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MEDIA RELEASE

Unaudited Results of Keppel REIT for the First Quarter Ended 31 March 2015

13 April 2015

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the first quarter ended 31 March 2015.

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

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Keppel REIT's 1Q 2015 distribution income up approximately 18% q-o-q

Achieves DPU growth of 13% q-o-q, Upward trend of office rental reversion gathers momentum with 19% growth in rental rates in 1Q 2015

- Sustained level of distributable income year-on-year ("y-o-y") notwithstanding the expiry of rental support from the 87.5% interest in Ocean Financial Centre in January 2015, the absence of income contribution from Prudential Tower and the absence of rental support from Marina Bay Financial Centre ("MBFC") Phase One
- Distribution per Unit ("DPU") grew 13% quarter-on-quarter ("q-o-q") to 1.70 cents due to a full-quarter contribution from MBFC Tower 3 and stronger performance from Bugis Junction Towers
- Successfully reviewed two-thirds of the leases due in 2015, all with positive rent reversions
- Achieved positive rental rate reversion of 19% for all office leases signed, renewed and reviewed in 1Q 2015
- High tenant retention rate of approximately 96% in 1Q 2015
- Close to 80% of total leases are not due for renewal till 2017 and beyond
- Maintained high committed portfolio occupancy of 99.3%, with nine of 11 completed office towers in Singapore and Australia fully committed
- Proactive capital management strategy saw the maiden issuance of a seven-year \$50 million fixed-rate Medium Term Notes, which is due in 2022
- Over 80% of borrowings are not due for repayment till 2017 and beyond
- Continuing the upward trend of office rental reversions, Keppel REIT's current strong portfolio will continue to deliver sustainable distributions for FY2015⁽¹⁾

Summary of Results

		GROUP			
	1Q2015	4Q 2014	1Q2014		
	\$'000	\$'000	\$'000		
Property Income	42,405	42,337	46,782		
Net Property Income	34,587	34,253	39,468		
Share of Results of Associates	20,367	16,115	15,985		
Share of Results of Joint Ventures	4,043	4,128	831		
Income Available for Distribution	54,009	45,848	55,104		
Distribution to Unitholders ⁽²⁾	54,009	45,848	55,104		
Distribution per Unit ("DPU") (cents)	1.70	1.51	1.97		
For the Period					
Distribution Yield %	5.7% ⁽³⁾	5.9	% ⁽⁴⁾		

- (1) Barring any unforeseen developments and circumstances.
- (2) Distribution to Unitholders is based on 100% of the taxable income available for distribution.
- (3) The yield is based on the market closing price per Unit of \$1.20 as at the last trading day, 31 March 2015.
- (4) The yield is based on the FY2014 DPU of 7.23 cents, at the market closing price per Unit of \$1.22 as at the last trading day, 31 December 2014.

Delivering Stable Returns

Keppel REIT Management Limited is pleased to deliver distribution to Unitholders of \$54 million in 1Q 2015, which is approximately 18% higher q-o-q.

DPU for 1Q 2015 was 1.70 cents, which is 13% higher than 4Q 2014 DPU of 1.51 cents. This translates to an annualised distribution yield of 5.7%.

This higher distributable income and DPU on a q-o-q basis were due mainly to a full-quarter contribution from the one-third stake in MBFC Tower 3, which saw share of results of associates rise over 26% q-o-q and 27% y-o-y to reach \$20.4 million in 1Q 2015, as well as stronger performance from Bugis Junction Towers, which contributed to the improvement in both property income and net property income.

Distributable income for 1Q 2015 was comparable to that of 1Q 2014, notwithstanding the expiry of rental support from Keppel REIT's 87.5% interest in Ocean Financial Centre in January 2015, the absence of income contribution from the divested Prudential Tower⁽¹⁾ and the absence of rental support from MBFC Phase One.

Proactive Capital Management Strategy

In February 2015, the Manager embarked on its maiden issuance of a seven-year \$50 million Medium Term Notes (MTN) at a fixed-rate of 3.15% per annum, which is due in 2022. Proceeds from the MTN were used to early refinance a \$50 million bank loan due in 2016.

With this, the Manager has completed the early refinancing of \$125 million loans due in 2016. Including the early refinancing of \$275 million of loans due in 2015, over 80% of the total borrowings are not due for repayment till 2017 and beyond.

As at 1Q 2015, Keppel REIT's weighted debt to maturity stood at 3.4 years. The all-in interest rate was 2.47% and interest coverage ratio was a healthy 4.6 times. As part of its ongoing efforts to mitigate interest rate volatility, the Manager continues to maintain approximately 65% of its total borrowings on fixed rates.

Steady Leasing Momentum

Proactive and rigorous marketing efforts have seen the Manager continue its upward trend of achieving positive rental rate reversions for its office leases.

As at 1Q 2015, the Manager has successfully reviewed two-thirds of the leases due in 2015, and all reviews were completed with positive rental reversions. Office leases that were signed, renewed and reviewed during the quarter saw positive reversion of approximately 19% on rental rates on average.

Given Keppel REIT's quality portfolio of prime properties in strategic locations, the Manager was able to maintain a high tenant retention rate of approximately 96% in 1Q 2015.

To-date, close to 80% of total leases in the portfolio are not due for renewal till 2017 and beyond.

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¹ Prudential Tower was divested in September 2014.

In terms of portfolio occupancies, the Manager continues to maintain a high committed occupancy of 99.3%.

In Singapore, six of its seven office towers achieved 100% committed occupancy, bringing the overall occupancy for the Singapore portfolio to 99.5%, well above the average occupancy rate of 96.1%⁽¹⁾ for the core central business district ("CBD"). In Australia, Keppel REIT's overall portfolio achieved 98.5% commitment. Three of four completed office towers in Sydney, Melbourne and Brisbane are fully committed, with the fifth office tower in Perth currently under construction.

The Manager continues to maintain a healthy weighted average lease expiry ("WALE") of approximately nine years and six years for its top 10 tenants and overall portfolio respectively. The extended WALE and Keppel REIT's young portfolio enhances the sustainability of the property income over the long term.

On 12 March 2015, the Manager marked the topping-out of the office tower being built on the Old Treasury Building site in Perth. A strategic landmark in Perth's CBD, the office tower is expected to be completed in 2H 2015. It is 100% pre-committed to the Government of Western Australia with a 25-year lease with options for another 25 years.

Office Market Outlook

In Singapore, the economy grew by 2.9% in 2014, with the finance and insurance sector recording the highest growth rate at 7.7%, followed by the information and communications sector at 3.6%. For the year 2015, the Ministry of Trade and Industry has forecast a 2.0% to 4.0% growth, on the back of modest global growth and a tightening domestic labour market.

Property consultants expect demand for Grade A space to remain positive in 2015. In 1H 2015, consultants expect demand for quality office space to continue to be supported by steady economic conditions and a tight office supply situation, although rental momentum is expected to slow down from 2H 2015 when pre-leasing activities for the 2016 office supply commence. However, consultants expect average Grade A office rentals to increase by 5.0% to 6.0% in 2015.

In Australia, the Australian Bureau of Statistics reported a 2.5% y-o-y economic growth in 4Q 2014. In February 2015, the Reserve Bank of Australia eased monetary policy to encourage sustainable economic growth by reducing the cash rates to 2.25%.

Demand for office space remained relatively stable in key Australian cities, with the last two consecutive quarters of 2014 recording positive net absorption for CBD office space. Consultants also noted that the number of job advertisements in 2014 has increased, indicating that firms are looking to grow headcount amidst improving business conditions.

Looking Ahead

The Manager will continue on its proactive leasing strategy to maintain strong portfolio occupancy for all its properties. A prudent and proactive capital management approach will also be maintained to mitigate financing risks.

Such efforts, coupled with Keppel REIT's young portfolio of premium assets in strategic business and financial precincts in Singapore as well as key cities in Australia, put the Manager in good stead to provide Unitholders with income stability and resilience over the long term.

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¹ Source: CBRE, 1Q 2015.

About Keppel REIT (www.keppelreit.com)

Keppel REIT was listed by way of an introduction on 28 April 2006. Today, it is one of the largest real estate investment trusts listed on the Singapore Exchange.

Keppel REIT's objective is to generate stable income and provide 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 31 March 2015, Keppel REIT has assets under management of approximately \$8.2 billion comprising interests in nine premium office assets with 12 office towers strategically located in Singapore's CBD as well as key financial precincts of Sydney, Melbourne, Brisbane and Perth in Australia.

