



Keppel REIT

Third Quarter 2012 Financial Results
15 October 2012



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Sterling Property Portfolio

📌 **Nine** premium Grade A office assets valued at more than **\$6.35 billion** with a total NLA of approximately **3.0 million sf**

Singapore Properties



Ocean Financial Centre
(99.9% interest)



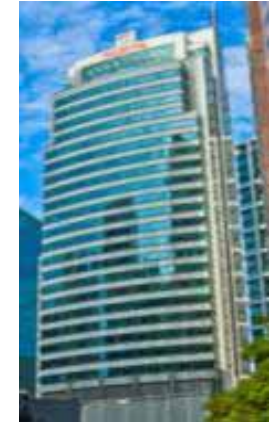
MBFC Towers 1 and 2 and
Marina Bay Link Mall
(33.3% interest)



Bugis Junction
Towers



One Raffles Quay
(33.3% interest)



Prudential Tower
(92.8% interest)

Australia Properties



275 George Street
(50% interest),
Brisbane



77 King Street
Office Tower,
Sydney



8 Chifley Square
(50% interest),
Sydney

** Expected to be completed
in 3Q 2013.*



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

** Expected to be completed
in 3Q 2015.*

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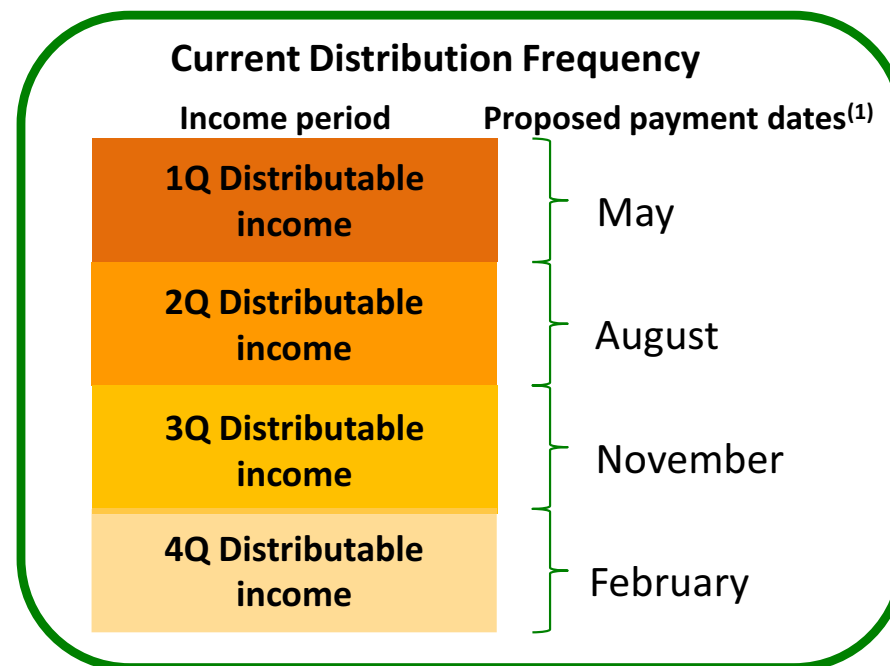
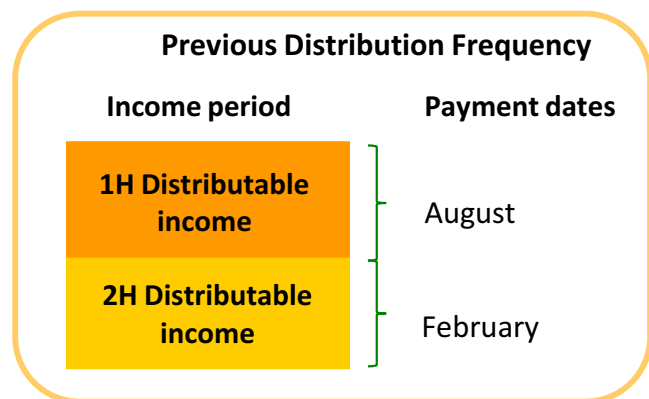
3Q 2012 Highlights

Financial Highlights

- 3Q 2012 Distribution per Unit (DPU) ↑ 84.9% y-o-y to **1.96 cents**
- 3Q 2012 Annualised DPU ↑ 85.3% y-o-y to **7.80 cents**
- YTD Sep 2012 Distributable Income ↑ 94.3% y-o-y to **\$150.0 million**
- YTD Sep 2012 Property Income ↑ 109.7% y-o-y to **\$116.1 million**
- YTD Sep 2012 Net Property Income ↑ 109.3% y-o-y to **\$91.9 million**
- YTD Sep 2012 Share of Results of Associates ↑ 36.9% y-o-y to **\$34.8 million**
- All-in interest rate maintained at **2.00%**
- Average portfolio committed occupancy ↑ to **98.2%**
 - Ocean Financial Centre ↑ to **95.0%**
 - Prudential Tower ↑ to **100.0%**
 - 77 King Street ↑ to **97.4%**

Quarterly Distributions

Quarterly DPU will commence in **3Q 2012**.



(1) Exact date of payment of distribution income may vary.

