



First Half 2014 Financial Results
21 July 2014





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1

Portfolio of **ten** quality Premium Grade and Grade A office assets, tenanted to established corporate tenants well-diversified across various business sectors

2

Premium office buildings located in the **prime CBDs** of Singapore and Australia, both countries with **AAA sovereign ratings**

3

Total portfolio value of more than **\$7.2 billion**

4

Total NLA of approximately **3.1m sf** as at 30 June 2014

5

Market capitalisation of **\$3.6 billion¹** as at 30 June 2014

6

Strong sponsorship by Keppel Land Limited

¹ Based on market closing unit price of \$1.28 on 30 June 2014.

Premium Office Buildings located in the Prime CBDs of Singapore and Australia

Singapore Properties



Ocean Financial Centre
(99.9% interest)

Marina Bay Financial Centre Phase 1
(33.3% interest)

One Raffles Quay
(33.3% interest)

Prudential Tower (92.8% interest)
*Divestment expected to be completed in 3Q2014

Bugis Junction Towers

Australia Properties



8 Chifley Square, Sydney
(50% interest)

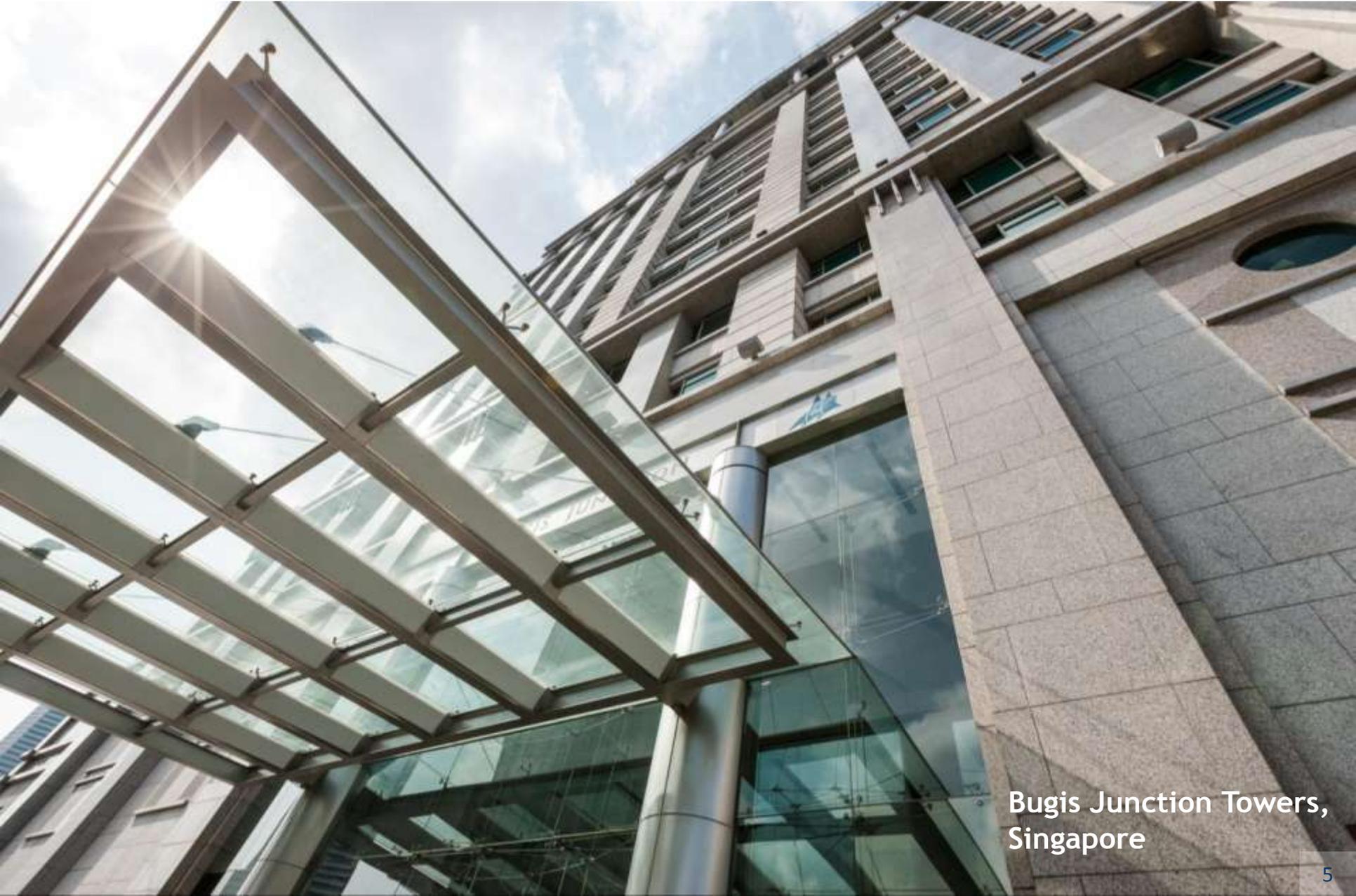
77 King Street Office Tower, Sydney

8 Exhibition Street, Melbourne
(50% interest)

275 George Street, Brisbane
(50% interest)

Old Treasury Building Office Tower, Perth (50% interest)
* Expected completion in 2H 2015

