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MEDIA RELEASE

Unaudited Results of Keppel REIT for the Third Quarter and Nine Months Ended 30 September 2014

16 October 2014

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the third quarter and nine months ended 30 September 2014.

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

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Keppel REIT's Net Property Income grows 16.1% year-on-year

Achieves positive rental reversion of 32.3% in 3Q 2014 and

Maintains healthy annualised distribution yield of 6.4%

- Net property income for the first nine months of 2014 ("YTD Sept 2014") rose 16.1% year-on-year ("y-o-y") to \$117.2 million
- Achieved positive rental reversion of 32.3% in 3Q 2014
- Attained high tenant retention rate of 92% in 3Q 2014
- Strategic rejuvenation of property portfolio with the proposed acquisition of a one-third interest in Marina Bay Financial Centre ("MBFC") Tower 3 on 18 September 2014 and the successful divestment of its 92.8% stake in Prudential Tower on 26 September 2014
- With the portfolio upgrade, credit rating agencies Moody's and Standard & Poor's have both reaffirmed Keppel REIT's rating at "Baa2" and "BBB" respectively with a stable outlook
- All-in interest rate remains at 2.2%
- Proactive leasing strategy with forward renewals of approximately 175,000 sf for YTD Sept 2014
- Maintained strong committed portfolio occupancy of 99.3%, with seven of 11 office towers fully committed

Summary of Results

	GROUP			
	3Q 2014 \$'000	YTD Sept 2014 \$'000	YTD Sept 2013 \$'000	+ / (-) %
Property Income	47,628	141,756	126,551	12.0
Net Property Income	38,524	117,183	100,944	16.1
Net Income before Divestment Gain, Net Change in Fair Value of Investment Properties and Tax	33,342	116,242	115,901	0.3
Income Available for Distribution	52,027	160,294	159,149	0.7
Distribution to Unitholders ¹	52,027	160,294	159,149	0.7
Distribution per Unit ("DPU") (cents)				
For the Period	1.85	5.72	5.91	(3.2)
Annualised	7.34	7.65	7.90	(3.2)
Distribution Yield %	6.2% ²	6.4% ²	6.4% ³	

Notes:

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

(2) The yield is based on the market closing price per unit of \$1.190 as at the last trading day, 30 September 2014.

(3) The yield is based on the market closing price per unit of \$1.230 as at the last trading day, 30 September 2013.

Steady and Sustainable Performance

Keppel REIT Management Limited is pleased to announce a 16.1% y-o-y growth in net property income to \$117.2 million for YTD Sept 2014. Property income for the same period also rose 12.0% y-o-y to \$141.8 million. The increase was due mainly to better performance from Ocean Financial Centre and contribution from the 50% interest in 8 Exhibition Street, which was acquired on 1 August 2013.

The Group's net income before divestment gain, net change in fair value of investment properties and tax for YTD Sept 2014 was \$116.2 million, a 0.3% y-o-y increase as a result of higher net property income and interest income, as well as a greater share of results of joint ventures and lower amortisation expenses. These were partly offset by lower rental support and share of results of associates, higher borrowing costs, management fees and trust expenses, as well as the change in fair value of interest rate swap. The Group's total return before tax for YTD September 2014 was \$224.7 million, a 93.9% increase y-o-y as a result of gain on divestment of investment property and net fair value gain in investment properties.

Distributable income for YTD Sept 2014 grew 0.7% y-o-y to \$160.3 million. DPU for 3Q and YTD Sept 2014 stood at 1.85 cents and 5.72 cents respectively, equivalent to an annualised distribution yield of 6.4%.

Proactive Lease Management

Proactive leasing efforts by the Manager saw positive rental reversions of 32.3% and a high tenant retention rate of 92% in 3Q 2014. During the quarter, approximately 25,000 sf of space were leased and renewed to tenants from diverse sectors including the energy and natural resources, info-communication services and consultancy, real estate and property services, as well as retail (including F&B) industries.

The Manager has also forward renewed approximately 175,000 sf of space for YTD Sept 2014. These efforts saw Keppel REIT continue to maintain strong committed occupancy levels of 99.3% for its entire portfolio, with seven out of 11 office towers fully committed as at 30 September 2014.

Only 0.2% or approximately 5,500 sf of Keppel REIT's portfolio remains to be renewed. The Manager is also in advanced negotiation with tenants for the review of 6.3% or approximately 182,000 sf of space for the remaining quarter of 2014.

Keppel REIT continues to retain a total of 227 tenants from a diverse range of business sectors in its portfolio's tenant base. The portfolio has a long weighted average lease expiry of 8.2 years and 6.2 years for its top ten tenants (by net lettable area) and the entire portfolio respectively.

Strategic Rejuvenation of Portfolio

The Manager is also committed to proactively optimise and upgrade its portfolio to ensure long-term sustainable income to Keppel REIT Unitholders.

Following its announcement in May 2014, Keppel REIT successfully completed the divestment of its 92.8% interest in the 16-year-old Prudential Tower for \$512.0 million on 26 September 2014.

On 18 September 2014, Keppel REIT announced the proposed acquisition of a one-third interest in the two-year-old MBFC Tower 3 for an agreed property value of \$1,248.0 million or \$2,790 psf. Excluding the five-year rental support of up to an aggregate amount of approximately \$49.2 million, the net purchase price will be \$1,198.8 million or \$2,680 psf.

The favourable rejuvenation of portfolio saw credit rating agencies Moody's and Standard & Poor's both reaffirm Keppel REIT's rating at "Baa2" and "BBB" respectively with a stable outlook. Both agencies expect the addition of MBFC Tower 3 to augment the overall quality of Keppel REIT's portfolio as well as enhance Keppel REIT's income diversification while keeping its financial strength intact.

Prudent Capital Management Strategy

The Manager has completed the refinancing of all loans due in 2014. In addition, \$275 million (48%) and \$75 million (16%) of borrowings due in 2015 and 2016 respectively have also been refinanced early, with no further refinancing requirements for the next 14 months.

Aggregate leverage decreased to 42.1% as at 30 September 2014, with approximately 72% of borrowings on fixed-rate. The year-to-date all-in interest rate stood at 2.2% as at 30 September 2014, while the weighted average term to expiry is 3.5 years. Interest coverage ratio is healthy at 5.1 times.

Singapore Office Market Outlook

Advanced estimates by the Ministry of Trade and Industry indicate that the Singapore economy expanded 1.2% quarter-on-quarter ("q-o-q") to 2.4% in 3Q 2014. With continued expansion in the global economy, the Monetary Authority of Singapore expects the economy to grow at a moderate pace for the rest of 2014 and in 2015.

According to CBRE, average occupancy for Grade A office space in the core CBD area held firm at 96.6%. Grade A rents in the CBD core market continued to lead rental growth, rising 3.3% q-o-q to \$10.95 psf per month during the quarter. CBRE expects rental rates and leasing demand to remain positive over the new few quarters, underpinned by low vacancy and steady demand.

Australia Office Market Outlook

Meanwhile, the Australian Bureau of Statistics has recorded a y-o-y economic growth of 3.1% in 2Q 2014. The Reserve Bank of Australia (RBA) expects GDP to be 3.0% for 2014. In September 2014, RBA also announced that it will continue to maintain interest rates at 2.5% to sustain demand and economic growth.

According to Jones Lang LaSalle, office leasing activity in Australia is expected to improve through 2014 and 2015, with signs of expansion from companies in the professional services and technology-related sectors. It had also noted that an estimated 4% to 5% of office stock could potentially be withdrawn from the CBD office markets in the next few years, and together with the underinvestment in capital expenditure, this could likely generate new leasing enquiries in the office markets.

Looking Ahead

The Manager will continue to adopt a prudent and proactive capital management strategy to mitigate financing risks. The Manager also strives to deliver sustainable returns to Unitholders by maximising the performance of its properties as well as continually enhancing and optimising its portfolio to generate stable returns.

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 currently one of the largest real estate investment trusts listed on the Singapore Exchange Securities Trading Limited.

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 pan-Asia.

As at 30 September 2014, Keppel REIT has an asset size of approximately \$6.9 billion comprising interests in nine premium office assets with 11 office towers strategically located in the central business districts of Singapore, as well as key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

In Singapore, Keppel REIT owns a 99.9% interest in Ocean Financial Centre, a one-third interest in Marina Bay Financial Centre ("MBFC") Phase One (comprising Towers 1 and 2 and Marina Bay Link Mall), a one-third interest in One Raffles Quay, and 100% of Bugis Junction Towers.

In Australia, Keppel REIT owns five premium commercial assets, which comprises a 50% interest in 8 Chifley Square and 77 King Street Office Tower in Sydney, a 50% interest in the office building at 8 Exhibition Street in Melbourne, a 50% interest in 275 George Street in Brisbane as well as a 50% interest in the new office tower to be built on the Old Treasury Building site in Perth.

On 18 September 2014, Keppel REIT announced the proposed acquisition of a one-third interest in MBFC Tower 3. The acquisition is subject to and conditional upon among others, the approval of Unitholders at an extraordinary general meeting. On 26 September 2014, Keppel REIT successfully completed the divestment of its 92.8% interest in Prudential Tower.

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

Important Notice

The value of units in Keppel REIT ("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 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 its future performance. This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of 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, 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

**KEPPEL REIT
THIRD QUARTER 2014 FINANCIAL STATEMENTS ANNOUNCEMENT****UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014****TABLE OF CONTENTS**

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**SUMMARY OF KEPPEL REIT RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

	GROUP			
	3Q2014 \$'000	YTD Sep 2014 \$'000	YTD Sep 2013 \$'000	+/(-) %
Property Income	47,628	141,756	126,551	12.0
Net Property Income	38,524	117,183	100,944	16.1
Net Income before Divestment Gain, Net Change in Fair Value of Investment Properties and Tax	33,342	116,242	115,901	0.3
Income Available for Distribution	52,027	160,294	159,149	0.7
Distribution to Unitholders ¹	52,027	160,294	159,149	0.7
For the Period	1.85	5.72	5.91	(3.2)
Annualised	7.34	7.65	7.90	(3.2)
Distribution Yield %	6.2% ²	6.4% ²	6.4% ³	

Notes:

- (1) Distribution to Unitholders is based on 100% of the taxable income available for distribution.
- (2) The yield is based on the market closing price per unit of \$1.190 as at the last trading day, 30 September 2014.
- (3) The yield is based on the market closing price per unit of \$1.230 as at the last trading day, 30 September 2013.

DISTRIBUTION DETAILS

Distribution ¹	1 July 2014 to 28 September 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 1.07 cents per unit (b) Tax-exempt income distribution - 0.63 cents per unit (c) Capital distribution - 0.10 cents per unit
Books Closure Date	26 September 2014
Payment Date	12 November 2014
Distribution	29 September 2014 to 30 September 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income
Distribution Rate	(a) Taxable income distribution - 0.02 cents per unit (b) Tax-exempt income distribution - 0.03 cents per unit
Books Closure Date	27 October 2014
Payment Date	28 November 2014

Note:

- (1) 195 million new units ("placement units") were issued on a non pro-rata basis on 29 September 2014. On 12 November 2014, eligible unitholders will receive an advanced distribution of 1.80 cents per unit for the period from 1 July 2014 to 28 September 2014. Thereafter, the placement units rank *pari passu* in all respects with the units in issue prior to 29 September 2014, including the entitlement of all future distributions.

INTRODUCTION

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As at 30 September 2014, Keppel REIT has an asset size of approximately \$6.9 billion comprising interests in nine premium office assets with 11 office towers strategically located in the central business districts of Singapore, as well as key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

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In Australia, Keppel REIT owns five premium commercial assets, which comprises a 50% interest in 8 Chifley Square and 77 King Street Office Tower in Sydney, a 50% interest in the office building at 8 Exhibition Street in Melbourne, a 50% interest in 275 George Street in Brisbane as well as a 50% interest in the new office tower to be built on the Old Treasury Building site in Perth.

On 18 September 2014, Keppel REIT announced the proposed acquisition of a one-third interest in MBFC Tower 3. The acquisition is subject to and conditional upon among others, the approval of Unitholders at an extraordinary general meeting. On 26 September 2014, Keppel REIT also successfully completed the divestment of its 92.8% interest in Prudential Tower.