The assets in Singapore are Bugis Junction Towers, a one-third interest in Marina Bay Financial Centre (comprising office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall), a one-third interest in One Raffles Quay and a 99.9% interest in Ocean Financial Centre.

The assets in Australia are a 50% interest in 8 Chifley Square and the office tower at 77 King Street, both 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 office tower and its annexe being built on the site of the Old Treasury Building in Perth.

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 and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of Keppel REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Keppel REIT is not necessarily indicative of the future performance of Keppel REIT.



KEPPEL REIT FIRST QUARTER 2015 FINANCIAL STATEMENTS ANNOUNCEMENT UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2015

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SUMMARY OF KEPPEL REIT RESULTS FOR THE QUARTER ENDED 31 MARCH 2015

	GROUP			
	1Q2015 \$'000	4Q2014 ² \$'000	1Q2014 \$'000	
Propertyincome	42,405	42,337	46,782	
Net property income	34,587	34,253	39,468	
Share of results of associates	20,367	16,115	15,985	
Share of results of joint ventures	4,043	4,128	831	
Income available for distribution	54,009	45,848	55,104	
Distribution to Unitholders ¹	54,009	45,848	55,104	
Distribution per Unit ("DPU") (cents) for the period	1.70	1.51	1.97	
Annualised/Actual Distribution Yield %	5.7% ³	5.99	% ⁴	

Notes:

- (1) Distribution to Unitholders is based on 100% of the taxable income available for distribution.
- (2) Information in 1Q2014 includes the contribution from Prudential Tower, which was divested in 3Q2014. In 4Q2014, Keppel REIT acquired a one-third stake in Marina Bay Financial Centre Tower 3. As such, the financial information for 4Q2014 has also been provided to give a more meaningful comparison of Keppel REIT's performance for 1Q2015 since the portfolio of properties are the same over the two periods.
- (3) The yield is based on the market closing price per unit of \$1.20 as at the last trading day, 31 March 2015.
- (4) The yield is based on the FY2014 DPU of 7.23 cents, at the market closing price per unit of \$1.22 as at the last trading day, 31 December 2014.

DISTRIBUTION DETAILS

Distribution	1 January 2015 to 31 March 2015
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	(a) Taxable income distribution - 1.11 cents per unit (b) Tax-exempt income distribution - 0.49 cents per unit (c) Capital distribution - 0.1 cents per unit
Books closure date	21 April 2015
Payment date	28 May 2015



INTRODUCTION

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 31 March 2015, Keppel REIT has an asset size of approximately \$8.2 billion comprising interests in nine premium office assets with 12 office towers strategically located in the central business districts of Singapore, as well as key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

The assets in Singapore are Bugis Junction Towers, a one-third interest in Marina Bay Financial Centre (comprising office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall), a one-third interest in One Raffles Quay and a 99.9% interest in Ocean Financial Centre.

The assets in Australia are a 50% interest in 8 Chifley Square and the office tower at 77 King Street, both 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 being built on the site of the Old Treasury Building in Perth.

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 QUARTER ENDED 31 MARCH 2015

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the quarter ended 31 March 2015:

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

		<u>Group</u>		
		1Q2015	1Q2014	+/(-)
	Note	\$'000	\$'000	%
Gross rent		40,835	45,117	(9.5)
Car park income		830	770	7.8
Other income		740	895	(17.3)
Property income	_	42,405	46,782	(9.4)
Property tax		(2,873)	(1,492)	92.6
Other property expenses	1	(4,031)	(4,018)	0.3
Property management fee		(1,085)	(1,145)	(5.2)
Maintenance and sinking fund contributions	_	171	(659)	NM
Property expenses	<u>-</u>	(7,818)	(7,314)	6.9
Net property income		34,587	39,468	(12.4)
Rental support	2	6,179	13,045	(52.6)
Interest income	3	8,982	9,803	(8.4)
Share of results of associates	4	20,367	15,985	27.4
Share of results of joint ventures	5	4,043	831	386.5
Amortisation expenses	6	(5,500)	(9,038)	(39.1)
Borrowing costs	7	(16,299)	(14,539)	12.1
Manager's management fees	8	(12,343)	(11,498)	7.4
Trust expenses		(2,472)	(1,184)	108.8
Changes in fair value of interest rate swap	9	878	-	100.0
Total return before tax		38,422	42,873	(10.4)
Income tax expense	10	(1,902)	(3,022)	(37.1)
Total return after tax	-	36,520	39,851	(8.4)
Attributable to:				
Unitholders		36,502	39,831	(8.4)
Non-controlling interest	_	18	20	(10.0)
	-	36,520	39,851	(8.4)
Distribution Statement				
Total return for the period attributable to Unitholders		36,502	39,831	(8.4)
Net tax and other adjustments	11	17,507	15,273	14.6
Income available for distribution	_	54,009	55,104	(2.0)
Distribution to Unitholders	12	54,009	55,104	(2.0)
Distribution per Unit (cents)				
For the period		1.70	1.97	(13.7)
Annualised/Actual Distribution ¹		6.80	7.23	(5.9)

⁽¹⁾ Actual distribution is based on the 1.97 cents, 1.90 cents, 1.85 cents and 1.51 cents reported in 1Q2014, 2Q2014, 3Q2014 and 4Q2014 respectively.

NM - Not meaningful



Notes:

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

	<u>Group</u>		
	1Q2015	1Q2014	
	\$'000	\$'000	
Marketing expenses	32	75	
Utilities	900	777	
Repair and maintenance	2,264	2,309	
Property management reimbursements	486	501	
Other property expenses	349	356	
	4,031	4,018	

- (2) This relates to the rental support top-up payments received by Keppel REIT for 77 King Street Office Tower, Sydney, the approximate 99.9% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC") and the one-third interest in Central Boulevard Development Pte. Ltd. ("CBDPL") which holds MBFC Tower 3. In the prior period, the rental support top-up payments received by Keppel REIT were 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. The rental support drawn down for OFC and MBFC Tower 3 for the current period are \$2,452,000 and \$3,700,000 respectively.
- (3) Interest income comprises the following:

	<u>Group</u>	
	1Q2015	1Q2014
	\$'000	\$'000
Interest income from fixed deposits and current accounts	557	259
Interest income from shareholder's loans to One Raffles Quay Pte Ltd ("ORQPL") and BFCDLLP	6,068	5,249
Interest income from convertible notes in Mirvac 8 Chifley Trust and Mirvac (Old Treasury) Trust	2,357	4,295
	8,982	9,803

- (4) Share of results of associates for the current period relates to Keppel REIT's one-third interests in (i) ORQPL and CBDPL's net profit after tax, and (ii) BFCDLLP's partnership profit. In the prior period, share of results of associates 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:

Group		
1Q2015	1Q2014	
\$'000	\$'000	
14,895	13,264	
795	423	
609	852	
16,299	14,539	
	1Q2015 \$'000 14,895 795 609	

(8) The Manager has elected to earn 100% of its management fees earned in respect of all the properties in units of Keppel REIT for this quarter. In the prior period, the Manager elected to receive 100% of its management fees earned in respect of the approximate 87.5% interest in OPLLP, 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.



- (9) This relates to the fair value change of an interest rate swap, which had been re-designated to hedge other existing loans subsequent to the repayment of a previously hedged loan. The change in fair value has no DPU impact.
- (10) Income tax expense comprises (i) tax of 17% on the rental support top-up payments received by Keppel REIT for its interests in CBDPL and OPLLP, net of deductible interest expense, and (ii) withholding tax expense in relation to the income from the Group's investments in Australia. In the prior period, income tax expense comprised (i) tax of 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.
- (11) Included in the net tax and other adjustments are the following:

<u>Group</u>	
1Q2015 \$'000	1Q2014 \$'000
12,343	7,676
301	267
6,109	9,890
(1,246)	(2,560)
17,507	15,273
	1Q2015 \$'000 12,343 301 6,109 (1,246)

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

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

	<u>Group</u>		
	1Q2015	1Q2014	+/(-)
	\$'000	\$'000	%
Total return after tax	36,520	39,851	(8.4)
Other comprehensive income:			
Foreign currency translation	(41,735)	1,806	NM
Cashflow hedges:			
Net change in fair value of cash flow hedges	17,847	(2,269)	NM
Share of net change in fair value of cash flow hedges of an associate	874	217	302.8
Other comprehensive income for the period	(23,014)	(246)	>500
Total comprehensive income for the period	13,506	39,605	(65.9)
Attributable to:			
Unitholders	13,484	39,586	(65.9)
Non-controlling interest	22	19	15.8
	13,506	39,605	(65.9)

