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MEDIA RELEASE

Keppel REIT Unaudited Results for the Full Year ended 31 December 2012

21 January 2013

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the full year ended 31 December 2012.

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

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Keppel REIT's Distributable Income for FY2012 increased 78.7% to $201.9 million

- ***Distributable Income for FY2012 increased 78.7% year-on-year ("y-o-y") to $201.9 million due mainly to income contribution from the interest in Ocean Financial Centre ("OFC") as well as better performance from Prudential Tower, 275 George Street and 77 King Street***
- ***Property Income and NPI for FY2012 more than doubled by 101.2% and 102.2% to $156.9 million and $124.7 million respectively***
- ***Achieved four consecutive quarters of DPU growth in FY2012***
- ***DPU of 7.77 cents for FY2012 is 8.5% higher than the forecast 7.16 cents[1]***
- ***Keppel REIT delivered 65.4% Total Unitholders' Return in the year ended 31 December 2012 ("FY2012")***
- ***Committed portfolio occupancy increased to 98.5%, higher than Singapore Core Central Business District ("CBD") occupancy of 92.2% as at 31 December 2012***

Summary of Results

($'000)	*FY2012*	*FY2011*	*% Change*	*4Q 2012*	*4Q 2011*	*% Change*
Property Income	156,870	77,968	101.2	40,797	22,620	80.4
Net Property Income ("NPI")	124,660	61,654	102.2	32,799	17,755	84.7
Share of Results of Associates	46,844	37,393	25.3	12,043	11,978	0.5
Distributable Income to Unitholders[2]	201,899	112,965	78.7	51,859	35,729	45.1
Distribution Per Unit (cents) ("DPU")	7.77[3]	7.08	9.7	1.97	1.40	40.7
Distribution Yield (%)	6.0[4]	8.5[5]		6.0[4]	6.7[5]	
Adjusted for Rights Issue **DPU (cents)** **For the Period**	7.77[3]	4.46[6]	74.2	1.97	1.40[6]	40.7

[1] The DPU Forecast was published in the Circular to Unitholders dated 19 October 2011.
[2] Based on 100% of the income available for distribution.
[3] Based on 1.90 cents, 1.94 cents, 1.96 cents and 1.97 cents announced in 1Q2012, 2Q2012, 3Q2012 and 4Q2012 results announcements respectively.
[4] Based on the market closing price per unit of $1.295 as at the last trading day, 31 December 2012.
[5] Based on the market closing price per unit of $0.83 as at the last trading day, 30 December 2011.
[6] 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 on the basis of the issued units at end of each period aggregated with 1,159,694,000 units which were issued on 13 December 2011.

Steady Financial Performance

The Board and management of Keppel REIT Management Limited, the Manager of Keppel REIT, are pleased to announce that Keppel REIT has delivered 65.4% Total Unitholders' Return in FY2012 and achieved four consecutive quarters of DPU growth for FY2012. The DPU for 4Q 2012 rose to 1.97 cents, bringing the DPU for FY2012 to 7.77 cents, 8.5% higher than the 7.16 cents DPU Forecast[1].

Since 1 October 2012, Keppel REIT has paid out its distributable income on a quarterly basis. Unitholders can expect to receive quarterly distributions every February, May, August and November of each year. The DPU for 4Q 2012 will be distributed on 27 February 2013.

Income available for distribution for FY2012 increased 78.7% y-o-y to $201.9 million. Over the same period, property income increased 101.2% while NPI increased 102.2%. The increases were due mainly to the income contribution from the 87.5% and 12.4% interests in OFC, which were acquired in December 2011 and June 2012 respectively as well as better performance from Prudential Tower, 275 George Street and 77 King Street.

Share of results of associates also increased 25.3% to $46.8 million for FY2012 as a result of positive rent reversions at One Raffles Quay, improved occupancy at Marina Bay Financial Centre Phase 1 ("MBFC Phase 1") and the conversion of the holding structure of MBFC Phase 1 into a limited liability partnership ("LLP"). The conversion to a LLP structure in June 2012 enabled income contribution from MBFC Phase 1 to be passed on to Unitholders on a tax transparent basis.

Robust Portfolio Performance

Keppel REIT continued to strengthen its occupancy across its properties in 2012. Its total property portfolio average committed occupancy stood at 98.5% as at end-December 2012. Four properties enjoyed full occupancy, namely Bugis Junction Towers, One Raffles Quay, Prudential Tower and 275 George Street. OFC, 77 King Street, and MBFC Phase 1 also registered higher committed occupancy rates of 95.9%, 97.4%, and 99.9% respectively. Keppel REIT's Singapore portfolio average committed occupancy stood at 98.5%, significantly higher than the average Singapore core CBD office occupancy rate of 92.2%.

There were a total of 218 tenants across Keppel REIT's existing 2.7 million sf of quality office space. The weighted average lease expiry ("WALE") remained at healthy levels of 7.2 years and 5.9 years for its top ten tenants (by net lettable area) and entire portfolio respectively.

On 5 December 2012, the Manager successfully refinanced OFC construction loans of $598 million to lengthen the weighted average debt maturity profile to 3.1 years. Keppel REIT's all-in interest rate for FY2012 stood at 2.02%. The borrowings are diversified across 13 different lenders. The aggregate leverage level reduced to 42.9% on the back of positive revaluation of all the buildings in the portfolio.

