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MEDIA RELEASE

Unaudited Results of Keppel REIT for the Fourth Quarter and Financial Year 2014

19 January 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 fourth quarter and financial year 2014.

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

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**Keppel REIT achieves 12% year-on-year growth in Net Property Income
for current portfolio⁽¹⁾ in FY2014**

***Attains rental upside averaging 23% for new office leases
and rental growth of 16% for renewals and reviews during the year***

- One-off impact to distribution due to lesser income from Prudential Tower, which was divested in 3Q 2014
- Only a two-week contribution from Marina Bay Financial Centre (“MBFC”) Tower 3 in FY 2014. From 2015 onwards, Unitholders can look forward to the full contribution from MBFC Tower 3
- FY 2014 net property income and property income for current portfolio⁽¹⁾ grew 12% and 9% year-on-year (“y-o-y”) respectively
- Achieved positive rent reversions of approximately 23% for new office leases and an average 16% upside from renewals and reviews in FY 2014
- High tenant retention rate of approximately 85% for office tenants in FY 2014
- Average rental rates of \$12 psf per month for new leases and renewals at properties in the Raffles Place and Marina Bay precincts, with some leases committed at \$15 psf per month in 2014
- The acquisition of MBFC Tower 3 positions Keppel REIT as the S-REIT with the youngest and largest portfolio of premium Grade A office assets in Singapore’s central business district (“CBD”)
- All-in interest rate remains at 2.23%
- Maintained healthy interest coverage ratio of 5.0 times

Summary of Results

	GROUP		
	FY2014 \$'000	FY2013 \$'000	+ / (-) %
Property Income	184,093	174,043	5.8
Net Property Income	151,436	138,294	9.5
Share of Results of Joint Ventures	9,848	2,103	368.3
Income Available for Distribution	206,142	214,043	(3.7)
Distribution to Unitholders ¹	206,142	214,043	(3.7)
Distribution per Unit ("DPU") (cents) For the Period/Year	7.23 ²	7.88	(8.2)
Distribution Yield %	5.9% ³	6.6% ⁴	

Notes to Summary of Results:

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

(2) Total DPU for FY2014 is 7.23 cents, based on 1.97 cents, 1.90 cents, 1.85 cents and 1.51 cents reported in 1Q2014, 2Q2014, 3Q2014 and 4Q2014 respectively.

(3) The yield is based on the market closing price per unit of \$1.220 as at the last trading day, 31 December 2014.

(4) The yield is based on the market closing price per unit of \$1.185 as at the last trading day, 31 December 2013.

⁽¹⁾ Excludes Prudential Tower that was divested in September 2014.

Sustainable Performance

For FY 2014, Keppel REIT Management Limited (the “Manager”) is pleased to announce a 12% and 9% year-on-year (“y-o-y”) growth in net property income (“NPI”) and property income (“PI”) respectively for its current portfolio⁽¹⁾.

The growth in NPI and PI of Keppel REIT’s current portfolio was partially offset by reduced income contribution from Prudential Tower which was divested in 3Q 2014. Despite the divestment, Keppel REIT ended the financial year with NPI of \$151.4 million and PI of \$184.1 million respectively. This represented a net increase in NPI and PI of 9.5% and 5.8% y-o-y respectively.

The increases in NPI and PI were due mainly to better performance from Ocean Financial Centre and the full year contribution from the 50% interest in 8 Exhibition Street in Melbourne, Australia, which was acquired in August 2013.

Notably, the NPI of Ocean Financial Centre increased by 14.3% to \$82.7 million while the NPI of 8 Exhibition Street almost doubled to \$13.1 million y-o-y.

Share of results of joint ventures grew more than three times to \$9.8 million due mainly to higher contribution from 8 Chifley Square, which was completed in July 2013 and achieved full committed occupancy in December 2014.

Notwithstanding the one-off impact to the distribution due to the divestment of Prudential Tower and only a two-week contribution from MBFC Tower 3, which was acquired in mid-December 2014, Keppel REIT achieved DPU of 7.23 cents for FY 2014. This translates to a yield of 5.9%.

From 2015 onwards, Unitholders can look forward to the full contribution from MBFC Tower 3.

Proactive Lease Management

During the year, the Manager achieved positive rent reversions of approximately 17% for the entire portfolio on average. Rental rates achieved from new office leases saw an approximate 23% growth, while renewals and reviews recorded a 16% increment.

New leases and renewals at Keppel REIT’s properties in the Raffles Place and Marina Bay precincts in Singapore recorded an average of \$12 psf per month, with a number of leases committed at \$15 psf per month in 2014. The average committed rent compares favourably with the monthly average rent of \$11.20 psf per month for Grade A offices in the CBD core as at end-2014⁽²⁾.

Proactive marketing and ongoing leasing efforts saw nine of 11 completed office towers in Singapore and Australia achieve 100% committed occupancy in 2014. This brought the committed occupancy for the overall portfolio to 99.3%. Occupancy for the Singapore portfolio stood at 99.5%, above the average occupancy rate of 95.7%⁽²⁾ for the core CBD area.

Tenancy at the newly acquired MBFC Tower 3 has also increased to 97% from 94% when Keppel REIT first announced the proposed acquisition in mid-September 2014.

⁽¹⁾ Excludes Prudential Tower that was divested in September 2014

⁽²⁾ Source: CBRE

Meanwhile, the retention rate for office tenants remained strong at approximately 85%, providing Keppel REIT with a steady stream of income.

The addition of MBFC Tower 3 and healthy leasing demand saw the total number of tenants in Keppel REIT's portfolio increase approximately 10% to 289 in 2014 and from diverse tenant sectors.

New tenants in 2014 include those from the banking, insurance and financial services, technology, media and telecommunications ("TMT") sector, energy and natural resources, as well as real estate and property services.

During the year, Keppel REIT saw an increase in demand from firms in the TMT sector for its properties in Singapore's CBD. The amount of space taken up by new TMT tenants was more than double that of 2013 as these companies chose to locate to prime business addresses.

The Manager continues to maintain a long weighted average lease expiry of approximately nine years for its top 10 tenants and over six years for the entire portfolio.

Portfolio Transformation

Following the acquisition of MBFC Tower 3, Keppel REIT has an ownership interest in all three office towers at MBFC. This has significantly upgraded Keppel REIT's portfolio of buildings and improved the overall portfolio age to approximately five years old. Keppel REIT is now the S-REIT with the youngest and largest portfolio of premium Grade A office buildings in Singapore's prime business and financial district.

As at 31 December 2014, Keppel REIT's portfolio of nine quality assets comprising 12 office towers in Singapore and Australia were independently valued at approximately \$8.2 billion.

The valuation appreciation was due to the addition of MBFC Tower 3 as well as the growth in capital values of the other properties in the portfolio as a result of improved building performances and market outlook.

Prudent Capital Management Strategy

In 2014, the Manager successfully completed the early refinancing of \$275 million (48%) and \$75 million (16%) of borrowings due in 2015 and 2016 respectively. As a result of the refinancing, the debt maturity profile of Keppel REIT was extended to 2020. More than 80% of Keppel REIT's borrowings are not due for repayment until 2017 and beyond.

Approximately 65% of the total borrowings is fixed and the average all-in interest rate stood at 2.23% as at 31 December 2014. The weighted average term to expiry is 3.6 years, with a healthy interest coverage of 5.0 times.

Singapore Office Market

Advanced estimates by the Ministry of Trade and Industry ("MTI") indicate that the Singapore economy is expected to record a 2.8% growth in 2014, in line with the earlier forecast growth of around 3%. Looking ahead, MTI forecast a 2% to 4% growth in 2015, on the back of modest global growth and the tight labour conditions domestically.

Property consultants expect the positive office demand in 2014 to continue into 2015 driven by various industries and increasingly the TMT sector. Overall Grade A office rentals, which recorded an average 14.9% increase in 2014, are also forecast to grow further in 2015.

Australia Office Market

The Australian Bureau of Statistics recorded a y-o-y economic growth of 2.7% in 3Q 2014. In December 2014, the Reserve Bank of Australia announced that it will continue to maintain interest rates at 2.5% to encourage sustainable economic growth.

Demand for office space steadied across Australia with vacancies stabilising across most markets. Demand was driven largely by the increase in the number of firms in the TMT sector seeking office space across all CBDs in Australia. Consultants envisage stronger business conditions providing support to the office market through 2015.

Looking Ahead

The Manager has started to engage tenants to renew and review approximately 420,000 sf of prime office space, majority of which are located in the Raffles Place and Marina Bay areas.

Given Keppel REIT's quality portfolio of buildings in prime CBD locations as well as market expectations of positive demand and limited office supply, rental reversions are expected to be healthy in 2015.

The Manager will also adopt a prudent and proactive capital management strategy as well as monitor interest rates and foreign exchange exposures to manage financing risks.

- End -

About Keppel REIT (<http://www.keppelreit.com>)

Listed by way of an introduction on 28 April 2006, K-REIT Asia was renamed Keppel REIT on 15 October 2012. Keppel REIT is currently one of the largest real estate investment trusts listed on the Singapore Exchange Securities Trading Limited.

Keppel REIT's objective is to generate stable income and long-term growth for Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets pan-Asia.

As at 31 December 2014, 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.

Following the completion of the acquisition of a one-third interest in MBFC Tower 3 on 16 December 2014, the assets in Singapore are Bugis Junction Towers, a one-third interest in MBFC (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 to be 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
FULL YEAR 2014 FINANCIAL STATEMENTS ANNOUNCEMENT****UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014****TABLE OF CONTENTS**

	Page
- SUMMARY OF KEPPEL REIT RESULTS	2
- INTRODUCTION	3
1(a)(i) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT	4
1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME	7
1(b)(i) BALANCE SHEETS	8
1(b)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES	10
1(c) CONSOLIDATED STATEMENT OF CASH FLOWS	11
1(d)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS	12
1(d)(ii) DETAILS OF CHANGES IN THE UNITS	14
1(d)(iii) TOTAL NUMBER OF ISSUED UNITS	14
1(d)(iv) SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS	14
2 AUDIT	15
3 AUDITORS' REPORT	15
4 ACCOUNTING POLICIES	15
5 CHANGES IN ACCOUNTING POLICIES	15
6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT	15
7 NET ASSET VALUE	15
8 REVIEW OF PERFORMANCE	16
9 VARIANCE FROM FORECAST STATEMENT	17
10 PROSPECTS	18
11 RISK FACTORS AND RISK MANAGEMENT	19
12 DISTRIBUTIONS	20
13 DISTRIBUTION STATEMENT	22
14, 15 SEGMENTAL INFORMATION	22
16 BREAKDOWN OF SALES	23
17 INTERESTED PERSON TRANSACTIONS	23
18 BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION	24
19 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION	24
Appendix QUARTERLY BREAKDOWN	25

**SUMMARY OF KEPPEL REIT RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	GROUP			
	4Q2014 \$'000	FY2014 \$'000	FY2013 \$'000	+ / (-) %
Property Income	42,337	184,093	174,043	5.8
Net Property Income	34,253	151,436	138,294	9.5
Net Income before Divestment Gain, Net Change in Fair Value of Investment Properties and Tax	38,920	155,162	162,561	(4.6)
Income Available for Distribution	45,848	206,142	214,043	(3.7)
Distribution to Unitholders ¹	45,848	206,142	214,043	(3.7)
Distribution per Unit ("DPU") (cents) For the Period/Year	1.51	7.23 ²	7.88	(8.2)
Distribution Yield %		5.9% ³	6.6% ⁴	

Notes:

- (1) Distribution to Unitholders is based on 100% of the taxable income available for distribution.
- (2) Total DPU for FY2014 is 7.23 cents, based on 1.97 cents, 1.90 cents, 1.85 cents and 1.51 cents reported in 1Q2014, 2Q2014, 3Q2014 and 4Q2014 respectively.
- (3) The yield is based on the market closing price per unit of \$1.220 as at the last trading day, 31 December 2014.
- (4) The yield is based on the market closing price per unit of \$1.185 as at the last trading day, 31 December 2013.

