



**Full Year 2014 Financial Results
19 January 2015**





Important Notice

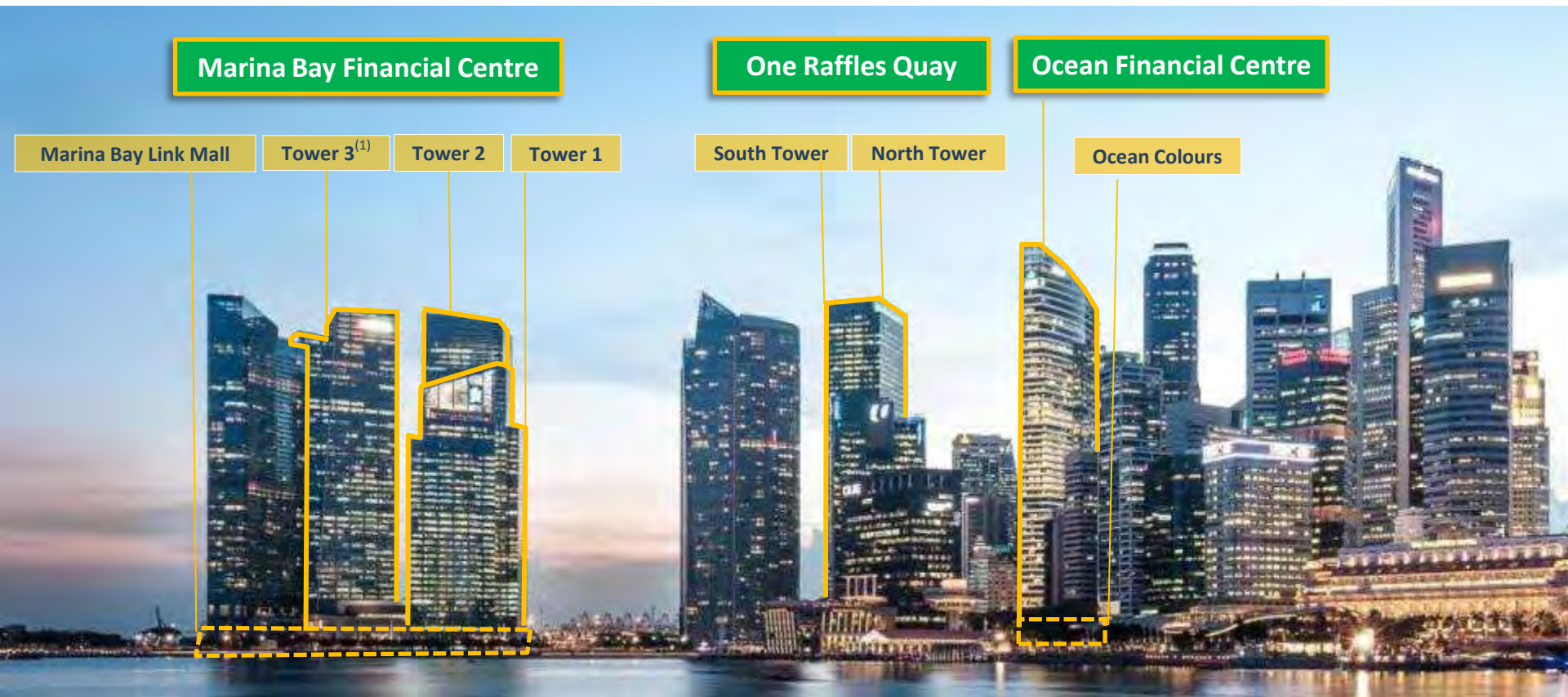
The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of Keppel REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Keppel REIT is not necessarily indicative of the future performance of Keppel REIT.



- » **Strategic portfolio transformation** in 2014
- » Acquisition of MBFC Tower 3 positions Keppel REIT as the S-REIT with the **youngest and largest portfolio of premium Grade A office assets** in Singapore's central business district



(1) Keppel REIT completed the acquisition of a one-third interest in Marina Bay Financial Centre Tower 3 on 16 Dec 2014.



The above information is as at 31 Dec 2014.

(1) Excludes the NLA for the new office tower to be built on the Old Treasury Building site, which is currently under construction.

(2) Based on market closing price per Unit of \$1.22 as at the last trading day, 31 Dec 2014.





» With **88%** of portfolio in Singapore and **12%** in Australia

Singapore Properties



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers

Australia Properties



8 Chifley Square, Sydney
(50% interest)



77 King Street Office Tower, Sydney



8 Exhibition Street, Melbourne
(50% interest)



275 George Street, Brisbane
(50% interest)





Old Treasury Building Office Tower, Perth (50% interest)
**Expected completion in 2H 2015*





Key Milestones in 2014





1Q 2014

-  Ocean Colours at Ocean Financial Centre is **fully operational**
-  Office tower to be built on the Old Treasury Building site in Perth was awarded the **5-Star Green Star Office Design v3**

2Q 2014

-  Announced the **divestment of Prudential Tower** for \$512 million
 - **4.5% premium to latest valuation** of \$490 million
 - **46.7% premium to purchase price** of \$349.1 million
-  Bugis Junction Towers was awarded the **BCA Green Mark Platinum Award (2014)**

3Q 2014

-  Announced the **acquisition of one-third interest in MBFC Tower 3**
-  **Completed the divestment of Prudential Tower**
-  Both Moody's and S&P reaffirmed Keppel REIT's rating at "**Baa2**" and "**BBB**" respectively with a **stable outlook**
-  Ranked **1st** and **Regional Leader for Office Sector in Asia** in Global Real Estate Sustainability Benchmark 2014

4Q 2014

-  **Overwhelming response from Unitholders for all 3 resolutions at the EGM** for the acquisition a one-third interest in MBFC Tower 3
-  Completed the acquisition of the **one-third interest in MBFC Tower 3**
-  **9 out of the 11** completed office towers are **fully committed**



Marina Bay Financial Centre,
Singapore

Keppel REIT

1. Key Highlights

2. Financial Highlights

3. Capital Management

4. Portfolio Analysis

5. Market Review and Outlook

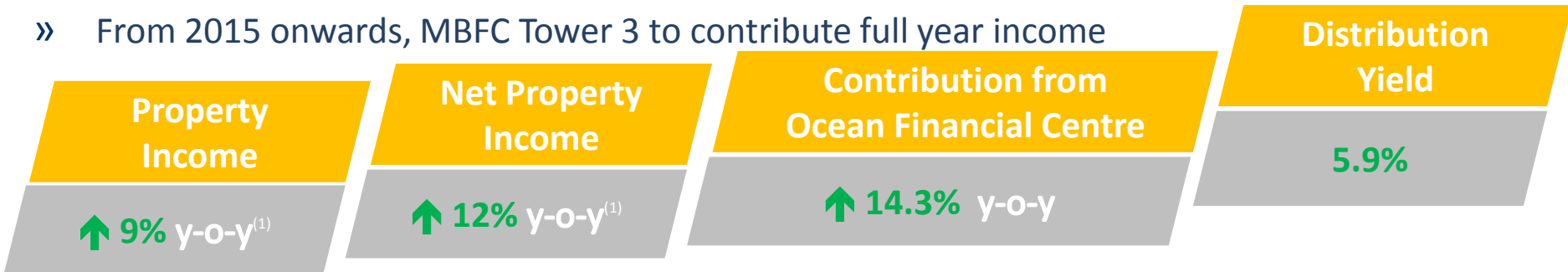


FY 2014 Key Financial Highlights

- » Net Property Income and Property Income **↑ 12%** and **9%** y-o-y for current portfolio⁽¹⁾
- » Contributions from:
 - Ocean Financial Centre **↑ 14.3%** y-o-y to **\$82.7 mil**
 - 8 Exhibition Street **↑ 91.5%** y-o-y to **\$13.1 mil**
- » Share of Results of Joint Ventures **grew more than 3 times** y-o-y to **\$9.8 million**
 - Contribution from 8 Chifley Square
- » **One-off impact to distribution** due to:
 - Lesser income from Prudential Tower arising from the divestment
 - Two-week contribution from MBFC Tower 3
- » **Distribution yield** of **5.9%**⁽²⁾
- » From 2015 onwards, MBFC Tower 3 to contribute full year income



Ocean Financial Centre, Singapore



⁽¹⁾ Current portfolio excludes Prudential Tower that was divested in September 2014.

