 21,365          | 27.2        |
| Share of results of associates                                 | 4    | 15,999         | 12,709         | 25.9        | 46,370          | 34,801          | 33.2        |
| Share of results of joint ventures                             | 5    | 703            | 4              | >500        | 1,416           | 2               | >500        |
| Amortisation expenses  | 6    | (12,969)       | (16,964)       | (23.5)      | (39,227)        | (48,204)        | (18.6)      |
| Borrowing costs  | 7    | (14,082)       | (12,117)       | 16.2        | (40,654)        | (34,378)        | 18.3        |
| Manager's management fees                                      | 8    | (10,787)       | (10,122)       | 6.6         | (31,513)        | (29,166)        | 8.0         |
| Trust expenses   |      | (1,194)        | (779)          | 53.3        | (3,662)         | (3,621)         | 1.1         |
| Changes in fair value of derivative financial instruments      | 9    | 239            | (595)          | NM          | (58)            | (595)           | (90.3)      |
| <b>Total return before tax</b>                                 |      | <b>40,636</b>  | <b>34,472</b>  | <b>17.9</b> | <b>115,901</b>  | <b>101,094</b>  | <b>14.6</b> |
| Income tax expense   | 10   | (3,647)        | (3,646)        | 0.0         | (9,312)         | (11,382)        | (18.2)      |
| <b>Total return after tax</b>                                  |      | <b>36,989</b>  | <b>30,826</b>  | <b>20.0</b> | <b>106,589</b>  | <b>89,712</b>   | <b>18.8</b> |
| <b>Attributable to:</b>  |      |                |                |             |                 |                 |             |
| Unitholders  |      | 36,972         | 30,811         | 20.0        | 106,539         | 86,493          | 23.2        |
| Non-controlling interest                                       |      | 17             | 15             | 13.3        | 50              | 3,219           | (98.4)      |
|  |      | <b>36,989</b>  | <b>30,826</b>  | <b>20.0</b> | <b>106,589</b>  | <b>89,712</b>   | <b>18.8</b> |
| <b>Distribution Statement</b>                                  |      |                |                |             |                 |                 |             |
| <b>Total return for the period attributable to Unitholders</b> |      | <b>36,972</b>  | <b>30,811</b>  | <b>20.0</b> | <b>106,539</b>  | <b>86,493</b>   | <b>23.2</b> |
| Net tax adjustments  | 11   | 17,107         | 20,874         | (18.0)      | 52,610          | 63,547          | (17.2)      |
| <b>Income available for distribution</b>                       |      | <b>54,079</b>  | <b>51,685</b>  | <b>4.6</b>  | <b>159,149</b>  | <b>150,040</b>  | <b>6.1</b>  |
| <b>Distribution to Unitholders</b>                             | 12   | <b>54,079</b>  | <b>51,685</b>  | <b>4.6</b>  | <b>159,149</b>  | <b>150,040</b>  | <b>6.1</b>  |
| <b>Distribution per unit (cents)</b>                           |      |                |                |             |                 |                 |             |
| For the period   |      | 1.97           | 1.96           | 0.5         | 5.91            | 5.80            | 1.9         |
| Annualised   |      | 7.82           | 7.80           | 0.3         | 7.90            | 7.75            | 1.9         |

**Notes:**

NM – Not meaningful

- (1) *Included in other property expenses are the following:*

|                                    | <u>Group</u> |        | YTD Sep | YTD Sep |
|------------------------------------|--------------|--------|---------|---------|
|                                    | 3Q2013       | 3Q2012 | 2013    | 2012    |
|                                    | \$'000       | \$'000 | \$'000  | \$'000  |
| Marketing expenses                 | 296          | 153    | 1,280   | 439     |
| Utilities                          | 1,477        | 1,171  | 4,141   | 3,843   |
| Repair and maintenance             | 2,337        | 1,451  | 5,600   | 4,616   |
| Property management reimbursements | 473          | 535    | 1,394   | 1,404   |
| Other property expenses            | 132          | 184    | 697     | 617     |
|                                    | 4,715        | 3,494  | 13,112  | 10,919  |

- (2) *This relates to the rental support top-up payments received by Keppel REIT for its one-third interest in One Raffles Quay Pte Ltd ("ORQPL"), the additional 29% and 19.4% interests in Prudential Tower acquired on 2 November 2009 and 3 May 2011 respectively, the one-third interest in BFC Development LLP ("BFCDLLP") which holds Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall, the office tower at 77 King Street, Sydney, and the approximate 99.9% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC").*

- (3) *Interest income comprises the following:*

|  | <u>Group</u> |        | YTD Sep | YTD Sep |
|--|--------------|--------|---------|---------|
|  | 3Q2013       | 3Q2012 | 2013    | 2012    |
|  | \$'000       | \$'000 | \$'000  | \$'000  |
| Interest income from fixed deposits and current accounts   | 201          | 274    | 560     | 805     |
| Interest income from shareholder's loans to ORQPL and BFCDLLP                                    | 5,359        | 5,572  | 16,082  | 16,862  |
| Interest income from convertible notes in Mirvac 8 Chifley Trust and Mirvac (Old Treasury) Trust | 4,193        | 1,622  | 10,529  | 3,698   |
|  | 9,753        | 7,468  | 27,171  | 21,365  |

- (4) *Share of results of associates for the current period relates to Keppel REIT's one-third interests in (i) ORQPL's net profit after tax, and (ii) BFCDLLP's partnership profit. Share of results of associates for the comparative period relates to Keppel REIT's one-third interests in (i) ORQPL's net profit after tax, BFC Development Pte Ltd's ("BFCDPL") net profit after tax from 1 January 2012 till 14 June 2012, and (iii) BFCDLLP's partnership profit from 15 June 2012.*

- (5) *Share of results of joint ventures relates to Keppel REIT's 50% interests in Mirvac 8 Chifley Trust's ("M8CT") and Mirvac (Old Treasury) Trust's ("MOTT") net profit after tax which is represented by the proportionate share of gross revenue less property expenses, interest expenses, and income tax.*

- (6) *Please refer to paragraph 1(b)(i), note 4.*

- (7) *Borrowing costs comprise the following:*

|   | <u>Group</u> |        | YTD Sep | YTD Sep |
|---|--------------|--------|---------|---------|
|   | 3Q2013       | 3Q2012 | 2013    | 2012    |
|   | \$'000       | \$'000 | \$'000  | \$'000  |
| Interest expense on term loans                | 12,407       | 10,333 | 34,856  | 28,666  |
| Interest expense on revolving loans           | 1,034        | 1,463  | 4,040   | 4,776   |
| Amortisation of capitalised transaction costs | 641          | 321    | 1,758   | 936     |
|   | 14,082       | 12,117 | 40,654  | 34,378  |

- (8) The Manager has elected to receive 100% of its management fees earned in respect of the approximate 87.5% interest in OPLLP and the 50% interest in 8 Exhibition Street, as well as 50% of its management fee earned for the approximate 12.4% interest in OPLLP and the rest of the properties in units of Keppel REIT for FY2013 and FY2012.
- (9) This represents the change in fair value of foreign currency forward contracts which were entered into to hedge the Group's foreign currency exposure in the net income from its Australian properties.
- (10) Income tax expense comprises (i) tax of 17% (2012: 17%) on the rental support top-up payments received by Keppel REIT for its interests in ORQPL, BFCDLLP and OPLLP, net of deductible interest expense, and (ii) withholding tax expense in relation to the income from the Group's investments in Australia.
- (11) Included in the net tax adjustments are the following:

|  | <u>Group</u>  |               |                 |                 |
|--|---------------|---------------|-----------------|-----------------|
|  | 3Q2013        | 3Q2012        | YTD Sep<br>2013 | YTD Sep<br>2012 |
|  | \$'000        | \$'000        | \$'000          | \$'000          |
| Management fees paid and/or payable in units                       | 7,110         | 6,753         | 20,864          | 19,640          |
| Trustee's fees   | 255           | 241           | 744             | 693             |
| Amortisation of intangible asset and capitalised transaction costs | 13,610        | 17,285        | 40,985          | 49,140          |
| Temporary differences and other tax adjustments                    | (3,868)       | (3,405)       | (9,983)         | (5,926)         |
|  | <u>17,107</u> | <u>20,874</u> | <u>52,610</u>   | <u>63,547</u>   |

Included in temporary differences and other tax adjustments are share of results of associates, dividend and distributions income, effect of recognising rental income on a straight line basis over the lease terms, non-taxable income and non-deductible expenses.

