



Investor Presentation

CLSA ASEAN Forum in Bangkok
13 March 2019



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IMPORTANT NOTICE: The past performance of Keppel REIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be “forward-looking” statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments or shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

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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.

Prime Assets in Strategic Locations

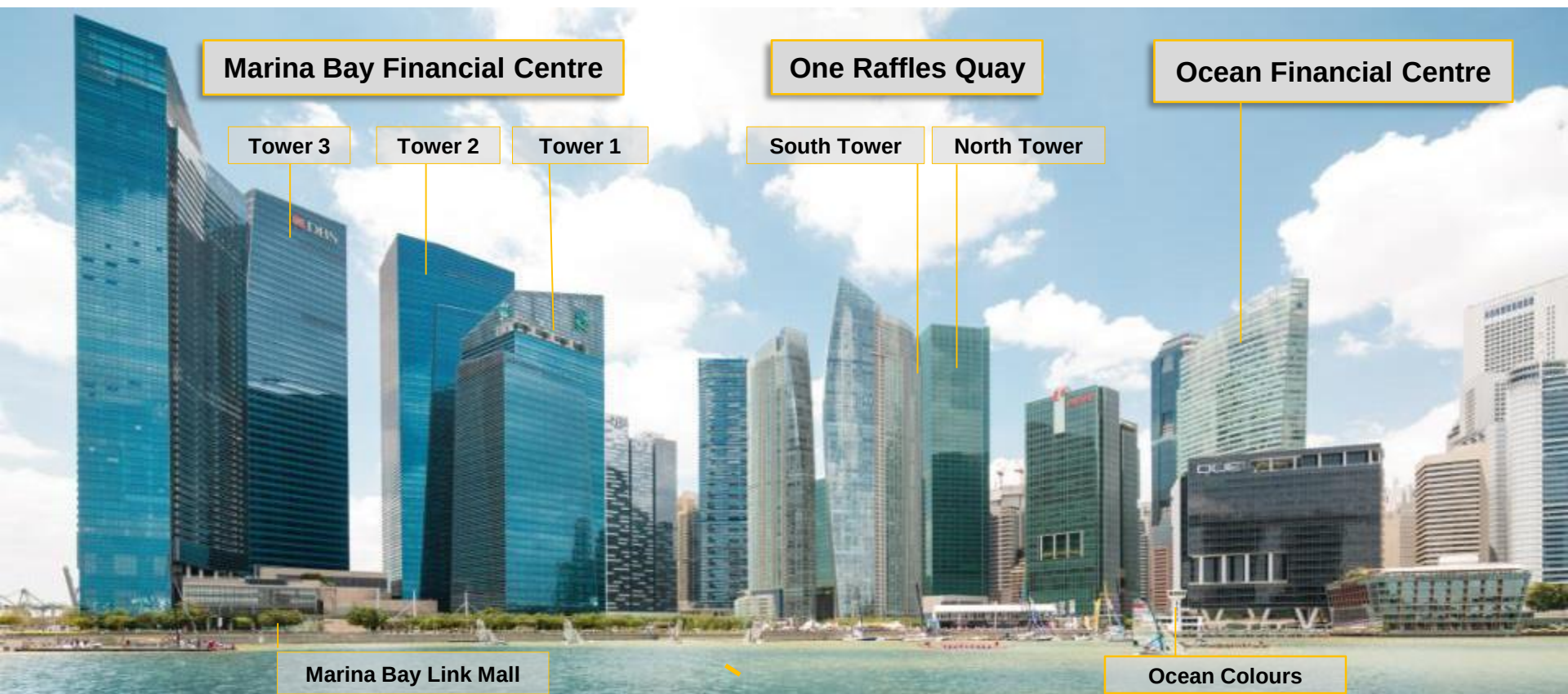
\$8.1 billion of 9 premium commercial assets in Singapore and Australia's key business districts

