



Second Quarter & Half Year 2018 Financial Results

16 July 2018



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Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.



- **Distributable Income** **\$96.6 mil**
- **Distribution per Unit** **2.84 cents**
- **Aggregate Leverage** **38.6%**
- **All-in Interest Rate** **2.77% p.a.**



- **Leases Committed** **882,800 sf**
(Attributable area ~386,800 sf)
- **Portfolio Committed Occupancy** **99.3%**
- **Portfolio WALE** **5.2 years**
- **Tenant Retention** **77%**

Financial Performance & Capital Management

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The sun is shining brightly from the left, creating a lens flare effect. The buildings are set against a clear blue sky. The overall composition is dynamic and emphasizes the height and modern architecture of the structures.

Marina Bay Financial Centre, Singapore



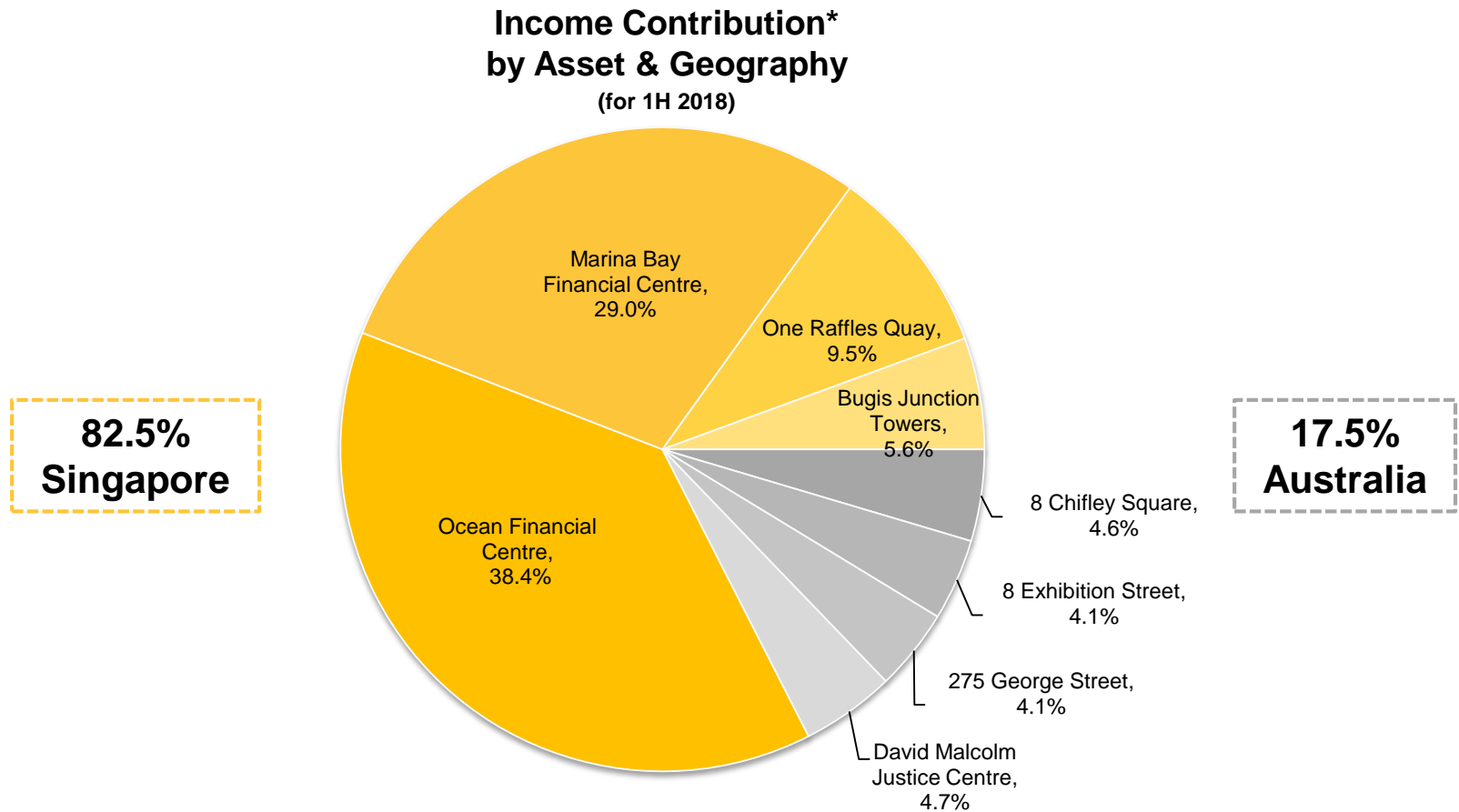
	2Q 2018	2Q 2017	1H 2018	1H 2017
Property Income	\$51.7 mil ⁽¹⁾	\$39.8 mil	\$91.4 mil ⁽¹⁾	\$79.7 mil
Net Property Income	\$43.2 mil	\$31.9 mil	\$74.4 mil	\$63.3 mil
Share of Results of Associates and Joint Ventures	\$26.5 mil	\$28.3 mil	\$54.9 mil	\$59.8 mil
Distribution to Unitholders	\$48.3 mil	\$47.4 mil	\$96.6 mil	\$95.5 mil
Distribution per Unit (DPU)	1.42 cents	1.42 cents	2.84 cents	2.87 cents

Distribution Timetable for 2Q 2018	Ex-Date	Fri, 20 Jul 2018
	Books Closure Date	Tue, 24 Jul 2018
	Payment Date	Tue, 28 Aug 2018

(1) The increase in property income was mainly contributed by one-off income for early surrender of leases.



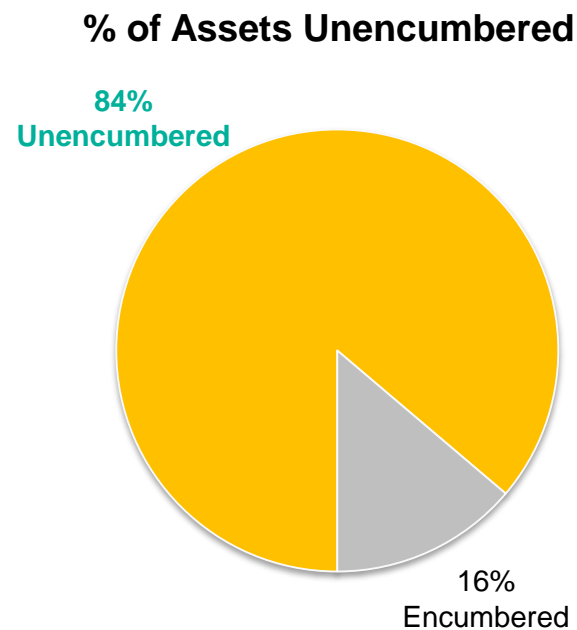
- Resilient income streams augmented by a young and diversified portfolio of premium Grade A office space in Singapore and Australia



* Comprised net property income of directly held properties, distribution/dividend income from associates & joint ventures, rental support income, as well as interest income on advances to associates.