- (12) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders. The distribution to Unitholders is based on 100% of the income available for distribution to Unitholders.

**1(a)(ii) Statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Comprehensive Income**

|   | <u>Group</u>    |               |               |                 |                 |               |
|---|-----------------|---------------|---------------|-----------------|-----------------|---------------|
|   | 3Q2013          | 3Q2012        | + / (-)       | YTD Sep<br>2013 | YTD Sep<br>2012 | + / (-)       |
|   | \$'000          | \$'000        | %             | \$'000          | \$'000          | %             |
| <b>Total return after tax</b>   | <b>36,989</b>   | <b>30,826</b> | <b>20.0</b>   | <b>106,589</b>  | <b>89,712</b>   | <b>18.8</b>   |
| <b>Other comprehensive income:</b>                                    |                 |               |               |                 |                 |               |
| Foreign currency translation  | (27,889)        | 2,363         | NM            | (69,317)        | (9,796)         | >500          |
| <b>Cashflow hedges:</b>   |                 |               |               |                 |                 |               |
| Net change in fair value of cash flow hedges                          | 2,302           | 6,829         | (66.3)        | 7,172           | (8,871)         | NM            |
| Share of net change in fair value of cash flow hedges of an associate | 492             | 375           | 31.2          | 1,286           | (1,235)         | NM            |
| <b>Other comprehensive income for the period</b>                      | <b>(25,095)</b> | <b>9,567</b>  | <b>NM</b>     | <b>(60,859)</b> | <b>(19,902)</b> | <b>205.8</b>  |
| <b>Total comprehensive income for the period</b>                      | <b>11,894</b>   | <b>40,393</b> | <b>(70.6)</b> | <b>45,730</b>   | <b>69,810</b>   | <b>(34.5)</b> |
| <b>Attributable to:</b>   |                 |               |               |                 |                 |               |
| Unitholders   | 11,873          | 40,378        | (70.6)        | 45,675          | 66,591          | (31.4)        |
| Non-controlling interest  | 21              | 15            | 40.0          | 55              | 3,219           | (98.3)        |
|   | <u>11,894</u>   | <u>40,393</u> | <u>(70.6)</u> | <u>45,730</u>   | <u>69,810</u>   | <u>(34.5)</u> |

NM – Not meaningful

**1(b)(i) Balance sheets, together with a comparative statement of the end of the immediately preceding financial year**

**Balance Sheets**

|  | Note | Group            |                  |               | Trust            |                  |               |
|--|------|------------------|------------------|---------------|------------------|------------------|---------------|
|  |      | 30/09/2013       | 31/12/2012       | + / (-)       | 30/09/2013       | 31/12/2012       | + / (-)       |
|  |      | \$'000           | \$'000           | %             | \$'000           | \$'000           | %             |
| <b>Non-current assets</b>                            |      |                  |                  |               |                  |                  |               |
| Investment properties                                | 1    | 3,775,944        | 3,614,744        | 4.5           | 945,367          | 942,034          | 0.4           |
| Investment in subsidiaries                           |      | -                | -                | -             | 1,840,541        | 1,839,552        | 0.1           |
| Investment in associates                             | 2    | 2,153,597        | 2,155,050        | (0.1)         | 1,977,990        | 1,978,145        | (0.0)         |
| Investment in joint ventures                         | 3    | 261,109          | 140,079          | 86.4          | -                | -                | -             |
| Amount owing by subsidiary                           |      | -                | -                | -             | 797,216          | 496,862          | 60.5          |
| Fixed assets   |      | 26               | 38               | (31.6)        | -                | -                | -             |
| Intangible asset                                     | 4    | 53,013           | 92,371           | (42.6)        | 1,302            | 5,241            | (75.2)        |
| Derivative financial instruments                     | 5    | 7,772            | -                | NM            | -                | -                | -             |
| <b>Total non-current assets</b>                      |      | <b>6,251,461</b> | <b>6,002,282</b> | <b>4.2</b>    | <b>5,562,416</b> | <b>5,261,834</b> | <b>5.7</b>    |
| <b>Current assets</b>                                |      |                  |                  |               |                  |                  |               |
| Trade and other receivables                          | 6    | 47,931           | 28,669           | 67.2          | 53,196           | 43,631           | 21.9          |
| Prepaid expenses                                     |      | 628              | 1,130            | (44.4)        | 84               | 637              | (86.8)        |
| Cash and cash equivalents                            |      | 55,634           | 101,930          | (45.4)        | 33,898           | 59,091           | (42.6)        |
| Derivative financial instruments                     | 7    | 102              | 5,461            | (98.1)        | 102              | 5,461            | (98.1)        |
| <b>Total current assets</b>                          |      | <b>104,295</b>   | <b>137,190</b>   | <b>(24.0)</b> | <b>87,280</b>    | <b>108,820</b>   | <b>(19.8)</b> |
| <b>Total assets</b>                                  |      | <b>6,355,756</b> | <b>6,139,472</b> | <b>3.5</b>    | <b>5,649,696</b> | <b>5,370,654</b> | <b>5.2</b>    |
| <b>Current liabilities</b>                           |      |                  |                  |               |                  |                  |               |
| Trade and other payables                             |      | 83,114           | 139,605          | (40.5)        | 47,592           | 45,176           | 5.3           |
| Income received in advance                           |      | 1,654            | 2,415            | (31.5)        | 527              | 249              | 111.6         |
| Short term borrowings                                | 8    | 226,959          | 154,964          | 46.5          | 226,996          | 99,964           | 127.1         |
| Current portion of security deposits                 |      | 1,460            | 3,544            | (58.8)        | 1,048            | 3,544            | (70.4)        |
| Derivative financial instruments                     | 9    | 5,539            | 760              | >500          | 5,539            | 760              | >500          |
| Provision for taxation                               |      | 12,884           | 14,577           | (11.6)        | 12,698           | 13,614           | (6.7)         |
| <b>Total current liabilities</b>                     |      | <b>331,610</b>   | <b>315,865</b>   | <b>5.0</b>    | <b>294,400</b>   | <b>163,307</b>   | <b>80.3</b>   |
| <b>Non-current liabilities</b>                       |      |                  |                  |               |                  |                  |               |
| Income received in advance                           |      | 22,159           | 30,551           | (27.5)        | 20,439           | 27,860           | (26.6)        |
| Long term borrowings                                 | 8    | 2,423,242        | 2,267,723        | 6.9           | 1,975,568        | 1,898,328        | 4.1           |
| Derivative financial instruments                     | 9    | 20,439           | 29,978           | (31.8)        | 20,439           | 29,829           | (31.5)        |
| Non-current portion of security deposits             |      | 31,824           | 29,387           | 8.3           | 8,843            | 7,137            | 23.9          |
| <b>Total non-current liabilities</b>                 |      | <b>2,497,664</b> | <b>2,357,639</b> | <b>5.9</b>    | <b>2,025,289</b> | <b>1,963,154</b> | <b>3.2</b>    |
| <b>Total liabilities</b>                             |      | <b>2,829,274</b> | <b>2,673,504</b> | <b>5.8</b>    | <b>2,319,689</b> | <b>2,126,461</b> | <b>9.1</b>    |
| <b>Net assets</b>                                    |      | <b>3,526,482</b> | <b>3,465,968</b> | <b>1.7</b>    | <b>3,330,007</b> | <b>3,244,193</b> | <b>2.6</b>    |
| Represented by:                                      |      |                  |                  |               |                  |                  |               |
| <b>Unitholders' funds</b>                            |      | <b>3,524,681</b> | <b>3,464,157</b> | <b>1.7</b>    | <b>3,330,007</b> | <b>3,244,193</b> | <b>2.6</b>    |
| <b>Non-controlling interest</b>                      |      | <b>1,801</b>     | <b>1,811</b>     | <b>(0.6)</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>      |
|  |      | <b>3,526,482</b> | <b>3,465,968</b> | <b>1.7</b>    | <b>3,330,007</b> | <b>3,244,193</b> | <b>2.6</b>    |
| Net asset value per unit (\$)                        |      | 1.27             | 1.32             |               | 1.20             | 1.23             |               |
| Gross borrowings / Value of deposited properties (%) | 10   | 43.9             | 42.9             |               |                  |                  |               |