NM - Not meaningful

⁽¹²⁾ 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(b)(i) Balance sheets, together with a comparative statement of the end of the immediately preceding financial year

Balance Sheets

		Gre	<u>oup</u>		<u>Ti</u>	<u>ust</u>	
	Note	31/3/2015	31/12/2014	+/(-)	31/3/2015	31/12/2014	+/(-)
		\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets		•	•		·	•	
Investment properties	1	3,588,983	3,613,616	(0.7)	527,000	527,000	-
Investment in subsidiaries		-	-	-	1,837,852	1,837,852	-
Investment in associates	2	2,425,450	2,429,485	(0.2)	2,026,261	2,031,098	(0.2)
Advances to associates		606,222	613,222	(1.1)	606,222	613,222	(1.1)
Investment in joint ventures	3	276,104	288,931	(4.4)	-	-	-
Advances to joint venture	3	95,355	99,853	(4.5)	-	-	-
Amount owing by subsidiaries		-	-	-	836,468	876,886	(4.6)
Fixed assets		132	142	(7.0)	-	-	-
Intangible asset	4	51,095	56,607	(9.7)	43,118	46,623	(7.5)
Derivative financial instruments	5	12,658	2,081	>500	5,472	255	>500
Total non-current assets		7,055,999	7,103,937	(0.7)	5,882,393	5,932,936	(0.9)
Current assets							
Trade and other receivables	6	37,568	25,016	50.2	43,446	37,918	14.6
Prepaid expenses		1,016	629	61.5	88	23	282.6
Cash and bank balances		203,211	199,689	1.8	177,181	172,729	2.6
Derivative financial instruments	5	713	133	436.1	713	133	436.1
Total current assets		242,508	225,467	7.6	221,428	210,803	5.0
Total assets		7,298,507	7,329,404	(0.4)	6,103,821	6,143,739	(0.6)
Current liabilities							
Trade and other payables	7	50.392	84,469	(40.3)	31,342	64,022	(51.0)
Income received in advance	•	654	1,043	(37.3)	296	239	23.9
Short term borrowings		274,945	274,924	0.01	274,945	274,924	0.01
Current portion of security deposits		3,223	3,223	_	508	508	_
Derivative financial instruments	5	7,029	9,071	(22.5)	7,029	9,071	(22.5)
Provision for taxation	·	6,323	7,641	(17.2)	6,178	7,400	(16.5)
Total current liabilities		342,566	380,371	(9.9)	320,298	356,164	(10.1)
Non-current liabilities							
Income received in advance		60,743	61,871	(1.8)	59,931	61,021	(1.8)
Long term borrowings		2,389,777	2,390,439	(0.03)	1,927,406	1,928,554	(0.1)
Derivative financial instruments	5	1,368	6,894	(80.2)	983	4,724	(79.2)
Non-current portion of security deposits		26,324	25,074	5.0	3.346	3,237	3.4
Deferred tax liabilities		5,283	5,283	-	3,340	5,257	-
Total non-current liabilities		2,483,495	2,489,561	(0.2)	1,991,666	1,997,536	(0.3)
Total non-current nabilities		2,403,493	2,409,301	(0.2)	1,331,000	1,997,000	(0.3)
Total liabilities		2,826,061	2,869,932	(1.5)	2,311,964	2,353,700	(1.8)
Net assets		4,472,446	4,459,472	0.3	3,791,857	3,790,039	0.05
Represented by:							
Unitholders' funds		4,470,390	4,457,420	0.3	3,791,857	3,790,039	0.05
Non-controlling interest		2,056	2,052	0.2			-
		4,472,446	4,459,472	0.3	3,791,857	3,790,039	0.05
Net asset value per unit (\$)		1.41	1.41		1.19	1.20	



Notes:

- (1) The decrease in investment properties is due mainly to translation differences arising from the Australian properties.
- (2) This relates to the one-third equity interests in ORQPL, BFCDLLP and CBDPL, 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. The properties held through M8CT and MOTT are 8 Chifley Square and the new office tower being built on the Old Treasury Building site respectively. Advances to joint venture relates to convertible notes held in MOTT.
- (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, the approximate 12.4% interest in OPLLP and its one-third interest in CBDPL which holds MBFC Tower 3. In the prior period, the balance 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, the approximate 99.9% interest in OPLLP and its one-third interest in CBDPL which holds MBFC Tower 3. The intangible asset is amortised over the remaining rental support periods for the respective properties.
- (5) 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 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 \$6.2 million (31 December 2014: \$11.9 million) and dividend receivables from associates and joint ventures of \$21.4 million (31 December 2014: \$1.0 million).
- (7) Included in the balances for the comparative period was an accrued advanced distribution of \$37.6 million for the period 1 October to 15 December 2014, which has been paid on 21 January 2015.



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

	<u>Group</u>			
	As at 31/3/2015 \$'000	As at 31/12/2014 \$'000		
Secured borrowings				
Amount repayable within one year	175,000	175,000		
Amount repayable after one year	466,454	466,454		
Less: Unamortised portion of fees	(2,259)	(2,474)		
	639,195	638,980		
Unsecured borrowings				
Amount repayable within one year	100,000	100,000		
Amount repayable after one year	1,929,609	1,930,859		
Less: Unamortised portion of fees	(4,082)	(4,476)		
	2,025,527	2,026,383		
Total borrowings	2,664,722	2,665,363		

Medium Term Notes ("MTN")

On 11 February 2015, Keppel REIT MTN Pte. Ltd. issued fixed rate notes of \$50 million due 2022 through its \$1 billion Multicurrency Medium Term Note Programme, at a fixed coupon of 3.15% per annum. The MTN proceeds were used to early refinance a \$50 million bank loan due in 2016.

Details of Collaterals

As a security for the 5-year term loan facilities of \$175.0 million, the Group mortgaged its Bugis Junction Towers. In addition, Keppel REIT granted the lender the following:

- 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 \$505.0 million, the Group granted the lenders securities of up to an aggregate principal amount of \$900.0 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 31 March 2015, the Group had total borrowings of approximately \$2,671.1 million and an unutilised \$737.4 million of facilities available to meet its future obligations. The year-to-date all-in interest rate was 2.47% as at 31 March 2015.



1(c) **Consolidated Statement of Cash Flows**

Consolidated Statement of Cash Flows		Grou	<u>o</u>
		1Q2015	1Q2014
• " "	Note	\$'000	\$'000
Operating activities Total return before tax		38,422	42,873
Adjustments for:		30,422	42,073
Interest income		(8,982)	(9,803)
Amortisation expense		5,500	9,038
Share of results of associates		(20,367)	(15,985)
Share of results of joint ventures		(4,043)	(13,983)
Borrowing costs		16,299	14,539
Management fees paid and/or payable in units		12,343	7,676
Changes in fair value of interest rate swap		(878)	- ,0.0
Depreciation		10	3
Rental support income		(6,179)	(13,045)
Translation differences		350	(16)
Operating cash flows before changes in working capital	_	32,475	34,449
Decrease/(Increase) in receivables		1,870	(1,293)
Decrease in payables		(2,160)	(31,950)
Increase/(Decrease) in security deposits		1,250	(92)
Cash flows from operations	_	33,435	1,114
Income taxes paid		(3,208)	(3,628)
Net cash flows generated from/(used in) operating activities	_	30,227	(2,514)
net cash nows generated ironin (asea iii) operating activities	_	00,221	(2,014)
Investing activities		(10)	(= 4.0)
Improvement in investment properties		(43)	(716)
Interest received		8,798	11,135
Rental support received		11,906	21,894
Investment in joint ventures		-	(4,779)
Repayment of advance from an associate		7,000	-
Distribution received from joint ventures	_	3,761	353
Net cash flows generated from investing activities	_	31,422	27,887
Financing activities			
Distribution to Unitholders	1	(45,848)	(54,606)
Proceeds from issuance of MTN		50,000	-
Loans drawdown		-	284,949
Repayment of loan		(50,000)	(256,975)
Payment of financing expenses/upfront debt arrangement costs		(107)	(1,178)
Partnership distribution to non-controlling interest		(12)	(12)
Interest paid	_	(10,173)	(7,820)
Net cash flows used in financing activities	_	(56,140)	(35,642)
Net increase/(decrease) in cash and cash equivalents		5,509	(10,269)
Cash and cash equivalents at the beginning of period		137,818	71,140
Effect of exchange rate changes on cash and cash equivalents		(859)	41
	_		
Cash and cash equivalents at the end of period	_	142,468	60,912
Cash and bank balances		203,211	77,517
Less: Rental support received in advance held in designated accounts	2	(60,743)	(16,605)
Cash and cash equivalents per Consolidated Statement of Cash Flows		142,468	60,912

Note:
(1) Distribution for 1Q2015 is for the period of 1 October 2014 to 15 December 2014, paid on 21 January 2015, and 16 December 2014 to 31 December 2014, paid on 27 February 2015.

