



Keppel REIT

First Half 2015
Financial Results
20 July 2015





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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 30 June 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 \$1.145 as at the last trading day, 30 June 2015.

- » 88% of portfolio in Singapore and 12% in Australia's key financial precincts of Sydney, Melbourne, Brisbane and Perth
- » Approximately 92% of Singapore properties are located in the Raffles Place and Marina Bay precincts

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)

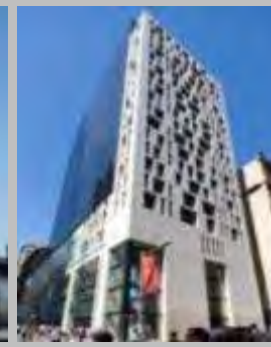
Australia Properties



8 Chifley Square, Sydney
(50% interest)



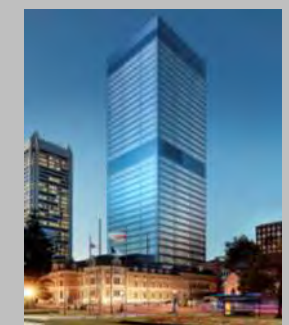
8 Exhibition Street, Melbourne
(50% interest)



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*

The image shows a low-angle view of the Ocean Financial Centre in Singapore. On the left, a lush vertical garden covers a portion of the building's facade. In the center, a prominent architectural feature is a facade composed of a grid of colorful triangles in shades of blue, green, yellow, and red. To the right, a tall, modern glass skyscraper rises against a blue sky with scattered white clouds. A grey banner with white text is overlaid across the upper middle of the image.

1. Key Highlights

Ocean Financial Centre,
Singapore

Keppel REIT



- » **Distributable income** of **\$54.8mil** in **2Q 2015** and **\$108.8mil** in **1H 2015** is **3% ↑** over 2Q 2014 and **0.5% ↑** over 1H 2014 respectively
- » **Higher distributable income** notwithstanding
 - Absence of income contribution from the divested Prudential Tower
 - Absence of rental support from MBFC Phase One
 - Absence of rental support from the 87.5% interest in Ocean Financial Centre
- » **DPU ↑ 1.2%** q-o-q to **1.72 cents** for 2Q 2015
 - **Stronger performance** from **Ocean Financial Centre** and **Bugis Junction Towers**, which contributed to **higher Property Income (PI)** and **Net Property Income (NPI)**
 - Annualised distribution yield of **6%**



Marina Bay Financial Centre



Ocean Financial Centre



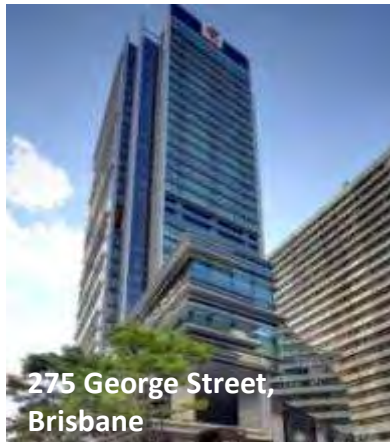
One Raffles Quay



8 Chifley Square, Sydney



- » Completed **100%** of refinancing requirements for **2015**, early refinanced approximately **70%** of loans due in **2016** and commenced early refinancing of loans due in **2017**
- » Close to **100%** of Keppel REIT's total borrowings **not due for repayment till 2017 and beyond**
- » **Significantly lengthened debt maturity profile** by **0.8 years**, and **extended weighted average term to maturity** to **3.9 years**
- » **Hedged almost 100%** of distributable income from Australia for the **remaining of 2015**
- » All-in interest rate remained **stable** at **2.5%** and **healthy** interest coverage ratio of **4.5 times**
- » Implementation of **Distribution Reinvestment Plan** to **further strengthen balance sheet, enhance working capital reserves** and **improve liquidity of the Units**



275 George Street,
Brisbane



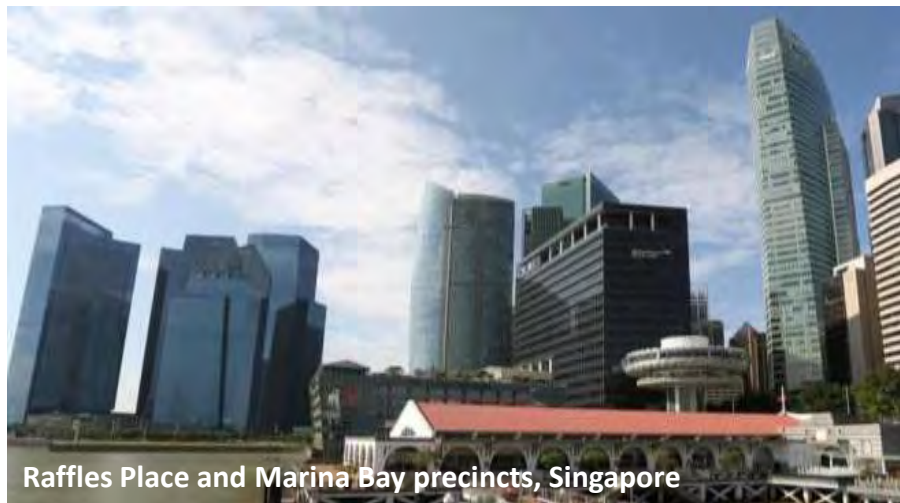
8 Exhibition Street,
Melbourne



Office Tower on the Old Treasury
Building site, Perth



- » Completed the renewal and review of almost all of 2015 leases, and all with positive rent reversions
- » Focused tenant retention strategy contribute to positive rental reversion of 18% on average as at 1H 2015
- » Maintain high portfolio occupancy of 99.3% as at 1H 2015
- » Healthy retention rate of 84%, and successfully leased 100% of the space in the Singapore portfolio that has been returned to-date
- » 80% of leases not due for renewal till 2017 and beyond



Raffles Place and Marina Bay precincts, Singapore



Sydney CBD, Australia



2. Financial Highlights

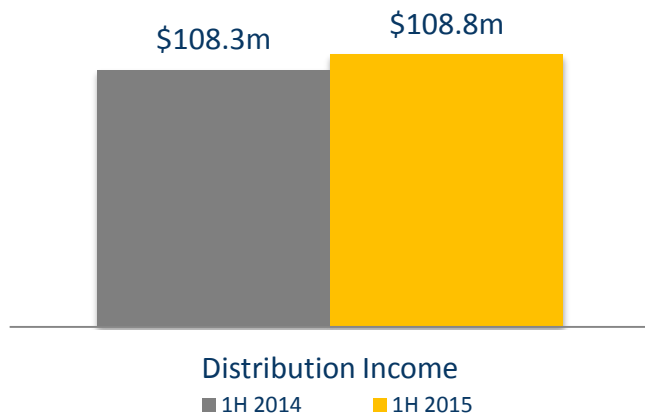
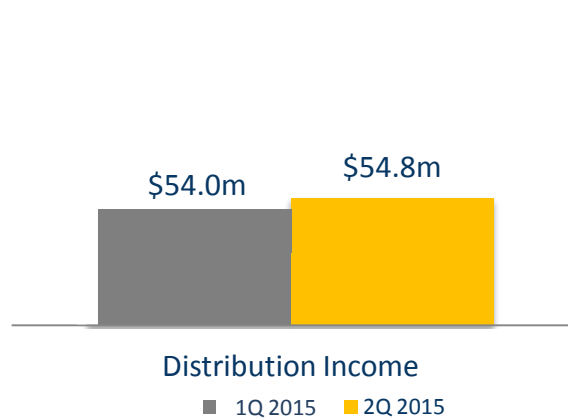
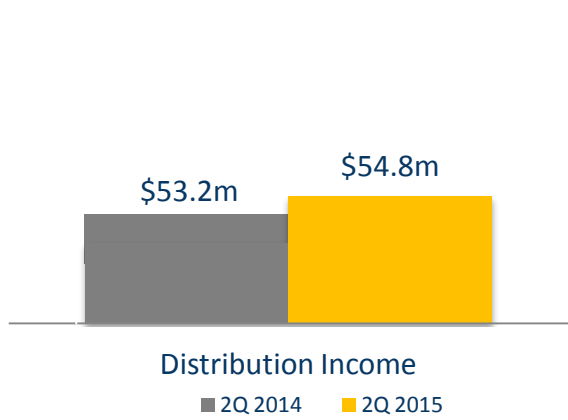
Bugis Junction Towers,
Singapore