1. Key Highlights



Bugis Junction Towers,
Singapore



Net Property Income

- » **↑ 18% y-o-y to \$78.7 million**
- » Stronger performance from **Ocean Financial Centre** and **Prudential Tower**, and additional contribution from **8 Exhibition Street**

Property Income

- » **↑ 14% y-o-y to \$94.1 million**

Distributable Income

- » **↑ 3% y-o-y to \$108.3 million**

Distributable Yield

- » Distribution yield of **6.1%** for 1H 2014

Weighted Average Term to Maturity of Borrowings

- » Weighted average term to maturity at **3.6 years**
- » As at 1H 2014, **33%** and **16%** of borrowings due in 2015 and 2016 respectively have been refinanced early

Interest Coverage Ratio

- » Healthy interest coverage ratio of **5.2 times**



Singapore Portfolio

- » Average committed occupancy of **99.8%**, higher than the Singapore core CBD occupancy of **95.8%**
- » Announced the divestment of its 92.8% interest in Prudential Tower for **\$512 million**
 - » **4.5%** premium to the latest valuation of \$490 million
 - » **46.7%** premium to the original purchase price of \$349.1 million

Australia Portfolio

- » Maintained committed occupancy of **97.9%**



Overall Portfolio

- » Average committed occupancy at **99.4%**
- » Proactive leasing strategy with forward renewals of approximately 164,000 sf of attributable NLA
 - Tenants from the banking, insurance and financial services, telecommunications and multimedia, accounting and consultancy services as well as real estate and property sectors
- » Tenant retention rate of **87%** in 1H 2014
- » Maintained healthy weighted average lease expiry (WALE)
 - **8.5 years** for its top ten tenants (by NLA)
 - **6.2 years** for its overall portfolio (by NLA)



2. Financial Highlights



Ocean Financial Centre,
Singapore

Net property income ↑ 18.0% y-o-y to \$78.7 m

	1H 2014	1H 2013
Property Income	\$94.1 m	\$82.6 m
Net Property Income	\$78.7 m	\$66.7 m
Share of Results of Associates	\$30.2 m	\$30.4 m
Distributable Income to Unitholders ¹	\$108.3 m	\$105.1 m
Distribution Per Unit - For the Period	3.87 cents	3.94 cents
Distribution Yield	6.1%	6.1%

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



	As at 30 June 2014	As at 31 Mar 2014
Non-current Assets	\$6,716 m	\$6,666 m
Total Assets	\$6,884 m	\$6,785 m
Borrowings ¹	\$3,117 m	\$3,060 m
Total Liabilities	\$2,972 m	\$2,893 m
Unitholders' Funds	\$3,910 m	\$3,890 m
Net Asset Value (NAV) Per Unit	\$1.40	\$1.39
Adjusted NAV Per Unit ²	\$1.38	\$1.37

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 2014, this excludes the distribution paid in May 2014.
For 30 June 2014, this excludes the distribution to be paid in August 2014.

2Q 2014 Distribution Per Unit



Distribution Period	1 April 2014 - 30 June 2014
Distribution Per Unit (DPU)	1.90 cents

Distribution Timetable	
Trading on “Ex” Basis	Friday, 25 July 2014
Books Closure Date	Wednesday, 30 July 2014
Distribution Payment Date	Thursday, 28 August 2014