	As at 30 Jun 2018	As at 31 Mar 2018
Total Assets	\$7,623 mil	\$7,615 mil
Borrowings⁽¹⁾	\$3,371 mil	\$3,367 mil
Total Liabilities	\$2,666 mil	\$2,661 mil
Unitholders' Funds	\$4,806 mil	\$4,800 mil
Adjusted NAV per Unit⁽²⁾	\$1.40	\$1.40



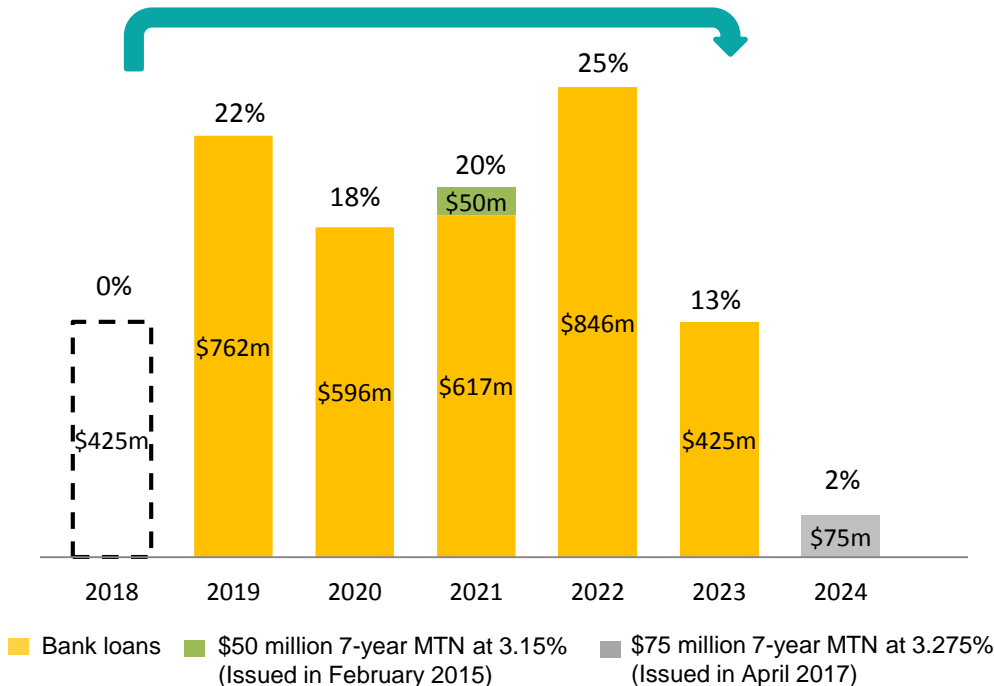
(1) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

(2) For 30 June 2018 and 31 March 2018, these excluded the distributions to be paid in August 2018 and paid in May 2018 respectively.



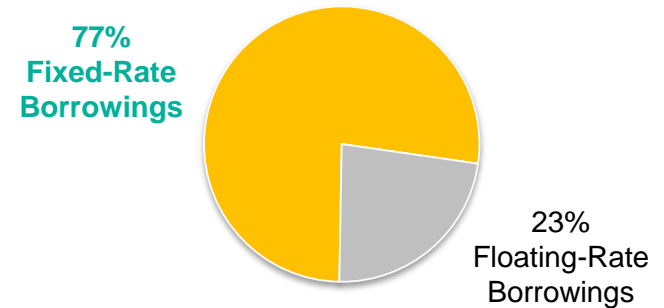
- Proactively managing the refinancing of loans that are due in 2019
- Weighted average term to maturity of 2.9 years
- Intends to initiate unit buy-backs as part of proactive capital management strategy

Debt Maturity Profile



30 Jun 2018	
Interest Coverage Ratio	4.3x
All-in Interest Rate (p.a.)	2.77%
Aggregate Leverage	38.6%

Managing interest rate exposure



Sensitivity to SOR⁽¹⁾

Every 50 bps \uparrow \downarrow in SOR translates to ~0.10 cents \downarrow \uparrow in DPU

(1) Based on the Group's borrowings including those accounted for at the level of associates, and number of units in issue as at 30 June 2018.

Portfolio Review

8 Chifley Square, Sydney



- Development of freehold Grade A office tower is progressing
- 30-year lease to Victoria Police will commence upon completion of development