Keppel REIT



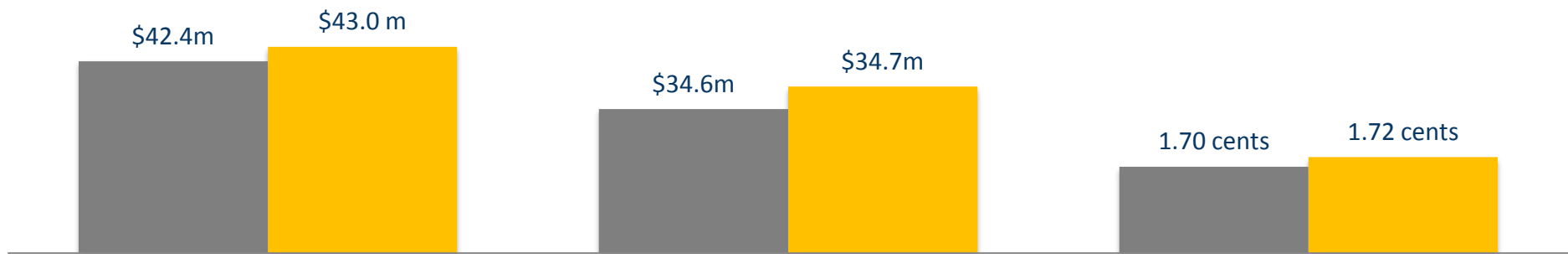
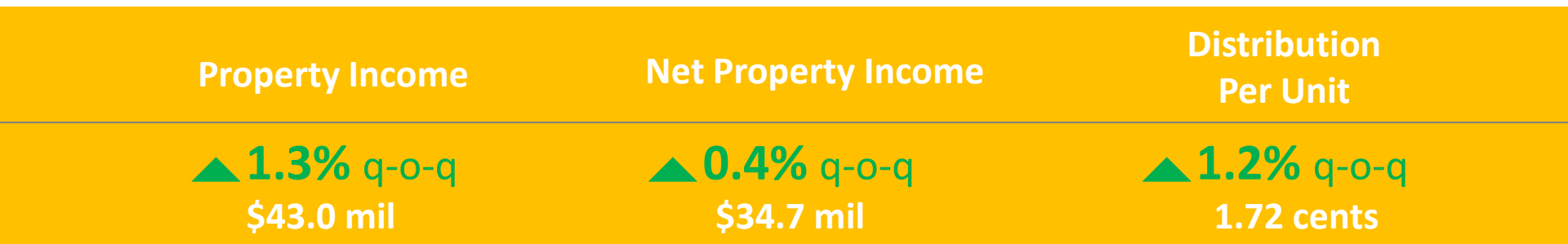
- » **Distributable income** ↑ 3% y-o-y and ↑ 1.5% q-o-q to **\$54.8 million** in 2Q 2015
- » **Distributable income** ↑ 0.5% y-o-y to **\$108.8 million** in 1H 2015, notwithstanding:
 - Absence of income contribution from Prudential Tower
 - Absence of rental support from MBFC Phase One and 87.5% stake in Ocean Financial Centre

2Q 2015 Distribution Income	2Q 2015 Distribution Income	1H 2015 Distribution Income
▲ 3% y-o-y	▲ 1.5% q-o-q	▲ 0.5% y-o-y
\$54.8 mil	\$54.8 mil	\$108.8 mil





- » **DPU** ↑ **1.2%** q-o-q to **1.72 cents** in 2Q 2015
 - **Stronger performance** from **Ocean Financial Centre** and **Bugis Junction Towers**, which saw improvements in both **PI** and **NPI**
- » **Annualised distribution yield** of **6%**⁽¹⁾



(1) The yield is based on the market closing price per unit of \$1.145 as at the last trading day, 30 June 2015

■ 1Q 2015 ■ 2Q 2015

1. Key Highlights	2. Financial Highlights	3. Capital Management	4. Portfolio Analysis	5. Market Review
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	As at 30 June 2015	As at 31 March 2015
Non-current Assets	\$7,042 mil	\$7,056 mil
Total Assets	\$7,276 mil	\$7,299 mil
Borrowings ⁽¹⁾	\$3,555 mil	\$3,544 mil
Total Liabilities	\$2,826 mil	\$2,826 mil
Unitholders' Funds	\$4,448 mil	\$4,470 mil
Adjusted NAV Per Unit ⁽²⁾	\$1.38	\$1.39

(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 2015, this excludes the distribution paid in May 2015.

For 30 June 2015, this excludes the distribution to be paid in August 2015.



Distribution Per Unit (DPU)

1.72 cents

Distribution Period

1 April 2015 – 30 June 2015

Distribution Timetable

Trading on “Ex” Basis

Friday, 24 July 2015

Books Closure Date

Tuesday, 28 July 2015

Distribution Payment Date

Friday, 28 August 2015



1. Key Highlights

2. Financial Highlights

3. Capital Management

4. Portfolio Analysis

5. Market Review

3. Capital Management



Keppel REIT

8 Chifley Square,
Sydney



» Continue to adopt a **prudent** and **proactive capital management strategy**

	As at 30 Jun 2015
Gross Borrowings	\$3,555 mil
Interest Coverage Ratio	4.5 times
All-in Interest Rate	2.5%
Weighted Average Term to Expiry	3.9 years
Aggregate Leverage	42.6%
Rating	Baa2 ⁽¹⁾ / BBB ⁽²⁾