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

1. UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the third quarter and nine months ended 30 September 2014:

1(a)(i) Statement of total return and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Total Return

	Note			<u>Group</u>			
		3Q2014	3Q2013	+ / (-)	YTD Sep 2014	YTD Sep 2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Gross rent		46,059	43,010	7.1	137,101	124,086	10.5
Car park income		833	439	89.7	2,425	1,138	113.1
Other income		736	503	46.3	2,230	1,327	68.0
Property income		47,628	43,952	8.4	141,756	126,551	12.0
Property tax		(3,038)	(3,224)	(5.8)	(7,267)	(7,299)	(0.4)
Other property expenses	1	(4,621)	(4,715)	(2.0)	(12,621)	(13,112)	(3.7)
Property management fee		(1,172)	(1,089)	7.6	(3,478)	(3,251)	7.0
Maintenance and sinking fund contributions		(273)	(647)	(57.8)	(1,207)	(1,945)	(37.9)
Property expenses		(9,104)	(9,675)	(5.9)	(24,573)	(25,607)	(4.0)
Net property income		38,524	34,277	12.4	117,183	100,944	16.1
Rental support	2	12,655	18,697	(32.3)	37,950	55,114	(31.1)
Interest income	3	8,321	9,753	(14.7)	28,423	27,171	4.6
Share of results of associates	4	14,401	15,999	(10.0)	44,630	46,370	(3.8)
Share of results of joint ventures	5	3,969	703	464.6	5,720	1,416	304.0
Amortisation expenses	6	(9,697)	(12,969)	(25.2)	(28,123)	(39,227)	(28.3)
Borrowing costs	7	(15,324)	(14,082)	8.8	(45,030)	(40,654)	10.8
Manager's management fees	8	(11,507)	(10,787)	6.7	(34,310)	(31,513)	8.9
Trust expenses		(3,091)	(955)	223.7	(5,292)	(3,720)	42.3
Changes in fair value of interest rate swap	9	(4,909)	-	100.0	(4,909)	-	100.0
Net income before divestment gain and net change in fair value of investment properties		33,342	40,636	(17.9)	116,242	115,901	0.3
Gain on divestment of investment property	10	16,179	-	100.0	16,179	-	100.0
Net change in fair value of investment properties	11	92,277	-	100.0	92,277	-	100.0
Total return before tax		141,798	40,636	248.9	224,698	115,901	93.9
Income tax expense	12	(3,533)	(3,647)	(3.1)	(8,969)	(9,312)	(3.7)
Total return after tax		138,265	36,989	273.8	215,729	106,589	102.4
Attributable to:							
Unitholders		138,201	36,972	273.8	215,627	106,539	102.4
Non-controlling interest		64	17	276.5	102	50	104.0
		138,265	36,989	273.8	215,729	106,589	102.4
Distribution Statement							
Total return for the period attributable to Unitholders		138,201	36,972	273.8	215,627	106,539	102.4
Net tax adjustments	13	(86,174)	17,107	NM	(55,333)	52,610	NM
Income available for distribution		52,027	54,079	(3.8)	160,294	159,149	0.7
Distribution to Unitholders	14	52,027	54,079	(3.8)	160,294	159,149	0.7
Distribution per Unit (cents)							
For the period		1.85	1.97	(6.1)	5.72	5.91	(3.2)
Annualised		7.34	7.82	(6.1)	7.65	7.90	(3.2)

Notes:

- (1) Included in other property expenses are the following:

	<u>Group</u>		YTD Sep	YTD Sep
	3Q2014	3Q2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	146	296	229	1,280
Utilities	839	1,477	2,471	4,141
Repair and maintenance	2,718	2,337	7,585	5,600
Property management reimbursements	515	473	1,235	1,394
Other property expenses	403	132	1,101	697
	<u>4,621</u>	<u>4,715</u>	<u>12,621</u>	<u>13,112</u>

- (2) For 3Q2014, this relates to the rental support top-up payments received by Keppel REIT for 77 King Street Office Tower, Sydney, and the approximate 99.9% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC"). For YTD Sep 2014, this relates to the rental support top-up payments received by Keppel REIT for the additional 29% interest in Prudential Tower acquired on 2 November 2009, the one-third interest in BFC Development LLP ("BFCDLLP") which holds Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall, 77 King Street Office Tower, Sydney, and the approximate 99.9% interest in OPLLP which holds OFC. In the prior periods, the rental support top-up payments received by Keppel REIT also included its additional 19.4% interests in Prudential Tower acquired on 3 May 2011.

- (3) Interest income comprises the following:

	<u>Group</u>		YTD Sep	YTD Sep
	3Q2014	3Q2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposits and current accounts	470	201	1,011	560
Interest income from shareholder's loans to One Raffles Quay Pte Ltd ("ORQPL") and BFCDLLP	5,403	5,359	16,006	16,082
Interest income from convertible notes in Mirvac 8 Chifley Trust and Mirvac (Old Treasury) Trust	2,448	4,193	11,406	10,529
	<u>8,321</u>	<u>9,753</u>	<u>28,423</u>	<u>27,171</u>

- (4) Share of results of associates for the current period relates to Keppel REIT's one-third interests in (i) ORQPL's net profit after tax, and (ii) BFCDLLP's partnership profit.
- (5) Share of results of joint ventures relates to Keppel REIT's 50% interests in Mirvac 8 Chifley Trust's ("M8CT") and Mirvac (Old Treasury) Trust's ("MOTT") net profit after tax.
- (6) Please refer to paragraph 1(b)(i), note 4.
- (7) Borrowing costs comprise the following:

	<u>Group</u>		YTD Sep	YTD Sep
	3Q2014	3Q2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Interest expense on term loans	14,069	12,407	41,428	34,856
Interest expense on revolving loans	553	1,034	1,369	4,040
Amortisation of capitalised transaction costs	702	641	2,233	1,758
	<u>15,324</u>	<u>14,082</u>	<u>45,030</u>	<u>40,654</u>

- (8) *The Manager has elected to receive 100% of its management fees earned in respect of the approximate 87.5% interest in OPLLP and the 50% interest in 8 Exhibition Street as well as 50% of its management fee earned for the approximate 12.4% interest in OPLLP and the rest of the properties in units of Keppel REIT for FY2014 and FY2013.*
- (9) *This relates to the fair value change of an interest rate swap, which has been re-designated to hedge other existing loans subsequent to the repayment of a loan. The change in fair value has no DPU impact.*
- (10) *This relates to the gain on divestment of Keppel REIT's 92.8% interest in Prudential Tower.*
- (11) *In connection with the proposed acquisition of one-third interest in MBFC Tower 3 which was announced on 18 September 2014, Keppel REIT carried out a valuation, for its 99.9% interest in Ocean Financial Centre, one-third interest in MBFC Phase One (comprising Towers 1 and 2 and Marina Bay Link Mall), one-third interest in One Raffles Quay and Bugis Junction Towers, as at 31 August 2014. The amount relates to the net change in fair value of these properties.*
- (12) *Income tax expense comprises (i) tax of 17% (2013: 17%) on the rental support top-up payments received by Keppel REIT for its interests in BFCDLLP and OPLLP, net of deductible interest expense, and (ii) withholding tax expense in relation to the income from the Group's investments in Australia.*
- (13) *Included in the net tax adjustments are the following:*

	<u>Group</u>		<u>YTD Sep</u>	<u>YTD Sep</u>
	<u>3Q2014</u>	<u>3Q2013</u>	<u>2014</u>	<u>2013</u>
	\$'000	\$'000	\$'000	\$'000
<i>Management fees paid and/or payable in units</i>	7,728	7,110	23,001	20,864
<i>Trustee's fees</i>	277	255	817	744
<i>Net change in fair value of investment properties (net of non-controlling interest)</i>	(92,231)	-	(92,231)	-
<i>Amortisation of intangible asset and capitalised transaction costs</i>	10,399	13,610	30,356	40,985
<i>Temporary differences and other tax adjustments</i>	(12,347)	(3,868)	(17,276)	(9,983)
	<u>(86,174)</u>	<u>17,107</u>	<u>(55,333)</u>	<u>52,610</u>

Included in temporary differences and other tax adjustments were share of results of associates and joint ventures, dividend and distributions income, fair value change of an interest rate swap, gain on divestment of investment property, effect of recognising rental income on a straight line basis over the lease terms, non-taxable income and non-deductible expenses.

- (14) *Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders. The distribution to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.*

1(a)(ii) **Statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

Statement of Comprehensive Income

	3Q2014	3Q2013	Group		+ / (-)	
			YTD Sep 2014	YTD Sep 2013		
	\$'000	\$'000	%	\$'000	\$'000	%
Total return after tax	138,265	36,989	273.8	215,729	106,589	102.4
Other comprehensive income:						
Foreign currency translation	(26,054)	(27,889)	(6.6)	(1,898)	(69,317)	(97.3)
<u>Cashflow hedges:</u>						
Net change in fair value of cash flow hedges	11,453	2,302	397.5	16,604	7,172	131.5
Share of net change in fair value of cash flow hedges of an associate	380	492	(22.8)	930	1,286	(27.7)
Other comprehensive income for the period	(14,221)	(25,095)	(43.3)	15,636	(60,859)	NM
Total comprehensive income for the period	124,044	11,894	>500	231,365	45,730	405.9
Attributable to:						
Unitholders	123,979	11,873	>500	231,263	45,675	406.3
Non-controlling interest	65	21	209.5	102	55	85.5
	124,044	11,894	>500	231,365	45,730	405.9

NM – Not meaningful

1(b)(i) **Balance sheets, together with a comparative statement of the end of the immediately preceding financial year**

Balance Sheets	Note	Group			Trust		
		30/09/2014	31/12/2013	+ / (-)	30/09/2014	31/12/2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets							
Investment properties	1	3,587,869	4,015,094	(10.6)	521,850	994,760	(47.5)
Investment in subsidiaries		-	-	-	1,837,852	1,837,852	-
Investment in associates	2	2,296,650	2,269,185	1.2	1,979,167	1,979,167	-
Investment in joint ventures	3	398,044	315,310	26.2	-	-	-
Amount owing by subsidiaries		-	-	-	902,753	798,648	13.0
Fixed assets		153	23	>500	-	-	-
Intangible asset	4	19,237	47,356	(59.4)	-	1,094	(100.0)
Derivative financial instruments	5	3,479	2,738	27.1	354	-	100.0
Total non-current assets		6,305,432	6,649,706	(5.2)	5,241,976	5,611,521	(6.6)
Current assets							
Trade and other receivables	6	41,491	33,865	22.5	43,734	40,128	9.0
Prepaid expenses		751	1,010	(25.6)	247	22	>500
Cash and bank balances		591,374	90,611	>500	565,511	61,782	>500
Derivative financial instruments		-	347	(100.0)	-	347	(100.0)
Total current assets		633,616	125,833	403.5	609,492	102,279	495.9
Total assets		6,939,048	6,775,539	2.4	5,851,468	5,713,800	2.4
Current liabilities							
Trade and other payables		104,655	94,258	11.0	84,590	43,095	96.3
Income received in advance		1,345	1,621	(17.0)	239	239	-
Short term borrowings		-	281,953	(100.0)	-	281,953	(100.0)
Current portion of security deposits		2,344	3,927	(40.3)	620	852	(27.2)
Derivative financial instruments	7	1,380	6,559	(79.0)	1,380	6,559	(79.0)
Provision for taxation		8,387	10,858	(22.8)	7,600	10,998	(30.9)
Total current liabilities		118,111	399,176	(70.4)	94,429	343,696	(72.5)
Non-current liabilities							
Income received in advance		13,969	19,585	(28.7)	12,979	17,907	(27.5)
Long term borrowings		2,545,758	2,400,905	6.0	2,084,223	1,944,642	7.2
Derivative financial instruments	7	15,844	21,966	(27.9)	14,139	20,332	(30.5)
Non-current portion of security deposits		25,701	30,183	(14.8)	3,118	9,281	(66.4)
Deferred tax liabilities		4,753	4,753	-	-	-	-
Total non-current liabilities		2,606,025	2,477,392	5.2	2,114,459	1,992,162	6.1
Total liabilities		2,724,136	2,876,568	(5.3)	2,208,888	2,335,858	(5.4)
Net assets		4,214,912	3,898,971	8.1	3,642,580	3,377,942	7.8
Represented by:							
Unitholders' funds		4,212,888	3,896,993	8.1	3,642,580	3,377,942	7.8
Non-controlling interest		2,024	1,978	2.3	-	-	-
		4,214,912	3,898,971	8.1	3,642,580	3,377,942	7.8
Net asset value per unit (\$)		1.40	1.40		1.21	1.21	
Gross borrowings / Value of deposited properties (%)	8	42.1	42.1				

Notes:

- (1) *The decrease in investment properties is due mainly to the divestment of Prudential Tower, offset by net change in fair value of investment properties recognised for the quarter ended 30 September 2014.*
- (2) *This relates to the one-third equity interests in ORQPL and BFCDLLP, advances to these associates and the Group's share of post-acquisition results of these associates.*
- (3) *This relates to the 50% interest in M8CT and Mirvac 8 Chifley Pty Limited, and 50% interest in MOTT and Mirvac (Old Treasury) Pty Limited. It also includes convertible notes held in MOTT. The properties held through M8CT and MOTT are 8 Chifley Square and the new office tower to be built on the Old Treasury Building site respectively.*
- (4) *This relates to the unamortised aggregate rental support top-up payments receivable by the Group for its 100% interest in the office tower at 77 King Street, Sydney, and the approximate 99.9% interest in OPLLP. In the prior year, the balance also included unamortised aggregate rental support top-up payments receivable by the Group for its one-third interest in BFCDLLP which holds Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall. The intangible asset is amortised over the remaining rental support periods for the respective properties.*
- (5) *This relates to the fair value of interest rate swaps entered into by the Group.*
- (6) *Included in the balances are receivables for rental support top-up payments of \$12.5 million as at 30 September 2014 (31 December 2013: \$20.8 million).*
- (7) *This relates to the fair value of the foreign currency forward contracts entered into in relation to the investments in MOTT and income from the Australian properties, and fair value of interest rate swaps entered into by the Group.*
- (8) *This is based on the total amount of gross borrowings and valuation of deposited properties (held directly and indirectly) of \$6.9 billion as at 30 September 2014 (31 December 2013: \$7.2 billion).*

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	<u>Group</u>	
	As at 30/09/14 \$'000	As at 31/12/13 \$'000
Secured borrowings		
Amount repayable after one year	641,454	886,954
Less: Unamortised portion of fees	(2,689)	(4,312)
	638,765	882,642
Unsecured borrowings		
Amount repayable within one year	-	282,039
Amount repayable after one year	1,911,659	1,522,884
Less: Unamortised portion of fees	(4,666)	(4,707)
	1,906,993	1,800,216
Total borrowings	2,545,758	2,682,858

Details of Collaterals

As a security for the 5-year term loan facilities of \$175 million, the Group mortgaged its Bugis Junction Towers. In addition, Keppel REIT granted the lender the following:

- (i) an assignment of the rights, title and interest of the Trust and the insurances effected over Bugis Junction Towers;
- (ii) an assignment of all the rights, benefits, title and interest of the Trust in and to the property sale agreement and tenancy agreements relating to Bugis Junction Towers; and
- (iii) a debenture creating fixed and floating charges over all assets of the Trust relating to Bugis Junction Towers.