Large Portfolio of Premium Office Assets

3.5 million sf total attributable NLA

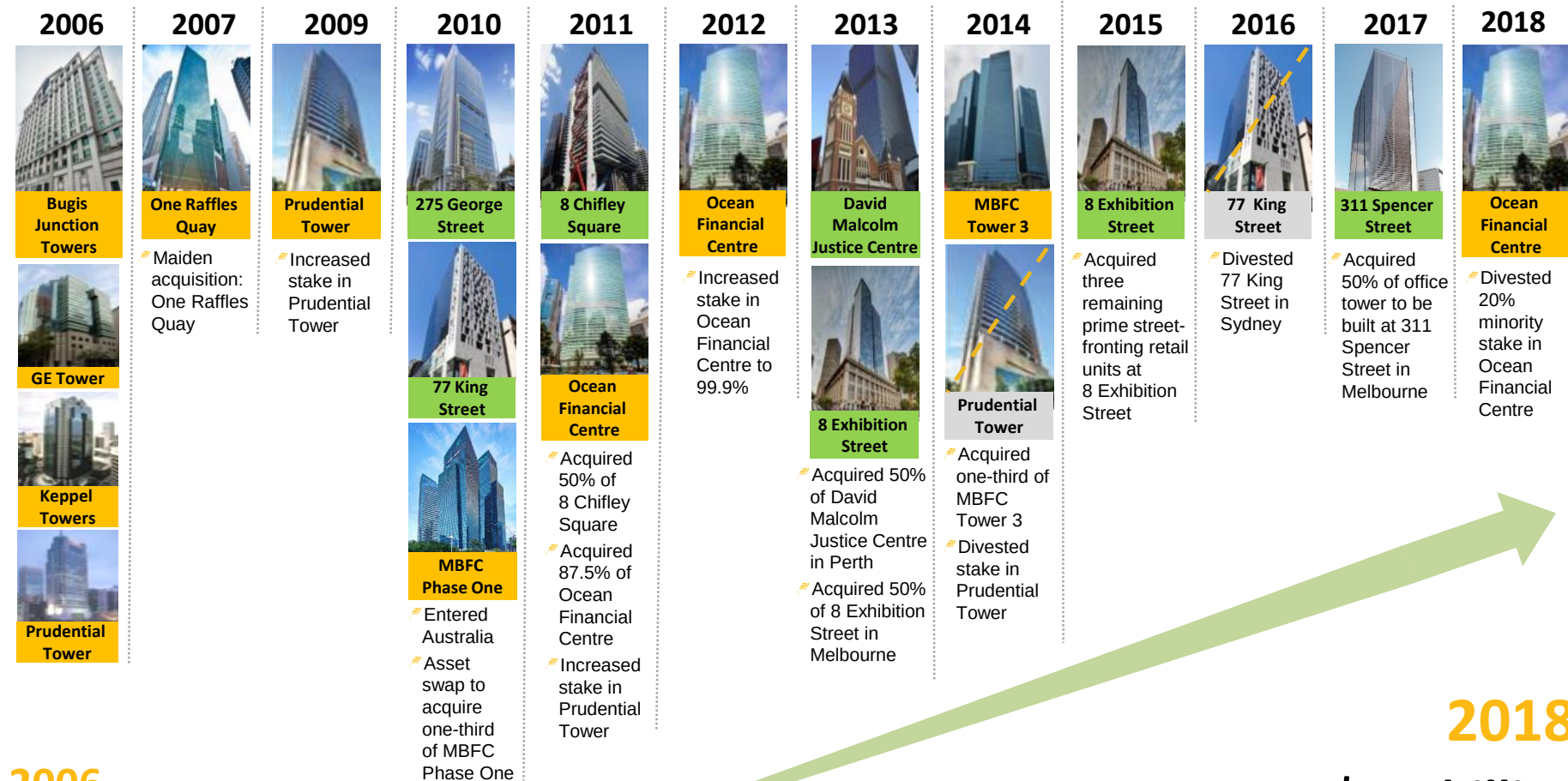
Commitment to Sustainability

BCA Green Mark Platinum award for all Singapore assets and 5 Stars NABERS Energy rating for most Australian assets





Portfolio rejuvenation and diversification to create long-term value for Unitholders



2006

AUM : Over \$600 million
Market Cap: \$250 million

2018

AUM: \$8.1 billion
Market Cap: \$3.9 billion



Ocean Financial Centre
(79.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers
(100% interest)

Singapore
85%

Australia
15%



**8 Chifley Square,
Sydney**
(50% interest)



**8 Exhibition Street,
Melbourne**
(50% interest)



**275 George Street,
Brisbane**
(50% interest)



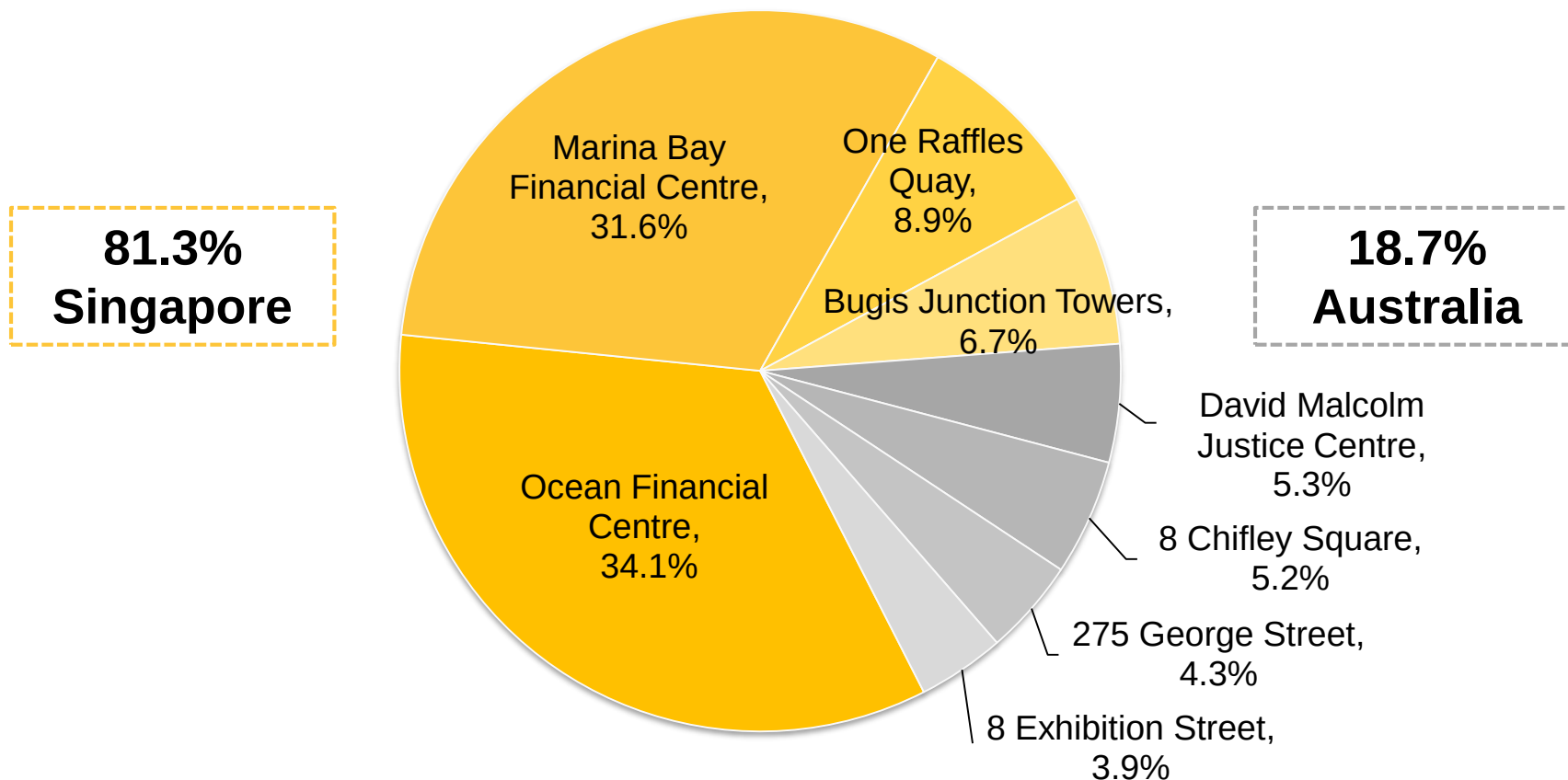
**David Malcolm
Justice Centre, Perth**
(50% interest)



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



Income Contribution* by Asset & Geography (for FY 2018)



* 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.



FY 2018 Key Highlights



- **Distributable Income** **\$189.0 m⁽¹⁾**
- **Distribution per Unit** **5.56 cents**
- **Aggregate Leverage** **36.3%**
- **All-in Interest Rate** **2.81% p.a.**



- **Leases Committed** **2,853,100 sf**
(Attributable area ~1,227,100 sf)
- **Portfolio Committed Occupancy** **98.4%**
- **Portfolio WALE** **5.9 years**
- **Tenant Retention** **83%**

(1) This includes distribution of capital gains of \$3.0 million for 4Q 2018.