OFC, Keppel REIT's newest property in Singapore, continues to lead in architectural and building excellence having been named the World's Best Commercial High-rise Development at the International Property Awards on 7 December 2012 in London. The International Property Award is a globally-recognised mark of excellence, which celebrates the highest levels of achievement in the property and real estate industry.

Positioning for Further Growth

K-REIT Asia was renamed Keppel REIT on 15 October 2012. The renaming reinforces the association with the Keppel brand, which is synonymous with resilience, reliability and quality.

To commemorate its name change as well as to support the arts and engage the business community through music, the Manager acquired a Steinway grand piano which takes centrestage at the lobby of OFC. As part of its tenant engagement efforts, the Manager will organise regular performances by young budding pianists as well as professional musicians over the next two years. Thereafter, piano will be donated to the School of the Arts to benefit young aspiring students and nurture young musical talents in Singapore.

Mr Kevin Wong and Mrs Lee Ai Ming stepped down as Non-Executive Directors of the Board of Keppel REIT Management on 31 December 2012. Professor Tan Cheng Han and Mr Ang Wee Gee were appointed as Non-Executive Independent Director and Non-Executive Director on the Board respectively with effect from 1 January 2013. With these changes, the Board of Keppel REIT Management will comprise a total of nine directors, of whom six are Independent Directors.

Singapore Office Market Outperformed Expectations

According to the World Bank, economic growth in East Asia will outperform the West even though the region is expected to experience slower growth in the next two years amid weaker demand for Asian exports. Singapore's Ministry of Trade and Industry expects the city state to grow between 1% and 3% in 2013, supported by growth in domestic clusters such as transport, engineering as well as the construction sector.

As a result of Singapore's competitive rental rates, attractive corporate tax regime and good infrastructure, a number of corporations have been relocating to Singapore. The office market has outperformed expectations despite earlier concerns of an oversupply situation. Based on CBRE's estimates, net office absorption for the whole of 2012 was approximately 1.33 million sf, approximately 5% higher than the ten-year average net absorption of 1.27 million sf per annum.

The core CBD office market occupancy remains healthy after rising approximately 1% year-on-year to 92.2% as at end-4Q2012. The Grade A and Marina Bay sub-markets also recorded a rise in occupancy. CBRE believes that Grade A office rentals have bottomed-out in 4Q 2012 at $9.58 psf pm as there is limited new supply of Grade A office space next year. Asia Square Tower 2 will be the only new Grade A office building to be added to the CBD in 2013.

Australia Office Market Outlook Remains Stable

Following the latest round of interest rate cuts by the Reserve Bank of Australia on 4 December 2012, the Australian cash rate has fallen to a three-year low of 3.0%. The rate cuts were aimed at fostering sustainable growth.

In Sydney, the New South Wales Government has committed to invest A$62 billion to improve the state's infrastructure. This coupled with the limited new supply of office space in the CBD has supported Sydney's prime office occupancy and rental rates. In Brisbane, growth in public administration, education, health, and business services sectors is expected to continue to lead the Queensland economy in outperforming the average national growth rate, and bolster demand for office space.

Looking Ahead

The Manager remains confident about the performance of Keppel REIT's property portfolio. Keppel REIT's completed assets are nearly fully committed to a well-diversified stable of tenants on long tenured leases. The asset enhancement initiatives at Prudential Tower have been completed while the remaining works at Bugis Junction Towers are on track for completion in 2Q 2013.

In 2013, there will be additional floor space added to the portfolio. Ocean Financial Centre Phase 2 comprising the retail and carpark podium and 8 Chifley Square which are currently under construction are on track for completion in 3Q 2013. The Manager also expects to complete the acquisition of a 50% interest in the new office tower to be built on the site of the Old Treasury Building in Perth, Western Australia in March 2013. The new office tower is expected to be completed in 2015.

Looking ahead, the Manager will continue to focus on maintaining strong occupancy for its portfolio of properties, as well as proactively manage the leases due for rent review and renewal in the year ahead. The Manager will also actively seek to refinance maturing loans at competitive terms and extend the debt maturity profile. It will also undertake prudent interest rate and foreign exchange hedging policies so as to manage financial risks. The Manager will selectively pursue opportunities for strategic acquisitions so as to deliver long-term growth to Unitholders.

About Keppel REIT (http://www.keppelreit.com)

Listed by way of an introduction on 28 April 2006, K-REIT Asia was renamed Keppel REIT on 15 October 2012. Keppel REIT is one of the largest real estate investment trusts ("REITs") listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

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 in Singapore and across Asia.

As at 31 December 2012, Keppel REIT has an asset size of $6.5 billion comprising premium commercial assets strategically located in the central business districts of Singapore, and key cities of Sydney and Brisbane in Australia.

In Singapore, Keppel REIT owns Bugis Junction Towers, a one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall ("MBFC Phase 1"), a 99.9% interest in Ocean Financial Centre, a one-third interest in One Raffles Quay, and a 92.8% interest in Prudential Tower.

In Australia, Keppel REIT owns the 77 King Street Office Tower and a 50% interest in 8 Chifley Square, both in Sydney as well as a 50% interest in 275 George Street in Brisbane. On 26 September 2012, Keppel REIT announced the acquisition of a 50% interest in a new office tower to be built on the site of the Old Treasury Building in Perth, Western Australia.

Keppel REIT is sponsored by Keppel Land Limited (Keppel Land), one of Asia's leading property developers, and managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Land.

Important Notice