For the 5-year term loan facility of \$505 million, the Group granted the lenders securities of up to an aggregate principal amount of \$900 million comprising a mortgage against OFC and the following:

- (i) an assignment of construction contracts and construction guarantees; and
- (ii) an assignment of rental and insurance proceeds derived from OFC.

As at 30 September 2014, the Group had total borrowings of approximately \$2,553.1 million and an unutilised \$847.4 million of facilities available to meet its future obligations. The year-to-date all-in interest rate for borrowings stood at 2.20% per annum.

1(c) Consolidated Statement of Cash Flows

	3Q2014	3Q2013	YTD Sep 2014	YTD Sep 2013
Note	\$'000	\$'000	\$'000	\$'000
Operating activities				
Total return before tax	141,798	40,636	224,698	115,901
Adjustments for:				
Interest income	(8,321)	(9,753)	(28,423)	(27,171)
Amortisation expense	9,697	12,969	28,123	39,227
Share of results of associates	(14,401)	(15,999)	(44,630)	(46,370)
Share of results of joint ventures	(3,969)	(703)	(5,720)	(1,416)
Borrowing costs	15,324	14,082	45,030	40,654
Management fees paid and/or payable in units	7,728	7,110	23,001	20,864
Net change in fair value of investment properties	(92,277)	-	(92,277)	-
Gain on divestment of investment property	(16,179)	-	(16,179)	-
Changes in fair value of interest rate swap	4,909	-	4,909	-
Depreciation	11	2	32	12
Rental support income	(12,655)	(18,697)	(37,950)	(55,114)
Translation differences	1,265	(12,286)	119	(14,728)
Operating cash flows before changes in working capital	32,930	17,361	100,733	71,859
Increase in receivables	(263)	(1,038)	(2,281)	(380)
Increase/(Decrease) in payables	29,126	(24,249)	(74)	(42,165)
(Decrease)/Increase in security deposits	(5,978)	455	(6,065)	353
Cash flows from operations	55,815	(7,471)	92,313	29,667
Income taxes paid	(3,982)	(5,558)	(11,428)	(10,978)
Net cash flows generated from/(used in) operating activities	51,833	(13,029)	80,885	18,689
Purchase of investment property	-	(162,736)	-	(173,713)
Improvement in investment properties	(140)	(14,748)	(1,456)	(17,781)
Proceeds from divestment of investment property	460,800	-	512,000	-
Purchase of fixed assets	(4)	-	(162)	-
Interest received	8,093	10,251	32,027	26,973
Rental support received	12,248	18,952	46,254	53,943
Investment in joint ventures	(22,120)	-	(82,222)	(164,285)
Distribution received from joint ventures	2,484	323	3,257	563
Dividend income/distribution received from associates	16,280	16,725	31,932	32,402
Net cash flows generated from/(used in) investing activities	477,641	(131,233)	541,630	(241,898)
Financing activities				
Distribution to Unitholders	1 (53,222)	(72,443)	(162,877)	(176,464)
Loans drawdown	25,866	325,089	368,211	576,474
Repayment of loan	(250,000)	(240,437)	(506,975)	(347,883)
Upfront debt arrangement costs	-	(1,485)	(1,176)	(2,835)
Proceeds from placement	228,150	119,700	228,150	172,900
Partnership distribution to non-controlling interest	(18)	(16)	(50)	(49)
Interest paid	(10,190)	(7,989)	(37,804)	(33,737)
Issue expenses	(3,574)	(1,416)	(3,574)	(2,190)
Net cash flows (used in)/generated from financing activities	(62,988)	121,003	(116,095)	186,216
Net increase/(decrease) in cash and cash equivalents	466,486	(23,259)	506,420	(36,993)
Cash and cash equivalents at the beginning of period	111,693	57,095	71,140	71,766
Effect of exchange rate changes on cash and cash equivalents	(660)	(389)	(41)	(1,326)
Cash and cash equivalents at the end of period	577,519	33,447	577,519	33,447
Cash and bank balances	591,374	55,634	591,374	55,634
Less: Rental support received in advance held in escrow accounts	2 (13,855)	(22,187)	(13,855)	(22,187)
Cash and cash equivalents per Consolidated Statement of Cash Flows	577,519	33,447	577,519	33,447

Note:

- (1) Distribution for YTD Sep 2014 is for the period 1 October 2013 to 31 December 2013, paid on 28 February 2014, 1 January 2014 to 31 March 2014, paid on 28 May 2014, and 1 April 2014 to 30 June 2014, paid on 28 August 2014.
Distribution for YTD Sep 2013 is for the period of 1 October 2012 to 31 December 2012, paid on 27 February 2013, 1 January 2013 to 3 March 2013, paid on 12 April 2013, 4 March 2013 to 31 March 2013, paid on 28 May 2013, 1 April 2013 to 30 June 2013, paid on 28 August 2013, and 1 July 2013 to 5 August 2013, paid on 20 September 2013.
- (2) This relates to the rental support top-up payments received in advance by Keppel REIT held in escrow accounts for the 12.39% interest in OPLLP and the office tower at 77 King Street. In the prior year, the rental support top-up payments received in advance by Keppel REIT held in escrow accounts also included the additional 29% and 19.4% interests in Prudential Tower.

1(d)(i) Statements of Movements in Unitholders' Funds

	Units in Issue	Accumulated Profits	Foreign Currency Translation Reserve	Hedging Reserve	Discount on Acquisition of Non-Controlling Interest	Unitholders' Funds	Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
At 1 January 2014	2,924,291	1,092,311	(94,828)	(28,003)	3,222	3,896,993	1,978	3,898,971
Return for the period	-	77,426	-	-	-	77,426	38	77,464
Other comprehensive income	-	-	24,156	5,702	-	29,858	(1)	29,857
Total comprehensive income	-	77,426	24,156	5,702	-	107,284	37	107,321
Issue of units for payment of management fees	15,330	-	-	-	-	15,330	-	15,330
Distribution to Unitholders	(14,224)	(95,431)	-	-	-	(109,655)	-	(109,655)
Distribution of partnership profits to non-controlling interest	-	-	-	-	-	-	(38)	(38)
At 30 June 2014	2,925,397	1,074,306	(70,672)	(22,301)	3,222	3,909,952	1,977	3,911,929
Return for the period	-	138,201	-	-	-	138,201	64	138,265
Other comprehensive income	-	-	(26,054)	11,832	-	(14,222)	1	(14,221)
Total comprehensive income	-	138,201	(26,054)	11,832	-	123,979	65	124,044
Issue of units for payment of management fees	7,603	-	-	-	-	7,603	-	7,603
Issue of placement units	228,150	-	-	-	-	228,150	-	228,150
Issue expenses	(3,574)	-	-	-	-	(3,574)	-	(3,574)
Distribution to Unitholders	(2,802)	(50,420)	-	-	-	(53,222)	-	(53,222)
Distribution of partnership profits to non-controlling interest	-	-	-	-	-	-	(18)	(18)
At 30 September 2014	3,154,774	1,162,087	(96,726)	(10,469)	3,222	4,212,888	2,024	4,214,912

1(d)(i) Statements of Movements in Unitholders' Funds (cont'd)

	Note	Units in Issue \$'000	Accumulated Profits \$'000	Foreign Currency Translation Reserve \$'000	Hedging Reserve \$'000	Discount on Acquisition of Non- Controlling Interest \$'000	Unitholders' funds \$'000	Controlling Interest \$'000	Non- Controlling Interest \$'000	Total \$'000
At 1 January 2013		2,771,684	722,957	(4,138)	(28,599)	2,253	3,464,157	1,811	3,465,968	
Return for the period		-	69,567	-	-	-	69,567	33	69,600	
Other comprehensive income	1	-	-	(41,428)	5,663	-	(35,765)	1	(35,764)	
Total comprehensive income		-	69,567	(41,428)	5,663	-	33,802	34	33,836	
Issue of units for payment of management fees	5	13,656	-	-	-	-	13,656	-	13,656	
Issue of placement units	6	53,200	-	-	-	-	53,200	-	53,200	
Issue expenses	7	(774)	-	-	-	-	(774)	-	(774)	
Distribution to Unitholders		(22,376)	(81,645)	-	-	-	(104,021)	-	(104,021)	
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(49)	(49)	
At 30 June 2013		2,815,390	710,879	(45,566)	(22,936)	2,253	3,460,020	1,796	3,461,816	
Return for the period		-	36,972	-	-	-	36,972	17	36,989	
Other comprehensive income	1	-	-	(27,889)	2,790	-	(25,099)	4	(25,095)	
Total comprehensive income		-	36,972	(27,889)	2,790	-	11,873	21	11,894	
Issue of units for payment of management fees	5	6,947	-	-	-	-	6,947	-	6,947	
Issue of placement units	6	119,700	-	-	-	-	119,700	-	119,700	
Issue expenses	7	(1,416)	-	-	-	-	(1,416)	-	(1,416)	
Distribution to Unitholders		(17,444)	(54,999)	-	-	-	(72,443)	-	(72,443)	
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(16)	(16)	
At 30 September 2013		2,923,177	692,852	(73,455)	(20,146)	2,253	3,524,681	1,801	3,526,482	

1(d)(i) Statements of Movements in Unitholders' Funds (cont'd)

Notes:

- (1) *Other comprehensive income relates to the movement in foreign currency translation reserve arising from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities, fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and share of hedging reserve of an associate.*
- (2) *This represents 6,591,764, 6,715,908 and 5,985,399 units issued in 1Q2014, 2Q2014 and 3Q2014 as payment of management fees in units.*
- (3) *This relates to the placement of 195 million units at an issue price of \$1.17 per unit on 29 September 2014. The net proceeds raised will be used for the proposed acquisition of the one-third interest in Marina Bay Financial Centre Tower 3.*
- (4) *This relates to issue expenses in relation to the placement as mentioned in note 3 above.*
- (5) *This represents 5,324,113, 5,096,741 and 5,219,079 units issued in 1Q2013, 2Q2013 and 3Q2013 as payment of management fees in units.*
- (6) *This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013 and the placement of 95 million units at an issue price of \$1.26 per unit on 6 August 2013. The net proceeds raised have been used to repay outstanding borrowings and for the acquisition of the 50% interest in 8 Exhibition Street respectively.*
- (7) *This relates to issue expenses in relation to the placement as mentioned in note 6 above.*

<u>Trust</u>	<u>Note</u>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Total</u> \$'000
At 1 January 2014		2,924,291	479,884	(26,233)	3,377,942
Return for the period		-	120,916	-	120,916
Other comprehensive income	1	-	-	6,398	6,398
Total comprehensive income		-	120,916	6,398	127,314
Issue of units for payment of management fees	2	15,330	-	-	15,330
Distribution to Unitholders		(14,224)	(95,431)	-	(109,655)
At 30 June 2014		2,925,397	505,369	(19,835)	3,410,931
Return for the period		-	43,112	-	43,112
Other comprehensive income	1	-	-	9,580	9,580
Total comprehensive income		-	43,112	9,580	52,692
Issue of units for payment of management fees	2	7,603	-	-	7,603
Issue of placement units	3	228,150	-	-	228,150
Issue expenses	4	(3,574)	-	-	(3,574)
Distribution to Unitholders		(2,802)	(50,420)	-	(53,222)
At 30 September 2014		3,154,774	498,061	(10,255)	3,642,580

1(d)(i) Statements of Movements in Unitholders' Funds (cont'd)

<u>Trust</u>	<u>Note</u>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Total</u> \$'000
At 1 January 2013		2,771,684	497,637	(25,128)	3,244,193
Return for the period		-	52,043	-	52,043
Other comprehensive income	1	-	-	2,049	2,049
Total comprehensive income		-	52,043	2,049	54,092
Issue of units for payment of management fees	5	13,656	-	-	13,656
Issue of placement units	6	53,200	-	-	53,200
Issue expenses	7	(774)	-	-	(774)
Distribution to Unitholders		(22,376)	(81,645)	-	(104,021)
At 30 June 2013		2,815,390	468,035	(23,079)	3,260,346
Return for the period		-	19,670	-	19,670
Other comprehensive income	1	-	-	(2,797)	(2,797)
Total comprehensive income		-	19,670	(2,797)	16,873
Issue of units for payment of management fees	5	6,947	-	-	6,947
Issue of placement units	6	119,700	-	-	119,700
Issue expenses	7	(1,416)	-	-	(1,416)
Distribution to Unitholders		(17,444)	(54,999)	-	(72,443)
At 30 September 2013		2,923,177	432,706	(25,876)	3,330,007

Notes:

- (1) This relates to fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Trust.
- (2) This represents 6,591,764, 6,715,908 and 5,985,399 units issued in 1Q2014, 2Q2014 and 3Q2014 as payment of management fees in units.
- (3) This relates to the placement of 195 million units at an issue price of \$1.17 per unit on 29 September 2014. The net proceeds raised will be used for the proposed acquisition of the one-third interest in Marina Bay Financial Centre Tower 3.
- (4) This relates to issue expenses in relation to the placement as mentioned in note 3 above.
- (5) This represents 5,324,113, 5,096,741 and 5,219,079 units issued in 1Q2013, 2Q2013 and 3Q2013 as payment of management fees in units.
- (6) This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013 and the placement of 95 million units at an issue price of \$1.26 per unit on 6 August 2013. The net proceeds raised have been used to repay outstanding borrowings and for the acquisition of the 50% interest in 8 Exhibition Street respectively.
- (7) This relates to issue expenses in relation to the placement as mentioned in note 6 above.

