

Managed by

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MEDIA RELEASE

Unaudited Results of Keppel REIT for the Second Quarter and Half Year Ended 30 June 2015

20 July 2015

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the second quarter and half year ended 30 June 2015.

The materials are also available at www.keppelreit.com, www.keppelland.com and www.kepcorp.com.

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Keppel REIT 2Q 2015 distributable income up 3% y-o-y

Focused tenant retention efforts see positive rental reversion of 18% on average and high portfolio occupancy of 99.3%

- Achieved higher distribution income to Unitholders year-on-year (“y-o-y”) despite the absence of income from the divested Prudential Tower, as well as the lack of rental support from Marina Bay Financial Centre (“MBFC”) Phase One and the 87.5% interest in Ocean Financial Centre
- Distribution Per Unit (“DPU”) increased 1.2% quarter-on-quarter (“q-o-q”) to 1.72 cents for the quarter ended 30 June 2015 (“2Q 2015”) due to stronger performance from Ocean Financial Centre and Bugis Junction Towers
- Completed 100% of refinancing requirements for 2015 and early refinanced approximately 70% of loans due in 2016, as well as commenced early refinancing for loans due in 2017
- This brings almost 100% of Keppel REIT’s total borrowings not due for repayment till 2017 and beyond
- Significantly lengthened debt maturity profile by 0.8 years, which extended the weighted average term to maturity to 3.9 years
- Hedged almost 100% of distributable income from Australia for the remaining of 2015 to mitigate currency fluctuations
- All-in interest rate remained stable at 2.5% and interest coverage ratio stood at a healthy 4.5 times
- Embarking on maiden Distribution Reinvestment Plan (“DRP”) for the 2Q distribution to strengthen Keppel REIT’s balance sheet, enhance working capital reserves and improve the liquidity of the Units
- Completed the renewal and review of almost all of 2015 leases, and all with positive rent reversions
- Office leases signed, renewed, forward renewed and reviewed achieved a positive rental reversion of 18% on average as at 1H 2015
- Successfully leased 100% of the space in Keppel REIT’s Singapore portfolio that has been returned to-date
- 80% of leases not due for renewal till 2017 and beyond

Summary of Results

	GROUP			
	2Q2015	1Q2015 ²	1H2015	1H2014 ²
	\$'000	\$'000	\$'000	\$'000
Property income	42,964	42,405	85,369	94,128
Net property income	34,711	34,587	69,298	78,659
Share of results of associates	19,953	20,367	40,320	30,229
Share of results of joint ventures	4,056	4,043	8,099	1,751
Income available for distribution	54,820	54,009	108,829	108,267
Distribution to Unitholders¹	54,820	54,009	108,829	108,267
Distribution per Unit ("DPU") (cents) for the period	1.72	1.70	3.42	3.87
Annualised/Actual Distribution Yield %			6.0% ³	6.1% ⁴

Notes:

- (1) Distribution to Unitholders is based on 100% of the taxable income available for distribution.
- (2) Information for 1H2014 includes the contribution from Prudential Tower, which was divested in 3Q2014. In 4Q2014, Keppel REIT acquired a one-third stake in Marina Bay Financial Centre Tower 3. As such, the financial information for 1Q2015 has also been provided to give a more meaningful comparison of Keppel REIT’s performance quarter on quarter since the portfolio of properties are the same over the two periods.
- (3) The yield is based on the market closing price per unit of \$1.145 as at the last trading day, 30 June 2015.
- (4) The yield is based on the market closing price per unit of \$1.280 as at the last trading day, 30 June 2014.

Delivering Sustained Performance

Keppel REIT Management Limited, the Manager of Keppel REIT, is pleased to announce distributable income of \$54.8 million for 2Q 2015 and \$108.8 million for 1H 2015, which are 3% above that of 2Q 2014 and 0.5% above 1H 2014 respectively.

The Manager was able to achieve higher distribution income to Unitholders y-o-y despite the absence of income from the divested Prudential Tower, as well as the lack of rental support from MBFC Phase One and the 87.5% interest in Ocean Financial Centre.

On a q-o-q basis, distributable income grew 1.5% from \$54 million in 1Q 2015 to \$54.8 million in 2Q 2015. This saw a corresponding increase in DPU for 2Q 2015 to 1.72 cents, which is 1.2% higher than 1Q 2015's DPU of 1.70 cents. The increase is due to stronger performance from Ocean Financial Centre and Bugis Junction Towers, which saw improvement in both property income and net property income. The improved DPU translates to an annualised distribution yield of 6%.

Disciplined Capital Structure

In keeping with its proactive capital management approach, 100% of Keppel REIT's refinancing requirements for 2015 have been completed. The Manager has also early refinanced approximately 70% of loan facilities due in 2016 and commenced early refinancing of the loans due in 2017. With this, close to 100% of Keppel REIT's total borrowings are not due for repayment till 2017 and beyond.

The completion and early refinancing of loans have also significantly lengthened Keppel REIT's debt maturity profile by 0.8 years, and extended the weighted average term to maturity to 3.9 years.

To mitigate currency fluctuations, Keppel REIT has hedged almost 100% of distributable income from Australia for the remaining of 2015.

As at 1H 2015, 65% of Keppel REIT's total borrowings are on fixed rates, which safeguards against interest rate fluctuations, whilst providing the Manager financial and operational flexibility. Meanwhile, a significant portion of the floating-rate loans have also been rolled over for 6 months to mitigate interest rate volatility. Despite the rising interest rate environment, Keppel REIT's all-in interest rate remained stable at 2.5% and interest coverage ratio stood at a healthy 4.5 times.

Keppel REIT will be embarking on its maiden DRP for the upcoming 2Q distribution. The DRP provides Unitholders the option to receive distributions in the form of Units, without incurring additional costs. It will also further strengthen Keppel REIT's balance sheet, enhance working capital reserves and improve the liquidity of the Units.

Focused Tenant Retention Strategy

Continuing on its focused tenant retention strategy, Keppel REIT has successfully signed, renewed, forward renewed and reviewed approximately 390,000 sf of office space with a positive rental reversion of 18% on average to-date.

The Manager continues to maintain a high portfolio occupancy level of 99.3%, with eight of 11 completed office towers in Singapore and Australia fully committed.

As at 1H 2015, the Manager achieved a healthy retention rate of approximately 84% year-to-date. A total of 20 new leases have been signed to-date, effectively leasing all 100% of the space in Keppel REIT's Singapore portfolio that has been returned.

With this, almost all of Keppel REIT's leases which are due for renewals and reviews in 2015 have been successfully renewed and reviewed, and all were completed with positive rent reversions. This brings the total leases in the portfolio not due for renewal till 2017 and beyond to 80%.

To ensure sustainability of property income over the long term, the Manager continues to maintain a healthy weighted average lease expiry of approximately 8.5 years and 6 years for its top 10 tenants and overall portfolio respectively.

In Australia, construction of the office tower being built on the Old Treasury Building site in Perth is progressing on track. The Government of Western Australia is expected to commence its 25-year lease in this strategic landmark in Perth's central business district ("CBD") in 4Q 2015. The 25-year lease includes options for another 25 years.

Office Market Outlook

Based on advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 1.7% y-o-y in 2Q 2015. Growth was supported by an increase in public sector construction activities.

Net absorption of office space in Singapore's CBD remained stable in 2Q 2015. According to property consultants, occupancy for Grade A offices held firm at 96.2%, with rents reaching approximately \$11.00 psf. With limited supply of quality office space in the CBD till end-2015, property consultants anticipate prime office rents to remain stable for the rest of the year. Looking into 2016, consultants expect tenants to adopt a wait-and-see approach, while others may take the opportunity to consolidate or expand operations, as more office supply come onstream.

In Australia, the economy is expected to grow 2.2% y-o-y in 2Q 2015. Economists forecast a 2.4% growth for the whole of 2015. In May 2015, the Reserve Bank of Australia cut the official cash rate to a historic low of 2.0% to foster economic growth.

In 1Q 2015, Australia's CBD continued to record its third successive quarter of positive net absorption of office space. As firms continue to focus on headcount growth, the number of job advertisements, which is a leading indicator for office leasing activities, has also trended higher over the past 12 months. This is also evidenced by the more positive leasing momentum recorded in the key cities of Sydney and Melbourne.

Looking Ahead

Keppel REIT was conferred the Best Investor Relations (Gold) award in the REITs and Business Trusts category at the annual Singapore Corporate Award 2015. Beyond awards, this accolade reinforces the Manager's commitment to ensure quality and fairness in disclosure, as well as to continually uphold corporate governance and transparency.

Looking ahead, the Manager remains focused on tenant retention and is continually engaging tenants for forward renewals. Prudent capital management remains critical in a more volatile operating environment, and the Manager will continue its disciplined approach to mitigate financing, interest and foreign exchange risks.

About Keppel REIT (www.keppelreit.com)

Keppel REIT was listed by way of an introduction on 28 April 2006. Today, it is one of the largest real estate investment trusts listed on the Singapore Exchange.

Keppel REIT's objective is to generate stable income and provide 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 June 2015, Keppel REIT has assets under management of approximately \$8.2 billion comprising interests in nine premium office assets with 12 office towers strategically located in Singapore's CBD as well as key financial precincts of Sydney, Melbourne, Brisbane and Perth in Australia.

The assets in Singapore are Bugis Junction Towers, a one-third interest in Marina Bay Financial Centre (comprising office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall), a one-third interest in One Raffles Quay and a 99.9% interest in Ocean Financial Centre.

The assets in Australia are 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 office tower and its annexe being 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 is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Land.

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.

**KEPPEL REIT
SECOND QUARTER 2015 FINANCIAL STATEMENTS ANNOUNCEMENT****UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2015****TABLE OF CONTENTS**

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**SUMMARY OF KEPPEL REIT RESULTS
FOR THE HALF YEAR ENDED 30 JUNE 2015**

	GROUP			
	2Q2015 \$'000	1Q2015 ² \$'000	1H2015 \$'000	1H2014 ² \$'000
Property income	42,964	42,405	85,369	94,128
Net property income	34,711	34,587	69,298	78,659
Share of results of associates	19,953	20,367	40,320	30,229
Share of results of joint ventures	4,056	4,043	8,099	1,751
Income available for distribution	54,820	54,009	108,829	108,267
Distribution to Unitholders ¹	54,820	54,009	108,829	108,267
Distribution per Unit ("DPU") (cents) for the period	1.72	1.70	3.42	3.87
Annualised/Actual Distribution Yield %			6.0% ³	6.1% ⁴

Notes:

- (1) Distribution to Unitholders is based on 100% of the taxable income available for distribution.
- (2) Information for 1H2014 includes the contribution from Prudential Tower, which was divested in 3Q2014. In 4Q2014, Keppel REIT acquired a one-third stake in Marina Bay Financial Centre Tower 3. As such, the financial information for 1Q2015 has also been provided to give a more meaningful comparison of Keppel REIT's performance quarter on quarter since the portfolio of properties are the same over the two periods.
- (3) The yield is based on the market closing price per unit of \$1.145 as at the last trading day, 30 June 2015.
- (4) The yield is based on the market closing price per unit of \$1.280 as at the last trading day, 30 June 2014.

DISTRIBUTION DETAILS

Distribution	1 April 2015 to 30 June 2015
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	(a) Taxable income distribution - 1.15 cents per unit (b) Tax-exempt income distribution - 0.47 cents per unit (c) Capital distribution - 0.10 cents per unit
Books closure date	28 July 2015
Payment date	28 August 2015

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 June 2015, Keppel REIT has an asset size of approximately \$8.2 billion comprising interests in nine premium office assets with 12 office towers strategically located in the central business districts of Singapore, as well as key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

The assets in Singapore are Bugis Junction Towers, a one-third interest in Marina Bay Financial Centre (comprising office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall), a one-third interest in One Raffles Quay and a 99.9% interest in Ocean Financial Centre.

The assets in Australia are 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 being 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 is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Land.

1. UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2015

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the half year ended 30 June 2015:

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					
		2Q2015	2Q2014	+ / (-)	1H2015	1H2014	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Gross rent		40,765	45,925	(11.2)	81,600	91,042	(10.4)
Car park income		812	822	(1.2)	1,642	1,592	3.1
Other income		1,387	599	131.6	2,127	1,494	42.4
Property income		42,964	47,346	(9.3)	85,369	94,128	(9.3)
Property tax		(3,135)	(2,737)	14.5	(6,008)	(4,229)	42.1
Other property expenses	1	(4,321)	(3,982)	8.5	(8,352)	(8,000)	4.4
Property management fee		(966)	(1,161)	(16.8)	(2,051)	(2,306)	(11.1)
Maintenance and sinking fund contributions		169	(275)	NM	340	(934)	NM
Property expenses		(8,253)	(8,155)	1.2	(16,071)	(15,469)	3.9
Net property income		34,711	39,191	(11.4)	69,298	78,659	(11.9)
Rental support	2	4,848	12,250	(60.4)	11,027	25,295	(56.4)
Interest income	3	9,532	10,299	(7.4)	18,514	20,102	(7.9)
Share of results of associates	4	19,953	14,244	40.1	40,320	30,229	33.4
Share of results of joint ventures	5	4,056	920	340.9	8,099	1,751	362.5
Amortisation expenses	6	(4,488)	(9,388)	(52.2)	(9,988)	(18,426)	(45.8)
Borrowing costs	7	(16,769)	(15,167)	10.6	(33,068)	(29,706)	11.3
Manager's management fees	8	(12,407)	(11,305)	9.7	(24,750)	(22,803)	8.5
Trust expenses		(1,396)	(1,017)	37.3	(3,868)	(2,201)	75.7
Changes in fair value of interest rate swap	9	990	-	100.0	1,868	-	100.0
Total return before tax		39,030	40,027	(2.5)	77,452	82,900	(6.6)
Income tax expense	10	(1,800)	(2,414)	(25.4)	(3,702)	(5,436)	(31.9)
Total return after tax		37,230	37,613	(1.0)	73,750	77,464	(4.8)
Attributable to:							
Unitholders		37,212	37,595	(1.0)	73,714	77,426	(4.8)
Non-controlling interest		18	18	-	36	38	(5.3)
		37,230	37,613	(1.0)	73,750	77,464	(4.8)

Distribution Statement

Total return for the period attributable to Unitholders		37,212	37,595	(1.0)	73,714	77,426	(4.8)
Net tax and other adjustments	11	17,608	15,625	12.7	35,115	30,841	13.9
Income available for distribution		54,820	53,220	3.0	108,829	108,267	0.5
Distribution to Unitholders	12	54,820	53,220	3.0	108,829	108,267	0.5
Distribution per Unit (cents)							
For the period		1.72	1.90	(9.5)	3.42	3.87	(11.6)
Annualised/Actual Distribution ¹		6.84	7.23	(5.4)	6.84	7.23	(5.4)

(1) Actual distribution is based on the 1.97 cents, 1.90 cents, 1.85 cents and 1.51 cents reported in 1Q2014, 2Q2014, 3Q2014 and 4Q2014 respectively.

NM – Not meaningful

Notes:

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

	<u>Group</u>			
	2Q2015	2Q2014	1H2015	1H2014
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	105	56	207	178
Utilities	810	855	1,710	1,632
Repair and maintenance	2,531	2,558	4,795	4,867
Property management reimbursements	510	219	996	720
Other property expenses	365	294	644	603
	<u>4,321</u>	<u>3,982</u>	<u>8,352</u>	<u>8,000</u>

- (2) For 2Q2015, this relates to the rental support top-up payments received by Keppel REIT for 77 King Street Office Tower, Sydney, the approximate 12.4% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC") and the one-third interest in Central Boulevard Development Pte. Ltd. ("CBDPL") which holds Marina Bay Financial Centre ("MBFC") Tower 3. For 1H2015, the rental support top-up payment received by Keppel REIT also included its approximate 87.5% interest in OPLLP. For 2Q2014, the rental support top-up payments received by Keppel REIT were for 77 King Street Office Tower, Sydney, and the approximate 99.9% interest in OPLLP which holds OFC. For 1H2014, the rental support top-up payments received by Keppel REIT also included its additional 29% interest in Prudential Tower acquired on 2 November 2009 and the one-third interest in BFC Development LLP ("BFCDLLP") which holds MBFC Towers 1 and 2 and Marina Bay Link Mall. The rental support drawn down for OFC and MBFC Tower 3 for 1H2015 are \$3,574,000 and \$7,400,000 respectively.

- (3) Interest income comprises the following:

	<u>Group</u>			
	2Q2015	2Q2014	1H2015	1H2014
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposits and current accounts	539	282	1,096	541
Interest income from shareholder's loans to One Raffles Quay Pte Ltd ("ORQPL") and BFCDLLP	6,641	5,354	12,709	10,603
Interest income from convertible notes in Mirvac 8 Chifley Trust and Mirvac (Old Treasury) Trust	2,352	4,663	4,709	8,958
	<u>9,532</u>	<u>10,299</u>	<u>18,514</u>	<u>20,102</u>

Interest income from convertible notes for the current periods relates to that of the Mirvac (Old Treasury) Trust ("MOTT") as the convertible notes in Mirvac 8 Chifley Trust ("M8CT") had been fully converted to units in June 2014. Keppel REIT ceased receiving coupon interest income from M8CT and started receiving distribution income subsequent to the conversion.

- (4) Share of results of associates for the current period relates to Keppel REIT's one-third interests in (i) ORQPL and CBDPL's net profit after tax, and (ii) BFCDLLP's partnership profit. In the prior period, share of results of associates relates to Keppel REIT's one-third interests in (i) ORQPL's net profit after tax, and (ii) BFCDLLP's partnership profit.
- (5) Share of results of joint ventures relates to Keppel REIT's 50% interests in M8CT and MOTT net profit after tax.
- (6) Please refer to paragraph 1(b)(i), note 4.
- (7) Borrowing costs comprise the following:

	<u>Group</u>			
	2Q2015	2Q2014	1H2015	1H2014
	\$'000	\$'000	\$'000	\$'000
Interest expense on term loans	15,379	14,095	30,274	27,359
Interest expense on revolving loans	785	393	1,580	816
Amortisation of capitalised transaction costs	605	679	1,214	1,531
	<u>16,769</u>	<u>15,167</u>	<u>33,068</u>	<u>29,706</u>

- (8) The Manager has elected to receive 100% of its management fees earned in respect of all the properties in units of Keppel REIT for this quarter. In the prior period, the Manager elected to receive 100% of its management fees earned in respect of the approximate 87.5% interest in OPLLP, 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 FY2014.
- (9) This relates to the fair value change of an interest rate swap, which had been re-designated to hedge other existing loans subsequent to the repayment of a previously hedged loan. The change in fair value has no DPU impact.
- (10) Income tax expense comprises (i) tax of 17% on the rental support top-up payments received by Keppel REIT for its interests in CBDPL and OPLLP, net of deductible interest expense and (ii) withholding tax expense in relation to the income from the Group's investments in Australia. In the prior period, income tax expense comprised (i) tax of 17% on the rental support top-up payments received by Keppel REIT for its interests in 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 and other adjustments are the following:

	<u>Group</u>			
	2Q2015	2Q2014	1H2015	1H2014
	\$'000	\$'000	\$'000	\$'000
Management fees paid and/or payable in units	12,407	7,597	24,750	15,273
Trustee's fees	304	273	605	540
Amortisation of intangible asset and capitalised transaction costs	5,093	10,067	11,202	19,957
Temporary differences and other adjustments	(196)	(2,312)	(1,442)	(4,929)
	17,608	15,625	35,115	30,841

Included in temporary differences and other adjustments were share of results of associates and joint ventures, dividend and distributions income, fair value change of an interest rate swap, 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 taxable 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>					
	2Q2015	2Q2014	+/-)	1H2015	1H2014	+/-)
	\$'000	\$'000	%	\$'000	\$'000	%
Total return after tax	37,230	37,613	(1.0)	73,750	77,464	(4.8)
Other comprehensive income:						
Foreign currency translation	(18,396)	22,350	NM	(60,131)	24,156	NM
<u>Cashflow hedges:</u>						
Net change in fair value of cash flow hedges	1,421	7,420	(80.8)	19,268	5,151	274.1
Share of net change in fair value of cash flow hedges of an associate	(1,088)	333	NM	(214)	550	NM
Other comprehensive income for the period	(18,063)	30,103	NM	(41,077)	29,857	NM
Total comprehensive income for the period	19,167	67,716	(71.7)	32,673	107,321	(69.6)
Attributable to:						
Unitholders	19,150	67,698	(71.7)	32,634	107,284	(69.6)
Non-controlling interest	17	18	(5.6)	39	37	5.4
	19,167	67,716	(71.7)	32,673	107,321	(69.6)

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		
		30/6/2015 \$'000	31/12/2014 \$'000	+ / (-) %	30/6/2015 \$'000	31/12/2014 \$'000	+ / (-) %
Non-current assets							
Investment properties	1	3,578,284	3,613,616	(1.0)	527,000	527,000	-
Investment in subsidiaries		-	-	-	1,837,852	1,837,852	-
Investment in associates	2	2,424,682	2,429,485	(0.2)	2,025,319	2,031,098	(0.3)
Advances to associates		606,222	613,222	(1.1)	606,222	613,222	(1.1)
Investment in joint ventures	3	276,356	288,931	(4.4)	-	-	-
Advances to joint venture	3	99,337	99,853	(0.5)	-	-	-
Amount owing by subsidiaries		-	-	-	830,260	876,886	(5.3)
Fixed assets		141	142	(0.7)	1	-	100.0
Intangible asset	4	46,601	56,607	(17.7)	39,611	46,623	(15.0)
Derivative financial instruments	5	10,213	2,081	390.8	4,706	255	>500
Total non-current assets		7,041,836	7,103,937	(0.9)	5,870,971	5,932,936	(1.0)
Current assets							
Trade and other receivables	6	35,717	25,016	42.8	59,814	37,918	57.7
Prepaid expenses		595	629	(5.4)	99	23	330.4
Cash and bank balances		197,085	199,689	(1.3)	154,320	172,729	(10.7)
Derivative financial instruments	5	603	133	353.4	603	133	353.4
Total current assets		234,000	225,467	3.8	214,836	210,803	1.9
Total assets		7,275,836	7,329,404	(0.7)	6,085,807	6,143,739	(0.9)
Current liabilities							
Trade and other payables	7	48,598	84,469	(42.5)	26,738	64,022	(58.2)
Income received in advance		743	1,043	(28.8)	298	239	24.7
Short term borrowings		274,966	274,924	0.02	274,966	274,924	0.02
Current portion of security deposits		2,936	3,223	(8.9)	681	508	34.1
Derivative financial instruments	5	2,984	9,071	(67.1)	2,984	9,071	(67.1)
Provision for taxation		5,163	7,641	(32.4)	4,764	7,400	(35.6)
Total current liabilities		335,390	380,371	(11.8)	310,431	356,164	(12.8)
Non-current liabilities							
Income received in advance		55,896	61,871	(9.7)	55,101	61,021	(9.7)
Long term borrowings		2,400,586	2,390,439	0.4	1,938,658	1,928,554	0.5
Derivative financial instruments	5	1,710	6,894	(75.2)	1,049	4,724	(77.8)
Non-current portion of security deposits		27,111	25,074	8.1	3,375	3,237	4.3
Deferred tax liabilities		5,283	5,283	-	-	-	-
Total non-current liabilities		2,490,586	2,489,561	0.04	1,998,183	1,997,536	0.03
Total liabilities		2,825,976	2,869,932	(1.5)	2,308,614	2,353,700	(1.9)
Net assets		4,449,860	4,459,472	(0.2)	3,777,193	3,790,039	(0.3)
Represented by:							
Unitholders' funds		4,447,805	4,457,420	(0.2)	3,777,193	3,790,039	(0.3)
Non-controlling interest		2,055	2,052	0.1	-	-	-
		4,449,860	4,459,472	(0.2)	3,777,193	3,790,039	(0.3)
Net asset value per unit (\$)		1.40	1.41		1.19	1.20	

Notes:

- (1) *The decrease in investment properties is due mainly to translation differences arising from the Australian properties.*
- (2) *This relates to the one-third equity interests in ORQPL, BFCDLLP and CBDPL, 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. The properties held through M8CT and MOTT are 8 Chifley Square and the new office tower being built on the Old Treasury Building site respectively. Advances to joint venture relates to convertible notes held in MOTT.*
- (4) *This relates to the unamortised aggregate rental support top-up payments receivable by the Group for its 100% interest in the office tower at 77 King Street, Sydney, the approximate 12.4% interest in OPLLP and its one-third interest in CBDPL which holds MBFC Tower 3. In the prior period, the balance relates to the unamortised aggregate rental support top-up payments receivable by the Group for its 100% interest in the office tower at 77 King Street, Sydney, the approximate 99.9% interest in OPLLP and its one-third interest in CBDPL which holds MBFC Tower 3. The intangible asset is amortised over the remaining rental support periods for the respective properties.*
- (5) *This relates to the fair value of the foreign currency forward contracts entered into in relation to the income from the Australian properties, and the fair value of interest rate swaps entered into by the Group.*
- (6) *Included in the balances are dividend receivables from associates and joint ventures of \$20.9 million (31 December 2014: \$1.0 million) and receivables for rental support top-up payments of \$4.8 million (31 December 2014: \$11.9 million).*
- (7) *Included in the balances for the comparative period was an accrued advanced distribution of \$37.6 million for the period 1 October to 15 December 2014, which has been paid on 21 January 2015.*

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

	Group	
	As at 30/6/2015	As at 31/12/2014
	\$'000	\$'000
Secured borrowings		
Amount repayable within one year	175,000	175,000
Amount repayable after one year	466,454	466,454
Less: Unamortised portion of fees	(2,044)	(2,474)
	639,410	638,980
Unsecured borrowings		
Amount repayable within one year	100,000	100,000
Amount repayable after one year	1,940,833	1,930,859
Less: Unamortised portion of fees	(4,691)	(4,476)
	2,036,142	2,026,383
Total borrowings	2,675,552	2,665,363

Details of Collaterals

As a security for the 5-year term loan facilities of \$175.0 million, the Group mortgaged its Bugis Junction Towers. 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 \$505.0 million, the Group granted the lenders securities of up to an aggregate principal amount of \$900.0 million comprising 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 June 2015, the Group had total borrowings of approximately \$2,682.3 million and an unutilised \$825.7 million of facilities available to meet its future obligations. The year-to-date all-in interest rate was 2.50% as at 30 June 2015.