Financial Performance & Capital Management

One Raffles Quay, Singapore



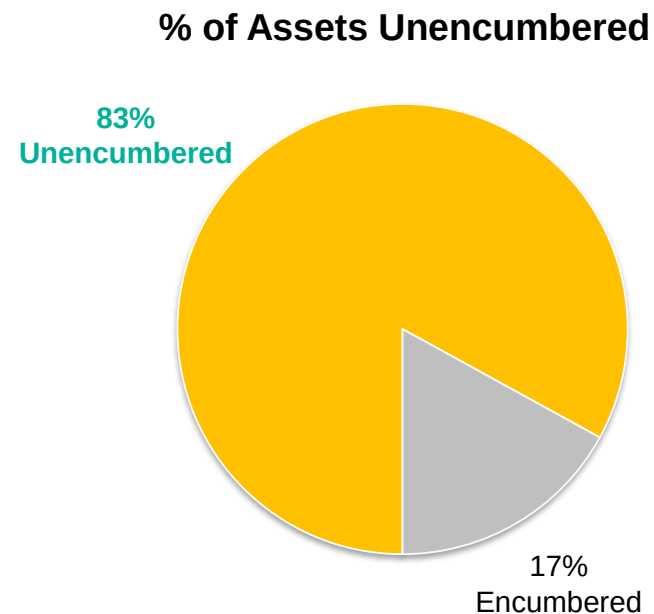
	4Q 2018	4Q 2017	FY 2018	FY 2017
Property Income	\$37.8 m	\$44.4 m	\$165.9 m	\$164.5 m
Net Property Income	\$30.5 m	\$36.2 m	\$133.2 m	\$131.2 m
Share of Results of Associates and Joint Ventures	\$23.9 m	\$27.4 m	\$103.9 m	\$115.8 m
Distribution to Unitholders	\$46.2 m ⁽¹⁾	\$48.2 m	\$189.0 m ⁽¹⁾	\$190.7 m
Distribution per Unit (DPU)	1.36 cents	1.43 cents	5.56 cents	5.70 cents

Distribution Timetable for 4Q 2018	Ex-Date	Mon, 28 Jan 2019
	Books Closure Date	Tue, 29 Jan 2019
	Payment Date	Thu, 28 Feb 2019

(1) This includes distribution of capital gains of \$3.0 million for 4Q 2018.



	As at 31 Dec 2018	As at 31 Dec 2017
Total Assets	\$7,784 m	\$7,604 m
Borrowings⁽¹⁾	\$3,044 m	\$3,375 m
Total Liabilities	\$2,449 m	\$2,689 m
Unitholders' Funds	\$4,757 m	\$4,763 m
Adjusted NAV per Unit⁽²⁾	\$1.39	\$1.40



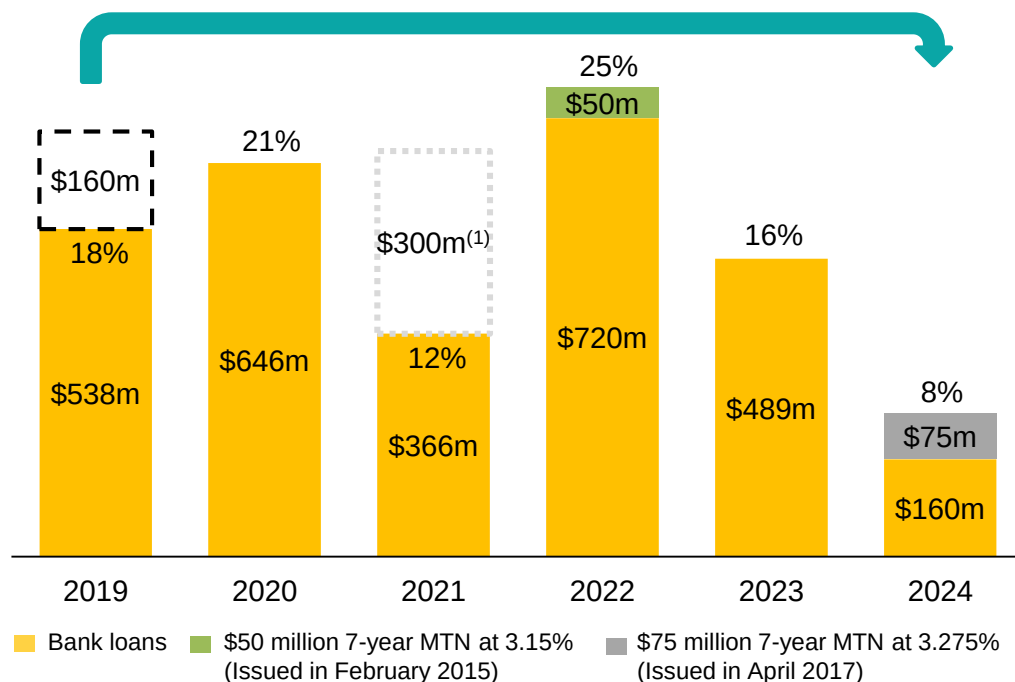
(1) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

(2) For 31 December 2018 and 31 December 2017, these excluded the distributions to be paid in February 2019 and paid in February 2018 respectively. 10



- Lowered aggregate leverage to 36.3% after loan repayment with part of divestment proceeds
- Received commitments to refinance certain loans due in 2019

Debt Maturity Profile



(1) \$300.0 million loan was repaid with part of divestment proceeds received in 4Q 2018.

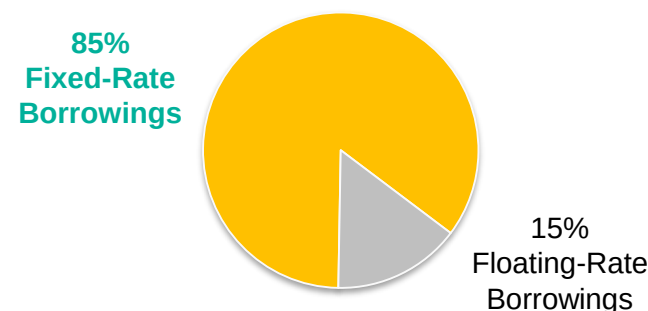
(2) This takes into account commitments received to refinance certain loans that are due in 2019.

(3) Based on the Group's borrowings including those accounted for at the level of associates, and number of Units in issue as at 31 December 2018.