⁽²⁾ The yield is based on the market closing price per unit of \$1.22 as at the last trading day, 31 Dec 2014

- » Completed the **early refinancing** of a total of **\$275 million** and **\$75 million** of borrowings due in **2015** and **2016** respectively
- » Approximately **65%** of Keppel REIT's total borrowings is on fixed rate basis
- » Weighted average term to expiry of debt of **3.6 years**
- » Healthy interest coverage ratio of **5.0 times** and all-in interest rate of **2.23%**

Weighted Average
Term to Expiry

3.6 Years

Interest Coverage
Ratio

5.0 times

All-in interest rate

2.23%

Borrowings on
Fixed-Rate

65%






- » **Positive rent reversions** of **17%** for the entire portfolio on average
- » Achieved **rental upside** averaging **23%** for **new office leases**
- » Rental growth of **16%** for **office renewals and reviews**
- » **High tenant retention rate** of **85%** for office tenants
- » Average rental rates achieved in Keppel REIT's portfolio of **\$12 psf** per month for new leases and renewals for the Raffles Place and Marina Bay precincts, with some leases at **\$15 psf** per month
- » **9 out of 11** completed office towers achieved **100% committed occupancy**
- » Growth in demand from firms in the **technology, media and telecommunication (TMT) sector** seeking prime business addresses



One Raffles Quay,
Singapore

1. Key Highlights
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- » Net Property Income and Property Income for the current portfolio⁽¹⁾  **12%** and **9%** y-o-y respectively
- » Net increase in Net Property Income and Property Income of **9.5%** y-o-y to **\$151.4 mil** and **5.8%** y-o-y to **\$184.1 mil**, despite the absence of income from Prudential Tower in 4Q 2014

| | FY 2014 | FY 2013 |
|--|------------|------------|
| Property Income | \$184.1m | \$174.0m |
| Net Property Income | \$151.4m | \$138.3m |
| Share of Results of Joint Ventures | \$9.8m | \$2.1m |
| Distributable Income to Unitholders ⁽²⁾ | \$206.1m | \$214.0m |
| Distribution Per Unit - For the Period | 7.23 cents | 7.88 cents |
| Distribution Yield | 5.9% | 6.6% |

(1) Excludes Prudential Tower that was divested in September 2014.

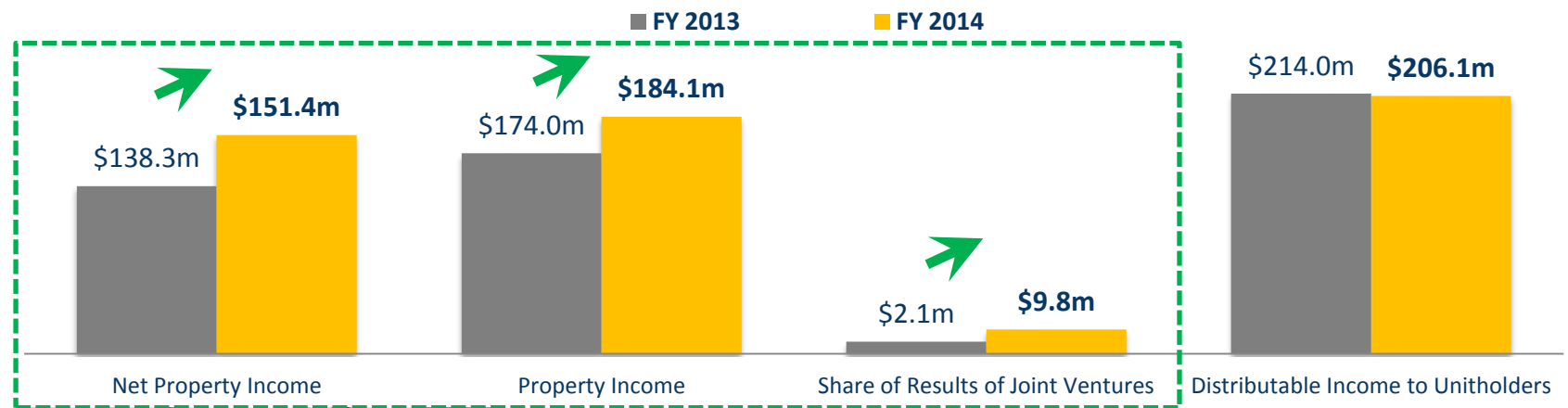
(2) The distributable income to Unitholders is based on 100% of the taxable income available for distribution.





Distribution Yield of 5.9%

- » Strong performance of Net Property Income
 - Ocean Financial Centre **↑ 14.3%** y-o-y to **\$82.7 mil**
 - 8 Exhibition Street **↑ 91.5%** y-o-y to **\$13.1 mil**, due to full-year contribution from the 50% interest acquired in Aug 2013
- » Share of Results of Joint Ventures **grew more than 3 times** y-o-y to **\$9.8 million**
 - Contribution from 8 Chifley Square , which was completed in July 2013 and achieved full committed occupancy in December 2014
- » DPU for FY 2014 stood at **7.23 cents** notwithstanding:
 - Lesser income contribution from Prudential Tower, which was divested in 3Q 2014
 - Two-week contribution from MBFC Tower 3, which was acquired in mid-Dec 2014
- » **Distribution yield of 5.9%**⁽¹⁾



(1) The yield is based on the market closing price per unit of \$1.22 as at the last trading day, 31 Dec 2014

| | As at 31 Dec 2014 | As at 31 Dec 2013 |
|--------------------------------------|-------------------|-------------------|
| Non-current Assets | \$ 7,104 m | \$6,650 m |
| Total Assets | \$7,329 m | \$6,776 m |
| Borrowings ⁽¹⁾ | \$3,545 m | \$3,031 m |
| Total Liabilities | \$2,870 m | \$2,877 m |
| Unitholders' Funds | \$4,457 m | \$3,897 m |
| Net Asset Value (NAV) Per Unit | \$1.41 | \$1.40 |
| Adjusted NAV Per Unit ⁽²⁾ | \$1.40 | \$1.38 |

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

(2) For 31 Dec 2013, this excludes the distribution paid in Feb 2014.

For 31 Dec 2014, this excludes the distributions to be paid in Feb 2015.