1(c) Consolidated Statement of Cash Flows

	<u>Group</u>			
	2Q2015	2Q2014	1H2015	1H2014
Note	\$'000	\$'000	\$'000	\$'000
Operating activities				
Total return before tax	39,030	40,027	77,452	82,900
Adjustments for:				
Interest income	(9,532)	(10,299)	(18,514)	(20,102)
Amortisation expense	4,488	9,388	9,988	18,426
Share of results of associates	(19,953)	(14,244)	(40,320)	(30,229)
Share of results of joint ventures	(4,056)	(920)	(8,099)	(1,751)
Borrowing costs	16,769	15,167	33,068	29,706
Management fees paid and/or payable in units	12,407	7,597	24,750	15,273
Changes in fair value of interest rate swap	(990)	-	(1,868)	-
Depreciation	13	18	23	21
Rental support income	(4,848)	(12,250)	(11,027)	(25,295)
Translation differences	303	(1,128)	653	(1,146)
Operating cash flows before changes in working capital	33,631	33,356	66,106	67,803
(Increase)/Decrease in receivables	(351)	(725)	1,519	(2,018)
Increase/(Decrease) in payables	1,893	2,750	(5,104)	(29,200)
Increase/(Decrease) in security deposits	500	5	1,750	(87)
Cash flows from operations	35,673	35,386	64,271	36,498
Income taxes paid	(2,950)	(3,818)	(6,158)	(7,446)
Net cash flows generated from operating activities	32,723	31,568	58,113	29,052
Investing activities				
Improvement in investment properties	(166)	(600)	(209)	(1,316)
Purchase of fixed assets	(22)	(158)	(22)	(158)
Interest received	10,289	12,799	19,087	23,934
Rental support received	6,176	12,112	18,082	34,006
Deposit received for divestment of Prudential Tower	-	51,200	-	51,200
Investment in joint ventures	(5,699)	(55,323)	(5,699)	(60,102)
Advances to joint ventures	(6,075)	-	(6,075)	-
Repayment of advance from associate	-	-	7,000	-
Reimbursement of development costs for the interest in an associate	130	-	4,967	-
Distribution received from joint ventures	3,642	420	7,403	773
Dividend income/distribution received from associates	20,439	15,652	20,439	15,652
Net cash flows generated from investing activities	28,714	36,102	64,973	63,989
Financing activities				
Distribution to Unitholders	1 (54,009)	(55,049)	(99,857)	(109,655)
Proceeds from issuance of Medium Term Notes	-	-	50,000	-
Loans drawdown	111,774	57,396	111,774	342,345
Repayment of loan	(100,000)	-	(150,000)	(256,975)
Payment of financing expenses/upfront debt arrangement costs	(1,000)	-	(1,107)	(1,176)
Partnership distribution to non-controlling interest	(18)	(20)	(30)	(32)
Interest paid	(19,085)	(19,794)	(29,258)	(27,614)
Net cash flows used in financing activities	(62,338)	(17,467)	(118,478)	(53,107)
Net (decrease)/increase in cash and cash equivalents	(901)	50,203	4,608	39,934
Cash and cash equivalents at the beginning of period	142,468	60,912	137,818	71,140
Effect of exchange rate changes on cash and cash equivalents	(378)	578	(1,237)	619
Cash and cash equivalents at the end of period	141,189	111,693	141,189	111,693
Comprising:				
Cash and bank balances	197,085	126,685	197,085	126,685
Less: Rental support received in advance held in designated accounts	2 (55,896)	(14,992)	(55,896)	(14,992)
Cash and cash equivalents per Consolidated Statement of Cash Flows	141,189	111,693	141,189	111,693

Note:

- (1) Distribution for 1H2015 is for the period of 1 October 2014 to 15 December 2014, paid on 21 January 2015, 16 December 2014 to 31 December 2014, paid on 27 February 2015 and 1 January 2015 to 31 March 2015, paid on 28 May 2015.
Distribution for 1H2014 is for the period 1 October 2013 to 31 December 2013, paid on 28 February 2014 and 1 January 2014 to 31 March 2014, paid on 28 May 2014.
- (2) This relates to the rental support top-up payments received in advance by Keppel REIT held in designated accounts for the 12.4% interest in OPLLP, the office tower at 77 King Street and the one-third interest in MBFC Tower 3. In the prior period, the rental support top-up payments received in advance by Keppel REIT held in designated accounts were for the 12.4% interest in OPLLP and the office tower at 77 King Street.

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>Unitholders' Funds</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
						<u>\$'000</u>			
At 1 January 2015		3,354,095	1,234,402	(123,164)	(11,135)	3,222	4,457,420	2,052	4,459,472
Return for the period		-	36,502	-	-	-	36,502	18	36,520
Other comprehensive income	1	-	-	(41,735)	18,717	-	(23,018)	4	(23,014)
Total comprehensive income		-	36,502	(41,735)	18,717	-	13,484	22	13,506
Issue of units for payment of management fees	2	7,729	-	-	-	-	7,729	-	7,729
Distribution to Unitholders		-	(8,243)	-	-	-	(8,243)	-	(8,243)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(18)	(18)
At 31 March 2015		3,361,824	1,262,661	(164,899)	7,582	3,222	4,470,390	2,056	4,472,446
Return for the period		-	37,212	-	-	-	37,212	18	37,230
Other comprehensive income	1	-	-	(18,396)	334	-	(18,062)	(1)	(18,063)
Total comprehensive income		-	37,212	(18,396)	334	-	19,150	17	19,167
Issue of units for payment of management fees	2	12,344	-	-	-	-	12,344	-	12,344
Issue expense adjustments	3	(70)	-	-	-	-	(70)	-	(70)
Distribution to Unitholders		(3,177)	(50,832)	-	-	-	(54,009)	-	(54,009)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(18)	(18)
At 30 June 2015		3,370,921	1,249,041	(183,295)	7,916	3,222	4,447,805	2,055	4,449,860

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

<u>Group</u>	<i>Note</i>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Foreign Currency Translation Reserve</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Discount on Acquisition of Non-Controlling Interest</u> \$'000	<u>Unitholders' funds</u> \$'000	<u>Non-Controlling Interest</u> \$'000	<u>Total</u> \$'000
At 1 January 2014		2,924,291	1,092,311	(94,828)	(28,003)	3,222	3,896,993	1,978	3,898,971
Return for the period		-	39,831	-	-	-	39,831	20	39,851
Other comprehensive income	1	-	-	1,806	(2,051)	-	(245)	(1)	(246)
Total comprehensive income		-	39,831	1,806	(2,051)	-	39,586	19	39,605
Issue of units for payment of management fees	4	7,669	-	-	-	-	7,669	-	7,669
Distribution to Unitholders		(11,429)	(43,177)	-	-	-	(54,606)	-	(54,606)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(20)	(20)
At 31 March 2014		2,920,531	1,088,965	(93,022)	(30,054)	3,222	3,889,642	1,977	3,891,619
Return for the period		-	37,595	-	-	-	37,595	18	37,613
Other comprehensive income	1	-	-	22,350	7,753	-	30,103	-	30,103
Total comprehensive income		-	37,595	22,350	7,753	-	67,698	18	67,716
Issue of units for payment of management fees	4	7,661	-	-	-	-	7,661	-	7,661
Distribution to Unitholders		(2,795)	(52,254)	-	-	-	(55,049)	-	(55,049)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(18)	(18)
At 30 June 2014		2,925,397	1,074,306	(70,672)	(22,301)	3,222	3,909,952	1,977	3,911,929

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 and 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 6,474,804 and 10,302,623 units issued in 1Q2015 and 2Q2015 as payment of management fees in units.
- (3) The issue expense adjustments are in relation to the placement of 195 million units at an issue price of \$1.17 per unit in the prior year. The net proceeds raised were used for the acquisition of the one-third interest in MBFC Tower 3.
- (4) This represents 6,591,764 and 6,715,908 units issued in 1Q2014 and 2Q2014 as payment of management fees in units.

<u>Trust</u>	Note	<u>Units in Issue</u>	<u>Accumulated Profits</u>	<u>Hedging Reserve</u>	<u>Total</u>
		\$'000	\$'000	\$'000	\$'000
At 1 January 2015		3,354,095	445,472	(9,528)	3,790,039
Return for the period		-	(8,370)	-	(8,370)
Other comprehensive income	1	-	-	10,702	10,702
Total comprehensive income		-	(8,370)	10,702	2,332
Issue of units for payment of management fees	2	7,729	-	-	7,729
Distribution to Unitholders		-	(8,243)	-	(8,243)
At 31 March 2015		3,361,824	428,859	1,174	3,791,857
Return for the period		-	24,958	-	24,958
Other comprehensive income	1	-	-	2,113	2,113
Total comprehensive income		-	24,958	2,113	27,071
Issue of units for payment of management fees	2	12,344	-	-	12,344
Issue expense adjustments	3	(70)	-	-	(70)
Distribution to Unitholders		(3,177)	(50,832)	-	(54,009)
At 30 June 2015		3,370,921	402,985	3,287	3,777,193
<u>Trust</u>	Note	<u>Units in Issue</u>	<u>Accumulated Profits</u>	<u>Hedging Reserve</u>	<u>Total</u>
		\$'000	\$'000	\$'000	\$'000
At 1 January 2014		2,924,291	479,884	(26,233)	3,377,942
Return for the period		-	49,737	-	49,737
Other comprehensive income	1	-	-	(628)	(628)
Total comprehensive income		-	49,737	(628)	49,109
Issue of units for payment of management fees	4	7,669	-	-	7,669
Distribution to Unitholders		(11,429)	(43,177)	-	(54,606)
At 31 March 2014		2,920,531	486,444	(26,861)	3,380,114
Return for the period		-	71,179	-	71,179
Other comprehensive income	1	-	-	7,026	7,026
Total comprehensive income		-	71,179	7,026	78,205
Issue of units for payment of management fees	4	7,661	-	-	7,661
Distribution to Unitholders		(2,795)	(52,254)	-	(55,049)
At 30 June 2014		2,925,397	505,369	(19,835)	3,410,931

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

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 6,474,804 and 10,302,623 units issued in 1Q2015 and 2Q2015 as payment of management fees in units.
- (3) The issue expense adjustments are in relation to the placement of 195 million units at an issue price of \$1.17 per unit in the prior year. The net proceeds raised were used for the acquisition of the one-third interest in MBFC Tower 3.
- (4) This represents 6,591,764 and 6,715,908 units issued in 1Q2014 and 2Q2014 as payment of management fees in units.

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

	<u>Group and Trust</u>	
	2015 Units	2014 Units
Issued units as at 1 January	3,170,433,879	2,787,681,875
Issue of new units:		
- Payment of management fees	6,474,804	6,591,764
Issued units as at 31 March	3,176,908,683	2,794,273,639
Issue of new units:		
- Payment of management fees	10,302,623	6,715,908
Issued units as at 30 June	3,187,211,306	2,800,989,547

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 June 2015 and 31 December 2014.

Total number of issued units in Keppel REIT as at 30 June 2015 and 31 December 2014 were 3,187,211,306 and 3,170,433,879 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 2015.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

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

	<u>Group</u>			
	2Q2015	2Q2014	1H2015	1H2014
EPU (based on weighted average number of units as at the end of the period)	1.17 cents	1.34 cents	2.32 cents	2.77 cents
- Weighted average number of units as at the end of the period	3,183,928,052	2,798,849,312	3,179,400,359	2,795,554,395
DPU (based on the number of units as at the end of the period)	1.72 cents	1.90 cents	3.42 cents ¹	3.87 cents ²
- Number of units in issue as at the end of the period	3,187,211,306	2,800,989,547	3,187,211,306	2,800,989,547

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 3.42 cents for 1H2015 is based on 1.70 cents and 1.72 cents announced during the 1Q2015 and 2Q2015 financial results announcements respectively.
- (2) DPU of 3.87 cents for 1H2014 is based on 1.97 cents and 1.90 cents announced during the 1Q2014 and 2Q2014 financial results announcements respectively.