Distribution Per Unit (DPU)	1.96 cents
Distribution Period	1 July 2012 – 30 September 2012
Distribution Timetable	
Trading on “Ex” Basis	Friday, 19 October 2012
Books Closure Date	Tuesday, 23 October 2012
Distribution Payment Date	Tuesday, 27 November 2012

Income-accretive Acquisition

- Income-accretive acquisition of 50% interest in a new office tower to be developed on the Old Treasury Building site in Perth, Australia
- 98% pre-committed by the Government of Western Australia
- Long-term lease of 25 years with options to extend for another 25 years
- Extends top ten tenants' weighted average lease expiry (WALE) to 9.7 years⁽¹⁾ and portfolio WALE to 7.2 years⁽¹⁾



Key Property and Transaction Details

Description	Premium Grade A office 35-storey
Location	28 Barrack Street, Perth, Australia
Net Lettable Area	165,750 sf (50% interest)
Purchase Consideration	\$212.0 million (50% interest)
Targeted Green Ratings	5-Star Green Star 4.5-Star NABERS energy rating

(1) Based on figures as at 30 September 2012, including the 25-year lease by the Government of Western Australia.

8 Chifley Square Topping-Off

- Completion of main structural works on 25 September 2012
- On schedule for completion in **3Q 2013**

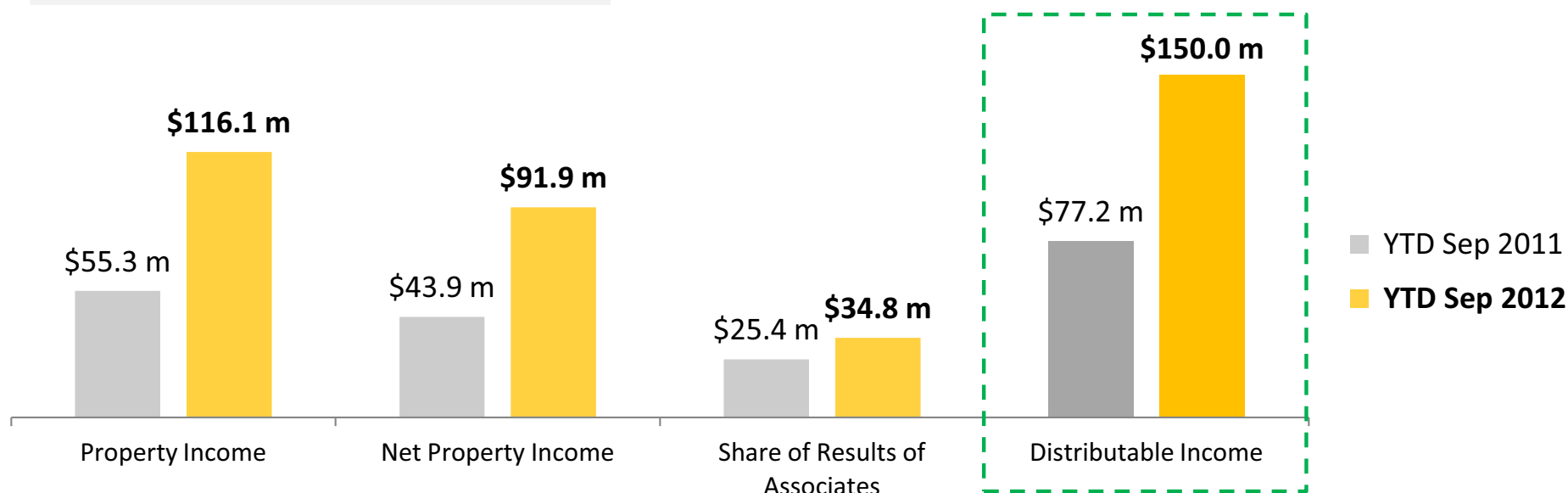




Financial Highlights

YTD Sep 2012 Distributable Income ↑ 94.3% y-o-y to \$150.0m

	YTD Sep 2012	YTD Sep 2011	Change	
Property Income	\$116.1m	\$55.3m	\$60.7m	109.7%
Net Property Income	\$91.9m	\$43.9m	\$48.0m	109.3%
Share of Results of Associates	\$34.8m	\$25.4m	\$9.4m	36.9%
Distributable Income to Unitholders ⁽¹⁾	\$150.0m	\$77.2m	\$72.8m	94.3%
Distribution Per Unit (DPU)				
- For the Period	5.80 cents	3.06 cents ⁽²⁾	2.74 cents	89.5%
- Annualised	7.75 cents	4.09 cents ⁽²⁾	3.66 cents	89.5%