Distribution for 1Q2014 is for the period of 1 October 2013 to 31 December 2013, paid on 28 February 2014.

⁽²⁾ This relates to the rental support top-up payments received in advance by Keppel REIT held in designated accounts for the 12.4% interest in OPLLP, the office tower at 77 King Street and the one-third interest in MBFC Tower 3. In the prior period, the rental support top-up payments received in advance by Keppel REIT held in designated accounts were for the 12.4% interest in OPLLP and the office tower at 77 King Street.



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

				Foreign	7	Discount on Acquisition of			
		Units in Issue	Accum ulated Profits	Currency Translation Reserve	Hedging Reserve	Non- Controlling Interest	Unitholders' Funds	Non- Controlling Interest	Total
	Note	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
At 1 January 2015		3,354,095	1,234,402	(123,164)	(11,135)	3,222	4,457,420	2,052	4,459,472
Return for the period			36,502				36,502	18	36,520
Other comprehensive income	1	•		(41,735)	18,717	,	(23,018)	4	(23,014)
Total comprehensive income			36,502	(41,735)	18,717		13,484	22	13,506
issue of units for payment of management fees	8	7,729	ı		ı	ı	7,729	,	7,729
Distribution to Unitholders			(8,243)	•	•	٠	(8,243)	,	(8,243)
Distribution of partnership profits to non-controlling interest		1	1		1	•		(18)	(18)
At 31 March 2015		3,361,824	1,262,661	(164,899)	7,582	3,222	4,470,390	2,056	4,472,446
	Note	Units in Issue \$'000	Accumulated Profits \$000	Eoreign Currency Translation Reserve \$*000	Hedging Reserve	Acquisition of Non-Controlling Interest \$\\$ \$000	Unitholders' funds \$\\$'000	Non- Controlling Interest \$'000	Total \$'000
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			39,831	1			39,831	20	39,851
Other comprehensive income	1	•		1,806	(2,051)	1	(245)	(1)	(246)
Total comprehensive income		•	39,831	1,806	(2,051)	-	39,586	19	39,605
Issue of units for payment of	c	7 660					7 660		7 660
20	า	600'1	Í				600'/		600,7
Distribution to Unitholders		(11,429)	(43,177)		,		(54,606)	•	(54,606)
Distribution of partnership profits to non- controlling interest			•		1	,	,	(20)	(20)
At 31 March 2014		2,920,531	1,088,965	(93,022)	(30,054)	3,222	3,889,642	1,977	3,891,619



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 6,474,804 units issued in 1Q2015 as payment of management fees in units.
- (3) This represents 6,591,764 units issued in 1Q2014 as payment of management fees in units.

<u>Trust</u>	Note	Units in Issue	Accumulated Profits \$'000	Hedging Reserve \$'000	<u>Total</u> \$'000
At 1 January 2015		3,354,095	445,472	(9,528)	3,790,039
Return for the period Other comprehensive income Total comprehensive income	1	- - -	(8,370) - (8,370)	- 10,702 10,702	(8,370) 10,702 2,332
Issue of units for payment of management fees Distribution to Unitholders At 31 March 2015	2	7,729 - 3,361,824	(8,243) 428,859	- - 1,174	7,729 (8,243) 3,791,857
At 31 March 2015	_	3,361,024	420,039	1,174	3,791,007
Trust	Note	Units in Issue \$'000	Accumulated Profits \$'000	Hedging Reserve \$'000	<u>Total</u> \$'000
<u>Trust</u> At 1 January 2014	Note	<u>Units in Issue</u> \$'000 2,924,291			Total \$'000
	Note	\$'000	Profits \$'000	Reserve \$'000	\$'000
At 1 January 2014 Return for the period Other comprehensive income Total comprehensive income	[\$'000	Profits \$'000 479,884 49,737	Reserve \$'000 (26,233) - (628)	\$'000 3,377,942 49,737 (628)

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 6,474,804 units issued in 1Q2015 as payment of management fees in units.
- (3) This represents 6,591,764 units issued in 1Q2014 as payment of management fees in units.



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

Group and Trust

2015 2014
Units Units
3,170,433,879 2,787,681,875
6,474,804 6,591,764

2,794,273,639

3,176,908,683

Issued units as at 1 January

Issue of new units:

- Payment of management fees

Issued units as at 31 March

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 31 March 2015 and 31 December 2014.

Total number of issued units in Keppel REIT as at 31 March 2015 and 31 December 2014 were 3,176,908,683 and 3,170,433,879 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 2015.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.



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

	<u>Group</u>		
	1Q2015	1Q2014	
EPU	1.15 cents	1.43 cents	
(based on weighted average number of units as at the end of the period)			
- Weighted average number of units as at the end of the period	3,174,822,357	2,792,222,868	
DPU (based on the number of units as at the end of the period)	1.70 cents	1.97 cents	
- Number of units in issue as at the end of the period	3,176,908,683	2,794,273,639	

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

7. NET ASSET VALUE ("NAV")

	<u>Gr</u>	<u>oup</u>	<u>Trust</u>	
	As at 31/3/15	As at 31/12/14	As at 31/3/15	As at 31/12/14
NAV ¹ per unit (\$) based on issued units at the end of the period	1.41	1.41	1.19	1.20
based on located arms at the one of the poriod				
Adjusted NAV per unit (\$)	1.39	1.40	1.18	1.19
based on issued units at the end of the period (excluding the distributable income)				

Note:

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



REVIEW OF PERFORMANCE 8.

8(ii)

Property Income Contribution of the Properties 8(i)

reporty meeting continuation or the responde		_	
	_	<u>Group</u>	
	1Q2015	1Q2014	+/(-)
	\$'000	\$'000	%
<u>Property</u>			
Prudential Tow er 1	-	5,252	(100.0)
Bugis Junction Towers	5,517	5,068	8.9
Ocean Financial Centre	24,819	24,120	2.9
275 George Street	4,878	4,989	(2.2)
77 King Street	2,874	2,906	(1.1)
8 Exhibition Street	4,317	4,447	(2.9)
Total property income	42,405	46,782	(9.4)
Income Contribution of the Properties			
	<u>9</u>	<u>Group</u>	
	1Q2015	1Q2014	+/(-)
	\$'000	\$'000	%
<u>Property</u>			
Prudential Tow er 1	-	4,131	(100.0)
Bugis Junction Tow ers	4,754	3,982	19.4
Ocean Financial Centre	20,262	21,674	(6.5)
275 George Street	3,981	4,046	(1.6)
77 King Street	2,358	2,311	2.0
8 Exhibition Street	3,232	3,324	(2.8)
Total net property income	34,587	39,468	(12.4)
One-third interest in ORQPL ² :			
- Interest income	470	376	25.0
- Dividend income	6,391	6,545	(2.4)
Total income	6,861	6,921	(0.9)
One-third interest in BFCDLLP ³ and CBDPL ³ :			
- Rental support	3,700	1,437	157.5
- Interest income	5,598	4,873	14.9
- Dividend income	14,048	9,107	54.3
Total income	23,346	15,417	51.4
50% interest in M8CT ⁴			
- Interest income	-	2,581	(100.0)
- Distribution income	3,138	-	100.0
Total income	3,138	2,581	21.6
50% interest in MOTT ⁵			
- Interest income	2,357	1,714	37.5
- Distribution income	508	353	43.9
Total income	2,865	2,067	38.6
Notes:			

Notes:

- Prudential Tower was divested on 26 September 2014.
 Comprises one-third interest in ORQPL which holds One Raffles Quay.
 Comprise one-third interest in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Tower 1, 2 and 3 and Marina Bay Link Mall.
- Comprises 50% interest in M8CT which holds 8 Chifley Square.
 Comprises 50% interest in MOTT which holds Old Treasury Building



8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for 1Q2015 vs 1Q2014

Property income and net property income for 1Q2015 were \$42.4 million and \$34.6 million respectively, compared to the property income and net property income of \$46.8 million and \$39.5 million respectively for 1Q2014. The variances were attributable mainly to the divestment of Prudential Tower on 26 September 2014. This was partially offset by higher property income from OFC and Bugis Junction Towers and higher net property income from Bugis Junction Towers.