7. NET ASSET VALUE (“NAV”)

	<u>Group</u>		<u>Trust</u>	
	As at 30/06/15	As at 31/12/14	As at 30/06/15	As at 31/12/14
NAV ¹ per unit (\$) based on issued units at the end of the period	1.40	1.41	1.19	1.20
Adjusted NAV per unit (\$) based on issued units at the end of the period (excluding the distributable income)	1.38	1.40	1.17	1.19

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	Group					
	2Q2015	2Q2014	+/(-)	1H2015	1H2014	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Prudential Tower ¹	-	5,238	(100.0)	-	10,490	(100.0)
Bugis Junction Towers	5,727	5,195	10.2	11,244	10,263	9.6
Ocean Financial Centre	25,392	24,216	4.9	50,211	48,336	3.9
275 George Street	4,825	5,297	(8.9)	9,703	10,286	(5.7)
77 King Street	2,823	3,079	(8.3)	5,697	5,985	(4.8)
8 Exhibition Street	4,197	4,321	(2.9)	8,514	8,768	(2.9)
Total property income	42,964	47,346	(9.3)	85,369	94,128	(9.3)

8(ii) Income Contribution of the Properties

Property	Group					
	2Q2015	2Q2014	+/(-)	1H2015	1H2014	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Prudential Tower ¹	-	4,753	(100.0)	-	8,884	(100.0)
Bugis Junction Towers	4,985	4,100	21.6	9,739	8,082	20.5
Ocean Financial Centre	20,455	20,342	0.6	40,717	42,016	(3.1)
275 George Street	3,971	4,265	(6.9)	7,952	8,311	(4.3)
77 King Street	2,225	2,503	(11.1)	4,583	4,814	(4.8)
8 Exhibition Street	3,075	3,228	(4.7)	6,307	6,552	(3.7)
Total net property income	34,711	39,191	(11.4)	69,298	78,659	(11.9)
One-third interest in ORQPL ² :						
- Interest income	513	418	22.7	983	794	23.8
- Dividend income	6,552	7,228	(9.4)	12,943	13,773	(6.0)
Total income	7,065	7,646	(7.6)	13,926	14,567	(4.4)
One-third interest in BFCDLLP ³ and CBDPL ³ :						
- Rental support	3,700	-	100.0	7,400	1,437	415.0
- Interest income	6,128	4,936	24.1	11,726	9,809	19.5
- Dividend income	13,401	9,052	48.0	27,449	18,159	51.2
Total income	23,229	13,988	66.1	46,575	29,405	58.4
50% interest in M8CT ⁴ :						
- Interest income	-	2,576	(100.0)	-	5,157	(100.0)
- Distribution income	2,982	-	100.0	6,120	-	100.0
Total income	2,982	2,576	15.8	6,120	5,157	18.7
50% interest in MOTT ⁵ :						
- Interest income	2,352	2,087	12.7	4,709	3,801	23.9
- Distribution income	624	420	48.6	1,132	773	46.4
Total income	2,976	2,507	18.7	5,841	4,574	27.7

Notes:

- (1) Prudential Tower was divested on 26 September 2014.
- (2) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (3) Comprise one-third interest in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Tower 1, 2 and 3 and Marina Bay Link Mall.
- (4) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (5) Comprises 50% interest in MOTT which holds Old Treasury Building.

8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for 1H2015 vs 1H2014

Property income and net property income for 1H2015 were \$85.4 million and \$69.3 million respectively, compared to the property income and net property income of \$94.1 million and \$78.7 million respectively for 1H2014. The variances were attributable mainly to the divestment of Prudential Tower on 26 September 2014. This was partially offset by higher property income from OFC and Bugis Junction Towers and higher net property income from Bugis Junction Towers.

The Group's total return before tax for 1H2015 was \$77.5 million, compared to \$82.9 million for 1H2014. This was attributable mainly to the divestment of Prudential Tower, lower rental support, lower interest income, higher borrowing costs, higher management fees and trust expenses. These were offset by higher net property income from Bugis Junction Towers, higher share of results of associates and joint ventures and lower amortisation expenses, as well as the changes in fair value of interest rate swap.

Review of Performance for 2Q2015 vs 2Q2014

Property income and net property income for 2Q2015 were \$43.0 million and \$34.7 million respectively, compared to the property income and net property income of \$47.3 million and \$39.2 million respectively for 2Q2014. The variances were attributable mainly to the divestment of Prudential Tower on 26 September 2014. This was partially offset by higher property income and net property income from OFC and Bugis Junction Towers.

The Group's total return before tax for 2Q2015 was \$39.0 million, compared to \$40.0 million for 2Q2014. This was attributable mainly to the divestment of Prudential Tower, lower rental support, lower interest income, higher borrowing costs, higher management fees and trust expenses. These were offset by higher net property income from Bugis Junction Towers, higher share of results of associates and joint ventures and lower amortisation expenses, as well as the changes in fair value of interest rate swap.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

Based on advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 1.7% year-on-year ("y-o-y") in 2Q2015. Growth was supported by an increase in public sector construction activities.

Net absorption of office space in Singapore's CBD remained stable in 2Q2015. According to property consultants, occupancy for Grade A offices held firm at 96.2%, with rents reaching approximately \$11.00 psf. With limited supply of quality office space in the CBD till end-2015, property consultants anticipate prime office rents to remain stable for the rest of the year. Looking into 2016, consultants expect tenants to adopt a wait-and-see approach, while others may take the opportunity to consolidate or expand operations, as more office supply come onstream.

In Australia, the economy is expected to grow 2.2% y-o-y in 2Q2015. Economists forecast a 2.4% growth for the whole of 2015. In May 2015, the Reserve Bank of Australia cut the official cash rate to a historic low of 2.0% to foster economic growth.

In 1Q2015, Australia's CBD continued to record its third successive quarter of positive net absorption of office space. As firms continue to focus on headcount growth, the number of job advertisements, which is a leading indicator for office leasing activities, has also trended higher over the past 12 months. This is also evidenced by the more positive leasing momentum recorded in the key cities of Sydney and Melbourne.

Continuing on its focused tenant retention strategy, Keppel REIT has successfully renewed and reviewed almost all of its leases which are due for renewals and reviews in 2015. To-date, the Manager has achieved a positive rental reversion of 18% on average and a healthy tenant retention rate of approximately 84%. The Manager continues to maintain a high portfolio occupancy level of 99.3%, with eight of 11 completed office towers in Singapore and Australia fully committed.

Looking ahead, the Manager remains focused on tenant retention and is continually engaging tenants for forward renewals. Prudent capital management remains critical in a more volatile operating environment, and the Manager will continue its disciplined approach to mitigate financing, interest and foreign exchange risks.

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 expense 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 from its investments in Australia, and the distributable income and interest 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 for sustainability of net property income. Some of these measures include steps taken to negotiate for favourable terms/covenants, manage expenses, and 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	1 April 2015 to 30 June 2015
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	(a) Taxable income distribution - 1.15 cents per unit (b) Tax-exempt income distribution - 0.47 cents per unit (c) Capital distribution - 0.10 cents per unit
Tax rate	<p><u>Taxable income distribution</u> 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> 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> 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 April 2014 to 30 June 2014
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	(a) Taxable income distribution - 1.12 cents per unit (b) Tax-exempt income distribution - 0.68 cents per unit (c) Capital distribution - 0.10 cents per unit
Tax rate	<p><u>Taxable income distribution</u></p> <p>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></p> <p>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></p> <p>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>

(c) Books Closure Date

28 July 2015

(d) Date Payable

28 August 2015

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)	
	2Q2015 \$'000	2Q2014 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u>		
- Manager's management fees	12,406	11,304
- Property management fees and reimbursable	1,481	1,305
- Leasing commissions	111	45
- Rental and service charge income ¹	-	646
- Rental support	3,700	10,946
<u>RBC Investor Services Trust Singapore Limited</u>		
- Trustee's fees	304	272

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.*

By Order of the Board
Keppel REIT Management Limited
(Company Registration Number: 200411357K)
As Manager of Keppel REIT

LAW ZHI-EN DANIEL / TAN WEIQIANG MARC
 Joint Company Secretaries
 20 July 2015

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 Second Quarter 2015 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

20 July 2015



NG HSUEH LING
Director



Keppel REIT

First Half 2015
Financial Results
20 July 2015





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3. Capital Management	14
4. Portfolio Analysis	18
5. Market Review & Outlook	29

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.



The above information is as at 30 June 2015.

(1) Excludes the NLA for the office tower being built on the Old Treasury Building site in Perth.

(2) Based on market closing price per Unit of \$1.145 as at the last trading day, 30 June 2015.

- » 88% of portfolio in Singapore and 12% in Australia's key financial precincts of Sydney, Melbourne, Brisbane and Perth
- » Approximately 92% of Singapore properties are located in the Raffles Place and Marina Bay precincts

Singapore Properties



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers
(100% interest)

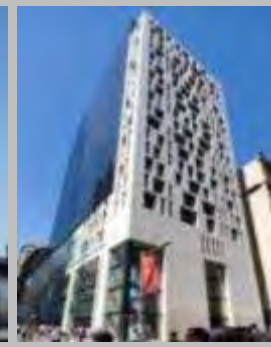
Australia Properties



8 Chifley Square, Sydney
(50% interest)



8 Exhibition Street, Melbourne
(50% interest)



77 King Street Office Tower, Sydney



275 George Street, Brisbane
(50% interest)



Old Treasury Building Office Tower, Perth
(50% interest)

**Expected completion in 2H 2015*

The image shows a low-angle view of the Ocean Financial Centre in Singapore. On the left, a lush vertical garden covers a portion of the building's facade. In the center, a prominent architectural feature is a facade composed of a grid of colorful triangles in shades of blue, red, yellow, and green. To the right, a tall, modern glass skyscraper rises into a blue sky with scattered white clouds. A grey banner with white text is overlaid across the top of the image.

1. Key Highlights

Ocean Financial Centre,
Singapore

Keppel REIT



- » **Distributable income** of **\$54.8mil** in **2Q 2015** and **\$108.8mil** in **1H 2015** is **3% ↑** over 2Q 2014 and **0.5% ↑** over 1H 2014 respectively
- » **Higher distributable income** notwithstanding
 - Absence of income contribution from the divested Prudential Tower
 - Absence of rental support from MBFC Phase One
 - Absence of rental support from the 87.5% interest in Ocean Financial Centre
- » **DPU ↑ 1.2%** q-o-q to **1.72 cents** for 2Q 2015
 - **Stronger performance** from **Ocean Financial Centre** and **Bugis Junction Towers**, which contributed to **higher Property Income (PI)** and **Net Property Income (NPI)**
 - Annualised distribution yield of **6%**



Marina Bay Financial Centre



Ocean Financial Centre



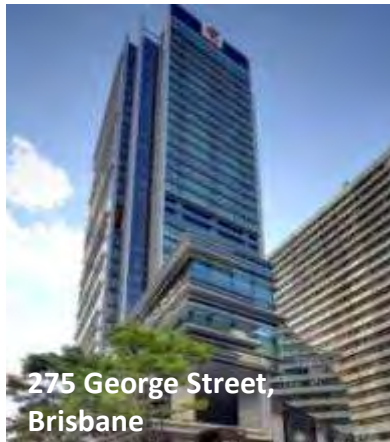
One Raffles Quay



8 Chifley Square, Sydney



- » Completed **100%** of refinancing requirements for **2015**, early refinanced approximately **70%** of loans due in **2016** and commenced early refinancing of loans due in **2017**
- » Close to **100%** of Keppel REIT's total borrowings **not due for repayment till 2017 and beyond**
- » **Significantly lengthened debt maturity profile** by **0.8 years**, and **extended weighted average term to maturity** to **3.9 years**
- » **Hedged almost 100%** of distributable income from Australia for the **remaining of 2015**
- » All-in interest rate remained **stable** at **2.5%** and **healthy** interest coverage ratio of **4.5 times**
- » Implementation of **Distribution Reinvestment Plan** to **further strengthen balance sheet, enhance working capital reserves** and **improve liquidity of the Units**



275 George Street,
Brisbane



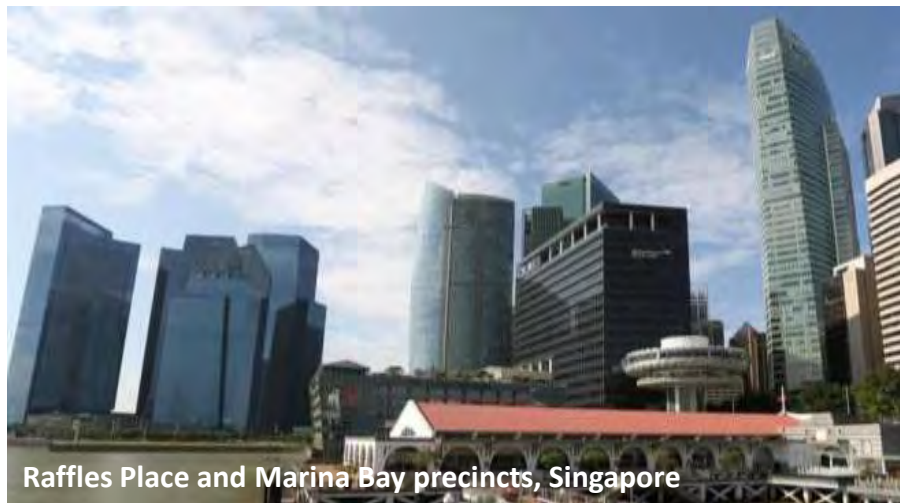
8 Exhibition Street,
Melbourne



Office Tower on the Old Treasury
Building site, Perth



- » Completed the renewal and review of almost all of 2015 leases, and all with positive rent reversions
- » Focused tenant retention strategy contribute to positive rental reversion of 18% on average as at 1H 2015
- » Maintain high portfolio occupancy of 99.3% as at 1H 2015
- » Healthy retention rate of 84%, and successfully leased 100% of the space in the Singapore portfolio that has been returned to-date
- » 80% of leases not due for renewal till 2017 and beyond





