



Keppel REIT

First Quarter 2015
Financial Results
13 April 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.



The above information is as at 31 March 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 \$1.20 as at the last trading day, 31 March 2015.

» 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
(100% interest)

Australia Properties



**8 Chifley Square,
Sydney**
(50% interest)



**8 Exhibition
Street,
Melbourne**
(50% interest)



**77 King Street
Office Tower,
Sydney**



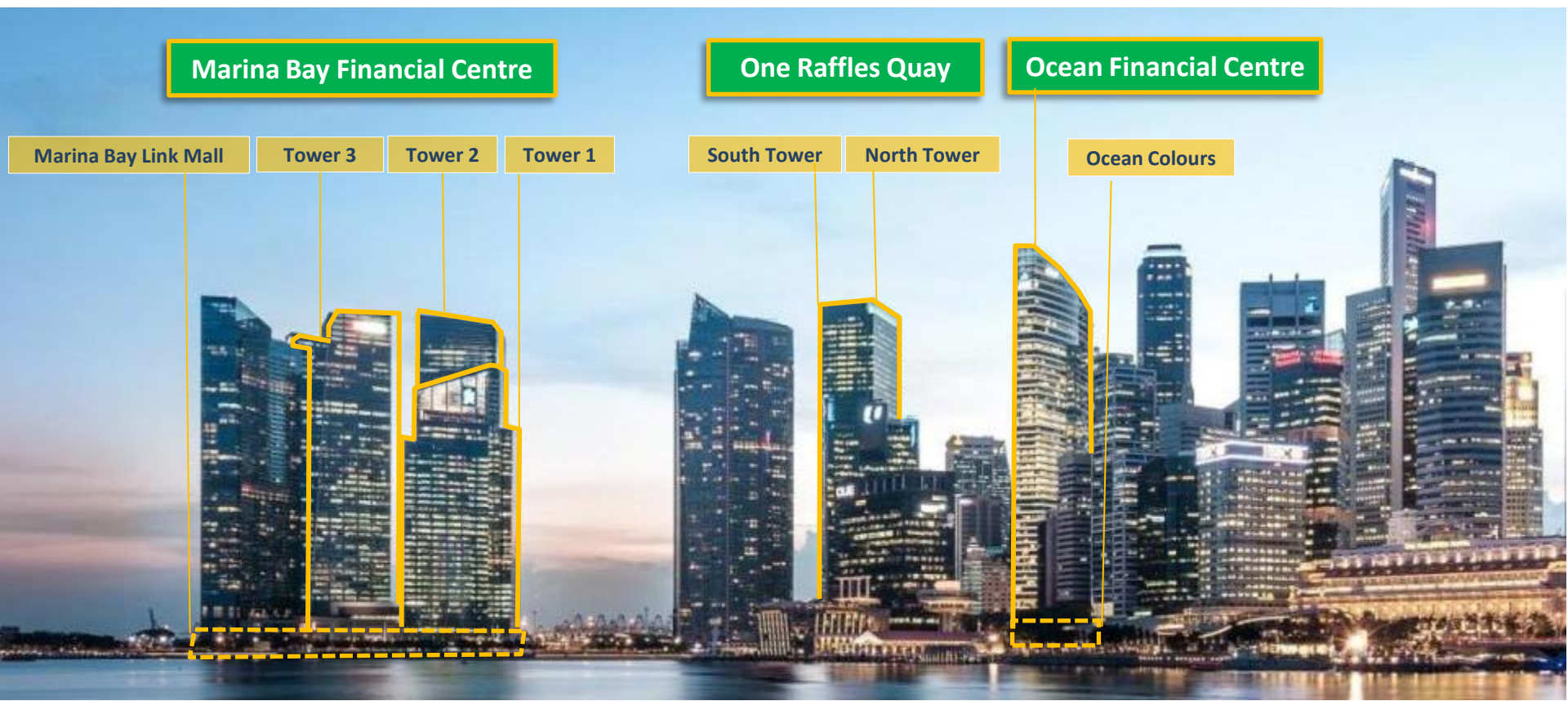
**275 George
Street, Brisbane**
(50% interest)



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

**Expected completion in 2H 2015*

- » **Strategic portfolio transformation** in 2014 positioning Keppel REIT as the S-REIT with the **youngest and largest portfolio of premium office assets in Singapore's business and financial districts**
- » Approximately **92%** of Singapore properties are located in the **Raffles Place and Marina Bay precincts**



1. Key Highlights

Keppel REIT

Marina Bay Financial Centre,
Singapore



- » **Distribution income** ↑ **18%** q-o-q to **\$54 mil** in 1Q 2015
- » 1Q 2015 **DPU** ↑ **13%** q-o-q to 1.70 cents from 1.51 cents in 4Q 2014
 - **Full-quarter contribution** from **MBFC Tower 3** and **stronger performance** from **Bugis Junction Towers**
 - Annualised distribution yield of **5.7%**
- » **Sustained level** of **distributable income** of **\$54 mil** y-o-y in 1Q 2015 notwithstanding
 - Expiry of rental support from the 87.5% interest in Ocean Financial Centre
 - Absence of income contribution from Prudential Tower
 - Absence of rental support from MBFC Phase One
- » Share of Results of Associates ↑ **26%** q-o-q to reach **\$20.4 mil** due to a full-quarter contribution from MBFC Tower 3