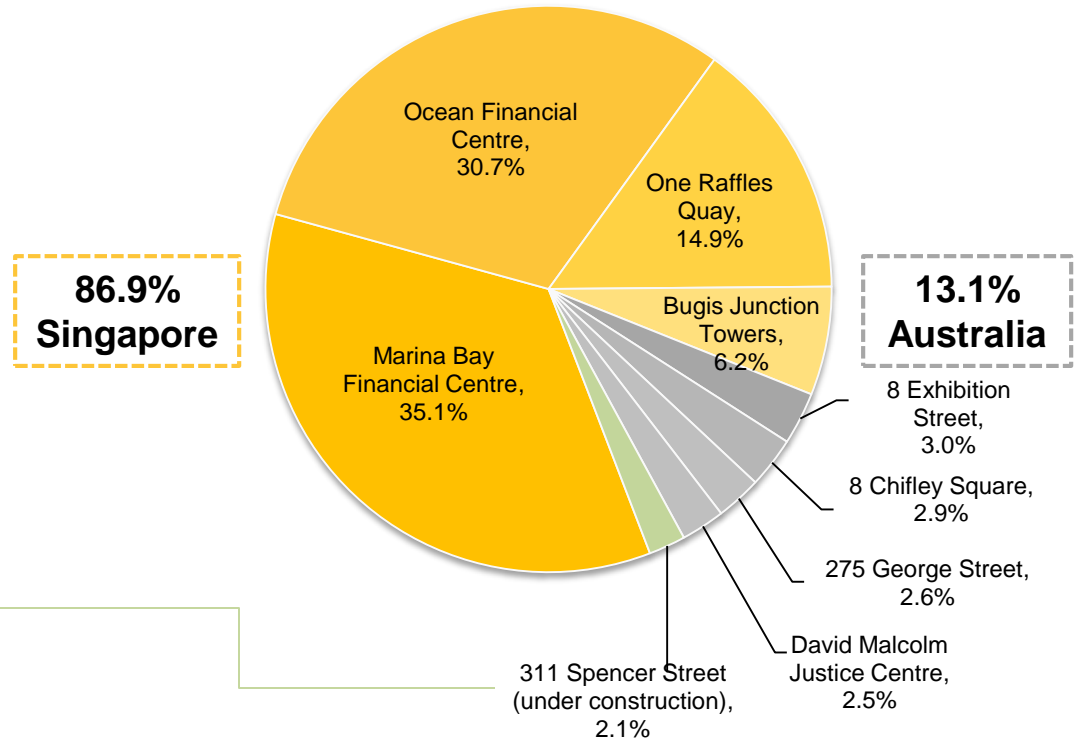


50% interest in 311 Spencer Street development

- **Yield accretive:** 6.4%⁽¹⁾
- **Steady income stream:** 30-year lease with fixed annual rental escalations

AUM⁽²⁾ Breakdown by Asset & Geography

(as at 30 Jun 2018)



(1) Stable average yield based on the expected net property income of the building for the first 15 years of the lease to the tenant, over the consideration.
 (2) Based on Keppel REIT's total assets under management of approximately \$8.5 billion as at 30 June 2018, including the office tower under development at 311 Spencer Street in Melbourne.

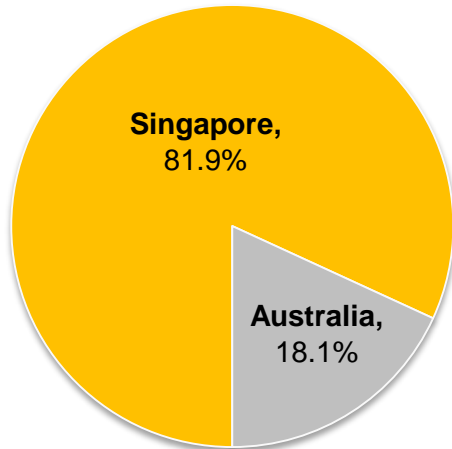


Leasing Updates for 1H 2018

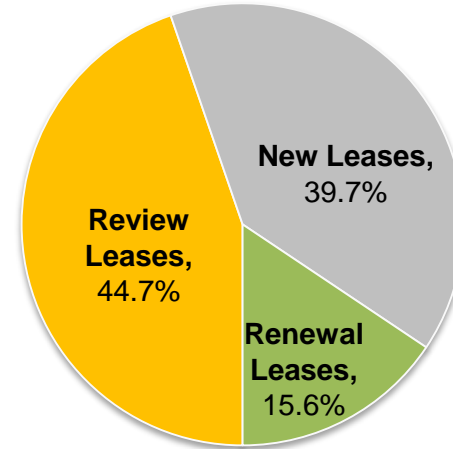
Committed Leases	54 Leases	~882,800 sf (Attributable ~386,800 sf)	99.3% Portfolio Committed Occupancy
Tenant Retention & WALE	77% Retention Rate	~5.2 years Portfolio WALE	~8.0 years Top 10 Tenants' WALE

Leases Committed in 1H 2018

Breakdown by Geography⁽¹⁾:



Breakdown by Type⁽¹⁾:



(1) Based on attributable area.

- Average signing rent for the Singapore office leases was ~\$10.74 psf pm⁽¹⁾ for 1H 2018
- New demand from diverse sectors:
 - In Singapore, new leases were mainly from the banking, insurance and financial services sector
 - In Australia, demand mainly came from a government agency

New leases committed in 1H 2018 (by attributable area)

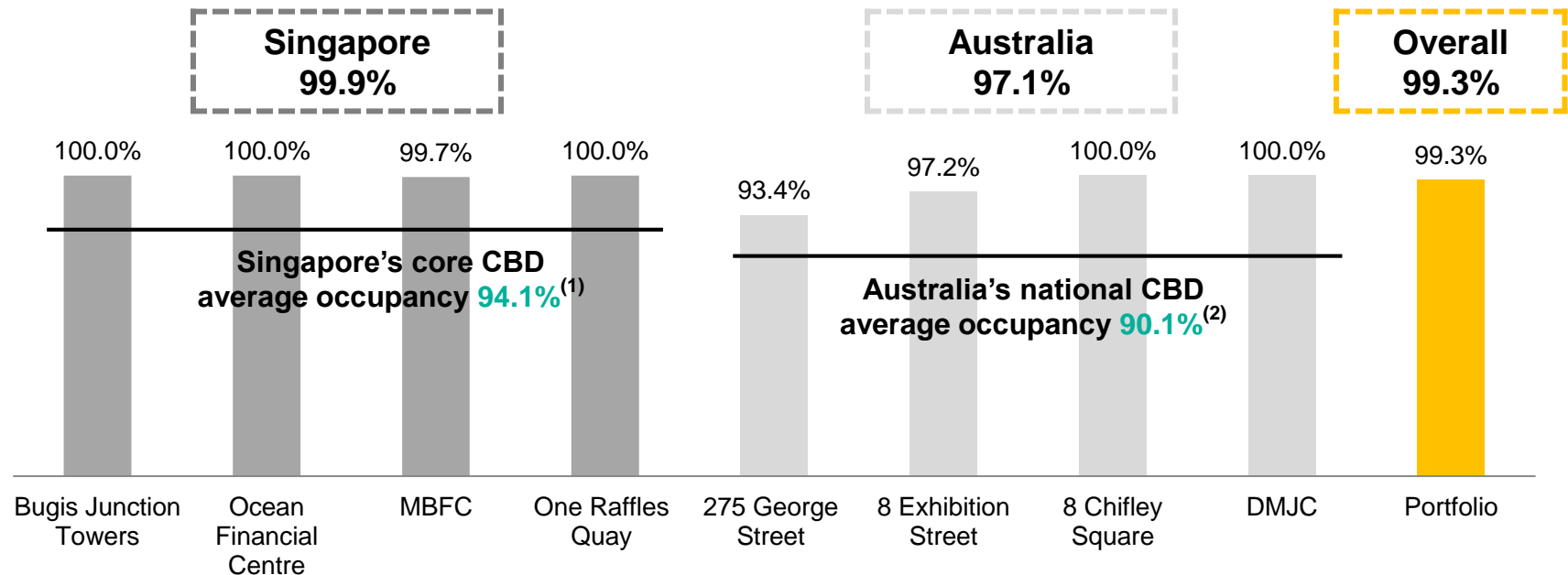


(1) For the Singapore office leases concluded in 1H 2018, and based on a simple average calculation.

