



Managed by

Keppel REIT Management Limited

(Co Reg No. 200411357K)

230 Victoria Street

#05-08 Bugis Junction Towers

Singapore 188024

www.keppelreit.com

Tel: (65) 6803 1818

Fax: (65) 6803 1717

MEDIA RELEASE

Unaudited Results of Keppel REIT for the Fourth Quarter and Full Year Ended 31 December 2017

23 January 2018

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the fourth quarter and full year ended 31 December 2017.

For more information, please contact:

Media Relations

Eileen Tan

Deputy Manager

Group Corporate Communications

Keppel Corporation Limited

Tel: (65) 6413 6430 / (65) 9770 2546

Email: eileen.tan@kepcorp.com

Investor Relations

Ms Grace Chia

Head

Investor Relations

Keppel Capital

Tel: (65) 6803-1739

Email: grace.chia@kepcapital.com

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

Keppel REIT achieves distributable income of \$190.7 million for FY 2017
Portfolio committed occupancy remains high at 99.7%

Key Highlights

- Distributable income (DI) of \$48.2 million for 4Q 2017, bringing DI for the full year ended 31 December 2017 (FY 2017) to \$190.7 million.
- Distribution per Unit (DPU) of 1.43 cents declared for 4Q 2017. FY 2017 DPU amounted to 5.70 cents.
- Aggregate leverage at 38.7% and all-in interest rate at 2.62% per annum.
- Construction of 311 Spencer Street in Melbourne progressing as planned with piling works completed.
- High portfolio committed occupancy of 99.7% and weighted average lease expiry (WALE) of 5.5 years.
- Maintained high tenant retention rate of 95%.

Summary of Results

	GROUP			
	4Q 2017	4Q 2016	FY 2017	FY 2016
	\$'000	\$'000	\$'000	\$'000
Property income	44,369	40,001	164,516	161,252
Net property income	36,242	31,422	131,200	128,370
Share of results of associates	19,476	19,907	83,795	83,460
Share of results of joint ventures	7,932	7,746	31,959	30,789
Income available for distribution	48,201	48,716	190,730	208,123 ¹
Distribution to Unitholders	48,201 ²	48,716 ²	190,730	208,123
DPU (cents) for the period/year	1.43	1.48	5.70	6.37
Actual distribution yield (%)			4.5% ³	6.2% ⁴

(1) Included income from 77 King Street before its divestment on 29 January 2016.

(2) There was no distribution of other gains for the quarters ended 31 December 2016 and 31 December 2017.

(3) Based on the market closing price per Unit of \$1.26 as at the last trading day, 31 December 2017.

(4) Based on the market closing price per Unit of \$1.02 as at the last trading day, 31 December 2016.

Financial Performance & Capital Management

Keppel REIT Management Limited, the Manager of Keppel REIT, wishes to announce that the REIT has delivered DI of \$48.2 million for 4Q 2017, bringing DI for FY 2017 to \$190.7 million. On a year-on-year (y-o-y) basis, FY 2017 DI was lower than FY 2016 DI of \$208.1 million mainly due to the absence of income from 77 King Street in Sydney which was divested in January 2016, lower one-off income received, lower rental support and the absence of other gains distribution.

A DPU of 1.43 cents has been declared for 4Q 2017, bringing total DPU for FY 2017 to 5.70 cents.

On the capital management front, the Manager has received commitments from the banks for the refinancing of the remaining loans due in 2018. Subsequently, Keppel REIT will have no refinancing requirements until 2019.

Keppel REIT's aggregate leverage remained stable at 38.7%. Weighted average term to maturity of borrowings was 3.4 years¹. All-in interest rate was at 2.62% per annum with interest coverage ratio at 4.3x. The Manager has entered into interest rate swaps to manage the REIT's interest rate exposure. As at 31 December 2017, the interest rates of 77% of the REIT's borrowings were fixed.

¹ This takes into account the commitments received by the Manager to refinance the remaining loans due in 2018.

Portfolio Review

In line with its strategy of selecting strategic acquisitions that will enhance the REIT's overall portfolio, Keppel REIT acquired a 50% interest in 311 Spencer Street in Melbourne in July 2017. 311 Spencer Street is a freehold Grade A office tower development which will be the headquarters for the Victoria Police upon completion in 4Q 2019. Construction of the office tower is on track with piling works completed as at end 2017. The addition of a AAA-rated tenant on a 30-year lease at 311 Spencer Street will enhance the stability of Keppel REIT's income stream over the long term.

The Manager has been adopting a tenant-centric leasing approach for Keppel REIT's \$8.5 billion portfolio of premium CBD office assets in Singapore and Australia. Continuous tenant engagement efforts helped Keppel REIT maintain a high portfolio committed occupancy of 99.7% and portfolio tenant retention rate of 95% as at end December 2017.

In 2017, the Manager signed leases taking up a total of approximately 829,500 sf (attributable NLA: 377,700 sf) of space. Signing rent for the Singapore office leases was approximately \$9.80 psf¹ for FY 2017. New leases committed in 2017 were signed with tenants from diverse sectors, with the majority from the TMT, banking, insurance and financial services, as well as real estate and property services sectors.

The high committed occupancy rates, and the tenant profile of the new committed leases are testament to the portfolio's quality and relevance in meeting tenants' evolving business needs. Committed occupancy of the REIT's Singapore portfolio was 99.6%, higher than Singapore's core CBD average of 93.8%², while committed occupancy of the Australia portfolio remained stable at 99.8%, well above Australia's national CBD average occupancy of 89.2%³.

In 2018, there are 8.3% and 14.2% of leases (by attributable NLA) due for renewal and review respectively. Out of the 22.5% leases due for renewal and review, 19.2% are for the Singapore office leases and rents for majority number of these leases range between \$8.50 to \$12.00 psf. The WALE for Keppel REIT's top 10 tenants and overall portfolio remained long at approximately 7.8 years and 5.5 years respectively as at 31 December 2017.

Commitment to Sustainability

Sustainability is integral to Keppel REIT's strategy and operations. The Manager is committed to best practices in environmental, social and governance aspects to shape a sustainable future.

Keppel REIT is the only REIT to have achieved the highest Green Mark Platinum award from the Building and Construction Authority for all its Singapore assets. All its Australia assets have also achieved at least a minimum 4.5 star NABERS (National Australian Built Environmental Rating System) rating.

In the Global Real Estate Sustainability Benchmark's (GRESB) assessment of property companies' sustainability and environmental performance, Keppel REIT emerged 2nd among 13 Asian listed office entities, and 3rd among 52 Asian listed companies in 2017.

On the governance front, Keppel REIT ranked 3rd in the REIT and business trust category of the Singapore Governance and Transparency Index (SGTI) 2017.

¹ For the Singapore office leases concluded in 2017, and based on a simple average calculation.

² CBRE, 4Q 2017

³ JLL, end September 2017

Looking Ahead

According to CBRE, the general outlook for the Singapore office market remains positive, driven by improved economic prospects and a lower quantum of new supply in the mid-term.

Singapore's core CBD office occupancy improved quarter-on-quarter (q-o-q) from 92.5% in 3Q 2017 to 93.8% in 4Q 2017, driven by higher commitment levels at both new and existing office developments. Average Grade A rents increased q-o-q from \$9.10 psf in 3Q 2017 to \$9.40 psf in 4Q 2017 due to stronger leasing activity, mainly from tenants in the co-working and technology sectors.

In Australia, the national CBD office average occupancy was reported by JLL to have improved marginally q-o-q from 89.1% as at end June 2017 to 89.2% as at end September 2017. JLL noted that business conditions were at the highest level since early 2008, and the medium-term outlook has improved with the Australian Bureau of Statistics reporting strong employment growth over 2017.

Looking ahead, the Manager remains focused on providing stable and sustainable distributable income to Unitholders. At the same time, the Manager will continue to pursue strategic portfolio enhancements, including selectively seeking acquisitions that will result in long-term income and capital appreciation. A proactive tenant and lease management approach, as well as a prudent capital management strategy will be maintained to maximise the REIT's performance.

- END -

About Keppel REIT (www.keppelreit.com)

Keppel REIT was listed by way of an introduction on 28 April 2006. Keppel REIT is one of Asia's leading REITs with the youngest and largest portfolio of premium Grade A commercial assets in Singapore's prime business and financial districts.

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 in Singapore and pan-Asia.

As at 31 December 2017, Keppel REIT had assets under management of approximately \$8.5 billion¹ comprising interests in nine premium office assets (completed and under development) strategically located in the central business districts of Singapore, as well as key Australian cities of Sydney, Melbourne, Brisbane and Perth.

In Singapore, the assets are Ocean Financial Centre (99.9% interest), Marina Bay Financial Centre (office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (one-third interest), One Raffles Quay (one-third interest) and Bugis Junction Towers (100% interest).

In Australia, the assets are 8 Chifley Square (50% interest) in Sydney, 8 Exhibition Street in Melbourne (50% interest in the office building and two retail units, as well as a 100% interest in the three adjoining retail units), 275 George Street in Brisbane (50% interest), as well as the David Malcolm Justice Centre in Perth (50% interest). Keppel REIT also has a 50% stake in a premium office tower which is under construction at 311 Spencer Street in Melbourne.

Keppel REIT is sponsored by Keppel Land Limited, one of Asia's leading property companies. It is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital). Keppel Capital is a premier asset manager in Asia with a diversified portfolio in real estate, infrastructure and data centre properties in key global markets.

Important Notice

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

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 Includes 311 Spencer Street in Melbourne, which is under construction.

KEPPEL REIT
FULL YEAR 2017 FINANCIAL STATEMENTS ANNOUNCEMENT
UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

TABLE OF CONTENTS

	Page
- INTRODUCTION	2
- SUMMARY OF KEPPEL REIT RESULTS	2
1(a)(i) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT	3
1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME	6
1(b)(i) BALANCE SHEETS	7
1(b)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES	9
1(c) CONSOLIDATED STATEMENT OF CASH FLOWS	10
1(d)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS	11
1(d)(ii) DETAILS OF CHANGES IN THE UNITS	13
1(d)(iii) TOTAL NUMBER OF ISSUED UNITS	13
1(d)(iv) SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS	13
2 AUDIT	13
3 AUDITORS' REPORT	13
4 ACCOUNTING POLICIES	13
5 CHANGES IN ACCOUNTING POLICIES	13
6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT	14
7 NET ASSET VALUE AND NET TANGIBLE ASSET PER UNIT	14
8 REVIEW OF PERFORMANCE	15
9 VARIANCE FROM FORECAST STATEMENT	16
10 PROSPECTS	16
11 RISK FACTORS AND RISK MANAGEMENT	17
12 DISTRIBUTIONS	18
13 DISTRIBUTION STATEMENT	20
14, 15 SEGMENTAL INFORMATION	20
16 BREAKDOWN OF SALES	21
17 INTERESTED PERSON TRANSACTIONS	21
18 BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION	22
19 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION	22
20 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL OF ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)	22

INTRODUCTION

Keppel REIT was listed by way of an introduction on 28 April 2006. Keppel REIT is one of Asia's leading REITs with the youngest and largest portfolio of premium Grade A commercial assets in Singapore's prime business and financial districts.

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 in Singapore and pan-Asia.

As at 31 December 2017, Keppel REIT had assets under management of approximately \$8.5 billion¹ comprising interests in nine premium office assets (completed and under development) strategically located in the central business districts of Singapore, as well as key Australian cities of Sydney, Melbourne, Brisbane and Perth.

In Singapore, the assets are Ocean Financial Centre (99.9% interest), Marina Bay Financial Centre (office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (one-third interest), One Raffles Quay (one-third interest) and Bugis Junction Towers (100% interest).

In Australia, the assets are 8 Chifley Square (50% interest) in Sydney, 8 Exhibition Street in Melbourne (50% interest in the office building and two retail units, as well as a 100% interest in the three adjoining retail units), 275 George Street in Brisbane (50% interest), as well as the David Malcolm Justice Centre in Perth (50% interest). Keppel REIT also has a 50% stake in a premium office tower which is under construction at 311 Spencer Street in Melbourne.

Keppel REIT is sponsored by Keppel Land Limited, one of Asia's leading property companies. It is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital). Keppel Capital is a premier asset manager in Asia with a diversified portfolio in real estate, infrastructure and data centre properties in key global markets.

SUMMARY OF KEPPEL REIT RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

	GROUP			
	4Q2017 \$'000	4Q2016 \$'000	FY2017 \$'000	FY2016 \$'000
Property income	44,369	40,001	164,516	161,252
Net property income	36,242	31,422	131,200	128,370
Share of results of associates	19,476	19,907	83,795	83,460
Share of results of joint ventures	7,932	7,746	31,959	30,789
Income available for distribution	48,201	48,716	190,730	208,123 ²
Distribution to Unitholders ³	48,201 ⁴	48,716 ⁴	190,730	208,123
Distribution per Unit ("DPU") (cents) for the period/year	1.43	1.48	5.70	6.37
Actual distribution yield (%)			4.5% ⁵	6.2% ⁶

Notes:

- (1) Includes 311 Spencer Street in Melbourne, which is under construction.
- (2) Included income from 77 King Street before divestment on 29 January 2016.
- (3) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders.
- (4) There was no distribution of other gains for the quarters ended 31 December 2016 and 31 December 2017.
- (5) Based on the total DPU of 5.70 cents for FY2017 and the market closing price per Unit of \$1.26 as at the last trading day, 31 December 2017.
- (6) Based on the total DPU of 6.37 cents for FY2016 and the market closing price per Unit of \$1.02 as at the last trading day, 31 December 2016.

1. UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the year ended 31 December 2017:

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	Group					+ / (-)
		4Q2017	4Q2016	+ / (-)	FY2017	FY2016	
		\$'000	\$'000	%	\$'000	\$'000	%
Gross rent		38,591	38,106	1.3	152,864	154,508	(1.1)
Car park income		986	849	16.1	3,849	3,355	14.7
Other income		4,792	1,046	358.1	7,803	3,389	130.2
Property income		44,369	40,001	10.9	164,516	161,252	2.0
Property tax		(2,379)	(2,737)	(13.1)	(11,057)	(11,004)	0.5
Other property expenses	1	(4,442)	(4,682)	(5.1)	(17,485)	(17,287)	1.1
Property management fee		(1,153)	(1,006)	14.6	(4,157)	(4,139)	0.4
Maintenance and sinking fund contributions		(153)	(154)	(0.6)	(617)	(452)	36.5
Property expenses		(8,127)	(8,579)	(5.3)	(33,316)	(32,882)	1.3
Net property income		36,242	31,422	15.3	131,200	128,370	2.2
Rental support	2	2,575	4,223	(39.0)	12,825	16,746	(23.4)
Interest income	3	5,617	5,567	0.9	22,975	27,459	(16.3)
Share of results of associates	4	19,476	19,907	(2.2)	83,795	83,460	0.4
Share of results of joint ventures	5	7,932	7,746	2.4	31,959	30,789	3.8
Amortisation expense	6	(2,439)	(3,857)	(36.8)	(11,799)	(15,312)	(22.9)
Borrowing costs	7	(16,688)	(15,563)	7.2	(65,256)	(64,049)	1.9
Manager's management fees	8	(13,006)	(12,659)	2.7	(50,989)	(50,515)	0.9
Trust expenses		(1,107)	(1,447)	(23.5)	(5,469)	(6,978)	(21.6)
Net foreign exchange differences		(2,363)	1,044	NM	(2,060)	635	NM
Net change in fair value of derivatives		(4,157)	5,498	NM	(1,598)	9,018	NM
Net income before gain on divestment of investment property and net change in fair value of investment properties		32,082	41,881	(23.4)	145,583	159,623	(8.8)
Gain on divestment of investment property	9	-	-	-	-	28,299	(100.0)
Net change in fair value of investment properties	10	51,727	29,149	77.5	51,727	91,171	(43.3)
Total return before tax		83,809	71,030	18.0	197,310	279,093	(29.3)
Income tax expense	11	(11,859)	(9,538)	24.3	(17,156)	(21,306)	(19.5)
Total return after tax		71,950	61,492	17.0	180,154	257,787	(30.1)
Attributable to:							
Unitholders		70,047	59,590	17.5	172,608	250,191	(31.0)
Perpetual securities holders	12	1,883	1,882	0.1	7,470	7,490	(0.3)
Non-controlling interest		20	20	-	76	106	(28.3)
		71,950	61,492	17.0	180,154	257,787	(30.1)

Distribution Statement

Total return for the period/year attributable to Unitholders		70,047	59,590	17.5	172,608	250,191	(31.0)
Net tax and other adjustments	13	(21,846)	(10,874)	100.9	18,122	(42,068)	NM
Income available for distribution		48,201	48,716	(1.1)	190,730	208,123	(8.4)
Distribution to Unitholders	14	48,201	48,716	(1.1)	190,730	208,123	(8.4)
Distribution per Unit (cents) for the period/year		1.43	1.48	(3.4)	5.70	6.37	(10.5)

NM – Not meaningful

Notes:

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

	<u>Group</u>			
	4Q2017	4Q2016	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	384	592	1,447	1,386
Utilities	679	739	2,859	3,190
Repair and maintenance	2,665	2,400	10,073	9,384
Property management reimbursements	487	487	1,898	1,894
Others	227	464	1,208	1,433
	<u>4,442</u>	<u>4,682</u>	<u>17,485</u>	<u>17,287</u>

- (2) This relates to the rental support top-up payments received by Keppel REIT for the approximate 12.4% interest in Ocean Properties LLP ("OPLL") which holds Ocean Financial Centre ("OFC") and the one-third interest in Central Boulevard Development Pte. Ltd. ("CBDPL") which holds Marina Bay Financial Centre ("MBFC") Tower 3. The rental support drawn down for OFC and MBFC Tower 3 for FY2017 are \$2,525,000 and \$10,300,000 (FY2016: \$3,946,000 and \$12,800,000) respectively.

- (3) Interest income comprises the following:

	<u>Group</u>			
	4Q2017	4Q2016	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposits and current accounts	545	1,027	3,314	4,368
Interest income from advances to One Raffles Quay Pte Ltd ("ORQPL") and BFC Development LLP ("BFCDLLP")	5,072	4,540	19,661	23,091
	<u>5,617</u>	<u>5,567</u>	<u>22,975</u>	<u>27,459</u>

- (4) Share of results of associates relates to Keppel REIT's one-third interests in (i) ORQPL's and CBDPL's respective net profit after tax and before net change in fair value of investment properties, and (ii) BFCDLLP's partnership profit before net change in fair value of investment property.

- (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") respective net profit after tax before net change in fair value of investment properties.

- (6) Amortisation expense represents the amortisation of intangible asset as explained in note 4 of paragraph 1(b)(i) (page 8).

- (7) Borrowing costs comprise the following:

	<u>Group</u>			
	4Q2017	4Q2016	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Interest expense on term loans	12,234	14,453	51,099	59,420
Interest expense on revolving loans	3,935	588	12,086	798
Amortisation of capitalised transaction costs	519	522	2,071	3,831
	<u>16,688</u>	<u>15,563</u>	<u>65,256</u>	<u>64,049</u>

- (8) The Manager has elected to receive 100% of its management fees earned in respect of all the properties in units of Keppel REIT.

- (9) This pertained to the gain on divestment of Keppel REIT's 100% interest in 77 King Street in Sydney.

(10) The net change in fair value of the investment properties is as follows:

	<u>Group</u>			
	4Q2017	4Q2016	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Investment properties held directly by the Group	23,604	3,155	23,604	36,427
Investment properties held directly by associates	10,627	6,696	10,627	34,079
Investment properties held directly by joint ventures	26,462	30,750	26,462	30,750
Effects of recognising rental income on a straight line basis over the lease terms	(8,966)	(11,452)	(8,966)	(10,085)
	<u>51,727</u>	<u>29,149</u>	<u>51,727</u>	<u>91,171</u>

(11) Income tax expense comprises (i) tax of 17% on the rental support top-up payments received by Keppel REIT for its one-third interest in CBDPL and the approximate 12.4% interest in OPLLP, net of deductible interest expense, (ii) withholding tax expense in relation to the income from the Group's investments in Australia and (iii) deferred tax on valuation gains of Australian investment properties.

(12) Please refer to note 8 of paragraph 1(b)(i) (page 8).

(13) Included in the net tax and other adjustments are the following:

	<u>Group</u>			
	4Q2017	4Q2016	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Management fees paid and/or payable in units	13,006	12,659	50,989	50,515
Trustee's fees	322	316	1,263	1,248
Net change in fair value of investment properties (net of non-controlling interest)	(51,729)	(29,148)	(51,729)	(91,137)
Amortisation of intangible asset and capitalised transaction costs	2,958	4,379	13,870	19,143
Temporary differences and other adjustments	13,597	920	3,729	(32,837)
Other gains distribution	-	-	-	11,000
	<u>(21,846)</u>	<u>(10,874)</u>	<u>18,122</u>	<u>(42,068)</u>

Included in temporary differences and other adjustments for the current and prior periods were share of results of associates and joint ventures, dividend and distribution income, effects of recognising rental income on a straight line basis over the lease terms, non-taxable income and non-deductible expenses. For FY2016, temporary differences and other adjustments also included the gain on divestment of investment property.

Other gains distribution pertained to distribution of gains from Keppel REIT's divested properties.

(14) Keppel REIT has been distributing 100% of its 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

	<u>Group</u>					
	4Q2017	4Q2016	+(-)	FY2017	FY2016	+(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Total return after tax	71,950	61,492	17.0	180,154	257,787	(30.1)
Other comprehensive income:						
Foreign currency translation	(53,606)	33,567	NM	(34,808)	32,143	NM
<u>Cash flow hedges:</u>						
Net change in fair value of cash flow hedges	9,524	18,208	(47.7)	(15,195)	(16,727)	(9.2)
Share of net change in fair value of cash flow hedges of associates	2,397	3,156	(24.0)	214	(6,199)	NM
Other comprehensive income for the period/year	(41,685)	54,931	NM	(49,789)	9,217	NM
Total comprehensive income for the period/year	30,265	116,423	(74.0)	130,365	267,004	(51.2)
Attributable to:						
Unitholders	28,362	114,513	(75.2)	122,823	259,411	(52.7)
Perpetual securities holders	1,883	1,882	0.1	7,470	7,490	(0.3)
Non-controlling interest	20	28	(28.6)	72	103	(30.1)
	30,265	116,423	(74.0)	130,365	267,004	(51.2)

NM –Not meaningful

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

Balance Sheets

	Note	Group			Trust		
		31/12/2017 \$'000	31/12/2016 \$'000	+ / (-) %	31/12/2017 \$'000	31/12/2016 \$'000	+ / (-) %
Non-current assets							
Investment properties	1	3,774,870	3,618,097	4.3	525,000	540,000	(2.8)
Investments in subsidiaries		-	-	-	1,837,110	1,837,110	-
Investments in associates	2	2,527,842	2,525,112	0.1	2,025,559	2,025,483	0.004
Advances to associates		613,122	610,922	0.4	613,122	610,922	0.4
Investments in joint ventures	3	465,096	450,284	3.3	-	-	-
Amounts owing by subsidiaries		-	-	-	877,973	852,650	3.0
Fixed assets		149	190	(21.6)	31	31	-
Intangible asset	4	10,712	22,511	(52.4)	10,712	20,471	(47.7)
Derivative financial instruments	5	4,190	18,016	(76.7)	4,190	16,354	(74.4)
Total non-current assets		7,395,981	7,245,132	2.1	5,893,697	5,903,021	(0.2)
Current assets							
Trade and other receivables	6	8,619	10,662	(19.2)	12,120	7,721	57.0
Prepaid expenses		333	604	(44.9)	11	11	-
Cash and bank balances		198,158	278,682	(28.9)	155,823	141,948	9.8
Derivative financial instruments	5	1,197	245	388.6	1,175	99	>500
Total current assets		208,307	290,193	(28.2)	169,129	149,779	12.9
Total assets		7,604,288	7,535,325	0.9	6,062,826	6,052,800	0.2
Current liabilities							
Trade and other payables		56,451	51,828	8.9	34,905	34,640	0.8
Income received in advance		4,209	278	>500	-	-	-
Borrowings	7	425,039	-	100.0	99,967	-	100.0
Security deposits		3,159	3,545	(10.9)	116	431	(73.1)
Derivative financial instruments	5	1,748	1,483	17.9	1,134	1,281	(11.5)
Provision for taxation		2,259	2,735	(17.4)	2,138	2,735	(21.8)
Total current liabilities		492,865	59,869	>500	138,260	39,087	253.7
Non-current liabilities							
Income received in advance		11,305	25,152	(55.1)	11,305	25,152	(55.1)
Borrowings		2,097,142	2,481,754	(15.5)	1,956,921	2,015,901	(2.9)
Derivative financial instruments	5	16,017	7,315	119.0	14,411	6,287	129.2
Security deposits		27,675	27,869	(0.7)	3,982	2,976	33.8
Deferred tax liabilities		44,026	34,808	26.5	-	-	-
Total non-current liabilities		2,196,165	2,576,898	(14.8)	1,986,619	2,050,316	(3.1)
Total liabilities		2,689,030	2,636,767	2.0	2,124,879	2,089,403	1.7
Net assets		4,915,258	4,898,558	0.3	3,937,947	3,963,397	(0.6)
Represented by:							
Unitholders' funds		4,763,424	4,746,717	0.4	3,788,246	3,813,696	(0.7)
Perpetual securities	8	149,701	149,701	-	149,701	149,701	-
Non-controlling interest		2,133	2,140	(0.3)	-	-	-
		4,915,258	4,898,558	0.3	3,937,947	3,963,397	(0.6)
Net asset value per unit (\$)		1.41	1.44		1.12	1.16	

Notes:

- (1) The increase in investment properties is mainly due to the acquisition of a 50% stake in a premium office tower to be developed at 311 Spencer Street in Melbourne and net change in fair value of investment properties, offset by translation differences arising from the Australian investment 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. ORQPL holds One Raffles Quay, and BFCDLLP and CBDPL hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (3) This relates to the 50% interests in M8CT and Mirvac 8 Chifley Pty Limited, and 50% interests in MOTT and Mirvac (Old Treasury) Pty Limited. The properties held through M8CT and MOTT are 8 Chifley Square and the David Malcolm Justice Centre respectively.
- (4) As at 31 December 2017, this relates to the unamortised aggregate rental support top-up payments receivable by the Group for the one-third interest in CBDPL which holds MBFC Tower 3. As at 31 December 2016, this also included the unamortised aggregate rental support top-up payments receivable by the Group for the approximate 12.4% interest in OPLLP which holds OFC.
- (5) These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from the Australian investments, and the fair value of interest rate and cross currency swaps entered into by the Group.
- (6) Included in the balances are distribution receivables from joint ventures of \$2.1 million (31 December 2016: \$2.1 million). As at 31 December 2016, these balances also included receivables for rental support top-up payments of \$1.0 million.
- (7) These relate to gross borrowings of \$425.2 million due in 2018. The Manager has obtained commitments to refinance these borrowings when they fall due.
- (8) On 2 November 2015, Keppel REIT issued \$150.0 million of subordinated perpetual securities at a fixed rate per annum. These perpetual securities are classified as equity instruments and recorded as equity in the Statements of Movement in Unitholders' funds.