Marina Bay Financial Centre and Ocean Financial Centre



Bugis Junction Towers



8 Chifley Square, Sydney



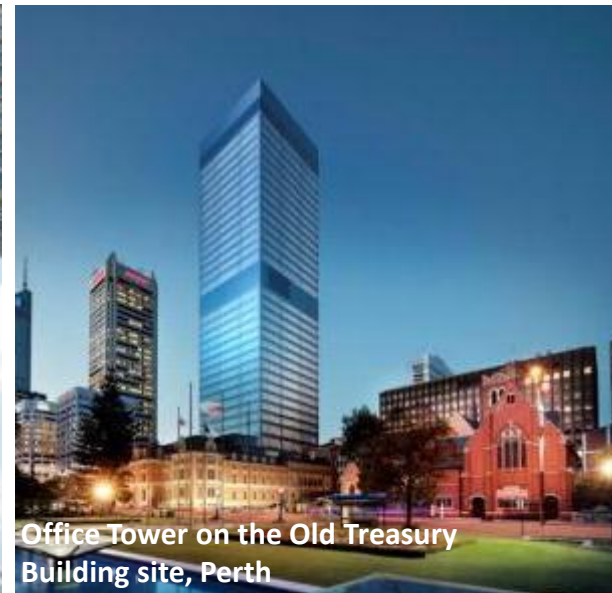
- » Maiden issuance of a **7-year \$50 million Medium Term Notes (MTN)** at a **fixed-rate of 3.15%** per annum, which is **due in 2022**
 - MTN proceeds used to early refinance a \$50 million bank loan due in 2016
- » Completed the **early refinancing** of
 - **\$275 million** of loans due in **2015**
 - **\$125 million** of loans due in **2016**
- » **Over 80%** of total borrowings **not due for repayment till 2017 and beyond**



275 George Street,
Brisbane



One Raffles Quay



Office Tower on the Old Treasury
Building site, Perth



- » **Upward trend** of office **rental reversions** continue to gather **momentum**
 - **19% positive rental rate reversion** for office leases signed, renewed and reviewed
- » **Successfully reviewed two-thirds** of leases due in **2015**, **all** with **positive rental reversions**
- » Maintained **high tenant retention rate** of **96%**
- » Close to **80%** of total leases **not due for renewal till 2017 and beyond**
- » Maintained **high committed portfolio occupancy** of **99.3%**
 - **9 of 11 completed office towers** in Singapore and Australia **fully committed**



2. Financial Highlights

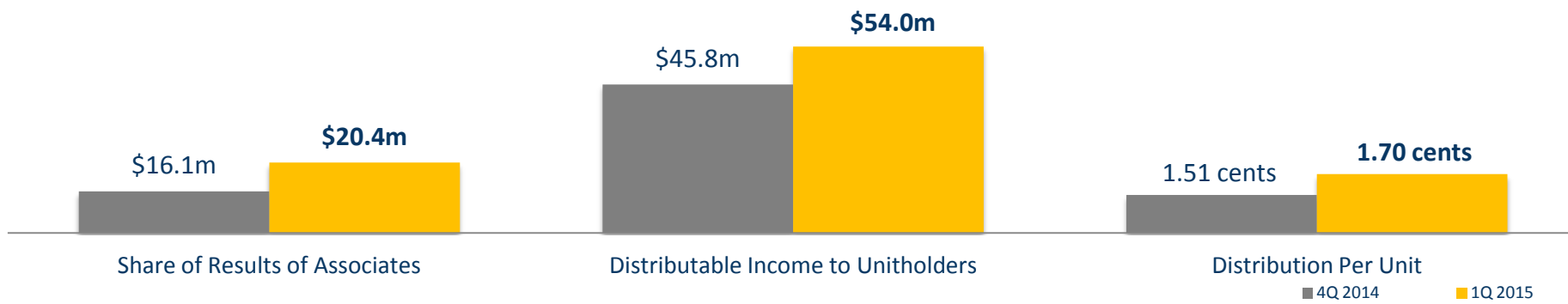


Bugis Junction Towers,
Singapore



- » **Distribution to Unitholders** ↑ 18% q-o-q to **\$54 mil** in 1Q 2015
- » **DPU** ↑ 13% q-o-q to 1.70 cents in 1Q 2015
 - **Full-quarter contribution** from **MBFC Tower 3**
 - **Stronger** performance from **Bugis Junction Towers**, which contributed to **improvement** in both **NPI** and **PI**
- » Annualised distribution yield of **5.7%**⁽¹⁾

Share of Results of Associates	Distributable Income to Unitholders	Distribution Per Unit
▲ 26% q-o-q	▲ 18% q-o-q	▲ 13% q-o-q
\$20.4 mil	\$54.0 mil	1.7 cents



(1) The yield is based on the market closing price per unit of \$1.20 as at the last trading day, 31 March 2015



- » **Distributable income** remained **stable** at \$54 mil y-o-y, notwithstanding:
 - Expiry of rental support from the 87.5% interest in Ocean Financial Centre
 - Absence of income contribution from Prudential Tower
 - Absence of rental support from MBFC Phase One
- » Continuing the **upward trend** of office **rental reversions**, Keppel REIT's current **strong portfolio** will continue to deliver **sustainable distributions for FY 2015**⁽¹⁾

	1Q 2015	1Q 2014	Remarks
Property Income	\$42.4 mil	\$46.8 mil	Absence of income from Prudential Tower, offset by higher contribution from Bugis Junction Towers
Net Property Income	\$34.6 mil	\$39.5 mil	
Share of Results of Associates	\$20.4 mil	\$16.0 mil	Full-quarter income contribution from MBFC Tower 3
Share of Results of Joint Ventures	\$4.0 mil	\$0.8 mil	Contribution from 8 Chifley Square as Keppel REIT started sharing its results in mid-2014
Distributable Income to Unitholders	\$54.0 mil	\$55.1 mil	Stable distributable income levels

(1) Baring any unforeseen developments and circumstances



	As at 31 Mar 2015	As at 31 Dec 2014
Non-current Assets	\$7,056 mil	\$ 7,104 mil
Total Assets	\$7,299 mil	\$7,329 mil
Borrowings ⁽¹⁾	\$3,544 mil	\$3,545 mil
Total Liabilities	\$2,826 mil	\$2,870 mil
Unitholders' Funds	\$4,470 mil	\$4,457 mil
Adjusted NAV Per Unit ⁽²⁾	\$1.39	\$1.40

(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 December 2014, this excludes the distribution paid in February 2015.