The Group's total return before tax for 1Q2015 was \$38.4 million, compared to \$42.9 million for 1Q2014. This was attributable mainly to the divestment of Prudential Tower, lower rental support, lower interest income, higher borrowing costs, higher management fees and trust expenses. These were offset by higher net property income from Bugis Junction Towers, higher share of results of associates and joint ventures and lower amortisation expenses.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

In Singapore, the economy grew by 2.9% in 2014, with the finance and insurance sector recording the highest growth rate at 7.7%, followed by the information and communications sector at 3.6%. For the year 2015, the Ministry of Trade and Industry has forecast a 2.0% to 4.0% growth, on the back of modest global growth and a tightening domestic labour market.

Property consultants expect demand for Grade A space to remain positive in 2015. In 1H 2015, consultants expect demand for quality office space to continue to be supported by steady economic conditions and a tight office supply situation, although rental momentum is expected to slow down from 2H 2015 when pre-leasing activities for the 2016 office supply commence. However, consultants expect average Grade A office rentals to increase by 5.0% to 6.0% in 2015.

In Australia, the Australian Bureau of Statistics reported a 2.5% y-o-y economic growth in 4Q2014. In February 2015, the Reserve Bank of Australia eased monetary policy to encourage sustainable economic growth by reducing the cash rates to 2.25%.

Demand for office space remained relatively stable in key Australian cities, with the last two consecutive quarters of 2014 recording positive net absorption for CBD office space. Consultants also noted that the number of job advertisements in 2014 has increased, indicating that firms are looking to grow headcount amidst improving business conditions.

In 2014, Keppel REIT achieved several significant milestones including the successful divestment of its 92.8% interest in Prudential Tower and completion of the acquisition of a one-third interest in MBFC Tower 3. The divestment and acquisition significantly enhanced Keppel REIT's portfolio, entrenching it as the S-REIT with the youngest and largest portfolio of premium assets in Singapore's business and financial districts.

Looking ahead, the Manager will continue on its proactive leasing strategy to maintain strong portfolio occupancy for all its properties. A prudent and proactive capital management approach will also be maintained to mitigate financing risks. Such efforts, coupled with Keppel REIT's young portfolio of premium assets in strategic business and financial precincts in Singapore as well as key cities in Australia, put the Manager in good stead to provide Unitholders with income stability and resilience over the long term.



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	1 January 2015 to 31 March 2015
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	(a) Taxable income distribution - 1.11 cents per unit (b) Tax-exempt income distribution - 0.49 cents per unit (c) Capital distribution - 0.1 cents per unit
Taxrate	Taxable income distribution Individuals who receive such distribution as investment income will be exempted from tax.
	Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.
	Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.
	Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.
	All other investors will receive their distributions after deduction of tax at the rate of 17%.
	Tax-exempt income distribution 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.
	Capital distribution 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.



12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Distribution	Distribution for 1 January 2014 to 31 March 2014				
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution				
Distribution Rate	(a) Taxable income distribution - 1.17 cents per unit (b) Tax-exempt income distribution - 0.70 cents per unit (c) Capital distribution - 0.10 cents per unit				
Tax Rate	Taxable income distribution				
	Individuals who receive such distribution as investment income will be exempted from tax.				
	Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.				
	Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.				
	Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.				
	All other investors will receive their distributions after deduction of at the rate of 17%.				
	Tax-exempt income distribution 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.				
	Capital distribution 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.				

(c) Books Closure Date

21 April 2015

(d) Date Payable

28 May 2015

13. DISTRIBUTION STATEMENT

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



14. INTERESTED PERSON TRANSACTIONS ("IPTs")

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000)				
	1Q2015	1Q2014			
	\$'000	\$'000			
es	12,343	11,498			
	1,444	1,575			
	55	116			
	-	379			
	5,022	11,002			
	12,400	-			
t in an associate	4,837	-			
	301	267			

Name of Interested Person

Keppel Corporation Limited and its subsidiaries or associates

- Manager's management fees
- Property management fees and reimbursable
- Leasing commissions
- Rental and service charge income 1
- Rental support
- Electricity expenses ¹
- Reimbursement of development costs for one-third interest in an associate

RBC Investor Services Trust Singapore Limited

- Trustee's fees

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.

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

KELVIN CHUA HUA YEOW / DANIEL LAW ZHI-EN Joint Company Secretaries 13 April 2015



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 First Quarter 2015 financial statements of Keppel REIT to be false or misleading in any material respect.

On Behalf of the Board

CHIN WEI-LI AUDREY MARIE

Chairman

13 April 2015

Director

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First Quarter 2015 Financial Results 13 April 2015







Important Notice



Important Notice

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of Keppel REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Keppel REIT is not necessarily indicative of the future performance of Keppel REIT.





12 Office Towers

3.3 million sf⁽¹⁾



S\$3.8 billion⁽²⁾

The above information is as at 31 March 2015. (1) Excludes the NLA for the office tower being built on the Old Treasury Building site in Perth. (2) Based on market closing price per Unit of \$1.20 as at the last trading day, 31 March 2015.

Premium Grade and Grade A Office Portfolio



88% of portfolio in Singapore and 12% in Australia

Singapore Properties



Ocean Financial Centre (99.9% interest)



(33.3% interest)



Marina Bay Financial Centre (33.3% interest)



Bugis Junction Towers (100% interest)



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



8 Exhibition Street, Melbourne (50% interest)



77 King Street Office Tower, **Sydney**



275 George Street, Brisbane (50% interest)



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

Youngest Commercial S-REIT in Singapore Business Hub Keppel REIT



- **Strategic portfolio transformation** in 2014 positioning Keppel REIT as the S-REIT with the **youngest >>** and largest portfolio of premium office assets in Singapore's business and financial districts
- Approximately 92% of Singapore properties are located in the Raffles Place and Marina Bay precincts **>>**







1Q 2015 Key Financial Highlights



- » Distribution income ↑ 18% q-o-q to \$54 mil in 1Q 2015
- » 1Q 2015 DPU 13% q-o-q to 1.70 cents from 1.51 cents in 4Q 2014
 - Full-quarter contribution from MBFC Tower 3 and stronger performance from Bugis Junction Towers
 - Annualised distribution yield of 5.7%
- » Sustained level of distributable income of \$54 mil y-o-y in 1Q 2015 notwithstanding
 - Expiry of rental support from the 87.5% interest in Ocean Financial Centre
 - Absence of income contribution from Prudential Tower
 - Absence of rental support from MBFC Phase One
- Share of Results of Associates ↑ 26% q-o-q to reach \$20.4 mil due to a full-quarter contribution from MBFC Tower 3







1. Key Highlights

2. Financial Highlights

3. Capital Management

4. Portfolio Analysis

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1Q 2015 Key Capital Management Highlights



- » Maiden issuance of a 7-year \$50 million Medium Term Notes (MTN) at a fixed-rate of 3.15% per annum, which is due in 2022
 - MTN proceeds used to early refinance a \$50 million bank loan due in 2016
- » Completed the early refinancing of
 - \$275 million of loans due in 2015
 - \$125 million of loans due in 2016
- » Over 80% of total borrowings not due for repayment till 2017 and beyond







1. Key Highlights

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1Q 2015 Key Portfolio Highlights



- » Upward trend of office rental reversions continue to gather momentum
 - 19% positive rental rate reversion for office leases signed, renewed and reviewed
- » Successfully reviewed two-thirds of leases due in 2015, all with positive rental reversions
- » Maintained high tenant retention rate of 96%
- » Close to 80% of total leases not due for renewal till 2017 and beyond
- » Maintained high committed portfolio occupancy of 99.3%
 - 9 of 11 completed office towers in Singapore and Australia fully committed







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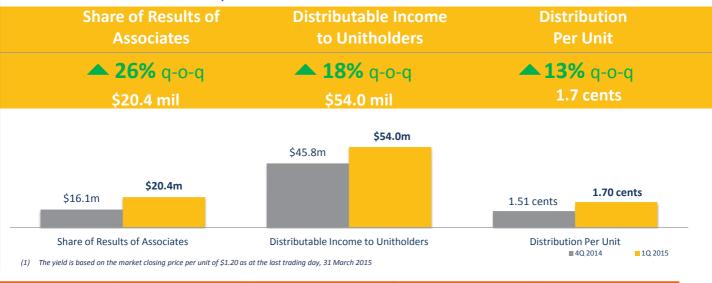
2. Financial Highlights