DISTRIBUTION DETAILS

Distribution ¹	1 October 2014 to 15 December 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 0.77 cents per unit (b) Tax-exempt income distribution - 0.38 cents per unit (c) Capital distribution - 0.10 cents per unit
Books Closure Date	4 December 2014
Payment Date	21 January 2015

Distribution	16 December 2014 to 31 December 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income
Distribution Rate	(a) Taxable income distribution - 0.15 cents per unit (b) Tax-exempt income distribution - 0.11 cents per unit
Books Closure Date	27 January 2015
Payment Date	27 February 2015

Note:

- (1) 152,213,000 new units ("consideration units") were issued on a non pro-rata basis on 16 December 2014, as partial consideration for the acquisition of one-third interest in Marina Bay Financial Centre Tower 3 ("MBFC Tower 3"). On 21 January 2015, eligible unitholders will receive an advanced distribution of 1.25 cents per unit for the period from 1 October 2014 to 15 December 2014. Thereafter, the consideration units rank pari passu in all respects with the units in issue prior to 16 December 2014, including the entitlement of all future distributions.

INTRODUCTION

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As at 31 December 2014, 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.

Following the completion of the acquisition of a one-third interest in MBFC Tower 3 on 16 December 2014, 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 YEAR ENDED 31 DECEMBER 2014

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 2014:

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

Statement of Total Return

	Note	Group					
		4Q2014	4Q2013	+/(-) %	FY2014	FY2013	+/(-) %
		\$'000	\$'000		\$'000	\$'000	
Gross rent		40,566	45,115	(10.1)	177,667	169,201	5.0
Car park income		844	685	23.2	3,269	1,823	79.3
Other income		927	1,692	(45.2)	3,157	3,019	4.6
Property income		42,337	47,492	(10.9)	184,093	174,043	5.8
Property tax		(2,512)	(3,583)	(29.9)	(9,779)	(10,882)	(10.1)
Other property expenses	1	(4,333)	(4,778)	(9.3)	(16,954)	(17,890)	(5.2)
Property management fee		(1,021)	(1,122)	(9.0)	(4,499)	(4,373)	2.9
Maintenance and sinking fund contributions		(218)	(659)	(66.9)	(1,425)	(2,604)	(45.3)
Property expenses		(8,084)	(10,142)	(20.3)	(32,657)	(35,749)	(8.6)
Net property income		34,253	37,350	(8.3)	151,436	138,294	9.5
Rental support	2	12,061	17,759	(32.1)	50,011	72,873	(31.4)
Interest income	3	9,009	9,782	(7.9)	37,432	36,953	1.3
Share of results of associates	4	16,115	15,764	2.2	60,745	62,134	(2.2)
Share of results of joint ventures	5	4,128	687	>500	9,848	2,103	368.3
Amortisation expenses	6	(9,241)	(5,633)	64.1	(37,364)	(44,860)	(16.7)
Borrowing costs	7	(15,094)	(14,524)	3.9	(60,124)	(55,178)	9.0
Manager's management fees	8	(11,182)	(11,418)	(2.1)	(45,492)	(42,931)	6.0
Trust expenses		(2,159)	(3,107)	(30.5)	(7,451)	(6,827)	9.1
Changes in fair value of interest rate swap	9	1,030	-	100.0	(3,879)	-	(100.0)
Net income before divestment gain and net change in fair value of investment properties		38,920	46,660	(16.6)	155,162	162,561	(4.6)
Gain on divestment of investment property	10	-	-	-	16,179	-	100.0
Net change in fair value of investment properties	11	119,914	389,141	(69.2)	212,191	389,141	(45.5)
Total return before tax		158,834	435,801	(63.6)	383,532	551,702	(30.5)
Income tax expense	12	(2,661)	(7,462)	(64.3)	(11,630)	(16,774)	(30.7)
Total return after tax		156,173	428,339	(63.5)	371,902	534,928	(30.5)
Attributable to:							
Unitholders		156,126	428,142	(63.5)	371,753	534,681	(30.5)
Non-controlling interest		47	197	(76.1)	149	247	(39.7)
		156,173	428,339	(63.5)	371,902	534,928	(30.5)
Distribution Statement							
Total return for the period attributable to Unitholders		156,126	428,142	(63.5)	371,753	534,681	(30.5)
Net tax and other adjustments	13	(110,278)	(373,222)	(70.5)	(165,611)	(320,638)	(48.3)
Income available for distribution		45,848	54,920	(16.5)	206,142	214,043	(3.7)
Distribution to Unitholders	14	45,848	54,920	(16.5)	206,142	214,043	(3.7)
Distribution per Unit (cents) For the period		1.51	1.97	(23.4)	7.23	7.88	(8.2)

Notes:

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

	<u>Group</u>			
	4Q2014	4Q2013	FY2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	44	217	273	1,497
Utilities	864	1,003	3,335	5,144
Repair and maintenance	2,580	2,475	10,165	8,075
Property management reimbursements	552	543	1,787	1,937
Other property expenses	293	540	1,394	1,237
	4,333	4,778	16,954	17,890

- (2) For 4Q2014, this relates to the rental support top-up payments received by Keppel REIT for 77 King Street Office Tower, Sydney, and the approximate 99.9% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC"). For FY2014, this relates to the rental support top-up payments received by Keppel REIT for the additional 29% interest in Prudential Tower acquired on 2 November 2009, the one-third interest in BFC Development LLP ("BFCDLLP") which holds Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall, 77 King Street Office Tower, Sydney, and the approximate 99.9% interest in OPLLP. In the prior periods, the rental support top-up payments received by Keppel REIT also included its additional 19.4% interests in Prudential Tower acquired on 3 May 2011.

- (3) Interest income comprises the following:

	<u>Group</u>			
	4Q2014	4Q2013	FY2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposits and current accounts	1,053	164	2,064	724
Interest income from shareholder's loans to One Raffles Quay Pte Ltd ("ORQPL") and BFCDLLP	5,443	5,334	21,449	21,416
Interest income from convertible notes in Mirvac 8 Chifley Trust and Mirvac (Old Treasury) Trust	2,513	4,284	13,919	14,813
	9,009	9,782	37,432	36,953

- (4) Keppel REIT has completed the acquisition of a one-third interest of the issued share capital of Central Boulevard Development Pte. Ltd. ("CBDPL") which holds MBFC Tower 3, on 16 December 2014. 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 before net change in fair value of investment properties, and (ii) BFCDLLP's partnership profit before net change in fair value of investment property. Share of results of associates for the comparative periods relates to Keppel REIT's one-third interests in (i) ORQPL's net profit after tax and before net change in fair value of investment property, 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") net profit after tax and before net change in fair value of investment properties.

- (6) Please refer to paragraph 1(b)(i), note 4.

- (7) Borrowing costs comprise the following:

	<u>Group</u>			
	4Q2014	4Q2013	FY2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Interest expense on term loans	13,850	13,522	55,278	48,378
Interest expense on revolving loans	659	334	2,028	4,374
Amortisation of capitalised transaction costs	585	668	2,818	2,426
	15,094	14,524	60,124	55,178

- (8) The Manager has 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 and one-third interest in CBDPL as well as 50% of its management fee earned for the approximate 12.4% interest in OPLLP and the rest of the properties in units of Keppel REIT for FY2014 and FY2013.
- (9) This relates to the fair value change of an interest rate swap, which has been re-designated to hedge other existing loans subsequent to the repayment of a previously hedged loan. The change in fair value has no DPU impact.
- (10) This relates to the gain on divestment of Keppel REIT's 92.8% interest in Prudential Tower.
- (11) In connection with the acquisition of one-third interest in MBFC Tower 3 which was announced on 18 September 2014, Keppel REIT carried out a valuation, for its 99.9% interest in Ocean Financial Centre, one-third interest in MBFC Phase One (comprising Towers 1 and 2 and Marina Bay Link Mall), one-third interest in One Raffles Quay and Bugis Junction Towers, as at 31 August 2014. An annual valuation was carried out as at year end for all the existing properties, including the Australian properties. The net change in fair value on investment properties is analysed as follows:

	<u>Group</u>			
	4Q2014	4Q2013	FY2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Investment properties held directly by the Trust	35,606	254,595	97,962	254,595
Investment properties held directly by associates	70,809	120,040	102,981	120,040
Investment properties held directly by joint ventures	1,774	22,993	1,774	22,993
Effects of recognising rental income on a straight line basis over the lease term	11,725	(8,487)	9,474	(8,487)
	<u>119,914</u>	<u>389,141</u>	<u>212,191</u>	<u>389,141</u>

- (12) Income tax expense comprises (i) tax of 17% (2013: 17%) on the rental support top-up payments received by Keppel REIT for its interests in BFCDLLP and OPLLP, net of deductible interest expense, and (ii) withholding tax expense in relation to the income from the Group's investments in Australia.
- (13) Included in the net tax and other adjustments are the following:

	<u>Group</u>			
	4Q2014	4Q2013	FY2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Management fees paid and/or payable in units	7,728	7,793	30,729	28,657
Trustee's fees	268	274	1,085	1,018
Net change in fair value of investment properties (net of non-controlling interest)	(119,886)	(388,960)	(212,117)	(388,960)
Amortisation of intangible asset and capitalised transaction costs	9,826	6,301	40,182	47,286
Temporary differences and other adjustments	(8,214)	1,370	(25,490)	(8,639)
	<u>(110,278)</u>	<u>(373,222)</u>	<u>(165,611)</u>	<u>(320,638)</u>

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, gain on divestment of investment property, effect of recognising rental income on a straight line basis over the lease terms, non-taxable income and non-deductible expenses.