2. Financial Highlights

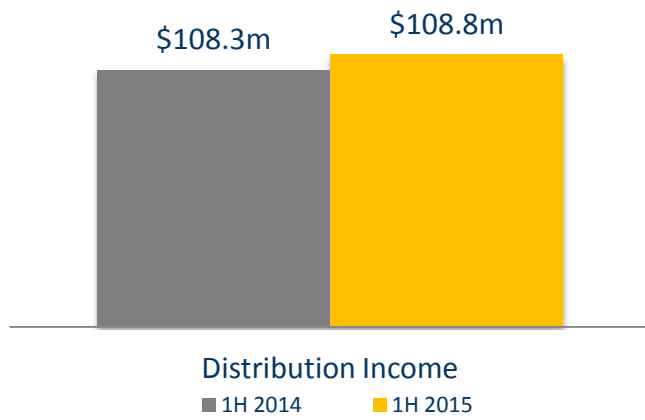
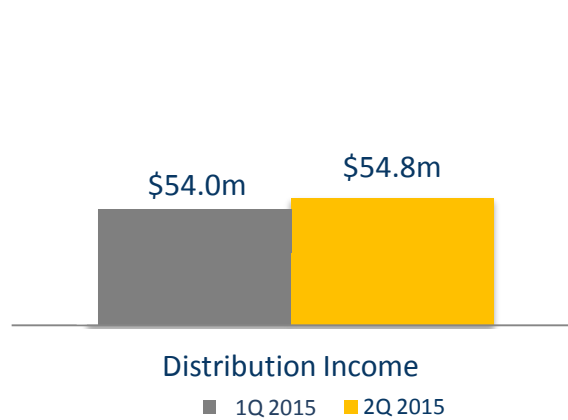
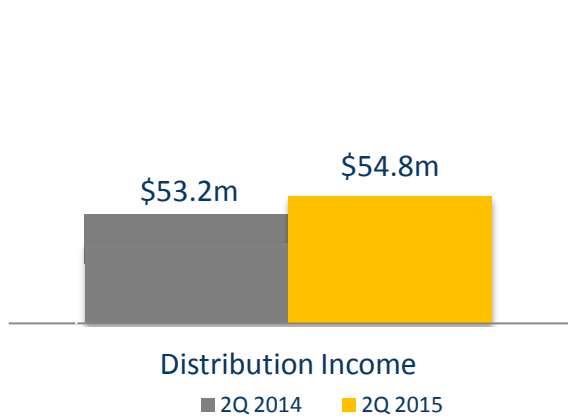
Bugis Junction Towers,
Singapore

Keppel REIT



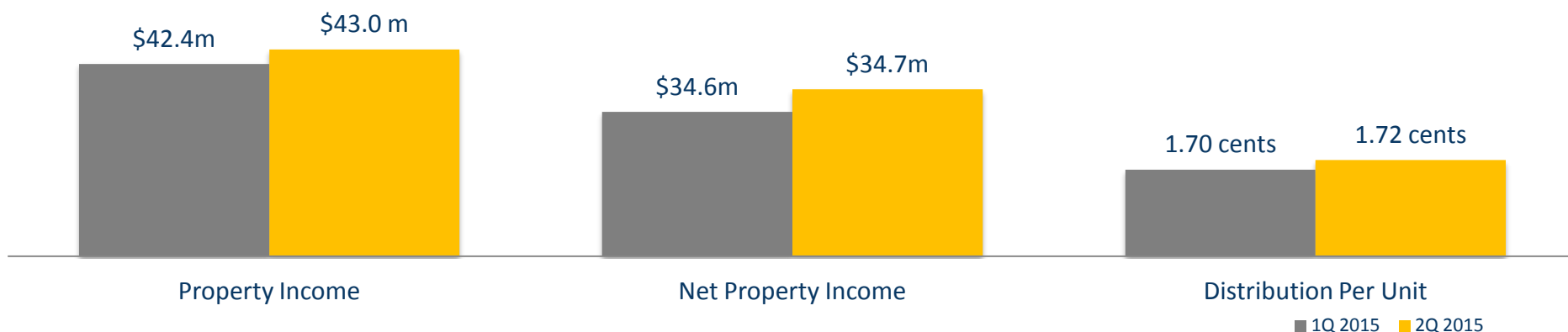
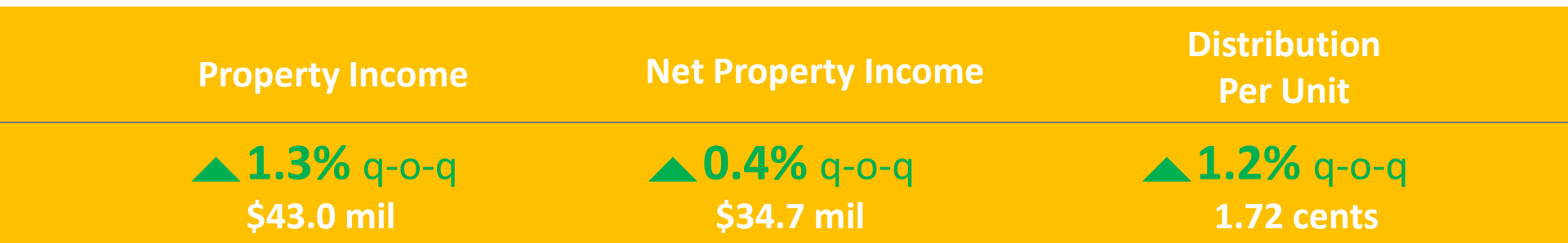
- » **Distributable income** ▲ **3% y-o-y** and ▲ **1.5% q-o-q** to **\$54.8 million** in 2Q 2015
- » **Distributable income** ▲ **0.5% y-o-y** to **\$108.8 million** in 1H 2015, notwithstanding:
 - Absence of income contribution from Prudential Tower
 - Absence of rental support from MBFC Phase One and 87.5% stake in Ocean Financial Centre

2Q 2015	2Q 2015	1H 2015
Distribution Income	Distribution Income	Distribution Income
▲ 3% y-o-y	▲ 1.5% q-o-q	▲ 0.5% y-o-y
\$54.8 mil	\$54.8 mil	\$108.8 mil





- » **DPU** **1.2%** q-o-q to **1.72 cents** in 2Q 2015
 - **Stronger performance** from **Ocean Financial Centre** and **Bugis Junction Towers**, which saw improvements in both **PI** and **NPI**
- » **Annualised distribution yield** of **6%**⁽¹⁾



■ 1Q 2015 ■ 2Q 2015

(1) The yield is based on the market closing price per unit of \$1.145 as at the last trading day, 30 June 2015

1. Key Highlights	2. Financial Highlights	3. Capital Management	4. Portfolio Analysis	5. Market Review
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	As at 30 June 2015	As at 31 March 2015
Non-current Assets	\$7,042 mil	\$7,056 mil
Total Assets	\$7,276 mil	\$7,299 mil
Borrowings ⁽¹⁾	\$3,555 mil	\$3,544 mil
Total Liabilities	\$2,826 mil	\$2,826 mil
Unitholders' Funds	\$4,448 mil	\$4,470 mil
Adjusted NAV Per Unit ⁽²⁾	\$1.38	\$1.39

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

(2) For 31 March 2015, this excludes the distribution paid in May 2015.

For 30 June 2015, this excludes the distribution to be paid in August 2015.



Distribution Per Unit (DPU)

1.72 cents

Distribution Period

1 April 2015 – 30 June 2015

Distribution Timetable

Trading on “Ex” Basis

Friday, 24 July 2015

Books Closure Date

Tuesday, 28 July 2015

Distribution Payment Date

Friday, 28 August 2015



3. Capital Management



Keppel REIT

8 Chifley Square,
Sydney



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

	As at 30 Jun 2015
Gross Borrowings	\$3,555 mil
Interest Coverage Ratio	4.5 times
All-in Interest Rate	2.5%
Weighted Average Term to Expiry	3.9 years
Aggregate Leverage	42.6%
Rating	Baa2 ⁽¹⁾ / BBB ⁽²⁾

Borrowings on Fixed-Rate



% of Assets Unencumbered



DPU Change

Every ~100% ↑ in SOR

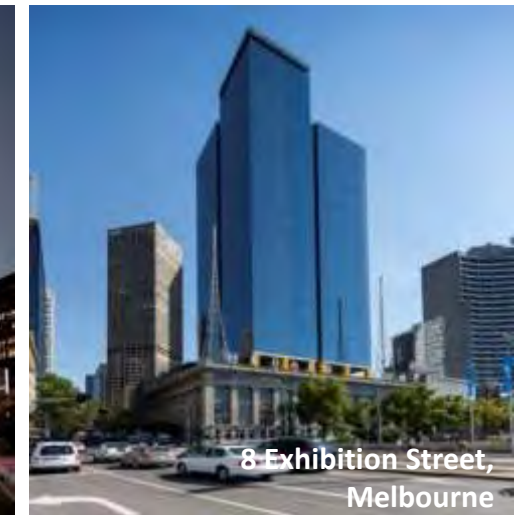
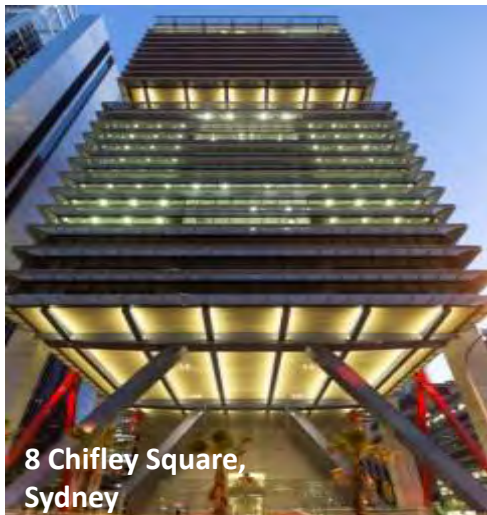
~0.15 cents ↓ in DPU

(1) Moody's Investors Service

(2) Standard & Poor's Ratings Services

- » Hedged almost 100% of distributable income from Australia for the remaining of 2015
- » Estimated impact of AUD movement on Keppel REIT’s DPU, NAV and gearing:

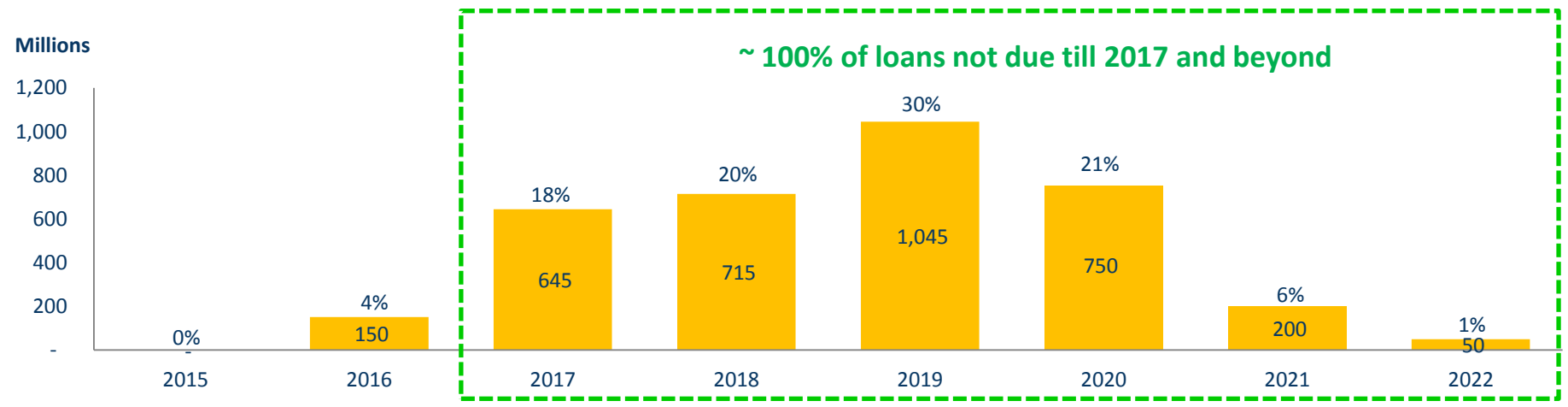
	Assuming AUD 1:SGD 1.00
DPU	Minimal
NAV	↓ by 1 cent
Gearing	↑ by 0.18%





- » **Completed 100%** of Keppel REIT’s refinancing requirement for **2015**
- » **Completed early refinancing** of approx. **70%** loans due in **2016** and **commenced early refinancing** of loans due in **2017** respectively
- » **Significantly lengthened debt maturity profile** by **0.8 years** and **extended the weighted average term to maturity to 3.9 years**
- » **Almost 100%** of total borrowings not due for repayment till **2017 and beyond**

2015 Loans	2016 Loans	2017 Loans
Early refinanced 100% \$575 million	Early refinanced ~70% \$325 million⁽¹⁾	Early refinanced ~15% \$100 million



⁽¹⁾ Includes another \$125 million loan that has already been refinanced

4. Portfolio Analysis

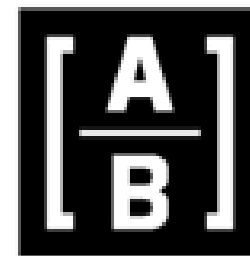


Raffles Place and Marina Bay,
Singapore

- » **Successfully renewed and reviewed almost all** of its **2015 leases**, and **all with positive rent reversions**
- » **Focused tenant retention strategy**
 - Signed, renewed, forward renewed and reviewed **390,000 sf** of office space in 1H 2015 with **positive rental reversion** of **18%** on average
 - Continue to maintain **high portfolio occupancy** of **99.3%** as at 1H 2015
- » **Healthy retention rate** of approximately **84%** year-to-date
 - **Fully leased 100% of space** in Keppel REIT's Singapore portfolio that has been returned to-date
- » **80%** of total leases not due for **renewal** till **2017 and beyond**