**Notes:**

NM – Not meaningful

- (1) *The increase in investment properties is due mainly to the acquisition of the 50% interest in 8 Exhibition Street, offset by translation differences arising from the Australian properties.*
- (2) *This relates to the one-third equity interests in ORQPL and BFCDLLP, advances to these associates and the Group's share of post-acquisition results of these associates.*
- (3) *This relates to the 50% interest in M8CT and Mirvac 8 Chifley Pty Limited; and 50% interest in MOTT and Mirvac (Old Treasury) Pty Limited acquired on 28 March 2013. It also includes convertible notes held in these joint ventures. The properties held through M8CT and MOTT are 8 Chifley Square (which received its Certificate of Practical Completion in July 2013) and the new office tower to be built on the Old Treasury Building site respectively.*
- (4) *This relates to the unamortised aggregate rental support top-up payments receivable by the Group for its one-third interest in BFCDLLP, 100% interest in the office tower at 77 King Street, Sydney, the additional 19.4% interest in Prudential Tower, and the approximate 99.9% interest in OPLL. The intangible asset is amortised over the remaining rental support periods for the respective properties.*
- (5) *This relates to the fair value of interest rate swaps entered into by the Group.*
- (6) *Included in the balances are receivables for rental support top-up payments of \$21.7 million as at 30 September 2013 (31 December 2012: \$20.5 million).*
- (7) *This relates to the fair value of the foreign currency forward contracts entered into in relation to the net income from the Australian properties and investment in M8CT.*
- (8) *This relates mainly to bank borrowings taken up to finance the acquisition of one-third equity interest in associates, ORQPL and BFCDLLP, the additional 19.4% interest in Prudential Tower, the 50% interest in M8CT, the approximate 99.9% interest in OPLL, 50% interest in MOTT and 50% interest in 8 Exhibition Street. The Group's balance also includes OPLL's bank borrowings.*
- (9) *This relates to the fair value of the foreign currency forward contracts entered into in relation to the investment in MOTT and fair value of interest rate swaps entered into by the Group.*
- (10) *This is based on the total amount of gross borrowings and valuation of deposited properties (held directly and indirectly) of \$6.8 billion as at 30 September 2013 (31 December 2012: \$6.5 billion).*

**1(b)(ii) Aggregate Amount of Borrowings and Debt Securities**

|                                   | <b>Group</b>                    |                                 |
|-----------------------------------|---------------------------------|---------------------------------|
|                                   | <b>As at 30/09/13</b><br>\$'000 | <b>As at 31/12/12</b><br>\$'000 |
| <b>Secured borrowings</b>         |                                 |                                 |
| Amount repayable after one year   | 878,465                         | 853,780                         |
| Less: Unamortised portion of fees | (4,717)                         | (5,594)                         |
|                                   | <b>873,748</b>                  | <b>848,186</b>                  |
| <b>Unsecured borrowings</b>       |                                 |                                 |
| Amount repayable within one year  | 227,000                         | 155,000                         |
| Amount repayable after one year   | 1,554,089                       | 1,422,147                       |
| Less: Unamortised portion of fees | (4,636)                         | (2,646)                         |
|                                   | <b>1,776,453</b>                | <b>1,574,501</b>                |
| <b>Total borrowings</b>           | <b>2,650,201</b>                | <b>2,422,687</b>                |

**Details of Collaterals**

As a security for the 5-year term loan facilities of \$425 million, the Group mortgaged its Bugis Junction Towers and a 73.4% interest in Prudential Tower. In addition, Keppel REIT granted the lender the following:

- (i) an assignment of the rights, title and interest of the Trust and the insurances effected over Bugis Junction Towers;
- (ii) an assignment of all the rights, benefits, title and interest of the Trust in and to the property sale agreement and tenancy agreements relating to Bugis Junction Towers; and
- (iii) a debenture creating fixed and floating charges over all assets of the Trust relating to Bugis Junction Towers.

For the 5-year term loan facility of \$505 million, the Group granted the lenders securities of up to an aggregate principal amount of \$900 million comprising of a mortgage against OFC and the following:

- (i) an assignment of construction contracts and construction guarantees; and
- (ii) an assignment of rental and insurance proceeds derived from OFC.

As at 30 September 2013, the Group had total borrowings of approximately \$2,659.6 million and an unutilised \$618.3 million of facilities available to meet its future obligations. The weighted average interest rate for all borrowings year-to-date stood at 2.15% per annum.

1(c) Consolidated Statement of Cash Flows

|   | Note | <u>Group</u>     |                  |                        |                        |
|---|------|------------------|------------------|------------------------|------------------------|
|   |      | 3Q2013<br>\$'000 | 3Q2012<br>\$'000 | YTD Sep 2013<br>\$'000 | YTD Sep 2012<br>\$'000 |
| <b>Operating activities</b>   |      |                  |                  |                        |                        |
| Total return before tax   |      | 40,636           | 34,472           | 115,901                | 101,094                |
| Adjustments for:  |      |                  |                  |                        |                        |
| Interest income   |      | (9,753)          | (7,468)          | (27,171)               | (21,365)               |
| Amortisation expense  |      | 12,969           | 16,964           | 39,227                 | 48,204                 |
| Share of results of associates                                      |      | (15,999)         | (12,709)         | (46,370)               | (34,801)               |
| Share of results of joint ventures                                  |      | (703)            | (4)              | (1,416)                | (2)                    |
| Borrowing costs   |      | 14,082           | 12,117           | 40,654                 | 34,378                 |
| Management fees paid and/or payable in units                        |      | 7,110            | 6,753            | 20,864                 | 19,640                 |
| Depreciation  |      | 2                | 4                | 12                     | 12                     |
| Rental support income   |      | (18,697)         | (22,785)         | (55,114)               | (69,029)               |
| Translation differences   |      | (12,286)         | 327              | (14,728)               | 541                    |
| <b>Operating cash flows before changes in working capital</b>       |      | <b>17,361</b>    | <b>27,671</b>    | <b>71,859</b>          | <b>78,672</b>          |
| (Increase)/Decrease in receivables                                  |      | (1,038)          | (1,488)          | (380)                  | 3,760                  |
| Decrease in payables  |      | (27,135)         | (4,978)          | (50,142)               | (20,891)               |
| Increase in security deposits                                       |      | 455              | 1,278            | 353                    | 4,055                  |
| Cash flows (used in)/from operations                                |      | (10,357)         | 22,483           | 21,690                 | 65,596                 |
| Income taxes paid   |      | (5,558)          | (1,794)          | (10,978)               | (4,415)                |
| <b>Net cash flows (used in)/generated from operating activities</b> |      | <b>(15,915)</b>  | <b>20,689</b>    | <b>10,712</b>          | <b>61,181</b>          |
| <b>Investing activities</b>   |      |                  |                  |                        |                        |
| Purchase of investment property                                     |      | (162,736)        | -                | (173,713)              | -                      |
| Improvement in investment properties                                |      | (14,748)         | (410)            | (17,781)               | (3,309)                |
| Interest received   |      | 10,251           | 6,919            | 26,973                 | 20,565                 |
| Rental support received   |      | 18,952           | 19,495           | 53,943                 | 64,132                 |
| Investment in joint ventures  |      | -                | (19,875)         | (164,285)              | (79,888)               |
| Distribution received from a joint venture                          |      | 323              | -                | 563                    | -                      |
| Dividend income/distribution received from associates               |      | 16,725           | 12,197           | 32,402                 | 24,839                 |
| <b>Net cash flows (used in)/generated from investing activities</b> |      | <b>(131,233)</b> | <b>18,326</b>    | <b>(241,898)</b>       | <b>26,339</b>          |
| <b>Financing activities</b>   |      |                  |                  |                        |                        |
| Distribution to Unitholders   | 1    | (72,443)         | (98,295)         | (176,464)              | (160,711)              |
| Loans drawdown  |      | 325,089          | 26,310           | 576,474                | 256,659                |
| Repayment of loan drawdown  |      | (240,437)        | -                | (347,883)              | -                      |
| Upfront debt arrangement costs                                      |      | (1,485)          | -                | (2,835)                | (100)                  |
| Proceeds from placement   |      | 119,700          | -                | 172,900                | -                      |
| Acquisition of non-controlling interest                             |      | -                | (3,154)          | -                      | (132,940)              |
| Partnership distribution to non-controlling interest                |      | (16)             | (1,685)          | (49)                   | (3,153)                |
| Interest paid   |      | (7,989)          | (6,011)          | (33,737)               | (27,999)               |
| Issue expenses  |      | (1,416)          | -                | (2,190)                | -                      |
| <b>Net cash flows generated from/(used in) financing activities</b> |      | <b>121,003</b>   | <b>(82,835)</b>  | <b>186,216</b>         | <b>(68,244)</b>        |
| <b>Net (decrease)/increase in cash and cash equivalents</b>         |      | <b>(26,145)</b>  | <b>(43,820)</b>  | <b>(44,970)</b>        | <b>19,276</b>          |
| Cash and cash equivalents at the beginning of period                |      | 82,168           | 148,539          | 101,930                | 85,741                 |
| Effect of exchange rate changes on cash and cash equivalents        |      | (389)            | (113)            | (1,326)                | (411)                  |
| <b>Cash and cash equivalents at the end of period</b>               |      | <b>55,634</b>    | <b>104,606</b>   | <b>55,634</b>          | <b>104,606</b>         |