1(d)(ii) Details of Changes in the Units

	<u>Group and Trust</u>	
	2014	2013
	Units	Units
Issued units as at 1 January	2,787,681,875	2,631,180,238
Issue of new units:		
- Payment of management fees	13,307,672	10,420,854
- Placement units	-	40,000,000
Issued units as at 30 June	2,800,989,547	2,681,601,092
Issue of new units:		
- Payment of management fees	5,985,399	5,219,079
- Placement units	195,000,000	95,000,000
Issued units as at 30 September	3,001,974,946	2,781,820,171

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

Keppel REIT did not hold any treasury units as at 30 September 2014 and 31 December 2013.

Total number of issued units in Keppel REIT as at 30 September 2014 and 31 December 2013 were 3,001,974,946 and 2,787,681,875 respectively.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. AUDIT

The figures have neither been audited nor reviewed by the auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on 1 January 2014.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

6. CONSOLIDATED EARNINGS PER UNIT (“EPU”) AND DISTRIBUTION PER UNIT (“DPU”)

	<u>Group</u>			
	3Q2014	3Q2013	YTD Sep 2014	YTD Sep 2013
EPU (based on weighted average number of units as at the end of the period)				
Based on total return before divestment gain and fair value change on investment properties	1.06 cents	1.35 cents	3.83 cents	3.96 cents
Based on total return after divestment gain and fair value change on investment properties	4.92 cents	1.35 cents	7.70 cents	3.96 cents
- Weighted average number of units as at the end of the period	2,809,327,374	2,743,001,113	2,800,195,839	2,690,421,204
DPU (based on the number of units as at the end of the period)				
- Number of units in issue as at the end of the period	3,001,974,946	2,781,820,171	5.72 cents ¹	5.91 cents ²

The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the periods.

Notes:

- (1) DPU of 5.72 cents for YTD Sep 2014 is based on 1.97 cents, 1.90 cents and 1.85 cents announced during the 1Q2014, 2Q2014 and 3Q2014 financial results announcements respectively.
- (2) DPU of 5.91 cents for YTD Sep 2013 is based on 1.97 cents, 1.97 cents and 1.97 cents announced during the 1Q2013, 2Q2013 and 3Q2013 financial results announcements respectively.

7. NET ASSET VALUE (“NAV”)

	<u>Group</u>		<u>Trust</u>	
	As at 30/09/14	As at 31/12/13	As at 30/09/14	As at 31/12/13
NAV ¹ per unit (\$) based on issued units at the end of the period	1.40	1.40	1.21	1.21
Adjusted NAV ¹ per unit (\$) based on issued units at the end of the period (excluding the distributable income)	1.39	1.38	1.20	1.19

Note:

- (1) This excludes non-controlling interest's share of net asset value.

8. REVIEW OF PERFORMANCE

8(i) Property Income Contribution of the Properties

<u>Property</u>	<u>Group</u>					
	3Q2014	3Q2013	+/(-)	YTD Sep 2014	YTD Sep 2013	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Prudential Tower	5,038	4,615	9.2	15,528	14,094	10.2
Bugis Junction Towers	5,298	5,122	3.4	15,561	15,324	1.5
Ocean Financial Centre	24,414	22,718	7.5	72,750	67,289	8.1
275 George Street	5,272	5,331	(1.1)	15,558	16,967	(8.3)
77 King Street	2,974	3,027	(1.8)	8,959	9,738	(8.0)
8 Exhibition Street ¹	4,632	3,139	47.6	13,400	3,139	326.9
Total property income	47,628	43,952	8.4	141,756	126,551	12.0

8(ii) Income Contribution of the Properties

<u>Property</u>	<u>Group</u>					
	3Q2014	3Q2013	+/(-)	YTD Sep 2014	YTD Sep 2013	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Prudential Tower	4,366	3,409	28.1	13,250	10,503	26.2
Bugis Junction Towers	4,188	4,076	2.7	12,270	12,577	(2.4)
Ocean Financial Centre	20,012	17,858	12.1	62,028	53,991	14.9
275 George Street	4,347	4,262	2.0	12,658	13,657	(7.3)
77 King Street	2,292	2,309	(0.7)	7,106	7,853	(9.5)
8 Exhibition Street ¹	3,319	2,363	40.5	9,871	2,363	317.7
Total net property income	38,524	34,277	12.4	117,183	100,944	16.1
One-third interest in ORQPL:						
- Interest income	421	366	15.0	1,215	1,099	10.6
- Dividend income	7,095	7,753	(8.5)	20,868	22,536	(7.4)
Total income from one-third interest in ORQPL	7,516	8,119	(7.4)	22,083	23,635	(6.6)
One-third interest in BFCDLLP:						
- Rental support	-	2,191	(100.0)	1,437	6,347	(77.4)
- Interest income	4,982	4,993	(0.2)	14,791	14,983	(1.3)
- Dividend income	9,344	8,797	6.2	27,503	26,417	4.1
Total income from one-third interest in BFCDLLP	14,326	15,981	(10.4)	43,731	47,747	(8.4)
Ocean Financial Centre						
- Rental support	12,465	15,235	(18.2)	35,007	44,817	(21.9)
8 Chifley Square ²						
- Interest income	-	2,761	(100.0)	5,157	7,524	(31.5)
- Distribution income	2,958	-	100.0	2,958	-	100.0
Old Treasury Building ³						
- Interest income	2,448	1,432	70.9	6,249	3,005	108.0
- Distribution income	486	308	57.8	1,259	548	129.7
Total income contribution	78,723	78,113	0.8	233,627	228,220	2.4

Notes:

- (1) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.
- (2) 8 Chifley Square received its Certificate of Practical Completion in July 2013. The convertible notes in M&CT were converted to units on 26 June 2014.
- (3) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in the second half of 2015.

8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for YTD Sep 2014 vs YTD Sep 2013

Net property income increased 16.1% year-on-year, from \$100.9 million for YTD Sep 2013 to \$117.2 million for YTD Sep 2014. This was attributable mainly to better performance from OFC and contributions from the 50% interest in 8 Exhibition Street.

Property income for YTD Sep 2014 was \$141.8 million, an increase of \$15.2 million or 12.0% over that for YTD Sep 2013. The increase was due mainly to higher property income from OFC and contributions from the 50% interest in 8 Exhibition Street acquired on 1 August 2013.

The Group's net income before divestment gain, net change in fair value of investment properties and tax for YTD Sep 2014 was \$116.2 million, an increase of 0.3% over YTD Sep 2013 as a result of higher net property income, higher interest income, a greater share of results of joint ventures and lower amortisation expenses. These were partly offset by lower rental support, lower share of results of associates, higher borrowing costs, higher management fees and trust expenses, as well as the change in fair value of interest rate swap.

The Group's total return before tax for YTD Sep 2014 was \$224.7 million, an increase of 93.9% over YTD Sep 2013 as a result of a gain on divestment of investment property and a net fair value gain in investment properties.

The Group's distribution to Unitholders for YTD Sep 2014 rose 0.7% year-on-year to \$160.3 million.

The year-to-date all-in interest rate was 2.20% as at 30 September 2014. The aggregate leverage stood at 42.1% as at 30 September 2014.

Review of Performance for 3Q2014 vs 3Q2013

Net property income increased from \$34.3 million in 3Q2013 to \$38.5 million or 12.4% in 3Q2014. This was attributable mainly to better performance from OFC and contributions from the 50% interest in 8 Exhibition Street.

Property income for 3Q2014 was \$47.6 million, an increase of \$3.7 million or 8.4% over that for 3Q2013. The increase was due mainly to higher property income from OFC and contributions from the 50% interest in 8 Exhibition Street.

The Group's net income before divestment gain, net change in fair value of investment properties and tax for 3Q2014 was \$33.3 million, an increase of \$7.3 million over 3Q2013 as a result of higher net property income, a greater share of results of joint ventures and lower amortisation expenses. These were partly offset by lower rental support, lower interest income, lower share of results of associates, higher borrowing costs, higher management fees and trust expenses, as well as the change in fair value of interest rate swap.

The Group's total return before tax for 3Q2014 was \$141.8 million, an increase of \$101.2 million as a result of a gain on divestment of investment property and a net fair value gain in investment properties.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

Advanced estimates by the Ministry of Trade and Industry indicate that the Singapore economy expanded 1.2% quarter-on-quarter ("q-o-q") to 2.4% in 3Q2014. With continued expansion in the global economy, the Monetary Authority of Singapore expects the economy to grow at a moderate pace for the rest of 2014 and in 2015.

According to CBRE, average occupancy for Grade A office space in the core CBD area held firm at 96.6%. Grade A rents in the CBD core market continued to lead rental growth, rising 3.3% q-o-q to \$10.95 psf per month during the quarter. CBRE expects rental rates and leasing demand to remain positive over the new few quarters, underpinned by low vacancy and steady demand.

Meanwhile, the Australian Bureau of Statistics has recorded a y-o-y economic growth of 3.1% in 2Q2014. The Reserve Bank of Australia (RBA) expects GDP to be 3.0% for 2014. In September 2014, RBA also announced that it will continue to maintain interest rates at 2.5% to sustain demand and economic growth.

According to Jones Lang LaSalle, office leasing activity in Australia is expected to improve through 2014 and 2015, with signs of expansion from companies in the professional services and technology-related sectors. It had also noted that an estimated 4% to 5% of office stock could potentially be withdrawn from the CBD office markets in the next few years, and together with the underinvestment in capital expenditure, this could likely generate new leasing enquiries in the office markets.

The Manager strives to deliver sustainable returns to Unitholders by maximising the performance of its properties as well as continually enhancing and optimising its portfolio to generate stable returns.

On 18 September 2014, Keppel REIT announced the proposed acquisition of a one-third interest in the two-year-old MBFC Tower 3.

The addition of MBFC Tower 3, if approved by Unitholders, will strengthen Keppel REIT's presence and position it as the leading landlord of premium Grade A office buildings in Singapore's business and financial district. The acquisition is expected to improve Keppel REIT's average portfolio age to 5.5 years and lengthen the weighted average lease expiry for the top 10 tenants and overall portfolio to 9.2 years and 6.4 years respectively.

11. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes great importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigates them. Some of the key risks that the Manager has identified are as follows:

Interest rate risk

The Manager constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through financial instruments or other suitable financial products.

Liquidity risk

The Manager monitors and maintains Keppel REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Steps have been taken to plan for funding and expense requirements so as to manage the cash position at any point of time.

Credit risk

Credit risk assessments of tenants are carried out by way of evaluation of information from corporate searches conducted prior to the signing of lease agreements. Tenants are required to pay a security deposit as a multiple of monthly rents and maintain sufficient deposits in their accounts. In addition, the Manager also monitors the property portfolio's tenant trade sector mix to assess and manage exposure to any one potentially volatile trade sector.

Currency risk

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, and the distributable income and interest income from and progressive payments related to such Australian investments. The Manager monitors the Group's foreign currency exposure on an on-going basis and will manage its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

Operational risk

Measures have been put in place for sustainability of net property income. Some of these measures include steps taken to negotiate for favourable terms/covenants, manage expenses, and actively monitor rental payments from tenants, continuously evaluate the Group's counter-parties and maximise property value. In addition, the Manager also continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary.

12. DISTRIBUTIONS

(a) Current Financial Period Reported on

Name of Distribution	(i) Distribution for 1 July 2014 to 28 September 2014 (ii) Distribution for 29 September 2014 to 30 September 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(i) Distribution for 1 July 2014 to 28 September 2014 (a) Taxable income distribution - 1.07 cents per unit (b) Tax-exempt income distribution - 0.63 cents per unit (c) Capital distribution - 0.10 cents per unit (ii) Distribution for 29 September 2014 to 30 September 2014 (a) Taxable income distribution - 0.02 cents per unit (b) Tax-exempt income distribution - 0.03 cents per unit
Tax Rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Distribution	Distribution for 1 July 2013 to 5 August 2013
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 0.39 cents per unit (b) Tax-exempt income distribution - 0.08 cents per unit (c) Capital distribution - 0.26 cents per unit
Tax Rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year (cont'd)

Name of Distribution	Distribution for 6 August 2013 to 30 September 2013
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 0.55 cents per unit (b) Tax-exempt income distribution - 0.47 cents per unit (c) Capital distribution - 0.22 cents per unit
Tax Rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

(c) Date Payable

- (i) Distribution for 1 July 2014 to 28 September 2014
12 November 2014
- (ii) Distribution for 29 September 2014 to 30 September 2014
28 November 2014

(d) Books Closure Date

- (i) Distribution for 1 July 2014 to 28 September 2014
26 September 2014
- (ii) Distribution for 29 September 2014 to 30 September 2014
27 October 2014

13. DISTRIBUTION STATEMENT

Other than as disclosed in paragraph 12(a), no distribution has been declared/recommended.

14. INTERESTED PERSON TRANSACTIONS (“IPTs”)

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000)	
	3Q2014 \$'000	3Q2013 \$'000
<u>Temasek Holdings (Private) Limited and its subsidiaries</u> - Enhancement works to OFC linkway	-	320
<u>Keppel Corporation Limited and its subsidiaries or associates</u> - Manager's management fees	11,508	10,788
- Acquisition fee	-	1,829
- Divestment fee	2,560	-
- Property management fees and reimbursable	1,604	1,474
- Leasing commissions	371	246
- Rental support	11,302	15,919
<u>RBC Investor Services Trust Singapore Limited</u> - Trustee's fees	277	255

No IPT mandate has been obtained by Keppel REIT for the financial period under review.