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

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

Statement of Comprehensive Income

	Group					
	4Q2014	4Q2013	+ / (-)	FY2014	FY2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Total return after tax	156,173	428,339	(63.5)	371,902	534,928	(30.5)
Other comprehensive income:						
Foreign currency translation	(26,438)	(21,373)	23.7	(28,336)	(90,690)	(68.8)
<u>Cashflow hedges:</u>						
Net change in fair value of cash flow hedges	(1,038)	(7,334)	(85.8)	15,566	(162)	NM
Share of net change in fair value of cash flow hedges of an associate	371	(526)	NM	1,301	760	71.2
Other comprehensive income for the period	(27,105)	(29,233)	(7.3)	(11,469)	(90,092)	(87.3)
Total comprehensive income for the period	129,068	399,106	(67.7)	360,433	444,836	(19.0)
Attributable to:						
Unitholders	129,022	398,912	(67.7)	360,285	444,587	(19.0)
Non-controlling interest	46	194	(76.3)	148	249	(40.6)
	129,068	399,106	(67.7)	360,433	444,836	(19.0)

NM – Not meaningful

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

Balance Sheets

	Note	Group			Trust		
		31/12/2014 \$'000	31/12/2013 \$'000	+ /(-) %	31/12/2014 \$'000	31/12/2013 \$'000	+ /(-) %
Non-current assets							
Investment properties	1	3,613,616	4,015,094	(10.0)	527,000	994,760	(47.0)
Investment in subsidiaries		-	-	-	1,837,852	1,837,852	-
Investment in associates	2	2,429,485	1,662,963	46.1	2,031,098	1,372,945	47.9
Advances to associates		613,222	606,222	1.2	613,222	606,222	1.2
Investment in joint ventures	3	288,931	137,271	110.5	-	-	-
Advances to joint venture	3	99,853	178,039	(43.9)	-	-	-
Amount owing by subsidiaries		-	-	-	876,886	798,648	9.8
Fixed assets		142	23	>500	-	-	-
Intangible asset	4	56,607	47,356	19.5	46,623	1,094	>500
Derivative financial instruments	5	2,081	2,738	(24.0)	255	-	100.0
Total non-current assets		7,103,937	6,649,706	6.8	5,932,936	5,611,521	5.7
Current assets							
Trade and other receivables	6	25,016	33,865	(26.1)	37,918	40,128	(5.5)
Prepaid expenses		629	1,010	(37.7)	23	22	4.5
Cash and bank balances		199,689	90,611	120.4	172,729	61,782	179.6
Derivative financial instruments	5	133	347	(61.7)	133	347	(61.7)
Total current assets		225,467	125,833	79.2	210,803	102,279	106.1
Total assets		7,329,404	6,775,539	8.2	6,143,739	5,713,800	7.5
Current liabilities							
Trade and other payables	7	84,469	94,258	(10.4)	64,022	43,095	48.6
Income received in advance		1,043	1,621	(35.7)	239	239	-
Short term borrowings		274,924	281,953	(2.5)	274,924	281,953	(2.5)
Current portion of security deposits		3,223	3,927	(17.9)	508	852	(40.4)
Derivative financial instruments	5	9,071	6,559	38.3	9,071	6,559	38.3
Provision for taxation		7,641	10,858	(29.6)	7,400	10,998	(32.7)
Total current liabilities		380,371	399,176	(4.7)	356,164	343,696	3.6
Non-current liabilities							
Income received in advance	8	61,871	19,585	215.9	61,021	17,907	240.8
Long term borrowings		2,390,439	2,400,905	(0.4)	1,928,554	1,944,642	(0.8)
Derivative financial instruments	5	6,894	21,966	(68.6)	4,724	20,332	(76.8)
Non-current portion of security deposits		25,074	30,183	(16.9)	3,237	9,281	(65.1)
Deferred tax liabilities		5,283	4,753	11.2	-	-	-
Total non-current liabilities		2,489,561	2,477,392	0.5	1,997,536	1,992,162	0.3
Total liabilities		2,869,932	2,876,568	(0.2)	2,353,700	2,335,858	0.8
Net assets		4,459,472	3,898,971	14.4	3,790,039	3,377,942	12.2
Represented by:							
Unitholders' funds		4,457,420	3,896,993	14.4	3,790,039	3,377,942	12.2
Non-controlling interest		2,052	1,978	3.7	-	-	-
		4,459,472	3,898,971	14.4	3,790,039	3,377,942	12.2
Net asset value per unit (\$)		1.41	1.40		1.20	1.21	
Gross borrowings / Value of deposited properties (%)	9	43.3	42.1				

Notes:

- (1) *The decrease in investment properties is due mainly to the divestment of Prudential Tower, offset by net change in fair value of investment properties recognised for the year ended 31 December 2014.*

<u>Property</u>	<u>Tenure</u>	<u>Date of valuation</u>	<u>Valuation</u> \$'000
Bugis Junction Towers	99 years from 10 September 1990	31 December 2014	527,000
Ocean Financial Centre	99 years from 14 December 2011	31 December 2014	2,538,830
77 King Street	Freehold	31 December 2014	213,676
275 George Street	Freehold	31 December 2014	139,860 *
8 Exhibition Street	Freehold	31 December 2014	194,250 *
			3,613,616

* Based on the Group's proportionate share of 50% interest.

- (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 to be built on the Old Treasury Building site respectively. Advances to joint venture relates to convertible noted 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 99.9% interest in OPLLP and its one-third interest in CBDPL which holds MBFC Tower 3. In the prior year, the balance also included unamortised aggregate rental support top-up payments receivable by the Group for its one-third interest in BFCDLLP which holds Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall. The intangible asset is amortised over the remaining rental support periods for the respective properties.*
- (5) *This relates to the fair value of 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 \$11.9 million as at 31 December 2014 (31 December 2013: \$20.8 million).*
- (7) *This includes accrued advanced distribution of \$37.6 million for the period 1 October to 15 December 2014 payable on 21 January 2015.*
- (8) *Included in the balances are rental support received in advance of \$49.2 million in relation to the acquisition of one-third interest in MBFC Tower 3 as at 31 December 2014.*
- (9) *This is based on the total amount of gross borrowings and valuation of deposited properties (held directly and indirectly) of \$8.2 billion as at 31 December 2014 (31 December 2013: \$7.2 billion).*

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

	<u>Group</u>	
	As at 31/12/14 \$'000	As at 31/12/13 \$'000
Secured borrowings		
Amount repayable within one year	175,000	-
Amount repayable after one year	466,454	886,954
Less: Unamortised portion of fees	(2,474)	(4,312)
	638,980	882,642
Unsecured borrowings		
Amount repayable within one year	100,000	282,039
Amount repayable after one year	1,930,859	1,522,884
Less: Unamortised portion of fees	(4,476)	(4,707)
	2,026,383	1,800,216
Total borrowings	2,665,363	2,682,858

Details of Collaterals

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

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

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

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

As at 31 December 2014, the Group had total borrowings of approximately \$2,672.3 million and an unutilised \$437.4 million of facilities available to meet its future obligations. The year-to-date all-in interest rate was 2.23% as at 31 December 2014.

1(c) Consolidated Statement of Cash Flows

	Note	<u>Group</u>			
		4Q2014	4Q2013	FY2014	FY2013
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Total return before tax		158,834	435,801	383,532	551,702
Adjustments for:					
Interest income		(9,009)	(9,782)	(37,432)	(36,953)
Amortisation expense		9,241	5,633	37,364	44,860
Share of results of associates		(16,115)	(15,764)	(60,745)	(62,134)
Share of results of joint ventures		(4,128)	(687)	(9,848)	(2,103)
Borrowing costs		15,094	14,524	60,124	55,178
Management fees paid and/or payable in units		7,728	7,793	30,729	28,657
Net change in fair value of investment properties		(119,914)	(389,141)	(212,191)	(389,141)
Gain on divestment of investment property		-	-	(16,179)	-
Changes in fair value of interest rate swap		(1,030)	-	3,879	-
Depreciation		10	3	42	15
Rental support income		(12,061)	(17,759)	(50,011)	(72,873)
Translation differences		1,413	1,662	1,532	3,728
Operating cash flows before changes in working capital		30,063	32,283	130,796	120,936
Increase in receivables		(5,394)	(5,164)	(7,675)	(5,544)
(Decrease)/Increase in payables		(77,772)	1,268	(60,490)	(40,898)
Increase/(Decrease) in security deposits		252	826	(5,813)	1,179
Cash flows from operations		(52,851)	29,213	56,818	75,673
Income taxes paid		(2,829)	(4,440)	(14,257)	(15,418)
Net cash flows (used in)/generated from operating activities		(55,680)	24,773	42,561	60,255
Investing activities					
Purchase of investment property		-	-	-	(187,184)
Improvement in investment properties		(662)	(24)	(2,118)	(17,805)
Net proceeds from divestment of investment property		(5,473)	-	506,527	-
Purchase of fixed assets		-	-	(162)	-
Interest received		8,788	7,449	40,815	34,422
Rental support received		12,648	18,701	58,902	72,644
Investment in joint ventures		-	(13,999)	(63,767)	(70,762)
Advances to joint ventures		-	(8,181)	(36,223)	(118,717)
Investment in associates		(478,186)	(1,735)	(478,186)	(1,735)
Advances to associates		(7,000)	-	(7,000)	-
Distribution received from joint ventures		3,686	293	6,943	856
Dividend income/distribution received from associates		34,517	32,190	66,449	64,593
Net cash flows (used in)/generated from investing activities		(431,682)	34,694	92,180	(223,688)
Financing activities					
Distribution to Unitholders	1	(52,022)	(34,495)	(214,899)	(211,268)
Loans drawdown		119,123	392,360	487,334	968,834
Repayment of loan		-	(360,000)	(506,975)	(707,883)
Upfront debt arrangement costs		(103)	(371)	(1,279)	(3,206)
Proceeds from placement		-	-	228,150	172,900
Partnership distribution to non-controlling interest		(19)	(27)	(69)	(76)
Interest paid		(18,658)	(18,866)	(56,462)	(52,603)
Issue expenses		-	-	(3,162)	(2,190)
Net cash flows generated from/(used in) financing activities		48,321	(21,399)	(67,362)	164,508
Net (decrease)/increase in cash and cash equivalents		(439,041)	38,068	67,379	1,075
Cash and cash equivalents at the beginning of period		577,519	33,447	71,140	71,766
Effect of exchange rate changes on cash and cash equivalents		(660)	(375)	(701)	(1,701)
Cash and cash equivalents at the end of period		137,818	71,140	137,818	71,140
Cash and bank balances		199,689	90,611	199,689	90,611
Less: Rental support received in advance held in designated accounts	2	(61,871)	(19,471)	(61,871)	(19,471)
Cash and cash equivalents per Consolidated Statement of Cash Flows		137,818	71,140	137,818	71,140

Note:

(1) Distribution for FY2014 is for the period 1 October 2013 to 31 December 2013, paid on 28 February 2014, 1 January 2014 to 31 March 2014, paid on 28 May 2014, 1 April 2014 to 30 June 2014, paid on 28 August 2014, 1 July 2014 to 28 September 2014, paid on 12 November 2014, and 29 September 2014 to 30 September 2014, paid on 28 November 2014.

Distribution for FY2013 is for the period of 1 October 2012 to 31 December 2012, paid on 27 February 2013; 1 January 2013 to 3 March 2013, paid on 12 April 2013; 4 March 2013 to 31 March 2013, paid on 28 May 2013; 1 April 2013 to 30 June 2013, paid on 28 August 2013; 1 July 2013 to 5 August 2013, paid on 20 September 2013; and 6 August 2013 to 30 September 2013, paid on 28 November 2013.

(2) For FY2014, this relates to the rental support top-up payments received in advance by Keppel REIT held in designated accounts for the 12.39% interest in OPLLP, the office tower at 77 King Street and the one-third interest in MBFC Tower 3. For FY2013, the rental support top-up payments received in advance by Keppel REIT held in designated accounts were for the additional 29% and 19.4% interests in Prudential Tower, the 12.39% interest in OPLLP, the office tower at 77 King Street.