**Note:**

- (1) Distribution for YTD Sep 2013 is for the period of 1 October 2012 to 31 December 2012, paid on 27 February 2013, 1 January 2013 to 3 March 2013, paid on 12 April 2013, 4 March 2013 to 31 March 2013, paid on 28 May 2013, 1 April 2013 to 30 June 2013, paid on 28 August 2013, and 1 July 2013 to 5 August 2013, paid on 20 September 2013. Distribution YTD Sep 12 is for the period 1 July 2011 to 31 December 2011, paid on 24 February; and 1 January 2012 to 30 June 2012, paid on 27 August 2012.

1(d)(i) Statements of Movements in Unitholders' Funds

| <u>Group</u>  | <i>Note</i> | <u>Units in Issue</u> | <u>Accumulated Profits</u> | <u>Foreign Currency Translation Reserve</u> | <u>Hedging Reserve</u> | <u>Discount on Acquisition of Non-Controlling Interest</u> | <u>Non-Controlling Interest</u> | <u>Total</u>     |
|---|-------------|-----------------------|----------------------------|---|------------------------|--|---------------------------------|------------------|
|   |             | \$'000                | \$'000                     | \$'000                                      | \$'000                 | \$'000   | \$'000                          | \$'000           |
| <b>At 1 January 2013</b>  |             | <b>2,771,684</b>      | <b>722,957</b>             | <b>(4,138)</b>                              | <b>(28,599)</b>        | <b>2,253</b>   | <b>1,811</b>                    | <b>3,465,968</b> |
| Return for the period   |             | -                     | 69,567                     | -   | -                      | -  | 33                              | 69,600           |
| Other comprehensive income                                      | 1           | -                     | -                          | (41,428)                                    | 5,663                  | -  | 1                               | (35,764)         |
| Total comprehensive income                                      |             | -                     | 69,567                     | (41,428)                                    | 5,663                  | -  | 34                              | 33,836           |
| Issue of units for payment of management fees                   | 2           | 13,656                | -                          | -   | -                      | -  | -                               | 13,656           |
| Issue of placement units  | 3           | 53,200                | -                          | -   | -                      | -  | -                               | 53,200           |
| Issue expenses  | 4           | (774)                 | -                          | -   | -                      | -  | -                               | (774)            |
| Distribution to Unitholders                                     |             | (22,376)              | (81,645)                   | -   | -                      | -  | -                               | (104,021)        |
| Distribution of partnership profits to non-controlling interest |             | -                     | -                          | -   | -                      | -  | (49)                            | (49)             |
| <b>At 30 June 2013</b>  |             | <b>2,815,390</b>      | <b>710,879</b>             | <b>(45,566)</b>                             | <b>(22,936)</b>        | <b>2,253</b>   | <b>1,796</b>                    | <b>3,461,816</b> |
| Return for the period   |             | -                     | 36,972                     | -   | -                      | -  | 17                              | 36,989           |
| Other comprehensive income                                      | 1           | -                     | -                          | (27,889)                                    | 2,790                  | -  | 4                               | (25,095)         |
| Total comprehensive income                                      |             | -                     | 36,972                     | (27,889)                                    | 2,790                  | -  | 21                              | 11,894           |
| Issue of units for payment of management fees                   | 2           | 6,947                 | -                          | -   | -                      | -  | -                               | 6,947            |
| Issue of placement units  | 3           | 119,700               | -                          | -   | -                      | -  | -                               | 119,700          |
| Issue expenses  | 4           | (1,416)               | -                          | -   | -                      | -  | -                               | (1,416)          |
| Distribution to Unitholders                                     |             | (17,444)              | (54,999)                   | -   | -                      | -  | -                               | (72,443)         |
| Distribution of partnership profits to non-controlling interest |             | -                     | -                          | -   | -                      | -  | (16)                            | (16)             |
| <b>At 30 September 2013</b>                                     |             | <b>2,923,177</b>      | <b>692,852</b>             | <b>(73,455)</b>                             | <b>(20,146)</b>        | <b>2,253</b>   | <b>1,801</b>                    | <b>3,526,482</b> |

1(d)(i) Statements of Movements in Unitholders' Funds (cont'd)

| <u>Group</u>  | <u>Note</u> | <u>Units in Issue</u> | <u>Accumulated Profits</u> | <u>Foreign Currency Translation Reserve</u> | <u>Hedging Reserve</u> | <u>Discount on Acquisition of Non-Controlling Interest</u> | <u>Non-Controlling Interest</u> | <u>Total</u>     |
|---|-------------|-----------------------|----------------------------|---|------------------------|--|---------------------------------|------------------|
|   |             | \$'000                | \$'000                     | \$'000                                      | \$'000                 | \$'000   | \$'000                          | \$'000           |
| <b>At 1 January 2012</b>  |             | <b>2,682,996</b>      | <b>599,806</b>             | <b>11,356</b>                               | <b>(14,745)</b>        | <b>-</b>   | <b>212,833</b>                  | <b>3,492,246</b> |
| Return for the period   |             | -                     | 55,682                     | -   | -                      | -  | 3,204                           | 58,886           |
| Other comprehensive income                                      | 1           | -                     | -                          | (12,159)                                    | (17,310)               | -  | -                               | (29,469)         |
| Total comprehensive income                                      |             | -                     | 55,682                     | (12,159)                                    | (17,310)               | -  | 3,204                           | 29,417           |
| Issue of units for payment of management fees                   | 5           | 10,300                | -                          | -   | -                      | -  | -                               | 10,300           |
| Issue of placement units  | 6           | 70,200                | -                          | -   | -                      | -  | -                               | 70,200           |
| Issue expenses adjustment                                       | 7           | 644                   | -                          | -   | -                      | -  | -                               | 644              |
| Distribution to Unitholders                                     |             | (1,783)               | (60,633)                   | -   | -                      | -  | -                               | (62,416)         |
| Distribution of partnership profits to non-controlling interest |             | -                     | -                          | -   | -                      | -  | (1,468)                         | (1,468)          |
| Acquisition of non-controlling interest                         |             | -                     | -                          | -   | -                      | 2,253  | (211,172)                       | (208,919)        |
| <b>At 30 June 2012</b>  |             | <b>2,762,357</b>      | <b>594,855</b>             | <b>(803)</b>                                | <b>(32,055)</b>        | <b>2,253</b>   | <b>3,397</b>                    | <b>3,330,004</b> |
| Return for the period   |             | -                     | 30,811                     | -   | -                      | -  | 15                              | 30,826           |
| Other comprehensive income                                      | 1           | -                     | -                          | 2,363                                       | 7,204                  | -  | -                               | 9,567            |
| Total comprehensive income                                      |             | -                     | 30,811                     | 2,363                                       | 7,204                  | -  | 15                              | 40,393           |
| Issue of units for payment of management fees                   | 5           | 6,438                 | -                          | -   | -                      | -  | -                               | 6,438            |
| Distribution of partnership profits to non-controlling interest |             | -                     | -                          | -   | -                      | -  | (1,685)                         | (1,685)          |
| Distribution to Unitholders                                     |             | (3,071)               | (95,224)                   | -   | -                      | -  | -                               | (98,295)         |
| <b>At 30 September 2012</b>                                     |             | <b>2,765,724</b>      | <b>530,442</b>             | <b>1,560</b>                                | <b>(24,851)</b>        | <b>2,253</b>   | <b>1,727</b>                    | <b>3,276,855</b> |