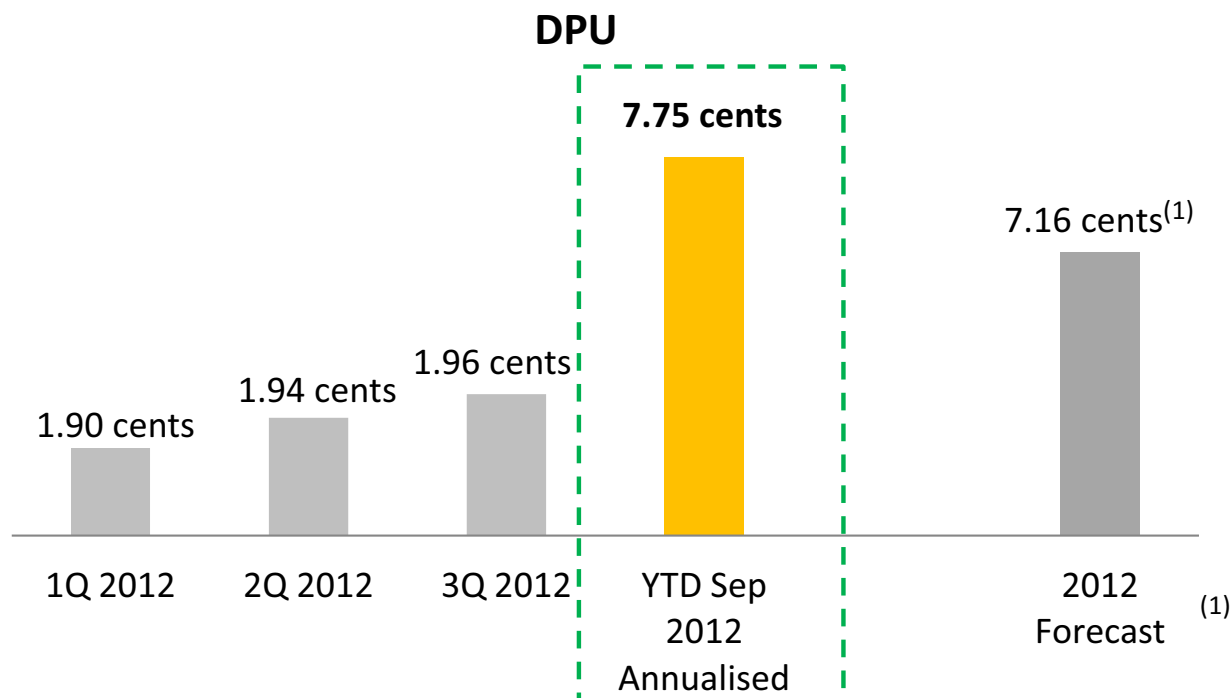
(1) The distributable income to Unitholders is based on 100% of the income available for distribution.

(2) Restated to take into account the effect of the fully underwritten, renounceable 17-for-20 rights issue of 1,159,694,000 units at an issue price of \$0.85 per rights unit and computed based on the issued units at the end of the period aggregated with 1,159,694,000 units which were issued on 13 December 2011.

YTD Sep 2012 DPU ↑ 89.5% y-o-y to 5.80 cents

▶ YTD Sep 2012 annualised DPU of 7.75 cents outperformed 2012 forecast⁽¹⁾ by 8.2%

	3Q 2012	2Q 2012	1Q 2012	YTD Sep 2012	2012 Forecast ⁽¹⁾
Distribution Per Unit (DPU)					
- For the Period	1.96 cents	1.94 cents	1.90 cents	5.80 cents	7.16 cents
- Annualised	7.80 cents	7.80 cents	7.64 cents	7.75 cents	7.16 cents



(1) As published in the Circular to Unitholders dated 19 October 2011.

Healthy Balance Sheet

	As at 30 Sep 2012	As at 30 Jun 2012
Non-current Assets	\$5,789 m	\$5,785 m
Total Assets	\$5,945 m	\$5,975 m
Borrowings⁽¹⁾	\$2,800 m	\$2,780 m
Total Liabilities	\$2,668 m	\$2,645 m
Unitholders' Funds	\$3,275 m	\$3,327 m
Net Asset Value (NAV) Per Unit	\$1.25	\$1.27
Adjusted NAV Per Unit⁽²⁾	\$1.23	\$1.23

(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 30 September 2012, this excludes the distributable income to be distributed in November 2012.

For 30 June 2012, this excludes the distributable income to be distributed in August 2012.



Capital Management

Capital Management

	As at 30 Sep 2012	As at 30 Jun 2012
Gross Borrowings⁽¹⁾	\$2,800 m ⁽⁴⁾	\$2,780 m ⁽⁴⁾
Aggregate Leverage	44.1%	43.9%
Average All-in Interest Rate⁽²⁾	2.00%	2.00%
Interest Coverage Ratio⁽³⁾	5.2 times	5.3 times
Weighted Average Term to Expiry	3.4 years ⁽⁵⁾	3.6 years ⁽⁵⁾

(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) Average all-in interest rates for the respective quarters include cost of swapping floating interest rates to fixed rates.

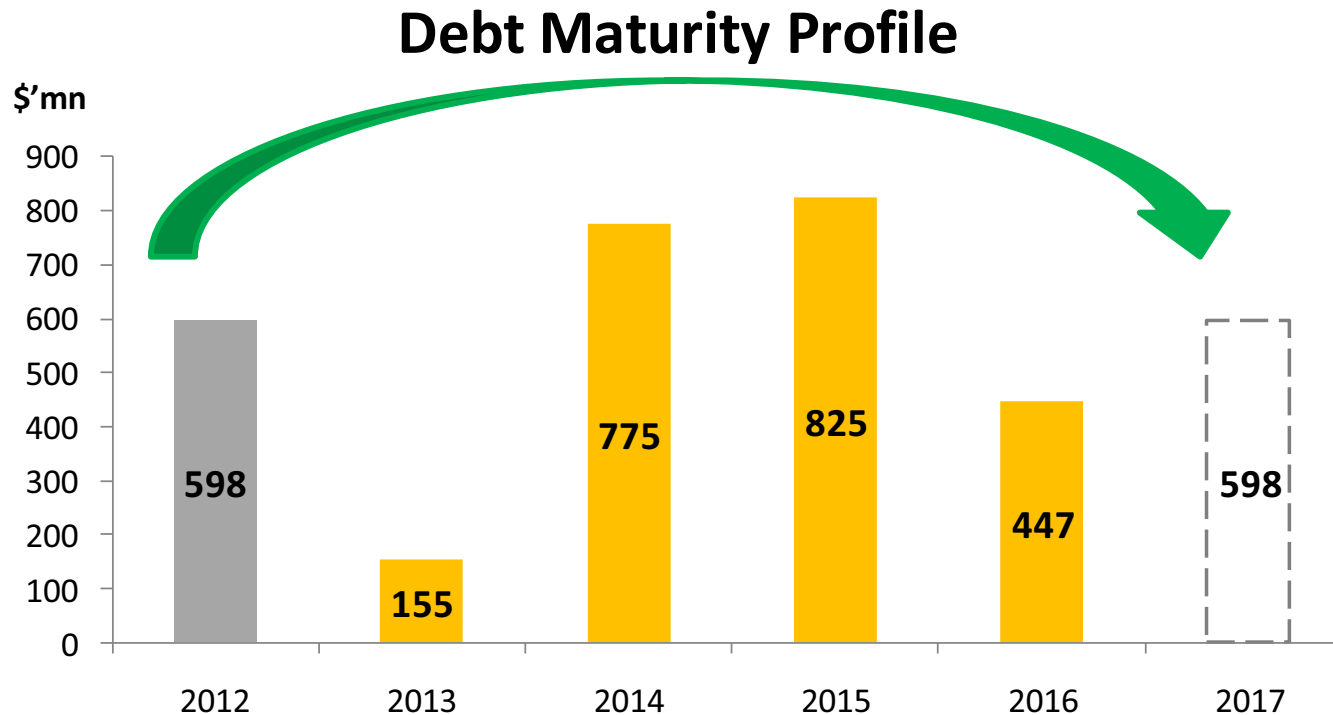
(3) Figures for the respective quarters. Interest coverage ratio = Ratio of quarter earnings before interest, tax, depreciation and amortisation divided by interest expense.