Borrowings on Fixed-Rate



% of Assets Unencumbered



DPU Change

Every ~100% ↑ in SOR

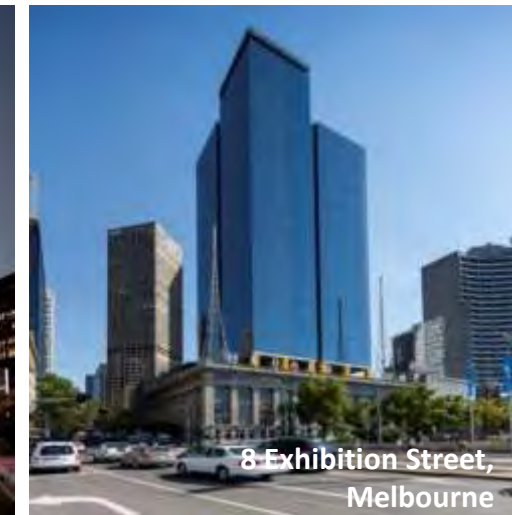
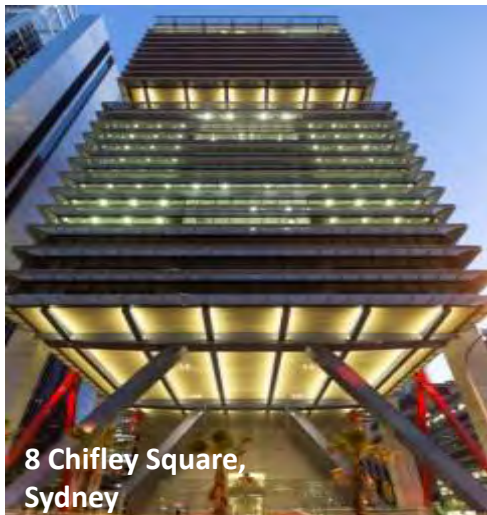
~0.15 cents ↓ in DPU

(1) Moody's Investors Service

(2) Standard & Poor's Ratings Services

- » Hedged almost 100% of distributable income from Australia for the remaining of 2015
- » Estimated impact of AUD movement on Keppel REIT’s DPU, NAV and gearing:

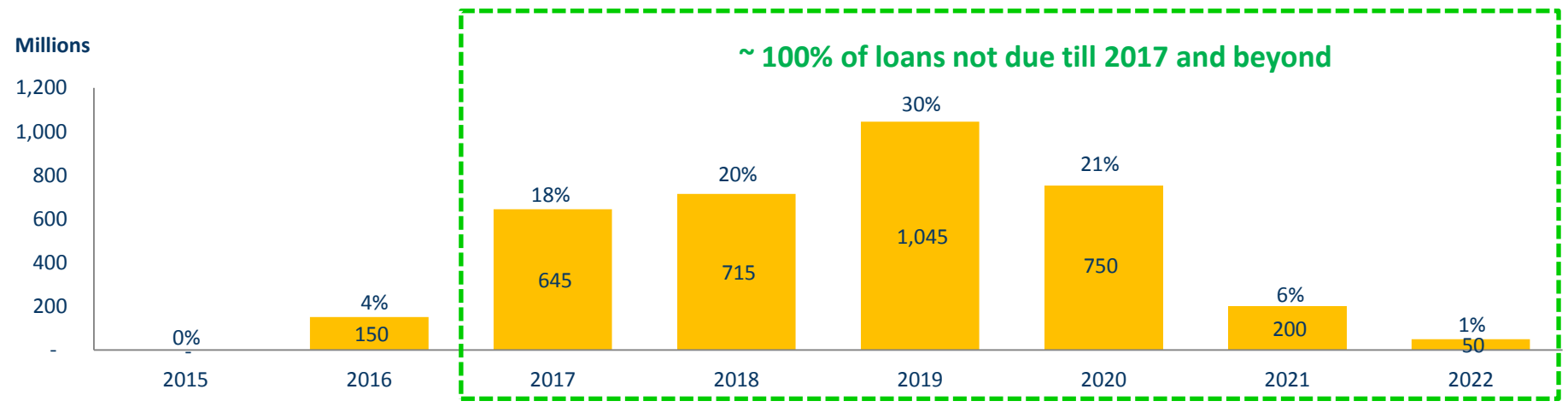
	Assuming AUD 1:SGD 1.00
DPU	Minimal
NAV	↓ by 1 cent
Gearing	↑ by 0.18%





- » **Completed 100%** of Keppel REIT’s refinancing requirement for **2015**
- » **Completed early refinancing** of approx. **70%** loans due in **2016** and **commenced early refinancing** of loans due in **2017** respectively
- » **Significantly lengthened debt maturity profile** by **0.8 years** and **extended the weighted average term to maturity to 3.9 years**
- » **Almost 100%** of total borrowings not due for repayment till **2017 and beyond**

2015 Loans	2016 Loans	2017 Loans
Early refinanced 100% \$575 million	Early refinanced ~70% \$325 million⁽¹⁾	Early refinanced ~15% \$100 million



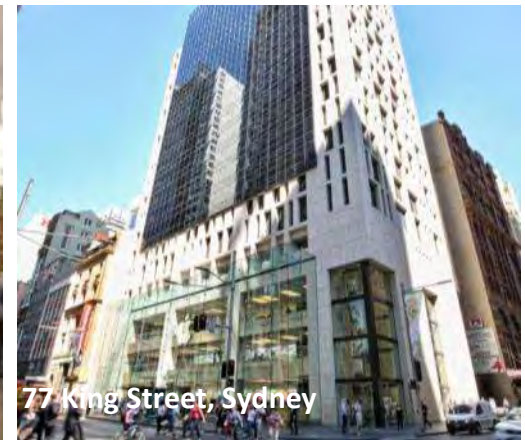
⁽¹⁾ Includes another \$125 million loan that has already been refinanced

4. Portfolio Analysis

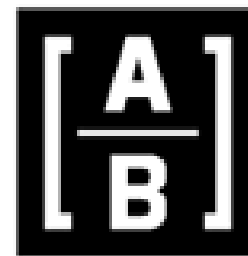


Raffles Place and Marina Bay,
Singapore

- » **Successfully renewed and reviewed almost all** of its **2015 leases**, and **all with positive rent reversions**
- » **Focused tenant retention strategy**
 - Signed, renewed, forward renewed and reviewed **390,000 sf** of office space in 1H 2015 with **positive rental reversion** of **18%** on average
 - Continue to maintain **high portfolio occupancy** of **99.3%** as at 1H 2015
- » **Healthy retention rate** of approximately **84%** year-to-date
 - **Fully leased 100% of space** in Keppel REIT's Singapore portfolio that has been returned to-date
- » **80%** of total leases not due for **renewal** till **2017 and beyond**



» Total of **20 new leases** signed to-date. Some of the new tenants in 2Q 2015 include