For 31 March 2015, this excludes the distribution to be paid in May 2015.

Distribution Per Unit (DPU)	Distribution Period
1.70 cents	1 January 2015 – 31 March 2015

Distribution Timetable	
Trading on “Ex” Basis	Friday, 17 April 2015
Books Closure Date	Tuesday, 21 April 2015
Distribution Payment Date	Thursday, 28 May 2015





3. Capital Management

Keppel REIT

8 Chifley Square,
Sydney

- » Continue to adopt a **prudent** and **proactive capital management strategy**
- » Diversify funding sources with the maiden issuance of **7-year \$50 mil MTN at fixed-rate of 3.15% p.a. and due in 2022**
 - MTN proceeds used to early refinance a \$50 mil bank loan due in 2016

	As at 31 Mar 2015
Gross Borrowings	\$3,544 mil
Interest Coverage Ratio	4.6 times
All-in Interest Rate	2.47%
Weighted Average Term to Expiry	3.4 years
Aggregate Leverage	42.4%
Rating	Baa2⁽¹⁾ / BBB⁽²⁾

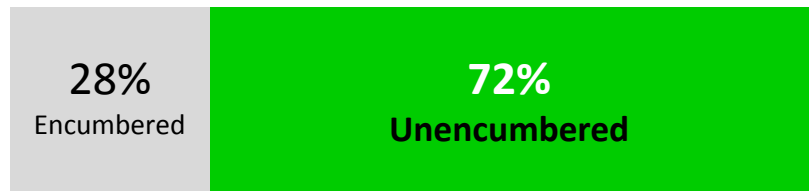
⁽¹⁾ Moody's Investors Service

⁽²⁾ Standard & Poor's Ratings Services

Borrowings on Fixed-Rate

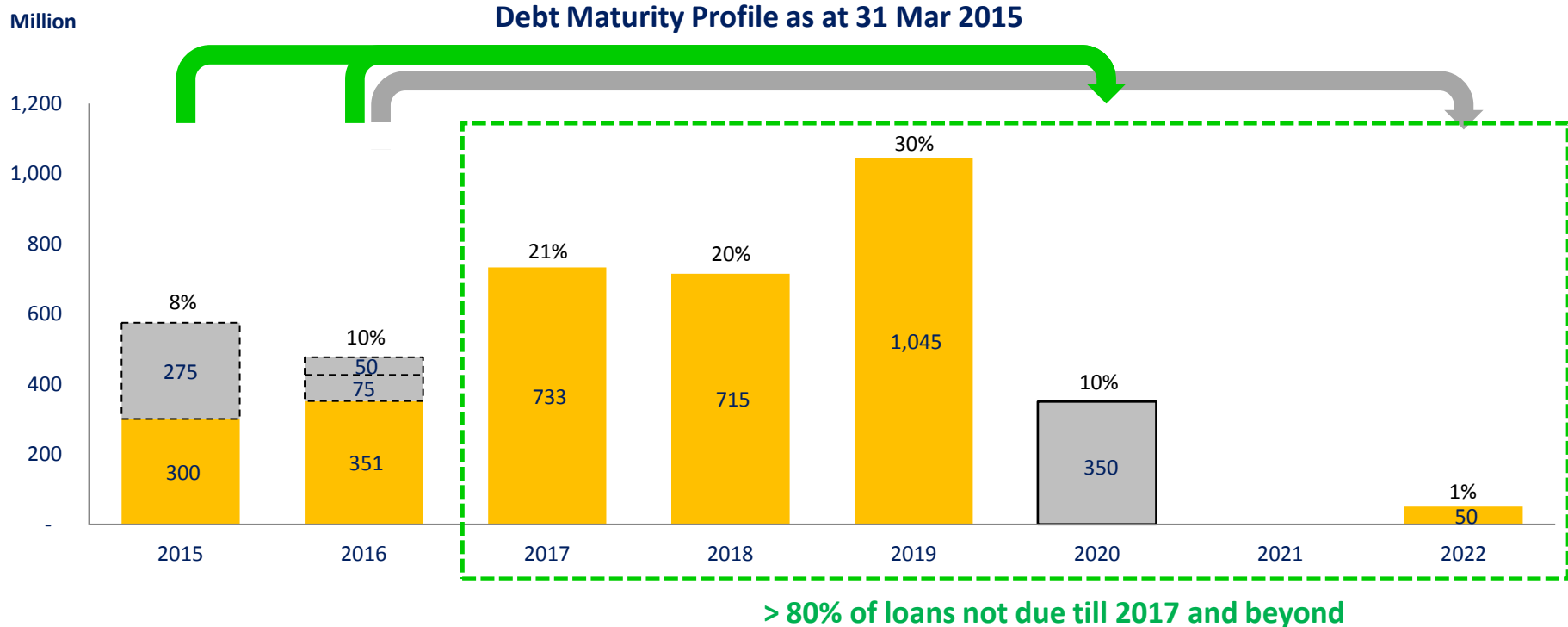


% of Assets Unencumbered





» **Over 80%** of loans not due for repayment till **2017 and beyond**



4. Portfolio Analysis



Ocean Financial Centre,
Singapore

- » **Upward trend** of office **rental reversions continue** to gather **momentum**
 - Achieved **positive reversions** of approximately **19%** on rental rates for all office leases signed, renewed and reviewed
- » **Reviewed two-thirds** of leases due in **2015**, all of which achieved **positive rental reversions**
- » **Maintained high tenant retention rate** of **96%** for entire portfolio
- » **Close to 80%** of total leases **not due for renewal till 2017 and beyond**
- » **9 of 11 completed office towers** achieved **100% committed occupancy**