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

<u>Group</u>	<i>Note</i>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Foreign Currency Translation Reserve</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Discount on Acquisition of Non-Controlling Interest</u> \$'000	<u>Unitholders' Funds</u> \$'000	<u>Non-Controlling Interest</u> \$'000	<u>Total</u> \$'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		-	371,753	-	-	-	371,753	149	371,902
Other comprehensive income	1	-	-	(28,336)	16,868	-	(11,468)	(1)	(11,469)
Total comprehensive income		-	371,753	(28,336)	16,868	-	360,285	148	360,433
Issue of units for payment of management fees	2	30,669	-	-	-	-	30,669	-	30,669
Issue of placement units	3	228,150	-	-	-	-	228,150	-	228,150
Issue of consideration units	4	185,000	-	-	-	-	185,000	-	185,000
Issue of units for payment of acquisition fees	5	11,988	-	-	-	-	11,988	-	11,988
Issue expenses	6	(3,162)	-	-	-	-	(3,162)	-	(3,162)
Distribution to Unitholders	7	(22,841)	(229,662)	-	-	-	(252,503)	-	(252,503)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(74)	(74)
At 31 December 2014		3,354,095	1,234,402	(123,164)	(11,135)	3,222	4,457,420	2,052	4,459,472

<u>Group</u>	<i>Note</i>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Foreign Currency Translation Reserve</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Discount on Acquisition of Non-Controlling Interest</u> \$'000	<u>Unitholders' funds</u> \$'000	<u>Non-Controlling Interest</u> \$'000	<u>Total</u> \$'000
At 1 January 2013		2,771,684	722,957	(4,138)	(28,599)	2,253	3,464,157	1,811	3,465,968
Return for the period		-	534,681	-	-	-	534,681	247	534,928
Other comprehensive income	1	-	-	(90,690)	596	-	(90,094)	2	(90,092)
Total comprehensive income		-	534,681	(90,690)	596	-	444,587	249	444,836
Issue of units for payment of management fees	8	27,838	-	-	-	-	27,838	-	27,838
Issue of placement units	9	172,900	-	-	-	-	172,900	-	172,900
Issue expenses	10	(2,190)	-	-	-	-	(2,190)	-	(2,190)
Distribution to Unitholders		(45,941)	(165,327)	-	-	-	(211,268)	-	(211,268)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	(82)	(82)
Acquisition expenses adjustment		-	-	-	-	969	969	-	969
At 31 December 2013		2,924,291	1,092,311	(94,828)	(28,003)	3,222	3,896,993	1,978	3,898,971

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 25,675,626 units issued in FY2014 as payment of management fees in units.*
- (3) *This relates to the placement of 195 million units at an issue price of \$1.17 per unit on 29 September 2014. The net proceeds raised has been used for the acquisition of the one-third interest in MBFC Tower 3.*
- (4) *This relates to the issuance of 152,213,000 units at an issue price of \$1.2154 per unit on 16 December 2014 as partial consideration for the acquisition of one-third interest in MBFC Tower 3.*
- (5) *This represents 9,863,378 units issued in 4Q2014 as payment of acquisition fees in units, for the acquisition of the one-third interest in MBFC Tower 3.*
- (6) *This relates to issue expenses in relation to the placement as mentioned in note 3 above.*
- (7) *The Distribution to Unitholders includes accrued advanced distribution for the period 1 October to 15 December 2014 payable on 21 January 2015.*
- (8) *This represents 21,501,637 units issued in FY2013 as payment of management fees in units.*
- (9) *This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013 and the placement of 95 million units at an issue price of \$1.26 per unit on 6 August 2013. The net proceeds raised have been used to repay outstanding borrowings and for the acquisition of the 50% interest in 8 Exhibition Street respectively.*
- (10) *This relates to issue expenses in relation to the placement as mentioned in note 9 above.*

<u>Trust</u>	<u>Note</u>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Total</u> \$'000
At 1 January 2014		2,924,291	479,884	(26,233)	3,377,942
Return for the period		-	195,251	-	195,251
Other comprehensive income	1	-	-	16,704	16,704
Total comprehensive income		-	195,251	16,704	211,955
Issue of units for payment of management fees	2	30,669	-	-	30,669
Issue of placement units	3	228,150	-	-	228,150
Issue of consideration units	4	185,000	-	-	185,000
Issue of units for payment of acquisition fees	5	11,988	-	-	11,988
Issue expenses	6	(3,162)	-	-	(3,162)
Distribution to Unitholders	7	(22,841)	(229,662)	-	(252,503)
At 31 December 2014		3,354,095	445,473	(9,529)	3,790,039

<u>Trust</u>	<u>Note</u>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Total</u> \$'000
At 1 January 2013		2,771,684	497,637	(25,128)	3,244,193
Return for the period		-	147,574	-	147,574
Other comprehensive income	1	-	-	(1,105)	(1,105)
Total comprehensive income		-	147,574	(1,105)	146,469
Issue of units for payment of management fees	8	27,838	-	-	27,838
Issue of placement units	9	172,900	-	-	172,900
Issue expenses	10	(2,190)	-	-	(2,190)
Distribution to Unitholders		(45,941)	(165,327)	-	(211,268)
At 31 December 2013		2,924,291	479,884	(26,233)	3,377,942

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

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 25,675,626 units issued in FY2014 as payment of management fees in units.
- (3) This relates to the placement of 195 million units at an issue price of \$1.17 per unit on 29 September 2014. The net proceeds raised has been used for the acquisition of the one-third interest in MBFC Tower 3.
- (4) This relates to the issuance of 152,213,000 units at an issue price of \$1.2154 per unit on 16 December 2014 as partial consideration for the acquisition of one-third interest in MBFC Tower 3.
- (5) This represents 9,863,378 units issued in 4Q2014 as payment of acquisition fees in units, for the acquisition of the one-third interest in MBFC Tower 3.
- (6) This relates to issue expenses in relation to the placement as mentioned in note 3 above.
- (7) The Distribution to Unitholders includes accrued advanced distribution for the period 1 October to 15 December 2014 payable on 21 January 2015.
- (8) This represents 21,501,637 units issued in FY2013 as payment of management fees in units.
- (9) This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013 and the placement of 95 million units at an issue price of \$1.26 per unit on 6 August 2013. The net proceeds raised have been used to repay outstanding borrowings and for the acquisition of the 50% interest in 8 Exhibition Street respectively.
- (10) This relates to issue expenses in relation to the placement as mentioned in note 9 above.

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

	<u>Group and Trust</u>	
	2014 Units	2013 Units
Issued units as at 1 January	2,787,681,875	2,631,180,238
Issue of new units:		
- Payment of management fees	19,293,071	15,639,933
- Placement units	195,000,000	135,000,000
Issued units as at 30 September	3,001,974,946	2,781,820,171
Issue of new units:		
- Payment of management fees	6,382,555	5,861,704
- Consideration units	152,213,000	-
- Payment of acquisition fees in units	9,863,378	-
Issued units as at 31 December	3,170,433,879	2,787,681,875

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 2014 and 31 December 2013.

Total number of issued units in Keppel REIT as at 31 December 2014 and 31 December 2013 are as disclosed in paragraph 1(d)(ii).

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

Not applicable.

2. AUDIT

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

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

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

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

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

	<u>Group</u>			
	4Q2014	4Q2013	FY2014	FY2013
EPU (based on weighted average number of units as at the end of the period)				
Based on total return before divestment gain and fair value change on investment properties	1.20 cents	1.41 cents	5.02 cents	5.37 cents
Based on total return after divestment gain and fair value change on investment properties	5.18 cents	15.39 cents	13.0 cents	19.70 cents
- Weighted average number of units as at the end of the period	3,013,072,005	2,782,831,917	2,858,883,273	2,714,470,498
DPU (based on the number of units as at the end of the period)				
- Number of units in issue as at the end of the period	3,170,433,879	2,787,681,875	3,170,433,879	2,787,681,875

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>Group</u>		<u>Trust</u>	
	As at 31/12/14	As at 31/12/13	As at 31/12/14	As at 31/12/13
NAV ¹ per unit (\$) based on issued units at the end of the period	1.41	1.40	1.20	1.21
Adjusted NAV ¹ per unit (\$) based on issued units at the end of the period (excluding the distributable income)	1.40 ²	1.38	1.19	1.19

Note:

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

(2) This excludes the distributable income for the period 16 December to 31 December 2014.

8. REVIEW OF PERFORMANCE

8(i) Property Income Contribution of the Properties

Property	Group					
	4Q2014	4Q2013	+ / (-)	FY2014	FY2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Prudential Tower ¹	-	5,179	(100.0)	15,528	19,273	(19.4)
Bugis Junction Towers	5,298	4,954	6.9	20,859	20,278	2.9
Ocean Financial Centre	24,945	23,393	6.6	97,695	90,682	7.7
275 George Street	5,072	5,167	(1.8)	20,630	22,134	(6.8)
77 King Street	2,658	3,063	(13.2)	11,617	12,801	(9.2)
8 Exhibition Street ²	4,364	5,736	(23.9)	17,764	8,875	100.2
Total property income	42,337	47,492	(10.9)	184,093	174,043	5.8

8(ii) Income Contribution of the Properties

Property	Group					
	4Q2014	4Q2013	+ / (-)	FY2014	FY2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Prudential Tower ¹	-	4,056	(100.0)	13,250	14,559	(9.0)
Bugis Junction Towers	4,177	3,859	8.2	16,447	16,436	0.1
Ocean Financial Centre	20,624	18,329	12.5	82,652	72,320	14.3
275 George Street	4,200	4,302	(2.4)	16,858	17,959	(6.1)
77 King Street	1,991	2,309	(13.8)	9,097	10,162	(10.5)
8 Exhibition Street ²	3,261	4,495	(27.5)	13,132	6,858	91.5
Total net property income	34,253	37,350	(8.3)	151,436	138,294	9.5
One-third interest in ORQPL:						
- Interest income	425	364	16.8	1,640	1,463	12.1
- Dividend income	7,516	7,530	(0.2)	28,384	30,066	(5.6)
Total income from one-third interest in ORQPL	7,941	7,894	0.6	30,024	31,529	(4.8)
One-third interest in BFCDLLP:						
- Rental support	-	2,363	(100.0)	1,437	8,710	(83.5)
- Interest income	5,018	4,970	1.0	19,809	19,953	(0.7)
- Dividend income	9,776	8,110	20.5	37,279	34,527	8.0
Total income from one-third interest in BFCDLLP	14,794	15,443	(4.2)	58,525	63,190	(7.4)
One-third interest in CBDPL ³ :						
- Dividend income	786	-	100.0	786	-	100.0
Ocean Financial Centre						
- Rental support	11,878	14,622	(18.8)	46,885	59,439	(21.1)
8 Chifley Square ⁴						
- Interest income	-	2,751	(100.0)	5,157	10,275	(49.8)
- Distribution income	3,272	-	100.0	6,230	-	100.0
Old Treasury Building ⁵						
- Interest income	2,513	1,533	63.9	8,762	4,538	93.1
- Distribution income	540	308	75.3	1,799	856	110.2
Total income contribution	75,977	79,901	(4.9)	309,604	308,121	0.5

Notes:

- (1) Prudential Tower was divested on 26 September 2014.
- (2) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.
- (3) The acquisition of the one-third interest in CBDPL was completed on 16 December 2014.
- (4) 8 Chifley Square received its Certificate of Practical Completion in July 2013. The convertible notes in M8CT were converted to units on 26 June 2014.
- (5) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in the second half of 2015.