- Committed occupancies for the Singapore and Australia assets are well above market average, testament to the portfolio's ability to attract quality tenants
- In the midst of leasing up vacancies at 275 George Street and 8 Exhibition Street

High Portfolio Committed Occupancy

(as at 30 Jun 2018)



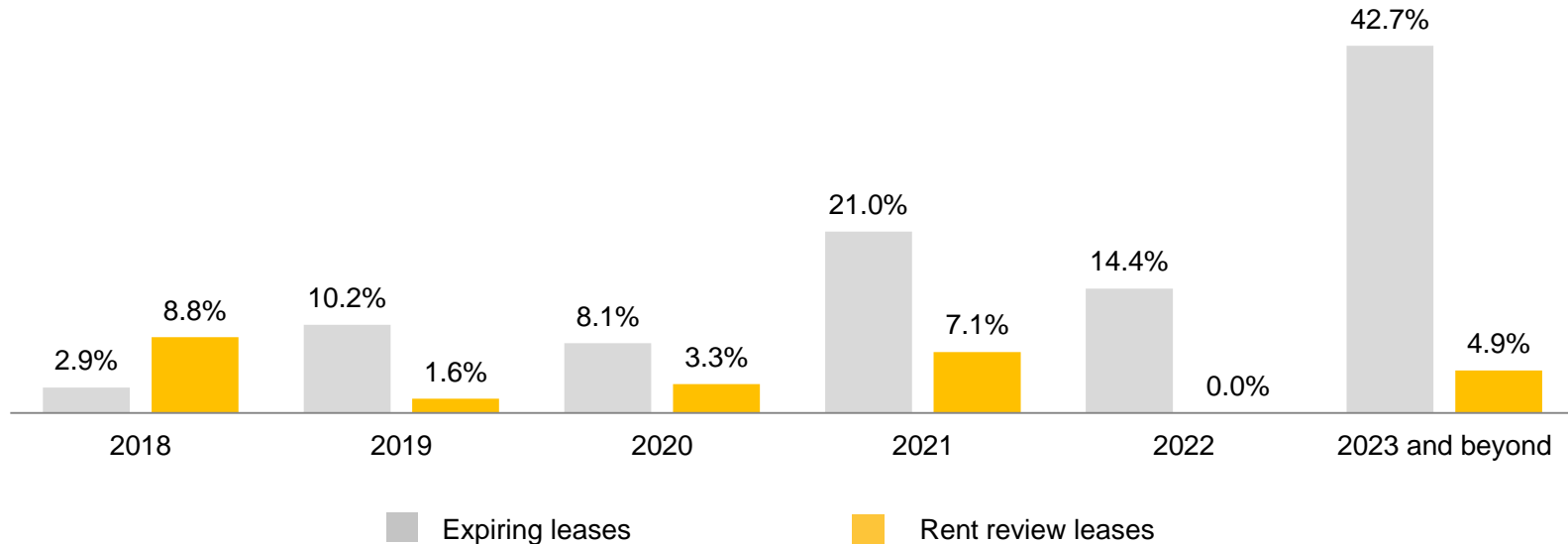
Sources: (1) CBRE, 2Q 2018 (2) JLL, end March 2018



- Portfolio income stability enhanced with a well-spread lease expiry profile
- 2.9% of portfolio NLA remaining for renewal and 8.8% remaining for review in 2018

Portfolio Lease Expiry Profile

(by attributable area)

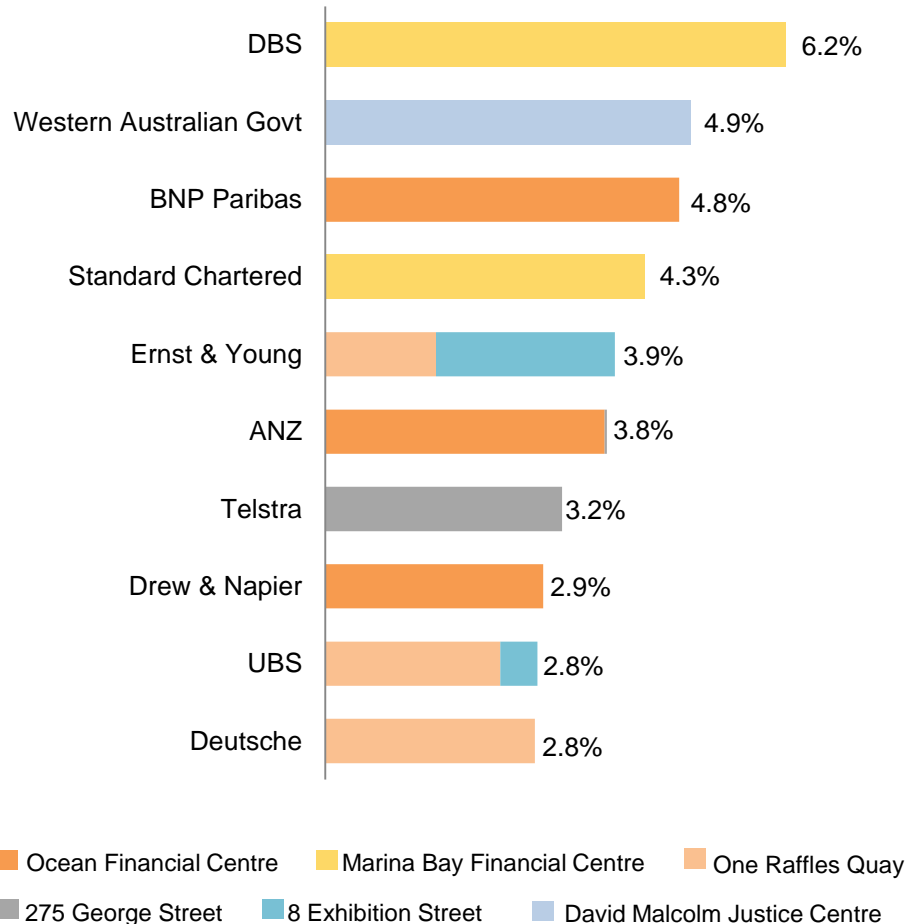


All data as at 30 June 2018. Remaining lease term to expiry based on portfolio committed NLA.