**1(d)(i) Statements of Movements in Unitholders' Funds (cont'd)**

**Notes:**

- (1) Other comprehensive income relates to the movement in foreign currency translation reserve arising from the translation of foreign entities, intercompany loans that form part of the Group's net investment in foreign entities, fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and share of hedging reserve of an associate.
- (2) This represents 5,324,113, 5,096,741 and 5,219,079 units issued in 1Q2013, 2Q2013 and 3Q2013 as payment of management fees in units.
- (3) This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013 and the placement of 95 million units at an issue price of \$1.26 per unit on 6 August 2013. The net proceeds raised have been used to repay outstanding borrowings and for the acquisition of the 50% interest in 8 Exhibition Street respectively.
- (4) This relates to issue expenses in relation to the placements as mentioned in note 3 above.
- (5) This represents 4,721,998, 6,873,459 and 6,245,890 units issued in 1Q2012, 2Q2012 and 3Q2012 as payment of management fees in units.
- (6) This relates to the placement of 60 million units at an issue price of \$1.17 per unit as part payment for the acquisition of additional 12.4% interest in OPLLP.
- (7) This relates to issue expense adjustments in relation to the previous years' rights issues.

| <u>Trust</u>                                  | <u>Note</u> | <u>Units in Issue</u><br>\$'000 | <u>Accumulated Profits</u><br>\$'000 | <u>Hedging Reserve</u><br>\$'000 | <u>Total</u><br>\$'000 |
|---|-------------|---------------------------------|--------------------------------------|----------------------------------|------------------------|
| <b>At 1 January 2013</b>                      |             | <b>2,771,684</b>                | <b>497,637</b>                       | <b>(25,128)</b>                  | <b>3,244,193</b>       |
| Return for the period                         |             | -                               | 52,043                               | -                                | 52,043                 |
| Other comprehensive income                    | 1           | -                               | -                                    | 2,049                            | 2,049                  |
| Total comprehensive income                    |             | -                               | 52,043                               | 2,049                            | 54,092                 |
| Issue of units for payment of management fees | 2           | 13,656                          | -                                    | -                                | 13,656                 |
| Issue of placement units                      | 3           | 53,200                          | -                                    | -                                | 53,200                 |
| Issue expenses                                | 4           | (774)                           | -                                    | -                                | (774)                  |
| Distribution to Unitholders                   |             | (22,376)                        | (81,645)                             | -                                | (104,021)              |
| <b>At 30 June 2013</b>                        |             | <b>2,815,390</b>                | <b>468,035</b>                       | <b>(23,079)</b>                  | <b>3,260,346</b>       |
| Return for the period                         |             | -                               | 19,670                               | -                                | 19,670                 |
| Other comprehensive income                    | 1           | -                               | -                                    | (2,797)                          | (2,797)                |
| Total comprehensive income                    |             | -                               | 19,670                               | (2,797)                          | 16,873                 |
| Issue of units for payment of management fees | 2           | 6,947                           | -                                    | -                                | 6,947                  |
| Issue of placement units                      | 3           | 119,700                         | -                                    | -                                | 119,700                |
| Issue expenses                                | 4           | (1,416)                         | -                                    | -                                | (1,416)                |
| Distribution to Unitholders                   |             | (17,444)                        | (54,999)                             | -                                | (72,443)               |
| <b>At 30 September 2013</b>                   |             | <b>2,923,177</b>                | <b>432,706</b>                       | <b>(25,876)</b>                  | <b>3,330,007</b>       |

1(d)(i) Statements of Movements in Unitholders' Funds (cont'd)

| <u>Trust</u>                                  | <i>Note</i> | <u>Units in Issue</u><br>\$'000 | <u>Accumulated Profits</u><br>\$'000 | <u>Hedging Reserve</u><br>\$'000 | <u>Total</u><br>\$'000 |
|---|-------------|---------------------------------|--------------------------------------|----------------------------------|------------------------|
| <b>At 1 January 2012</b>                      |             | <b>2,682,996</b>                | <b>487,105</b>                       | <b>(13,142)</b>                  | <b>3,156,959</b>       |
| Return for the period                         |             | -                               | 72,827                               | -                                | 72,827                 |
| Other comprehensive income                    | 1           | -                               | -                                    | (15,700)                         | (15,700)               |
| Total comprehensive income                    |             | -                               | 72,827                               | (15,700)                         | 57,127                 |
| Issue of units for payment of management fees | 5           | 10,300                          | -                                    | -                                | 10,300                 |
| Issue of placement units                      | 7           | 70,200                          | -                                    | -                                | 70,200                 |
| Issue expenses adjustments                    | 6           | 644                             | -                                    | -                                | 644                    |
| Distribution to Unitholders                   |             | (1,783)                         | (60,633)                             | -                                | (62,416)               |
| <b>At 30 June 2012</b>                        |             | <b>2,762,357</b>                | <b>499,299</b>                       | <b>(28,842)</b>                  | <b>3,232,814</b>       |
| Return for the period                         |             | -                               | 47,774                               | -                                | 47,774                 |
| Other comprehensive income                    | 1           | -                               | -                                    | 6,829                            | 6,829                  |
| Total comprehensive income                    |             | -                               | 47,774                               | 6,829                            | 54,603                 |
| Issue of units for payment of management fees | 5           | 6,438                           | -                                    | -                                | 6,438                  |
| Distribution to Unitholders                   |             | (3,071)                         | (95,224)                             | -                                | (98,295)               |
| <b>At 30 September 2012</b>                   |             | <b>2,765,724</b>                | <b>451,849</b>                       | <b>(22,013)</b>                  | <b>3,195,560</b>       |

**Notes:**

- (1) This relates to fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Trust.
- (2) This represents 5,324,113, 5,096,741 and 5,219,079 units issued in 1Q2013, 2Q2013 and 3Q2013 as payment of management fees in units.
- (3) This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013 and the placement of 95 million units at an issue price of \$1.26 per unit on 6 August 2013. The net proceeds raised had been used to repay outstanding borrowings and for the acquisition of the 50% interest in 8 Exhibition Street respectively.
- (4) This relates to issue expenses in relation to the placements as mentioned in note 3 above.
- (5) This represents 4,721,998, 6,873,459 and 6,245,890 units issued in 1Q2012, 2Q2012 and 3Q2012 as payment of management fees in units.
- (6) This relates to issue expense adjustments in relation to the previous years' rights issues.
- (7) This relates to the placement of 60 million units at an issue price of \$1.17 per unit as part payment for the acquisition of additional 12.4% interest in OPLLP.

**1(d)(ii) Details of Changes in the Units**

|  | <u>Group and Trust</u> |                       |
|--|------------------------|-----------------------|
|  | <b>2013<br/>Units</b>  | <b>2012<br/>Units</b> |
| <b>Issued units as at 1 January</b>    | <b>2,631,180,238</b>   | <b>2,547,574,969</b>  |
| Issue of new units:                    |                        |                       |
| - Payment of management fees           | 10,420,854             | 11,595,457            |
| - Placement units                      | 40,000,000             | 60,000,000            |
| <b>Issued units as at 30 June</b>      | <b>2,681,601,092</b>   | <b>2,619,170,426</b>  |
| Issue of new units:                    |                        |                       |
| - Payment of management fees           | 5,219,079              | 6,245,890             |
| - Placement units                      | 95,000,000             | -                     |
| <b>Issued units as at 30 September</b> | <b>2,781,820,171</b>   | <b>2,625,416,316</b>  |

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.**

Keppel REIT did not hold any treasury units as at 30 September 2013 and 31 December 2012.