Office Tower at the Old Treasury Building site

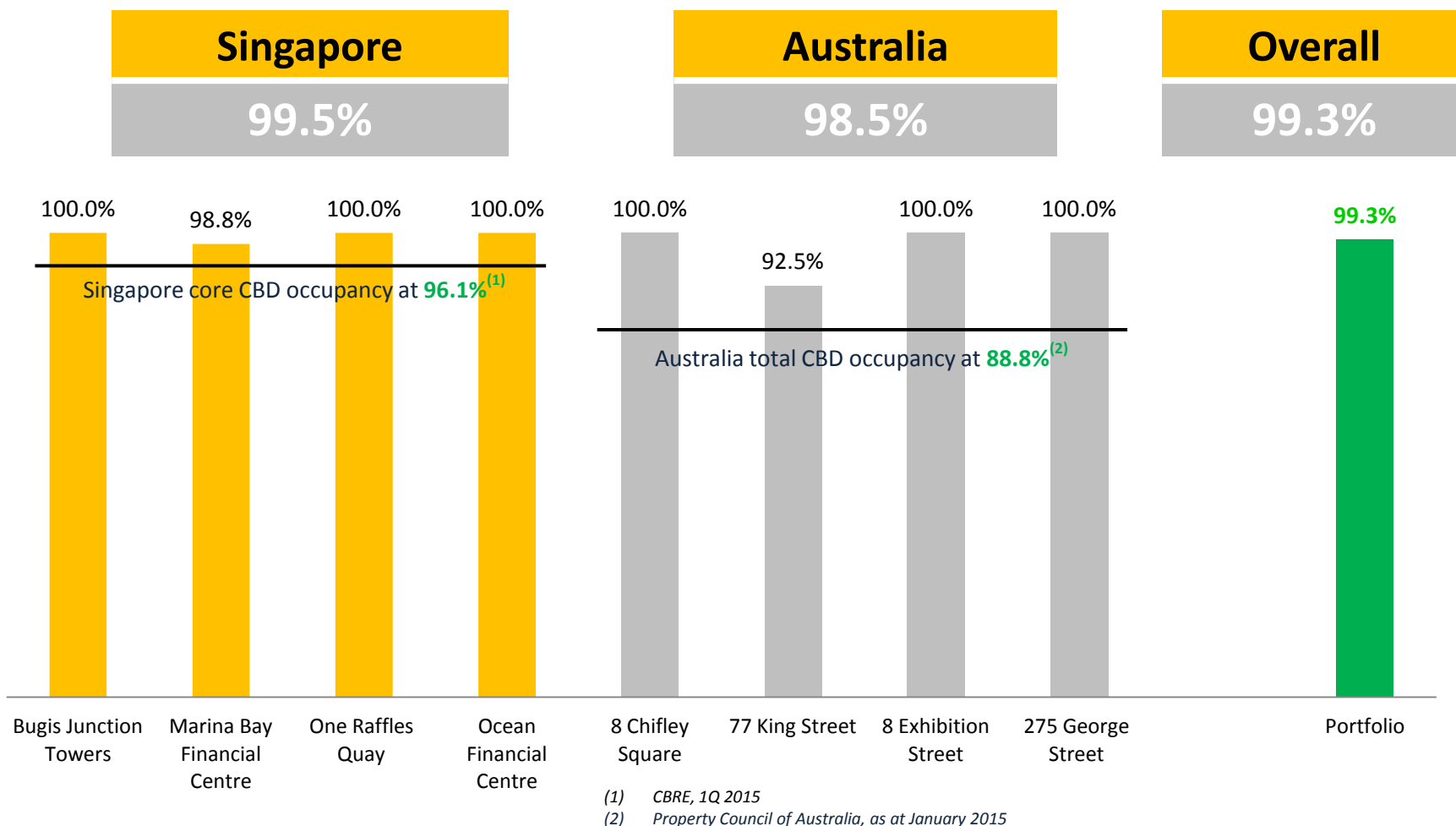
- » **Topping-out** of a strategic landmark in Perth's CBD on 12 March 2015
- » **Completion** expected in **2H 2015**
- » **100% pre-committed** to the **Government of Western Australia** with a 25-year lease with options for another 25 years