4Q 2014 Distribution Per Unit

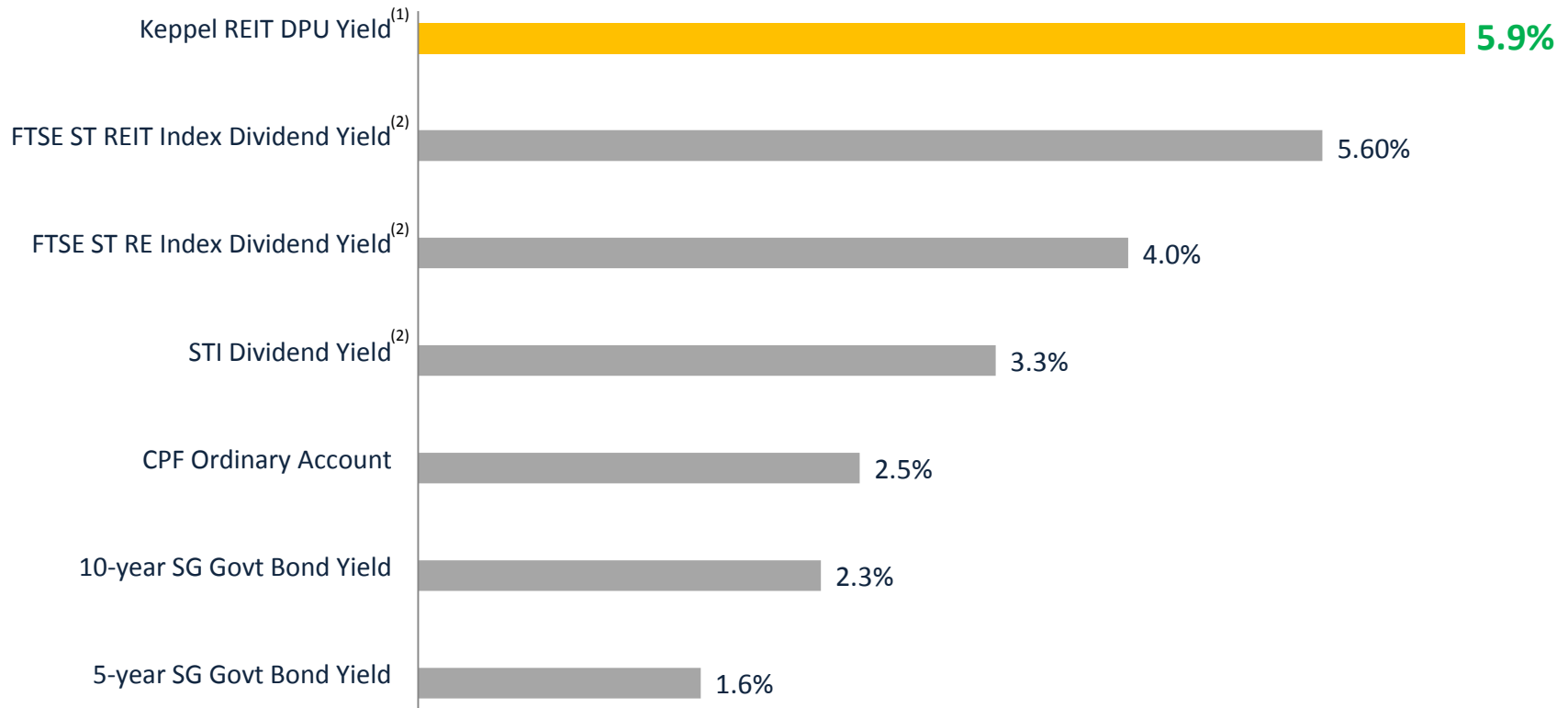
- » 4Q 2014 DPU of **1.51 cents**
 - Advanced distribution: **1.25 cents**
 - Remaining distribution: **0.26 cents**
- » **One-off impact to distribution** due to absence of income contribution from Prudential Tower which has been divested and only a two-week contribution from MBFC Tower 3
- » From **2015** onwards, Unitholders can expect **full contribution from MBFC Tower 3**

| | Advanced Distribution | Remaining Distribution |
|-----------------------------|--------------------------|---------------------------|
| Distribution Per Unit (DPU) | 1.25 cents | 0.26 cents |
| Distribution Period | 1 Oct 2014 – 15 Dec 2014 | 16 Dec 2014 – 31 Dec 2014 |

| Distribution Timetable | Advanced Distribution | Remaining Distribution |
|---------------------------|------------------------|------------------------|
| Trading on “Ex” Basis | Tuesday, 2 Dec 2014 | Friday, 23 Jan 2015 |
| Books Closure Date | Thursday, 4 Dec 2014 | Tuesday, 27 Jan 2015 |
| Distribution Payment Date | Wednesday, 21 Jan 2015 | Friday, 27 Feb 2015 |



» Keppel REIT offers **attractive yield** compared to other investments



⁽¹⁾ Based on Keppel REIT's 7.23 cents DPU for FY2014 and market closing unit price of \$1.22 as at 31 December 2014.

⁽²⁾ Based on Bloomberg's dividend yield data for the FTSE ST Real Estate Investment Trust (REIT) Index, FTSE ST Real Estate (RE) Index and Straits Time Index (STI) as at 31 December 2014.

Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities



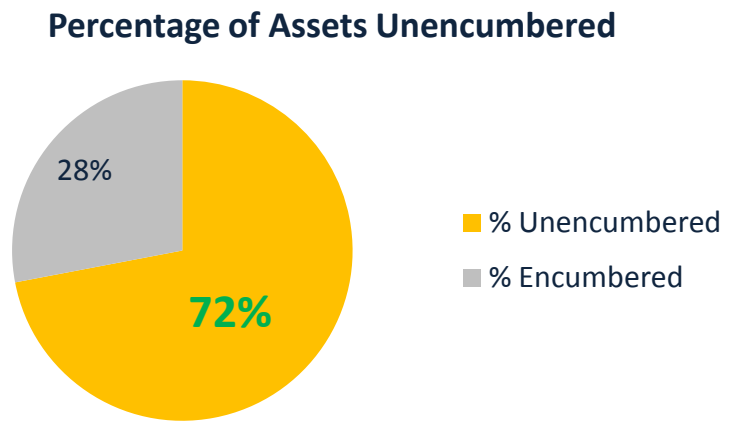
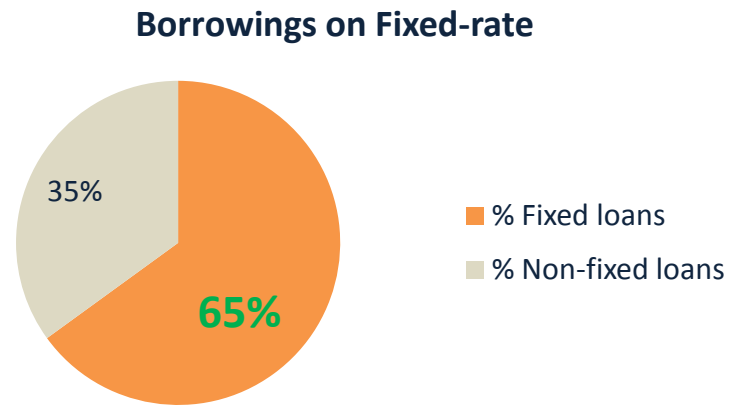
8 Exhibition Street,
Melbourne

Keppel REIT

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» Continue to adopt a **prudent** and **proactive capital management strategy**

| | As at 31 Dec 2014 |
|---------------------------------|---|
| Gross Borrowings | \$3,545 m |
| Interest Coverage Ratio | 5.0 times |
| All-in Interest Rate | 2.23% |
| Weighted Average Term to Expiry | 3.6 years |
| Aggregate Leverage | 43.3% |
| Rating | Baa2⁽¹⁾ / BBB⁽²⁾ |



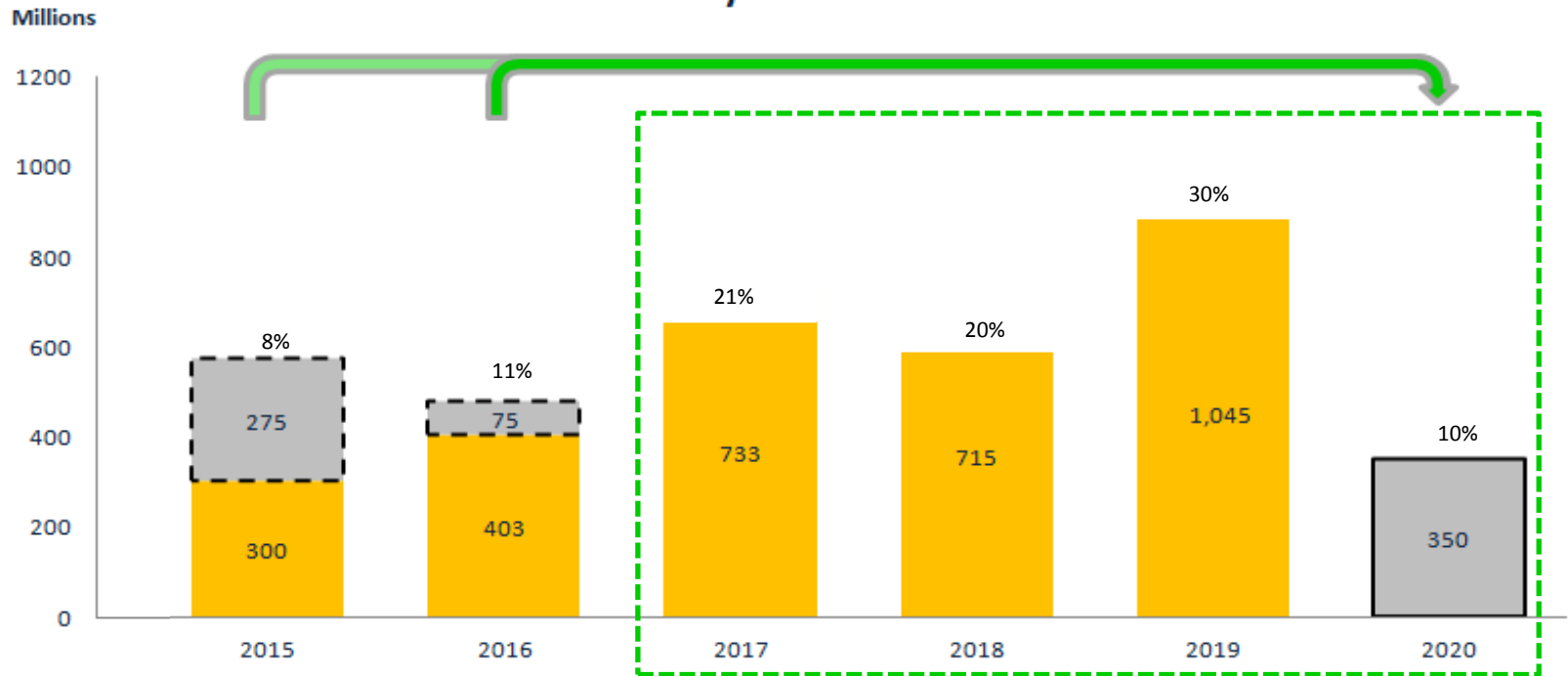
⁽¹⁾ Moody's Investors Service
⁽²⁾ Standard & Poor's Ratings Services