31 Dec 2018

Interest Coverage Ratio	3.9x
All-in Interest Rate	2.81% p.a.
Aggregate Leverage	36.3%
Weighted Average Term to Maturity	2.8 years ⁽²⁾

Managing interest rate exposure



Sensitivity to SOR⁽³⁾

Every **50 bps** ↑↓ in SOR
 translates to ~0.05 cents ↓↑ in DPU



Portfolio Review

Ocean Financial Centre, Singapore

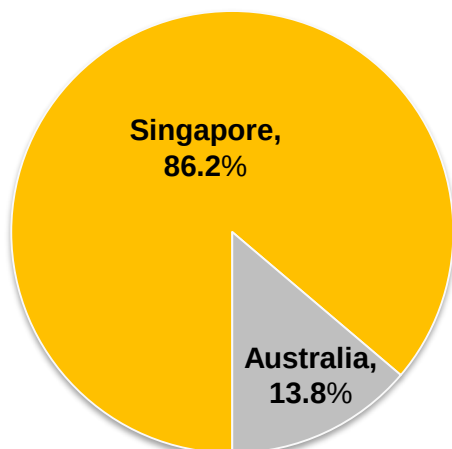


Leasing Updates for FY 2018

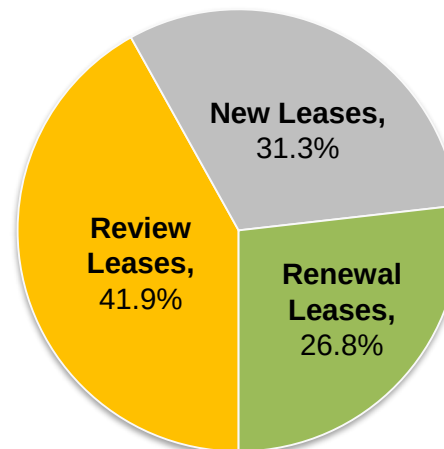
Committed Leases	130 Leases	~2,853,100 sf (Attributable ~1,227,100 sf)	98.4% Portfolio Committed Occupancy
Tenant Retention & WALE	83% Retention Rate	~5.9 years Portfolio WALE	~8.2 years Top 10 Tenants' WALE

Leases Committed in FY 2018

Breakdown by Geography⁽¹⁾:



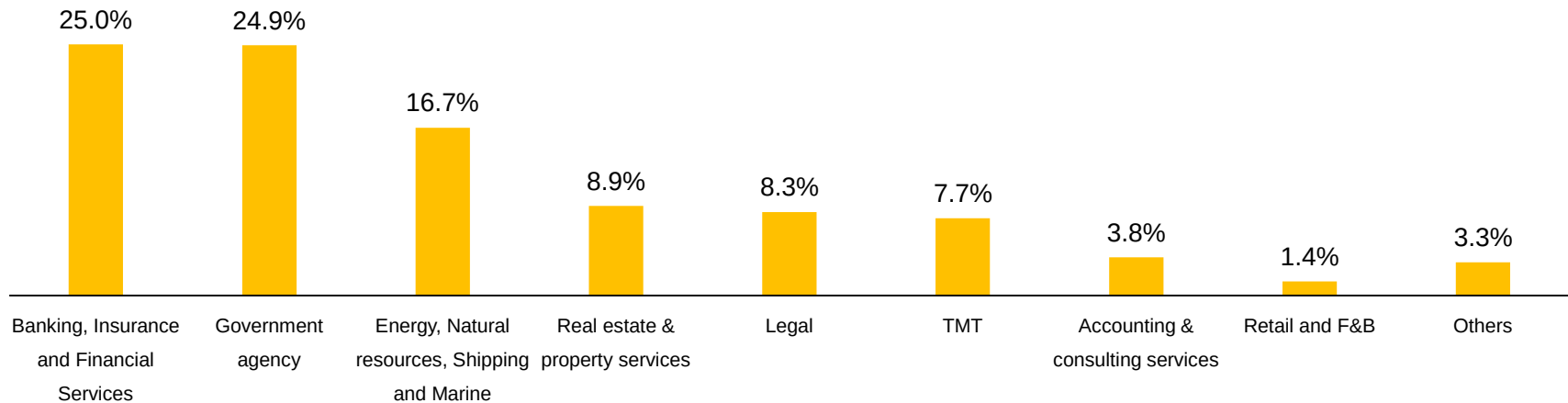
Breakdown by Type⁽¹⁾:



(1) Based on attributable area.

- Average signing rent for the Singapore office leases in FY 2018 was ~\$11.10⁽¹⁾ psf pm, above Grade A core CBD market average of \$10.26⁽²⁾ psf pm
- New leasing demand and expansions mainly contributed by:
 - 1) Banking and financial services sector
 - 2) Government agencies
 - 3) Energy and natural resources sector

New leases committed in FY 2018 (by attributable area)



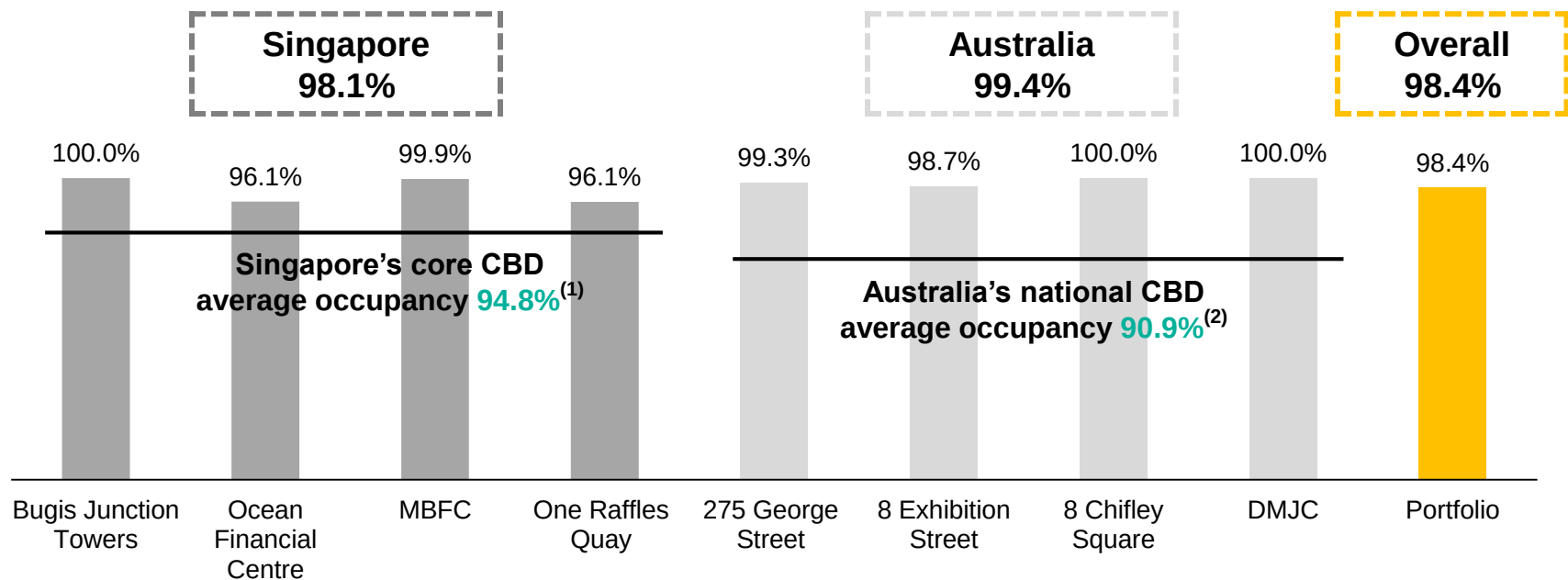
(1) For the Singapore office leases concluded in FY 2018 and based on a simple average calculation.