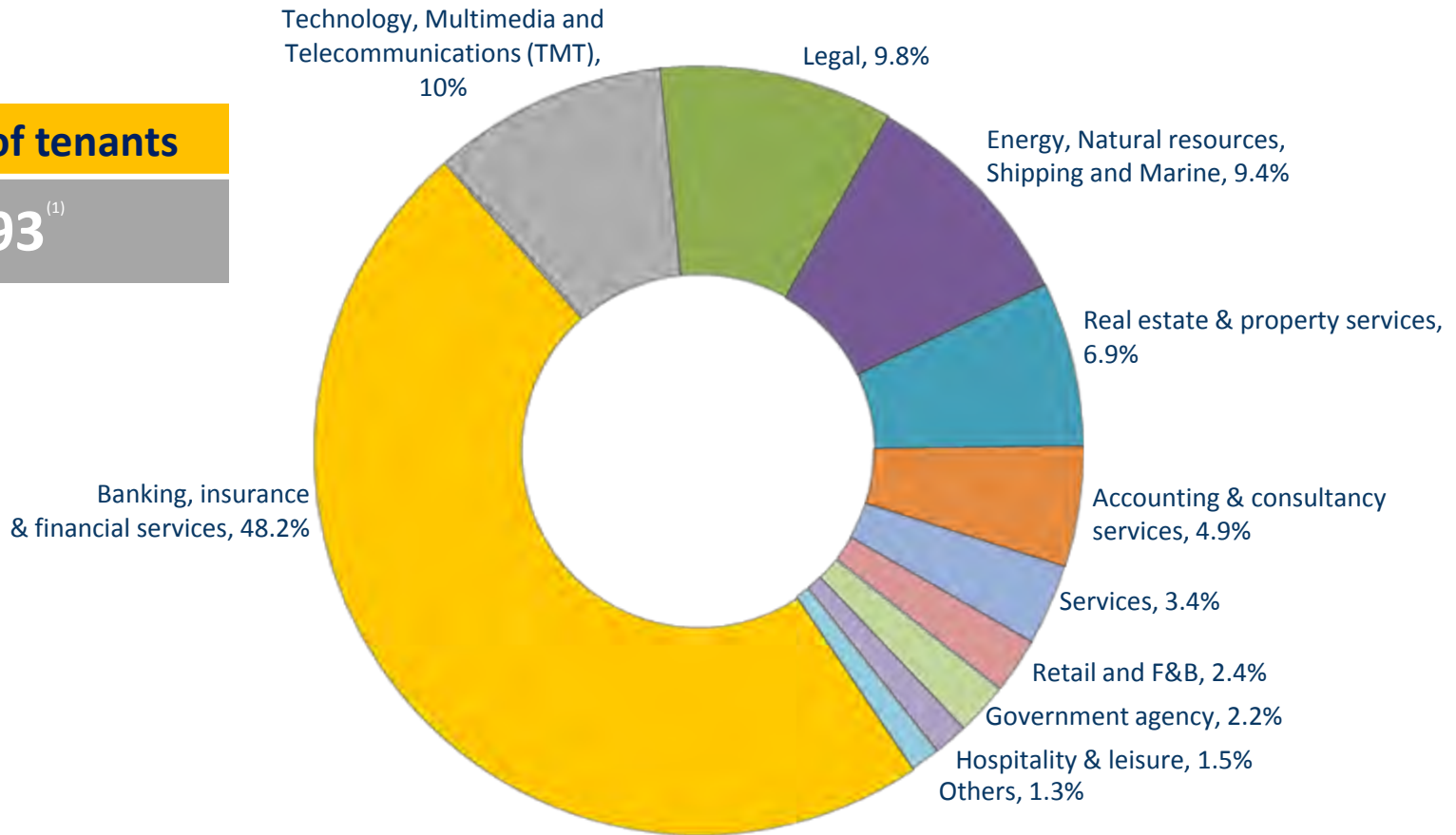




» Continue to maintain **well-diversified tenant base** from **various business sectors**