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

	Group	
	As at 31/12/2017	As at 31/12/2016
	\$'000	\$'000
Secured borrowings		
Amount repayable within one year	-	-
Amount repayable after one year	196,000	350,000
Less: Unamortised portion of fees	(1,344)	(1,799)
	194,656	348,201
Unsecured borrowings		
Amount repayable within one year	425,210	-
Amount repayable after one year	1,906,922	2,138,461
Less: Unamortised portion of fees	(4,607)	(4,908)
	2,327,525	2,133,553
Total net borrowings	2,522,181	2,481,754

Details of Collaterals

The Group mortgaged Bugis Junction Towers as security for the 5-year revolving loan facility of \$350.0 million, of which \$196.0 million has been drawn.

As at 31 December 2017, the Group had total gross borrowings of approximately \$2,528.1 million and unutilised facilities of \$871.4 million available to meet its future obligations. The all-in interest rate was 2.62% per annum for the year ended 31 December 2017.

1(c) Consolidated Statement of Cash Flows

	Note	<u>Group</u>			
		4Q2017	4Q2016	FY2017	FY2016
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Total return before tax		83,809	71,030	197,310	279,093
Adjustments for:					
Interest income		(5,617)	(5,567)	(22,975)	(27,459)
Amortisation expense		2,439	3,857	11,799	15,312
Share of results of associates		(19,476)	(19,907)	(83,795)	(83,460)
Share of results of joint ventures		(7,932)	(7,746)	(31,959)	(30,789)
Borrowing costs		16,688	15,563	65,256	64,049
Management fees paid and/or payable in units		13,006	12,659	50,989	50,515
Net change in fair value of investment properties		(51,727)	(29,149)	(51,727)	(91,171)
Gain on divestment of investment property		-	-	-	(28,299)
Net change in fair value of derivatives		4,157	(5,498)	1,598	(9,018)
Depreciation		10	10	41	44
Rental support income		(2,575)	(4,223)	(12,825)	(16,746)
Unrealised currency translation differences		2,845	(309)	1,919	809
Operating cash flows before changes in working capital		35,627	30,720	125,631	122,880
Decrease/(Increase) in receivables		1,449	(945)	(5,576)	4,619
(Decrease)/Increase in payables		(5,471)	(2,832)	7,161	(6,073)
(Decrease)/Increase in security deposits		(499)	228	(580)	807
Cash flows from operations		31,106	27,171	126,636	122,233
Income taxes paid		(1,262)	(2,306)	(6,671)	(14,054)
Net cash flows provided by operating activities		29,844	24,865	119,965	108,179
Investing activities					
Purchase of investment property under development		-	-	(133,953)	-
Progress payments on investment property under development		(9,409)	-	(9,409)	-
Subsequent expenditure on investment properties		(735)	(1,032)	(14,427)	(2,212)
Proceeds from divestment of investment property, net of divestment costs		-	-	-	157,233
Purchase of fixed assets		-	(31)	-	(35)
Interest received		5,541	5,273	23,392	27,085
Rental support received		3,227	4,159	13,848	20,331
Advance to an associate		(2,200)	(2,000)	(2,200)	(2,000)
Distribution income received from joint ventures		6,700	6,001	26,336	23,173
Dividend and distribution income received from associates		44,920	46,056	93,809	86,453
Net cash flows provided by/(used in) investing activities		48,044	58,426	(2,604)	310,028
Financing activities					
Distribution to Unitholders (net of distribution in Units)	1	(39,118)	(48,318)	(156,938)	(182,563)
Distribution to perpetual securities holders		(3,766)	(3,765)	(7,470)	(7,490)
Proceeds from issuance of medium term notes		-	-	75,000	-
Loans drawdown		126,870	1,750	306,168	640,450
Repayment of loans		(137,030)	-	(334,298)	(656,744)
Payment of financing expenses/upfront debt arrangement costs		-	-	(1,315)	(2,157)
Partnership distribution to non-controlling interest		(22)	(25)	(79)	(71)
Interest paid		(16,586)	(15,094)	(62,468)	(60,737)
Issue expenses		-	-	-	(18)
Net cash flows used in financing activities		(69,652)	(65,452)	(181,400)	(269,330)
Net increase/(decrease) in cash and cash equivalents		8,236	17,839	(64,039)	148,877
Cash and cash equivalents at the beginning of period/year		182,550	229,779	253,219	98,764
Effect of exchange rate changes on cash and cash equivalents		(4,324)	5,601	(2,718)	5,578
Cash and cash equivalents at the end of period/year		186,462	253,219	186,462	253,219
Comprising:					
Cash and bank balances		198,158	278,682	198,158	278,682
Less: Rental support received in advance held in designated accounts	2	(11,696)	(25,463)	(11,696)	(25,463)
Cash and cash equivalents per Consolidated Statement of Cash Flows		186,462	253,219	186,462	253,219

Notes:

(1) Distribution paid to Unitholders in FY2017 was for the period of 1 October 2016 to 31 December 2016, paid on 28 February 2017, 1 January 2017 to 31 March 2017, paid on 30 May 2017 and 1 April 2017 to 30 June 2017, paid on 29 August 2017, and 1 July 2017 to 30 September 2017 paid on 28 November 2017.

Distribution paid to Unitholders in FY2016 was for the period of 1 October 2015 to 31 December 2015, paid on 26 February 2016, 1 January 2016 to 31 March 2016, paid on 27 May 2016 and 1 April 2016 to 30 June 2016, paid on 26 August 2016, and 1 July 2016 to 30 September 2016 paid on 25 November 2016.

(2) As at 31 December 2017, this relates to the rental support top-up payments received in advance by Keppel REIT held in designated accounts for the one-third interest in CBDPL which holds MBFC Tower 3.

As at 31 December 2016, this also included rental support top-up payments received in advance by Keppel REIT held in designated accounts for the approximate 12.4% interest in OPLLP which holds OFC.

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

Group	Note	Units in Issue	Accumulated Profits	Foreign Currency Translation Reserve	Hedging Reserve	Discount on Acquisition of Non-Controlling Interest	Unitholders' Funds	Perpetual Securities	Non-Controlling Interest	Total
At 1 January 2017		3,456,557	1,459,734	(167,302)	(5,494)	3,222	4,746,717	149,701	2,140	4,898,558
Return for the year		-	172,608	-	-	-	172,608	7,470	76	180,154
Other comprehensive income	1	-	-	(34,808)	(14,977)	-	(49,785)	-	(4)	(49,789)
Total comprehensive income		-	172,608	(34,808)	(14,977)	-	122,823	7,470	72	130,365
Issue of units for payment of management fees	2	50,822	-	-	-	-	50,822	-	-	50,822
Distribution Reinvestment Plan		34,307	(34,307)	-	-	-	-	-	-	-
Distribution to Unitholders		(10,954)	(145,984)	-	-	-	(156,938)	-	-	(156,938)
Distribution to perpetual securities holders		-	-	-	-	-	-	(7,470)	-	(7,470)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	-	(79)	(79)
At 31 December 2017		3,530,732	1,452,051	(202,110)	(20,471)	3,222	4,763,424	149,701	2,133	4,915,258

Group	Note	Units in Issue	Accumulated Profits	Foreign Currency Translation Reserve	Hedging Reserve	Discount on Acquisition of Non-Controlling Interest	Unitholders' funds	Perpetual Securities	Non-Controlling Interest	Total
At 1 January 2016		3,394,832	1,409,983	(199,445)	17,429	3,222	4,626,021	149,719	2,108	4,777,848
Return for the year		-	250,191	-	-	-	250,191	7,490	106	257,787
Other comprehensive income	1	-	-	32,143	(22,923)	-	9,220	-	(3)	9,217
Total comprehensive income		-	250,191	32,143	(22,923)	-	259,411	7,490	103	267,004
Issue of units for payment of management fees	3	43,848	-	-	-	-	43,848	-	-	43,848
Issue expenses	4	-	-	-	-	-	-	(18)	-	(18)
Distribution Reinvestment Plan		30,875	(30,875)	-	-	-	-	-	-	-
Distribution to Unitholders		(12,998)	(169,565)	-	-	-	(182,563)	-	-	(182,563)
Distribution to perpetual securities holders		-	-	-	-	-	-	(7,490)	-	(7,490)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	-	(71)	(71)
At 31 December 2016		3,456,557	1,459,734	(167,302)	(5,494)	3,222	4,746,717	149,701	2,140	4,898,558

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 reserves of associates.
- (2) This represents 47,360,865 units issued in FY2017 respectively as payment of management fees in units.
- (3) This represents 43,763,613 units issued in FY2016 respectively as payment of management fees in units.
- (4) The issue expenses were in relation to the issuance of \$150.0 million of subordinated perpetual securities at a fixed rate per annum on 2 November 2015.

<u>Trust</u>	Note	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Unitholders' Funds</u> \$'000	<u>Perpetual Securities</u> \$'000	<u>Total</u> \$'000
At 1 January 2017		3,456,557	357,271	(132)	3,813,696	149,701	3,963,397
Return for the year		-	93,088	-	93,088	7,470	100,558
Other comprehensive income	1	-	-	(12,422)	(12,422)	-	(12,422)
Total comprehensive income		-	93,088	(12,422)	80,666	7,470	88,136
Issue of units for payment of management fees	2	50,822	-	-	50,822	-	50,822
Distribution Reinvestment Plan		34,307	(34,307)	-	-	-	-
Distribution to Unitholders		(10,954)	(145,984)	-	(156,938)	-	(156,938)
Distribution to perpetual securities holders		-	-	-	-	(7,470)	(7,470)
At 31 December 2017		3,530,732	270,068	(12,554)	3,788,246	149,701	3,937,947

<u>Trust</u>	Note	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Unitholders' Funds</u> \$'000	<u>Perpetual Securities</u> \$'000	<u>Total</u> \$'000
At 1 January 2016		3,394,832	375,859	9,594	3,780,285	149,719	3,930,004
Return for the year		-	181,852	-	181,852	7,490	189,342
Other comprehensive income	1	-	-	(9,726)	(9,726)	-	(9,726)
Total comprehensive income		-	181,852	(9,726)	172,126	7,490	179,616
Issue of units for payment of management fees	3	43,848	-	-	43,848	-	43,848
Issue expenses	4	-	-	-	-	(18)	(18)
Distribution Reinvestment Plan		30,875	(30,875)	-	-	-	-
Distribution to Unitholders		(12,998)	(169,565)	-	(182,563)	-	(182,563)
Distribution to perpetual securities holders		-	-	-	-	(7,490)	(7,490)
At 31 December 2016		3,456,557	357,271	(132)	3,813,696	149,701	3,963,397

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 47,360,865 units issued in FY2017 respectively as payment of management fees in units.
- (3) This represents 43,763,613 units issued in FY2016 respectively as payment of management fees in units.
- (4) The issue expenses were in relation to the issuance of \$150.0 million of subordinated perpetual securities at a fixed rate per annum on 2 November 2015.

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

	Group and Trust	
	2017 Units	2016 Units
Issued units as at 1 January	3,291,616,169	3,216,124,466
Issue of new units:		
- Payment of management fees	38,257,618	34,152,106
- Distribution Reinvestment Plan	24,995,460	27,937,368
Issued units as at 30 September	3,354,869,247	3,278,213,940
Issue of new units:		
- Payment of management fees	9,103,247	9,611,507
- Distribution Reinvestment Plan	6,761,714	3,790,722
Issued units as at 31 December	3,370,734,208	3,291,616,169

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 December 2017 and 31 December 2016.