(4) These include Keppel REIT's proportionate share of the deferred payments due to the construction of the car park and retail podium at Ocean Financial Centre.

(5) The debt weighted average term to expiry will extend to 3.4 years when the \$598 million loans due for refinancing on 31 December 2012 are refinanced for 5 years to 2017. The actual debt weighted average term to expiry as at 30 September 2012 is 2.3 years.

Balanced Debt Maturity Profile

- Maintained all-in interest cost at **2.00%** in 3Q 2012
- Well-staggered debt expiry profile with average **3.4 years⁽¹⁾** term to expiry
- Borrowings diversified across **12 lenders**



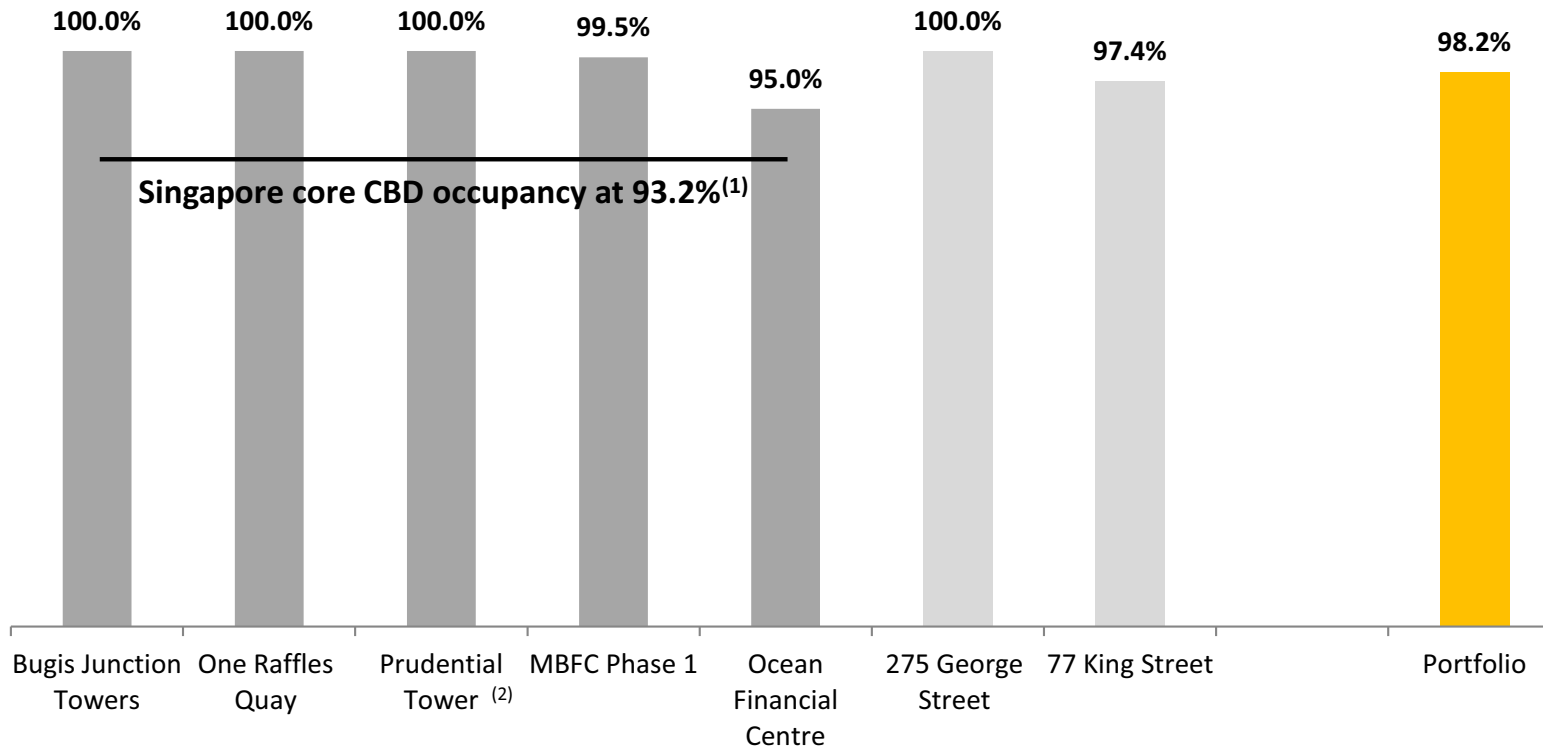
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Portfolio Analysis