Number of tenants

293⁽¹⁾

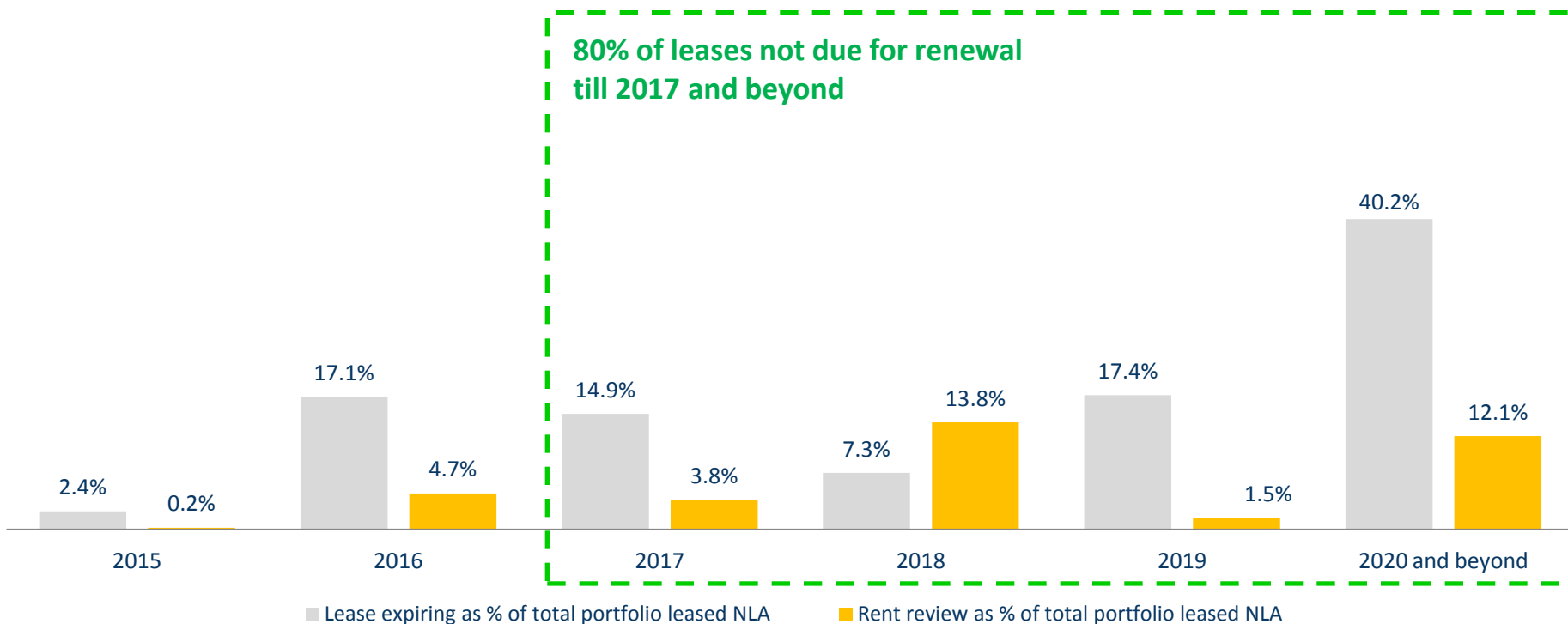


(1) Tenants with multiple leases are accounted as one tenant

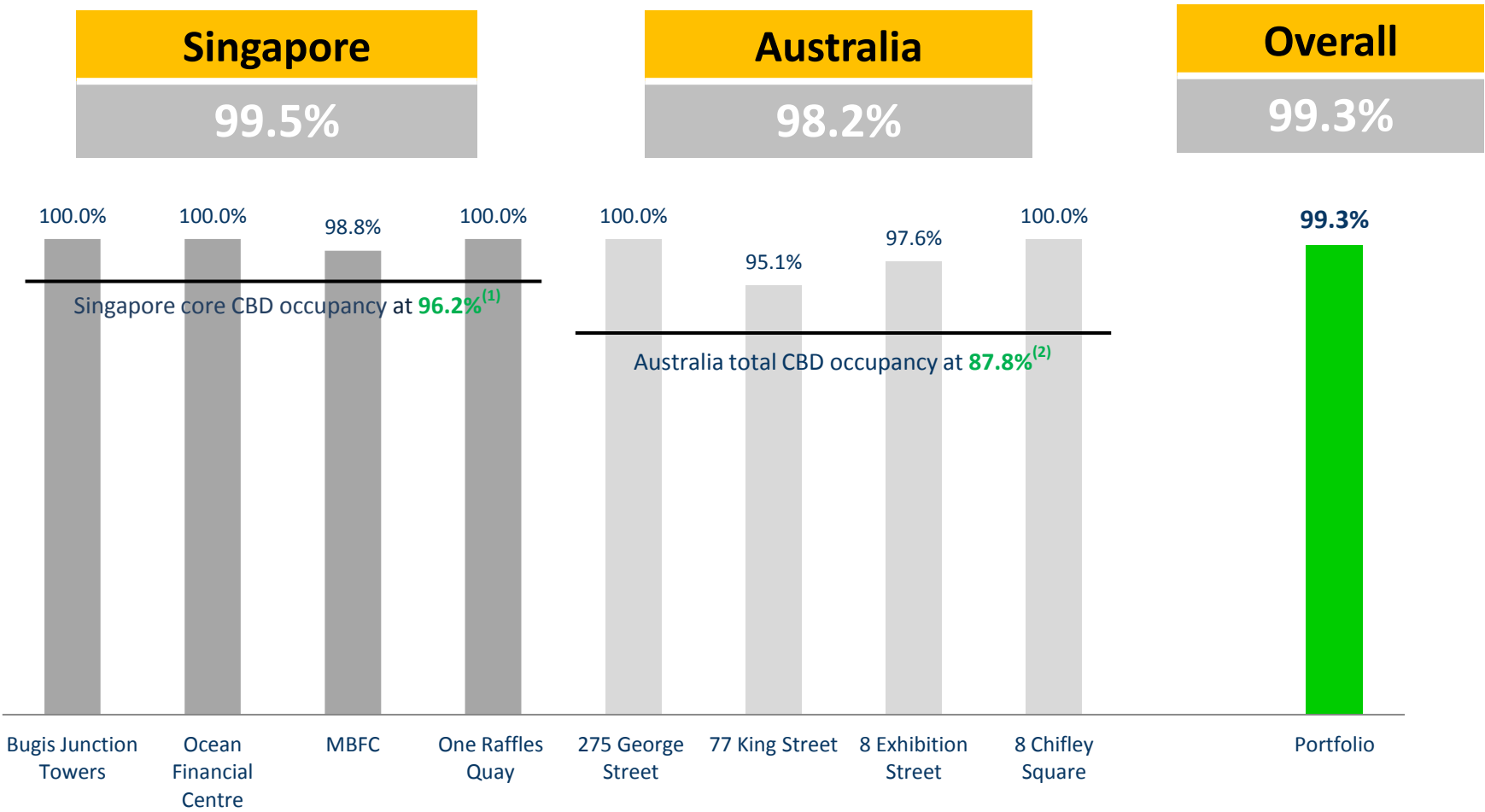


- » Continued focus on **tenant retention strategy**
- » **Completed almost all renewals and reviews for 2015**
 - **Only 2.4%** and **0.2%** of leases due for renewal and review respectively for 2015
 - **80%** of leases **not due for renewal till 2017 and beyond**

Portfolio Lease Profile (By NLA) as at 30 June 2015

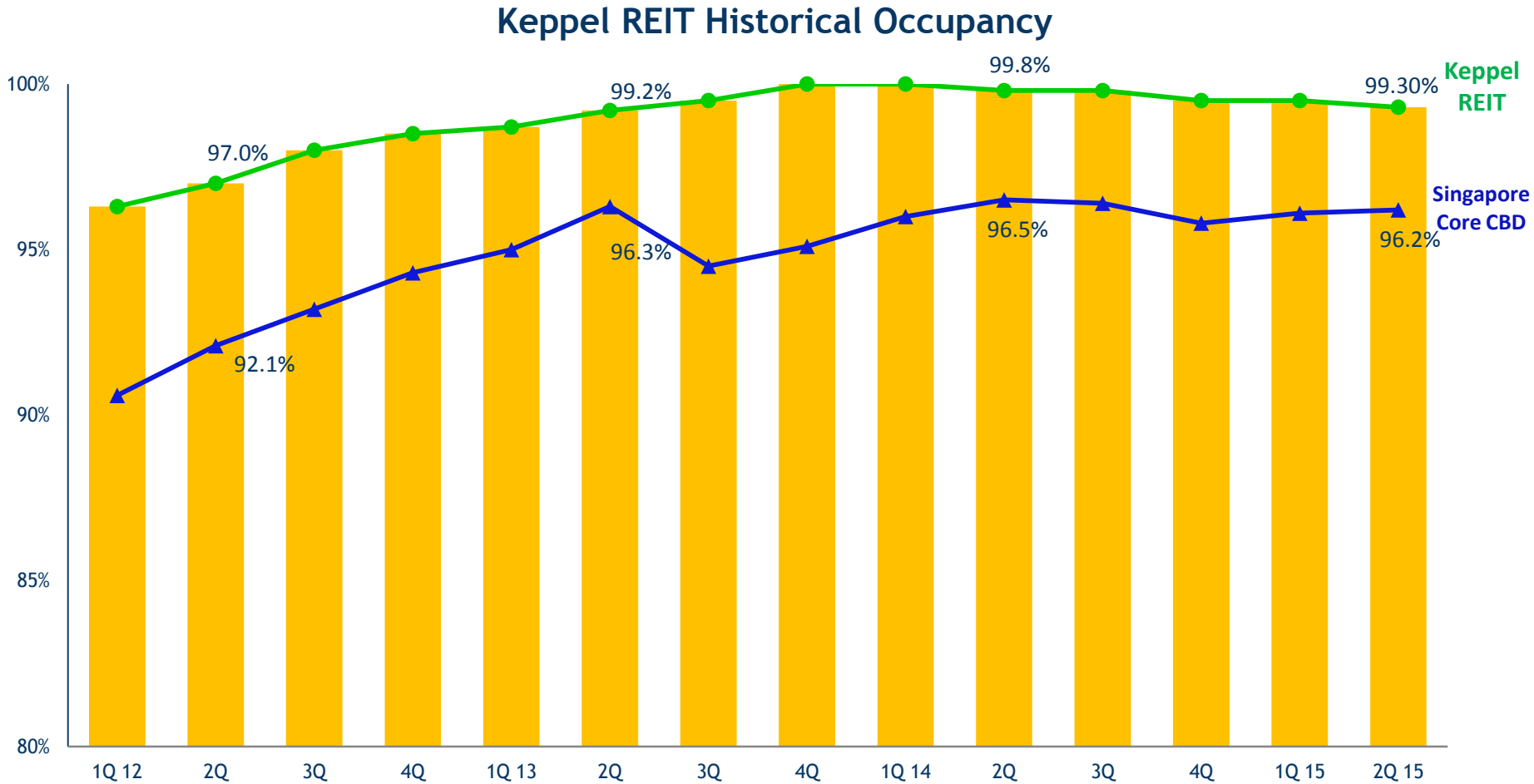


- » Continue to maintain **high portfolio committed occupancy** of **99.3%**
- » **Eight** of 11 completed office towers in Singapore and Australia **fully committed**



(1) Cushman & Wakefield, 2Q 2015 (2) JLL, July 2015

» Keppel REIT's Singapore portfolio occupancy is **consistently above Core CBD occupancy levels**