Total number of issued units in Keppel REIT as at 31 December 2017 and 31 December 2016 were 3,370,734,208 and 3,291,616,169 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 2017.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

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

	4Q2017	4Q2016	<u>Group</u> FY2017	FY2016
EPU (based on weighted average number of units as at the end of the period/year)				
Based on total return before gain on divestment of investment property and net change in fair value of investment properties	0.87 cents	1.16 cents	3.95 cents	4.40 cents
Based on total return after gain on divestment of investment property and net change in fair value of investment properties	2.08 cents	1.81 cents	5.17 cents	7.67 cents
- Weighted average number of units as at the end of the period/year	3,363,601,886	3,286,529,208	3,336,887,391	3,259,942,300
DPU (based on the number of units as at the end of the period/year)	1.43 cents	1.48 cents	5.70 cents	6.37 cents
- Number of units in issue as at the end of the period/year	3,370,734,208	3,291,616,169	3,370,734,208	3,291,616,169

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

7. NET ASSET VALUE (“NAV”) AND NET TANGIBLE ASSET (“NTA”) PER UNIT

	<u>Group</u>		<u>Trust</u>	
	As at 31/12/2017	As at 31/12/2016	As at 31/12/2017	As at 31/12/2016
NAV ¹ per unit (\$)	1.41	1.44	1.12	1.16
NTA ¹ per unit (\$) based on issued units at the end of the year	1.41	1.44	1.12	1.15
Adjusted NAV ¹ per unit (\$)	1.40	1.43	1.11	1.14
Adjusted NTA ¹ per unit (\$) based on issued units at the end of the year (excluding the distributable income)	1.40	1.42	1.11	1.14

Note:

(1) These excluded non-controlling interest’s and perpetual securities holders’ share of net asset value and net tangible asset.

8. REVIEW OF PERFORMANCE

8(i) Property Income Contribution of Directly Held Properties (excluding property income contribution from associates and joint ventures)

	<u>Group</u>					
	4Q2017	4Q2016	+/(-) %	FY2017	FY2016	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Property						
Bugis Junction Towers	5,084	4,858	4.7	19,446	21,259	(8.5)
Ocean Financial Centre	30,210	26,512	13.9	107,952	104,863	2.9
275 George Street	4,641	4,681	(0.9)	19,219	18,311	5.0
77 King Street ¹	-	-	-	-	669	(100.0)
8 Exhibition Street ²	4,434	3,950	12.3	17,899	16,150	10.8
Total property income of directly held properties (excluding property income contribution from associates and joint ventures)	44,369	40,001	10.9	164,516	161,252	2.0

8(ii) Income Contribution of the Portfolio

	<u>Group</u>					
	4Q2017	4Q2016	+/(-) %	FY2017	FY2016	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Property						
Bugis Junction Towers	4,214	3,805	10.7	15,111	16,773	(9.9)
Ocean Financial Centre	25,566	21,021	21.6	89,120	84,925	4.9
275 George Street	3,774	3,795	(0.6)	15,455	14,978	3.2
77 King Street ¹	-	-	-	-	524	(100.0)
8 Exhibition Street ²	2,688	2,801	(4.0)	11,514	11,170	3.1
Total net property income of directly held properties	36,242	31,422	15.3	131,200	128,370	2.2
Ocean Financial Centre :						
- Rental support	-	1,023	(100.0)	2,525	3,946	(36.0)
One-third interest in ORQPL ³ :						
- Interest income	510	472	8.1	1,988	2,019	(1.5)
- Dividend income	5,980	6,102	(2.0)	26,827	27,136	(1.1)
Total income	6,490	6,574	(1.3)	28,815	29,155	(1.2)
One-third interests in BFCDLLP ⁴ and CBDPL ⁴ :						
- Rental support	2,575	3,200	(19.5)	10,300	12,800	(19.5)
- Interest income	4,562	4,068	12.1	17,673	21,072	(16.1)
- Dividend and distribution income	16,000	14,544	10.0	66,982	59,317	12.9
Total income	23,137	21,812	6.1	94,955	93,189	1.9
50% interest in M8CT ⁵ :						
- Distribution income	3,374	3,067	10.0	13,271	12,206	8.7
50% interest in MOTT ⁶ :						
- Distribution income	3,334	3,085	8.1	13,294	11,956	11.2
Total income contribution of the portfolio	72,577	66,983	8.4	284,060	278,822	1.9

Notes:

- (1) 77 King Street was divested on 29 January 2016.
- (2) Comprises 50% interest in the office building and two retail units, and a 100% interest in another three retail units.
- (3) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (4) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (5) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (6) Comprises 50% interest in MOTT which holds the David Malcolm Justice Centre.

8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for FY2017 vs FY2016

Property income and net property income for FY2017 were \$164.5 million and \$131.2 million respectively, compared to property income and net property income of \$161.3 million and \$128.4 million respectively for FY2016. The favourable variances were mainly attributable to higher property income from Ocean Financial Centre, 275 George Street and 8 Exhibition Street. These were partially offset by the absence of income contribution from 77 King Street which was divested on 29 January 2016 and lower property income and net property income from Bugis Junction Towers.

The Group's total return before tax for FY2017 was \$197.3 million, compared to \$279.1 million for FY2016. The variance was mainly attributable to the absence of gain on divestment of 77 King Street and lower fair value gain on investment properties, lower property income and net property income from Bugis Junction Towers, absence of income contribution from 77 King Street, lower rental support, lower interest income, higher borrowing costs, net foreign exchange differences, as well as net change in fair value of derivatives. These were partially offset by a higher share of results of associates and joint ventures, lower amortisation expense and lower trust expenses.

Review of Performance for 4Q2017 vs 4Q2016

Property income and net property income for 4Q2017 were \$44.4 million and \$36.2 million respectively, compared to property income and net property income of \$40.0 million and \$31.4 million respectively for 4Q2016. The favourable variances were mainly attributable to higher property income from Bugis Junction Towers and Ocean Financial Centre.

The Group's total return before tax for 4Q2017 was \$83.8 million, compared to \$71.0 million for 4Q2016. The variance was mainly attributable to higher property income and net property income from Bugis Junction Towers and Ocean Financial Centre, higher share of results of joint ventures, higher interest income, lower amortisation expense, lower trust expenses and higher fair value gain on investment properties. These were partially offset by lower rental support, lower share of results of associates, higher borrowing costs, net foreign exchange differences, as well as net change in fair value of derivatives.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

According to CBRE, the general outlook for the office market remains positive, driven by improved economic prospects and a lower quantum of new supply in the mid-term. Singapore's core CBD office occupancy improved quarter-on-quarter (qoq) from 92.5% in 3Q2017 to 93.8% in 4Q2017, driven by stronger commitment levels at both new and existing office developments. Average Grade A rents increased qoq from \$9.10 psf in 3Q2017 to \$9.40 psf in 4Q2017 due to stronger leasing activity mainly from tenants in the co-working and technology sectors.

In Australia, the national CBD office average occupancy was reported by JLL to have improved marginally qoq from 89.1% as at end-June 2017 to 89.2% as at end-September 2017. JLL noted that business conditions were at the highest level since early 2008, and the medium-term outlook has improved with the Australian Bureau of Statistics reporting strong employment growth over 2017.

Looking ahead, the Manager remains focused on providing stable and sustainable distributable income to Unitholders. At the same time, the Manager will continue to pursue strategic portfolio enhancements, including seeking acquisitions that will result in long-term income and capital appreciation. A proactive tenant and lease management approach, as well as a prudent capital management strategy will be maintained to maximise the REIT's performance.

11. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigate 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. In addition, the Manager also monitors the tenant mix.

Currency risk

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, and the regular distributable income and interest income from these 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 to manage expenses, actively monitor rental payments from tenants and continuously evaluate the Group's counter-parties. In addition, the Manager also performs an annual review of the adequacy and appropriateness of insurance coverage, continuously reviews disaster and pandemic business continuity plans, and updates and modifies them regularly.

12. DISTRIBUTIONS

(a) Current Financial Period Reported on

Name of Distribution	1 October 2017 to 31 December 2017
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 - 0.22 cents per unit (c) Capital distribution - 0.04 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	1 October 2016 to 31 December 2016
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 1.00 cents per unit (b) Tax-exempt income distribution - 0.38 cents per unit (c) Capital distribution - 0.10 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) Books Closure Date

31 January 2018

(d) Date Payable

28 February 2018

13. DISTRIBUTION STATEMENT

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

14. SEGMENTAL INFORMATION

	<u>Group</u>		+/(-) %
	FY2017 \$'000	FY2016 \$'000	
<u>Property</u>			
Bugis Junction Towers	15,111	16,773	(9.9)
Ocean Financial Centre	89,120	84,925	4.9
275 George Street	15,455	14,978	3.2
77 King Street ¹	-	524	(100.0)
8 Exhibition Street ²	11,514	11,170	3.1
Total net property income of directly held properties	131,200	128,370	2.2
Ocean Financial Centre :			
- Rental support	2,525	3,946	(36.0)
One-third interest in ORQPL ³ :			
- Interest income	1,988	2,019	(1.5)
- Dividend income	26,827	27,136	(1.1)
Total income	28,815	29,155	(1.2)
One-third interests in BFCDLLP ⁴ and CBDPL ⁴ :			
- Rental support	10,300	12,800	(19.5)
- Interest income	17,673	21,072	(16.1)
- Dividend and distribution income	66,982	59,317	12.9
Total income	94,955	93,189	1.9
50% interest in M8CT ⁵ :			
- Distribution income	13,271	12,206	8.7
50% interest in MOTT ⁶ :			
- Distribution income	13,294	11,956	11.2
Total income contribution of the portfolio	284,060	278,822	1.9

Notes:

- (1) 77 King Street was divested on 29 January 2016.
- (2) Comprises 50% interest in the office building and two retail units, and a 100% interest in another three retail units.
- (3) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (4) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (5) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (6) Comprises 50% interest in MOTT which holds the David Malcolm Justice Centre.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 on the review of performance.

16. BREAKDOWN OF SALES

	<u>Group</u>		+/(-) %
	FY2017 \$'000	FY2016 \$'000	
Property income reported for first half year	79,702	81,719	(2.5)
Total return after tax for first half year ¹	69,548	156,316	(55.5)
Property income reported for second half year	84,814	79,533	6.6
Total return after tax for second half year ¹	110,606	101,471	9.0

Note:

(1) The total return after tax for second half year FY2017 and FY2016 includes net change in fair value of investment properties amounting to approximately \$51.7 million and \$29.2 million respectively. The total return after tax for first half year FY2016 included net change in fair value of investment properties in Singapore amounting to approximately \$62.0 million and the gain on divestment of 77 King Street amounting to approximately \$28.3 million.

17. INTERESTED PERSON TRANSACTIONS (“IPTs”)

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions of less than \$100,000)	
	FY2017 \$'000	FY2016 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u>		
- Manager's management fees	50,989	50,515
- Acquisition fee	3,772	-
- Divestment fee	-	810
- Property management fees and reimbursable	5,865	5,854
- Leasing commissions	4,259	1,211
- Rental and service charge income ¹	-	36,476
- Rental support	10,300	12,800
- Electricity expenses ¹	-	17,810
<u>RBC Investor Services Trust Singapore Limited</u>		
- Trustee's fees	1,263	1,248

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

Note:

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

18. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

	FY2017	FY2016
	\$'000	\$'000
1 January 2016 to 31 March 2016 (paid)	-	54,438
1 April 2016 to 30 June 2016 (paid)	-	52,517
1 July 2016 to 30 September 2016 (paid)	-	52,452
1 October 2016 to 31 December 2016 (paid)	-	48,716
1 January 2017 to 31 March 2017 (paid)	48,121	-
1 April 2017 to 30 June 2017 (paid)	47,406	-
1 July 2017 to 30 September 2017 (paid)	47,002	-
1 October 2017 to 31 December 2017 (to be paid) ¹	48,201	-
	<u>190,730</u>	<u>208,123</u>

Note:

(1) Please refer to paragraph 12(a) on page 18.

19. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

20. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL OF ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

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

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.

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

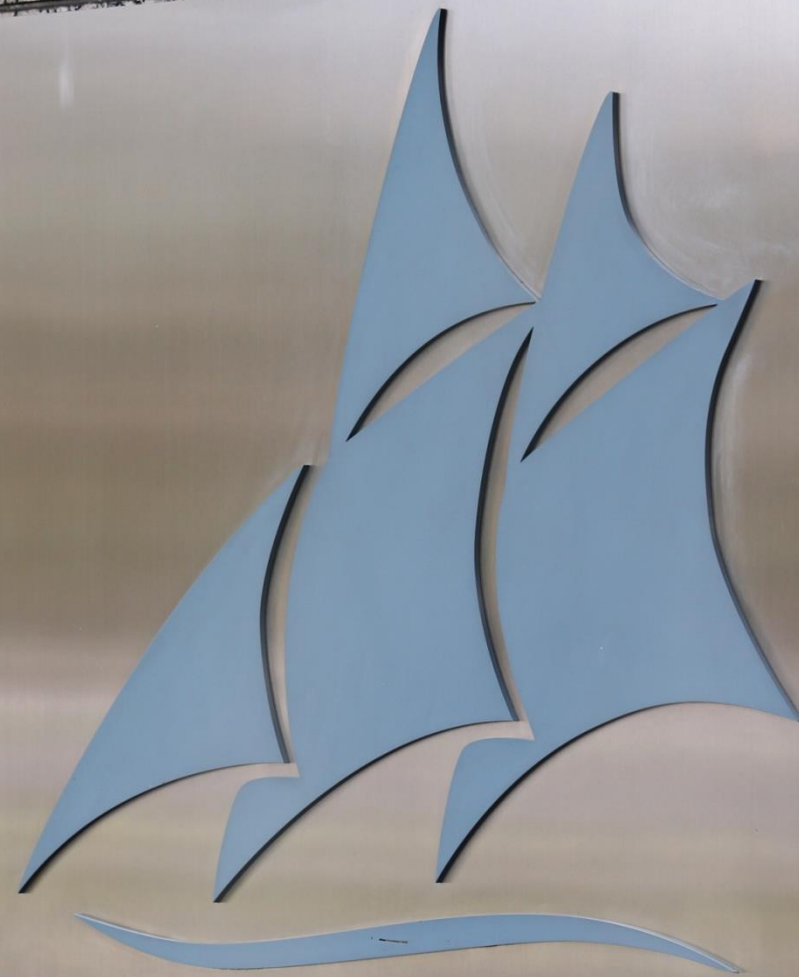
CHUA HUA YEOW KELVIN / TAN WEIQIANG MARC
Joint Company Secretaries
23 January 2018

Keppel REIT

Full Year 2017

Financial Results

23 January 2018



Keppel REIT

Key Highlights	3
Financial Performance & Capital Management	4
Portfolio Review	9
Looking Ahead	17

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

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.