(2) Based on simple average calculation of CBRE Pte. Ltd.'s quarterly rents for Grade A offices in Singapore CBD in 2018 (1Q 2018: \$9.70 psf pm, 2Q 2018: \$10.10 psf pm, 3Q 2018: \$10.45 psf pm, 4Q 2018: \$10.80 psf pm).

- Committed occupancies for the Singapore and Australia assets remain healthy and above market average
- The Manager will continue to strive for an optimal balance between achieving high occupancy levels and maximising returns from the assets

High Portfolio Committed Occupancy

(as at 31 Dec 2018)

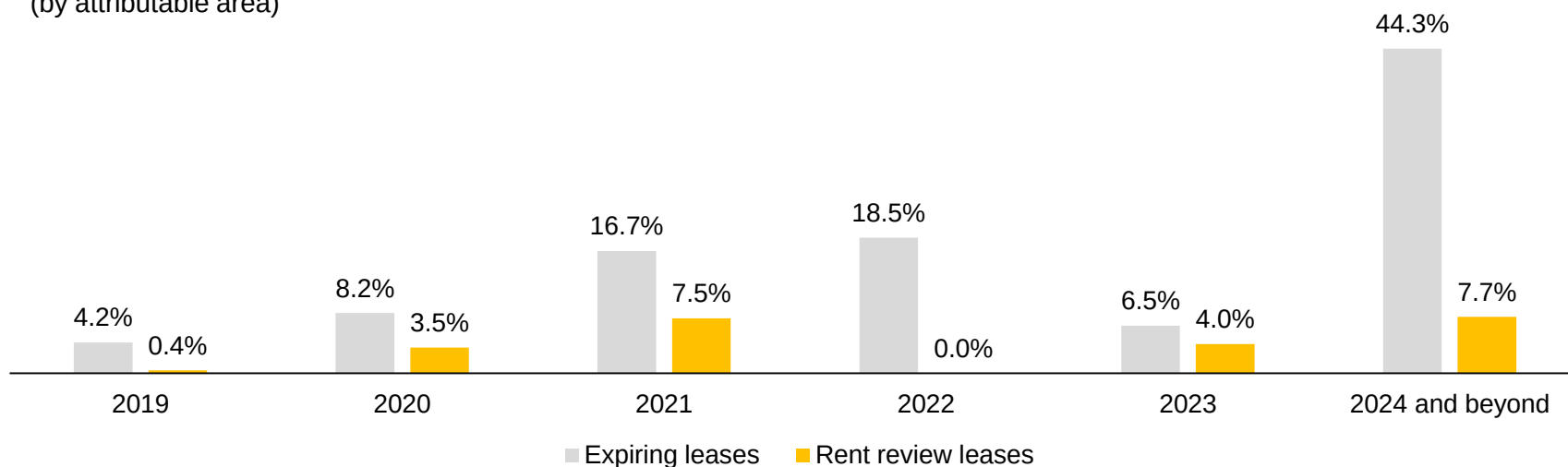




- WALE for the portfolio and top 10 tenants remained long at approximately 5.9 years and 8.2 years respectively
- Of the leases expiring and due for review in 2019, majority of the Singapore office leases range between \$9.10 and \$12.00 psf pm

Portfolio Lease Expiry Profile

(by attributable area)

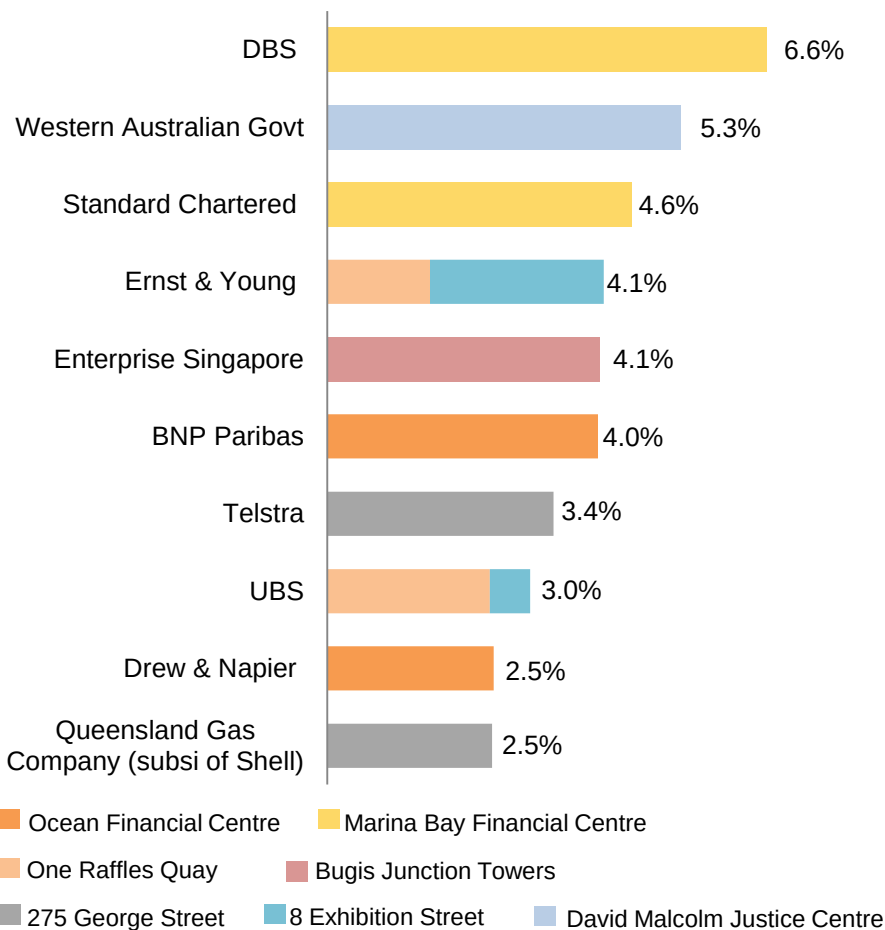


All data as at 31 December 2018. Remaining lease term to expiry based on portfolio committed NLA.