- » Early refinancing of loans due in 2015 and 2016 **extended debt maturity to 2020**
- » **More than 80%** of the loans are **not due for repayment until 2017** and beyond



Debt Maturity Profile as at 31 Dec 2014



> 80% of loans are not due till 2017 and beyond



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Keppel REIT

Ocean Financial Centre,
Singapore



| Overall Rental Reversions | Rents from New Office Tenants | Rents from Office Renewals and Reviews |
|---------------------------|-------------------------------|--|
| +17% | +23% | +16% |

Marina Bay Financial Centre, Singapore

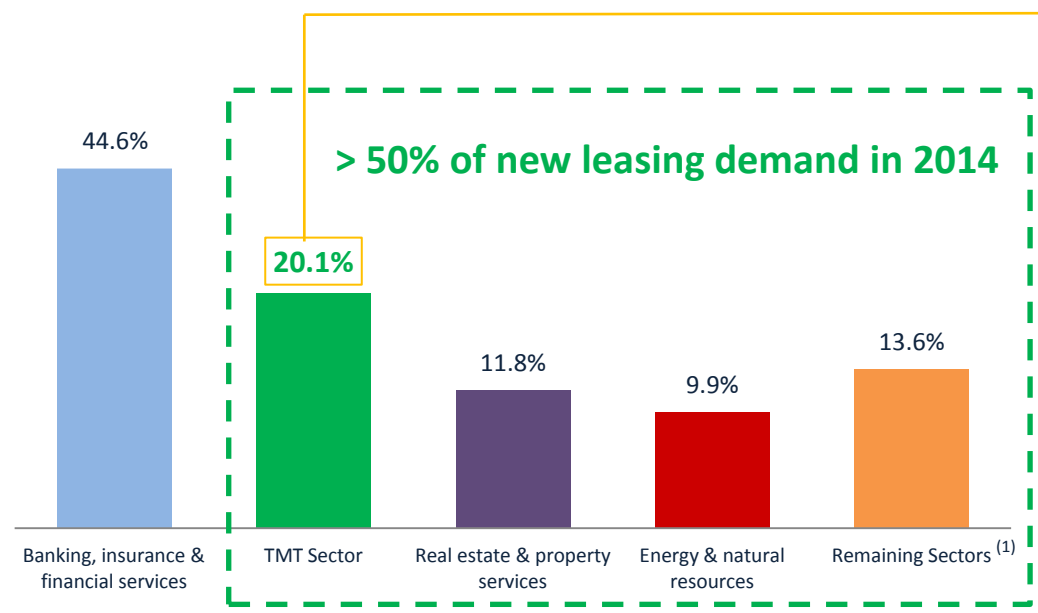


- » Approximately **450,000 sf** of leases were secured, renewed and reviewed in FY 2014
 - **Positive rental reversions** of **17%** for overall portfolio
 - **23% upside** in rents from **new office leases**
 - **16% increment** in rents from **office renewals and reviews**
 - **High tenant retention rate** of **85%** for office tenants
- » New leases and renewals for Keppel REIT’s properties in the Raffles Place and Marina Bay precincts achieved an average of **\$12 psf**, with some leases committed at **\$15 psf**
- » **9 of 11 completed office towers** achieved **100%** committed occupancy
- » **MBFC Tower 3** occupancy **↑** to **97%** as at end-2014



- » Over **50%** of new leasing demand in 2014 came from industries including the TMT sector, energy and natural resources as well as real estate and property services
- » Demand from firms in **TMT sector more than doubled** that of 2013
- » These companies chose to locate to prime business addresses

Leasing Demand in 2014



(1) Comprises tenants from the Accounting & consultancy services, F&B, Legal, Pharmaceuticals & Healthcare, Retail (excluding F&B and Services), Services and Others business sectors