- **Distributable Income** **\$190.7 mil**
for FY 2017
- **Distribution per Unit** **5.70 cents**
for FY 2017
- **Aggregate Leverage** **38.7%**
as at 31 Dec 2017
- **All-in Interest Rate** **2.62% p.a.**
for FY 2017



- **Leases Committed** **829,500 sf**
(Attributable NLA ~377,700 sf)
for FY 2017
- **Portfolio Committed Occupancy** **99.7%**
as at 31 Dec 2017
- **Portfolio WALE** **5.5 years**
By attributable NLA
- **Tenant Retention** **95%**
for FY 2017

Financial Performance & Capital Management

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The sun is shining brightly from the left, creating a lens flare effect. The buildings are set against a clear blue sky. The overall composition is dynamic and emphasizes the height and modern architecture of the structures.

Marina Bay Financial Centre, Singapore



	4Q 2017	4Q 2016	FY 2017	FY 2016
Property income	\$44.4 mil	\$40.0 mil	\$164.5 mil	\$161.3 mil
Net property income	\$36.2 mil	\$31.4 mil	\$131.2 mil	\$128.4 mil
Share of Results of Associates and Joint Ventures	\$27.4 mil	\$27.7 mil	\$115.8 mil	\$114.2 mil
Distribution to Unitholders	\$48.2 mil ¹	\$48.7 mil ¹	\$190.7 mil	\$208.1 mil ²
Distribution per Unit (DPU)	1.43 cents	1.48 cents	5.70 cents	6.37 cents

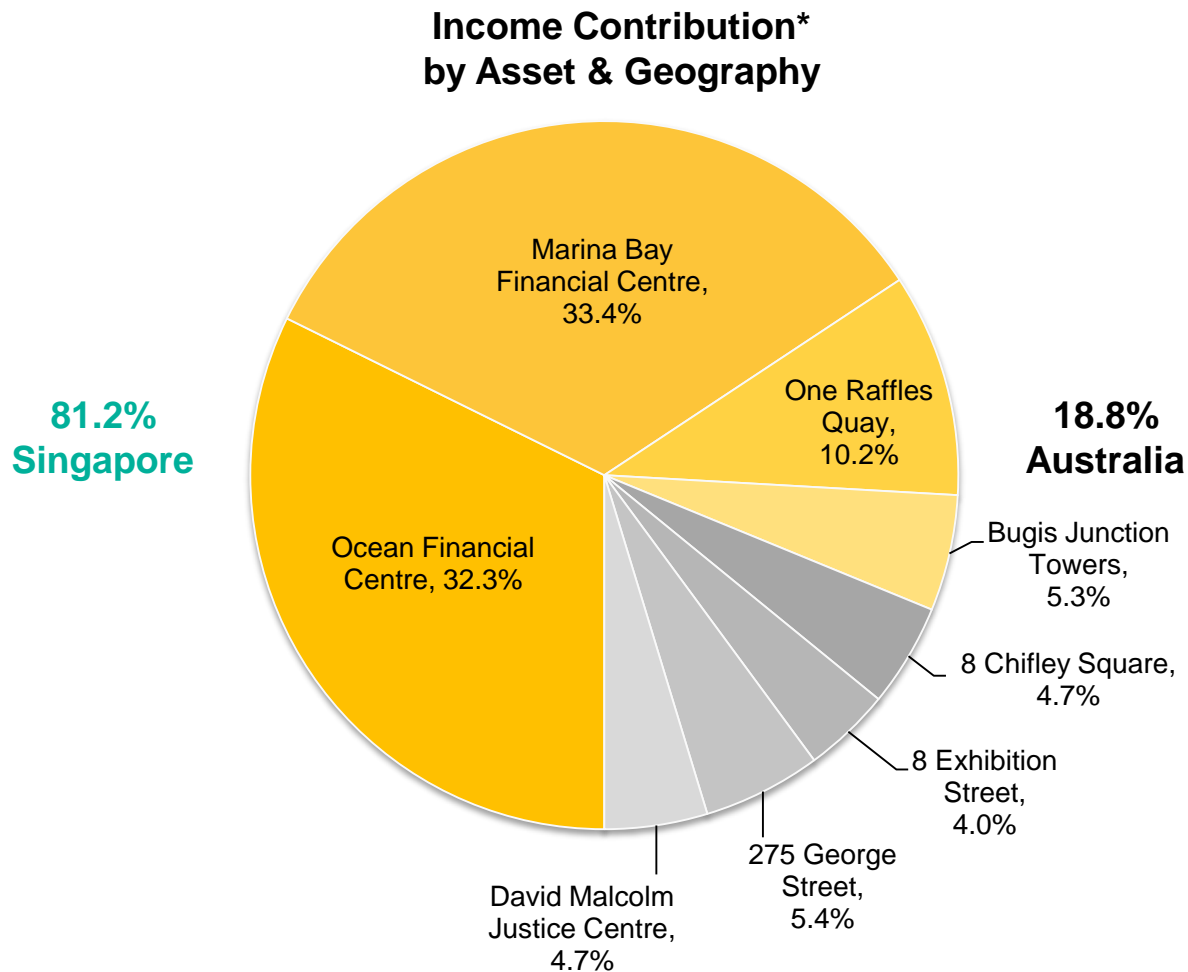
Distribution Timetable for 4Q 2017	
Ex-Date	Mon, 29 Jan 2018
Books Closure Date	Wed, 31 Jan 2018
Payment Date	Wed, 28 Feb 2018

(1) No distribution of other gains for these quarters.

(2) Included income from 77 King Street before its divestment on 29 January 2016.



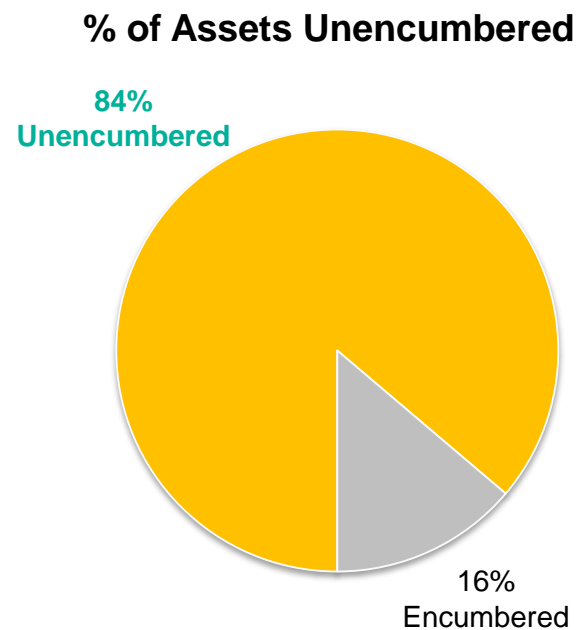
- Portfolio income contributed by existing eight office assets strategically located in the central business districts of Singapore and Australia



* Comprised net property income of directly held properties, distribution/dividend income from associates & joint ventures, rental support income, as well as interest income on shareholder loans to associates for FY 2017.



	As at 31 Dec 2017	As at 31 Dec 2016
Total assets	\$7,604 mil	\$7,535 mil
Borrowings¹	\$3,375 mil	\$3,329 mil
Total liabilities	\$2,689 mil	\$2,637 mil
Unitholders' funds	\$4,763 mil	\$4,747 mil
Adjusted NAV per Unit²	\$1.40	\$1.43



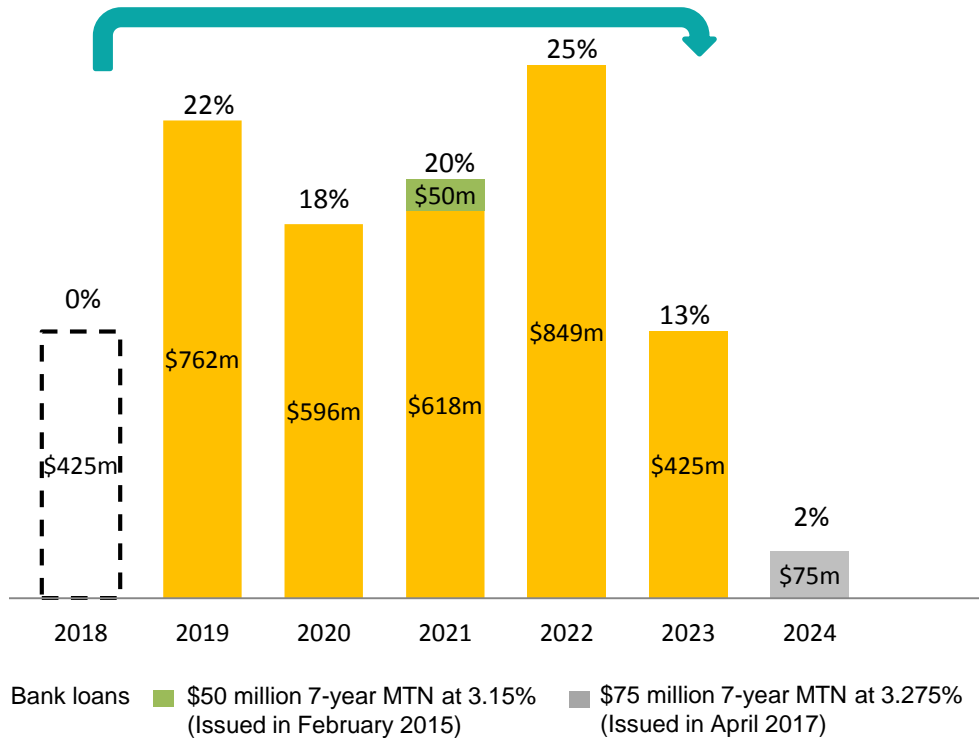
(1) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

(2) For 31 December 2016 and 31 December 2017, these excluded the distributions paid in February 2017 and to be paid in February 2018 respectively.



- Commitments have been received to refinance remaining loans due in 2018
- Weighted average term to maturity of 3.4 years¹

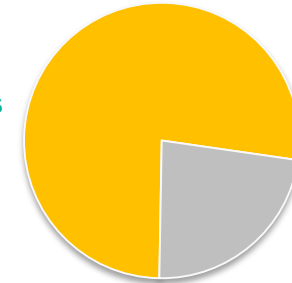
Debt Maturity Profile



31 Dec 2017	
Interest Coverage Ratio	4.3x
All-in Interest Rate	2.62%
Aggregate Leverage	38.7%

Managing interest rate exposure

77%
Fixed-Rate
Borrowings



23%
Floating-Rate
Borrowings

Sensitivity to SOR²

Every 50 bps $\uparrow\downarrow$ in SOR
translates to ~0.11 cents $\downarrow\uparrow$ in DPU

(1) This takes into account the commitments received by the Manager to refinance the remaining loans due in 2018.

(2) Based on the Group's borrowings including those accounted for at the level of associates, and number of Units in issue as at 31 December 2017.