Total number of issued units in Keppel REIT as at 30 September 2013 and 31 December 2012 were 2,781,820,171 and 2,631,180,238 respectively.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. AUDIT**

The figures have neither been audited nor reviewed by the auditors.

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on 1 January 2013.

**5. CHANGES IN ACCOUNTING POLICIES**

Not applicable.



## 6. CONSOLIDATED EARNINGS PER UNIT (“EPU”) AND DISTRIBUTION PER UNIT (“DPU”)

|   | <u>Group</u>  |               |                         |                         |
|---|---------------|---------------|-------------------------|-------------------------|
|   | 3Q2013        | 3Q2012        | YTD Sep 2013            | YTD Sep 2012            |
| <b>EPU</b><br>(based on weighted average number of units as at the end of the period) | 1.35 cents    | 1.17 cents    | 3.96 cents              | 3.36 cents              |
| - Weighted average number of units as at the end of the period                        | 2,743,001,113 | 2,623,447,503 | 2,690,421,204           | 2,577,680,419           |
| <b>DPU</b><br>(based on the number of units as at the end of the period)              | 1.97 cents    | 1.96 cents    | 5.91 cents <sup>1</sup> | 5.80 cents <sup>2</sup> |
| - Number of units in issue as at the end of the period                                | 2,781,820,171 | 2,625,416,316 |                         |                         |

The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the periods.

**Notes:**

- (1) DPU of 5.91 cents for YTD Sep 2013 is based on 1.97 cents, 1.97 cents and 1.97 cents reported for 1Q2013, 2Q2013 and 3Q2013 financial results announcements respectively.
- (2) DPU of 5.80 cents for YTD Sep 2012 is based on 1.90 cents, 1.94 cents and 1.96 cents reported for 1Q2012, 2Q2012 and 3Q2012 financial results announcements respectively.

## 7. NET ASSET VALUE (“NAV”)

|  | <u>Group</u>   |                | <u>Trust</u>   |                |
|--|----------------|----------------|----------------|----------------|
|  | As at 30/09/13 | As at 31/12/12 | As at 30/09/13 | As at 31/12/12 |
| NAV <sup>1</sup> per unit (\$)<br>based on issued units at the end of the period   | 1.27           | 1.32           | 1.20           | 1.23           |
| Adjusted NAV <sup>1</sup> per unit (\$)<br>based on issued units at the end of the period (excluding the distributable income) | 1.25           | 1.30           | 1.18           | 1.21           |

**Note:**

- (1) This excludes non-controlling interest's share of net asset value.

## 8. REVIEW OF PERFORMANCE

### 8(i) Property Income Contribution of the Properties

| Property                            | 3Q2013<br>\$'000 | 3Q2012<br>\$'000 | Group        |                           |                           |              |
|-------------------------------------|------------------|------------------|--------------|---------------------------|---------------------------|--------------|
|                                     |                  |                  | + / (-)<br>% | YTD Sep<br>2013<br>\$'000 | YTD Sep<br>2012<br>\$'000 | + / (-)<br>% |
| Prudential Tower                    | 4,615            | 5,272            | (12.5)       | 14,094                    | 15,824                    | (10.9)       |
| Bugis Junction Towers               | 5,122            | 5,145            | (0.4)        | 15,324                    | 15,278                    | 0.3          |
| Ocean Financial Centre <sup>1</sup> | 22,718           | 20,796           | 9.2          | 67,289                    | 57,788                    | 16.4         |
| 275 George Street                   | 5,331            | 5,841            | (8.7)        | 16,967                    | 17,796                    | (4.7)        |
| 77 King Street                      | 3,027            | 3,146            | (3.8)        | 9,738                     | 9,387                     | 3.7          |
| 8 Exhibition Street <sup>5</sup>    | 3,139            | -                | NM           | 3,139                     | -                         | NM           |
| <b>Total property income</b>        | <b>43,952</b>    | <b>40,200</b>    | <b>9.3</b>   | <b>126,551</b>            | <b>116,073</b>            | <b>9.0</b>   |

### 8(ii) Income Contribution of the Properties

| Property   | 3Q2013<br>\$'000 | 3Q2012<br>\$'000 | Group         |                           |                           |               |
|--|------------------|------------------|---------------|---------------------------|---------------------------|---------------|
|  |                  |                  | + / (-)<br>%  | YTD Sep<br>2013<br>\$'000 | YTD Sep<br>2012<br>\$'000 | + / (-)<br>%  |
| Prudential Tower                                       | 3,409            | 4,088            | (16.6)        | 10,503                    | 12,752                    | (17.6)        |
| Bugis Junction Towers                                  | 4,076            | 4,078            | (0.0)         | 12,577                    | 12,544                    | 0.3           |
| Ocean Financial Centre <sup>1</sup>                    | 17,858           | 16,672           | 7.1           | 53,991                    | 44,685                    | 20.8          |
| 275 George Street                                      | 4,262            | 4,750            | (10.3)        | 13,657                    | 14,509                    | (5.9)         |
| 77 King Street   | 2,309            | 2,495            | (7.5)         | 7,853                     | 7,371                     | 6.5           |
| 8 Exhibition Street <sup>5</sup>                       | 2,363            | -                | NM            | 2,363                     | -                         | NM            |
| <b>Total net property income</b>                       | <b>34,277</b>    | <b>32,083</b>    | <b>6.8</b>    | <b>100,944</b>            | <b>91,861</b>             | <b>9.9</b>    |
| One-third interest in ORQPL:                           |                  |                  |               |                           |                           |               |
| - Rental support                                       | -                | 3,259            | NM            | -                         | 9,267                     | NM            |
| - Interest income                                      | 366              | 381              | (3.9)         | 1,099                     | 1,156                     | (4.9)         |
| - Dividend income                                      | 7,753            | 6,282            | 23.4          | 22,536                    | 19,240                    | 17.1          |
| <b>Total income from one-third interest in ORQPL</b>   | <b>8,119</b>     | <b>9,922</b>     | <b>(18.2)</b> | <b>23,635</b>             | <b>29,663</b>             | <b>(20.3)</b> |
| One-third interest in BFCDLLP:                         |                  |                  |               |                           |                           |               |
| - Rental support                                       | 2,191            | 1,982            | 10.5          | 6,347                     | 4,707                     | 34.8          |
| - Interest income                                      | 4,993            | 5,191            | (3.8)         | 14,983                    | 15,706                    | (4.6)         |
| - Dividend income <sup>2</sup>                         | 8,797            | 7,760            | 13.4          | 26,417                    | 19,641                    | 34.5          |
| <b>Total income from one-third interest in BFCDLLP</b> | <b>15,981</b>    | <b>14,933</b>    | <b>7.0</b>    | <b>47,747</b>             | <b>40,054</b>             | <b>19.2</b>   |
| Ocean Financial Centre <sup>1</sup>                    |                  |                  |               |                           |                           |               |
| - Rental support                                       | 15,235           | 16,476           | (7.5)         | 44,817                    | 51,879                    | (13.6)        |
| 8 Chifley Square <sup>3</sup>                          |                  |                  |               |                           |                           |               |
| - Interest income                                      | 2,761            | 1,622            | 70.2          | 7,524                     | 3,698                     | 103.5         |
| Old Treasury Building <sup>4</sup>                     |                  |                  |               |                           |                           |               |
| - Interest income                                      | 1,432            | -                | NM            | 3,005                     | -                         | NM            |
| <b>Total income contribution</b>                       | <b>77,805</b>    | <b>75,036</b>    | <b>3.7</b>    | <b>227,672</b>            | <b>217,155</b>            | <b>4.8</b>    |

#### Notes:

NM – Not meaningful

- (1) The acquisitions of the approximate 87.5% and 12.4% interests in OPLLP which owns OFC were completed on 14 December 2011 and 25 June 2012 respectively.
- (2) Income for the comparative periods comprises dividend income from BFCDDL prior to its conversion to a limited liability partnership on 15 June 2012 and the distributions from BFCDLLP subsequent to its conversion. Income for the current periods comprises distribution from BFDLLP subsequent to its conversion in FY2012.
- (3) 8 Chifley Square received its Certificate of Practical Completion in July 2013.
- (4) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in second half of 2015.
- (5) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.