Portfolio Occupancy Rate

- Portfolio occupancy of **98.2%** exceeded expectations
- Singapore property portfolio occupancy of **98.0%** is higher than core CBD occupancy of 93.2%⁽¹⁾



(1) Source: CB Richard Ellis

(2) Refers to Keppel REIT's 92.8% interest

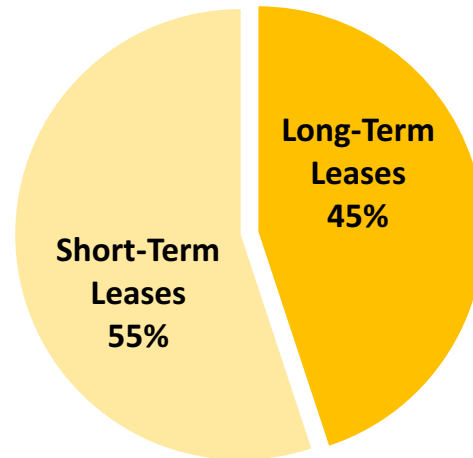
Stable Lease Portfolio

Top ten tenants have long WALE of **7.5 years**⁽¹⁾

Weighted Average Lease Expiry (WALE)



Portfolio with Long-Term Leases⁽³⁾ by NLA



(1) Including the acquisition of the Old Treasury Building office tower, the top ten tenants WALE will be 9.7 years.

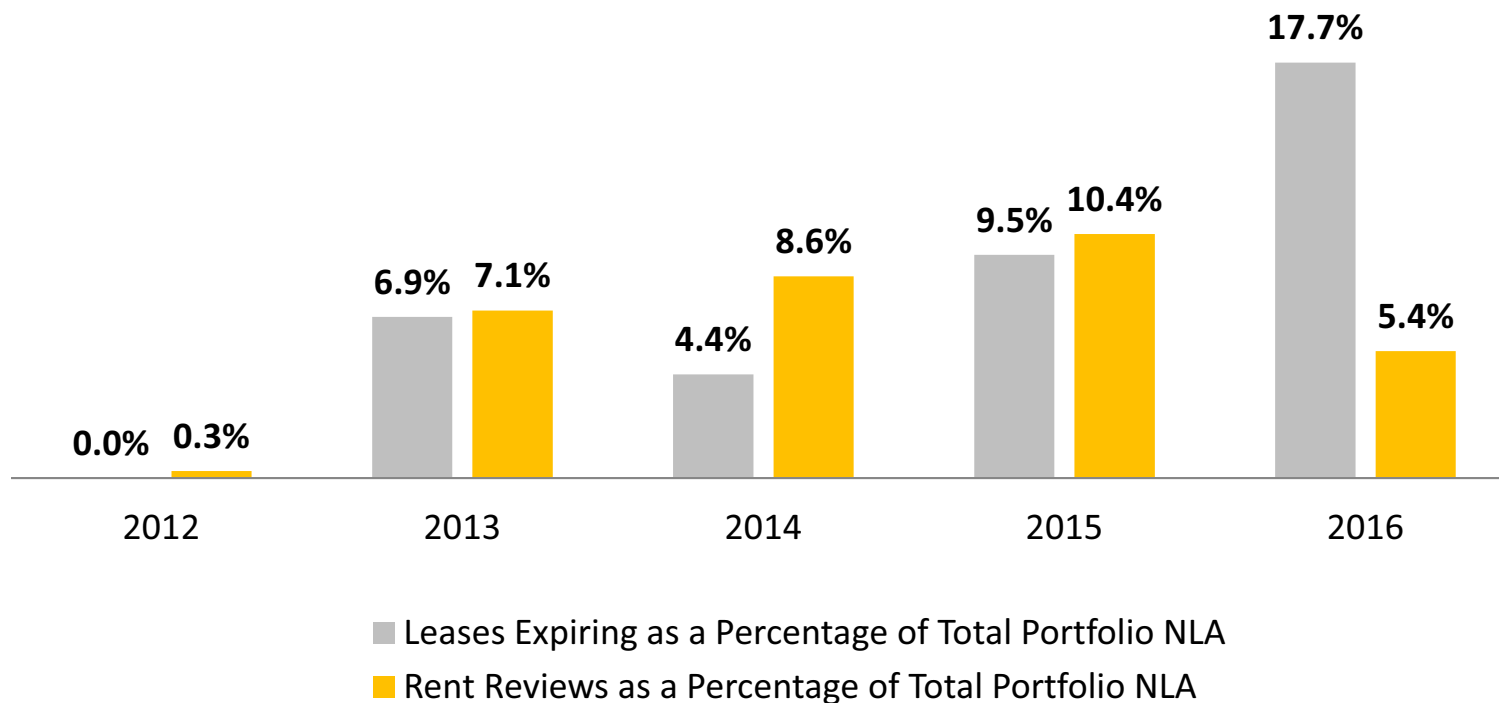
(2) Including the acquisition of the Old Treasury Building office tower, the portfolio WALE will be 7.2 years.