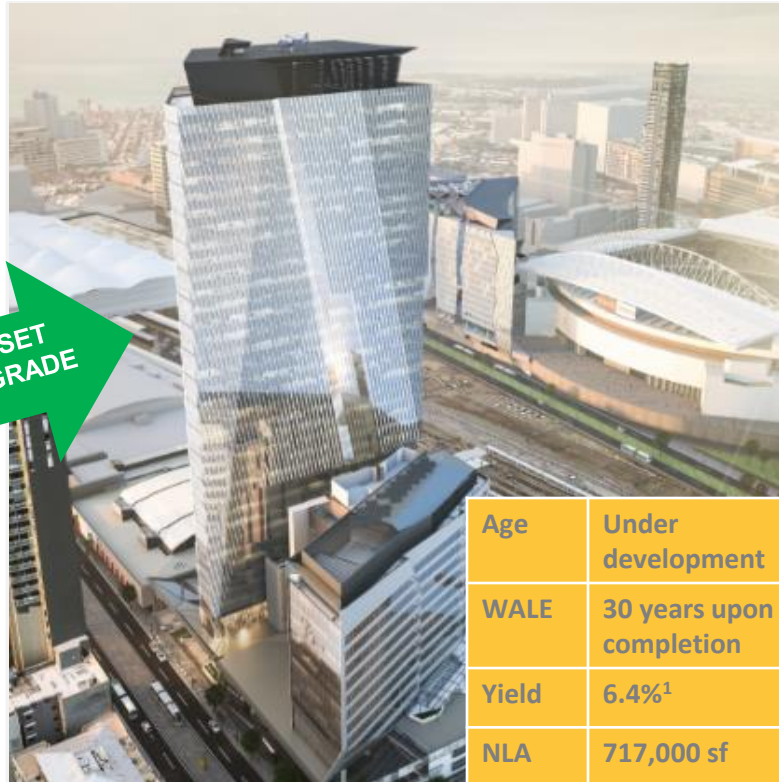
Portfolio Review

8 Chifley Square, Sydney



January 2016:
Divestment of
77 King Street

Age	~40 years
WALE	3.5 years
Yield	5.3%
NLA	147,000 sf



Age	Under development
WALE	30 years upon completion
Yield	6.4% ¹
NLA	717,000 sf

July 2017: Acquisition of a 50% interest in 311 Spencer Street

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

Progress update:

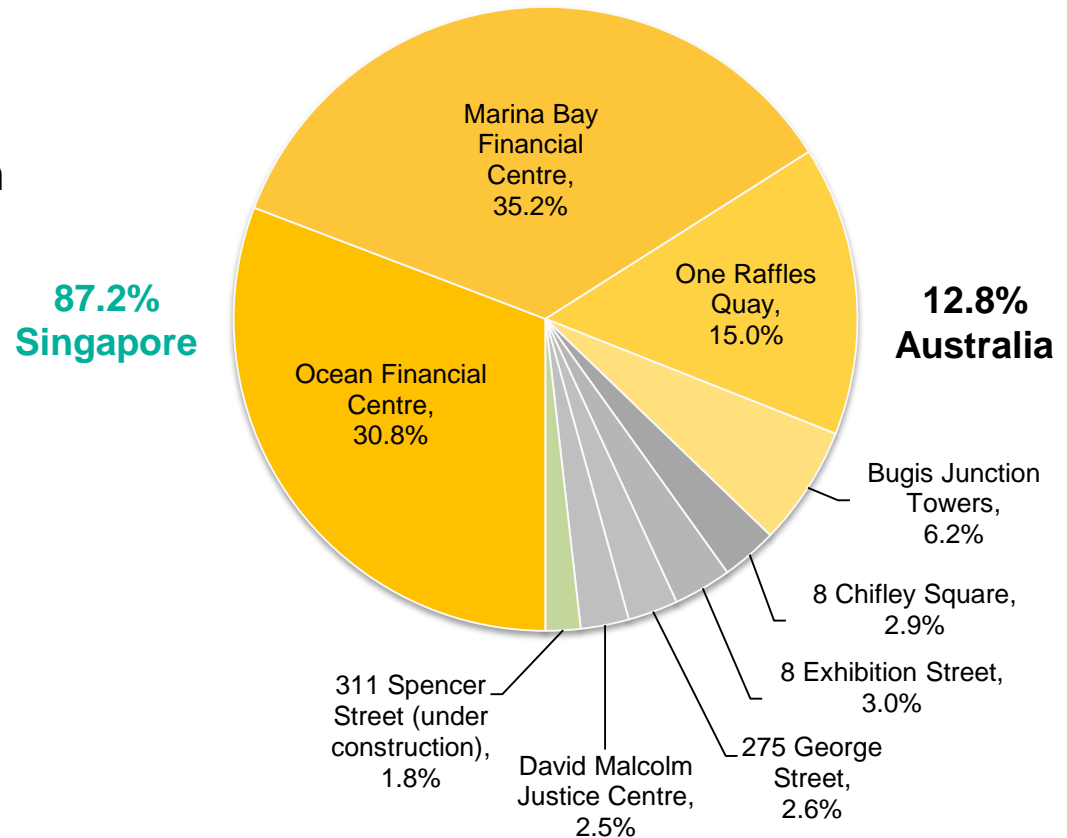
- Completed piling works of the Grade A office tower as at end 2017
- Construction on track for completion in 4Q 2019

(1) Stable average yield based on the expected net property income of the building for the first 15 years of the lease to the tenant, over the consideration. 10



- As at 31 December 2017, Keppel REIT's S\$8.5b* portfolio comprises premium Grade A office space in Singapore and in the key Australian cities of Sydney, Melbourne, Brisbane and Perth
- Long-term resilience of the REIT's income streams is enhanced with portfolio diversification

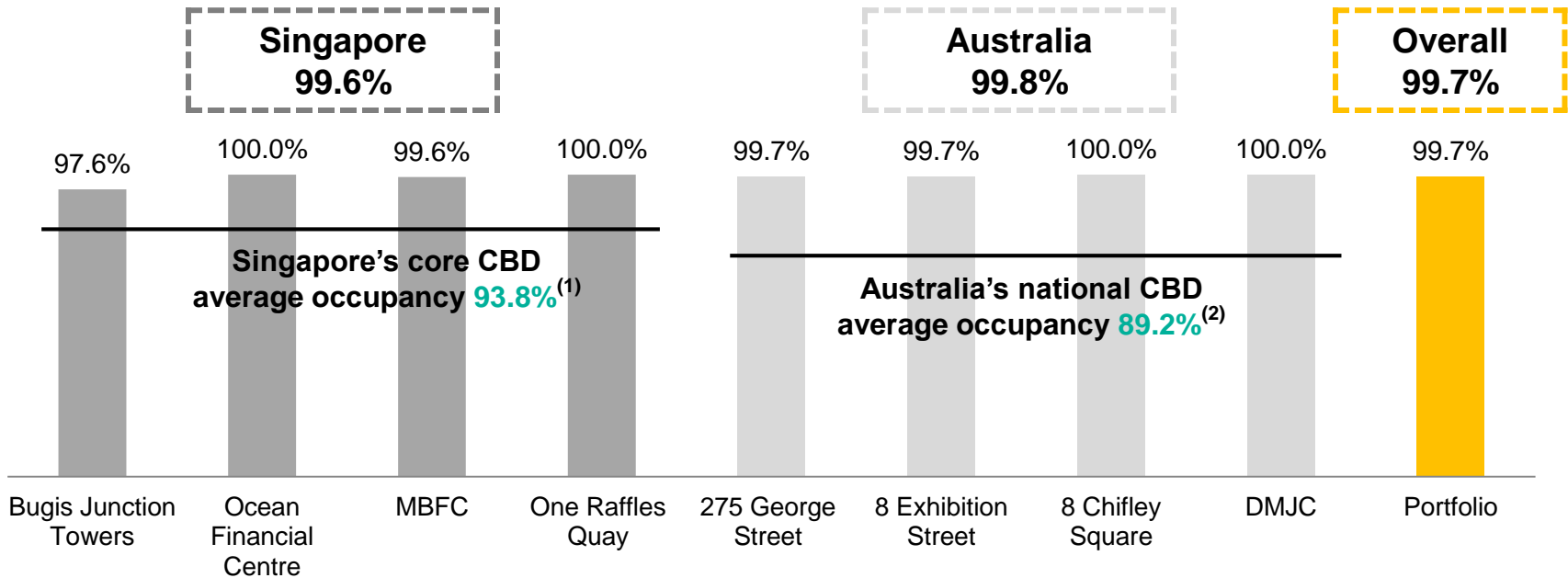
AUM Breakdown by Asset & Geography



* Based on Keppel REIT's total assets under management of approximately \$8.5 billion as at 31 December 2017, including 311 Spencer Street which is under construction in Melbourne.

- Maintained high committed occupancy rates which are well above market
- Portfolio of quality office spaces remains relevant to tenants' changing business needs

High Portfolio Committed Occupancy as at 31 Dec 2017



Sources: (1) CBRE, 4Q 2017 (2) JLL, end September 2017



Leasing Updates for FY 2017

Committed Leases	88 Leases	~829,500 sf (Attributable ~377,700 sf)	-4% Rental Reversion
Tenant Retention	95% Retention Rate	~5.5 years Portfolio WALE as at 31 Dec 2017	~7.8 years Top 10 Tenants' WALE as at 31 Dec 2017

- A total of 829,500 sf (Attributable NLA: 377,700 sf) of spaces committed in FY 2017
- Signing rent for Singapore office leases was ~\$9.80 psf⁽¹⁾ for FY 2017

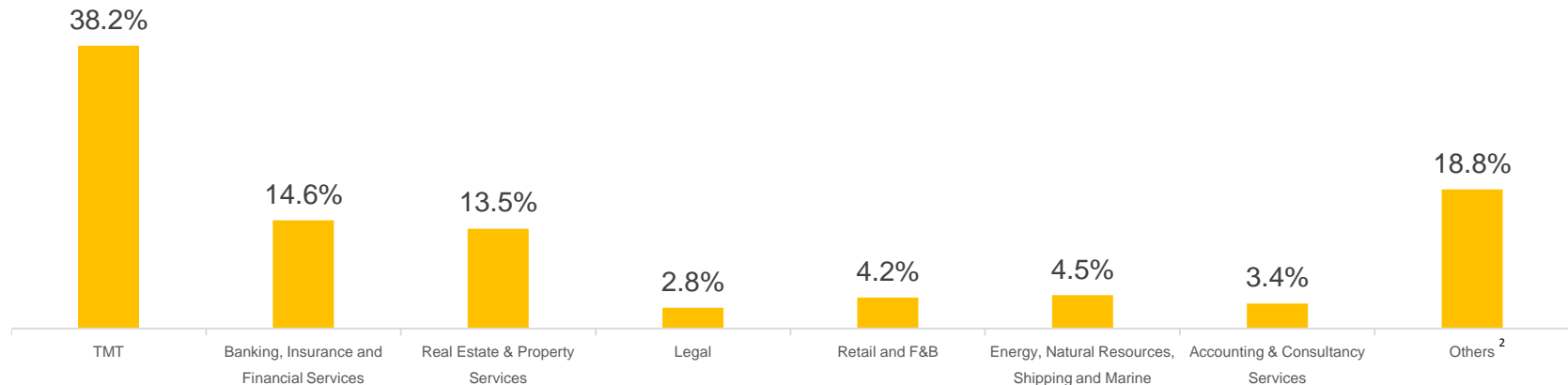


(1) For the Singapore office leases concluded in 2017, and based on a simple average calculation.



- Of the committed leases¹ signed in FY 2017,
 - 27% are new leases,
 - 57% are renewal leases, and
 - 16% are rent review leases
- New leases committed in FY 2017 were signed with tenants from diverse sectors
 - Majority from the TMT, banking, insurance and financial services, as well as real estate and property services sectors

New leases committed in FY 2017 (by Attributable NLA)



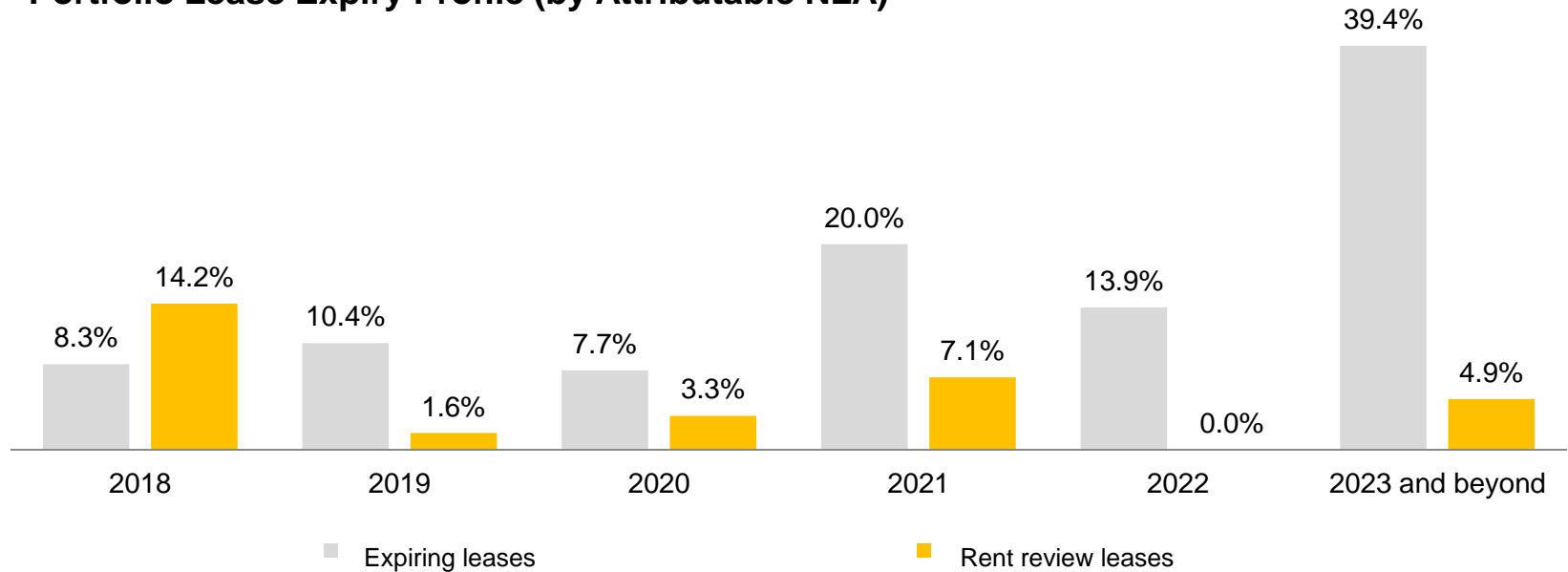
(1) Based on attributable NLA

(2) Includes tenants from the agriculture and education sectors.