» In 4Q 2014, tenants who signed on ranged from various business sectors

Office Tenants



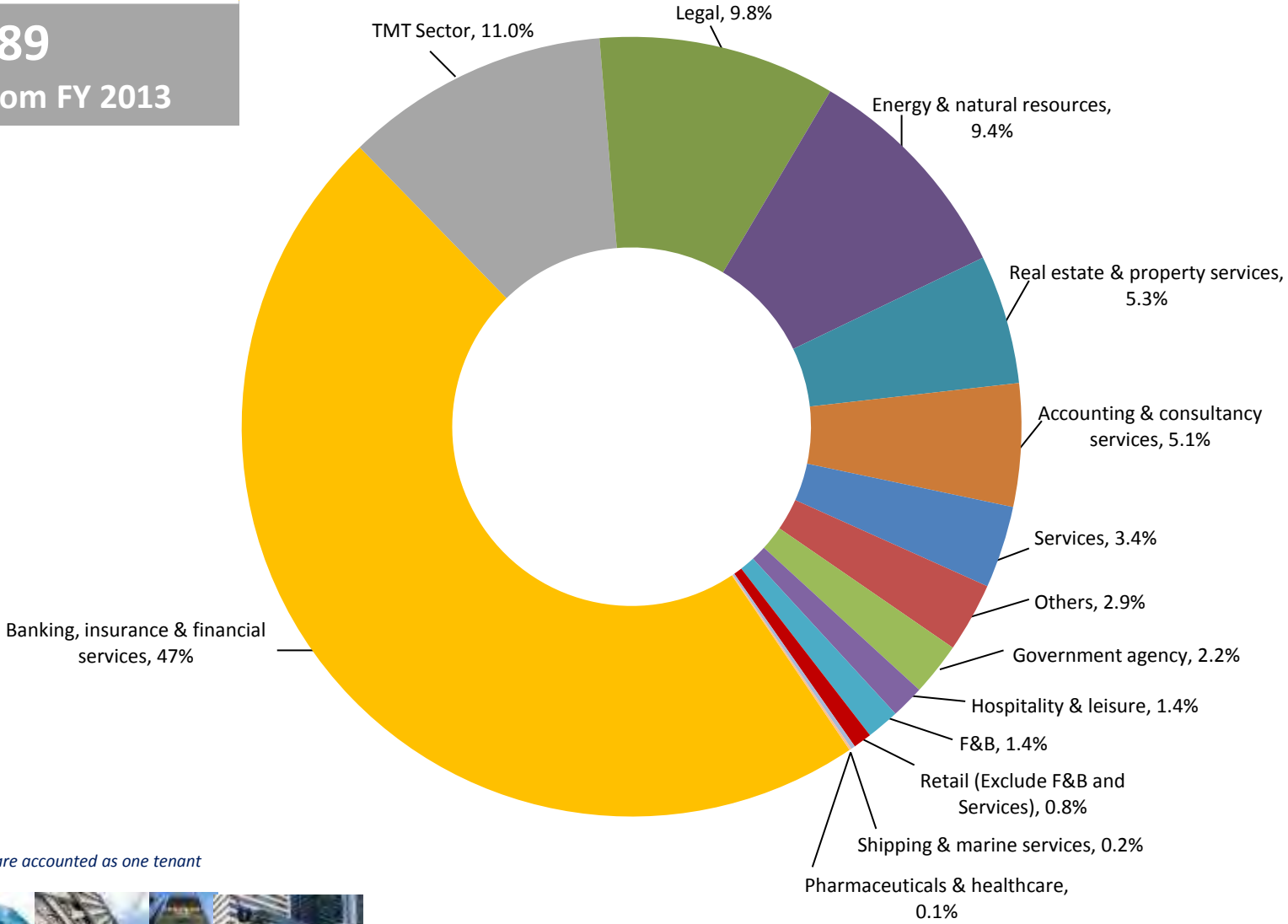
Retail Tenants



Number of tenants

289

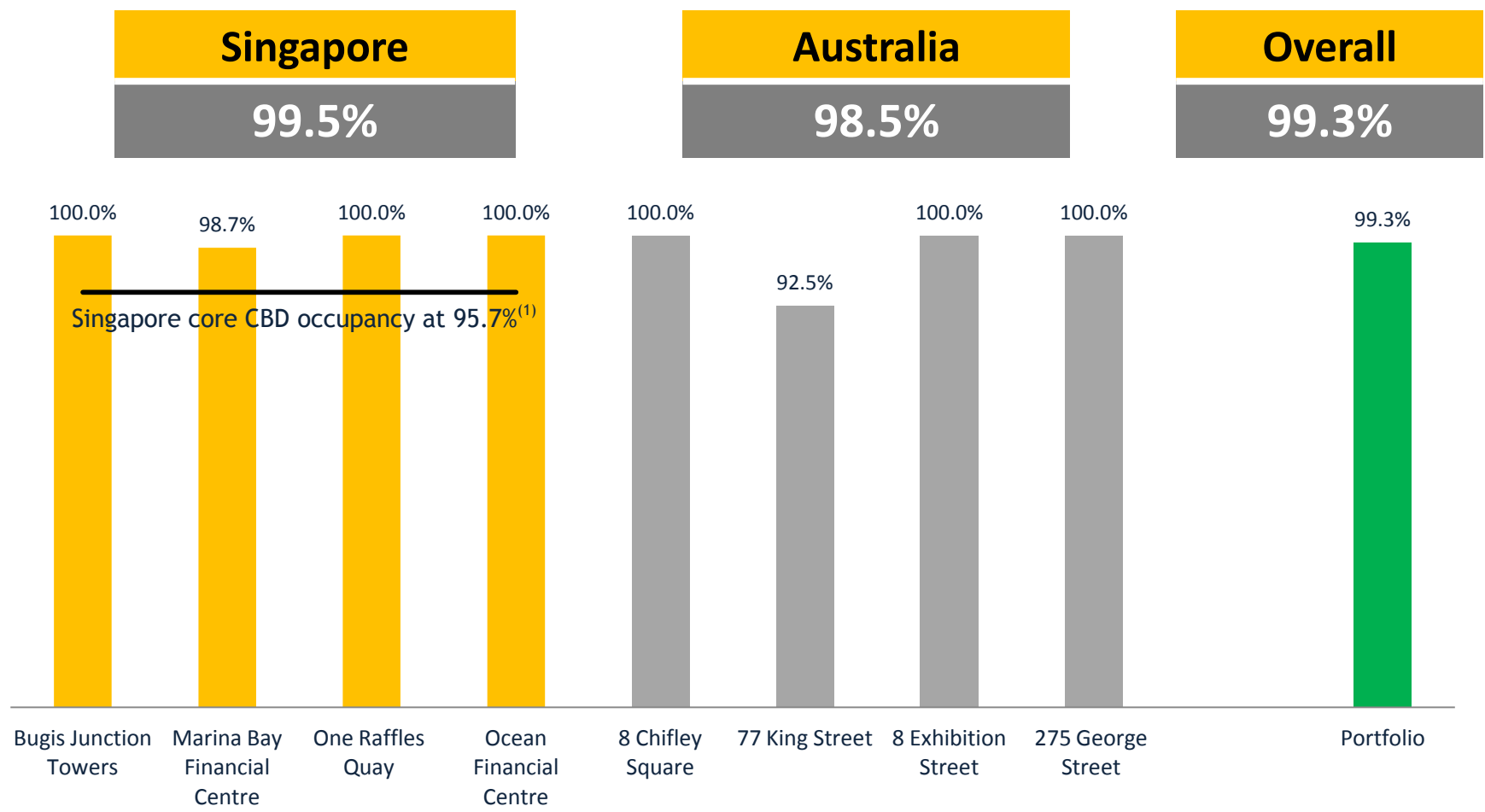
↑ ~10% from FY 2013



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

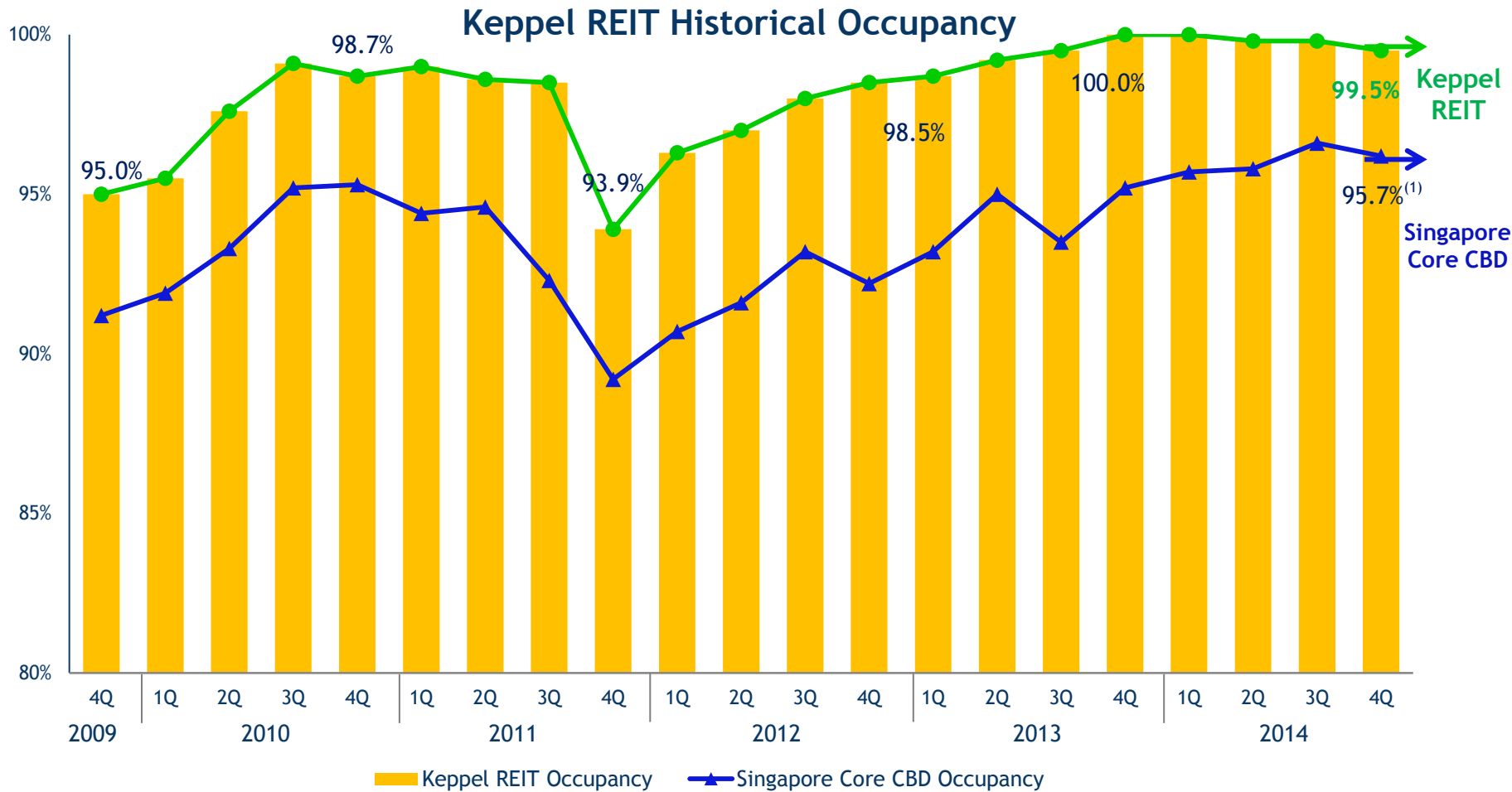


- » **9 out of the 11** completed office towers are **fully committed**
- » Overall portfolio committed occupancy at healthy levels of **99.3%**