- **Distribution to Unitholders** ↑ 18% q-o-q to \$54 mil in 1Q 2015
- **DPU 13**% q-o-q to 1.70 cents in 1Q 2015
 - Full-quarter contribution from MBFC Tower 3
 - Stronger performance from Bugis Junction Towers, which contributed to improvement in both NPI and PI
- Annualised distribution yield of **5.7%**⁽¹⁾





1. Key Highlights

Stable Distributable Income Y-o-Y

2. Financial Highlights



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5. Market Review

- **Distributable income** remained **stable** at \$54 mil y-o-y, notwithstanding:
 - Expiry of rental support from the 87.5% interest in Ocean Financial Centre

3. Capital Management

- Absence of income contribution from Prudential Tower
- Absence of rental support from MBFC Phase One
- Continuing the upward trend of office rental reversions, Keppel REIT's current strong portfolio will continue to deliver sustainable distributions for FY 2015(1)

	1Q 2015	1Q 2014	Remarks
Property Income	\$42.4 mil	\$46.8 mil	Absence of income from Prudential Tower, offset by higher contribution from Bugis
Net Property Income	\$34.6 mil	\$39.5 mil	Junction Towers
Share of Results of Associates	\$20.4 mil	\$16.0 mil	Full-quarter income contribution from MBFC Tower 3
Share of Results of Joint Ventures	\$4.0 mil	\$0.8 mil	Contribution from 8 Chifley Square as Keppel REIT started sharing its results in mid-2014
Distributable Income to Unitholders	\$54.0 mil	\$55.1 mil	Stable distributable income levels
	(1) Barina any unforeseen develop	ments and circumstances	

1. Key Highlights 2. Financial Highlights 3. Capital Management

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4. Portfolio Analysis





	As at 31 Mar 2015	As at 31 Dec 2014
Non-current Assets	\$7,056 mil	\$ 7,104 mil
Total Assets	\$7,299 mil	\$7,329 mil
Borrowings ⁽¹⁾	\$3,544 mil	\$3,545 mil
Total Liabilities	\$2,826 mil	\$2,870 mil
Unitholders' Funds	\$4,470 mil	\$4,457 mil
Adjusted NAV Per Unit ⁽²⁾	\$1.39	\$1.40

Distribution Per Unit (DPU)

1.70 cents

1. Key Highlights	2. Financial Highlights	3. Capital Management	4. Portfolio Analysis	5. Market Review	1
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A TO

1Q 2015 DPU



Distribution Period

1 January 2015 – 31 March 2015

Distribution Timetable				
Trading on "Ex" Basis	Friday, 17 April 2015			
Books Closure Date	Tuesday, 21 April 2015			
Distribution Payment Date	Thursday, 28 May 2015			



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

⁽²⁾ For 31 December 2014, this excludes the distribution paid in February 2015. For 31 March 2015, this excludes the distribution to be paid in May 2015.





Proactive Capital Management Strategy



- » Continue to adopt a prudent and proactive capital management strategy
- » Diversify funding sources with the maiden issuance of 7-year \$50 mil MTN at fixed-rate of 3.15% p.a. and due in 2022
 - MTN proceeds used to early refinance a \$50 mil bank loan due in 2016

	As at 31 Mar 2015
Gross Borrowings	\$3,544 mil
Interest Coverage Ratio	4.6 times
All-in Interest Rate	2.47%
Weighted Average Term to Expiry	3.4 years
Aggregate Leverage	42.4%
Rating	Baa2 ⁽¹⁾ / BBB ⁽²⁾

⁽¹⁾ Moody's Investors Service

Borrowings on Fixed-Rate

35% 65% Variable-Rate borrowings Fixed-Rate borrowings
--

% of Assets Unencumbered

200/	
28%	72%
Encumbered	Unencumbered

⁽²⁾ Standard & Poor's Ratings Services



Well-staggered Debt Maturity Profile



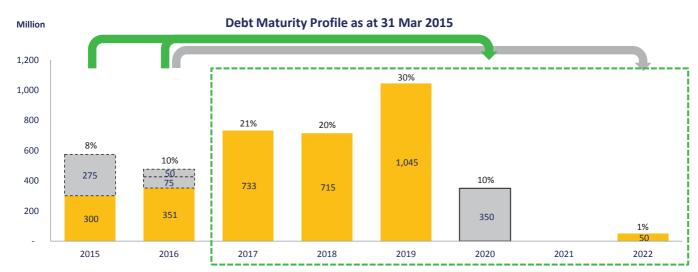
Over 80% of loans not due for repayment till 2017 and beyond

Loans Due in 2015

Early refinanced 48% \$275 million

Loans Due in 2016

Early refinanced 26% \$125 million



> 80% of loans not due till 2017 and beyond

1. Key Highlights

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Steady Leasing Momentum



- » Upward trend of office rental reversions continue to gather momentum
 - Achieved positive reversions of approximately 19% on rental rates for all office leases signed, renewed and reviewed
- » Reviewed two-thirds of leases due in 2015, all of which achieved positive rental reversions
- » Maintained high tenant retention rate of 96% for entire portfolio
- » Close to 80% of total leases not due for renewal till 2017 and beyond
- » 9 of 11 completed office towers achieved 100% committed occupancy





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Project Update: New Office Tower in Perth



Office Tower at the Old Treasury Building site

- **Topping-out** of a strategic landmark in Perth's CBD on 12 March 2015
- » Completion expected in 2H 2015
- » 100% pre-committed to the Government of Western Australia with a 25-year lease with options for another 25 years









1. Key Highlights

2. Financial Highlights

3. Capital Management

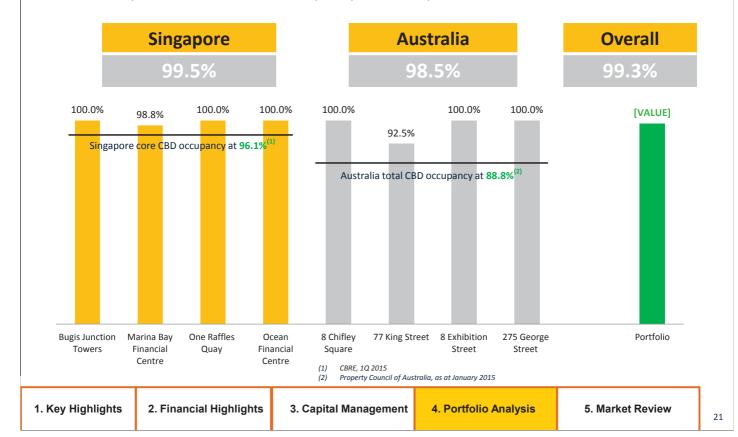
4. Portfolio Analysis



Strong Committed Occupancy Levels



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

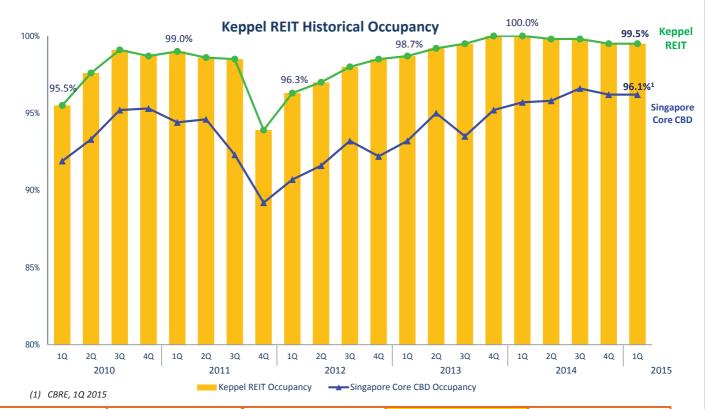




Singapore Portfolio Occupancy above Market



» Portfolio occupancy is consistently above Singapore's Core CBD occupancy levels



1. Key Highlights

2. Financial Highlights

3. Capital Management

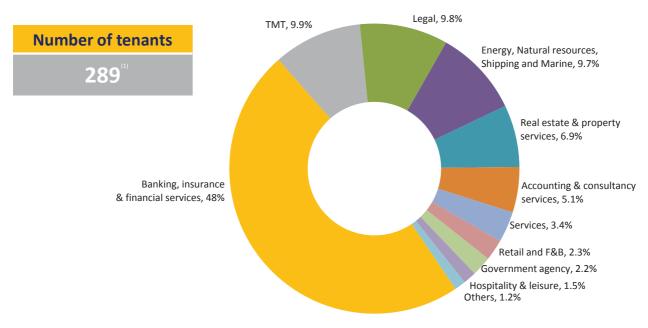
4. Portfolio Analysis



Tenants Diversified across Various Business Sectors Keppel REIT



New and renewal tenants in 1Q 2015 are diversified across various sectors including the banking, insurance and financial services, real estate and property services, as well as energy and natural resources