(3) Long-term leases are those with lease terms to expiry of at least five years

Portfolio Lease Expiry

- Well-balanced lease renewal and rent review profile
- No more than 18% of NLA due for renewal in each year
- All leases expiring in 2012 have been renewed
- Only 0.3% of leases due for review in 4Q 2012

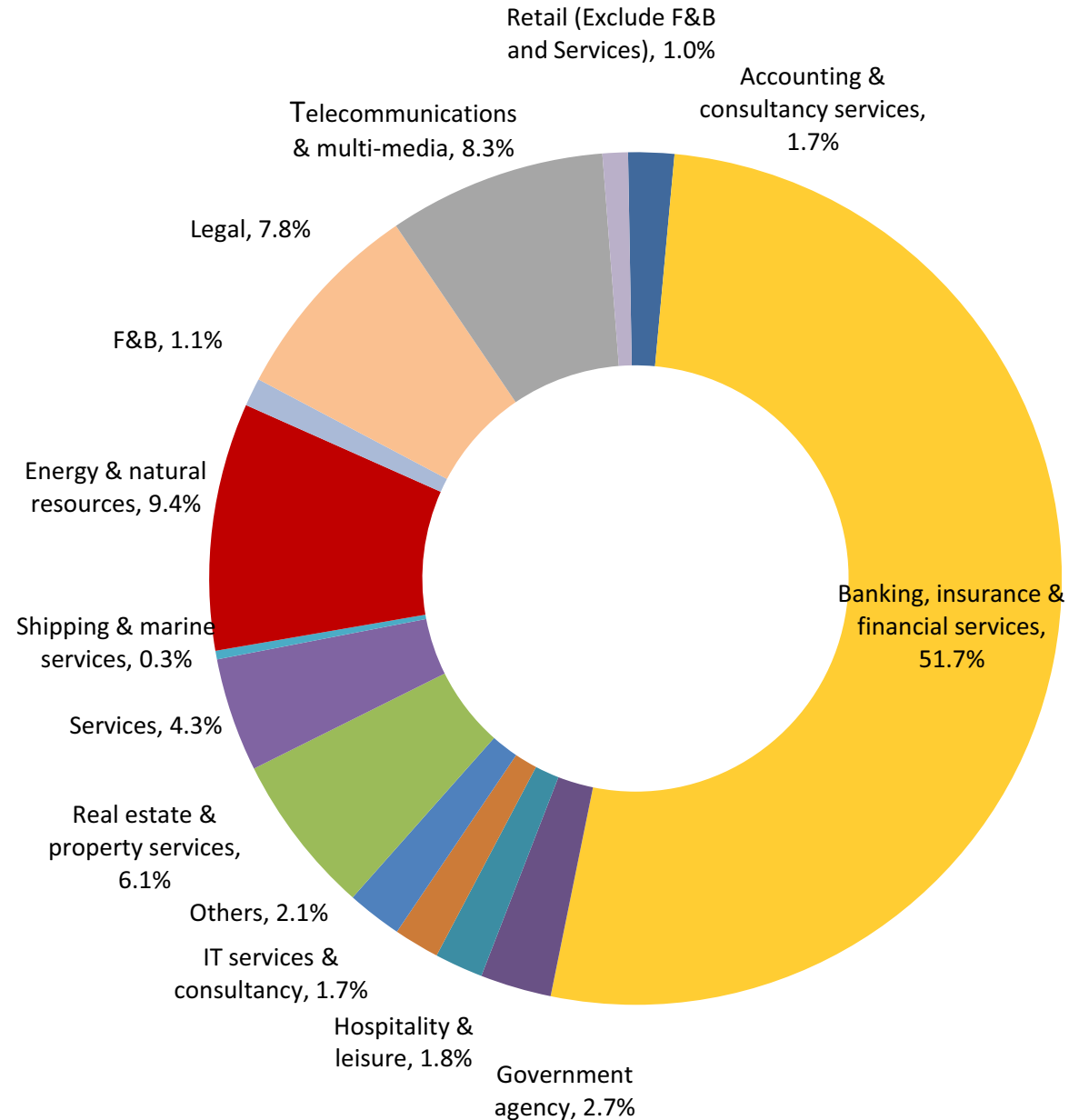
Portfolio Lease Profile (by NLA) as at 30 September 2012