8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for FY2014 vs FY2013

Net property income increased 9.5% year-on-year, from \$138.3 million for FY2013 to \$151.4 million for FY2014. This was attributable mainly to better performance from OFC and contributions from the 50% interest in 8 Exhibition Street acquired on 1 August 2013.

Property income for FY2014 was \$184.1 million, an increase of \$10.1 million or 5.8% over that for FY2013. The increase was due mainly to higher property income from OFC and contributions from the 50% interest in 8 Exhibition Street acquired on 1 August 2013.

The Group's net income before divestment gain, net change in fair value of investment properties and tax for FY2014 was \$155.2 million, compared to \$162.6 million for FY2013. This was attributable mainly to the lesser contribution from Prudential Tower (divested on 26 September 2014), and also lower rental support and share of results of associates, higher borrowing costs, management fees and trust expenses, as well as the changes in fair value of interest rate swap. These were offset by higher interest income, higher share of results of joint ventures and lower amortisation expenses.

The Group's total return before tax for FY2014 was \$383.5 million, compared to \$551.7 million for FY2013. This was due mainly to lower net fair value gain in investment properties, partially offset by gain on divestment of investment property.

The year-to-date all-in interest rate was 2.23% as at 31 December 2014.

Review of Performance for 4Q2014 vs 4Q2013

Net property income for 4Q2014 was \$34.3 million, compared to \$37.4 million for 4Q2013. This was attributable mainly to the absence of contribution from Prudential Tower.

Property income for 4Q2014 was \$42.3 million, compared to \$47.5 million for 4Q2013. This was attributable mainly to the absence of contribution from Prudential Tower.

The Group's net income before divestment gain, net change in fair value of investment properties and tax for 4Q2014 was \$38.9 million, compared to \$46.7 million for 4Q2013. This was attributable mainly to the absence of contribution from Prudential Tower and also lower rental support and interest income, higher borrowing costs and amortisation expenses. These were offset by higher share of results of associates and joint ventures, lower management fees and trust expenses, as well as the changes in fair value of interest rate swap.

The Group's total return before tax for 4Q2014 was \$158.8 million, compared to \$435.8 million for 4Q2013. This was due mainly to lower net fair value gain in investment properties.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

Advanced estimates by the Ministry of Trade and Industry ("MTI") indicate that the Singapore economy is expected to record a 2.8% growth in 2014, in line with the earlier forecast growth of around 3.0%. Looking ahead, MTI forecast a 2.0% to 4.0% growth in 2015, on the back of modest global growth and the tightening labour conditions domestically.

Property consultants expect the positive office demand sentiment in 2014 to continue into 2015 driven by various industries and increasingly the technology, media and telecommunication ("TMT") sector. Overall Grade A office rentals, which recorded an average 14.9% increase in 2014, are also forecast to grow further in 2015.

The Australian Bureau of Statistics recorded a y-o-y economic growth of 2.7% in 3Q2014. In December 2014, the Reserve Bank of Australia announced that it will continue to maintain interest rates at 2.5% to encourage sustainable economic growth.

Demand for office space steadied across Australia with vacancies stabilising across most markets. Demand was driven largely by the increase in the number of firms in the TMT sector seeking office space across all CBDs in Australia. Consultants envisage stronger business conditions providing support to the office market through 2015.

The Manager completed the divestment of its 92.8% interest in Prudential Tower in September 2014 and successfully completed the acquisition of a one-third interest in MBFC Tower 3 on 16 December 2014. The divestment of the 16-year-old Prudential Tower and the acquisition of the two-year-old MBFC Tower 3 is a significant upgrade to Keppel REIT's portfolio. Occupancy rate for MBFC Tower 3 has since increased to 97% from 94% when the acquisition was announced in September. From 2015 onwards, there will be a full year contribution from MBFC Tower 3.

The addition of MBFC Tower 3 strengthens Keppel REIT's position as the leading landlord of Premium Grade A office buildings in Singapore's business and financial district. The overall portfolio age has also improved to approximately five years, positioning Keppel REIT as the S-REIT with the largest and youngest portfolio of premium grade office buildings in prime CBD locations in Singapore.

Looking ahead, Keppel REIT's quality portfolio with its long weighted average lease expiry of approximately nine years for its top 10 tenants will continue to provide unitholders with income stability, sustainability and resilience over the longer term. The Manager will continue to proactively optimise and enhance this quality portfolio.

11. RISK FACTORS AND RISK MANAGEMENT

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

Interest rate risk

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

Liquidity risk

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

Credit risk

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

Currency risk

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

Operational risk

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

12. DISTRIBUTIONS

(a) Current Financial Period Reported on

Name of Distribution	(i) Distribution for 1 October 2014 to 15 December 2014 (ii) Distribution for 16 December 2014 to 31 December 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(i) Distribution for 1 October 2014 to 15 December 2014 (a) Taxable income distribution - 0.77 cents per unit (b) Tax-exempt income distribution - 0.38 cents per unit (c) Capital distribution - 0.10 cents per unit (ii) Distribution for 16 December 2014 to 31 December 2014 (a) Taxable income distribution - 0.15 cents per unit (b) Tax-exempt income distribution - 0.11 cents per unit
Tax Rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Distribution	Distribution for 1 October 2013 to 31 December 2013
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 0.86 cents per unit (b) Tax-exempt income distribution - 0.70 cents per unit (c) Capital distribution - 0.41 cents per unit
Tax Rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

(c) Date Payable

- (i) Distribution for 1 October 2014 to 15 December 2014
21 January 2015
- (ii) Distribution for 16 December 2014 to 31 December 2014
27 February 2015

(d) Books Closure Date

- (i) Distribution for 1 October 2014 to 15 December 2014
4 December 2014
- (ii) Distribution for 16 December 2014 to 31 December 2014
27 January 2015

13. DISTRIBUTION STATEMENT

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

14. SEGMENTAL INFORMATION

	<u>Group</u>		+/(-) %
	FY2014 \$'000	FY2013 \$'000	
Property			
Prudential Tower ¹	13,250	14,559	(9.0)
Bugis Junction Towers	16,447	16,436	0.1
Ocean Financial Centre	82,652	72,320	14.3
275 George Street	16,858	17,959	(6.1)
77 King Street	9,097	10,162	(10.5)
8 Exhibition Street ²	13,132	6,858	91.5
Total net property income	151,436	138,294	9.5
One-third interest in ORQPL:			
- Interest income	1,640	1,463	12.1
- Dividend income	28,384	30,066	(5.6)
Total income from one-third interest in ORQPL	30,024	31,529	(4.8)
One-third interest in BFCDLLP:			
- Rental support	1,437	8,710	(83.5)
- Interest income	19,809	19,953	(0.7)
- Dividend income	37,279	34,527	8.0
Total income from one-third interest in BFCDLLP	58,525	63,190	(7.4)
One-third interest in CBDPL ³ :			
- Dividend income	786	-	100.0
Ocean Financial Centre			
- Rental support	46,885	59,439	(21.1)
8 Chifley Square ⁴			
- Interest income	5,157	10,275	(49.8)
- Distribution income	6,230	-	100.0
Old Treasury Building ⁵			
- Interest income	8,762	4,538	93.1
- Distribution income	1,799	856	110.2
Total income contribution	309,604	308,121	0.5

Notes:

- (1) Prudential Tower was divested on 26 September 2014.
- (2) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.
- (3) The acquisition of the one-third interest in CBDPL was completed on 16 December 2014.
- (4) 8 Chifley Square received its Certificate of Practical Completion in July 2013. The convertible notes in M8CT were converted to units on 26 June 2014.
- (5) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in the second half of 2015.

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>		+ / (-) %
	FY2014 \$'000	FY2013 \$'000	
(a) Property income reported for first half year	94,128	82,599	14.0
(b) Total return after tax for first half year	77,464	69,600	11.3
(c) Property income reported for second half year	89,965	91,444	(1.6)
(d) Total return after tax for second half year ¹	294,438	465,328	(36.7)

Note:

(1) The total return after tax for second half year FY2014 and FY2013 includes fair value changes of the investment properties amounting to approximately \$212.2 million and \$389.1 million respectively. For second half year FY2014, it also included the gain on divestment of Prudential Tower. Fair value changes and the divestment gain are non-taxable items and have no impact on the distributable income to Unitholders.

17. INTERESTED PERSON TRANSACTIONS (“IPTs”)

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000)	
	FY2014 \$'000	FY2013 \$'000
<u>Temasek Holdings (Private) Limited and its subsidiaries</u>		
- Enhancement works to OFC linkway	-	320
- Rental income ¹	379	107
<u>Keppel Corporation Limited and its subsidiaries or associates</u>		
- Manager's management fees	45,493	42,932
- Acquisition fee	11,988	3,970
- Divestment fee	2,560	-
- Property management fees and reimbursable	5,991	6,005
- Leasing commissions	575	1,772
- Rental and service charge income ¹	646	-
- Rental support	44,038	62,308
- Electricity expenses ¹	-	12,423
- Settlement of accrued development costs for one-third interest in an associate	-	1,735
- Acquisition of one-third interest in CBDPL	710,544	-
<u>RBC Investor Services Trust Singapore Limited</u>		
- Trustee's fees	1,085	1,018

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.

18. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

	FY2014	FY2013
	\$'000	\$'000
1 January 2013 to 3 March 2013 (paid)	-	35,593
4 March 2013 to 31 March 2013 (paid)	-	16,594
1 April 2013 to 30 June 2013 (paid)	-	52,828
1 July 2013 to 5 August 2013 (paid)	-	19,613
6 August 2013 to 30 September 2013 (paid)	-	34,495
1 October 2013 to 31 December 2013 (paid)	-	54,920
1 January 2013 to 31 March 2014 (paid)	55,047	-
1 April 2014 to 30 June 2014 (paid)	53,220	-
1 July 2014 to 28 September 2014 (paid)	50,526	-
29 September 2014 to 30 September 2014 (paid)	1,501	-
1 October 2014 to 31 December 2014 (to be paid) ¹	45,848	-
	<u>206,142</u>	<u>214,043</u>

Note:

(1) Please refer to paragraph 12(a) on page 20.

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.