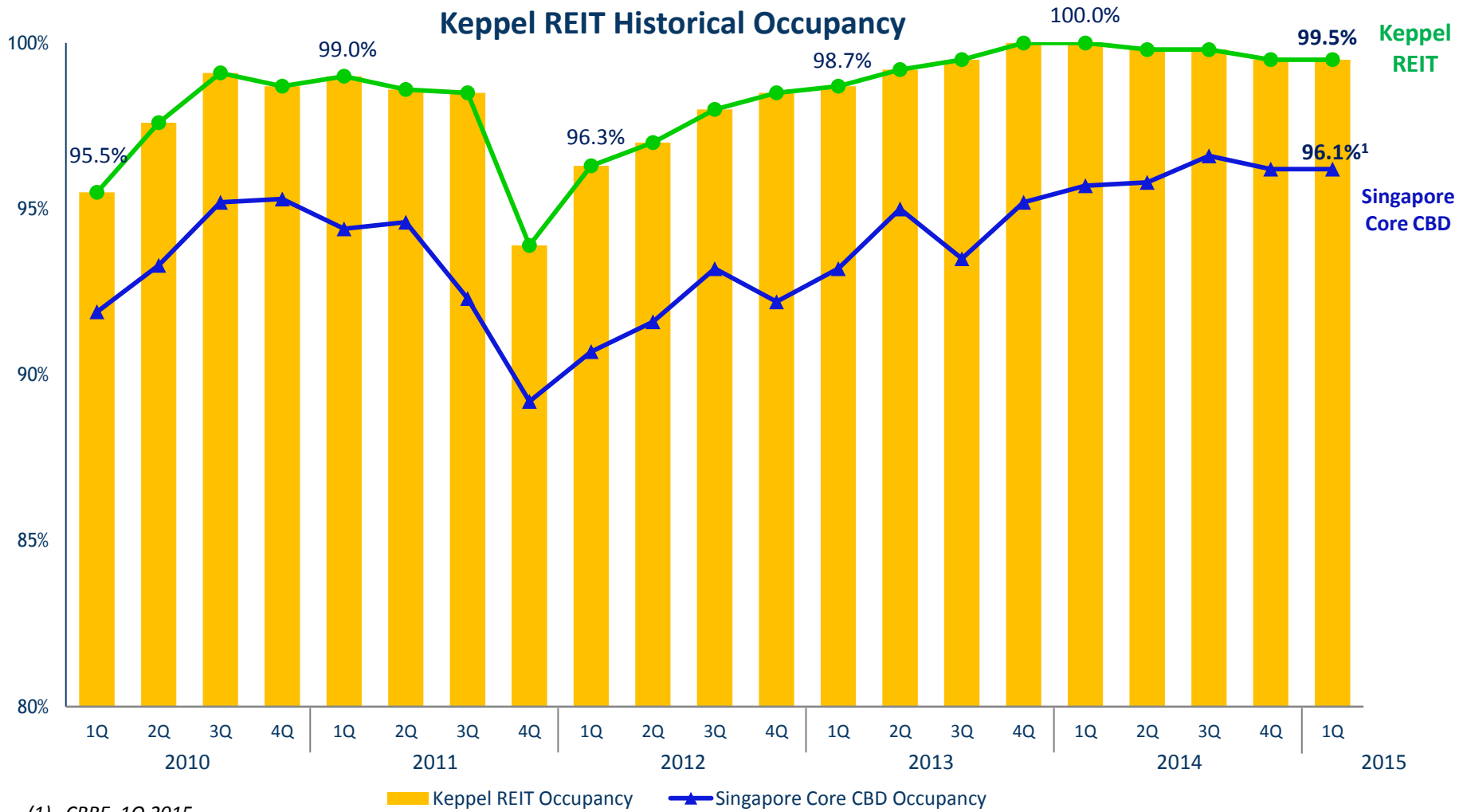


Strong Committed Occupancy Levels

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



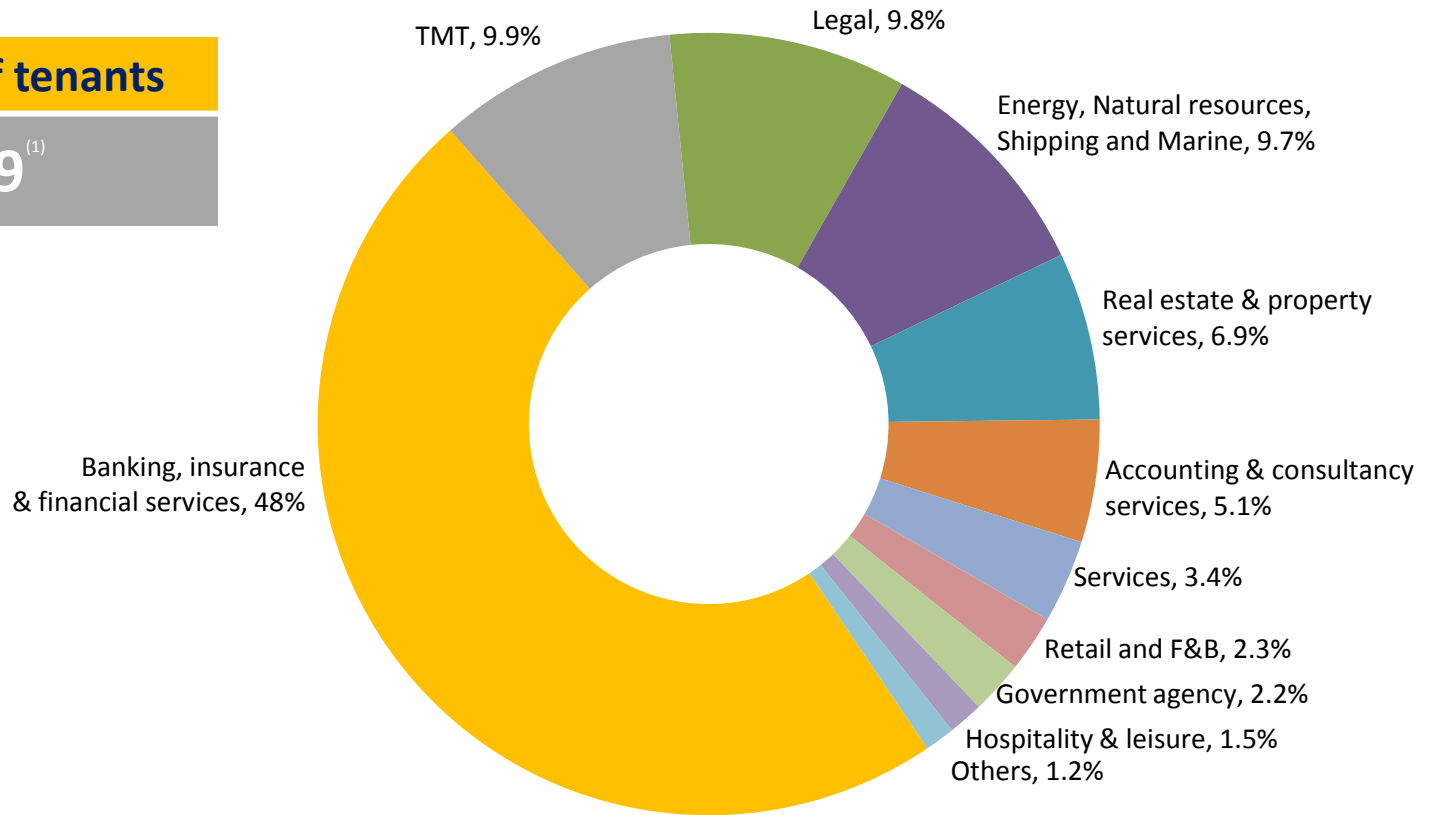
» Portfolio occupancy is consistently above Singapore's Core CBD occupancy levels