Tenants diversified across various business sectors

216⁽¹⁾ tenants from a diversified range of business sectors

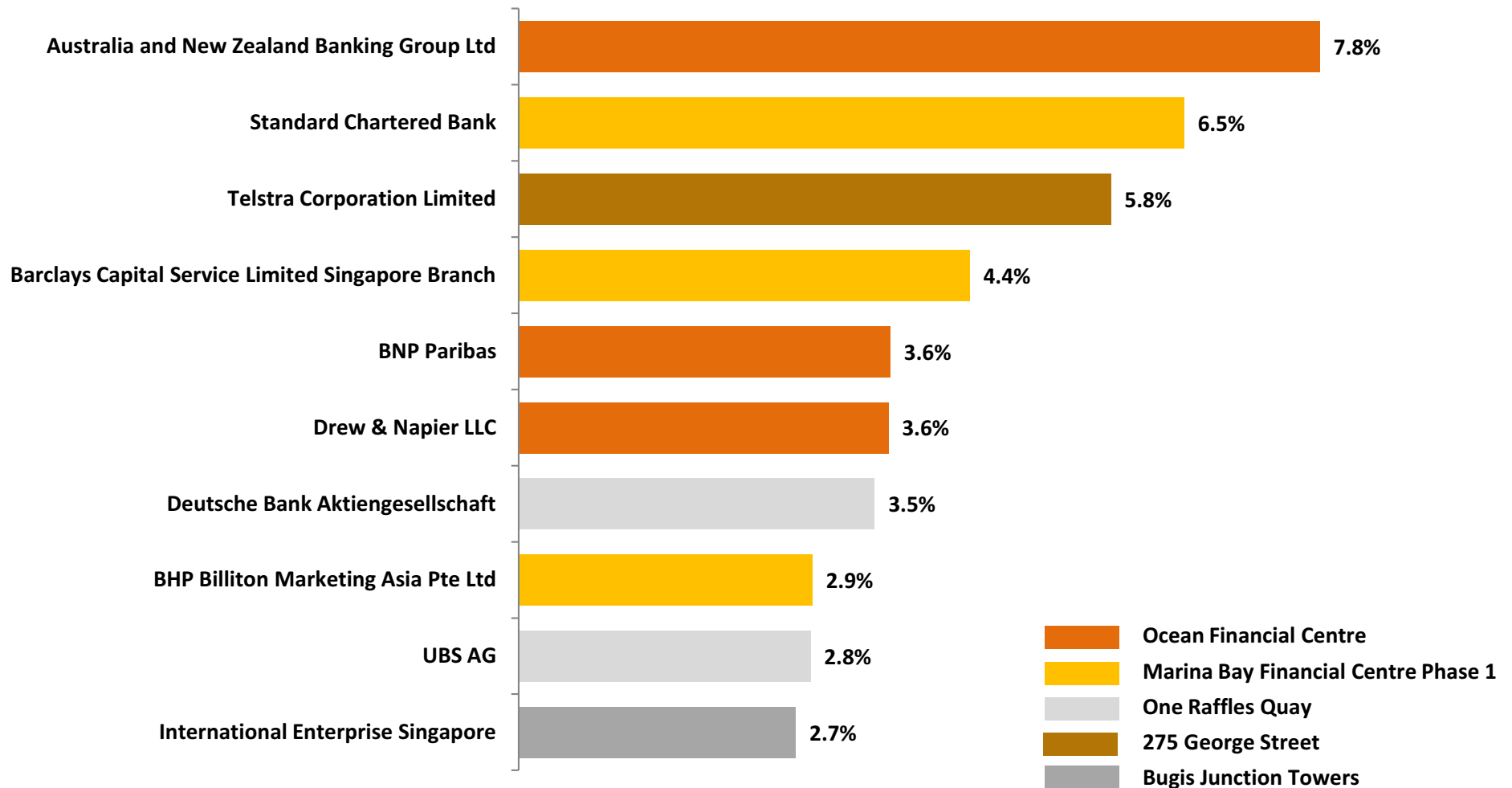
(1) Tenants with multiple leases are accounted as one tenant.



Blue-Chip Tenant Base

Top ten tenants account for **43.5%** of portfolio NLA

Top Ten Tenants



Asset Enhancements

- Enhancement works at Prudential Tower on track for completion in 4Q 2012
 - Main lobby, lift cars, toilets