- 22.5% of portfolio NLA due for renewal and review in 2018
 - 19.2% of portfolio NLA are for the Singapore office leases
 - Rents for majority number of the Singapore office leases due for renewal and review range between \$8.50 to \$12.00 psf
- Maintained well-spread leases with no more than 20% of portfolio NLA expiring in a single year

Portfolio Lease Expiry Profile (by Attributable NLA)

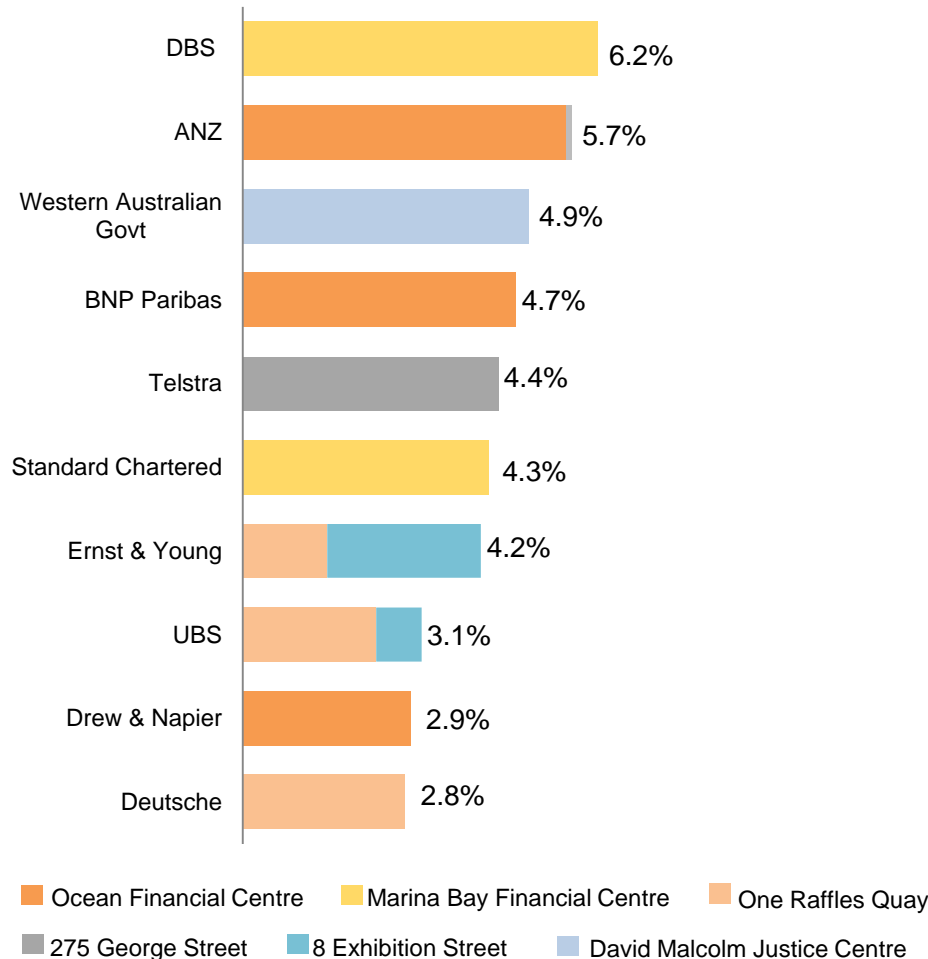


All data as at 31 December 2017. Remaining lease term to expiry based on portfolio committed NLA.



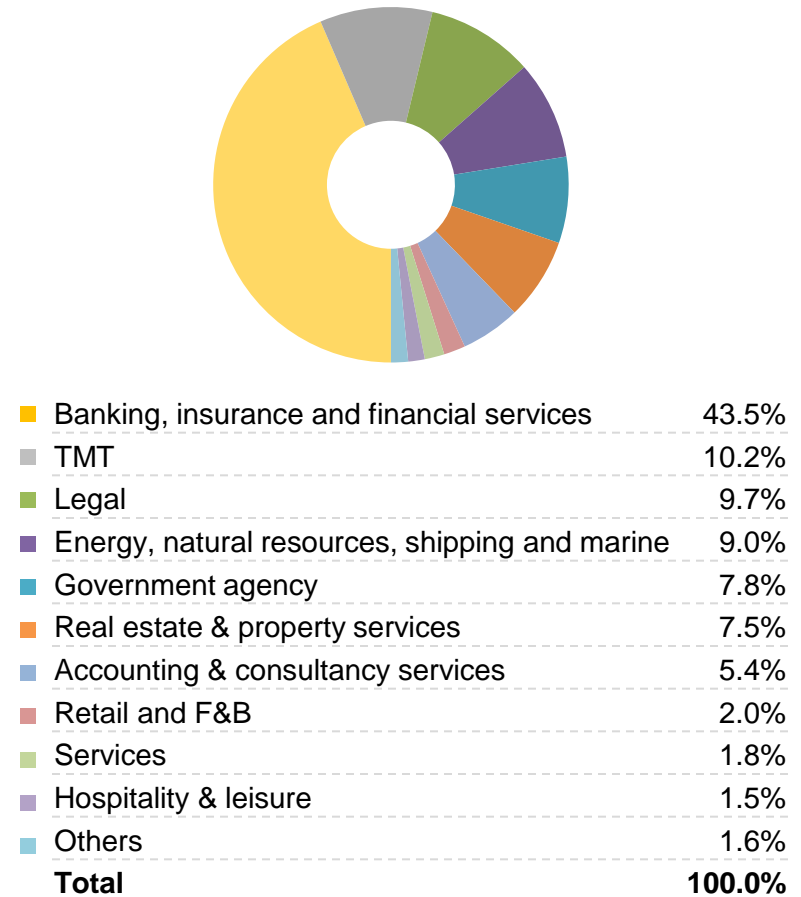
Top 10 Tenants (by Attributable NLA)

Occupies 43.2% of portfolio NLA
Contributes 40.1% of gross rental income



Profile of Tenant Base⁽¹⁾

Number of Tenants: 326⁽²⁾



(1) All data as at 31 December 2017, and based on portfolio committed NLA.

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

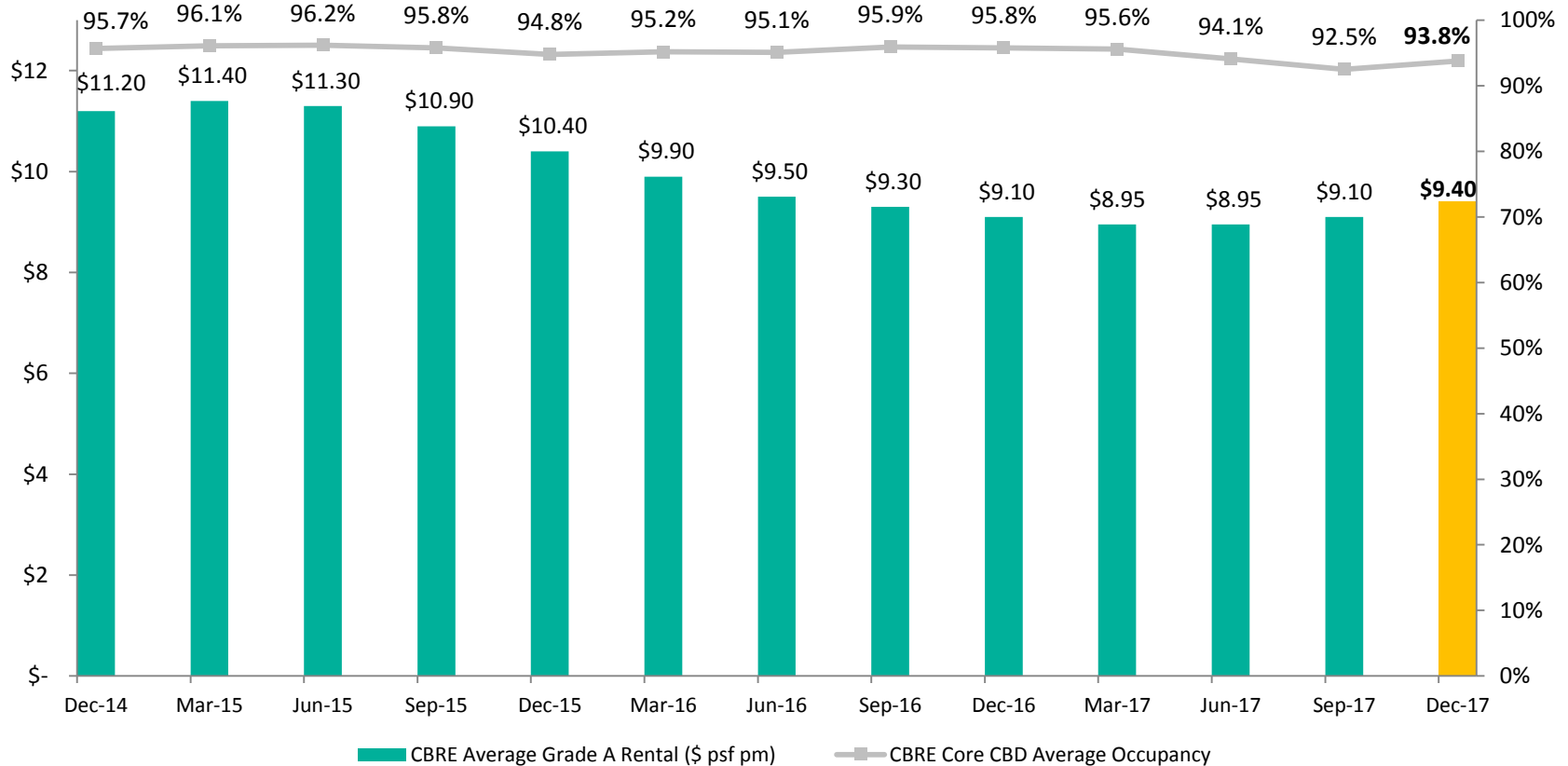


Looking Ahead

Ocean Financial Centre, Singapore



- The general outlook for the office market remains positive, driven by improved economic prospects and a lower quantum of new supply in the mid-term.
- In 4Q 2017, average occupancy in the core CBD improved q-o-q to 93.8% while average Grade A office rental increased q-o-q to \$9.40 psf.





- National CBD office average occupancy improved marginally q-o-q to 89.2%.
- Medium-term outlook has improved with the Australian Bureau of Statistics reporting strong employment growth over 2017.
- Organisations seeking better quality office space in the market as business conditions and confidence improve.





- Environmental, social and governance (ESG) initiatives remain an integral part in the REIT Manager's drive towards operational excellence

Sustainability Accolades in 2017:

Global Real Estate Sustainability Benchmark (GRESB)

2nd among 13 Asian listed office entities
3rd among 52 Asian listed companies

Singapore Governance and Transparency Index (SGTI)

3rd in the REIT and business trust category

BCA Green Mark Platinum Award

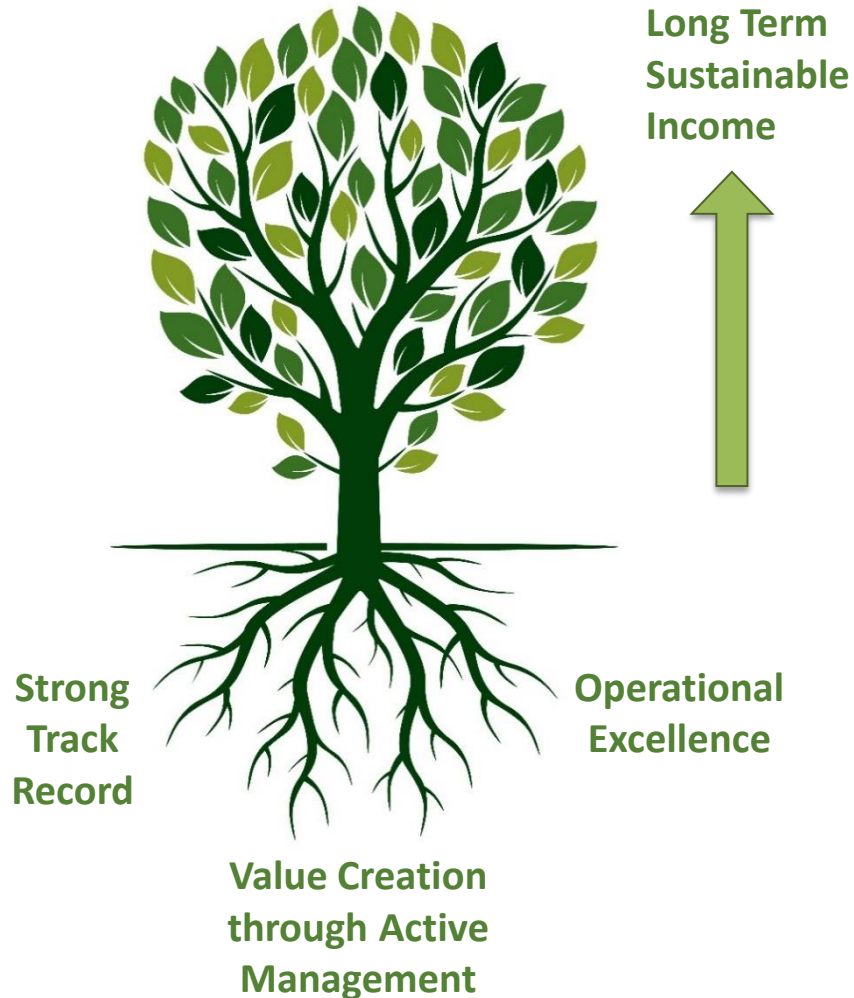
MBFC Towers 1 & 2, Bugis Junction Towers

5-Star Green Star Rating

David Malcolm Justice Centre
(Office As Built v3 Certified Rating)

Workplace Safety and Health Council SHARP Award

MBFC Towers 1 & 2, One Raffles Quay



Strategy in Action

Our goal is to generate **sustainable income** and create **long-term value** for Unitholders through achieving **operational excellence** in all that we do.