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

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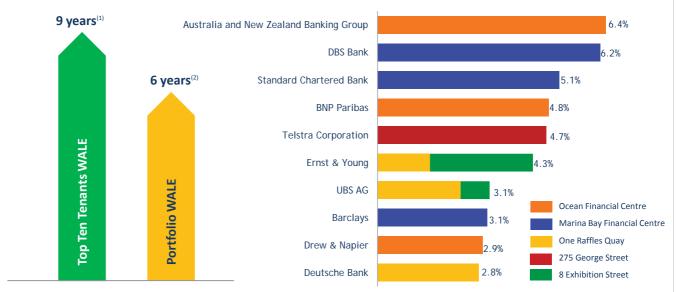
Long Weighted Average Lease Expiry



- Top 10 tenants account for approximately 43% of portfolio NLA
- Long WALE of approximately 9 years and 6 years for top 10 tenants and portfolio respectively enhances income sustainability over the long term

Weighted Average Lease Expiry (WALE)

Top 10 Tenants (by NLA)



- Excluding the office tower being built on the Old Treasury Building site, the top ten tenants WALE will be 6.3 years.
- Excludina the office tower beina built on the Old Treasurv Buildina site. the portfolio WALE will be 4.9 years.

1. Key Highlights

2. Financial Highlights

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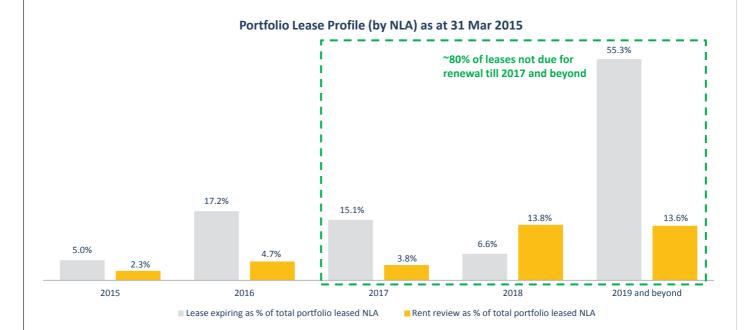
4. Portfolio Analysis



Healthy Lease Expiry Profile



- » Continues to maintain a well-staggered lease profile
- » Close to 80% of total leases not due for renewal till 2017 and beyond



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Holistic Approach towards Environmental Sustainability



- » All of Keppel REIT's assets bear internationally-recognised green certifications
- » The Manager believes that green and efficient developments will achieve tangible long-term savings for all its stakeholders.

	No.	Property	Award	Year
Singapore	1	Bugis Junction Towers	BCA Green Mark Platinum	2014
	2	Marina Bay Financial Centre (Towers 1 and 2)	BCA Green Mark Gold	2008/2014
	3	Ocean Financial Centre	BCA Green Mark Platinum	2008/2013
	4	One Raffles Quay	BCA Green Mark Gold	2009/2013
	5	Marina Bay Financial Centre (Tower 3)	BCA Green Mark Gold ^{Plus}	2009/2012
Australia	6	8 Chifley Square, Sydney	GBCA 6 Star Green Star – Office As Built v2	2015
	7	275 George Street, Brisbane	NABERS 5-Stars	2014
	8	8 Exhibition Street, Melbourne	NABERS 4.5-Stars	2014
	9	Office tower being built on the Old Treasury Building site, Perth	GBCA 5-Star Green Star – Office Design v3	2014
	10	77 King Street, Sydney	NABERS 4.5-Stars	2013



Ongoing Community Engagement



REITAS Talk

- » Educational talk for retail investors on insights into the REIT industry
- » Over 200 participants
- » Part of Keppel REIT's ongoing efforts to promote the growth and development of the S-REIT industry





CNY Performance

- » Ushered in the Lunar New Year with popular festive music played with traditional Chinese instruments in the lobby of Ocean Financial Centre
- » Spread well wishes and cheer for the festive occasion





Remembering MM Lee

- » Keppel REIT staff distributed umbrellas, water and tissue packs to Singaporeans and foreigners who had gathered outside One Raffles Quay to pay their last respects and bid farewell to the late Mr Lee Kuan Yew as the cortege drove past Marina Bay
- » To allow the public to be part of the final send-off for Singapore's founding father, a live broadcast of the State Funeral Procession and State Funeral Service was shown at the lobby of One Raffles Quay









1. Key Highlights

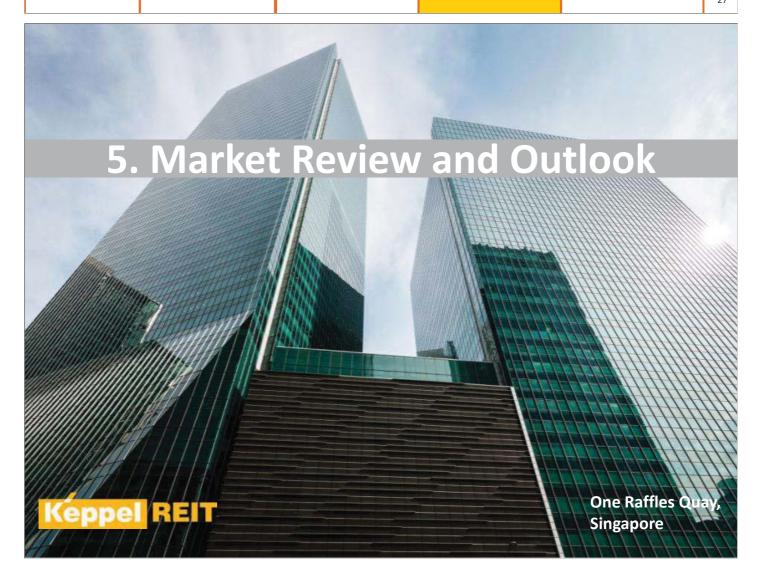
2. Financial Highlights

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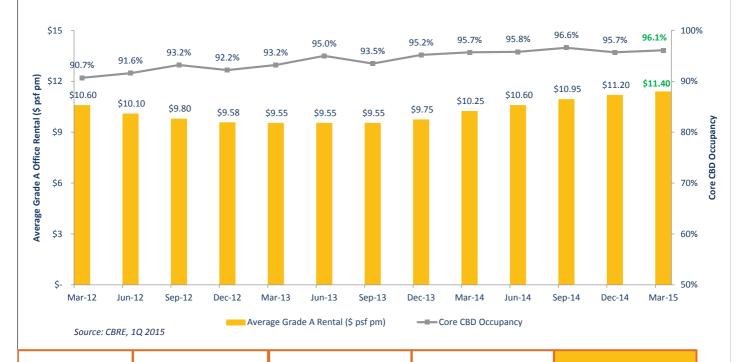




Office Market Review - Singapore



- » Average Grade A occupancy in the core CBD held firm at 96.1%
- » Grade A office rents continued to lead growth, rising an average of 11.2% y-o-y to reach \$11.40 psf





1. Key Highlights

Market Outlook – Singapore

2. Financial Highlights



5. Market Review

Singapore

» Economy grew by 2.9% in 2014, with the highest growth rate recorded in the finance and insurance, followed by the information and communications sectors

3. Capital Management

- » Government forecast a 2% to 4% growth in 2015, on the back of modest global growth and the tightening labour conditions domestically
- » Positive office demand sentiment expected to continue into 2015
 - Demand in 1H 2015 continues to be supported by the steady economic conditions and limited office supply
 - Rental momentum expected to slowdown from 2H 2015 when pre-leasing activity starts for the 2016 office supply



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

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4. Portfolio Analysis



Market Outlook - Australia



Australia

- » Recorded an economic growth of 2.5% y-o-y in 4Q 2014
- » In February 2015, the Reserve Bank of Australia reduced the official cash rate to 2.25% to ease monetary policy and encourage sustainable economic growth
- » Demand for office space remained relatively stable in key Australian cities
- » Improving business conditions expected to see firms looking to grow headcount, as evidenced by the increase in the number of job advertisements over 2014