- » **New and renewal tenants** in 1Q 2015 are **diversified across various sectors** including the banking, insurance and financial services, real estate and property services, as well as energy and natural resources

Number of tenants
289⁽¹⁾

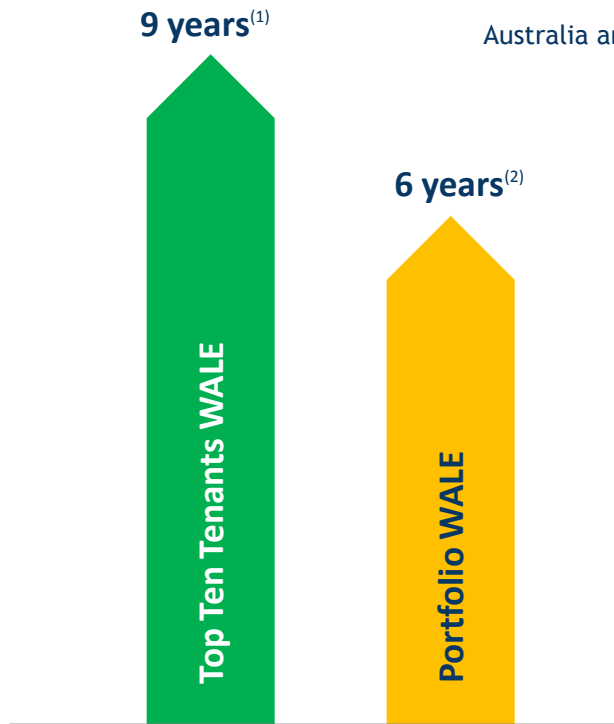


(1) Tenants with multiple leases are accounted as one tenant

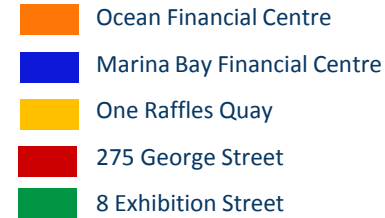
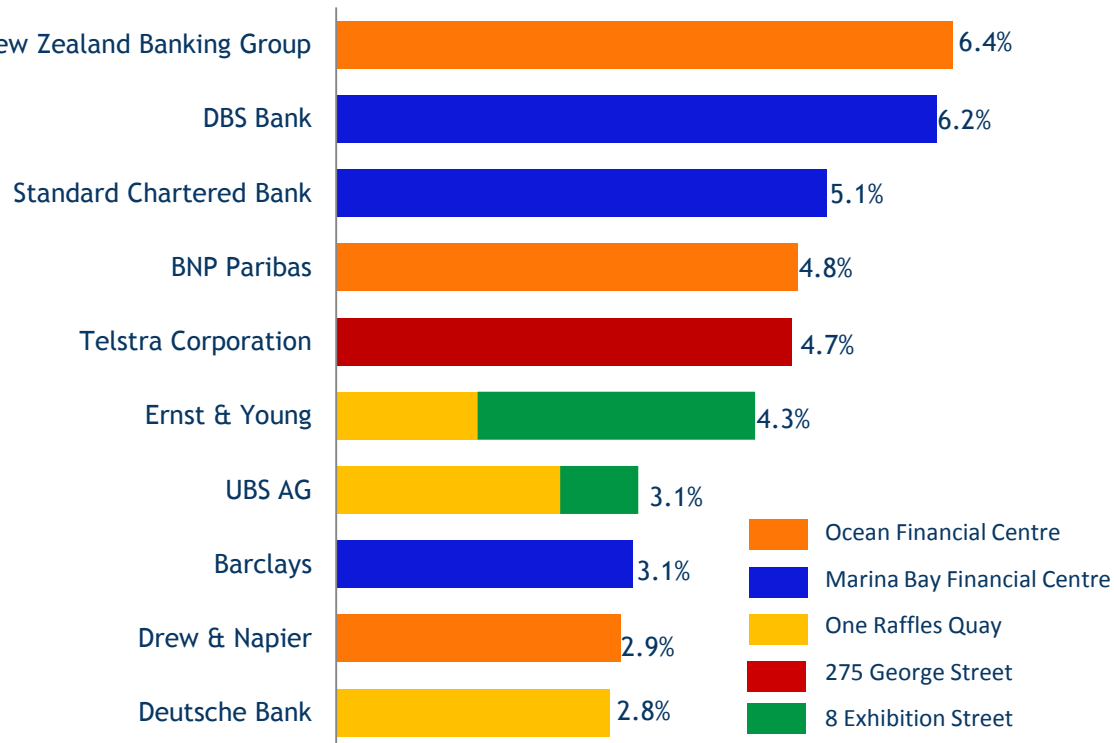


- » **Top 10 tenants** account for approximately **43%** of portfolio NLA
- » **Long WALE** of approximately **9 years and 6 years** for top 10 tenants and portfolio respectively **enhances income sustainability** over the long term

Weighted Average Lease Expiry (WALE)



Top 10 Tenants (by NLA)