Note:

(1) *The aggregate value of interested person transactions refers to the total contract sum entered into during the financial period.*

Appendix

QUARTERLY BREAKDOWN

Property Contribution by Asset (\$'000)

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14	2Q14	3Q14
Property								
Prudential Tower	5,004	4,475	4,615	5,179	19,273	5,252	5,238	5,038
Bugis Junction Towers	5,111	5,091	5,122	4,954	20,278	5,068	5,195	5,298
Ocean Financial Centre	22,111	22,460	22,718	23,393	90,682	24,120	24,216	24,414
275 George Street	5,747	5,889	5,331	5,167	22,134	4,989	5,297	5,272
77 King Street	3,459	3,252	3,027	3,063	12,801	2,906	3,079	2,974
8 Exhibition Street ¹	-	-	3,139	5,736	8,875	4,447	4,321	4,632
Total property income	41,432	41,167	43,952	47,492	174,043	46,782	47,346	47,628

Income Contribution by Asset (\$'000)

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14	2Q14	3Q14
Property								
Prudential Tower	3,961	3,133	3,409	4,056	14,559	4,131	4,753	4,366
Bugis Junction Towers	4,120	4,381	4,076	3,859	16,436	3,982	4,100	4,188
Ocean Financial Centre	18,677	17,456	17,858	18,329	72,320	21,674	20,342	20,012
275 George Street	4,713	4,682	4,262	4,302	17,959	4,046	4,265	4,347
77 King Street	2,947	2,597	2,309	2,309	10,162	2,311	2,503	2,292
8 Exhibition Street ¹	-	-	2,363	4,495	6,858	3,324	3,228	3,319
Total net property income	34,418	32,249	34,277	37,350	138,294	39,468	39,191	38,524
One-third interest in ORQPL:								
- Interest income	371	362	366	364	1,463	376	418	421
- Dividend income	7,264	7,519	7,753	7,530	30,066	6,545	7,228	7,095
Total income from one-third interest in ORQPL	7,635	7,881	8,119	7,894	31,529	6,921	7,646	7,516
One-third interest in BFCDLLP:								
- Rental support	2,133	2,023	2,191	2,363	8,710	1,437	-	-
- Interest income	5,052	4,938	4,993	4,970	19,953	4,873	4,936	4,982
- Dividend income	8,414	9,206	8,797	8,110	34,527	9,107	9,052	9,344
Total income from one-third interest in BFCDLLP	15,599	16,167	15,981	15,443	63,190	15,417	13,988	14,326
Ocean Financial Centre								
- Rental support	14,064	15,518	15,235	14,622	59,439	10,482	12,060	12,465
8 Chifley Square ²								
- Interest income	2,208	2,555	2,761	2,751	10,275	2,581	2,576	-
- Distribution income	-	-	-	-	-	-	-	2,958
Old Treasury Building ³								
- Interest income	81	1,492	1,432	1,533	4,538	1,714	2,087	2,448
- Distribution income	-	240	308	308	856	353	420	486
Total income contribution	74,005	76,102	78,113	79,901	308,121	76,936	77,968	78,723

Notes:

- (1) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.
- (2) 8 Chifley Square received its Certificate of Practical Completion in July 2013. The convertible notes in M8CT were converted to units on 26 June 2014.
- (3) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in the second half of 2015.

By Order of the Board
Keppel REIT Management Limited
 (Company Registration Number: 200411357K)
 As Manager of Keppel REIT

CHOO CHIN TECK / KELVIN CHUA HUA YEOW
 Joint Company Secretaries
 16 October 2014

CONFIRMATION BY THE BOARD

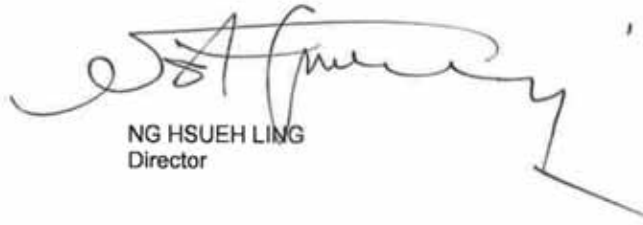
We, CHIN WEI-LI AUDREY MARIE and NG HSUEH LING, being two Directors of Keppel REIT Management Limited (the "Company"), as manager of Keppel REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Third Quarter 2014 financial statements of Keppel REIT to be false or misleading in any material respect.

On Behalf of the Board

A handwritten signature in blue ink, appearing to read "Audrey Marie".

CHIN WEI-LI AUDREY MARIE
Chairman

16 October 2014

A handwritten signature in black ink, appearing to read "Ng Hsueh Ling".

NG HSUEH LING
Director



Keppel REIT

Financial Results for the Third Quarter and Nine Months Ended 30 September 2014



16 October 2014



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, 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.

Prospective investors and unitholders of Keppel REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited (as manager of Keppel REIT) (the Manager) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Keppel REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel REIT (Units) and the income derived 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 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.





1

Portfolio of **nine** quality Premium Grade and Grade A assets with **11** office towers, tenanted to established corporations 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 approximately **\$6.9 billion**

4

Total NLA of approximately **2.9 million sq ft**⁽¹⁾

5

Market capitalisation of **\$3.6 billion**⁽²⁾

The above information is as at 30 Sept 2014.

(1) Excludes the NLA for the new office tower to be built on the Old Treasury Building site, which is currently under construction.

(2) Based on market closing price per Unit of \$1.190 as at the last trading day, 30 Sept 2014.





Singapore Properties



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre Phase 1
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers



Marina Bay Financial Centre Tower 3 (33.3% interest)

**Announced proposed acquisition on 18 Sept 2014*



Prudential Tower
(92.8% interest)

**Divestment completed on 26 Sept 2014*

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)

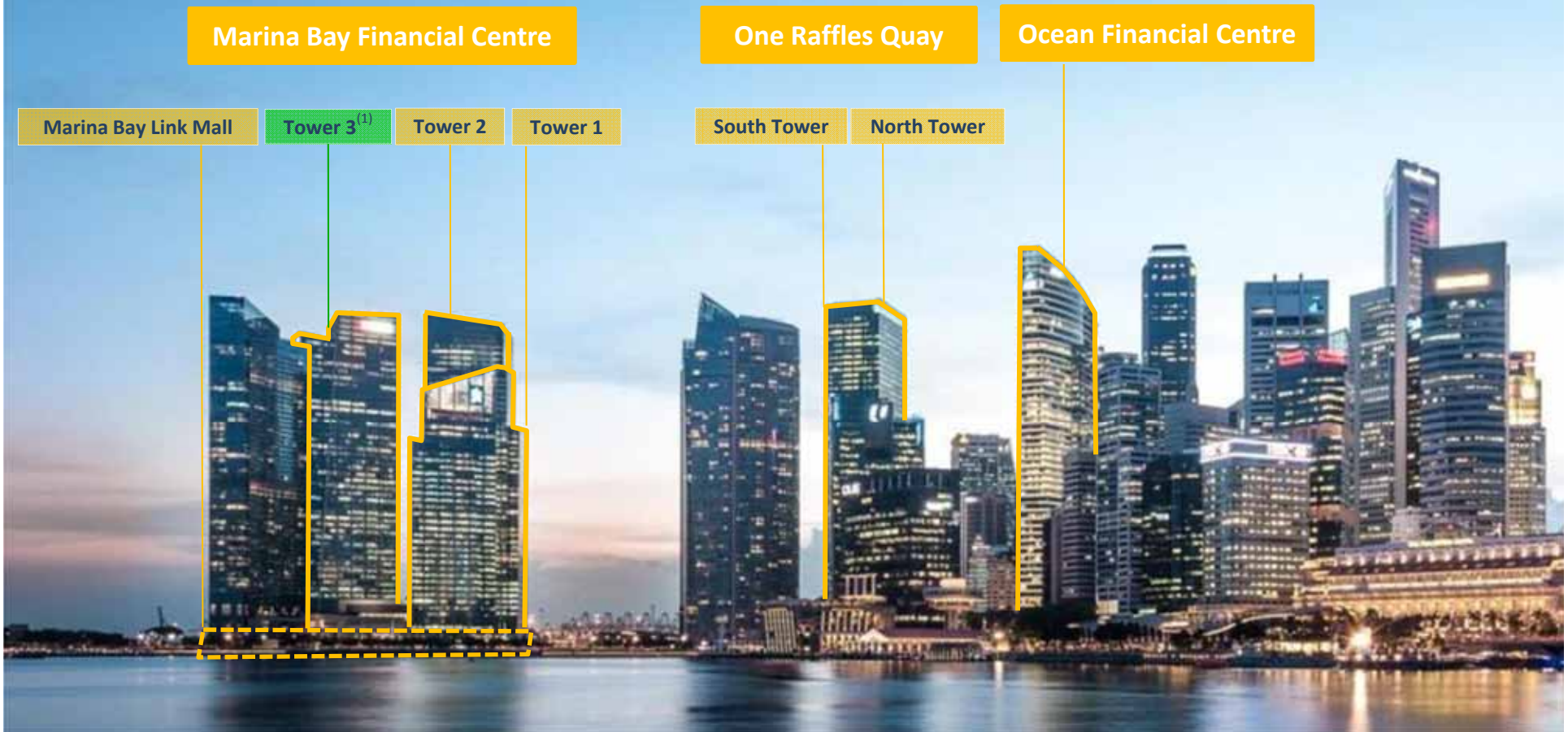


Old Treasury Building Office Tower, Perth (50% interest)
**Expected completion in 2H 2015*





» Leading landlord of iconic office buildings strategically located in the prime precincts of Raffles Place and Marina Bay, the new downtown core of Singapore's Central Business District



(1) Keppel REIT announced the proposed acquisition of a one-third interest in Marina Bay Financial Centre Tower 3 on 18 Sept 2014. The acquisition is subject to Unitholder's approval at an EGM.



1. Key Highlights

2. Financial Highlights

3. Capital Management

4. Portfolio Analysis

5. Market Review and Outlook

Marina Bay Financial Centre,
Singapore

Keppel REIT

Overview

- YTD Sept 2014 Net Property Income **↑ 16.1%** y-o-y to **\$117.2 million**
- Achieved **positive rental reversion** of **32.3%** in 3Q 2014
- Maintains **healthy annualised distribution yield** of **6.4%**
- Strategic rejuvenation of property portfolio** with the proposed acquisition of a one-third interest in the two-year-old Marina Bay Financial Centre Tower 3 and the successful divestment of its 92.8% stake in the 16-year-old Prudential Tower
- With the portfolio rejuvenation, credit rating agencies Moody's and Standard & Poor's both **reaffirmed** Keppel REIT's rating at "Baa2" and "BBB" respectively with a **stable outlook**



Overview

- All-in interest rate remains at **2.2%** as at 30 Sept 2014
- Proactive leasing strategy** with forward renewals of approximately **175,000 sf** for YTD Sept 2014
- Attained **high tenant retention rate** of **92%** in 3Q 2014
- Maintained **strong committed portfolio occupancy** of **99.3%**, with **seven of 11** office towers fully committed



Steady and Sustainable Performance

- » YTD Sept 2014 Net Property Income **↑ 16.1%** y-o-y to **\$117.2 million**
- » YTD Sept 2014 Property Income **↑ 12.0%** y-o-y to **\$141.8 million**
- » Better performance mainly from **Ocean Financial Centre** and additional income from **8 Exhibition Street**
- » DPU for 3Q and YTD Sept 2014 stood at **1.85 cents** and **5.72 cents** respectively, equivalent to an annualised distribution yield of **6.4%**



Weighted Average Term to Maturity of Borrowings

- » All-in interest rate of **2.2%** as at 30 Sept 2014
- » Aggregate leverage decreased to **42.1%** as at 30 Sept 2014
- » **No refinancing requirements** for next **14 months**, with a weighted average term to expiry of debt of **3.5 years** as at 3Q 2014

Interest Coverage Ratio

- » Healthy interest coverage ratio of **5.1 times**



Overall Portfolio

- » Maintained **healthy average committed occupancy** of **99.3%**
- » **Positive rental reversion** of **32.3%**
- » **High tenant retention** rate of **92%** in 3Q 2014
- » **Seven out of the 11** office towers are fully committed
- » Proactive leasing strategy with forward renewals of approximately **175,000 sf** for YTD Sept 2014
- » Healthy weighted average lease expiry (WALE) by NLA of
 - **8.2 years** for top 10 tenants
 - **6.2 years** for overall portfolio



- » Keppel REIT successfully completed the divestment of its 92.8% interest in the 16-year-old Prudential Tower on 26 Sept 2014
- » On 18 Sept 2014, Keppel REIT announced the proposed acquisition of a one-third interest in the two-year-old Marina Bay Financial Centre Tower 3⁽¹⁾
- » Testament to the Manager’s commitment to **proactively rejuvenate and upgrade its portfolio** for **long-term sustainable income** to Keppel REIT Unitholders



Divestment of the 16-year-old Prudential Tower



One-third interest in the two-year-old MBFC Tower 3⁽¹⁾

MBFC Tower 3: Key Property Details

Description	46-storey Premium Grade A commercial building with ancillary retail space
Total NLA	1,341,980 sq ft
Principal tenants	DBS Bank, WongPartnership, Rio Tinto, Booking.com, McGraw-Hill, Mead Johnson and Lego
Occupancy	Approximately 94%
WALE	7.0 years

The above information is as at 31 Aug 2014.



(1) Keppel REIT announced the proposed acquisition of a one-third interest in Marina Bay Financial Centre Tower 3 on 18 Sept 2014. The acquisition is subject to Unitholder’s approval at an EGM.