QUARTERLY BREAKDOWN

Property Contribution by Asset (\$'000)

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14	2Q14	3Q14	4Q14	FY14
Property										
Prudential Tower ¹	5,004	4,475	4,615	5,179	19,273	5,252	5,238	5,038	-	15,528
Bugis Junction Towers	5,111	5,091	5,122	4,954	20,278	5,068	5,195	5,298	5,298	20,859
Ocean Financial Centre	22,111	22,460	22,718	23,393	90,682	24,120	24,216	24,414	24,945	97,695
275 George Street	5,747	5,889	5,331	5,167	22,134	4,989	5,297	5,272	5,072	20,630
77 King Street	3,459	3,252	3,027	3,063	12,801	2,906	3,079	2,974	2,658	11,617
8 Exhibition Street ²	-	-	3,139	5,736	8,875	4,447	4,321	4,632	4,364	17,764
Total property income	41,432	41,167	43,952	47,492	174,043	46,782	47,346	47,628	42,337	184,093

Income Contribution by Asset (\$'000)

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14	2Q14	3Q14	4Q14	FY14
Property										
Prudential Tower	3,961	3,133	3,409	4,056	14,559	4,131	4,753	4,366	-	13,250
Bugis Junction Towers	4,120	4,381	4,076	3,859	16,436	3,982	4,100	4,188	4,177	16,447
Ocean Financial Centre	18,677	17,456	17,858	18,329	72,320	21,674	20,342	20,012	20,624	82,652
275 George Street	4,713	4,682	4,262	4,302	17,959	4,046	4,265	4,347	4,200	16,858
77 King Street	2,947	2,597	2,309	2,309	10,162	2,311	2,503	2,292	1,991	9,097
8 Exhibition Street ²	-	-	2,363	4,495	6,858	3,324	3,228	3,319	3,261	13,132
Total net property income	34,418	32,249	34,277	37,350	138,294	39,468	39,191	38,524	34,253	151,436
One-third interest in ORQPL:										
- Interest income	371	362	366	364	1,463	376	418	421	425	1,640
- Dividend income	7,264	7,519	7,753	7,530	30,066	6,545	7,228	7,095	7,516	28,384
Total income from one-third interest in ORQPL	7,635	7,881	8,119	7,894	31,529	6,921	7,646	7,516	7,941	30,024
One-third interest in BFCDLLP:										
- Rental support	2,133	2,023	2,191	2,363	8,710	1,437	-	-	-	1,437
- Interest income	5,052	4,938	4,993	4,970	19,953	4,873	4,936	4,982	5,018	19,809
- Dividend income	8,414	9,206	8,797	8,110	34,527	9,107	9,052	9,344	9,776	37,279
Total income from one-third interest in BFCDLLP	15,599	16,167	15,981	15,443	63,190	15,417	13,988	14,326	14,794	58,525
One-third interest in CBDPL ³ :										
- Dividend income	-	-	-	-	-	-	-	-	786	786
Ocean Financial Centre										
- Rental support	14,064	15,518	15,235	14,622	59,439	10,482	12,060	12,465	11,878	46,885
8 Chifley Square ⁴										
- Interest income	2,208	2,555	2,761	2,751	10,275	2,581	2,576	-	-	5,157
- Distribution income	-	-	-	-	-	-	-	2,958	3,272	6,230
Old Treasury Building ⁵										
- Interest income	81	1,492	1,432	1,533	4,538	1,714	2,087	2,448	2,513	8,762
- Distribution income	-	240	308	308	856	353	420	486	540	1,799
Total income contribution	74,005	76,102	78,113	79,901	308,121	76,936	77,968	78,723	75,977	309,604

Notes:

- (1) Prudential Tower was divested on 26 September 2014.
- (2) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.
- (3) The acquisition of the one-third interest in CBDPL was completed on 16 December 2014.
- (4) 8 Chifley Square received its Certificate of Practical Completion in July 2013. The convertible notes in M8CT were converted to units on 26 June 2014.
- (5) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in the second half of 2015.

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

CHOO CHIN TECK / KELVIN CHUA HUA YEOW
 Joint Company Secretaries
 19 January 2015



Full Year 2014 Financial Results
19 January 2015





Important Notice

Important Notice

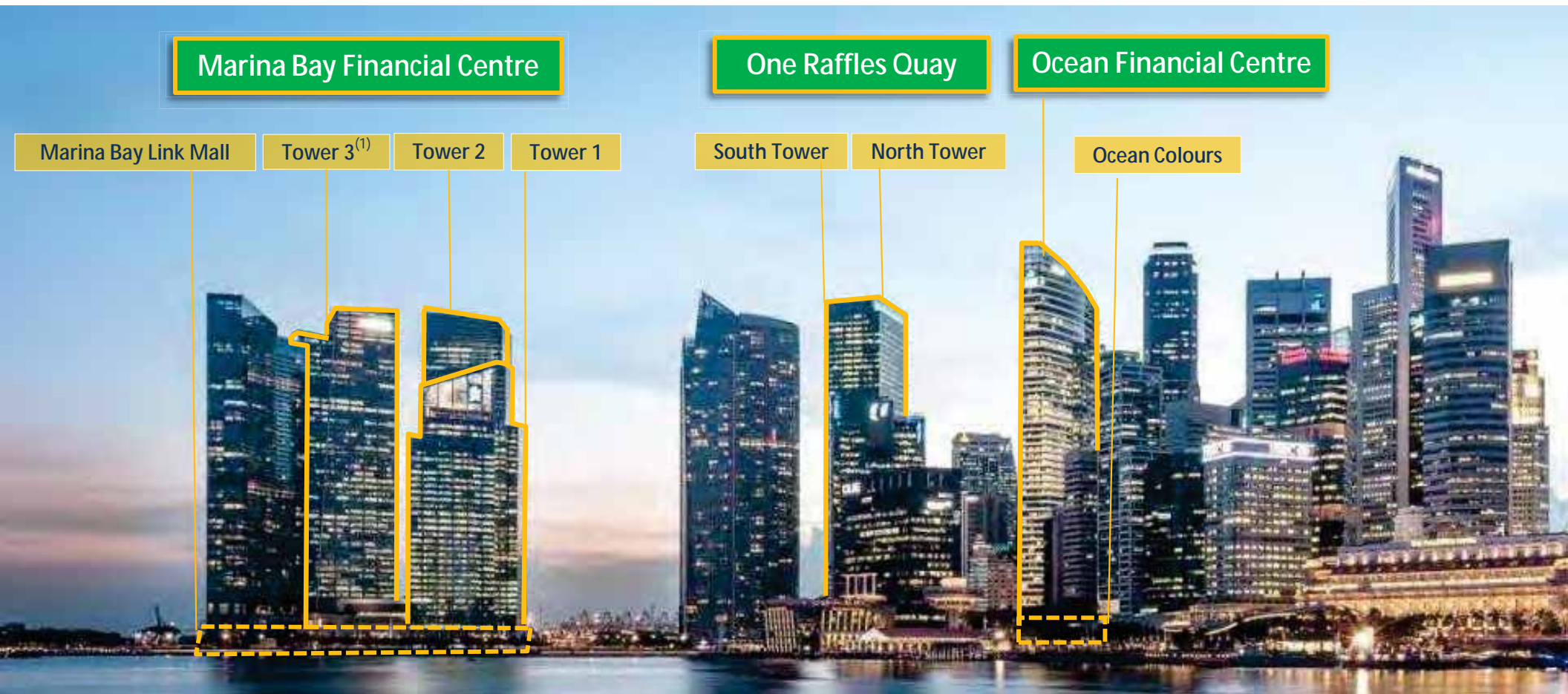
The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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.



- » **Strategic portfolio transformation** in 2014
- » Acquisition of MBFC Tower 3 positions Keppel REIT as the S-REIT with the **youngest and largest portfolio of premium Grade A office assets** in Singapore's central business district



(1) Keppel REIT completed the acquisition of a one-third interest in Marina Bay Financial Centre Tower 3 on 16 Dec 2014.



The above information is as at 31 Dec 2014.

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

(2) Based on market closing price per Unit of \$1.22 as at the last trading day, 31 Dec 2014.





» With **88%** of portfolio in Singapore and **12%** in Australia

Singapore Properties



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers

Australia Properties



8 Chifley Square, Sydney
(50% interest)



77 King Street Office
Tower, Sydney



8 Exhibition Street,
Melbourne
(50% interest)



275 George Street,
Brisbane
(50% interest)





Old Treasury Building Office
Tower, Perth (50% interest)

**Expected completion in 2H 2015*





Key Milestones in 2014





1Q 2014

-  Ocean Colours at Ocean Financial Centre is **fully operational**
-  Office tower to be built on the Old Treasury Building site in Perth was awarded the **5-Star Green Star Office Design v3**

2Q 2014

-  Announced the **divestment of Prudential Tower** for \$512 million
 - **4.5% premium to latest valuation** of \$490 million
 - **46.7% premium to purchase price** of \$349.1 million
-  Bugis Junction Towers was awarded the **BCA Green Mark Platinum Award (2014)**

3Q 2014

-  Announced the **acquisition of one-third interest in MBFC Tower 3**
-  Completed the **divestment of Prudential Tower**
-  Both Moody's and S&P reaffirmed Keppel REIT's rating at "**Baa2**" and "**BBB**" respectively with a **stable outlook**
-  Ranked **1st** and **Regional Leader for Office Sector in Asia** in Global Real Estate Sustainability Benchmark 2014

4Q 2014

-  **Overwhelming response from Unitholders for all 3 resolutions at the EGM** for the acquisition a one-third interest in MBFC Tower 3
-  Completed the acquisition of the **one-third interest in MBFC Tower 3**
-  **9 out of the 11** completed office towers are **fully committed**



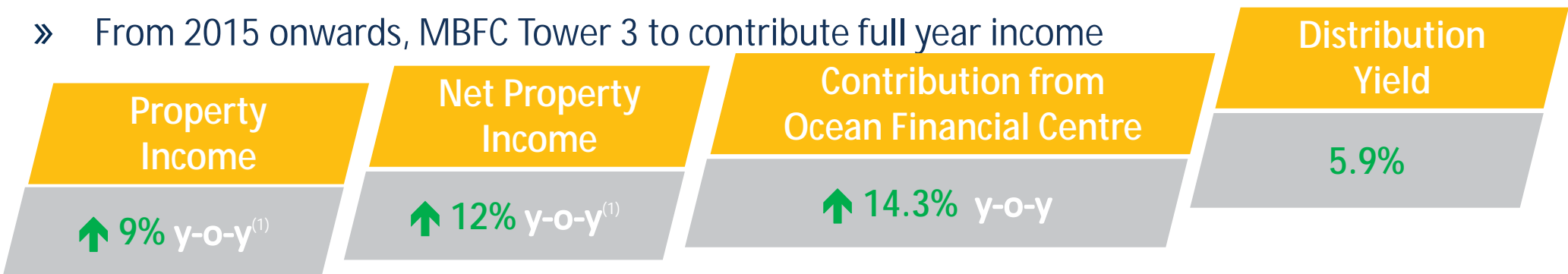
Marina Bay Financial Centre,
Singapore

Keppel REIT

1. Key Highlights
2. Financial Highlights
3. Capital Management
4. Portfolio Analysis
5. Market Review and Outlook

FY 2014 Key Financial Highlights

- » Net Property Income and Property Income **↑ 12%** and **9%** y-o-y for current portfolio⁽¹⁾
- » Contributions from:
 - Ocean Financial Centre **↑ 14.3%** y-o-y to **\$82.7 mil**
 - 8 Exhibition Street **↑ 91.5%** y-o-y to **\$13.1 mil**
- » Share of Results of Joint Ventures **grew more than 3 times** y-o-y to **\$9.8 million**
 - Contribution from 8 Chifley Square
- » **One-off impact to distribution** due to:
 - Lesser income from Prudential Tower arising from the divestment
 - Two-week contribution from MBFC Tower 3
- » **Distribution yield** of **5.9%**⁽²⁾
- » From 2015 onwards, MBFC Tower 3 to contribute full year income



⁽¹⁾ Current portfolio excludes Prudential Tower that was divested in September 2014.
⁽²⁾ The yield is based on the market closing price per unit of \$1.22 as at the last trading day, 31 Dec 2014