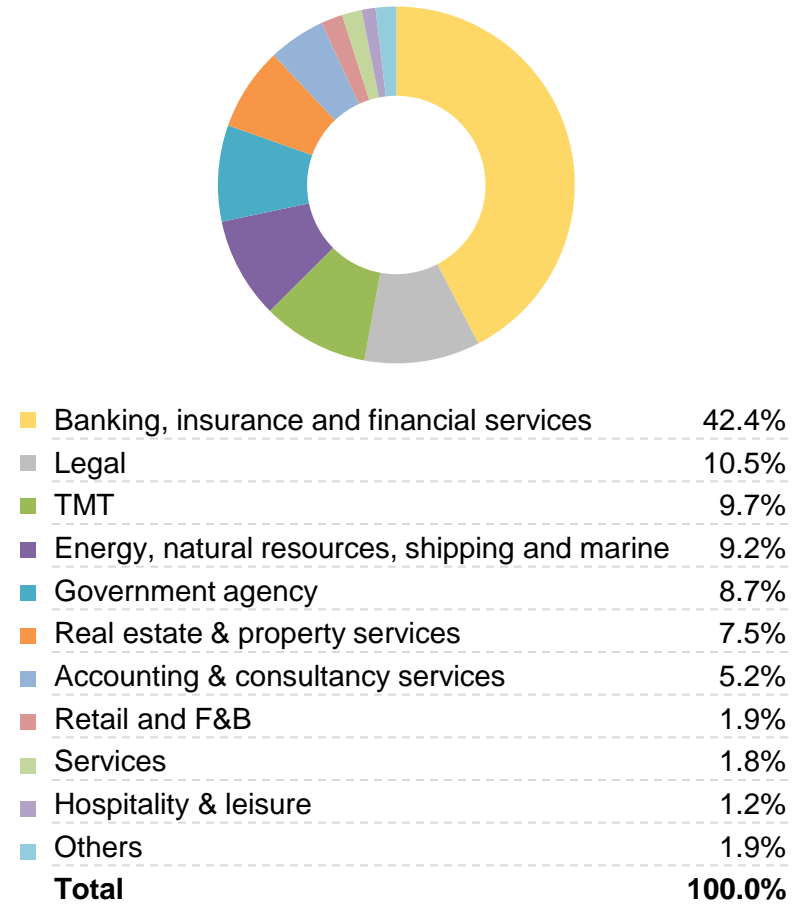
Top 10 Tenants⁽¹⁾

Occupies 39.6% of portfolio NLA
Contributes 37.0% of gross rental income



Profile of Tenant Base⁽¹⁾

Number of Tenants: 337⁽²⁾



(1) All data as at 30 June 2018, and based on portfolio committed NLA.

(2) Tenants with multiple leases were accounted as one tenant.