(1) Cushman & Wakefield, 2Q 2015

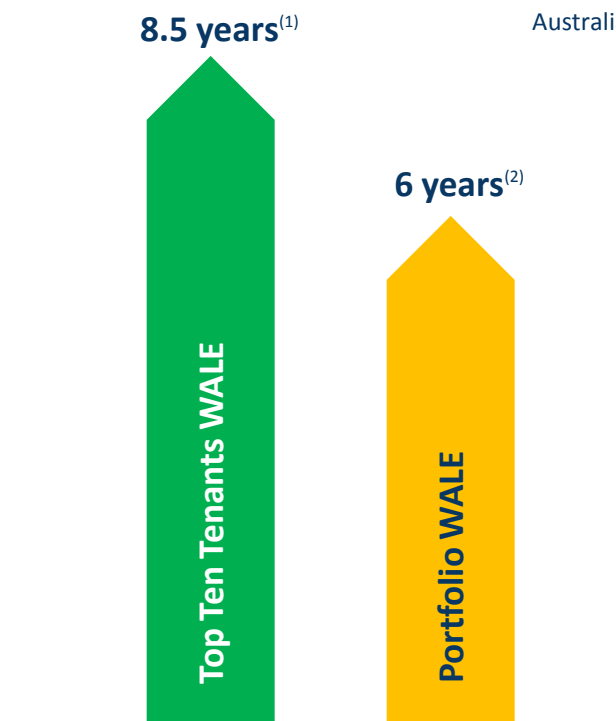
■ Keppel REIT Occupancy ▲ Singapore Core CBD Occupancy



- » **Top 10 tenants** account for approximately **43%** of portfolio NLA
- » **Long WALE** of approximately **8.5 years** and **6 years** for top 10 tenants and portfolio respectively **enhances income sustainability** over the long term

Weighted Average Lease Expiry (WALE)

Top Ten Tenants (by NLA)



Australia and New Zealand Banking Group

DBS Bank

Standard Chartered Bank

BNP Paribas

Telstra Corporation

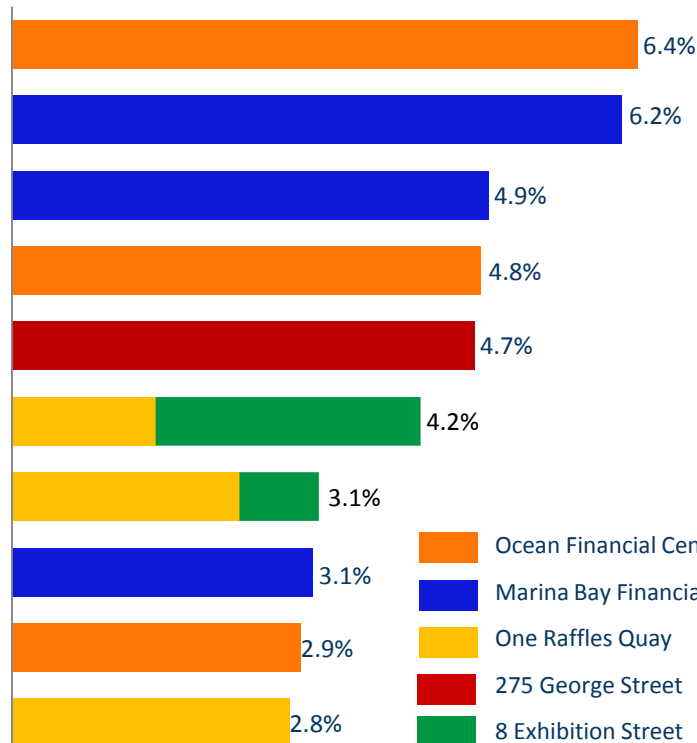
Ernst & Young

UBS AG

Barclays

Drew & Napier

Deutsche Bank



Ocean Financial Centre

Marina Bay Financial Centre

One Raffles Quay

275 George Street

8 Exhibition Street

(1) Excluding the office tower being built on the Old Treasury Building site, the top ten tenants WALE will be 6.0 years.

(2) Excluding the office tower being built on the Old Treasury Building site, the portfolio WALE will be 4.8 years.

Office Tower on the Old Treasury Building site

- » **Construction** of the office tower is **progressing on track**
- » **The Government of Western Australia** is expected to commence its 25-year lease in **4Q 2015**
- » The 25-year lease includes options for **another 25 years**



REIT Symposium

- » Inaugural REIT Symposium jointly organised by REITAS and Share Investor to promote the growth and development of the S-REIT industry
- » Over 1,300 investors attended the event on 23 May 2015 to learn more about the industry and investment opportunities
- » Symposium included presentations by REIT Managers, including Keppel REIT, and research houses



CSR Outreach Efforts

- » Keppel REIT's annual CSR outreach effort on 17 June 2015
- » Total of 64 Keppel REIT employees, children, parents, caregivers and staff from the Muscular Dystrophy Association (Singapore) spent quality and meaningful time together, where they experienced art coming to life at the Alive Museum





Singapore Corporate Awards 2015

- » Conferred the **Best Investor Relations (Gold)** award in the REITs and Business Trusts category at the annual Singapore Corporate Awards 2015
- » Reinforces Keppel REIT's commitment to ensure **quality and fairness** in **disclosure**, as well as to continually uphold **corporate governance** and **transparency**



8 Chifley Square, Sydney

- » Awarded three top honours at the 2015 Property Council of Australia Awards - **Australian Development of the Year**, **Best Office Development**, and **Best Sustainable Development (New Buildings)**
- » Clinched another three awards at the Asia Pacific Property Awards 2015 - **Best Commercial High-Rise Development (Australia)**, **Best Office Development (Australia)** and **Best Office Architecture (Australia)**





5. Market Review & Outlook



Singapore

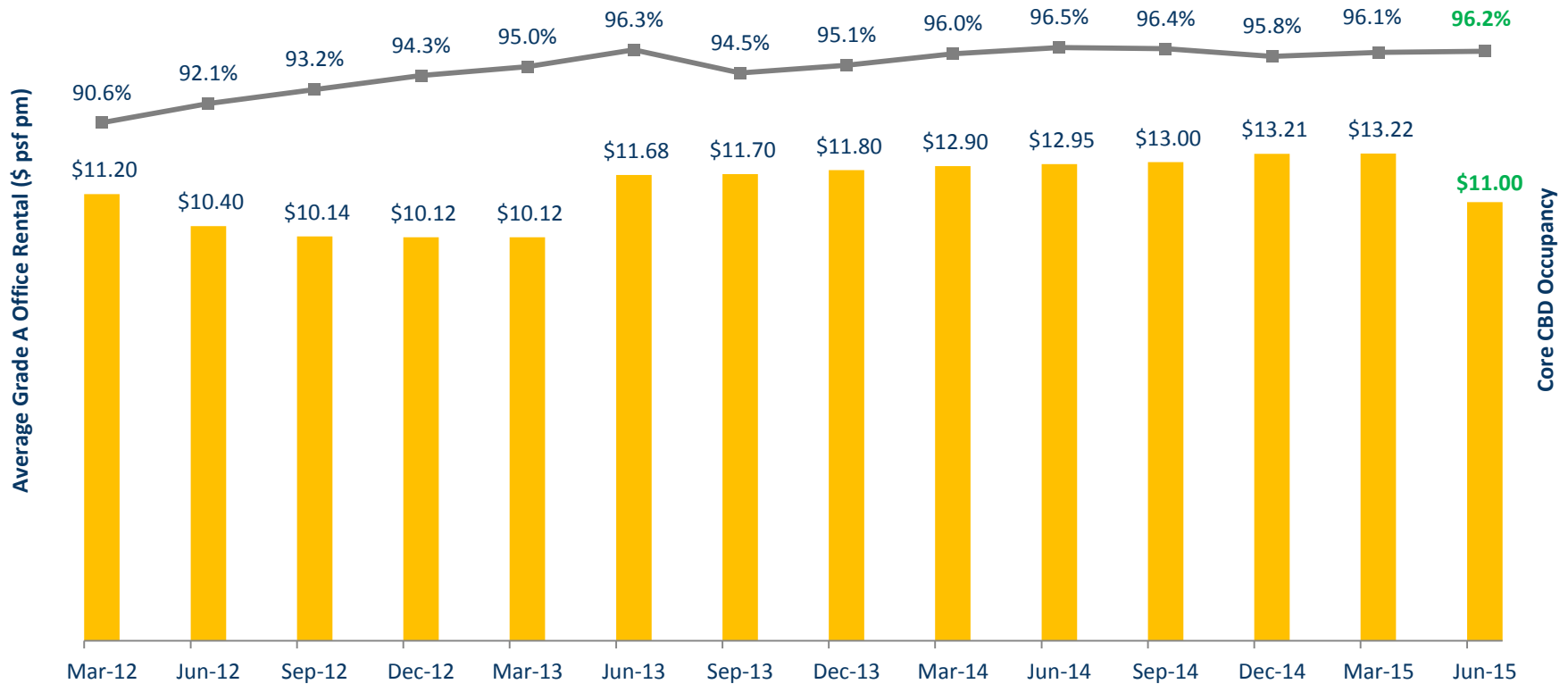
- » Advance estimates indicate that the Singapore economy grew by 1.7% y-o-y in 2Q 2015
- » Growth was supported by an expansion in the construction sector due to an increase in public sector construction activities
- » Net absorption for office space in Singapore's CBD remained stable in 2Q 2015
- » Property consultants anticipate prime office rents to remain level throughout 2015 due to the limited supply of quality office space in the CBD