3. Capital Management



8 Exhibition Street,
Melbourne



» Proactive capital management strategy

Loans Due in 2015

Early refinanced **33%**
\$275 million

Loans Due in 2016

Early refinanced **16%**
\$75 million

All-in Interest Rate

2.20%

Weighted Average Term to Expiry

3.6 years

Percentage of Assets Unencumbered

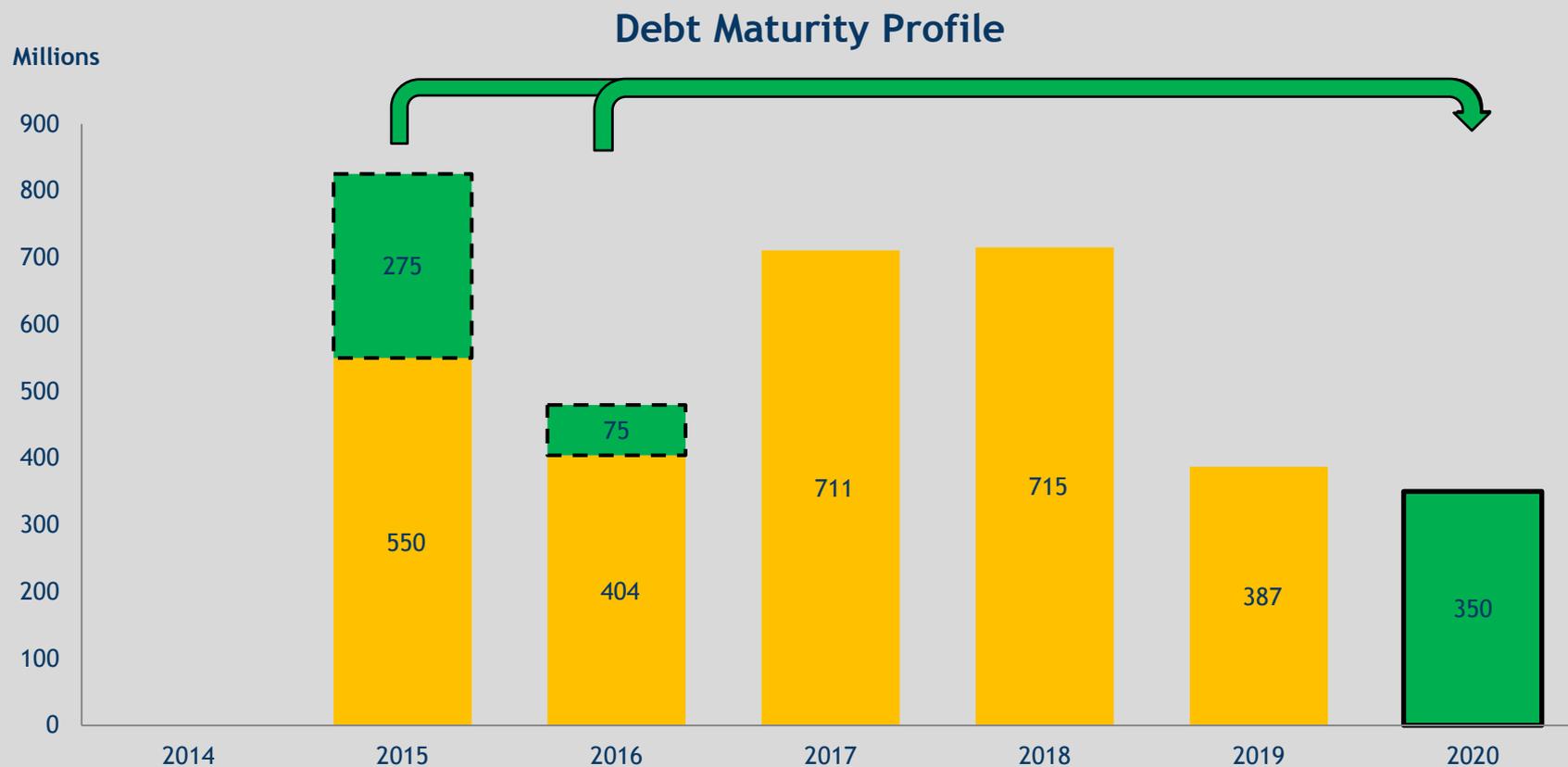
75% or **\$5.5 billion**
of property portfolio

Borrowings on Fixed-rate

67% of borrowings



	As at 30 June 2014
Gross Borrowings	\$3,117 m
Aggregate Leverage	42.8%
Interest Coverage Ratio	5.2 times