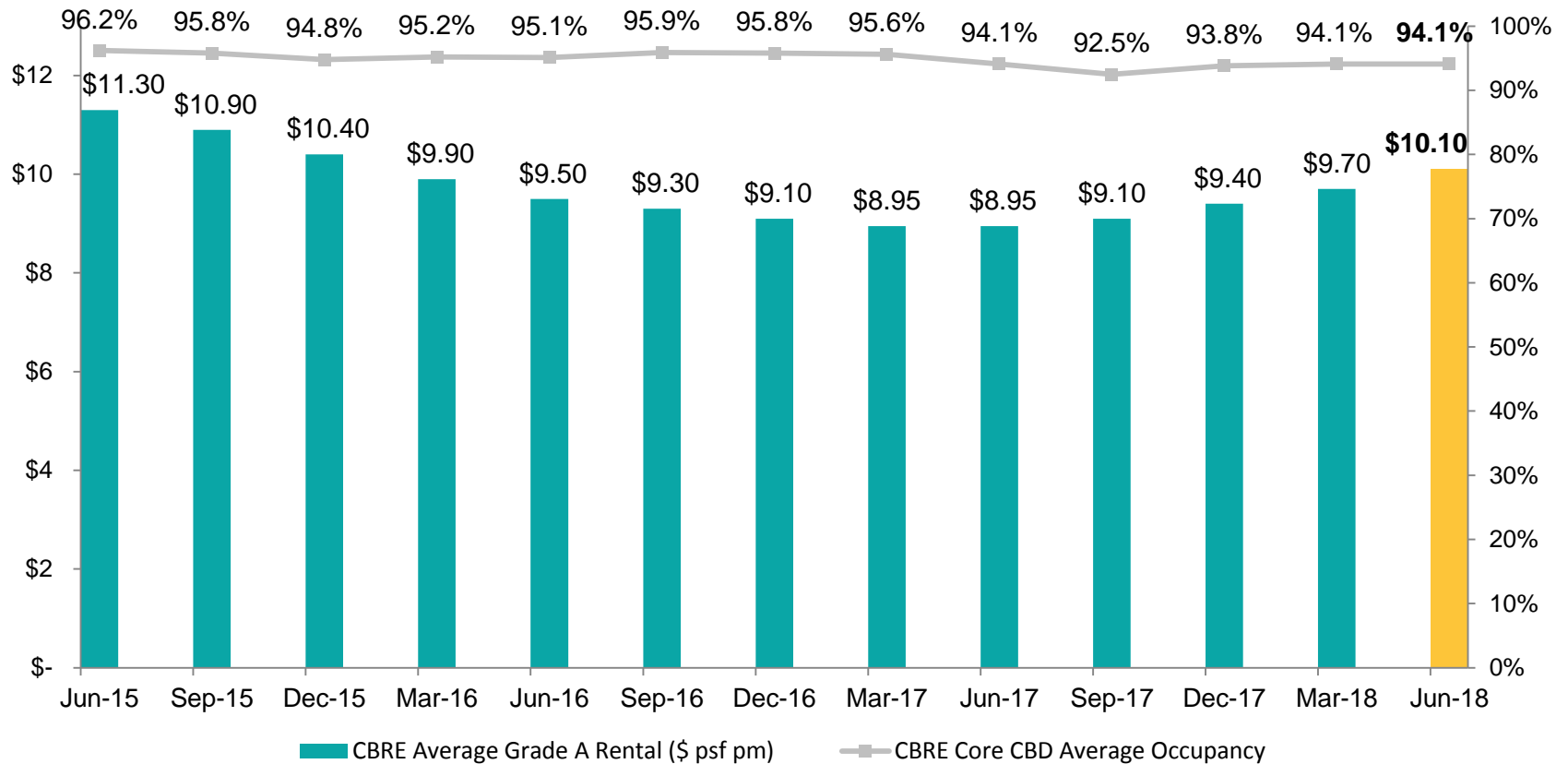


Looking Ahead

Ocean Financial Centre, Singapore

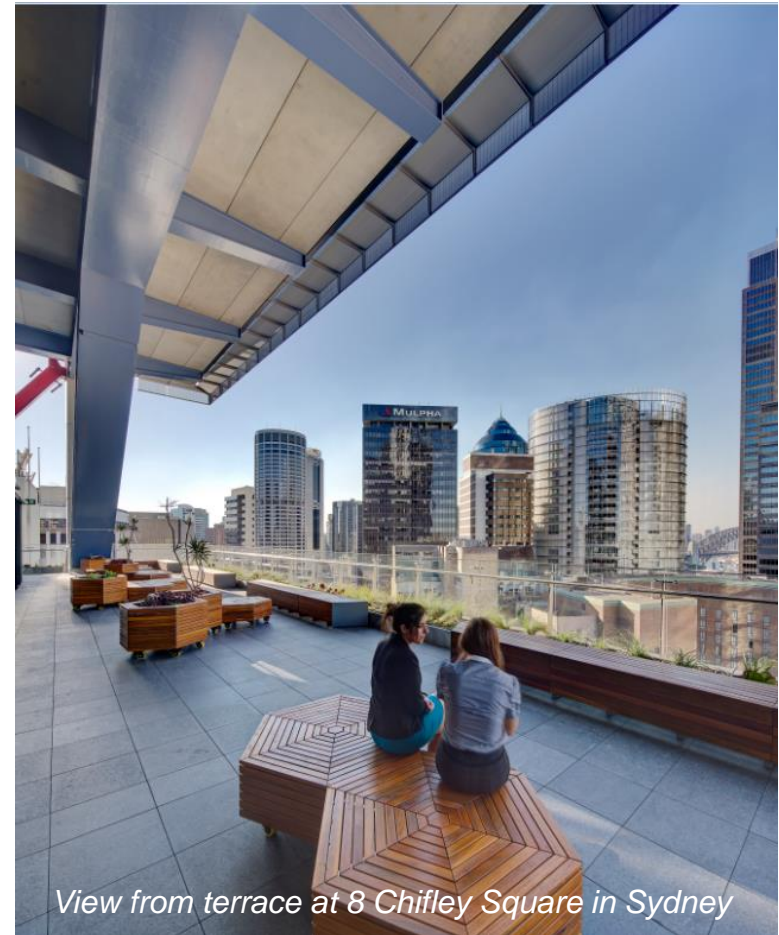


- In 2Q 2018, occupancy in the core CBD remained stable at 94.1%, while average Grade A office rental rose to \$10.10 psf pm
- Positive medium-term rental outlook in view of tapering supply pipeline and recovering market fundamentals

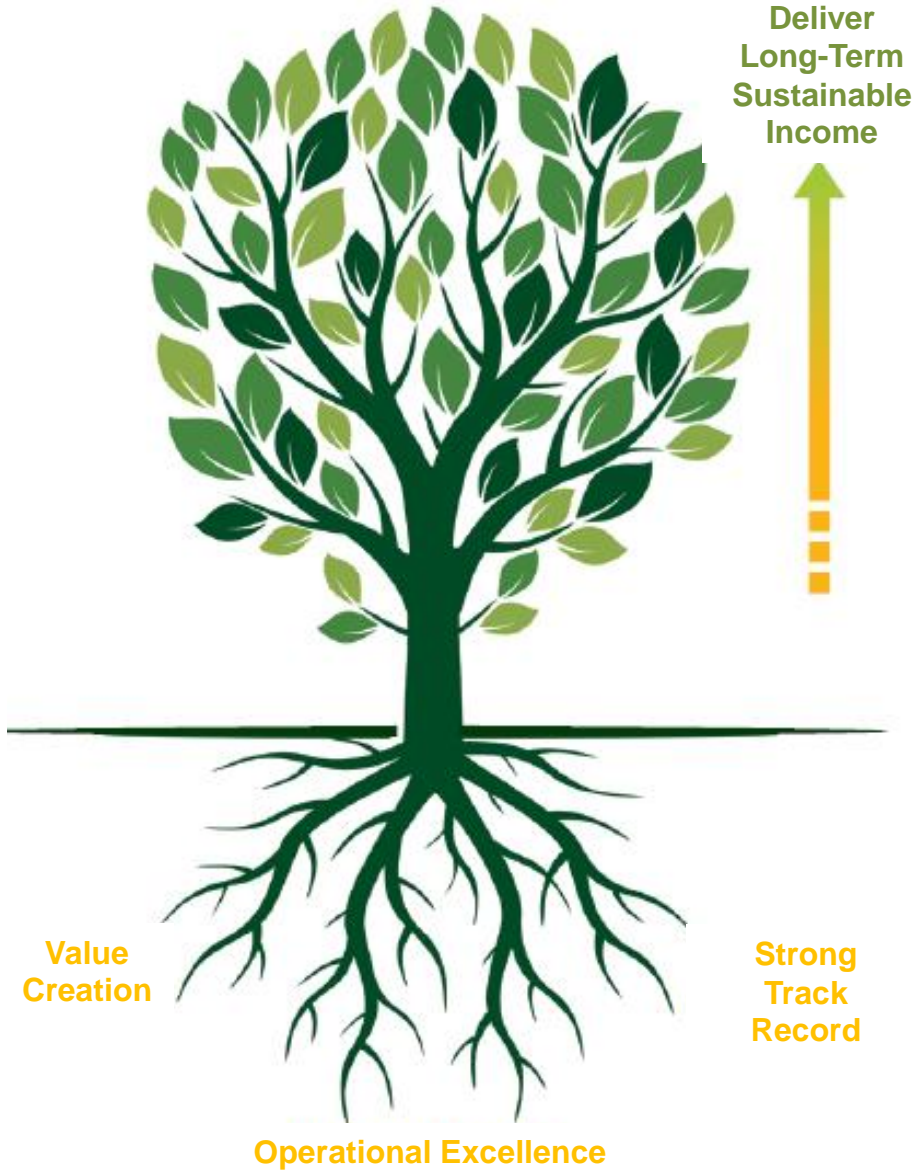




- National CBD office average occupancy improved to 90.1%
- Vacancy level is at its lowest level since 2013 driven by improving business and leasing conditions across Australia office markets
- Leasing enquiries observed to be gravitating towards quality assets



View from terrace at 8 Chifley Square in Sydney



Strategy in Action

Our goal is to generate **sustainable income** and create **long-term value** for unitholders through achieving **operational excellence** in all that we do.