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

1. Key Highlights

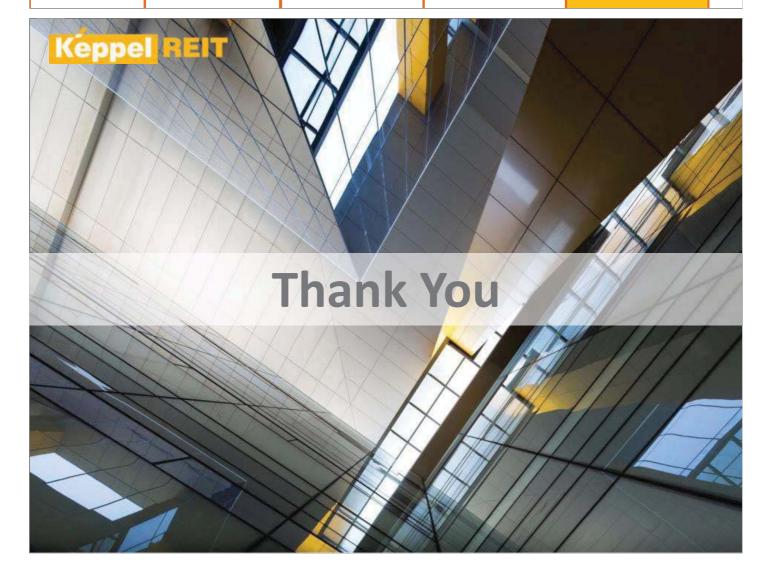
2. Financial Highlights

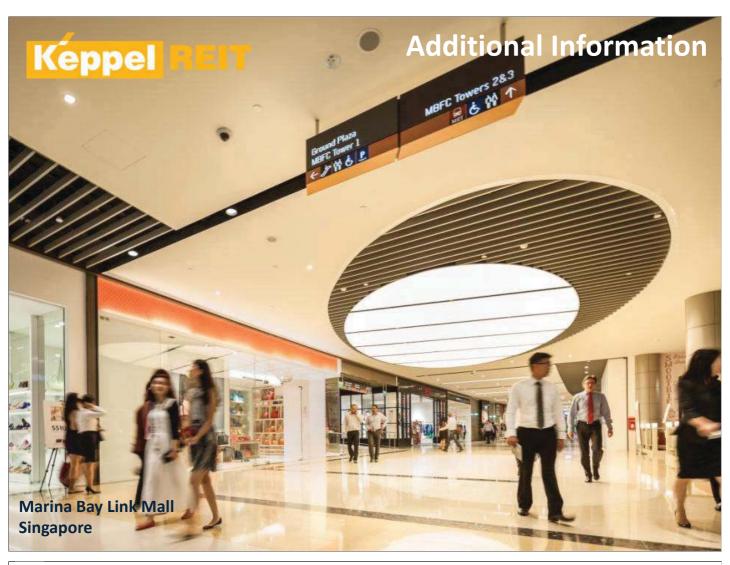
3. Capital Management

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3:







Singapore's Leading Office REIT



Vision

To be a successful commercial real estate investment trust with a sterling portfolio of assets pan-Asia

Mission

Guided by our operating principles and core values, we will deliver stable and sustainable returns to Unitholders by continually enhancing our assets and expanding our portfolio.

Key Thrusts

Acquisition growth

- » Pursue opportunities for acquisition in Singapore and pan-Asia
- » Focus on strategic portfolio upgrading and optimisation

Prudent capital management

- » Effective management of assets and cost structure
- » Exercise prudent interest rate and foreign exchange hedging policies
- » Structure borrowings to ensure financial flexibility

Active asset management

- » Attract creditworthy tenants to increase occupancy as well as retain good existing tenants
- » Balance lease expiry and rent review profiles to enhance cash flow resilience for Unitholders



Growth Record

Keppel REIT



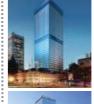




















new office tower at the Old Treasury Building in Perth

 Acquisition of 8 Exhibition Street in Melbourne

S\$7.2 billion



S\$8.2 billion





Maiden acquisition: One Raffles Quav



• First thirdparty acquisition: Increased stake in Prudential Tower



 First strategic asset swap to acquire MBFC Phase 1

S\$3.5 billion

hold assets S\$6.0 billion

· First forward

acquisition

• First S-REIT to

structure

utilise LLP

structure to

funding



Increased interest

in OFC to 99.9%

for MBFC Phase 1

Obtained tax

transparency

S\$6.5 billion

2012





2014 35



K-REITasia Listed in April

S\$630.7 million

2006

2007

S\$2.1 billion



2009

S\$2.1 billion



2011



2013

Recent Awards and Accolades



Global Real Estate Sustainability Benchmark (GRESB) 2014

- Ranked No. 1 in Asia for Office Sector
- Ranked the Regional Leader in Asia for Office Sector **>>**
- **>>** Top 3 in Asia across all diversified entities and sectors
- Top 5% globally across all diversified entities and sectors **>>**



Singapore Portfolio - Awards

BCA Green Mark Awards

Bugis Junction Towers, Green Mark Platinum, 2014

Ocean Financial Centre

- MIPIM Asia Gold award for the Best Innovative Green Building
- PUB Water Efficient Buildings (Silver), 2014





Australian Portfolio - Awards

8 Chifley Square, Sydney

- Ranked one of the 13th best Brilliant Buildings by Property Council of Australia – and was named "CBD Star", 2015
- 12 accolades for development, architectural, construction excellence and environmental sustainability, 2014

Office tower being built on the Old Treasury Building site, Perth

5-Star Green Star Office Design v3 Certified Rating, 2014







Portfolio Information



- Keppel REIT's AUM is approximately \$8.2 billion as at 31 March 2015
- 88% of portfolio in Singapore and 12% in Australia

	Bugis Junction Towers	Marina Bay Financial Centre ⁽¹⁾	One Raffles Quay ⁽¹⁾	Ocean Financial Centre ⁽²⁾
Description	15-storey Grade A office tower	Comprises of three premium Grade A office towers and a subterranean mall	A pair of 50 and 29 storey premium Grade A office towers	43-storey premium Grade A office tower
Attributable NLA (sf)	244,989	1,028,708	444,411	884,525
Ownership	100.0%	33.33%	33.33%	99.9%
Number of tenants	15	154	39	50
Principal tenants	IE Singapore, InterContinental Hotels Group, Keppel Land	DBS Bank, Standard Chartered Bank, BHP Billiton	Deutsche Bank, Ernest & Young, UBS	ANZ, BNP Paribas, Drew & Napier
Tenure	99 years expiring 9 Sept 2089	99 years expiring 10 Oct 2104 ⁽³⁾ and 7 March 2106 ⁽⁴⁾	99 years expiring 12 June 2100	99 years expiring 13 Dec 2110
Valuation ⁽⁵⁾ (S\$ million)	527.0	1,641.0 ⁽³⁾ 1,289.0 ⁽⁴⁾	1,228.0	2,560.0
Committed occupancy (As at 31 March 2015)	100.0%	98.8%	100.0%	100.0%

- (1) Refers to Keppel REIT's one-third interest in MBFC Towers 1, 2 and 3 and Marina Bay Link Mall (MBLM), as well as One Raffles Quay.
- Refers to Keppel REIT's 99.9% interest in Ocean Financial Centre. Refers to MBFC Tower 1 and 2, as well as MBLM
- Refers to MBFC Tower 3
- The valuations are based on Keppel REIT's interest in the respective properties as at 31 December 2014.

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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 being built at the Old Treasury Building site, Perth ⁽¹⁾
Description	34-storey Grade A office tower	18-storey Grade A office tower	35-storey Grade A office tower	30-storey Grade A office tower	33-storey Grade A office tower scheduled for completion in 2H 2015
Attributable NLA (sf)	104,140	146,624	241,176	224,688	165,685
Ownership	50.0%	100.0%	50.0%	50.0%	50.0%
Number of tenants	8	13	19	8	1
Principal tenants	Corrs Chambers Westgarth, QBE Insurance Group, Quantium 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)	205.9	139.9	194.3	213.7	197.0
Committed occupancy (As at 31 Mar 2015)	100.0%	92.5%	100.0%	100.0%	98.7%

- (1) Refers to Keppel REIT's 50% interest in the properties.
- (2) Pre-committed lease.(3) The 99 year leasehold The 99 year leasehold tenure will commence on the date of practical completion of the property.
- Based on the exchange rate of A\$1 = \$\$1.11. Valuation as at 31 December 2014 based on Keppel REIT's interest in the respective properties. For the office tower on the Old Treasury Building site in Perth, valuation is on an "as if completed" basis.