Sources: Ministry of Trade and Industry, DTZ and Cushman & Wakefield



- » **Average Grade A occupancy** in the **core CBD** remained relatively **stable** at **96.2%**
- » Grade A office **rents** at approximately **\$11.00 psf** in 2Q 2015



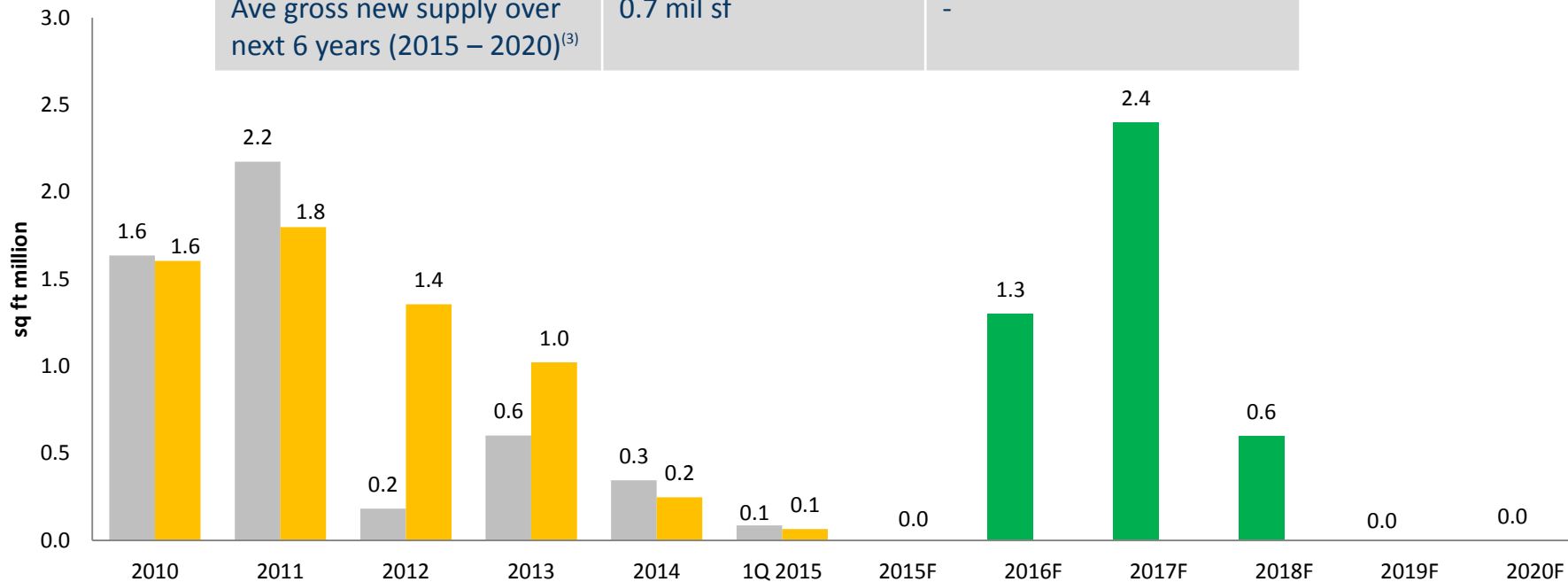
Source: Cushman & Wakefield, 2Q 2015

■ Average Grade A Rental (\$ psf pm)

—■ Core CBD Occupancy

- » **Net demand** for office space in **Singapore's CBD** remained **stable** in **2Q 2015**
- » **Healthy demand** for office space of **~1.2 mil sf p.a.** in the last 5 years
- » Average supply of **~0.7mil sf p.a.** over the next 6 years till end-2020

Period	Ave annual net supply	Ave annual net demand ⁽²⁾
5 years (2010 – 2014)	1.0 mil sf	1.2 mil sf
Ave gross new supply over next 6 years (2015 – 2020) ⁽³⁾	0.7 mil sf	-