Asset Enhancements

Enhancement works at Bugis Junction Towers on track for completion in 1Q 2013

Main lobby, lift cars, toilets

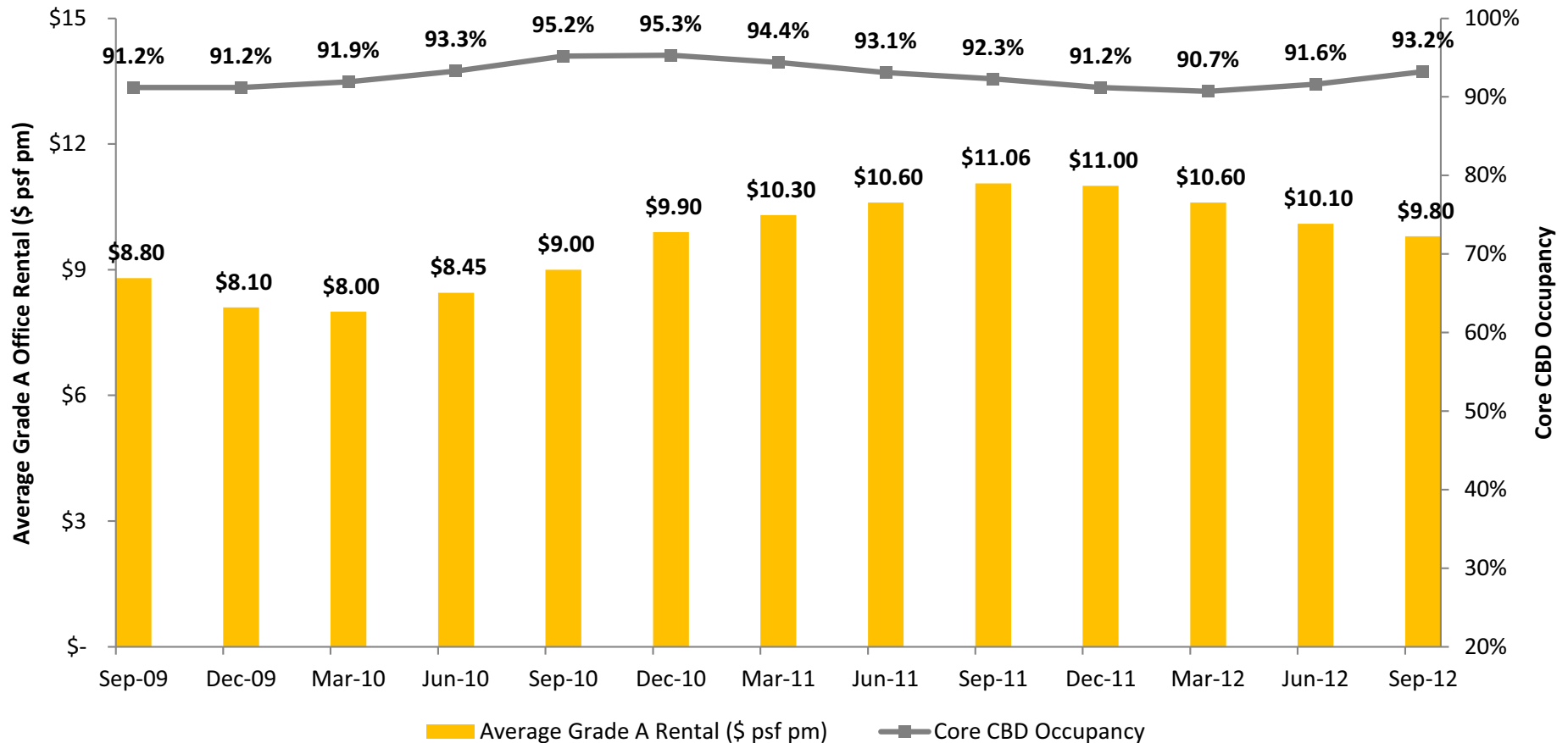




Market Review and Outlook

Singapore Office Market

- Office market showed signs of stabilising in 3Q2012
- 1.69 million sf. net absorption YTD exceeds 10-year annual average of 1.12 million sf.



Source: CB Richard Ellis.

Singapore

- Continued demand from the legal services, natural resource, insurance, and multi-media businesses
- Medium-sized businesses taking advantage of current rents to upgrade office premises
- YTD net absorption exceeds 10-year historical annual average
- Rental rates for Grade A office space held firm in the third quarter

Australia

- The Reserve Bank of Australia reduced the official benchmark rate to 3.25% to boost both the private sector and domestic consumption
- Employment levels remain resilient with continued expansion in the services sector
- Office demand continues to exceed supply in Sydney
- Brisbane continues to enjoy healthy office demand



Going Forward

Strategic Direction

Vision

Keppel REIT aims to be a successful commercial real estate investment trust with a sterling portfolio of assets pan-Asia.

Mission

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

**Maximising
Performance**

**Enhancing
Assets**

**Achieving
Capital
Efficiency**

**Acquiring
Quality
Assets**



Additional Information

Portfolio Information

	Singapore Portfolio					Australia Portfolio			
	Bugis Junction Towers	MBFC Interest ⁽³⁾	Ocean Financial Centre Interest	One Raffles Quay Interest	Prudential Tower Property	275 George Street Property	77 King Street Property	8 Chifley Square Interest ⁽⁷⁾	Old Treasury Building Office Tower Interest ⁽¹⁰⁾
Attributable NLA (sf)	244,978	581,776	885,684 ⁽⁴⁾	445,120	222,845	224,688	147,980	102,850	165,750
Ownership	100.0%	33.3%	99.9% ⁽⁴⁾	33.3%	92.8%	50.0%	100.0%	50.0%	50.0%
Number of tenants ⁽¹⁾	12	82	34	29	40	9	16	1	1
Principal tenants	IE Singapore, InterContinental Hotels Group, Keppel Land	Barclays Capital, BHP Billiton, Standard Chartered Bank	ANZ, BNP Paribas, Drew & Napier LLC	Royal Bank of Scotland, Deutsche Bank, UBS	Prudential Assurance Company, The Executive Centre, UniCredit Bank	Queensland Gas Company, Telstra Corporation	Capgemini Australia, Hebert Geer, Drake Australia	Corrs Chambers Westgarth ⁽⁸⁾	Government of Western Australia ⁽⁸⁾
Tenure	99 years expiring 9 Sep 2089	99 years expiring 10 Oct 2104	99 years expiring 13 Dec 2110	99 years expiring 12 Jun 2100	99 years expiring 14 Jan 2095	Freehold	Freehold	99 years expiring 5 Apr 2105	99 years expiring second half of 2114 ⁽¹¹⁾
Valuation ⁽²⁾ (S\$ million)	410.5	1,513.0	2,345.0 ⁽⁵⁾	1,099.0	477.4	231.3 ⁽⁶⁾	151.6 ⁽⁶⁾	198.4 ⁽⁹⁾	212.0 ⁽¹²⁾
Committed occupancy	100.0%	99.5%	95.0%	100.0%	100.0%	100.0%	97.4%	40.0%	98.0%

(1) Tenants with multiple leases accounted as one tenant

(2) Valuation as at 1 October 2011 based on Keppel REIT's interest in the respective properties unless otherwise stated.

(3) Refers to Keppel REIT's one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall.

(4) Includes the acquisition of an additional 12.39% interest in Ocean Financial Centre (OFC) completed on 25 June 2012.

(5) Based on the sum of the valuations of the 87.5% interest in OFC as at 15 September 2011 and the 12.39% interest in OFC as at 15 June 2012.

(6) Based on the exchange rate of A\$1 = S\$1.285.

(7) 8 Chifley Square currently under construction and expected to be completed in 3Q 2013.

(8) Pre-committed lease.

(9) Based on the lower acquisition consideration of A\$154.4 million on completion and an exchange rate of A\$1 = S\$1.285.

(10) The new office tower at the Old Treasury Building site is currently under construction and expected to be completed in the second half of 2015.

(11) Tenure commencement based on estimated construction completion date.

(12) Based on acquisition consideration of A\$165 million and an exchange rate of A\$1 = S\$1.285.



Thank you

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