Our foundation stems from:

Our Strong Track Record

- ✓ Delivering sustainable income
- ✓ Maintaining high portfolio occupancy and WALE

Value Creation through Active Management

- ✓ Strong capital creation and preservation, with approximately S\$1.5 billion of unrealised capital gains achieved as at end 2017
- ✓ Quality assets managed with a tenant-centric approach

Operational Excellence

- ✓ Prudent management of costs and capital
- ✓ Sustained performance during market volatility



Additional Information

8 Exhibition Street, Melbourne



Best-in-Class Assets in Strategic Locations

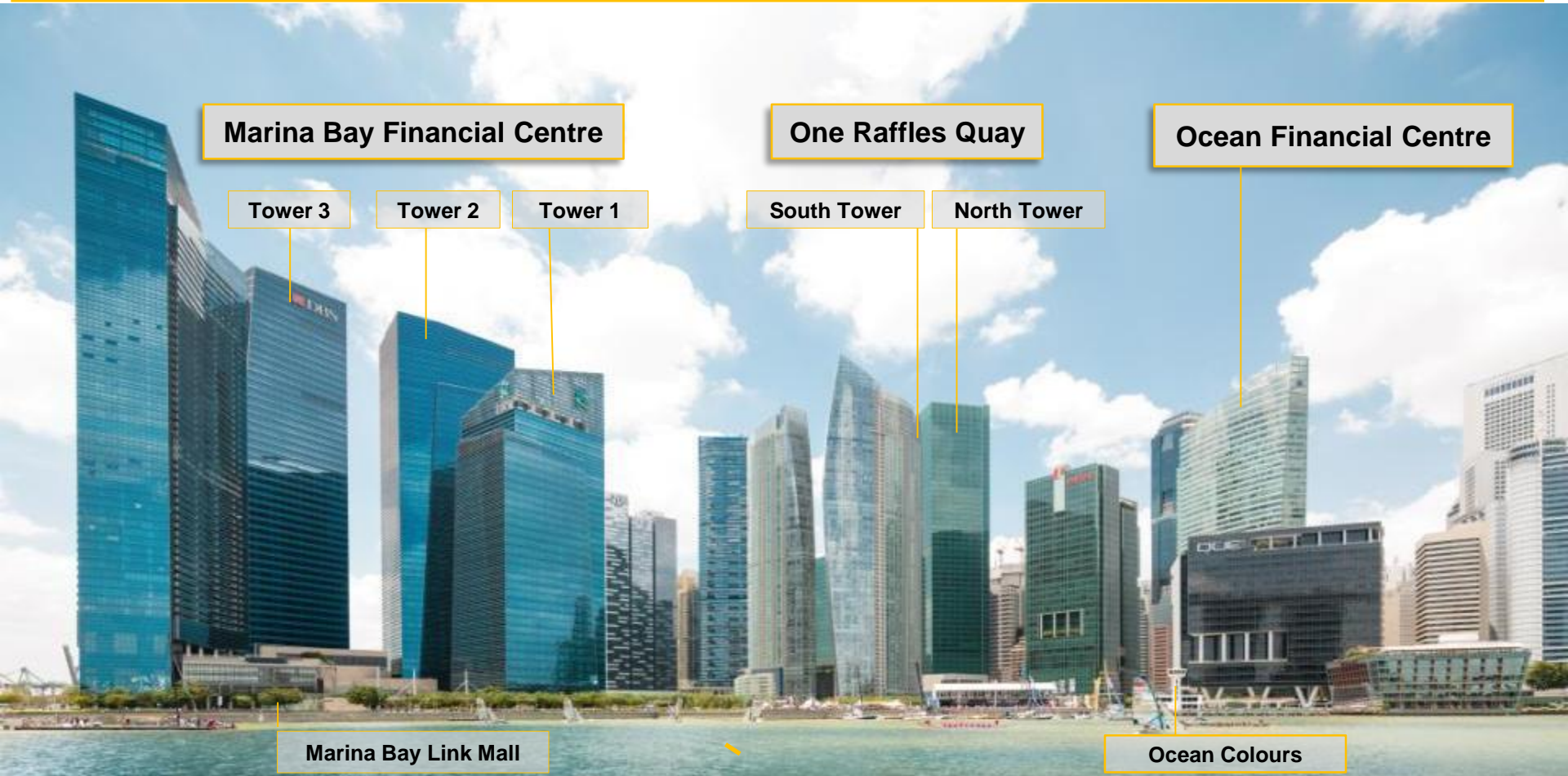
9 quality Premium Grade and Grade A assets in the business and financial districts of Singapore and Australia⁽¹⁾

Largest Portfolio of Premium Office Assets

3.7 million sf total attributable NLA⁽¹⁾

Assets Under Management

S\$8.5 billion⁽¹⁾



Marina Bay Financial Centre

Tower 3

Tower 2

Tower 1

One Raffles Quay

South Tower

North Tower

Ocean Financial Centre

Marina Bay Link Mall

Ocean Colours

(1) As at 31 December 2017 and includes 311 Spencer Street under construction in Melbourne.



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers
(100% interest)

Singapore*

87%

Australia*

13%



8 Chifley Square, Sydney
(50% interest)



8 Exhibition Street, Melbourne
(50% interest)



275 George Street, Brisbane
(50% interest)



David Malcolm Justice Centre, Perth
(50% interest)



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

* Based on Keppel REIT's total assets under management of approximately S\$8.5 billion as at 31 December 2017, including 311 Spencer Street which is under construction in Melbourne.



	Ocean Financial Centre	Marina Bay Financial Centre ⁽³⁾	One Raffles Quay	Bugis Junction Towers
Attributable NLA (sf)	880,603	1,026,032	442,806	244,579
Ownership	99.9%	33.33%	33.33%	100.0%
Principal tenants	ANZ, BNP Paribas, Drew & Napier	DBS Bank, Standard Chartered Bank, BHP Billiton	Deutsche Bank, UBS, Ernst & Young	Keppel Land, IE Singapore, InterContinental Hotels Group
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 ⁽⁴⁾ and 7 Mar 2106 ⁽⁵⁾	99 years expiring 12 Jun 2100	99 years expiring 9 Sep 2089
Purchase Price (on acquisition)	S\$2,298.8m ⁽²⁾	S\$1,426.8m ⁽⁴⁾ S\$1,248m ⁽⁵⁾	S\$941.5m	S\$159.5m
Valuation ⁽¹⁾	S\$2,623.0m	S\$1,693.0m ⁽⁴⁾ S\$1,300.3m ⁽⁵⁾	S\$1,273.0m	S\$525.0m
Capitalisation rates	3.75%	3.75%	3.75%	3.75%

1) Valuation as at 31 December 2017 based on Keppel REIT's interest in the respective properties.

2) 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012.

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

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

5) Refers to MBFC Tower 3.



	8 Chifley Square, Sydney	8 Exhibition Street, Melbourne ⁽²⁾	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	311 Spencer Street, Melbourne <i>(Under construction)</i>
Attributable NLA (sf)	104,138	245,954	224,693	167,784	353,318
Ownership	50.0%	50.0%	50.0%	50.0%	50.0%
Principal tenants	Corrs Chambers Westgarth, Quantum Group, QBE Insurance Group	Ernst & Young, UBS, Minister for Finance - State of Victoria, CBRE	Telstra Corporation, Queensland Gas Company	Government of Western Australia	The State of Victoria (Victoria Police)
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold
Purchase Price (on acquisition)	S\$197.8m	S\$201.3m ⁽²⁾	S\$209.4m	S\$208.1m	S\$362.4m ⁽⁵⁾
Valuation ⁽¹⁾	S\$247.4m	S\$256.0m ⁽²⁾	S\$219.3m	S\$216.8m	S\$148.9m ⁽⁶⁾
Capitalisation rates	5.00%	5.00% ⁽³⁾ 4.50% ⁽⁴⁾	5.63%	5.50%	4.63%

1) Valuation as at 31 December 2017 based on Keppel REIT's interest in the respective properties.

Based on the exchange rate of A\$1 = S\$1.02 as at 31 December 2017.

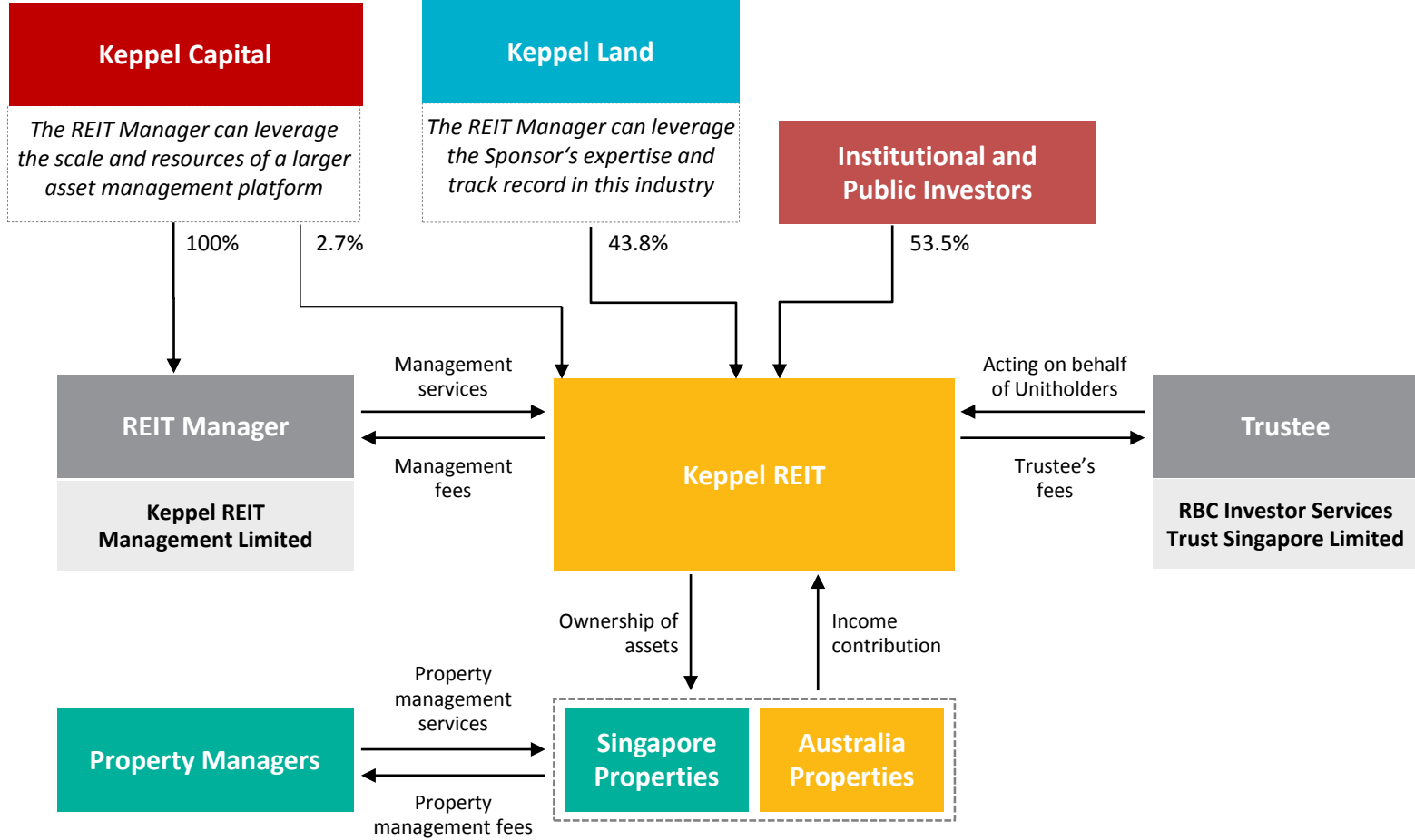
2) Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and two retail units, and a 100% interest in another three retail units

3) Refers to Keppel REIT's 50% interest in the office building and two retail units.

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

5) Based on the aggregate consideration paid-to-date and to be paid, including development costs of the building, at the exchange rate of A\$1=S\$1.042 as disclosed in the announcement dated 29 June 2017.

6) Based on "as is" valuation as at 31 December 2017.





Thank You