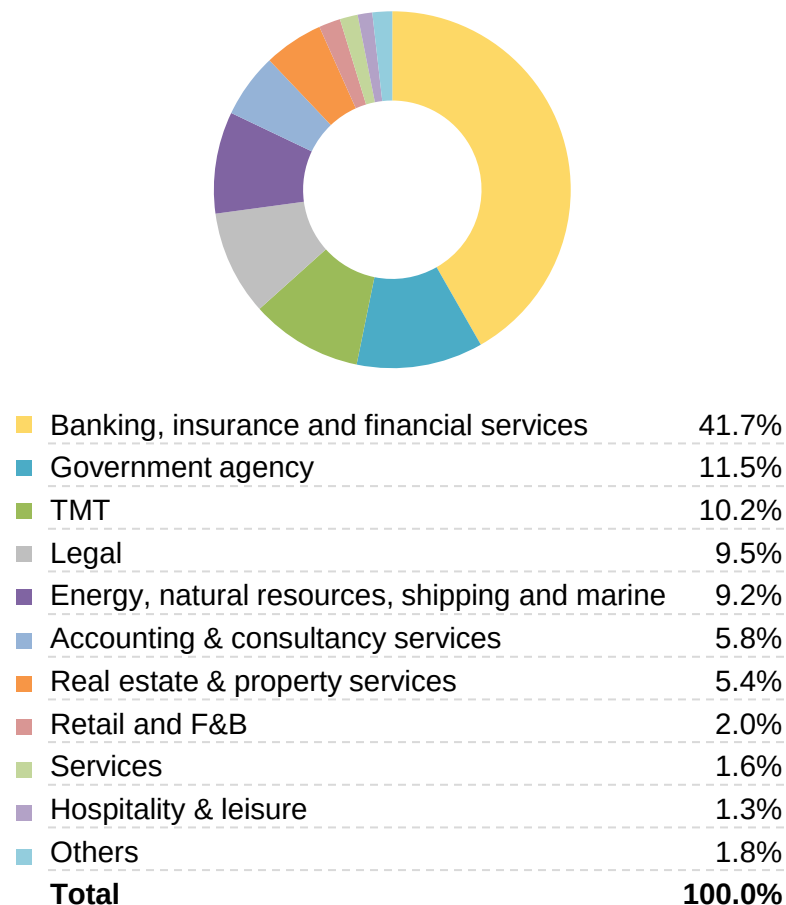
Top 10 Tenants^(1,2)

Occupies 40.1% of portfolio NLA
Contributes 37.8% of gross rental income



Profile of Tenant Base^(1,2)

Number of Tenants: 336⁽³⁾



(1) All data as at 31 December 2018 and based on portfolio committed NLA.

(2) Based on Keppel REIT's 79.9% attributable share of tenants in Ocean Financial Centre following the divestment of a 20% stake.

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



	31 Dec 2017 (\$'m)	31 Dec 2018 (\$'m)	31 Dec 2018 (\$'psf)	Variance (\$'m)	Cap Rate
Ocean Financial Centre (79.9% interest) ⁽¹⁾	2,623.0	2,099.0 ⁽⁴⁾	2,994	(524.0) ⁽⁴⁾	3.60%
Marina Bay Financial Centre (33.3% interest)	Phase 1: 1,693.0	1,695.3	2,928	2.3	3.65%
	Tower 3: 1,300.3	1,297.0	2,904	(3.3)	3.63%
One Raffles Quay (33.3% interest)	1,273.0	1,275.6	2,882	2.6	3.65%
Bugis Junction Towers (100% interest)	525.0	515.0	2,069	(10.0)	3.65%
Singapore Properties	7,414.3	6,881.9		(532.4)	
8 Chifley Square ⁽²⁾ (50% interest)	247.4	249.3	2,395	1.9	4.88%
8 Exhibition Street ^(2,3) (50% interest)	256.0	271.9	1,107	15.9	5.00% ⁽⁴⁾
275 George Street ⁽²⁾ (50% interest)	219.3	232.2	1,033	12.9	5.25%
David Malcolm Justice Centre ⁽²⁾ (50% interest)	216.8	221.6	1,321	4.8	5.50%
311 Spencer Street ^(2,5) (50% interest)	148.9	233.8	Not meaningful	84.9	4.50%
Australia Properties ⁽²⁾	1,088.4	1,208.8		120.4	
Total Portfolio	8,502.7	8,090.7		(412.0)	

(1) A 20% stake was divested on 11 December 2018

(2) Based on the exchange rate of A\$1=S\$1.02 as at 31 December 2017 and A\$1=S\$1.0071 as at 31 December 2018

(3) Includes 100% interest in another three retail units

(4) Refers to Keppel REIT's 50% interest in the office building

(5) Under construction, on "as-is" basis



Governance & Disclosure

- **Keppel REIT:** 4th in the REIT and business trust category of the Singapore Governance and Transparency Index (SGTI)

Sustainability & Environmental Performance

- **Keppel REIT:** Green Star Status at the Global Real Estate Sustainability Benchmark (GRESB)
- **David Malcolm Justice Centre:**
 - Western Australia Commercial Property of the Year Award (over 20,000 sm)
 - Environmentally Sustainable Design & Sustainability Award (Premium/A Grade)



David Malcolm Justice Centre attained Perth's first GBCA 6 Star Green Star performance rating

Portfolio Optimisation

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The sun is visible on the left, creating a bright lens flare and illuminating the scene. The buildings are set against a clear blue sky with some light clouds. The perspective makes the buildings appear to converge towards the top of the frame.

Marina Bay Financial Centre, Singapore



*Partial divestment of Ocean Financial Centre
as part of portfolio optimisation*

- Divested 20% stake in Ocean Financial Centre to Allianz
- Keppel REIT maintains controlling stake of 79.9%
- Unlocking capital gains while maintaining exposure to strengthening Singapore Grade A office market

20% of Ocean Financial Centre

Sale Price⁽¹⁾	\$537.3 m
Purchase Price⁽²⁾	\$460.2 m
Capital Gain⁽³⁾	\$77.1 m
Net Asset-level Return	8.3%

(1) The net proceeds received amounted to approximately \$439.3 million, based on 20% of OPLLP's adjusted net asset value on the date of completion of the divestment (subject to final adjustments).

(2) Based on 20% of the historical purchase price of \$2,298.8 million for Keppel REIT's 99.9% ownership.

(3) Computed based on the pro-rated difference between agreed property value and historical purchase price of Ocean Financial Centre.

- Construction of freehold Grade A office tower is in progress in Melbourne
- 30-year lease to the Victoria Police will commence in 1H 2020 and contribute steady income

Artist's Impression



Development in Progress



- **Yield accretive:** 6.4%⁽¹⁾
- **Stable income stream:** 30-year lease with fixed annual rental escalations
- **Enhanced tenancy profile:** Freehold Grade A office tower will be headquarters for the Victoria Police, a AAA-rated tenant

(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.