MBFC Tower 3: Transaction Summary



Proposed Acquisition

- » Acquisition of Keppel Land's one-third interest in **Marina Bay Financial Centre Tower 3**

Agreed Property Value

- » **Agreed property value: \$1,248.0 million or \$2,790 psf**
 - Inclusive of a five-year rental support of approximately \$49.2 million
 - Equivalent to an estimated average gross rental rate of between **\$10.40 psf to \$10.80 psf**
 - Net of rental support: **\$1,198.8 million or \$2,680 psf**

Funding Structure

- » Consideration Units to be issued to Keppel Land⁽¹⁾
- » Placement proceeds⁽²⁾
- » Divestment proceeds from Prudential Tower
- » Borrowings⁽³⁾

Unitholders' Approval

- » The acquisition, consideration units to be issued to Keppel Land as well as the whitewash resolution are subject to the approval of Unitholders of Keppel REIT at an extraordinary general meeting

(1) The Units issued to Keppel Land as part payment, amounting to \$185.0 million shall be issued on date of legal completion and priced based on the preceding 10-day volume weighted average price of Keppel REIT Units.

(2) Placement of 195,000,000 new Units at the issue price of \$1.17 on 29 Sept 2014.

(3) Approximate borrowings of \$120.7 million.





- » Post-acquisition, Keppel REIT's average portfolio age will improve to approximately **5.5 years**, making it the REIT with the **youngest portfolio of premium assets** in Singapore's prime Raffles Place and Marina Bay precincts
- » Greater opportunity for Unitholders to participate in the **rental and capital value growth potential of Singapore's premium grade office market**
- » Credit rating agencies **Moody's** and **Standard & Poor's** both **reaffirmed** Keppel REIT's rating at "**Baa2**" and "**BBB**" respectively with a stable outlook

Moody's Investors Service

- » Acquisition will **improve the quality of the trust's property portfolio** and **enhance income diversification**

Standard & Poor's Ratings Services

- » Acquisition is expected to **enhance Keppel REIT's portfolio** while **keeping its financial strength intact**





Ocean Financial Centre,
Singapore

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Keppel REIT

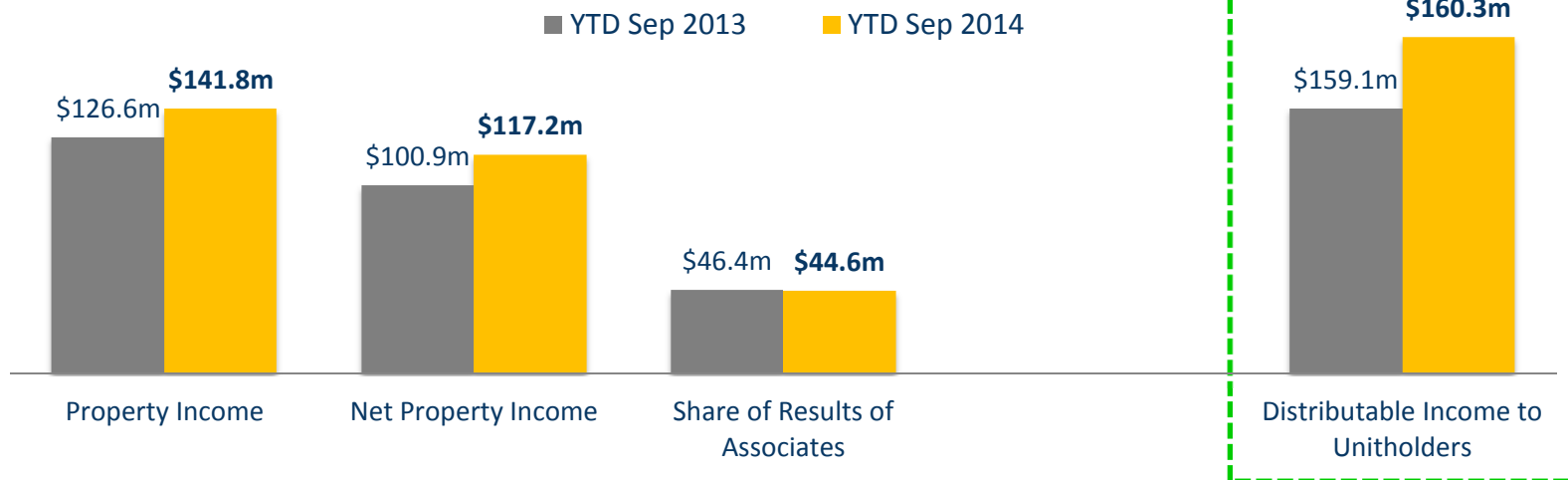


Net property income ↑ 16.1% y-o-y to \$117.2m



	YTD Sept 2014	YTD Sept 2013
Property Income	\$141.8m	\$126.6m
Net Property Income	\$117.2m	\$100.9m
Share of Results of Associates	\$44.6m	\$46.4m
Distributable Income to Unitholders ⁽¹⁾	\$160.3m	\$159.1m
Distribution Per Unit - For the Period	5.72 cents	5.91 cents
Distribution Yield	6.4%	6.4%

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



	As at 30 Sept 2014	As at 30 June 2014
Non-current Assets	\$ 6,305 m	\$6,226 m
Total Assets	\$6,939 m	\$6,884 m
Borrowings ⁽¹⁾	\$2,888 m	\$3,117 m
Total Liabilities	\$2,724 m	\$2,972 m
Unitholders' Funds	\$4,213 m	\$3,910 m
Net Asset Value (NAV) Per Unit	\$1.40	\$1.40
Adjusted NAV Per Unit ⁽²⁾	\$1.39	\$1.38

(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 June 2014, this excludes the distribution paid in Aug 2014.

For 30 Sept 2014, this excludes the distributions to be paid in Nov 2014.



3Q 2014 Distribution Per Unit

- » 3Q 2014 DPU of **1.85 cents**
 - Advanced distribution: **1.80 cents** (to be distributed on 12 Nov 2014)
 - Remaining distribution: **0.05 cents** (to be distributed on 28 Nov 2014)

	Advanced Distribution	Remaining Distribution
Distribution Per Unit (DPU)	1.80 cents	0.05 cents
Distribution Period	1 Jul 2014 – 28 Sept 2014	29 Sept 2014 – 30 Sept 2014

Distribution Timetable	Advanced Distribution	Remaining Distribution
Trading on “Ex” Basis	Wednesday, 24 Sept 2014	Thursday, 23 Oct 2014
Books Closure Date	Friday, 26 Sept 2014	Monday, 27 Oct 2014
Distribution Payment Date	Wednesday, 12 Nov 2014	Friday, 28 Nov 2014



- 
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8 Chifley Square,
Sydney

Keppel REIT



- » Continue to adopt a **proactive capital management strategy** to mitigate refinancing risks
- » Financing is diversified across 16 lenders, majority of which are rated **“A” and above** by Moody’s
- » Local banks make up majority of lenders

Diversification of
lenders

16 different lenders

Lender’s rating

Majority rated
“A” and above
by Moody’s





» **No refinancing requirements** for next **14 months**

Loans Due in 2015	Loans Due in 2016
Early refinanced 48% \$275 million Repayment of \$250 million secured term loan	Early refinanced 16% \$75 million
All-in Interest Rate	Weighted Average Term to Expiry
2.2%	3.5 years
Percentage of Assets Unencumbered	Borrowings on Fixed-rate
79% or \$5.5 billion of property portfolio	72% of borrowings

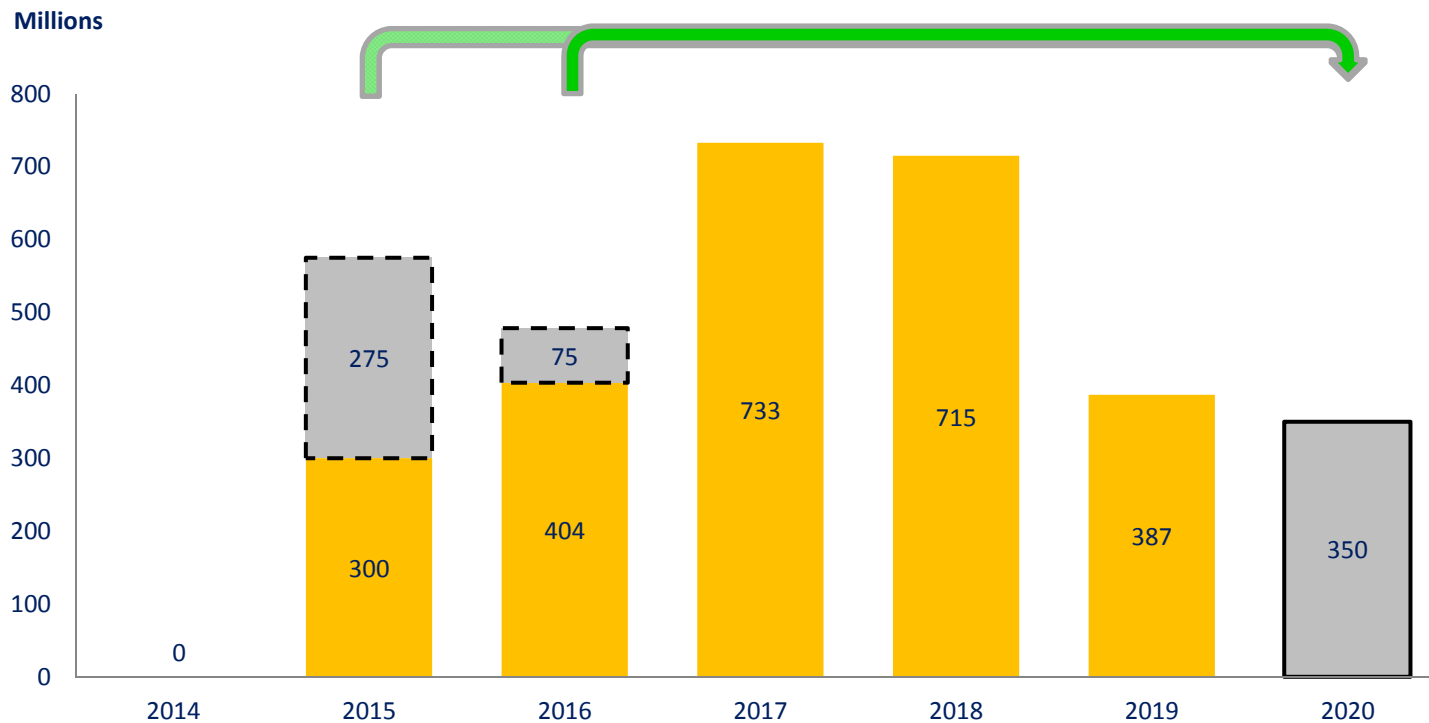




Proactive Capital Management Strategy

	As at 30 Sept 2014
Gross Borrowings	\$2,888 m
Aggregate Leverage	42.1 %
Interest Coverage Ratio	5.1 times

Debt Maturity Profile as at 30 Sept 2014





**Bugis Junction Towers,
Singapore**

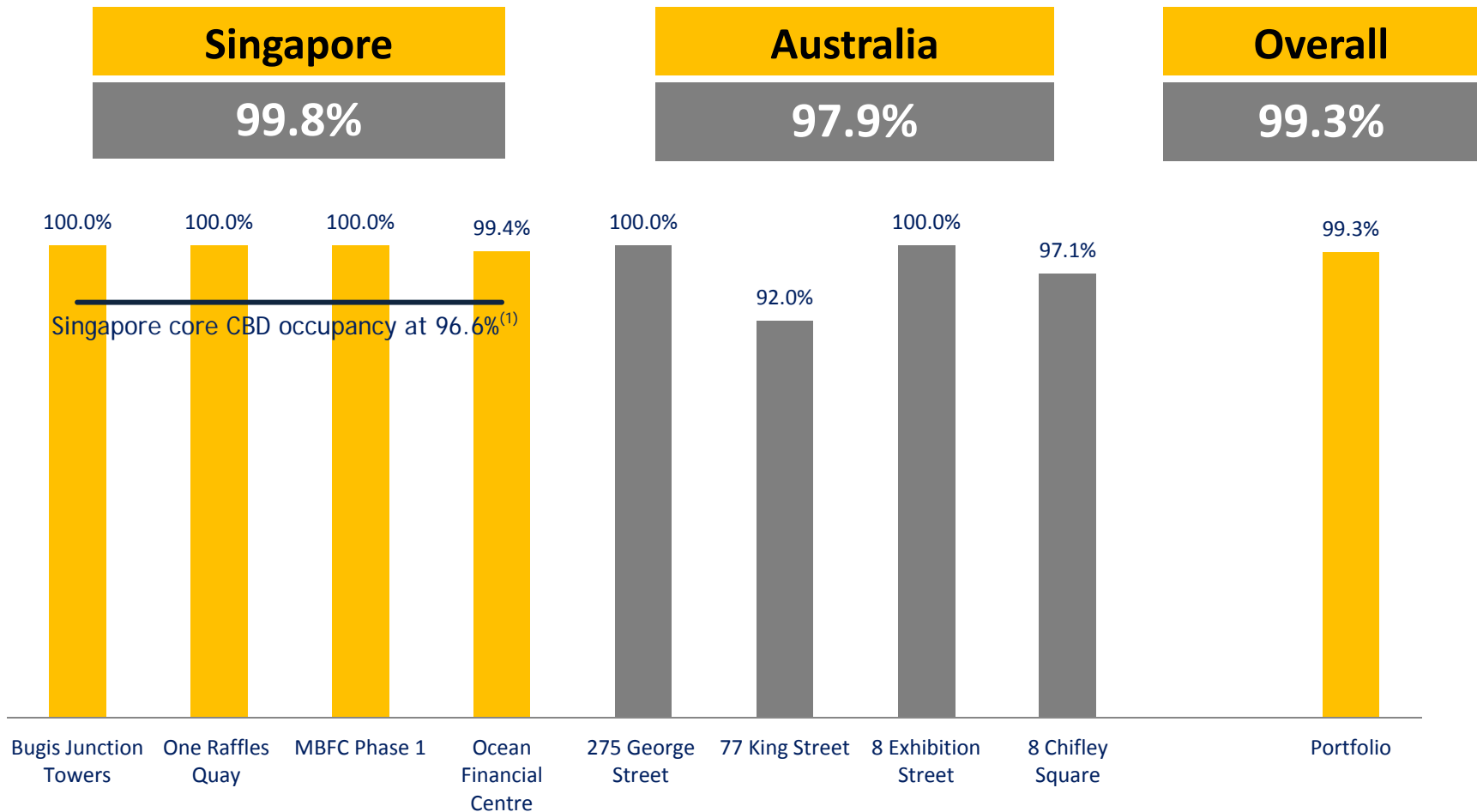
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Keppel REIT