(1) Source: CBRE

» Keppel REIT's Singapore portfolio occupancy is **consistently above Singapore's Core CBD occupancy levels**



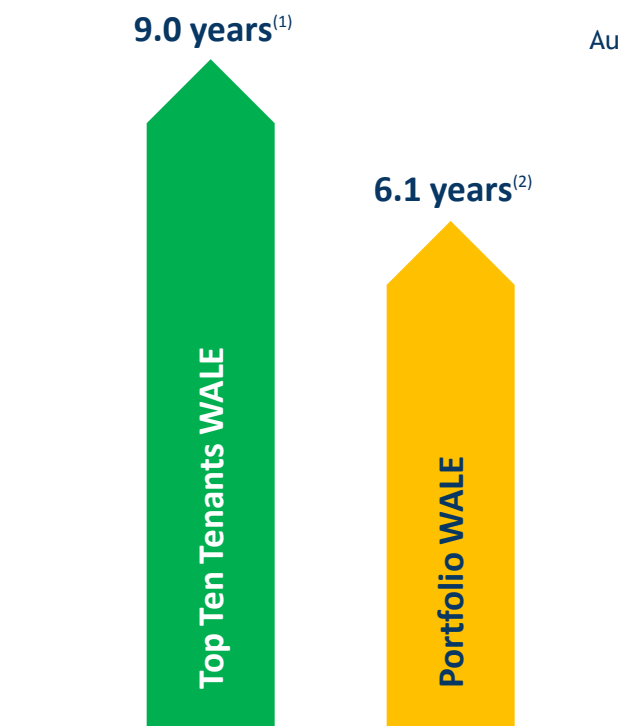
(1) Source: CBRE



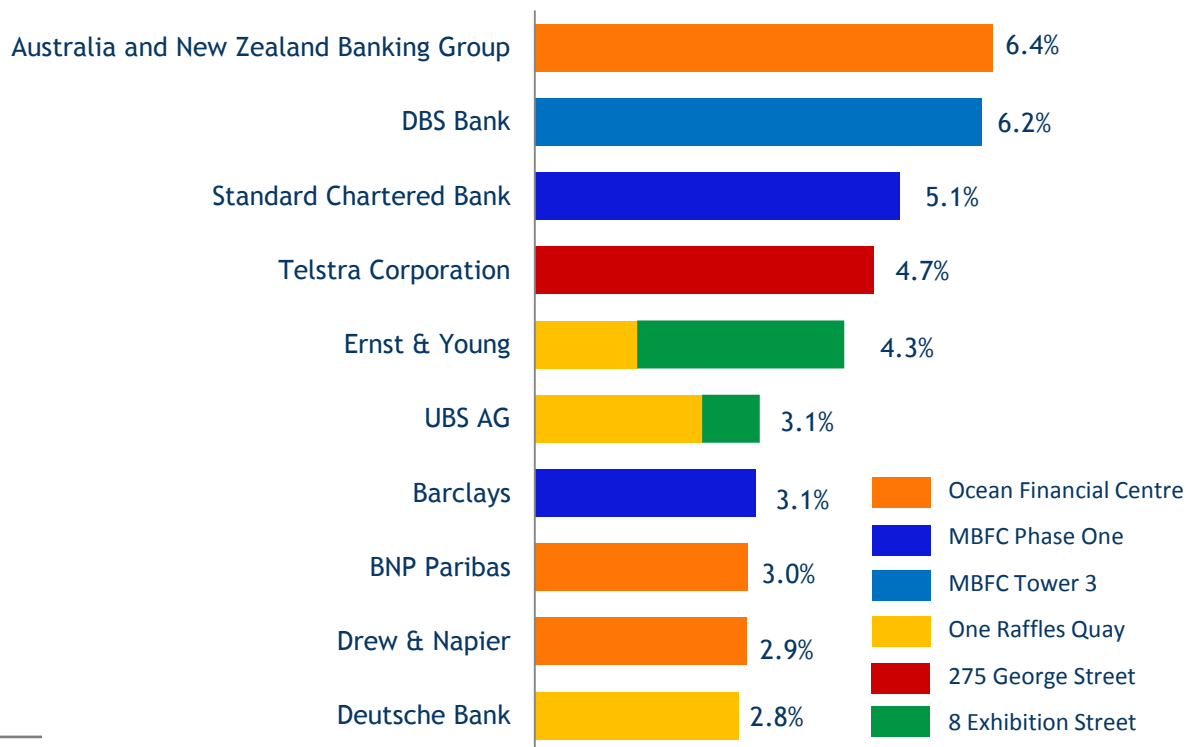


- » **Top 10 tenants** account for approximately **42%** of portfolio NLA
- » **Long WALE** of **9 years** and are **diversified across 7 office towers** in Singapore and Australia

Weighted Average Lease Expiry (WALE)



Top 10 Tenants (by NLA)



(1) Excluding the new office tower to be built on the Old Treasury Building site, the top ten tenants WALE will be 6.6 years.

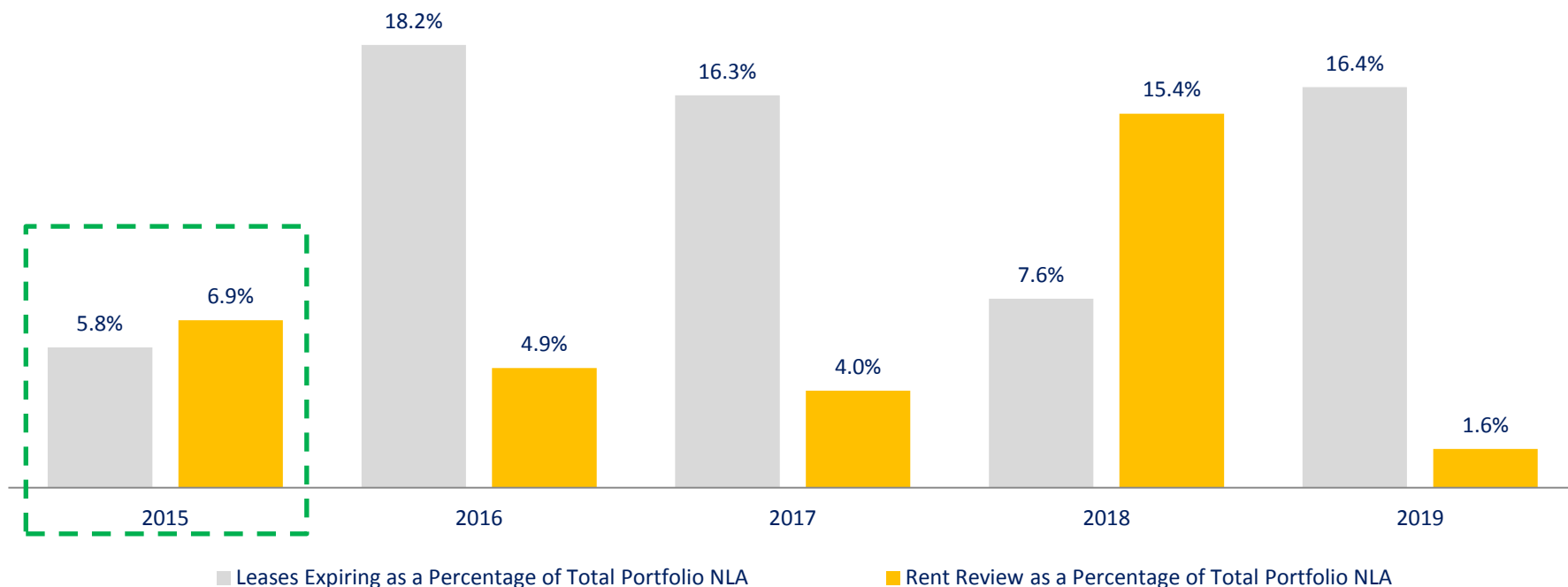
(2) Excluding the new office tower to be built on the Old Treasury Building site, the portfolio WALE will be 5.2 years.