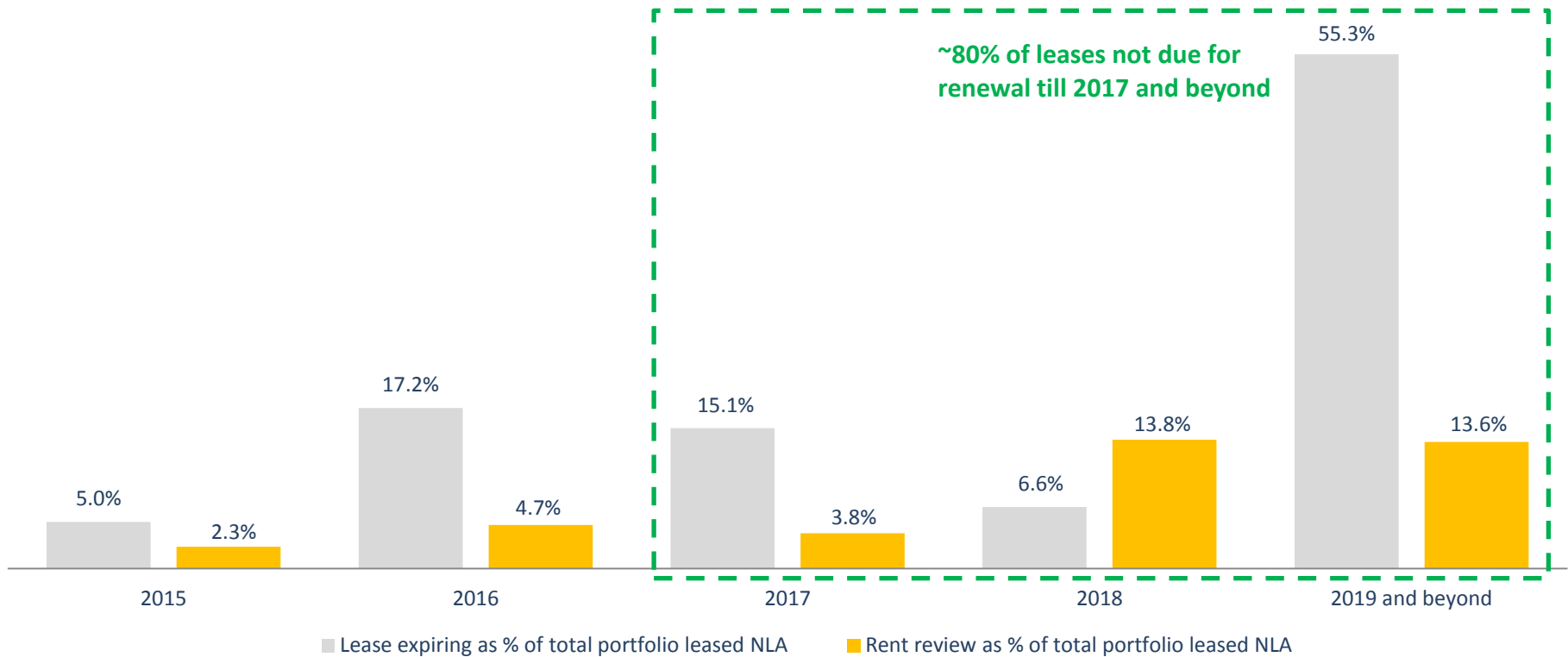
(1) Excluding the office tower being built on the Old Treasury Building site, the top ten tenants WALE will be 6.3 years.

(2) Excluding the office tower being built on the Old Treasury Building site, the portfolio WALE will be 4.9 years.



- » Continues to maintain a **well-staggered** lease profile
- » **Close to 80%** of total leases **not due for renewal till 2017 and beyond**

Portfolio Lease Profile (by NLA) as at 31 Mar 2015





- » All of Keppel REIT's assets bear internationally-recognised green certifications
- » The Manager believes that green and efficient developments will achieve **tangible long-term savings for all its stakeholders.**

	No.	Property	Award	Year
Singapore	1	Bugis Junction Towers	BCA Green Mark Platinum	2014
	2	Marina Bay Financial Centre (Towers 1 and 2)	BCA Green Mark Gold	2008/2014
	3	Ocean Financial Centre	BCA Green Mark Platinum	2008/2013
	4	One Raffles Quay	BCA Green Mark Gold	2009/2013
	5	Marina Bay Financial Centre (Tower 3)	BCA Green Mark Gold ^{Plus}	2009/2012
Australia	6	8 Chifley Square, Sydney	GBCA 6 Star Green Star – Office As Built v2	2015
	7	275 George Street, Brisbane	NABERS 5-Stars	2014
	8	8 Exhibition Street, Melbourne	NABERS 4.5-Stars	2014
	9	Office tower being built on the Old Treasury Building site, Perth	GBCA 5-Star Green Star – Office Design v3	2014
	10	77 King Street, Sydney	NABERS 4.5-Stars	2013



REITAS Talk

- » Educational talk for retail investors on insights into the REIT industry
- » Over 200 participants
- » Part of Keppel REIT's ongoing efforts to promote the growth and development of the S-REIT industry



CNY Performance

- » Ushered in the Lunar New Year with popular festive music played with traditional Chinese instruments in the lobby of Ocean Financial Centre
- » Spread well wishes and cheer for the festive occasion



Remembering MM Lee

- » Keppel REIT staff distributed umbrellas, water and tissue packs to Singaporeans and foreigners who had gathered outside One Raffles Quay to pay their last respects and bid farewell to the late Mr Lee Kuan Yew as the cortege drove past Marina Bay
- » To allow the public to be part of the final send-off for Singapore's founding father, a live broadcast of the State Funeral Procession and State Funeral Service was shown at the lobby of One Raffles Quay