Positive Committed Occupancy Levels

- » Overall portfolio committed occupancy at healthy levels of **99.3%**
- » **Seven out of 11** office towers are **fully committed**

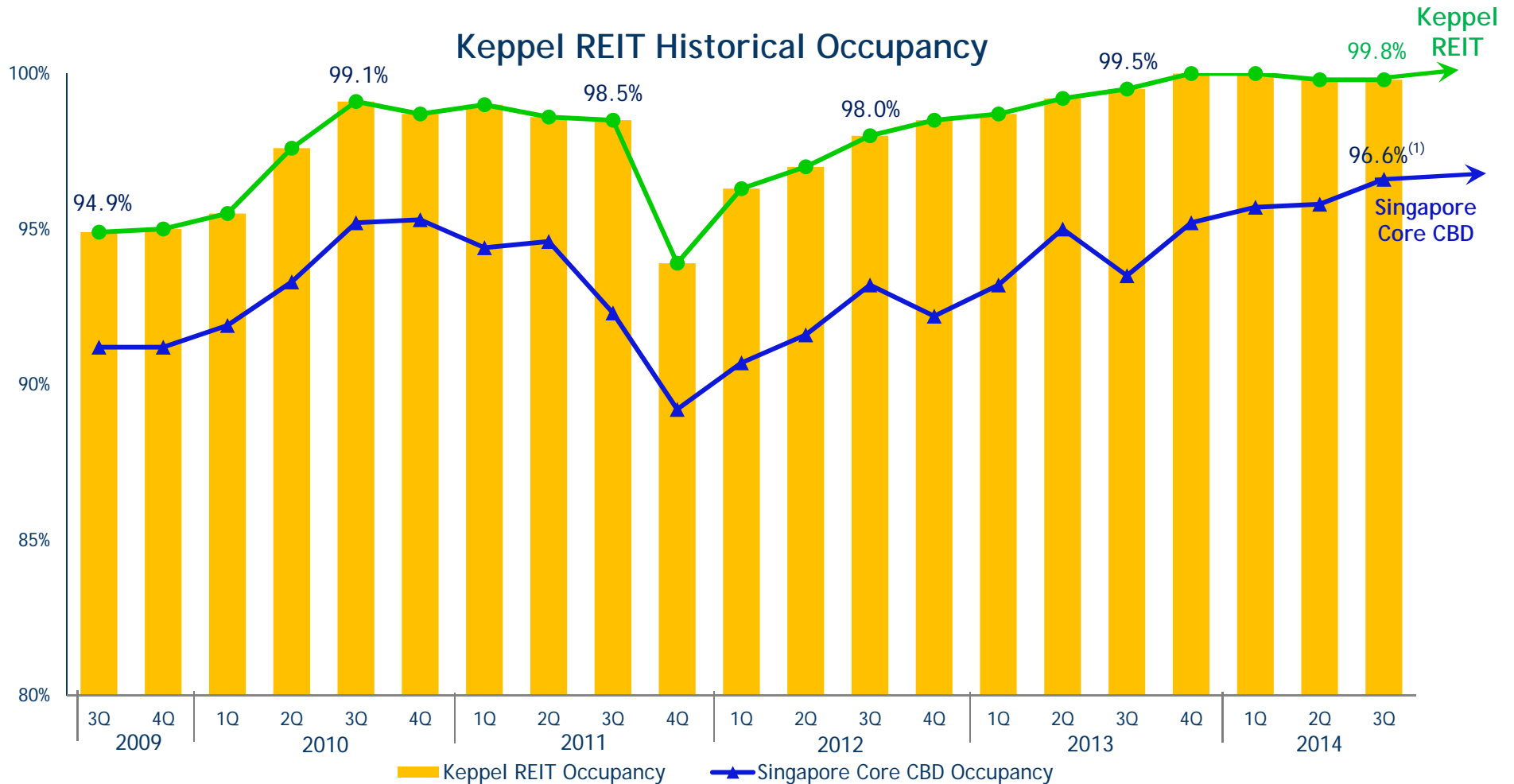


(1) Source: CBRE



Positive Committed Occupancy Levels

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



(1) Source: CBRE

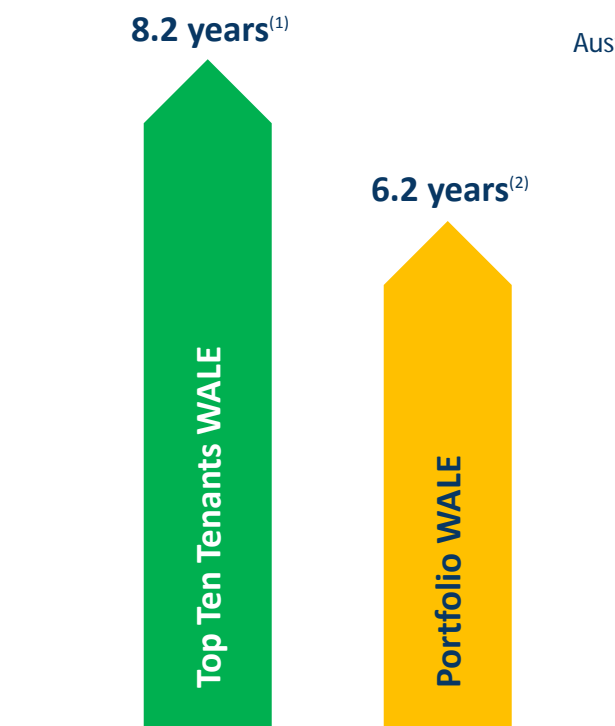




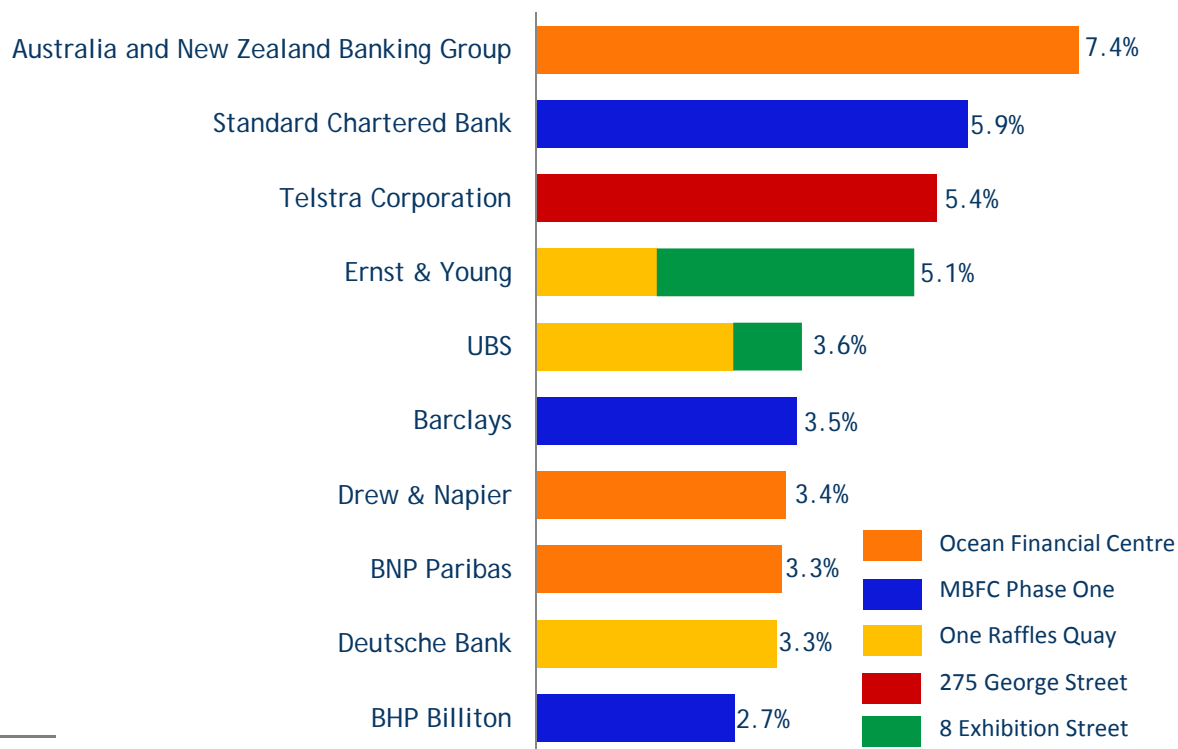
Long Weighted Average Lease Expiry

- » **Top 10 tenants**, accounting for approximately **44%** of portfolio NLA, have a **long WALE of 8.2 years** and are **diversified across seven office towers** in Singapore and Australia

Weighted Average Lease Expiry (WALE)



Top 10 Tenants (by NLA)



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

(2) Excluding the new office tower to be built on the Old Treasury Building site, the portfolio WALE will be 5.0 years.





- » In 3Q 2014, approximately **25,000 sf** of new leases were signed and renewed
 - **Positive rental reversion of 32.3%**
 - **High tenant retention rate of 92%**
 - Some of the new leases signed include Avepoint, Lukoil, Power Construction Corporation of China and The Executive Centre
 - Tenants from diverse sectors including energy and natural resources, info-communication services and consultancy, real estate and property services, as well as retail



THE EXECUTIVE CENTRE

POWER CONSTRUCTION CORPORATION OF CHINA

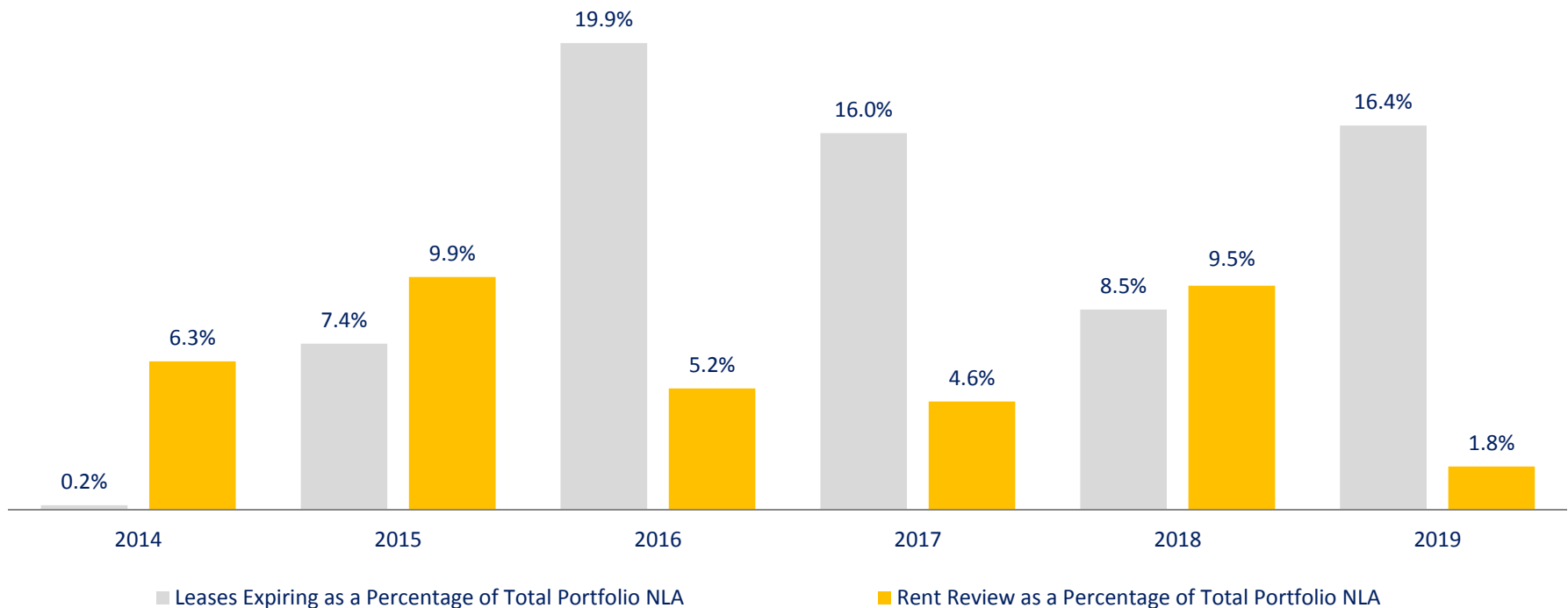




Healthy Lease Expiry Profile

- » **Well-staggered lease profile** with not more than **19.9%** of the portfolio expiring in any one year over the next six years
- » Only **0.2%** (~5,500 sf) of Keppel REIT's portfolio remains to be renewed for rest of 2014
- » Manager in advanced negotiation with tenants for the review of **6.3%** (~182,000 sf) of space for the remaining quarter of 2014