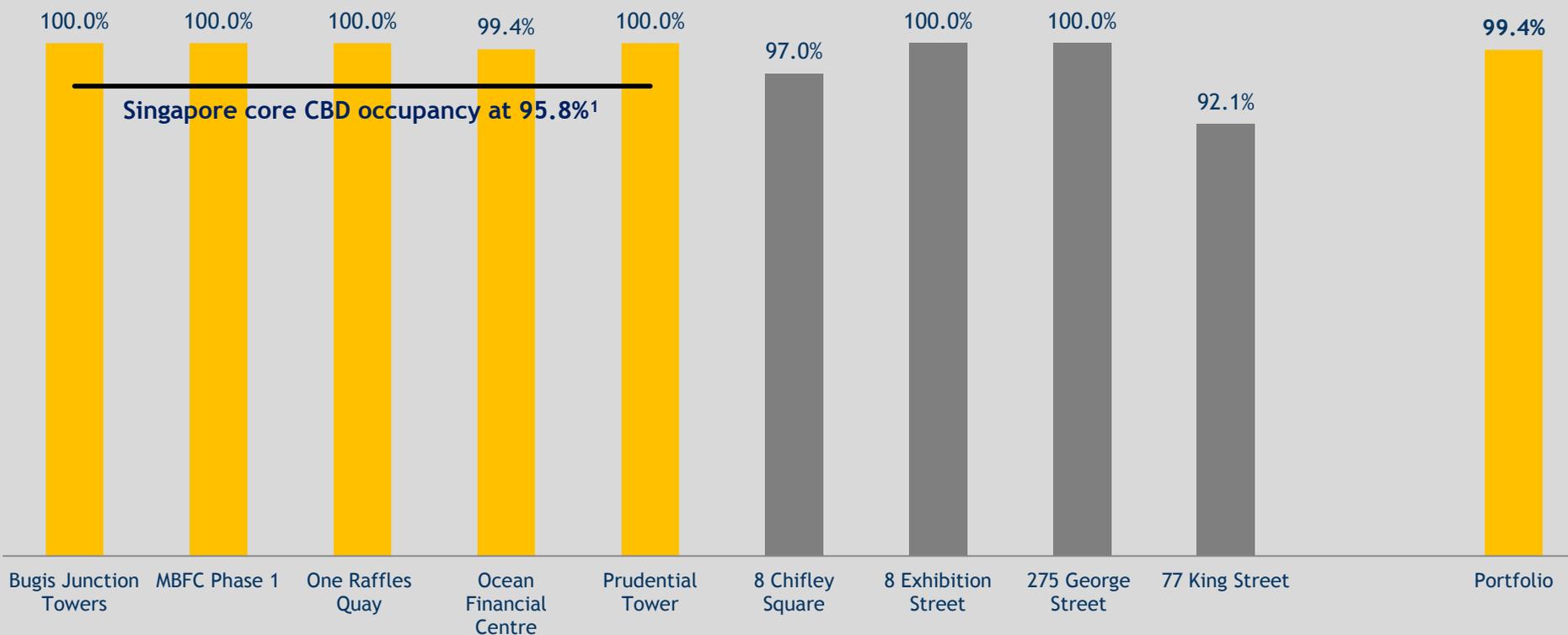


4. Portfolio Analysis



Portfolio Committed Occupancy

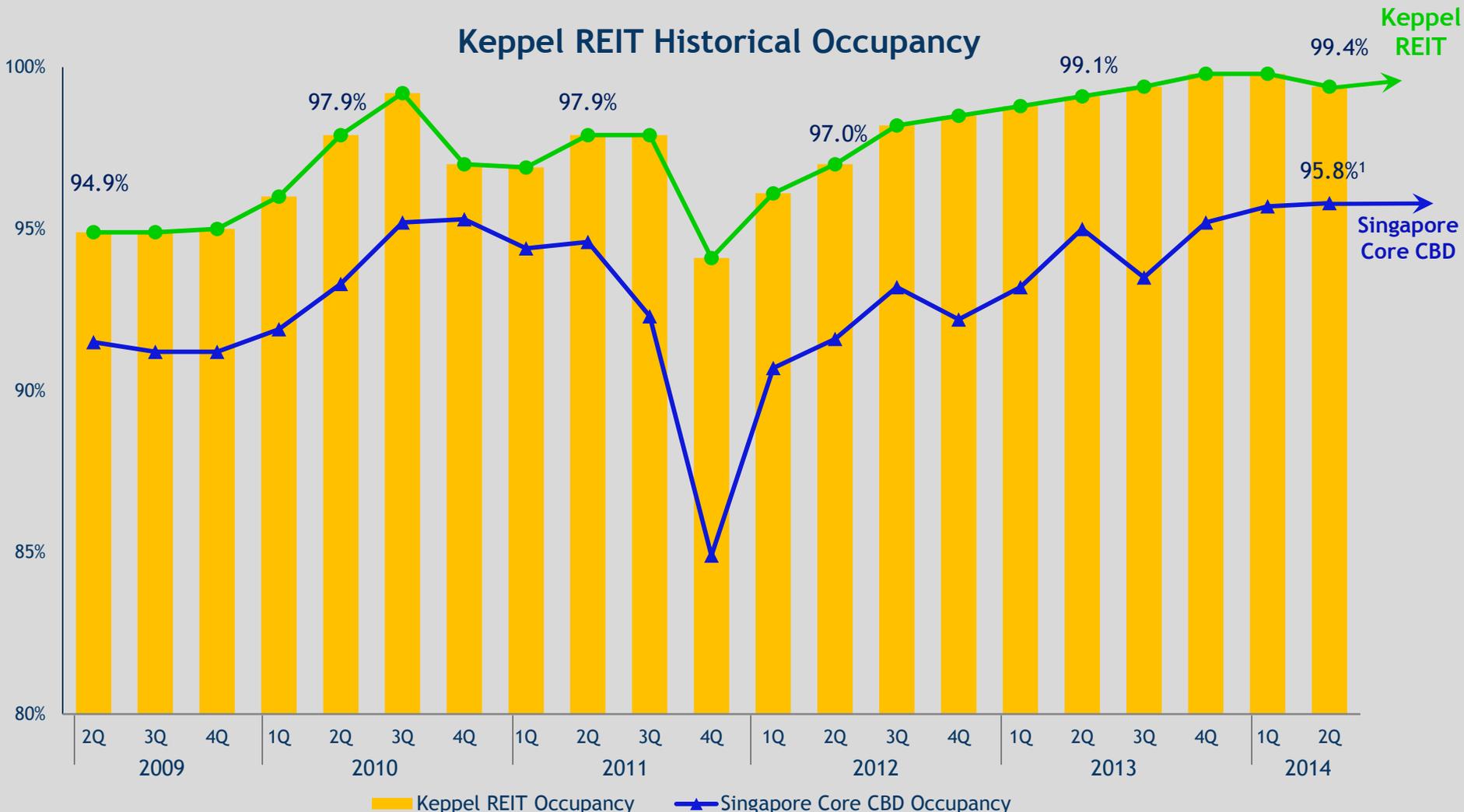
» Overall portfolio committed occupancy of **99.4%**