Our foundation stems from:

Our Strong Track Record

- ✓ Delivering sustainable income
- ✓ Maintaining high portfolio occupancy and WALE

Value Creation through Active Management

- ✓ Strong capital creation and preservation, with approximately S\$1.5 billion of unrealised capital gains achieved as at end 2017
- ✓ Quality assets managed with a tenant-centric approach

Operational Excellence

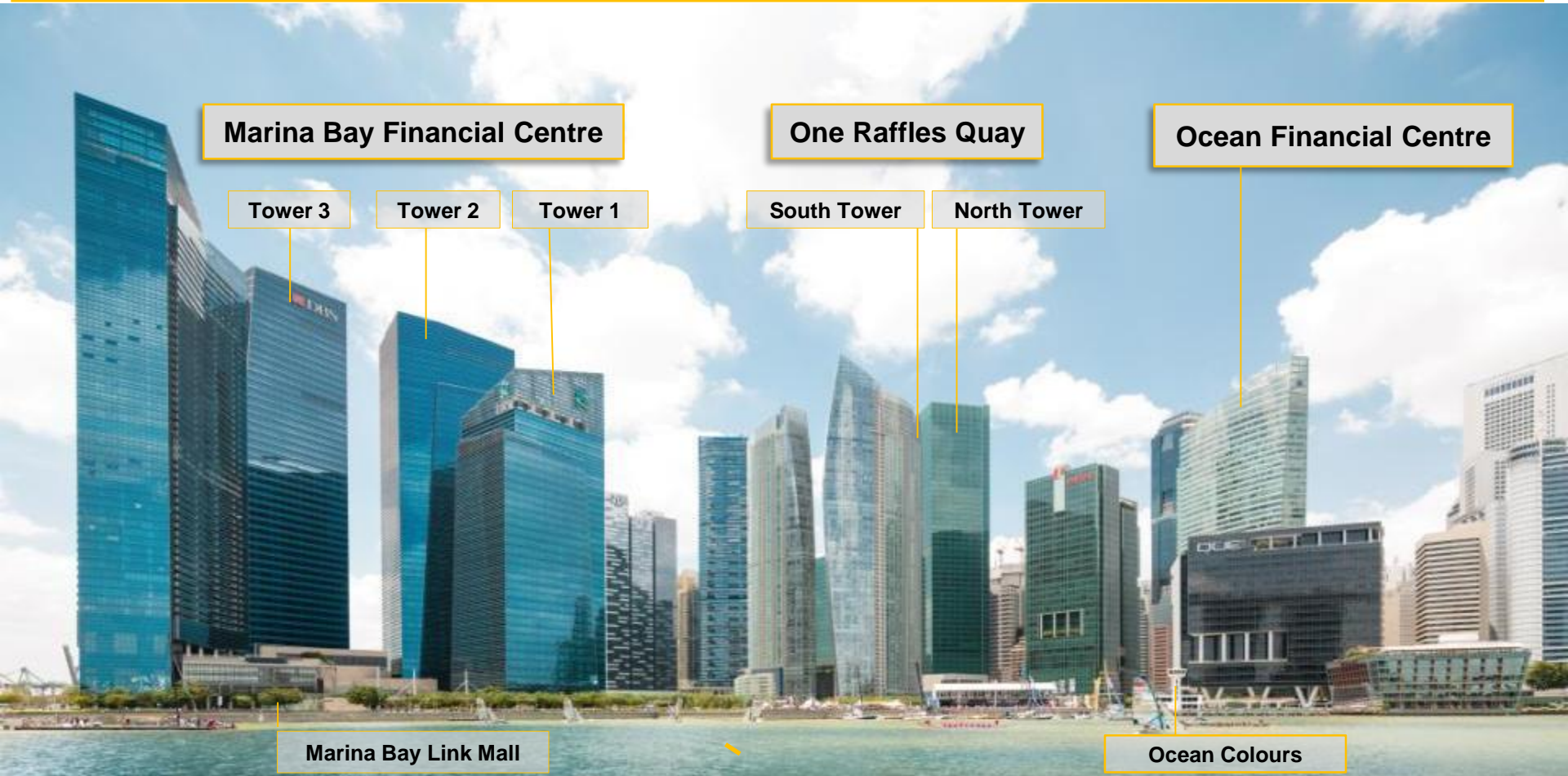
- ✓ Prudent management of costs and capital
- ✓ Sustained performance during market volatility



Additional Information

8 Exhibition Street, Melbourne

Best-in-Class Assets in Strategic Locations	Largest Portfolio of Premium Office Assets	Assets Under Management
9 quality Premium Grade and Grade A assets in the business and financial districts of Singapore and Australia ⁽¹⁾	3.7 million sf total attributable NLA ⁽¹⁾	S\$8.5 billion ⁽¹⁾



(1) As at 30 June 2018 and includes the office tower under development at 311 Spencer Street in Melbourne.



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers
(100% interest)

Singapore*

87%

Australia*

13%



8 Chifley Square, Sydney
(50% interest)



8 Exhibition Street, Melbourne
(50% interest)



275 George Street, Brisbane
(50% interest)



David Malcolm Justice Centre, Perth
(50% interest)



311 Spencer Street Melbourne
(50% interest)
-Under construction-

* Based on Keppel REIT's total assets under management of approximately S\$8.5 billion as at 30 June 2018, and includes the office tower under development at 311 Spencer Street in Melbourne.

	Ocean Financial Centre	Marina Bay Financial Centre ⁽³⁾	One Raffles Quay	Bugis Junction Towers
Attributable NLA (sf)	880,603	1,025,522	442,806	244,579
Ownership	99.9%	33.33%	33.33%	100.0%
Principal tenants	ANZ, BNP Paribas, Drew & Napier	DBS Bank, Standard Chartered Bank, BHP Billiton	Deutsche Bank, UBS, Ernst & Young	Keppel Land, IE Singapore, InterContinental Hotels Group
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 ⁽⁴⁾ and 7 Mar 2106 ⁽⁵⁾	99 years expiring 12 Jun 2100	99 years expiring 9 Sep 2089
Purchase Price (on acquisition)	S\$2,298.8m ⁽²⁾	S\$1,426.8m ⁽⁴⁾ S\$1,248m ⁽⁵⁾	S\$941.5m	S\$159.5m
Valuation ⁽¹⁾	S\$2,623.0m	S\$1,693.0m ⁽⁴⁾ S\$1,300.3m ⁽⁵⁾	S\$1,273.0m	S\$525.0m
Capitalisation rates	3.75%	3.75%	3.75%	3.75%

1) Valuation as at 31 December 2017 based on Keppel REIT's interest in the respective properties.