## 8. REVIEW OF PERFORMANCE (CONT'D)

### Review of Performance for YTD Sep 2013 vs YTD Sep 2012

The Group's income available for distribution to Unitholders for YTD Sep 2013 rose 6.1% year-on-year to \$159.1 million.

The distributable income included (i) additional contributions from BFCDLLP as a result of its conversion to a limited liability partnership on 15 June 2012, (ii) contributions from 12.4% interest in OPLLP acquired on 25 June 2012, which holds OFC, (iii) contributions from 50% interest in Mirvac (Old Treasury) Trust acquired on 28 March 2013, which holds the office tower in Perth that is currently under construction, and (iv) contributions from 50% interest in 8 Exhibition Street acquired on 1 August 2013.

Property income for YTD Sep 2013 was \$126.6 million, an increase of \$10.5 million or 9.0% over that for YTD Sep 2012. The increase was due mainly to higher property income from OFC and contributions from 50% interest in 8 Exhibition Street acquired on 1 August 2013.

Net property income increased from \$91.9 million for YTD Sep 2012 to \$100.9 million or 9.9% for YTD Sep 2013. This was attributable mainly to better performance from OFC and contributions from 50% interest in 8 Exhibition Street acquired on 1 August 2013.

The Group's total return before tax for YTD Sep 2013 was \$115.9 million, an increase of 14.6% over YTD Sep 2012 as a result of higher net property income, higher interest income, higher share of results of associates and joint ventures, and lower amortisation expenses. These were partly offset by lower rental support, higher borrowing costs and management fees.

YTD Sep 2013 DPU rose 1.9% to 5.91 cents from 5.80 cents for YTD Sep 2012.

The weighted average interest rate was 2.15% per annum. The aggregate leverage stood at 43.9% as at 30 September 2013.

### Review of Performance for 3Q2013 vs 3Q2012

Property income for 3Q2013 was \$44.0 million, an increase of approximately 9.3% compared with the property income of \$40.2 million in 3Q2012. The increase was due mainly to higher property income from OFC and 8 Exhibition Street which was acquired on 1 August 2013.

Net property income for 3Q2013 was \$34.3 million, an increase of \$2.2 million as compared with 3Q2012, due mainly to better performance from OFC and the acquisition of 8 Exhibition Street.

The Group's total return before tax for 3Q2013 was \$40.6 million, an increase of 17.9% over 3Q2012 due mainly to higher net property income, interest income, and share of results of associates and joint ventures, and lower amortisation expenses, partly offset by lower rental support, higher borrowing costs and management fees as a result of the larger portfolio of assets under management.

Distribution to Unitholders increased 4.6% from \$51.7 million in 3Q2012 to \$54.1 million in 3Q2013.

The portfolio attained 99.4% committed occupancy as at 30 September 2013. Six out of eight buildings are 100% occupied.

### Review of Performance for 3Q2013 vs 2Q2013

The Group's total return before tax for 3Q2013 was \$40.6 million, an increase of \$1.5 million over 2Q2013. This was due mainly to higher net property income and interest income, and lower amortization expenses, partly offset by a lower share of results of associates, higher borrowing costs and management fees.

Distribution to Unitholders in 3Q2013 was \$54.1 million, an increase of \$1.3 million over \$52.8 million in 2Q2013.

## 9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

## 10. PROSPECTS

The Singapore economy is expected to grow at a revised 2.5% to 3.5% in 2013, higher than the earlier forecast of between 1% and 3%. The higher GDP growth expected for the second half of the year is also reflected in a survey conducted by the Monetary Authority of Singapore.

The average monthly gross rents of both Premium Grade and Grade A office space in the CBD recorded a stronger quarterly growth of 1.2% to achieve rentals of approximately \$8.52 psf in 3Q 2013 according to Colliers. For Premium Grade offices in the core CBD areas of Raffles Place and Marina Bay, average monthly gross rents also registered a stronger growth of 3.3% in 3Q 2013 quarter-on-quarter to achieve rentals of approximately \$9.92 psf.

Average occupancy rate of Premium Grade and Grade A office space in the CBD was approximately 93.5%. Colliers also highlighted that buildings with large and efficient floor plates will continue to attract tenants and landlords of these buildings should see more examples of flight-to-quality going into the fourth quarter of 2013.

In Australia, the Reserve Bank of Australia cut interest rates in August to 2.5% in a bid to boost export earnings and ease competitive pressures on the domestic industry. Following the Australian general election in September 2013, the coalition pledged to cut taxes and invest in new infrastructure. This move, viewed as pro-business, led to an improvement in consumer and business confidence.

In Sydney, there has been an ongoing flight-to-quality from existing CBD tenants to newer buildings and from tenants looking to centralise their operations into the CBD. In Melbourne, although there will be some new office supply coming onstream, most of the space has been pre-committed, and property consultants expect rental rates to remain relatively stable. In Brisbane, rental rates are also forecasted to stabilise as no new office supply is expected in the CBD until late-2015. In Perth, although leasing activities were not as active, there has been a record number of pre-commitment leasing deals concluded over the last three quarters.

The Manager remains confident of Keppel REIT's performance as nearly all assets are fully committed with long tenured leases, there are no refinancing requirements over the next 24 months and approximately 70% of the borrowings are at fixed interest rates.

Going forward, the Manager will continue to focus on maintaining strong occupancy for its portfolio of properties, as well as proactively managing leases due for rent review and renewal. It will also monitor interest rate and foreign exchange exposures so as to manage financial risks. The Manager will selectively pursue opportunities for strategic acquisitions so as to deliver long-term growth to Unitholders.

## 11. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes great importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigates them. Some of the key risks that the Manager has identified are as follows:

### **Interest rate risk**

The Manager constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through financial instruments or other suitable financial products.

### **Liquidity risk**

The Manager monitors and maintains Keppel REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Steps have been taken to plan for funding and expenses requirements so as to manage the cash position at any point of time.

### **Credit risk**

Credit risk assessments of tenants are carried out by way of evaluation of information from corporate searches conducted prior to the signing of lease agreements. Tenants are required to pay a security deposit as a multiple of monthly rents and maintain sufficient deposits in their accounts. In addition, the Manager also monitors the property portfolio's tenant trade sector mix to assess and manage exposure to any one potentially volatile trade sector.

### **Currency risk**

The Group's foreign currency risk relates mainly to its exposure to its investments in Australia, and the distributable income from and progressive payments related to such Australian investments. The Manager monitors the Group's foreign currency exposure on an on-going basis and will manage its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

### **Operational risk**

Measures have been put in place to promote sustainability of net property income. Some of these measures include steps taken to negotiate for favourable terms/covenants, manage expenses, actively monitor rental payments from tenants, continuously evaluate the Group's counter-parties and maximise property value. In addition, the Manager also continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary.

## 12. DISTRIBUTIONS

### (a) Current Financial Period Reported on

| Name of Distribution | Distribution for 6 August 2013 to 30 September 2013  |
|----------------------|--|
| Distribution Type    | (a) Taxable income<br>(b) Tax-exempt income<br>(c) Capital distribution  |
| Distribution Rate    | (a) Taxable income distribution - 0.55 cents per unit<br>(b) Tax-exempt income distribution - 0.47 cents per unit<br>(c) Capital distribution - 0.22 cents per unit  |
| Tax Rate             | <p><u>Taxable income distribution</u><br/>Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u><br/>Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u><br/>Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p> |

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

| Name of Distribution | Distribution for 1 July 2012 to 30 September 2012   |
|----------------------|---|
| Distribution Type    | (a) Taxable income<br>(b) Tax-exempt income<br>(c) Capital distribution   |
| Distribution rate    | (a) Taxable income distribution - 0.90 cents per unit<br>(b) Tax-exempt income distribution - 1.03 cents per unit<br>(c) Capital distribution - 0.03 cents per unit   |
| Tax rate             | <p><u>Taxable income distribution</u><br/>                     Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u><br/>                     Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u><br/>                     Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p> |

**12. DISTRIBUTIONS (CONT'D)**

**(c) Date Payable**

28 November 2013

**(d) Books Closure Date**

23 October 2013

**13. DISTRIBUTION STATEMENT**

Other than as disclosed in paragraph 12(a), no distribution has been declared/recommended.