¹ Source: CBRE

Keppel REIT Historical Occupancy

» Keppel REIT's portfolio occupancy has strengthened **0.3% y-o-y**, and is consistently above Singapore's Core CBD occupancy levels



¹ Source: CBRE



- » Top ten tenants, accounting for **41%** of portfolio NLA, have a long WALE of **8.5 years**¹

Weighted Average Lease Expiry (WALE)

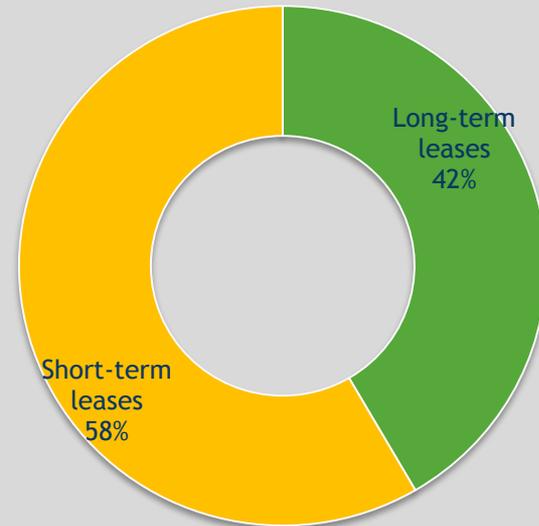
8.5 years¹



6.2 years²



Portfolio with Long-Term Leases³ by NLA



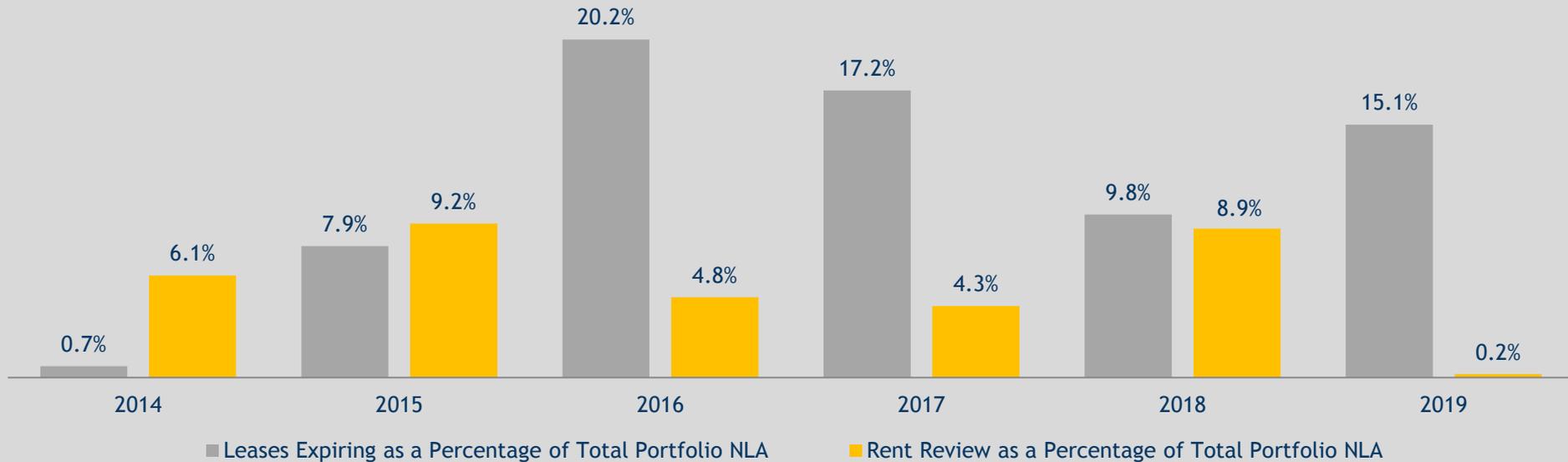
¹ Excluding the acquisition of the Old Treasury Building office tower, the top ten tenants WALE will be 6.4 years.

² Excluding the acquisition of the Old Treasury Building office tower, the portfolio WALE will be 5.1 years.

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

- » In 2Q 2014, approximately **93,000 sf** of attributable NLA were renewed and leased to tenants from the banking, insurance and financial services, telecommunications and multimedia, fund management as well as legal sectors
- » Only **0.7%** (~21,000 sf) of Keppel REIT's portfolio (by NLA) remains to be renewed, while **6.1%** (~189,000 sf) remains to be reviewed for the remaining of 2014