■ Net Supply ■ Net Demand ■ Forecast Supply

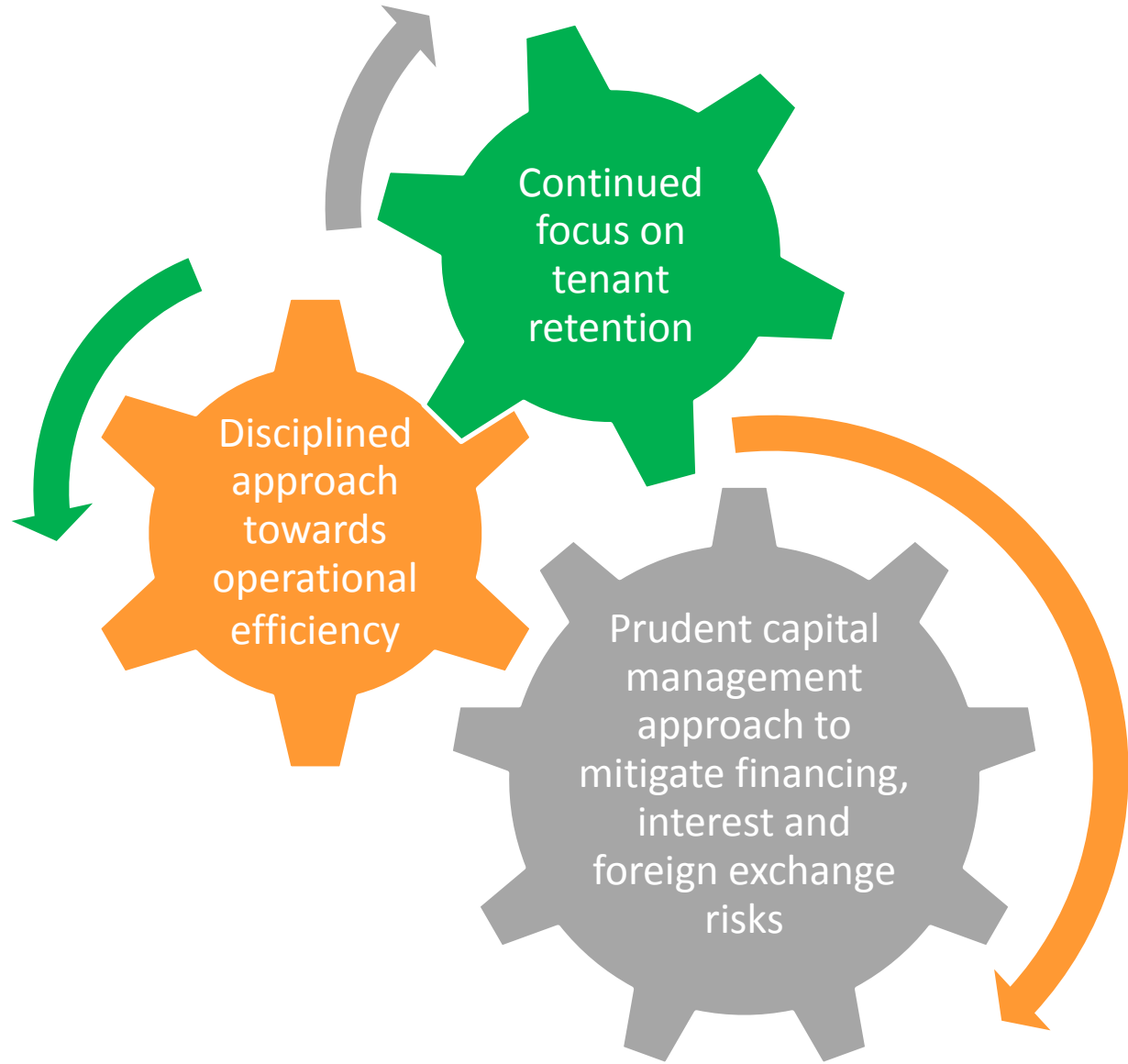
1) Sources: URA and CBRE
 2) Net demand and supply of office space in Downtown Core, Orchard and Rest of Central Area
 3) Forecast new supply excludes strata offices

Australia

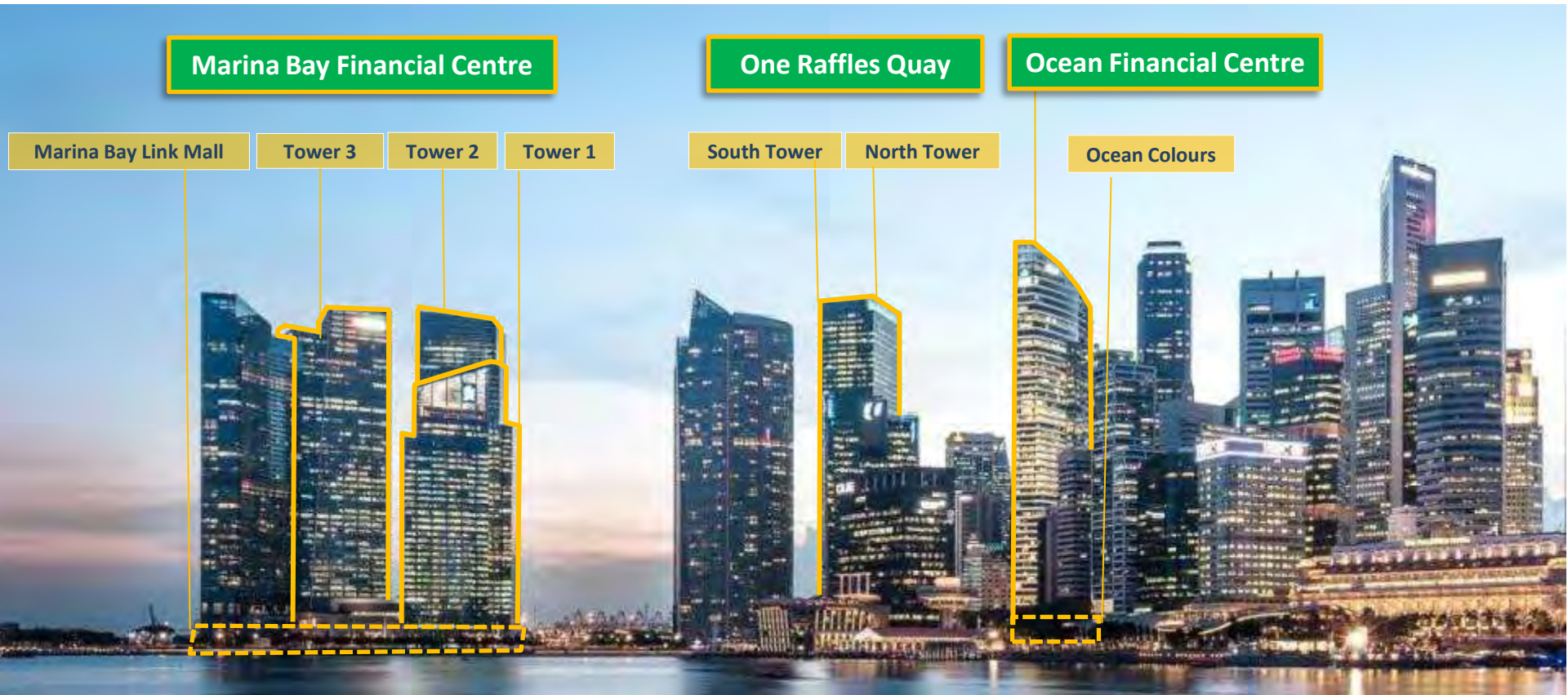
- » Australia is expected to grow 2.2% y-o-y in 2Q 2015
- » Economists forecast a 2.4% growth for the whole of 2015
- » In May 2015, the Reserve Bank of Australia further cut the official cash rate to a historic low of 2.0% to further stimulate economic growth
- » Australia's CBD continued to record its third successive quarter of positive net absorption for office space in 1Q 2015
- » More positive leasing momentum recorded in key cities of Sydney and Melbourne

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

- » Remain focused on providing Unitholders with **income stability** and **resilience** over the **long term**



- » **Best-in-class** assets **strategically located** in Singapore's **prime business** and **financial** districts
- » S-REIT with the **youngest** and **largest portfolio** of **premium office assets**
- » **Reputable tenant base** spanning **diverse business sectors**



The logo for Keppel REIT, featuring the word "Keppel" in white on a yellow rectangular background, followed by "REIT" in yellow on a white background. A yellow diagonal line is positioned above the letter 'K'.

Keppel REIT

The text "Thank You" in a dark grey, sans-serif font, centered on a semi-transparent white horizontal band that spans the width of the image.

Thank You



Ocean Colours,
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

K-REITasia
Listed in April

K-REITasia
Keppel Land



- » Keppel REIT's AUM is approximately **\$8.2 billion** as at 30 June 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	444,093	885,243
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 30 Jun 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	241,274	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, CBRE	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 30 Jun 2015)	100.0%	95.1%	97.6%	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.