**14. INTERESTED PERSON TRANSACTIONS (“IPTs”)**

| Name of Interested Person  | Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000) |                  |
|--|--|------------------|
|  | 3Q2013<br>\$'000   | 3Q2012<br>\$'000 |
| <u>Temasek Holdings (Private) Limited and its subsidiaries</u><br>- Enhancement works to OFC linkway | 320  | -                |
| <u>Keppel Corporation Limited and its subsidiaries or associates</u><br>- Manager’s management fees  | 10,788   | 10,122           |
| - Acquisition fee  | 1,829  | -                |
| - Property management fees and reimbursable  | 1,474  | 1,519            |
| - Leasing commissions  | 246  | 124              |
| - Rental support   | 15,919   | 20,056           |
| - Transportation expenses <sup>1</sup>   | -  | 168              |
| <u>RBC Investor Services Trust Singapore Limited</u><br>- Trustee’s fees                             | 255  | 241              |

No IPT mandate has been obtained by Keppel REIT for the financial period under review.

**Note:**

(1) The aggregate value of interested person transactions refers to the total contract sum entered into during the financial period.



QUARTERLY BREAKDOWN

**Property Contribution by Asset (\$'000)**

|                                     | 1Q12          | 2Q12          | 3Q12          | 4Q12          | FY12           | 1Q13          | 2Q13          | 3Q13          |
|-------------------------------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| <b>Property</b>                     |               |               |               |               |                |               |               |               |
| Prudential Tower                    | 5,231         | 5,321         | 5,272         | 5,195         | <b>21,019</b>  | 5,004         | 4,475         | 4,615         |
| Bugis Junction Towers               | 5,038         | 5,095         | 5,145         | 5,149         | <b>20,427</b>  | 5,111         | 5,091         | 5,122         |
| Ocean Financial Centre <sup>1</sup> | 17,296        | 19,696        | 20,796        | 21,701        | <b>79,489</b>  | 22,111        | 22,460        | 22,718        |
| 275 George Street                   | 6,041         | 5,914         | 5,841         | 5,629         | <b>23,425</b>  | 5,747         | 5,889         | 5,331         |
| 77 King Street                      | 2,982         | 3,259         | 3,146         | 3,123         | <b>12,510</b>  | 3,459         | 3,252         | 3,027         |
| 8 Exhibition Street <sup>5</sup>    | -             | -             | -             | -             | -              | -             | -             | 3,139         |
| <b>Total property income</b>        | <b>36,588</b> | <b>39,285</b> | <b>40,200</b> | <b>40,797</b> | <b>156,870</b> | <b>41,432</b> | <b>41,167</b> | <b>43,952</b> |

**Income Contribution by Asset (\$'000)**

|  | 1Q12          | 2Q12          | 3Q12          | 4Q12          | FY12           | 1Q13          | 2Q13          | 3Q13          |
|--|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| <b>Property</b>  |               |               |               |               |                |               |               |               |
| Prudential Tower                                       | 4,412         | 4,252         | 4,088         | 3,960         | <b>16,712</b>  | 3,961         | 3,133         | 3,409         |
| Bugis Junction Towers                                  | 4,155         | 4,311         | 4,078         | 4,108         | <b>16,652</b>  | 4,120         | 4,381         | 4,076         |
| Ocean Financial Centre <sup>1</sup>                    | 12,644        | 15,369        | 16,672        | 17,661        | <b>62,346</b>  | 18,677        | 17,456        | 17,858        |
| 275 George Street                                      | 5,064         | 4,695         | 4,750         | 4,602         | <b>19,111</b>  | 4,713         | 4,682         | 4,262         |
| 77 King Street   | 2,234         | 2,642         | 2,495         | 2,468         | <b>9,839</b>   | 2,947         | 2,597         | 2,309         |
| 8 Exhibition Street <sup>5</sup>                       | -             | -             | -             | -             | -              | -             | -             | 2,363         |
| <b>Net property income</b>                             | <b>28,509</b> | <b>31,269</b> | <b>32,083</b> | <b>32,799</b> | <b>124,660</b> | <b>34,418</b> | <b>32,249</b> | <b>34,277</b> |
| One-third interest in ORQPL:                           |               |               |               |               |                |               |               |               |
| - Rental support                                       | 3,422         | 2,586         | 3,259         | -             | <b>9,267</b>   | -             | -             | -             |
| - Interest income                                      | 398           | 377           | 381           | 388           | <b>1,544</b>   | 371           | 362           | 366           |
| - Dividend income                                      | 6,052         | 6,906         | 6,282         | 6,015         | <b>25,255</b>  | 7,264         | 7,519         | 7,753         |
| <b>Total income from one-third interest in ORQPL</b>   | <b>9,872</b>  | <b>9,869</b>  | <b>9,922</b>  | <b>6,403</b>  | <b>36,066</b>  | <b>7,635</b>  | <b>7,881</b>  | <b>8,119</b>  |
| One-third interest in BFCDLLP:                         |               |               |               |               |                |               |               |               |
| - Rental support                                       | 1,487         | 1,238         | 1,982         | 1,141         | <b>5,848</b>   | 2,133         | 2,023         | 2,191         |
| - Interest income                                      | 5,392         | 5,123         | 5,191         | 5,269         | <b>20,975</b>  | 5,052         | 4,938         | 4,993         |
| - Dividend income <sup>2</sup>                         | 6,590         | 5,291         | 7,760         | 7,132         | <b>26,773</b>  | 8,414         | 9,206         | 8,797         |
| <b>Total income from one-third interest in BFCDLLP</b> | <b>13,469</b> | <b>11,652</b> | <b>14,933</b> | <b>13,542</b> | <b>53,596</b>  | <b>15,599</b> | <b>16,167</b> | <b>15,981</b> |
| Ocean Financial Centre <sup>1</sup>                    |               |               |               |               |                |               |               |               |
| - Rental support                                       | 18,949        | 16,454        | 16,476        | 15,265        | <b>67,144</b>  | 14,064        | 15,518        | 15,235        |
| 8 Chifley Square <sup>3</sup>                          |               |               |               |               |                |               |               |               |
| - Interest income                                      | 883           | 1,193         | 1,622         | 1,954         | <b>5,652</b>   | 2,208         | 2,555         | 2,761         |
| Old Treasury Building <sup>4</sup>                     |               |               |               |               |                |               |               |               |
| - Interest income                                      | -             | -             | -             | -             | -              | 81            | 1,492         | 1,432         |
| <b>Total income contribution</b>                       | <b>71,682</b> | <b>70,437</b> | <b>75,036</b> | <b>69,963</b> | <b>287,118</b> | <b>74,005</b> | <b>75,862</b> | <b>77,805</b> |

**Notes:**

- (1) The acquisitions of the approximate 87.5% and 12.4% interests in OPLLP which owns OFC were completed on 14 December 2011 and 25 June 2012 respectively.
- (2) Income for the comparative periods comprises dividend income from BFCDDL prior to its conversion to a limited liability partnership on 15 June 2012 and the distributions from BFCDLLP subsequent to its conversion. Income for the current periods comprises distribution from BFDLLP subsequent to its conversion in FY2012.
- (3) 8 Chifley Square received its Certificate of Practical Completion in July 2013.
- (4) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was completed on 28 March 2013. The property is currently under development and is scheduled for completion in second half of 2015.
- (5) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.

**By Order of the Board**

**Keppel REIT Management Limited**  
**(Company Registration Number: 200411357K)**  
**As Manager of Keppel REIT**

CHOO CHIN TECK / KELVIN CHUA HUA YEOW  
 Joint Company Secretaries  
 14 October 2013


**CONFIRMATION BY THE BOARD**

We, CHIN WEI-LI AUDREY MARIE and NG HSUEH LING, being two Directors of Keppel REIT Management Limited (the "Company"), as manager of Keppel REIT, 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 Third Quarter 2013 financial statements of Keppel REIT to be false or misleading in any material respect.

**On Behalf of the Board**

CHIN WEI-LI AUDREY MARIE  
Chairman

14 October 2013



NG HSUEH LING  
Director