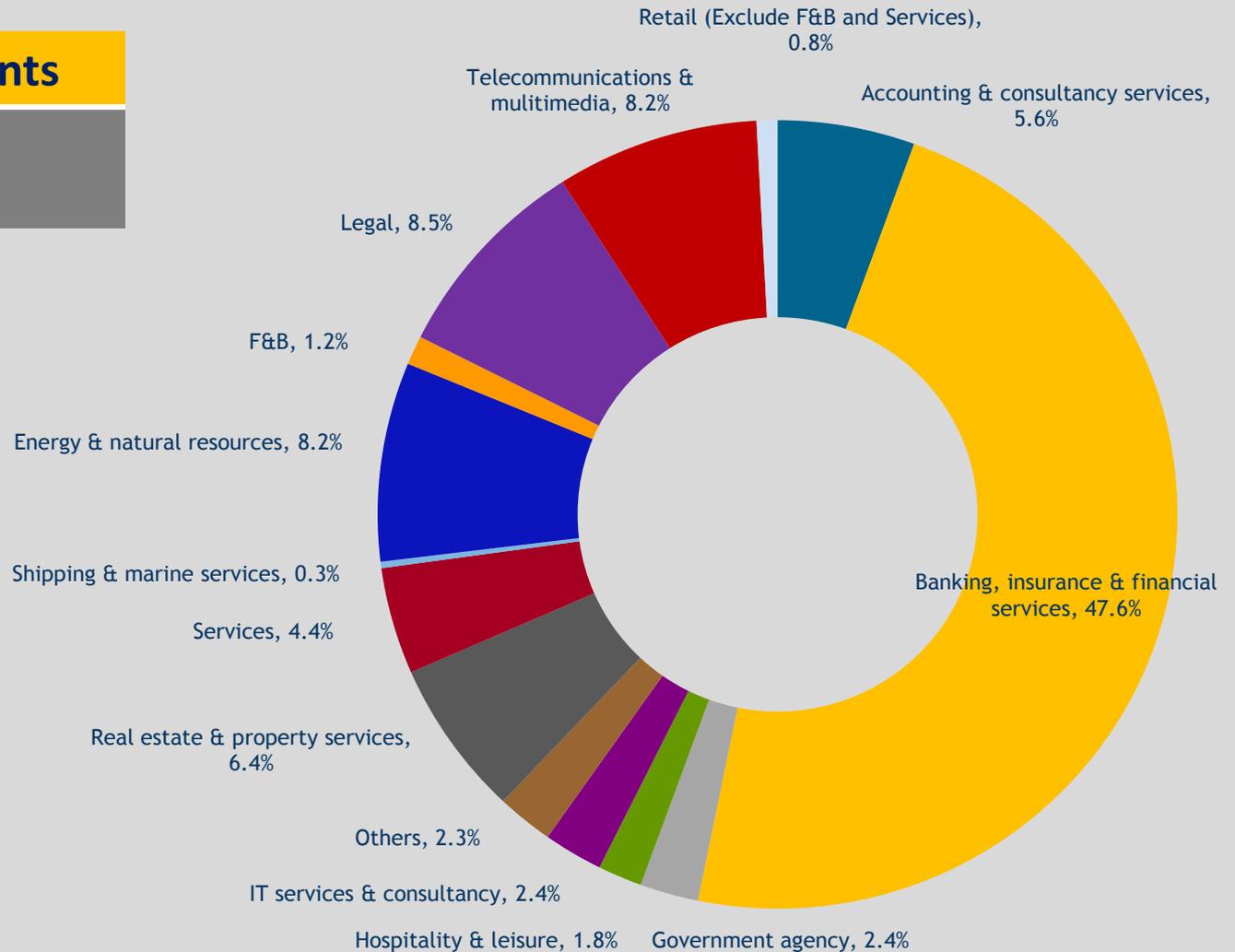
Portfolio Lease Profile (by NLA) as at 30 June 2014