Before

After

275 George Street, Brisbane

Initiatives carried out
to enhance and
rejuvenate asset



Artist's impression after foyer upgrade

8 Exhibition Street, Melbourne

Initiatives to improve
amenities commencing
in 1H 2019

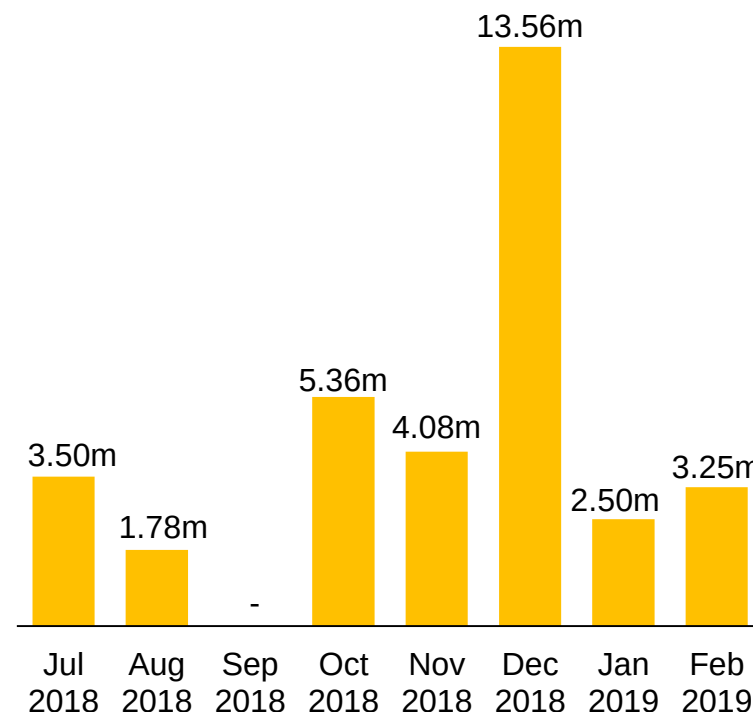


Artist's impression after foyer upgrade



- Initiated Unit buy-back programme in 3Q 2018 with intention to buy back up to 1.5% of issued Units over rolling six-month period
- Part of proactive capital management strategy given that the stock is trading at a discount to NAV
- Accretive to both DPU and NAV per Unit
- Purchased and cancelled 34.0 million issued Units as at end February 2019

Monthly Unit Buy-Back Volume

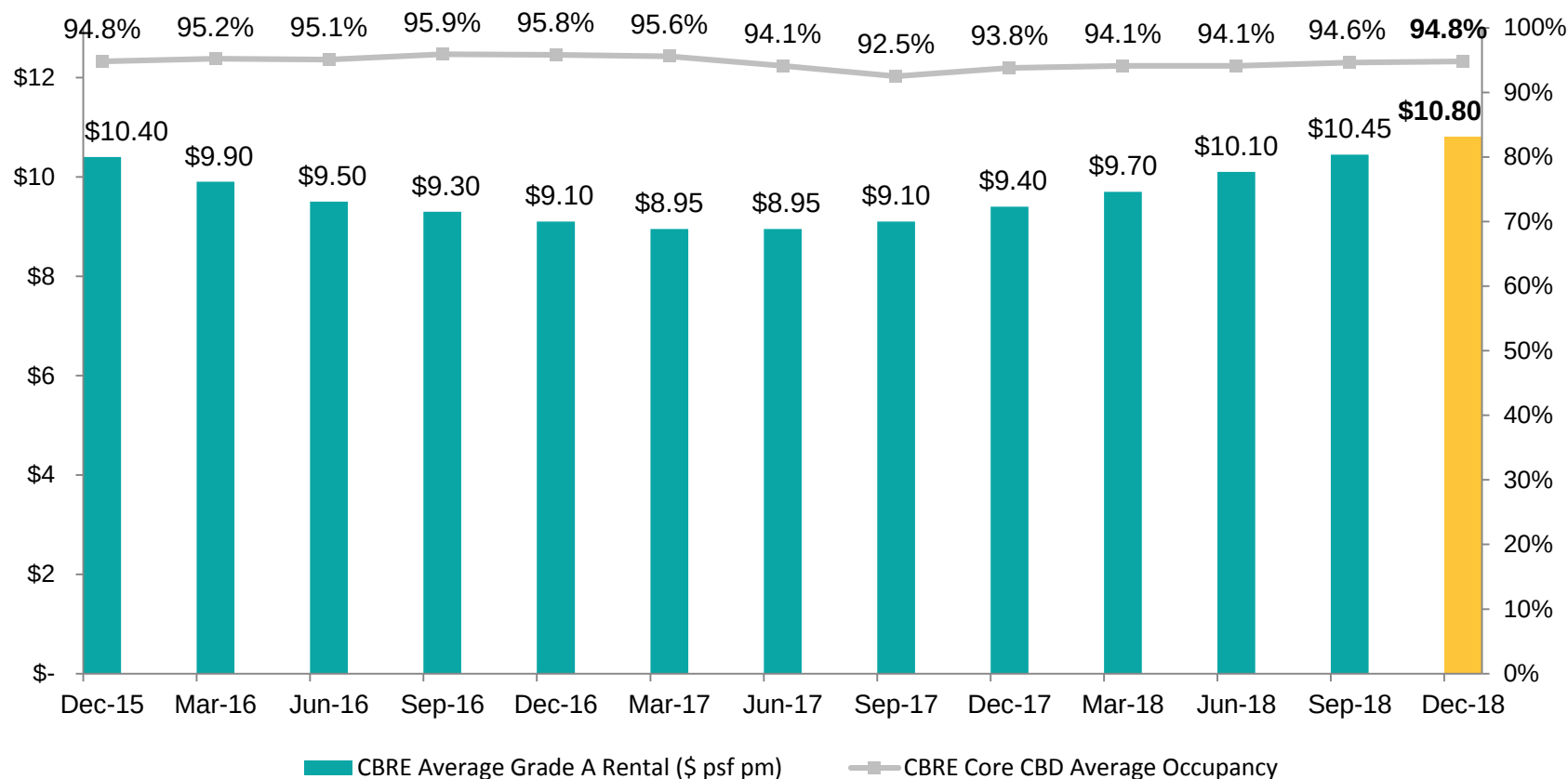


Looking Ahead

8 Chifley Square, Sydney



- Continued improvement in average Grade A office rents through FY 2018, with average Grade A office rents increasing to \$10.80 psf pm as occupancy in the core CBD rose to 94.8% in 4Q 2018
- Office market outlook remains largely positive, supported by a tightening supply pipeline and diverse demand drivers





- Quarterly net absorption at its highest level in more than a decade
- National CBD office average occupancy rose to 90.9%
- Business conditions remain generally positive across Australia. However, global trade and geopolitical uncertainties could potentially impact future leasing demand



Committed occupancy at 8 Exhibition Street in Melbourne improved in 4Q 2018



Leverage on-the-ground presence and expertise of Keppel's overseas offices



Legend

- Keppel Group real estate offices
- Keppel REIT assets

A photograph of a modern building's interior courtyard. The space is characterized by large glass walls and floors, reflecting the surrounding architecture. Yellow structural elements, possibly balconies or walkways, are visible on the upper levels. The lighting is bright, suggesting a sunny day. The overall aesthetic is clean and contemporary.