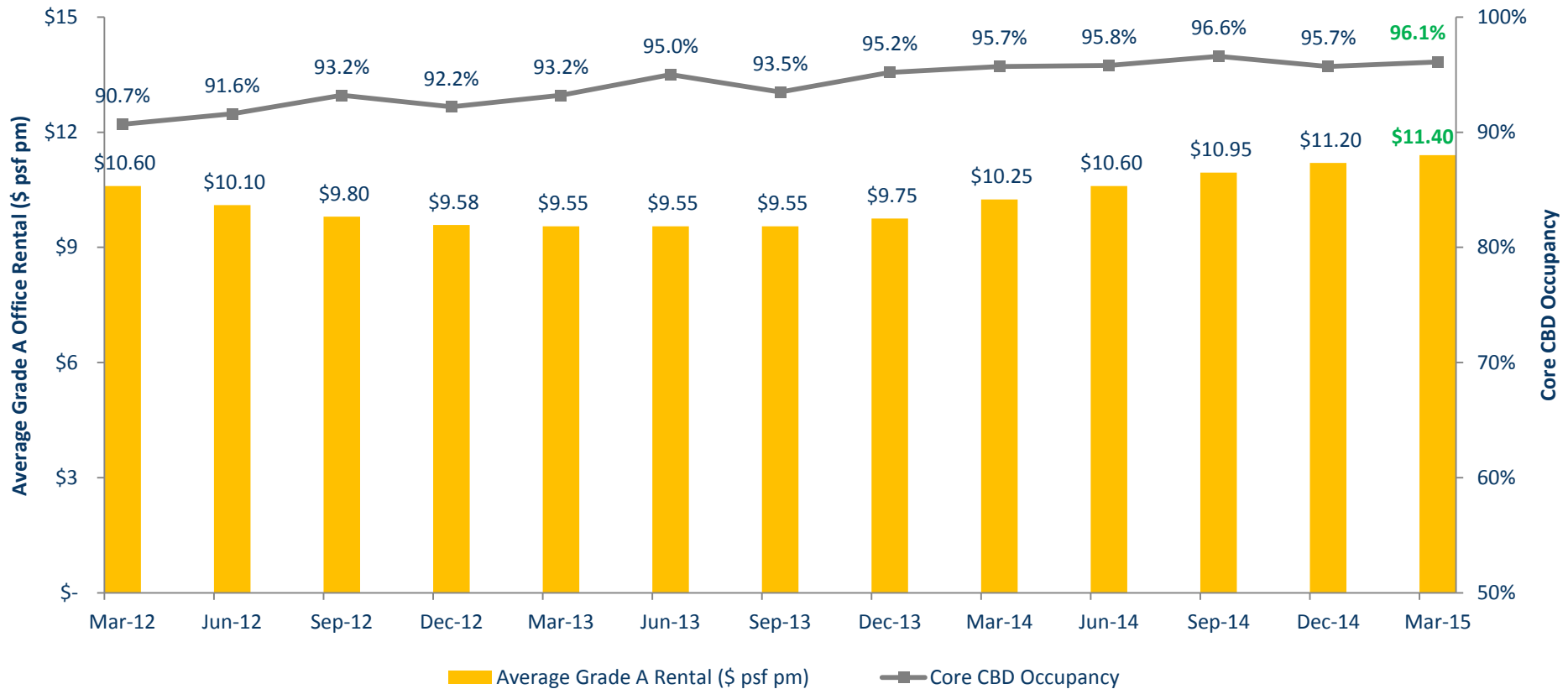




5. Market Review and Outlook



- » Average Grade A occupancy in the core CBD held firm at **96.1%**
- » Grade A office rents continued to lead growth, rising an average of **11.2%** y-o-y to reach **\$11.40 psf**



Source: CBRE, 1Q 2015



Singapore

- » Economy grew by 2.9% in 2014, with the highest growth rate recorded in the finance and insurance, followed by the information and communications sectors
- » 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
 - Demand in 1H 2015 continues to be supported by the steady economic conditions and limited office supply
 - Rental momentum expected to slowdown from 2H 2015 when pre-leasing activity starts for the 2016 office supply
- » Overall Grade A office rents expected to grow another 5% to 6% in 2015

Sources: Ministry of Trade and Industry, Monetary Authority of Singapore and Cushman

Australia

- » Recorded an economic growth of 2.5% y-o-y in 4Q 2014
- » In February 2015, the Reserve Bank of Australia reduced the official cash rate to 2.25% to ease monetary policy and encourage sustainable economic growth
- » Demand for office space remained relatively stable in key Australian cities
- » Improving business conditions expected to see firms looking to grow headcount, as evidenced by the increase in the number of job advertisements over 2014

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

Thank You



Ground Plaza
MBFC Tower 1
← ♿ ♻️ P

MBFC Towers 2&3
MRT ♿ ♻️ ↑

**Marina Bay Link Mall
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

- 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

Renamed
Keppel REIT

\$6.5 billion

\$6.0 billion

\$3.5 billion

\$2.1 billion

\$2.1 billion

\$630.7 million

\$8.2 billion

\$7.2 billion



Global Real Estate Sustainability Benchmark (GRESB) 2014

- » 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**, 2014

Ocean Financial Centre

- » MIPIM Asia Gold award for the **Best Innovative Green Building**
- » **PUB Water Efficient Buildings** (Silver), 2014



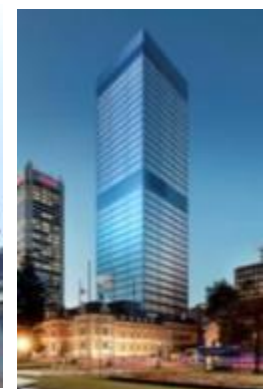
Australian Portfolio - Awards

8 Chifley Square, Sydney

- » Ranked **one of the 13th best Brilliant Buildings** by Property Council of Australia – and was named **“CBD Star”**, 2015
- » **12 accolades** for development, architectural, construction excellence and environmental sustainability, 2014

Office tower being built on the Old Treasury Building site, Perth

- » **5-Star Green Star** Office Design v3 Certified Rating, 2014





- » Keppel REIT's AUM is approximately **\$8.2 billion** as at 31 March 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	444,411	884,525
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 31 March 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	241,176	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 Mar 2015)	100.0%	92.5%	100.0%	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.