» Total of **20 new leases** signed to-date. Some of the new tenants in 2Q 2015 include

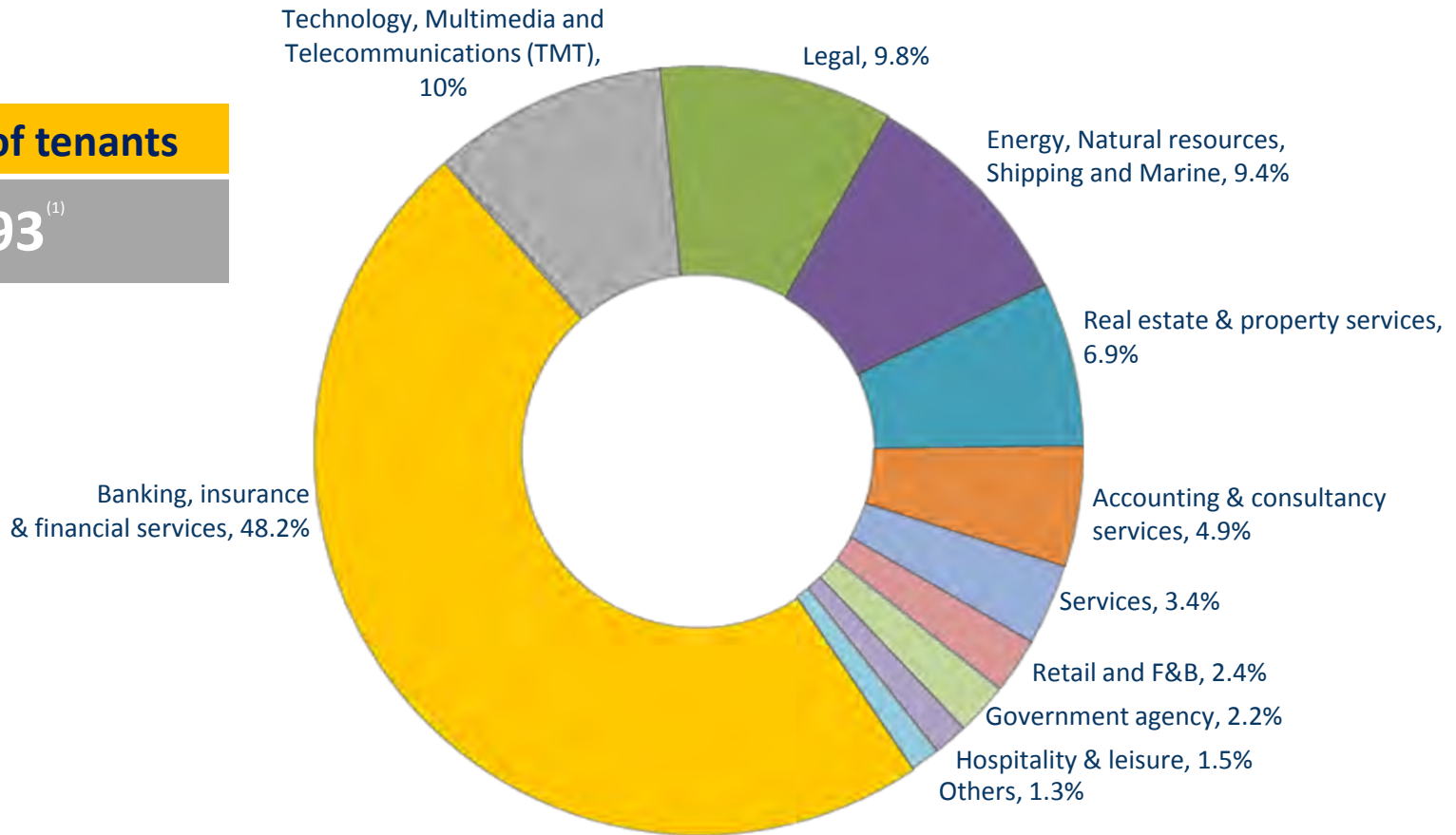




» Continue to maintain **well-diversified tenant base** from **various business sectors**

Number of tenants

293⁽¹⁾

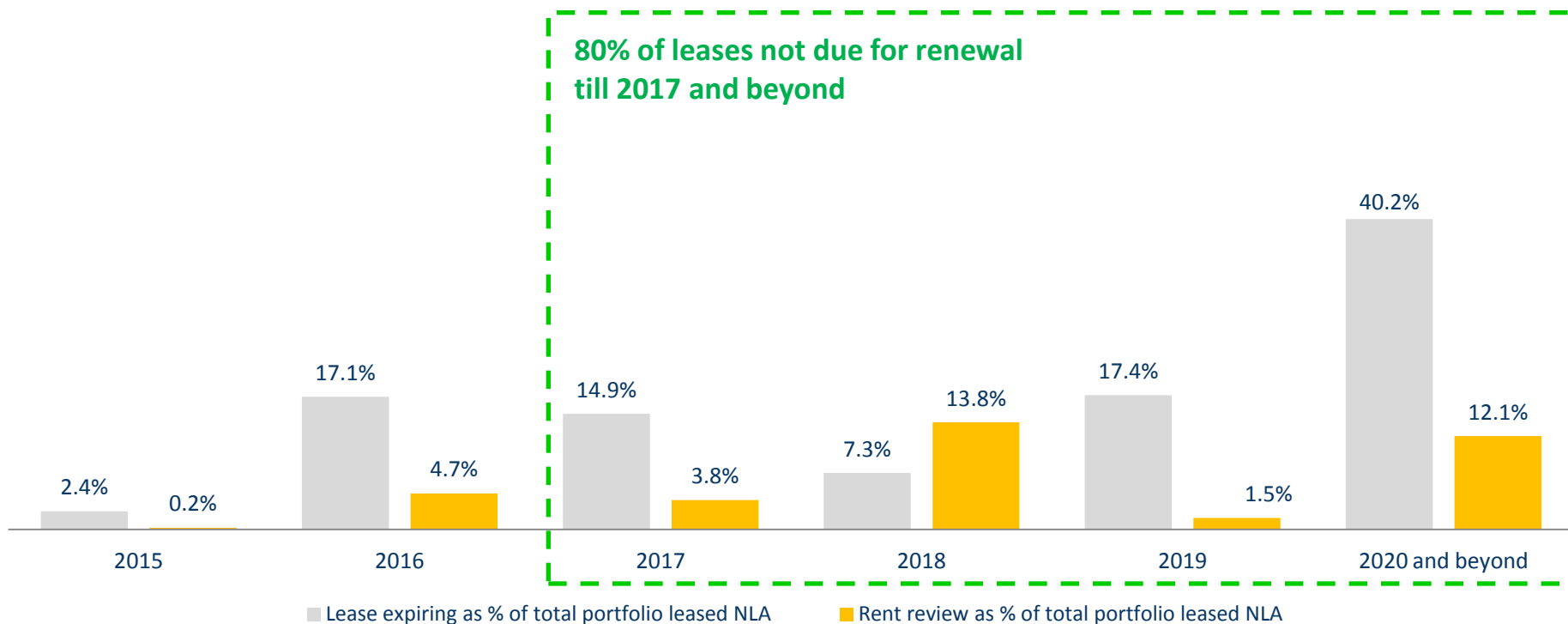


(1) Tenants with multiple leases are accounted as one tenant

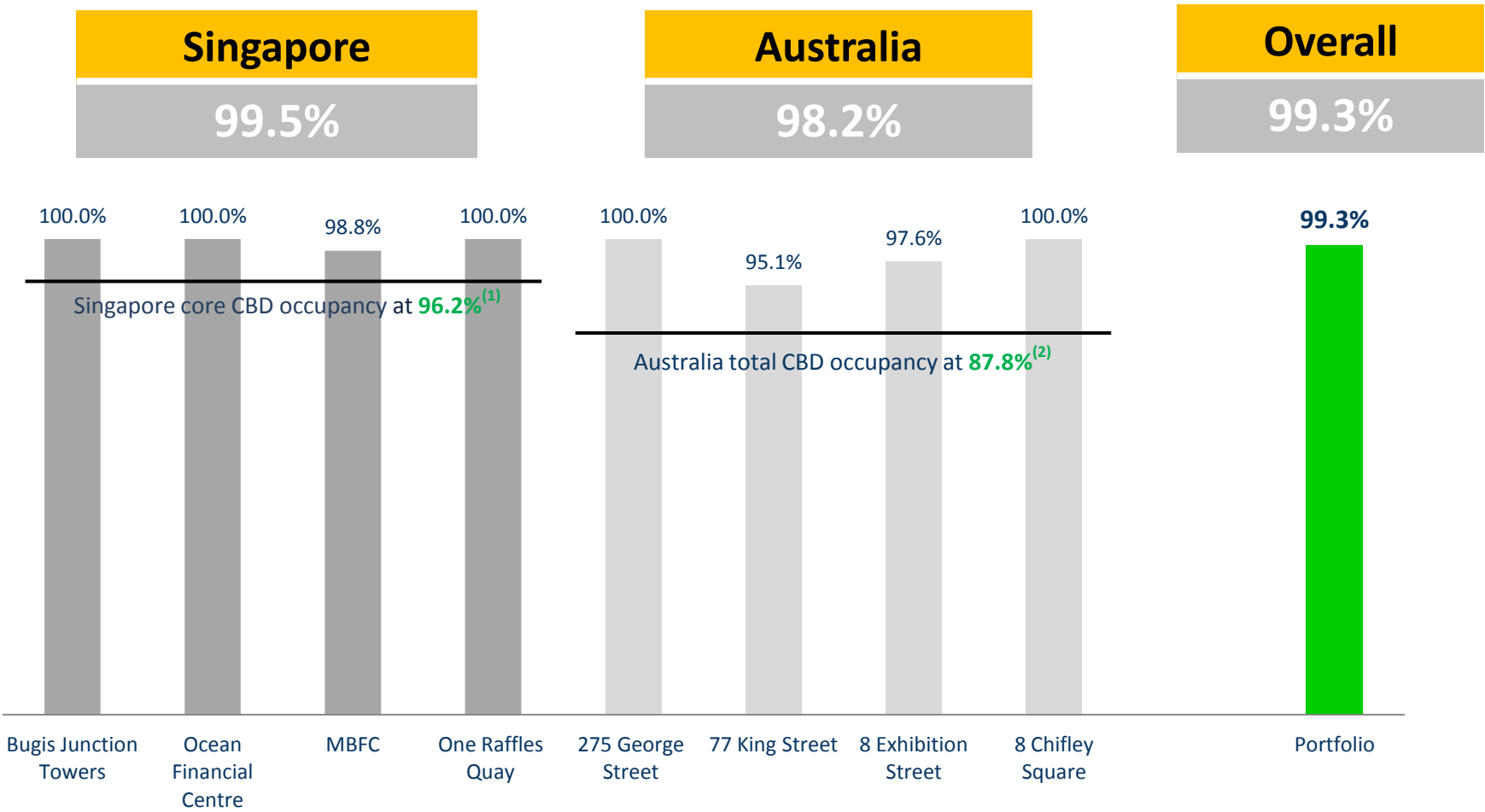


- » Continued focus on **tenant retention strategy**
- » **Completed almost all renewals and reviews for 2015**
 - **Only 2.4%** and **0.2%** of leases due for renewal and review respectively for 2015
 - **80%** of leases **not due for renewal till 2017 and beyond**