- » **Proactive leasing efforts** for the approximate **420,000 sf** of office space due for renewal and review in 2015
- » **Well-staggered lease profile** with not more than **18.2%** of the portfolio expiring in any one year over the next five years

Portfolio Lease Profile (by NLA) as at 31 Dec 2014



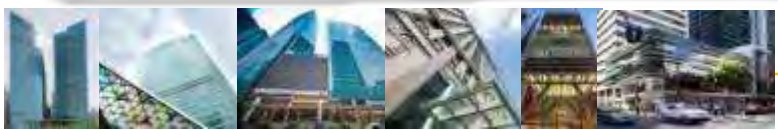
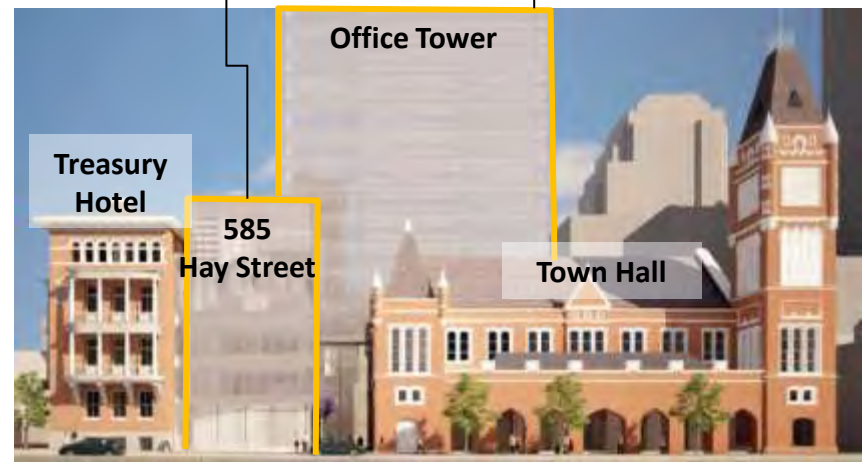
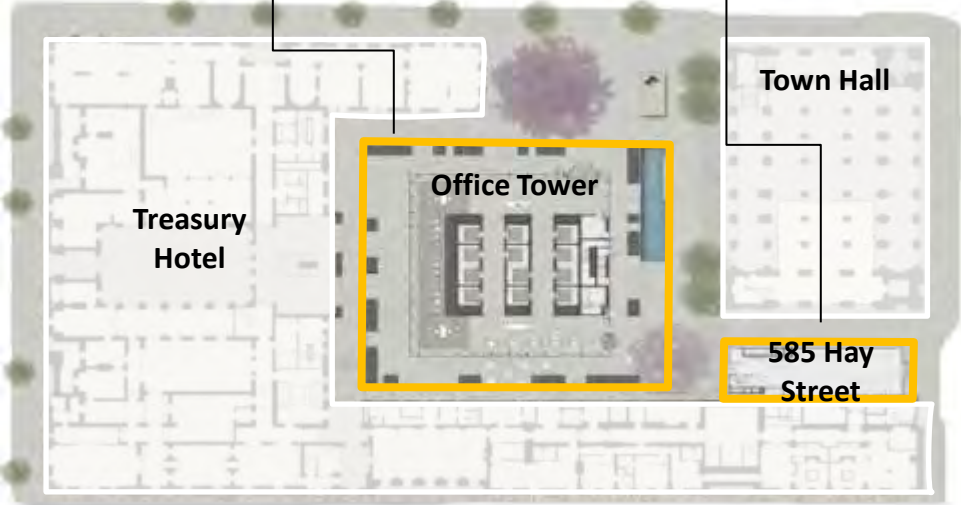
New Office Tower at the Old Treasury Building site

- » Construction for the 35-storey building has **reached level 32**
- » **On track for completion** in 2H 2015

Construction Progress



Artist Impressions



Arts for all

- » National Arts Council's (NAC) "Arts in your Neighbourhood" programme at Ocean Financial Centre in Nov
- » "Silver Arts" programme at Marina Bay Link Mall in Oct to encourage the elderly to express their creativity through art



WTA

- » Public awareness event for the Women's Tennis Association (WTA) finals at Ocean Financial Centre in Oct
- » First time that the WTA is held in the Asia-Pacific region
- » Activities include performances, games and tennis coaching lessons as well as photo-taking with the coveted WTA Finals' Billie Jean King trophy



Christmas Cheer

- » Tenants at Ocean Financial Centre and Bugis Junction Towers were encouraged to spread the joy of Christmas with the children from Melrose Home
- » Tenants were treated to Christmas carolling and special Christmas goodies



SG50

- » Ocean Financial Centre joined the nation in ushering in Singapore's Golden Jubilee (SG50) at the highly anticipated New Year's Eve Countdown event





Global Real Estate Sustainability Benchmark (GRESB)

- » Ranked **No. 1 in Asia for Office Sector**
- » Ranked the **Regional Leader in Asia for Office Sector**
- » **Top 3 in Asia** across all diversified entities and sectors
- » **Top 5% globally** across all diversified entities and sectors



Singapore Portfolio - Awards

BCA Green Mark Awards

- » Bugis Junction Towers, **Green Mark Platinum**

Ocean Financial Centre

- » MIPIM Asia Gold award for the **Best Innovative Green Building**
- » Silver Certificate for **PUB Water Efficient Buildings**



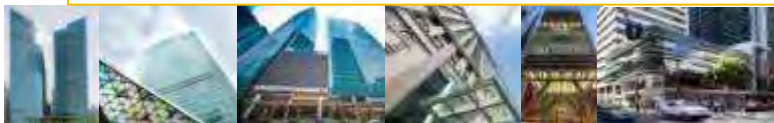
Australian Portfolio - Awards

8 Chifley Square

- » **12 accolades** for development, architectural, construction excellence and environmental sustainability