Tenants Diversified across Various Business Sectors

Number of tenants

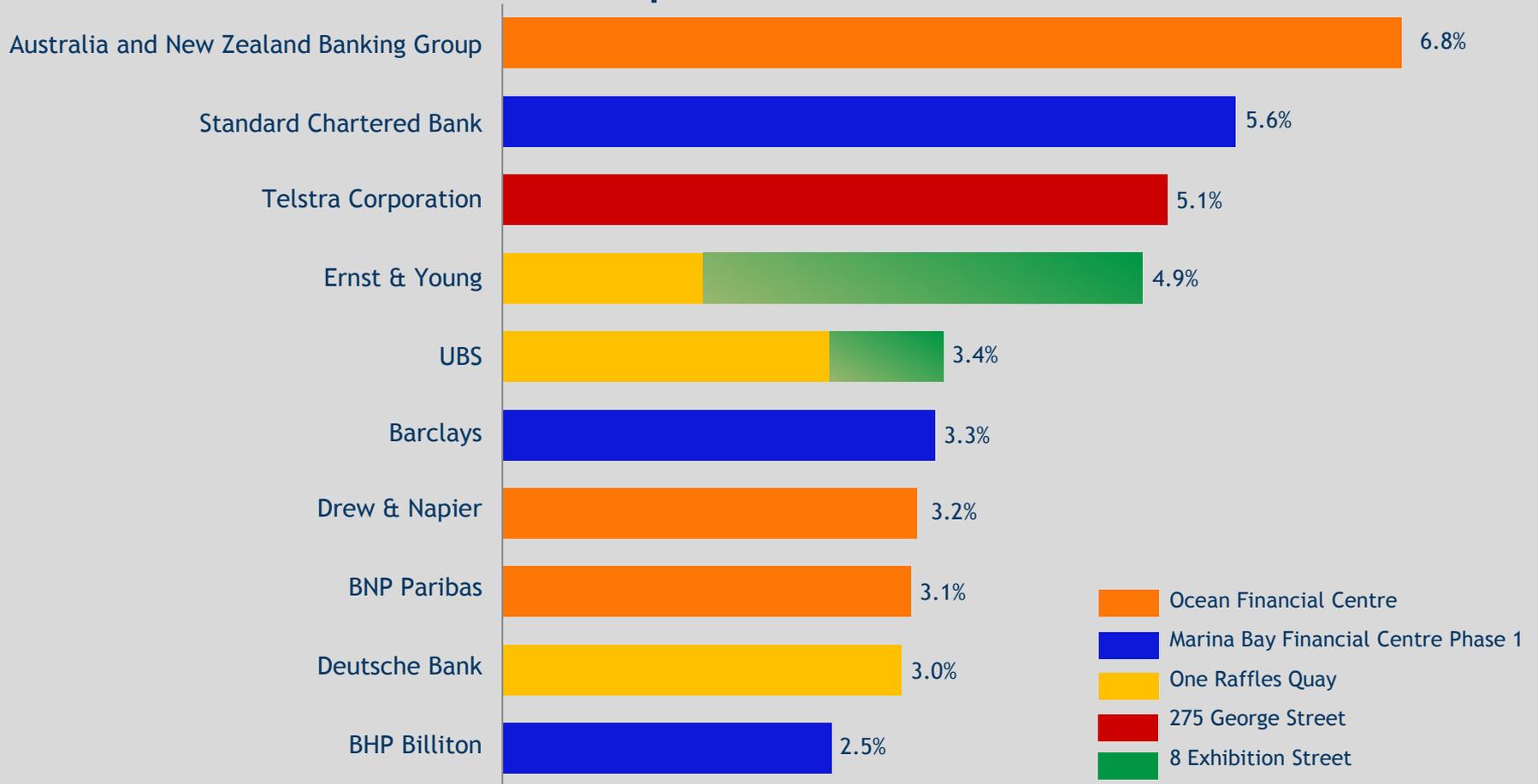
262¹



¹ Tenants with multiple leases are accounted as one tenant

» Top ten tenants account for approximately **41%** of portfolio NLA, **diversified across 5 buildings**

Top Ten Tenants



Some of Keppel REIT's new tenants



HarriAnns Nonya Table

Before



After



- » Location: Bugis Junction Towers
- » Subdivided existing retail shop into two units to introduce a café serving Peranakan delights

Eighty Days

- » Location: Marina Bay Link Mall
- » A 20-seat café serving 12 or 13 pizza options which change every 80 days



Ocean Financial Centre

- » Venue partner for *root*, an art exhibition featuring local young artists and providing them opportunities to showcase their works



- » Monthly lunchtime performances



Partnership with MINDSville@Napiri

- » Fifth consecutive year that Keppel REIT is reaching out to the children at MINDSville@Napiri
- » Equipping the children with daily skills through a two-course cooking session