Portfolio Lease Profile (By NLA) as at 30 June 2015

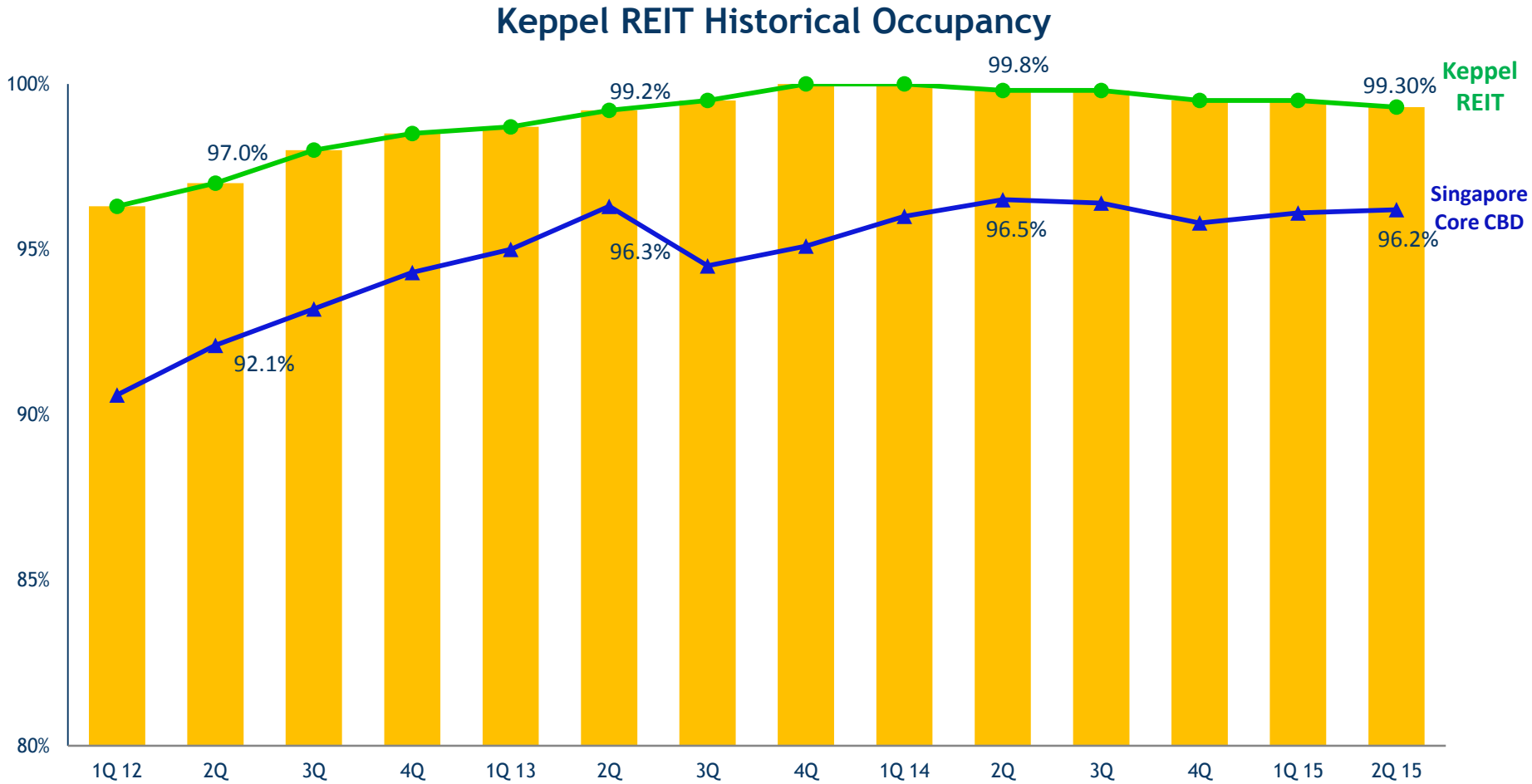


- » Continue to maintain **high portfolio committed occupancy** of **99.3%**
- » **Eight** of 11 completed office towers in Singapore and Australia **fully committed**



(1) Cushman & Wakefield, 2Q 2015 (2) JLL, July 2015

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



(1) Cushman & Wakefield, 2Q 2015

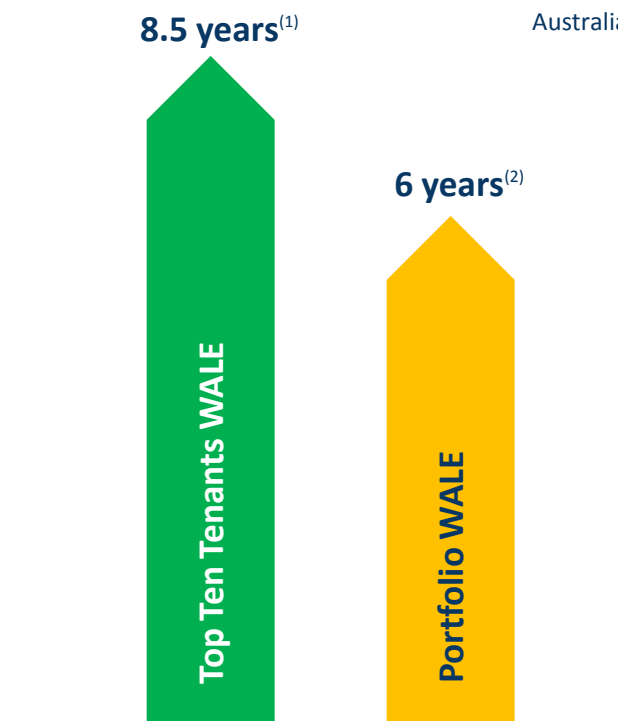
■ Keppel REIT Occupancy ▲ Singapore Core CBD Occupancy



- » **Top 10 tenants** account for approximately **43%** of portfolio NLA
- » **Long WALE** of approximately **8.5 years** and **6 years** for top 10 tenants and portfolio respectively **enhances income sustainability** over the long term

Weighted Average Lease Expiry (WALE)

Top Ten Tenants (by NLA)



Australia and New Zealand Banking Group

DBS Bank

Standard Chartered Bank

BNP Paribas

Telstra Corporation

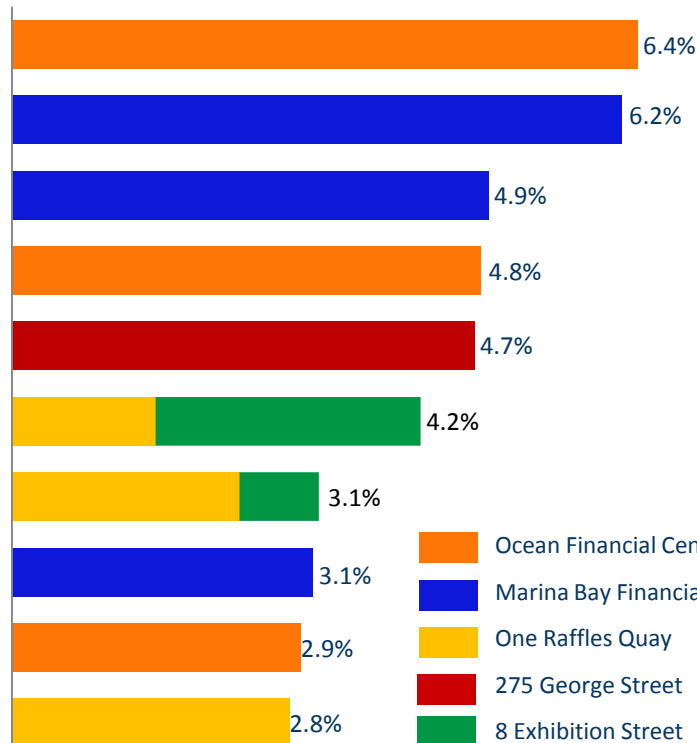
Ernst & Young

UBS AG

Barclays

Drew & Napier

Deutsche Bank



(1) Excluding the office tower being built on the Old Treasury Building site, the top ten tenants WALE will be 6.0 years.

(2) Excluding the office tower being built on the Old Treasury Building site, the portfolio WALE will be 4.8 years.

Office Tower on the Old Treasury Building site

- » **Construction** of the office tower is **progressing on track**
- » **The Government of Western Australia** is expected to commence its 25-year lease in **4Q 2015**
- » The 25-year lease includes options for **another 25 years**



REIT Symposium

- » Inaugural REIT Symposium jointly organised by REITAS and Share Investor to promote the growth and development of the S-REIT industry
- » Over 1,300 investors attended the event on 23 May 2015 to learn more about the industry and investment opportunities
- » Symposium included presentations by REIT Managers, including Keppel REIT, and research houses



CSR Outreach Efforts

- » Keppel REIT's annual CSR outreach effort on 17 June 2015
- » Total of 64 Keppel REIT employees, children, parents, caregivers and staff from the Muscular Dystrophy Association (Singapore) spent quality and meaningful time together, where they experienced art coming to life at the Alive Museum





Singapore Corporate Awards 2015

- » Conferred the **Best Investor Relations (Gold)** award in the REITs and Business Trusts category at the annual Singapore Corporate Awards 2015
- » Reinforces Keppel REIT's commitment to ensure **quality and fairness** in **disclosure**, as well as to continually uphold **corporate governance** and **transparency**



8 Chifley Square, Sydney

- » Awarded three top honours at the 2015 Property Council of Australia Awards - **Australian Development of the Year**, **Best Office Development**, and **Best Sustainable Development (New Buildings)**
- » Clinched another three awards at the Asia Pacific Property Awards 2015 - **Best Commercial High-Rise Development (Australia)**, **Best Office Development (Australia)** and **Best Office Architecture (Australia)**





5. Market Review & Outlook



Singapore

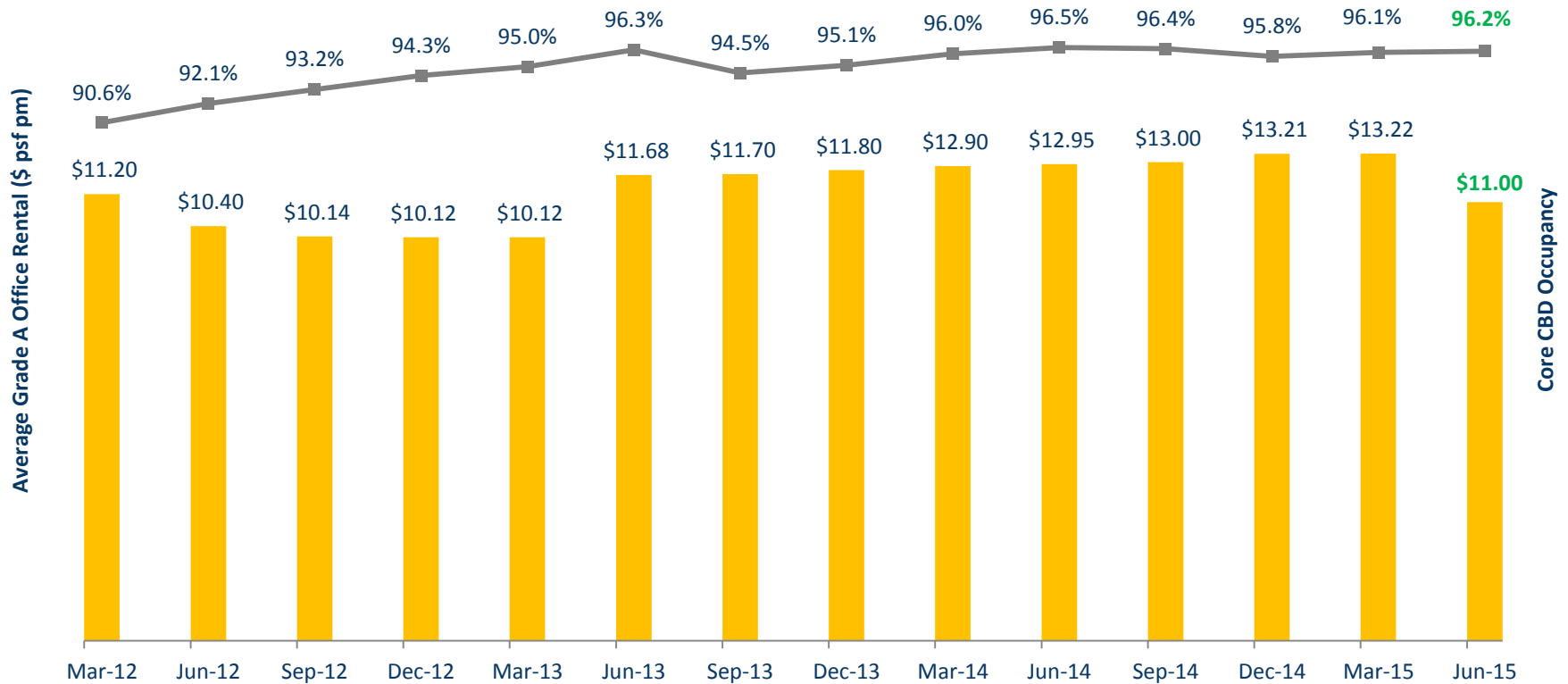
- » Advance estimates indicate that the Singapore economy grew by 1.7% y-o-y in 2Q 2015
- » Growth was supported by an expansion in the construction sector due to an increase in public sector construction activities
- » Net absorption for office space in Singapore's CBD remained stable in 2Q 2015
- » Property consultants anticipate prime office rents to remain level throughout 2015 due to the limited supply of quality office space in the CBD



Sources: Ministry of Trade and Industry, DTZ and Cushman & Wakefield



- » **Average Grade A occupancy** in the **core CBD** remained relatively **stable** at **96.2%**
- » Grade A office **rents** at approximately **\$11.00 psf** in 2Q 2015