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



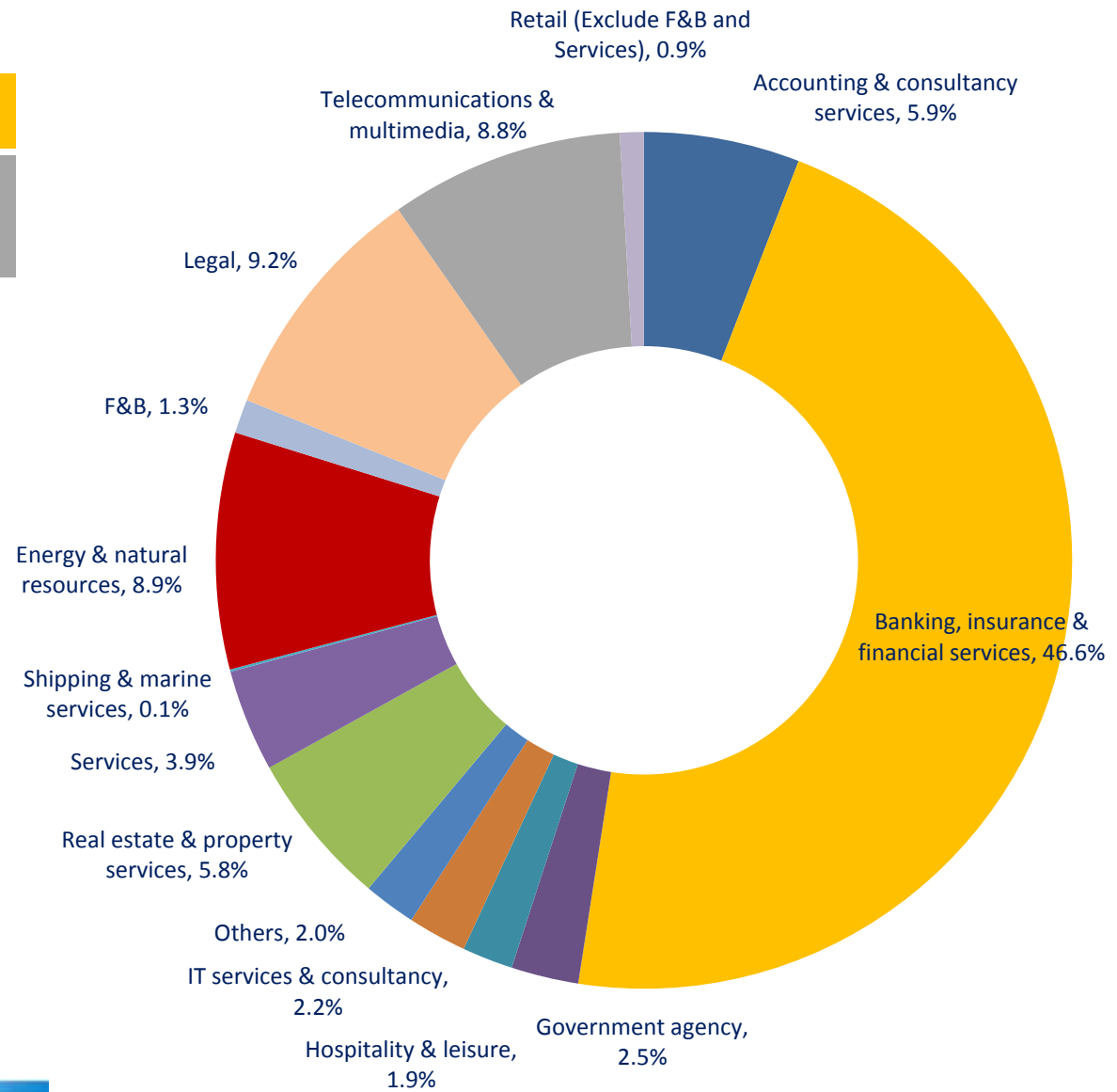


Tenants **Diversified** across Various Business Sectors



Number of tenants

227⁽¹⁾



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





Ocean Financial Centre

- » Ocean Colours continues to be the choice location for businesses wanting to reach out to potential customers
- » In end-Sept 2014, Citibank embarked on a campaign to promote its banking services
- » Other advertisers include Tumi, SIM University, Kronenbourg and Martell Cordon Bleu



Marina Bay Link Mall

- » New F&B tenant: Paul, a French bakery-restaurant
- » Known for its pastries, bread, cakes and desserts
- » Paul is also a tenant at Ocean Financial Centre





New Office Tower at the Old Treasury Building site

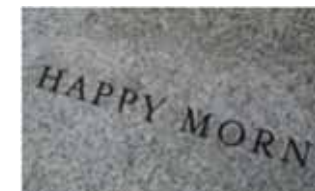
- » Construction of the new office tower at the Old Treasury Building site in Perth has reached level 23
- » Artwork around the site creates a poetic engagement for visitors that is both quiet and contemplative as well as playful and uplifting
- » Project is on track for completion in 2H 2015



As at 2Q 2014



As at 3Q 2014



Artwork around the building



Arts in the City

- » Evening concert at Ocean Financial Centre showcasing performances by children aged 15 and below from Symphony 92.4FM's Young Talents Project
- » In partnership with the National Arts Council, a seven-day musical performances was held at Marina Bay Link Mall
- » Tenants of Ocean Financial Centre and Marina Bay Financial Centre, as well as those in the vicinity, supported and enjoyed the performances
- » Part of Keppel REIT Management's commitment and ongoing efforts to inject vibrancy into Singapore's business and financial district



Lighting Up Singapore's Skyline

- » Ocean Financial Centre was lit up in a spectacular LED lighting display during the National Day Parade and Formula 1 Night Race



Global Real Estate Sustainability Benchmark (GRESB) 2014

- » Internationally-recognised benchmark for integrated approach towards sustainability
- » Keppel REIT was ranked:
 - No. 1 in Asia for Office Sector
 - The Regional Leader in Asia for Office Sector
 - Top 3 in Asia and top 5% globally, across all diversified entities and sectors
- » Raise Keppel REIT's profile among socially responsible funds



PUB Water Efficient Building Award

- » Ocean Financial Centre was conferred the Silver award
- » Testament to Keppel REIT's commitment towards energy efficiency and sustainability



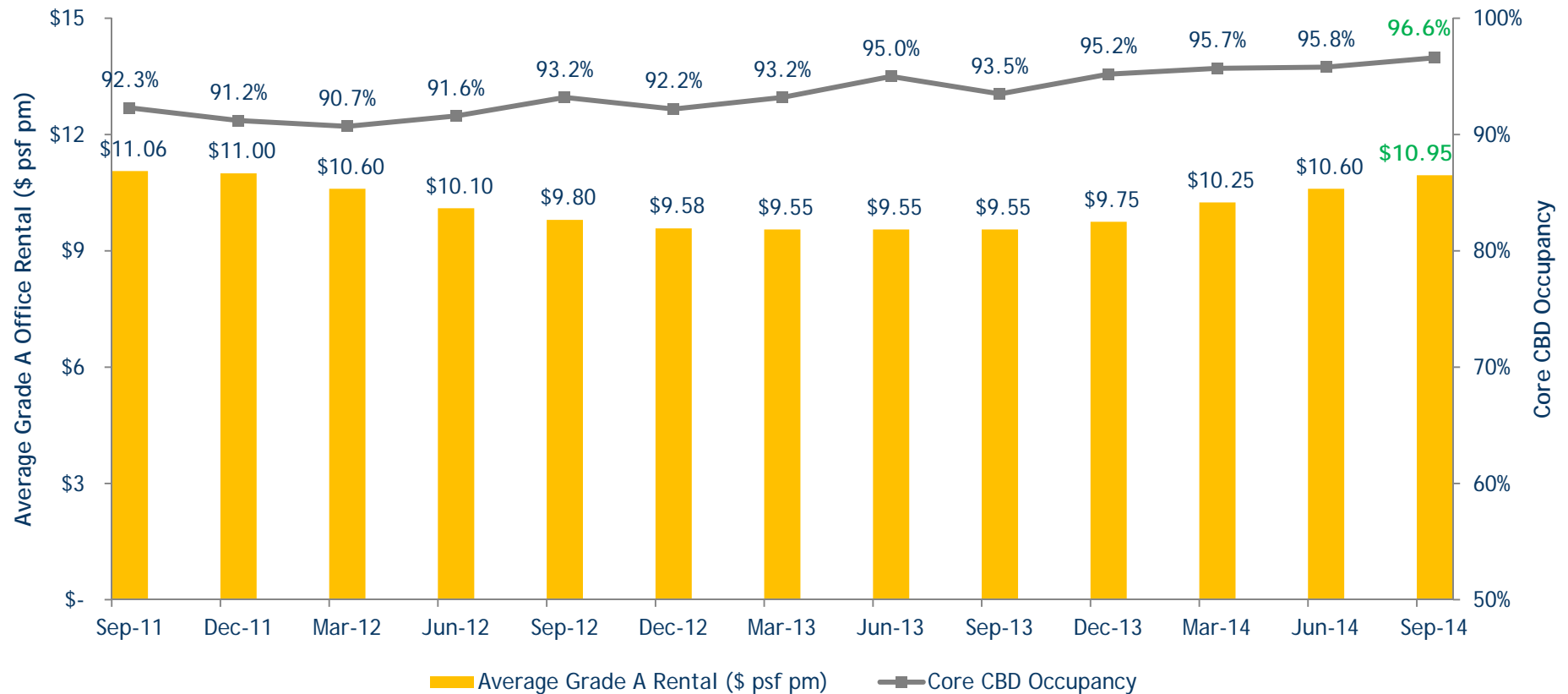
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275 George Street,
Brisbane

Keppel REIT



- » Average Grade A occupancy in the core CBD area held firm at **96.6%**
- » Grade A office rents continued to lead growth, rising 3.3% q-o-q to reach **\$10.95 psf**



Source: CBRE



Singapore

- » Singapore's economy expanded 1.2% quarter-on-quarter to reach 2.4% in 3Q 2014
- » Singapore's economy is expected to grow at a moderate pace for the rest of 2014 and in 2015
- » Rental rates and leasing demand are expected to remain positive over the next few quarters, underpinned by low vacancy and steady demand

Sources: Ministry of Trade and Industry, Monetary Authority of Singapore and CBRE

Australia

- » Recorded an economic growth of 3.1% y-o-y in 2Q 2014, with GDP expected to be at 3.0% for 2014
- » Interest rate likely to maintain at a low of 2.5% to sustain demand and economic growth
- » Leasing activity is expected to increase in the next few years, with signs of expansion from the professional services and technological-related sectors

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

Additional Information

One Raffles Quay,
Singapore

Keppel REIT



Vision

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

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





Portfolio Information

- » Post-acquisition of MBFC Tower 3, Keppel REIT's AUM will increase to over **\$8.1 billion** with **88%** of portfolio in Singapore, and **12%** in Australia
- » Approximately **93%**⁽¹⁾ of Keppel REIT's Singapore portfolio is located in the prime **Raffles Place** and **Marina Bay precincts**

	Marina Bay Financial Centre Tower 3 ⁽¹⁾	Ocean Financial Centre ⁽²⁾	Marina Bay Financial Centre Phase One ⁽¹⁾	One Raffles Quay ⁽¹⁾	Bugis Junction Towers
Description	46-storey premium Grade A office tower with ancillary retail space	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	15-storey Grade A office tower
Attributable NLA (sf)	447,327	884,525	581,392	444,718	244,989
Ownership	33.33%	99.9%	33.33%	33.33%	100.0%
Number of tenants	49	48	93	36	15
Principal tenants	DBS Bank, WongPartnership, Rio Tinto	ANZ, BNP Paribas, Drew & Napier	Barclays Capital, BHP Billiton, Standard Chartered Bank	Royal Bank of Scotland, Deutsche Bank, UBS	IE Singapore, InterContinental Hotels Group, Keppel Land
Tenure	99 years expiring 7 Mar 2106	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104	99 years expiring 12 June 2100	99 years expiring 9 Sept 2089
Valuation (S\$ million)	Cushman: 1,281.0 Savills: 1,276.0 (As at 18 Aug 2014)	2,543.0 ⁽³⁾	1,619.0 ⁽³⁾	1,215.0 ⁽³⁾	521.9 ⁽³⁾
Committed occupancy (As at 30 Sept 2014)	94% ⁽⁴⁾	99.4%	100.0%	100.0%	100.0%

(1) Refers to Keppel REIT's one-third interest in MBFC Tower 3, MBFC Towers 1 & 2 and Marina Bay Link Mall, and One Raffles Quay.

(2) Refers to Keppel REIT's 99.9% interest in Ocean Financial Centre.

(3) The valuations are based on Keppel REIT's interest in the respective properties as at 31 Aug 2014.

(4) Occupancy as at 31 Aug 2014



Portfolio Information

	8 Chifley Square, Sydney ⁽¹⁾	77 King Street Office Tower, Sydney	8 Exhibition Street, Melbourne ⁽¹⁾	275 George Street, Brisbane ⁽¹⁾	Office Tower to be 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)	104,138	146,624	241,600	224,688	165,685
Ownership	50.0%	100.0%	50.0%	50.0%	50.0%
Number of tenants	8	12	18	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 ⁽²⁾
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	Freehold	99 years ⁽³⁾
Valuation ⁽⁴⁾ (S\$ million)	217.3	146.8	199.4	225.4	174.1
Committed occupancy (As at 30 Sept 2014)	97.1%	92.0%	100.0%	100.0%	98.2%

(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\$1.174. Valuation as at 31 December 2013 based on Keppel REIT's interest in the respective properties including progressive payments and capital expenditure incurred up to 31 Aug 2014. For the office tower on the Old Treasury Building site in Perth, valuation is on an "as-is" basis.

Keppel REIT

Ground Plaza
MBFC Tower 1
← ↻ ♿ P

MBFC Towers 2&3
↻ ♿ ♻ ↑