Office tower on the Old Treasury Building site

- » **5-Star Green Star** Office Design v3 Certified Rating



Bugis Junction Towers,
Singapore

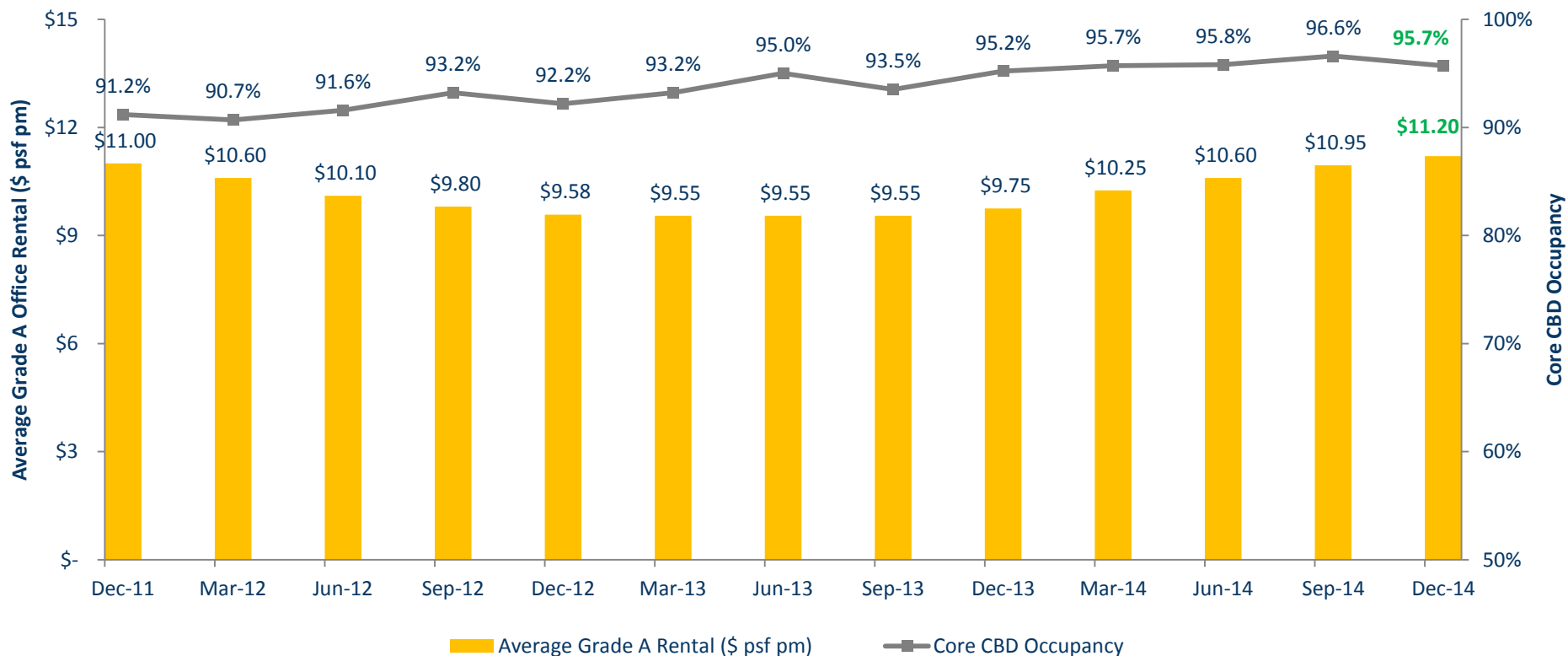
Keppel REIT

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Keppel REIT



- » Average Grade A occupancy in the core CBD area held firm at **95.7%**
- » Grade A office rents continued to lead growth, rising an average of **14.9%** y-o-y to reach **\$11.20 psf**





Singapore

- » Economy expected to record 2.8% growth in 2014
- » Government forecast a 2% to 4% growth in 2015, on the back of modest global growth and the tightening labour conditions domestically
- » Positive office demand sentiment expected to continue into 2015 driven by various industries and increasingly the TMT sector
- » Overall Grade A office rentals recorded an average 14.9% increase in 2014 and is forecasted to grow further in 2015



Australia

- » Recorded an economic growth of 2.7% y-o-y in 3Q 2014
- » Reserve Bank of Australia will continue to maintain interest rate at 2.5% to encourage sustainable economic growth
- » Demand for office remained relatively stable across Australia and was driven largely by the technology firms
- » Consultants expect stronger business conditions to further support the office market in 2015



Thank You



**Marina Bay Link Mall
Singapore**



Vision

To be a successful commercial real estate investment trust with a sterling portfolio of assets pan-Asia

Mission

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

Key Thrusts

Acquisition growth

- » Pursue opportunities for acquisition in Singapore and pan-Asia
- » Focus on strategic portfolio upgrading and optimisation

Prudent capital management

- » Effective management of assets and cost structure
- » Exercise prudent interest rate and foreign exchange hedging policies
- » Structure borrowings to ensure financial flexibility

Active asset management

- » Attract creditworthy tenants to increase occupancy as well as retain good existing tenants
- » Balance lease expiry and rent review profiles to enhance cash flow resilience for Unitholders

Growth Record



• Maiden acquisition: One Raffles Quay

• First third-party acquisition: Increased stake in Prudential Tower

• First overseas acquisition
 • First S-REIT to qualify for Australia's MIT structure
 • First strategic asset swap to acquire MBFC Phase 1

• First forward funding acquisition structure
 • First S-REIT to utilise LLP structure to hold assets

Renamed
Keppel REIT

• Increased interest in OFC to 99.9%
 • Obtained tax transparency for MBFC Phase 1

• Acquisition of the new office tower at the Old Treasury Building in Perth
 • Acquisition of 8 Exhibition Street in Melbourne

• Divested stake in Prudential Tower
 • Completed the acquisition of a one-third interest in MBFC Tower 3

K-REITasia
 Listed in April

K-REITasia
 Keppel Land



- » Keppel REIT's AUM is approximately **\$8.2 billion** as at 31 December 2014, with **88%** of portfolio in Singapore and **12%** in Australia
- » Around **93%** of Keppel REIT's Singapore portfolio is located in the prime **Raffles Place** and **Marina Bay precincts**

| | Bugis Junction Towers | Marina Bay Financial Centre Phase One ⁽¹⁾ | Marina Bay Financial Centre Tower 3 ⁽¹⁾ | One Raffles Quay ⁽¹⁾ | Ocean Financial Centre ⁽²⁾ |
|---|--|--|--|--|--|
| Description | 15-storey Grade A office tower | A pair of 33 and 50 storey premium Grade A office towers and subterranean mall | 46-storey premium Grade A office tower with ancillary retail space | A pair of 50 and 29 storey premium Grade A office towers | 43-storey premium Grade A office tower |
| Attributable NLA (sf) | 244,989 | 581,392 | 447,327 | 444,291 | 884,525 |
| Ownership | 100.0% | 33.33% | 33.33% | 33.33% | 99.9% |
| Number of tenants | 15 | 94 | 58 | 40 | 50 |
| Principal tenants | IE Singapore, InterContinental Hotels Group, Keppel Land | Barclays Capital, BHP Billiton, Standard Chartered Bank | DBS Bank, WongPartnership, Rio Tinto | Deutsche Bank, Ernest & Young, UBS | ANZ, BNP Paribas, Drew & Napier |
| Tenure | 99 years expiring 9 Sept 2089 | 99 years expiring 10 Oct 2104 | 99 years expiring 7 Mar 2106 | 99 years expiring 12 June 2100 | 99 years expiring 13 Dec 2110 |
| Valuation ⁽³⁾ (S\$ million) | 527.0 | 1,641.0 | 1,289.0 | 1,228.0 | 2,560.0 |
| Committed occupancy (As at 31 Dec 2014) | 100.0% | 100.0% | 97.0% | 100.0% | 100.0% |

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

(2) Refers to Keppel REIT's 99.9% interest in Ocean Financial Centre.

(3) The valuations are based on Keppel REIT's interest in the respective properties as at 31 Dec 2014.



| | 8 Chifley Square, Sydney ⁽¹⁾ | 77 King Street Office Tower, Sydney | 8 Exhibition Street, Melbourne ⁽¹⁾ | 275 George Street, Brisbane ⁽¹⁾ | Office Tower to be built at the Old Treasury Building site, Perth ⁽¹⁾ |
|---|--|--------------------------------------|---|---|--|
| Description | 34-storey Grade A office tower | 18-storey Grade A office tower | 35-storey Grade A office tower | 30-storey Grade A office tower | 33-storey Grade A office tower scheduled for completion in 2H 2015 |
| Attributable NLA (sf) | 104,138 | 146,624 | 241,600 | 224,688 | 165,685 |
| Ownership | 50.0% | 100.0% | 50.0% | 50.0% | 50.0% |
| Number of tenants | 8 | 13 | 19 | 8 | 1 |
| Principal tenants | Corrs Chambers Westgarth, QBE Insurance Group, Quantum Group | Apple, Facebook, Capgemini Australia | Ernst & Young, UBS, AECOM Australia | Queensland Gas Company, Telstra Corporation | Government of Western Australia ⁽²⁾ |
| Tenure | 99 years expiring 5 Apr 2105 | Freehold | Freehold | Freehold | 99 years ⁽³⁾ |
| Valuation ⁽⁴⁾ (S\$ million) | 205.9 | 139.9 | 194.3 | 213.7 | 197.0 |
| Committed occupancy (As at 31 Dec 2014) | 100.0% | 92.5% | 100.0% | 100.0% | 98.2% |

(1) Refers to Keppel REIT's 50% interest in the properties.

(2) Pre-committed lease.

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

(4) Based on the exchange rate of A\$1 = S\$1.11. Valuation as at 31 December 2014 based on Keppel REIT's interest in the respective properties. For the office tower on the Old Treasury Building site in Perth, valuation is on an "as if completed" basis.