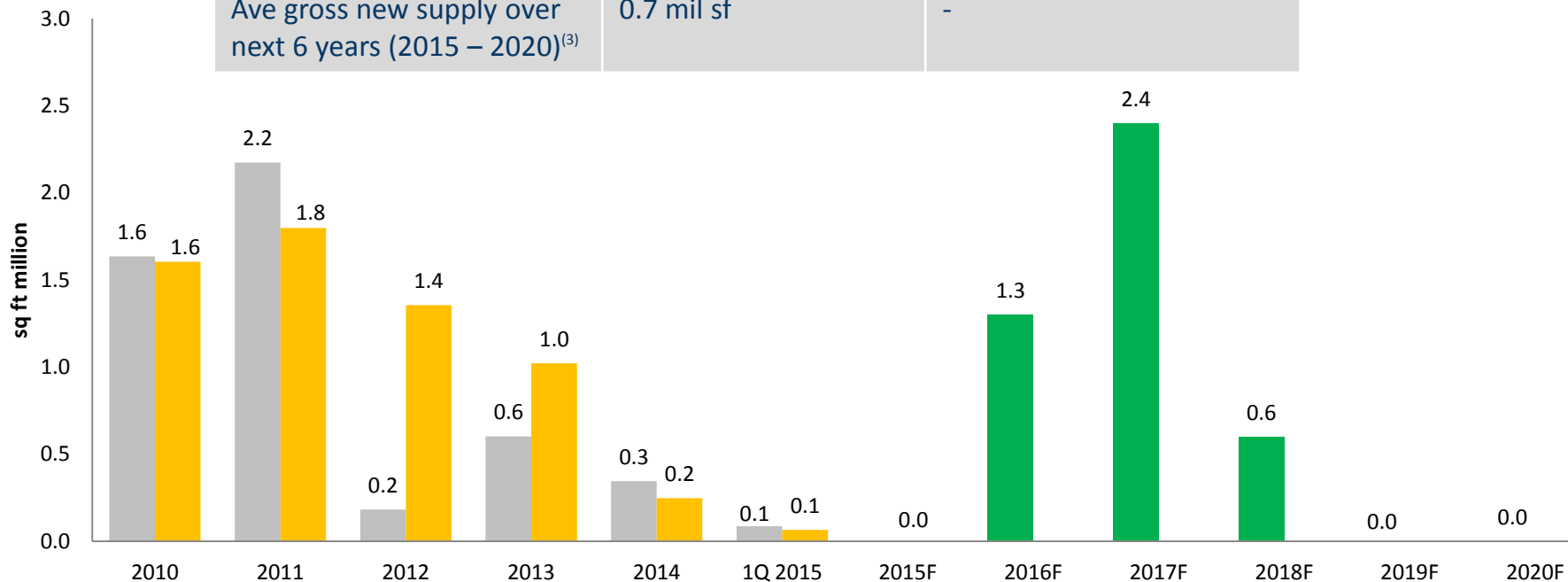
Source: Cushman & Wakefield, 2Q 2015

■ Average Grade A Rental (\$ psf pm)

—■ Core CBD Occupancy

- » **Net demand** for office space in **Singapore's CBD** remained **stable** in **2Q 2015**
- » **Healthy demand** for office space of **~1.2 mil sf p.a.** in the last 5 years
- » Average supply of **~0.7mil sf p.a.** over the next 6 years till end-2020

Period	Ave annual net supply	Ave annual net demand ⁽²⁾
5 years (2010 – 2014)	1.0 mil sf	1.2 mil sf
Ave gross new supply over next 6 years (2015 – 2020) ⁽³⁾	0.7 mil sf	-



■ Net Supply ■ Net Demand ■ Forecast Supply

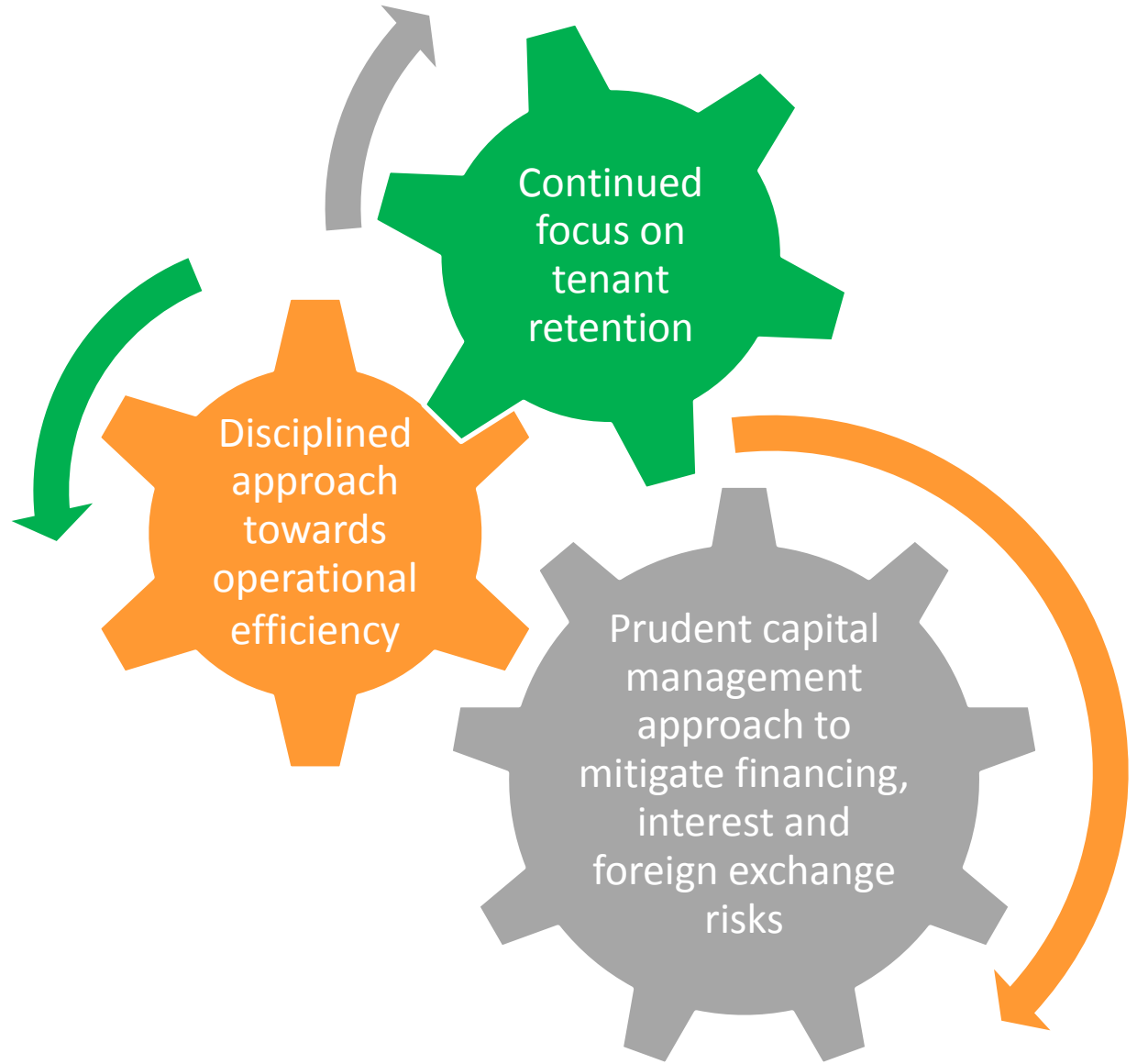
1) Sources: URA and CBRE
 2) Net demand and supply of office space in Downtown Core, Orchard and Rest of Central Area
 3) Forecast new supply excludes strata offices

Australia

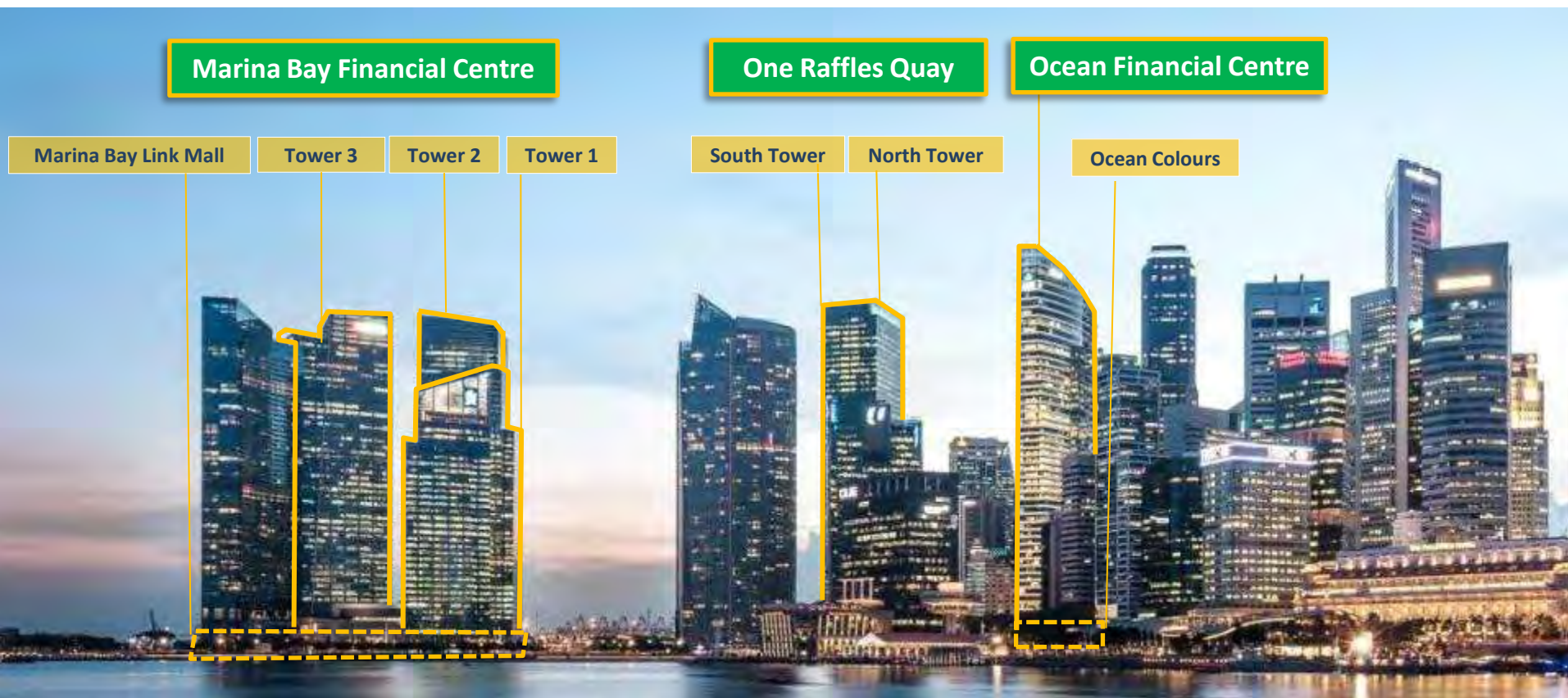
- » Australia is expected to grow 2.2% y-o-y in 2Q 2015
- » Economists forecast a 2.4% growth for the whole of 2015
- » In May 2015, the Reserve Bank of Australia further cut the official cash rate to a historic low of 2.0% to further stimulate economic growth
- » Australia's CBD continued to record its third successive quarter of positive net absorption for office space in 1Q 2015
- » More positive leasing momentum recorded in key cities of Sydney and Melbourne

Sources: Australian Bureau of Statistics, Reserve Bank of Australia and Jones Lang LaSalle

- » Remain focused on providing Unitholders with **income stability** and **resilience** over the **long term**



- » **Best-in-class** assets **strategically located** in Singapore's **prime business** and **financial** districts
- » S-REIT with the **youngest** and **largest portfolio** of **premium office assets**
- » **Reputable tenant base** spanning **diverse business sectors**



The logo for Keppel REIT, featuring the word "Keppel" in white on a yellow rectangular background, followed by "REIT" in yellow on a white background. A yellow diagonal line is positioned above the letter 'K'.

Keppel REIT

The text "Thank You" in a dark grey, sans-serif font, centered on a semi-transparent white horizontal band that spans the width of the image.

Thank You



Ocean Colours,
Singapore



Vision

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

Mission

Guided by our operating principles and core values, we will 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 30 June 2015
- » **88%** of portfolio in Singapore and **12%** in Australia

	Bugis Junction Towers	Marina Bay Financial Centre ⁽¹⁾	One Raffles Quay ⁽¹⁾	Ocean Financial Centre ⁽²⁾
Description	15-storey Grade A office tower	Comprises of three premium Grade A office towers and a subterranean mall	A pair of 50 and 29 storey premium Grade A office towers	43-storey premium Grade A office tower
Attributable NLA (sf)	244,989	1,028,708	444,093	885,243
Ownership	100.0%	33.33%	33.33%	99.9%
Number of tenants	15	154	39	50
Principal tenants	IE Singapore, InterContinental Hotels Group, Keppel Land	DBS Bank, Standard Chartered Bank, BHP Billiton	Deutsche Bank, Ernest & Young, UBS	ANZ, BNP Paribas, Drew & Napier
Tenure	99 years expiring 9 Sept 2089	99 years expiring 10 Oct 2104 ⁽³⁾ and 7 March 2106 ⁽⁴⁾	99 years expiring 12 June 2100	99 years expiring 13 Dec 2110
Valuation ⁽⁵⁾ (S\$ million)	527.0	1,641.0 ⁽³⁾ 1,289.0 ⁽⁴⁾	1,228.0	2,560.0
Committed occupancy (As at 30 Jun 2015)	100.0%	98.8%	100.0%	100.0%

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

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

(3) Refers to MBFC Tower 1 and 2, as well as MBLM

(4) Refers to MBFC Tower 3

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



	8 Chifley Square, Sydney ⁽¹⁾	77 King Street Office Tower, Sydney	8 Exhibition Street, Melbourne ⁽¹⁾	275 George Street, Brisbane ⁽¹⁾	Office Tower being 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)	104,140	146,624	241,274	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, CBRE	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 30 Jun 2015)	100.0%	95.1%	97.6%	100.0%	98.7%

(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.