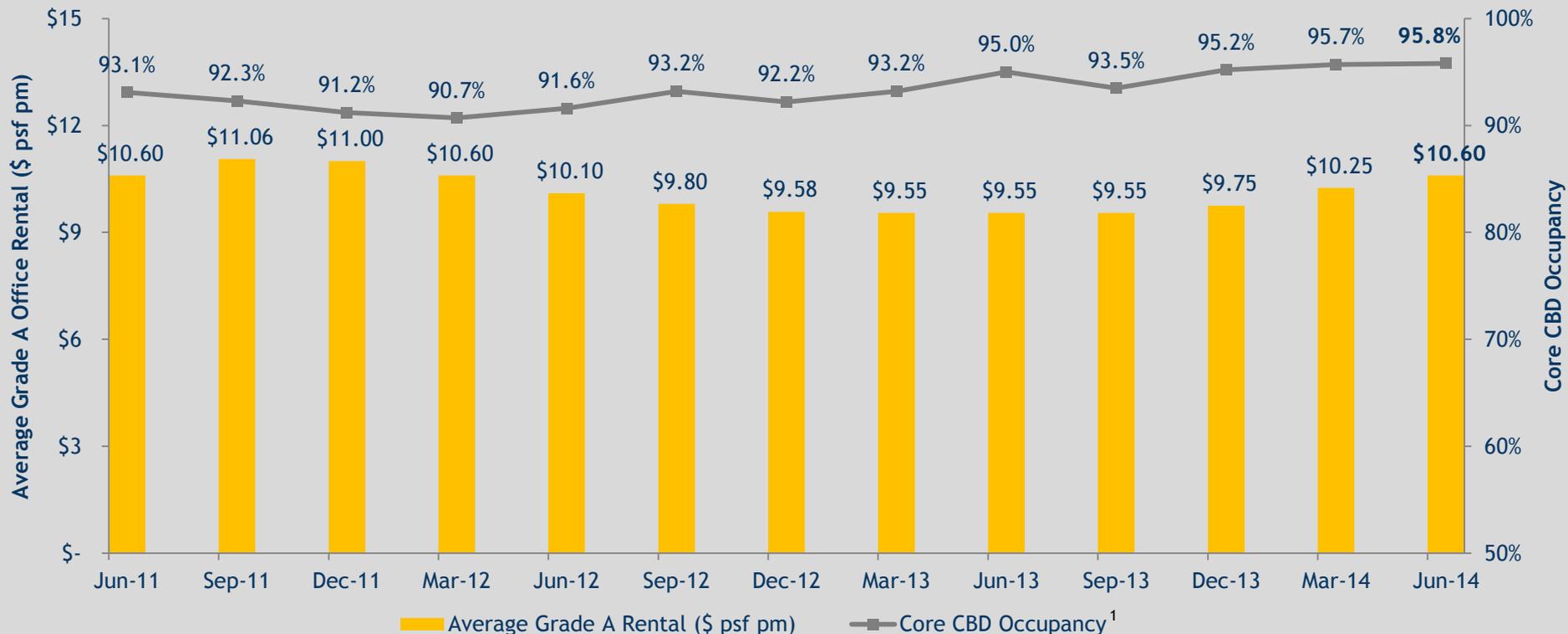
5. Market Review and Outlook

Marina Bay Financial Centre,
Singapore



Office Market Review - Singapore

- » Demand in the quarter was mainly from the insurance, energy and commodities, e-commerce and IT sectors
- » Leasing demand from Asia Pacific financial institutions continued to be robust
- » Average core CBD occupancy increased to **95.8%**, and average monthly Grade A office rents grew 3.4% q-o-q to reach **\$10.60 psf**



¹ Source: CBRE

Singapore

- » Economy is expected to grow 2.1% y-o-y in 2Q 2014
- » Leasing activities and enquiries remained steady through 2Q 2014, especially in the CBD
- » The upside in rent is likely to continue for the rest of this year and 2015 given low vacancy levels, limited new supply and moderately positive demand

Source: Ministry of Trade and Industry, CBRE

Australia

- » Economy recorded a 3.5% GDP growth in 1Q 2014
- » Cash rate remains at 2.5% and interest rates are likely to maintain at current levels
- » Moody's affirmed Australia's Aaa credit rating with a stable outlook

7. Additional Information

Old Treasury Building Office Tower,
Perth



Growth History



Portfolio Information

- » AUM of more than **\$7.2 billion** as at 30 June 2014
- » More than **92%** of the Singapore portfolio is located in the **Raffles Place** and **Marina Bay precincts**
- » **87%** of portfolio in Singapore, and **13%** in Australia

	Ocean Financial Centre	Marina Bay Financial Centre Phase One ⁽³⁾	One Raffles Quay ⁽³⁾	Prudential Tower	Bugis Junction Towers
Description	43-storey premium Grade A office tower	A pair of 33 and 50 storey premium Grade A office towers and subterranean mall	A pair of 50 and 29 storey premium Grade A office towers	30-storey Grade A office tower	15-storey Grade A office tower
Attributable NLA (sf)	884,525	581,626	445,230	221,080	244,987
Ownership	99.9%	33.3%	33.3%	92.8%	100.0%
Number of tenants ⁽¹⁾	47	91	36	39	15
Principal tenants	ANZ, BNP Paribas, Drew & Napier	Barclays Capital, BHP Billiton, Standard Chartered Bank	Royal Bank of Scotland, Deutsche Bank, UBS	Prudential Assurance Singapore, UniCredit Bank, Compass Office	IE Singapore, InterContinental Hotels Group, Keppel Land
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104	99 years expiring 12 Jun 2100	99 years expiring 14 Jan 2095	99 years expiring 9 Sep 2089
Valuation ⁽²⁾ (\$ million)	2,515.0	1,609.0	1,200.0	490.0	504.8
Committed occupancy	99.4%	100.0%	100.0%	100.0%	100.0%

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

(2) Valuation as at 31 December 2013 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, and a one-third interest in One Raffles Quay.

	8 Chifley Square, Sydney	77 King Street Office Tower, Sydney	8 Exhibition Street, Melbourne	275 George Street, Brisbane	Office Tower to be built at the Old Treasury Building site, Perth
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)	104,050	147,980	241,784	224,688	165,685
Ownership	50.0%	100.0%	50.0%	50.0%	50.0%
Number of tenants ⁽¹⁾	7	12	17	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 ⁽³⁾
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	Freehold	99 years ⁽⁴⁾
Valuation ⁽²⁾ (S\$ million)	202.5	146.8	198.7	225.4	131.5
Committed occupancy	97.0%	92.1%	100.0%	100.0%	98.2%

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

(2) Valuation as at 31 December 2013 based on Keppel REIT's interest in the respective properties unless otherwise stated and based on the exchange rate of A\$1 = S\$1.174.

(3) Pre-committed leases.

(4) The 99 year leasehold tenure will commence on the date of practical completion of the property.



Thank You

One Raffles Quay,
Singapore