2) 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012.

3) Comprises Marina Bay Financial Centre (MBFC) office Towers 1, 2 and 3 and Marina Bay Link Mall (MBLM).

4) Refers to MBFC Towers 1 and 2 and MBLM.

5) Refers to MBFC Tower 3.



	8 Chifley Square, Sydney	8 Exhibition Street, Melbourne ⁽²⁾	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	311 Spencer Street, Melbourne <i>(Under construction)</i>
Attributable NLA (sf)	104,138	245,954	224,693	167,784	358,683
Ownership	50.0%	50.0%	50.0%	50.0%	50.0%
Principal tenants	Corrs Chambers Westgarth, Quantum Group, QBE Insurance Group	Ernst & Young, UBS, Minister for Finance - State of Victoria, CBRE	Telstra Corporation, Queensland Gas Company	Government of Western Australia	Assistant Treasurer - State of Victoria
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold
Purchase Price (on acquisition)	S\$197.8m	S\$201.3m ⁽²⁾	S\$209.4m	S\$208.1m	S\$362.4m ⁽⁵⁾
Valuation ⁽¹⁾	S\$247.4m	S\$256.0m ⁽²⁾	S\$219.3m	S\$216.8m	S\$148.9m ⁽⁶⁾
Capitalisation rates	5.00%	5.00% ⁽³⁾ 4.50% ⁽⁴⁾	5.63%	5.50%	4.63%

1) Valuation as at 31 December 2017 based on Keppel REIT's interest in the respective properties.

Based on the exchange rate of A\$1 = S\$1.02 as at 31 December 2017.

2) Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and a 100% interest in another three retail units.

3) Refers to Keppel REIT's 50% interest in the office building.

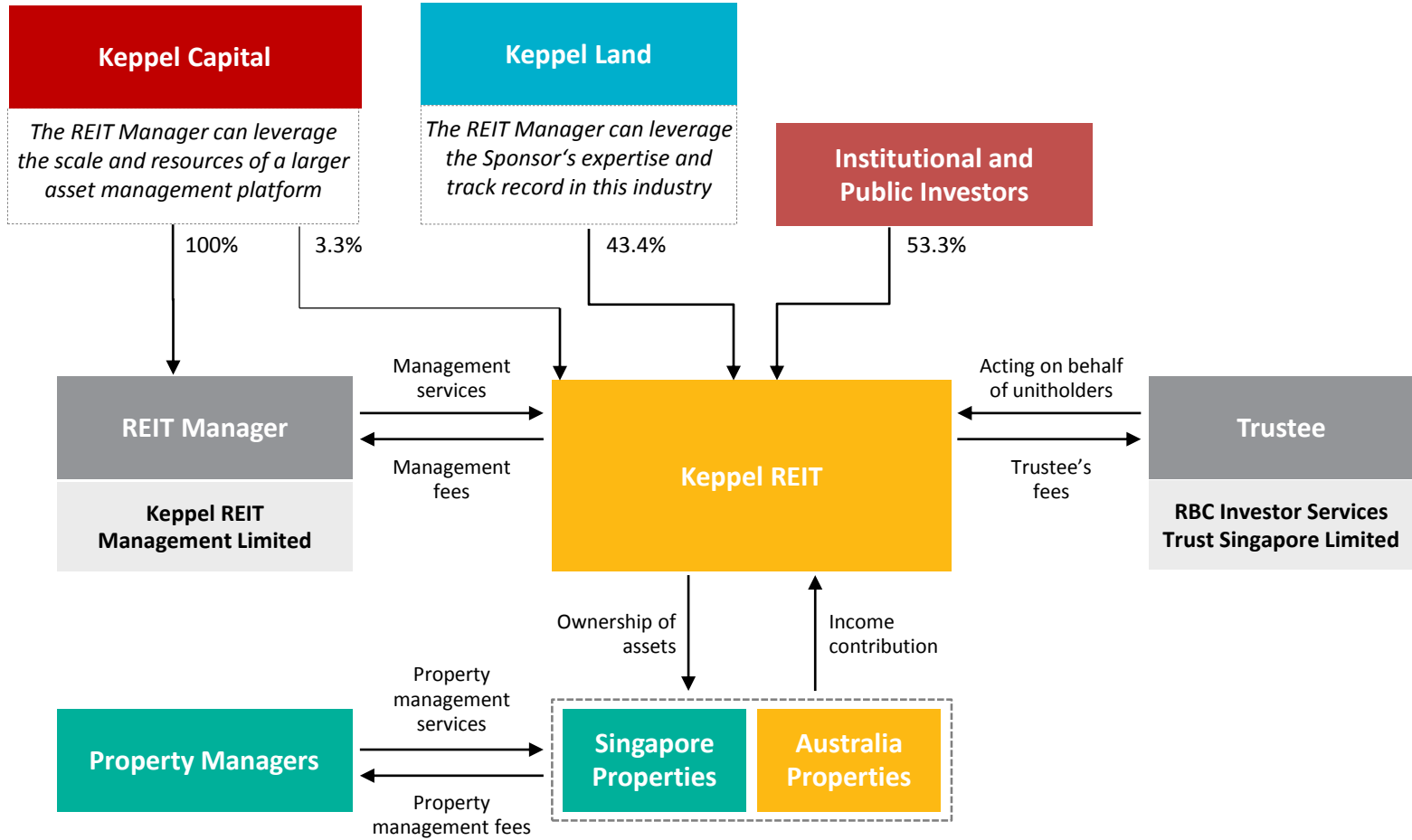
4) Refers to Keppel REIT's 100% interest in the three retail units.

5) Based on the aggregate consideration paid-to-date and to be paid, including development costs of the building, at the exchange rate of A\$1=S\$1.042 as disclosed in the announcement dated 29 June 2017.

6) Based on "as is" valuation as at 31 December 2017.



Keppel REIT Structure





Thank You