Additional Information

8 Exhibition Street, Melbourne

	Ocean Financial Centre ⁽³⁾	Marina Bay Financial Centre ⁽⁵⁾	One Raffles Quay	Bugis Junction Towers
Attributable NLA (sf)	701,011	1,025,522	442,576	248,853
Ownership	79.9%	33.33%	33.33%	100.0%
Principal tenants ⁽¹⁾	BNP Paribas, Drew & Napier, ANZ	DBS Bank, Standard Chartered Bank, Barclays	UBS, Deutsche Bank, Ernst & Young	Enterprise Singapore, InterContinental Hotels Group
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 ⁽⁶⁾ and 7 Mar 2106 ⁽⁷⁾	99 years expiring 12 Jun 2100	99 years expiring 9 Sep 2089
Purchase Price (on acquisition)	S\$1,838.6m ⁽⁴⁾	S\$1,426.8m ⁽⁶⁾ S\$1,248m ⁽⁷⁾	S\$941.5m	S\$159.5m
Valuation ⁽²⁾	S\$2,099.0m	S\$1,695.3m ⁽⁶⁾ S\$1,297.0m ⁽⁷⁾	S\$1,275.6m	S\$515.0m
Capitalisation rates	3.60%	3.65% ⁽⁶⁾ 3.63% ⁽⁷⁾	3.65%	3.65%

1) On committed basis.

2) Valuation as at 31 December 2018 based on Keppel REIT's interest in the respective properties.

3) Based on Keppel REIT's 79.9% interest following the divestment of a 20% stake on 11 December 2018.

4) Based on Keppel REIT's 79.9% of the historical purchase price.

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

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

7) Refers to MBFC Tower 3.



	8 Chifley Square, Sydney	8 Exhibition Street, Melbourne ⁽³⁾	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	311 Spencer Street, Melbourne (Under construction)
Attributable NLA (sf)	104,070	245,651	224,693	167,784	358,683
Ownership	50.0%	50.0%	50.0%	50.0%	50.0%
Principal tenants ⁽¹⁾	Corrs Chambers Westgarth, Quantum Group, QBE Insurance Group	Ernst & Young, Minister for Finance - State of Victoria, UBS	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 ⁽³⁾	S\$209.4m	S\$208.1m	S\$362.4m ⁽⁶⁾
Valuation ⁽²⁾	S\$249.3m	S\$271.9m ⁽³⁾	S\$232.2m	S\$221.6m	S\$233.8m ⁽⁷⁾
Capitalisation rates	4.88%	5.00% ⁽⁴⁾ 4.50% ⁽⁵⁾	5.25%	5.50%	4.50%

1) On committed basis.

2) Valuation as at 31 December 2018 based on Keppel REIT's interest in the respective properties.

Based on the exchange rate of A\$1 = S\$1.0071 as at 31 December 2018.

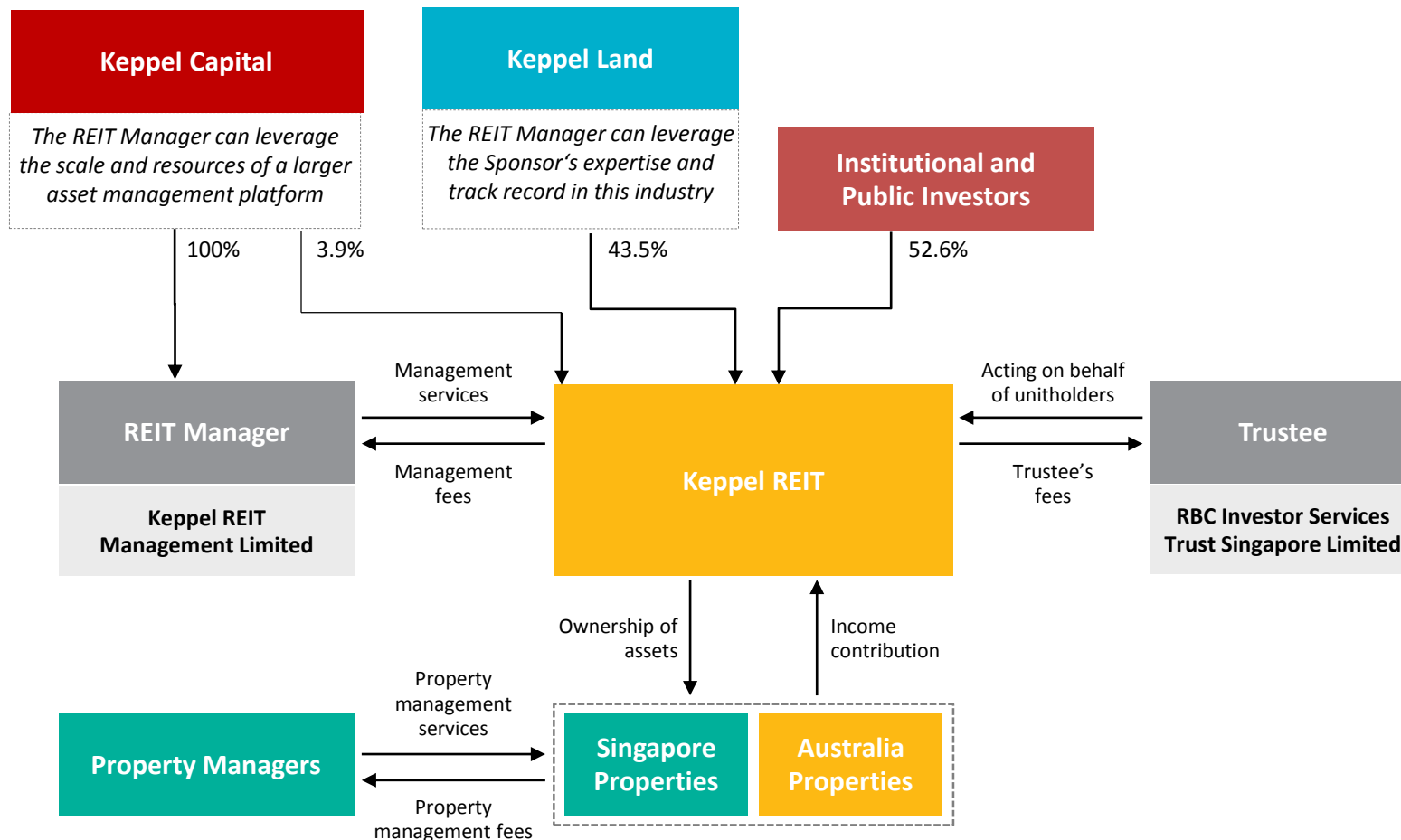
3) Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and a 100% interest in another three retail units.

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

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

6) 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.

7) Based on "as is" valuation as at 31 December 2018.





Thank You