- » Completed the **early refinancing** of a total of **\$275 million** and **\$75 million** of borrowings due in **2015** and **2016** respectively
- » Approximately **65%** of Keppel REIT's total borrowings is on fixed rate basis
- » Weighted average term to expiry of debt of **3.6 years**
- » Healthy interest coverage ratio of **5.0 times** and all-in interest rate of **2.23%**

Weighted Average
Term to Expiry

3.6 Years

Interest Coverage
Ratio

5.0 times

All-in interest rate

2.23%

Borrowings on
Fixed-Rate

65%





FY 2014 Key Portfolio Highlights

- » **Positive rent reversions** of **17%** for the entire portfolio on average
- » Achieved **rental upside** averaging **23%** for **new office leases**
- » Rental growth of **16%** for **office renewals and reviews**
- » **High tenant retention rate** of **85%** for office tenants
- » Average rental rates achieved in Keppel REIT's portfolio of **\$12 psf** per month for new leases and renewals for the Raffles Place and Marina Bay precincts, with some leases at **\$15 psf** per month
- » **9 out of 11** completed office towers achieved **100% committed occupancy**
- » Growth in demand from firms in the **technology, media and telecommunication (TMT) sector** seeking prime business addresses



One Raffles Quay,
Singapore

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- » Net Property Income and Property Income for the current portfolio⁽¹⁾ ↑ 12% and 9% y-o-y respectively
- » Net increase in Net Property Income and Property Income of 9.5% y-o-y to \$151.4 mil and 5.8% y-o-y to \$184.1 mil, despite the absence of income from Prudential Tower in 4Q 2014

	FY 2014	FY 2013
Property Income	\$184.1m	\$174.0m
Net Property Income	\$151.4m	\$138.3m
Share of Results of Joint Ventures	\$9.8m	\$2.1m
Distributable Income to Unitholders ⁽²⁾	\$206.1m	\$214.0m
Distribution Per Unit - For the Period	7.23 cents	7.88 cents
Distribution Yield	5.9%	6.6%

(1) Excludes Prudential Tower that was divested in September 2014.

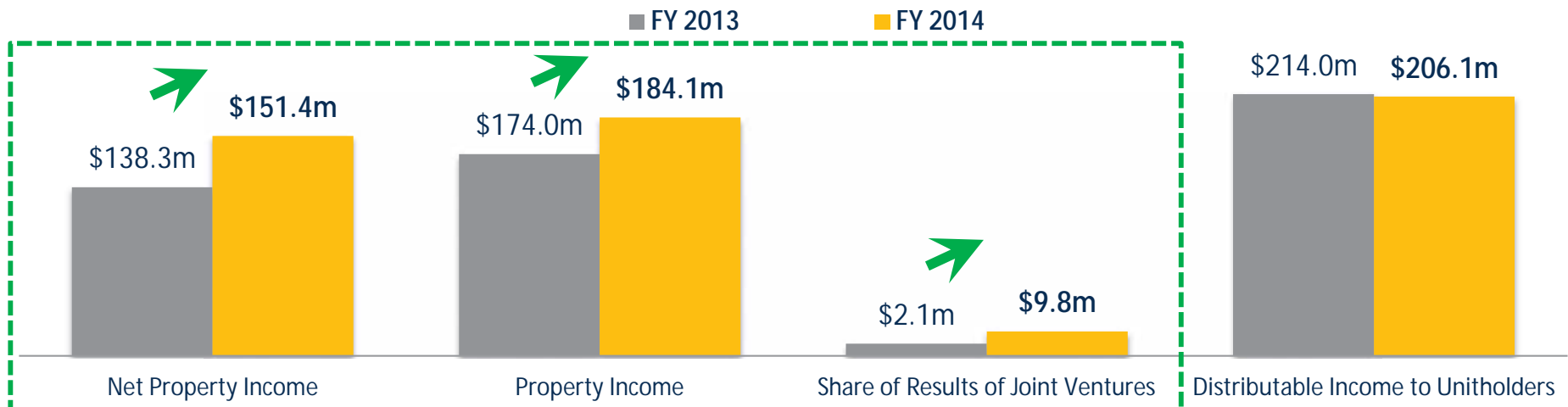
(2) The distributable income to Unitholders is based on 100% of the taxable income available for distribution.





Distribution Yield of 5.9%

- » Strong performance of Net Property Income
 - Ocean Financial Centre **↑ 14.3%** y-o-y to **\$82.7 mil**
 - 8 Exhibition Street **↑ 91.5%** y-o-y to **\$13.1 mil**, due to full-year contribution from the 50% interest acquired in Aug 2013
- » Share of Results of Joint Ventures **grew more than 3 times** y-o-y to **\$9.8 million**
 - Contribution from 8 Chifley Square, which was completed in July 2013 and achieved full committed occupancy in December 2014
- » DPU for FY 2014 stood at **7.23 cents** notwithstanding:
 - Lesser income contribution from Prudential Tower, which was divested in 3Q 2014
 - Two-week contribution from MBFC Tower 3, which was acquired in mid-Dec 2014
- » **Distribution yield of 5.9%**⁽¹⁾



(1) The yield is based on the market closing price per unit of \$1.22 as at the last trading day, 31 Dec 2014



	As at 31 Dec 2014	As at 31 Dec 2013
Non-current Assets	\$ 7,104 m	\$6,650 m
Total Assets	\$7,329 m	\$6,776 m
Borrowings ⁽¹⁾	\$3,545 m	\$3,031 m
Total Liabilities	\$2,870 m	\$2,877 m
Unitholders' Funds	\$4,457 m	\$3,897 m
Net Asset Value (NAV) Per Unit	\$1.41	\$1.40
Adjusted NAV Per Unit ⁽²⁾	\$1.40	\$1.38

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

(2) For 31 Dec 2013, this excludes the distribution paid in Feb 2014.
For 31 Dec 2014, this excludes the distributions to be paid in Feb 2015.





4Q 2014 Distribution Per Unit

- » 4Q 2014 DPU of **1.51 cents**
 - Advanced distribution: **1.25 cents**
 - Remaining distribution: **0.26 cents**
- » **One-off impact to distribution** due to absence of income contribution from Prudential Tower which has been divested and only a two-week contribution from MBFC Tower 3
- » From **2015** onwards, Unitholders can expect **full contribution from MBFC Tower 3**

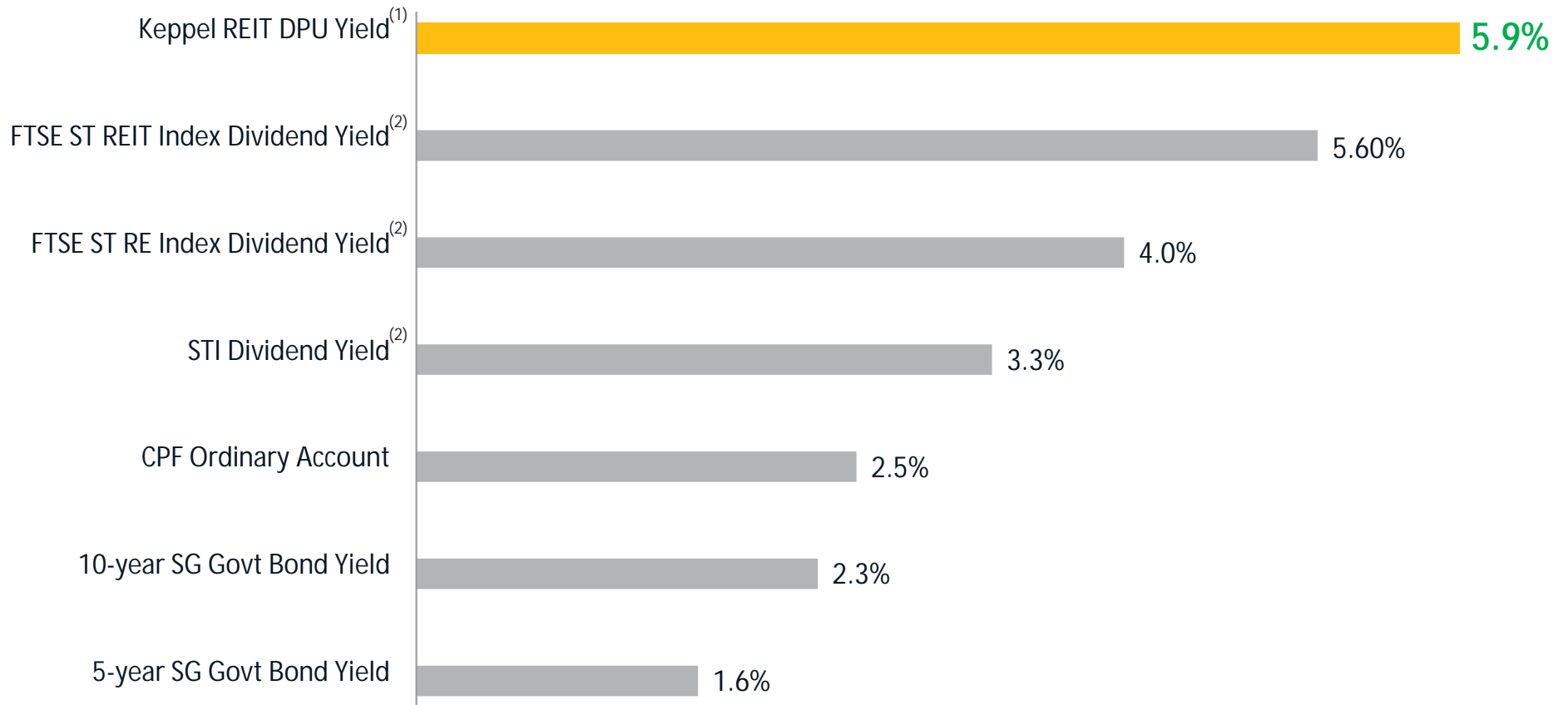
	Advanced Distribution	Remaining Distribution
Distribution Per Unit (DPU)	1.25 cents	0.26 cents
Distribution Period	1 Oct 2014 – 15 Dec 2014	16 Dec 2014 – 31 Dec 2014

Distribution Timetable	Advanced Distribution	Remaining Distribution
Trading on "Ex" Basis	Tuesday, 2 Dec 2014	Friday, 23 Jan 2015
Books Closure Date	Thursday, 4 Dec 2014	Tuesday, 27 Jan 2015
Distribution Payment Date	Wednesday, 21 Jan 2015	Friday, 27 Feb 2015





» Keppel REIT offers **attractive yield** compared to other investments



⁽¹⁾ Based on Keppel REIT's 7.23 cents DPU for FY2014 and market closing unit price of \$1.22 as at 31 December 2014.

⁽²⁾ Based on Bloomberg's dividend yield data for the FTSE ST Real Estate Investment Trust (REIT) Index, FTSE ST Real Estate (RE) Index and Straits Time Index (STI) as at 31 December 2014.

Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities



8 Exhibition Street,
Melbourne

Keppel REIT

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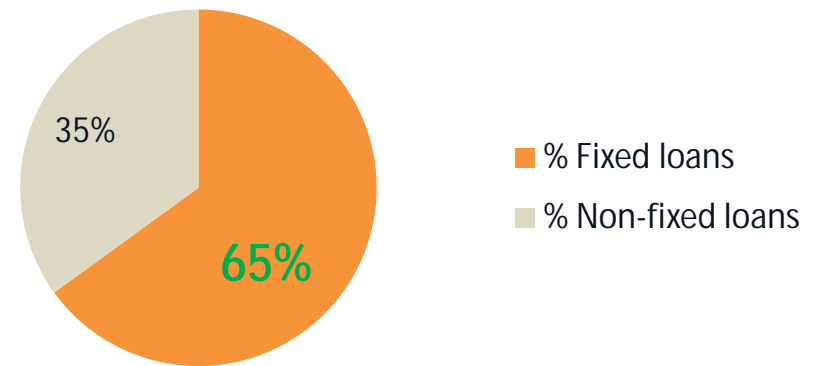
» Continue to adopt a **prudent** and **proactive capital management strategy**

	As at 31 Dec 2014
Gross Borrowings	\$3,545 m
Interest Coverage Ratio	5.0 times
All-in Interest Rate	2.23%
Weighted Average Term to Expiry	3.6 years
Aggregate Leverage	43.3%
Rating	Baa2 ⁽¹⁾ / BBB ⁽²⁾

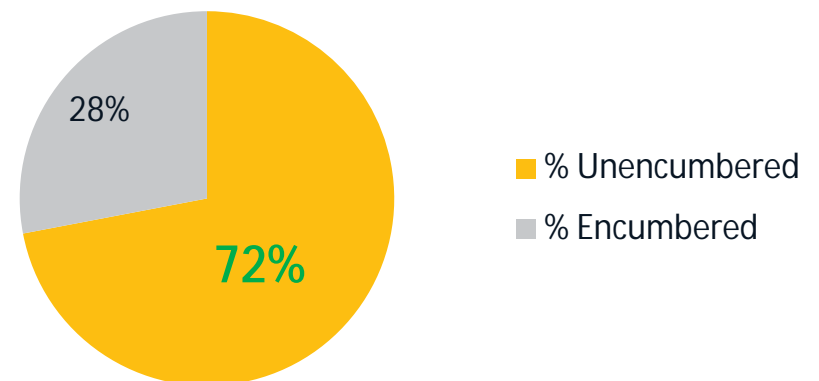
⁽¹⁾ Moody's Investors Service

⁽²⁾ Standard & Poor's Ratings Services

Borrowings on Fixed-rate



Percentage of Assets Unencumbered



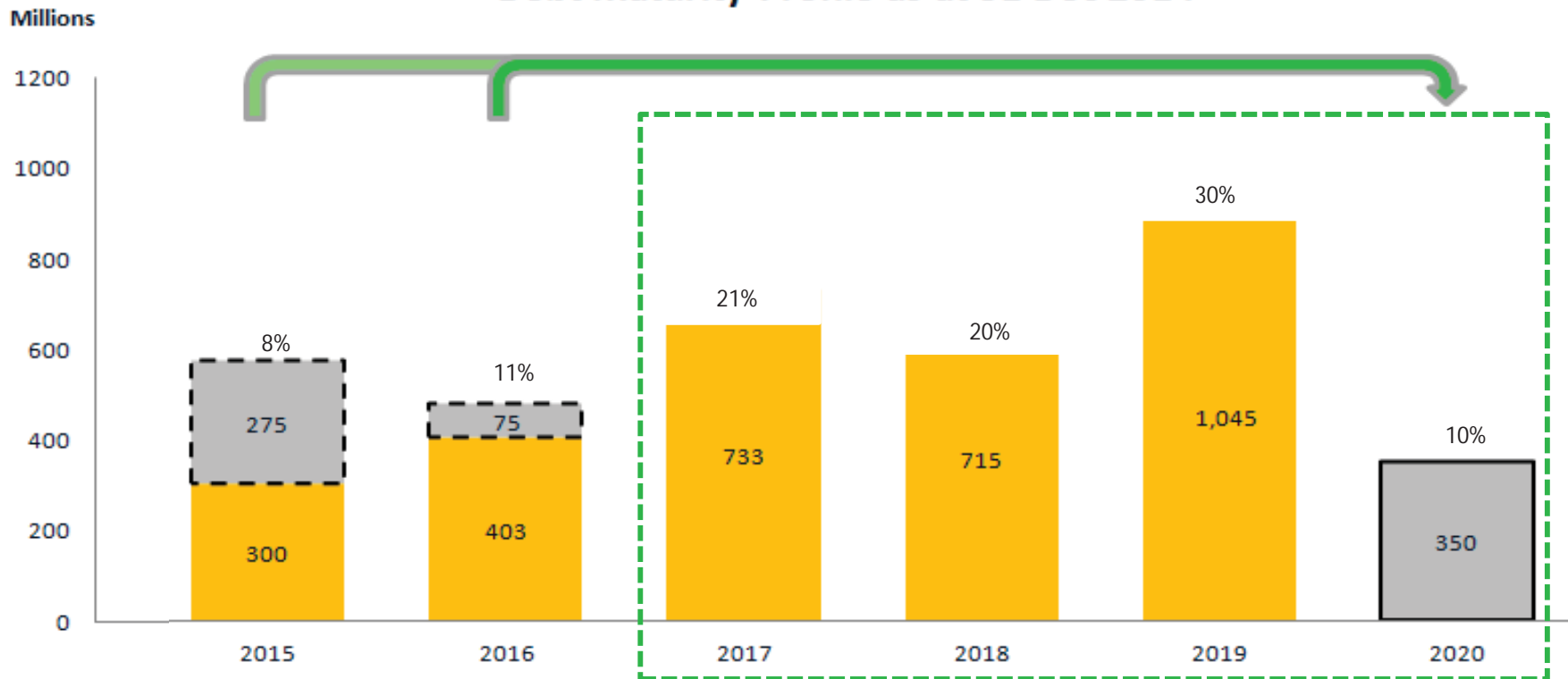


Well-distributed Debt Maturity Profile

- » Early refinancing of loans due in 2015 and 2016 **extended debt maturity to 2020**
- » **More than 80%** of the loans are **not due for repayment until 2017** and beyond



Debt Maturity Profile as at 31 Dec 2014



> 80% of loans are not due till 2017 and beyond



- 
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Keppel REIT

Ocean Financial Centre,
Singapore

Proactive Lease Management



Marina Bay Financial Centre, Singapore



- » Approximately **450,000 sf** of leases were secured, renewed and reviewed in FY 2014
 - **Positive rental reversions** of **17%** for overall portfolio
 - **23% upside** in rents from **new office leases**
 - **16% increment** in rents from **office renewals and reviews**
 - **High tenant retention rate** of **85%** for office tenants
- » New leases and renewals for Keppel REIT's properties in the Raffles Place and Marina Bay precincts achieved an average of **\$12 psf**, with some leases committed at **\$15 psf**
- » **9 of 11 completed office towers** achieved **100%** committed occupancy
- » **MBFC Tower 3** occupancy **↑** to **97%** as at end-2014





- » Over **50%** of new leasing demand in 2014 came from industries including the TMT sector, energy and natural resources as well as real estate and property services
- » Demand from firms in **TMT sector more than doubled** that of 2013
- » These companies chose to locate to prime business addresses

Leasing Demand in 2014



(1) Comprises tenants from the Accounting & consultancy services, F&B, Legal, Pharmaceuticals & Healthcare, Retail (excluding F&B and Services), Services and Others business sectors





» In 4Q 2014, tenants who signed on ranged from various business sectors

Office Tenants



Retail Tenants

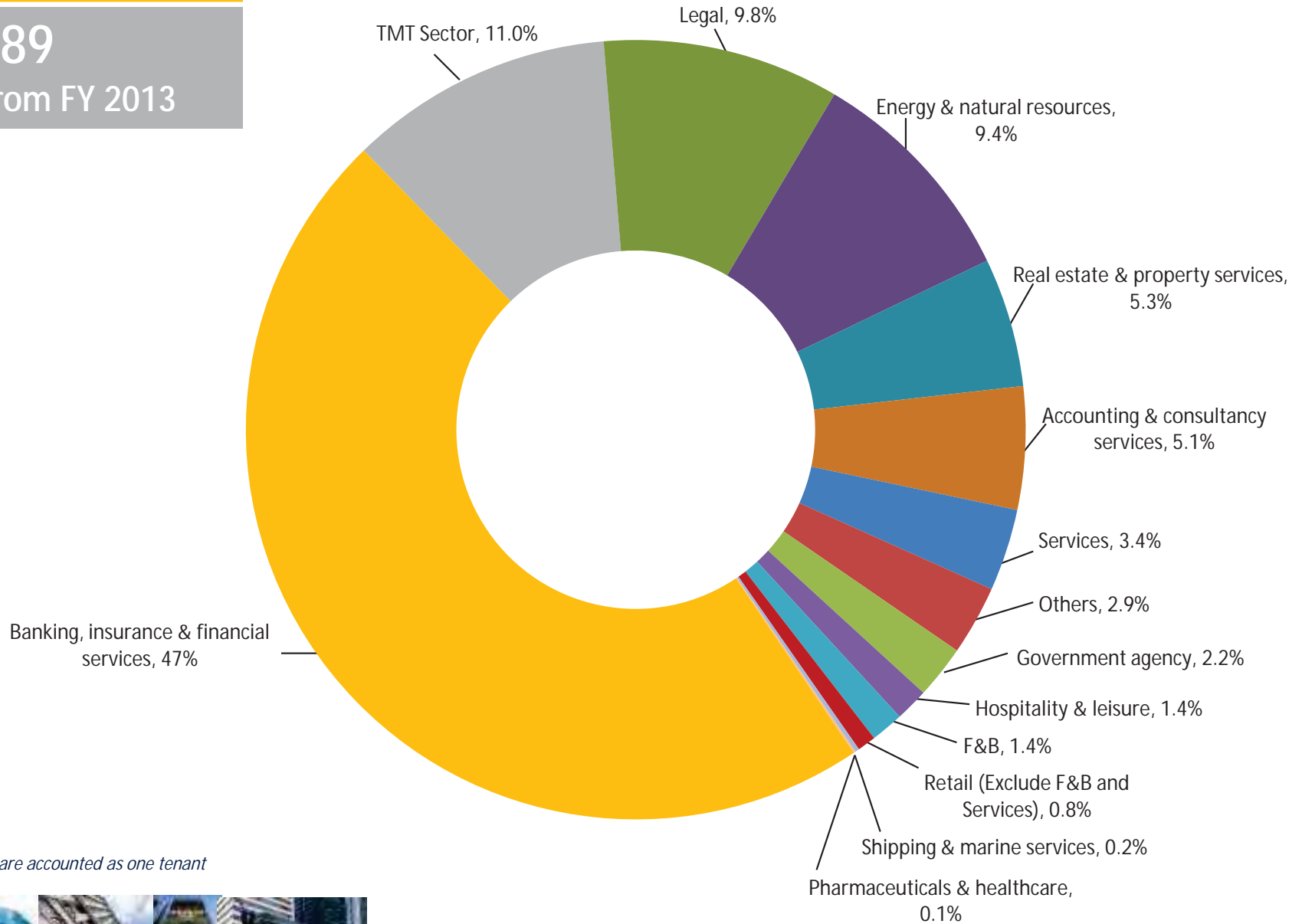




Number of tenants

289

↑ ~10% from FY 2013



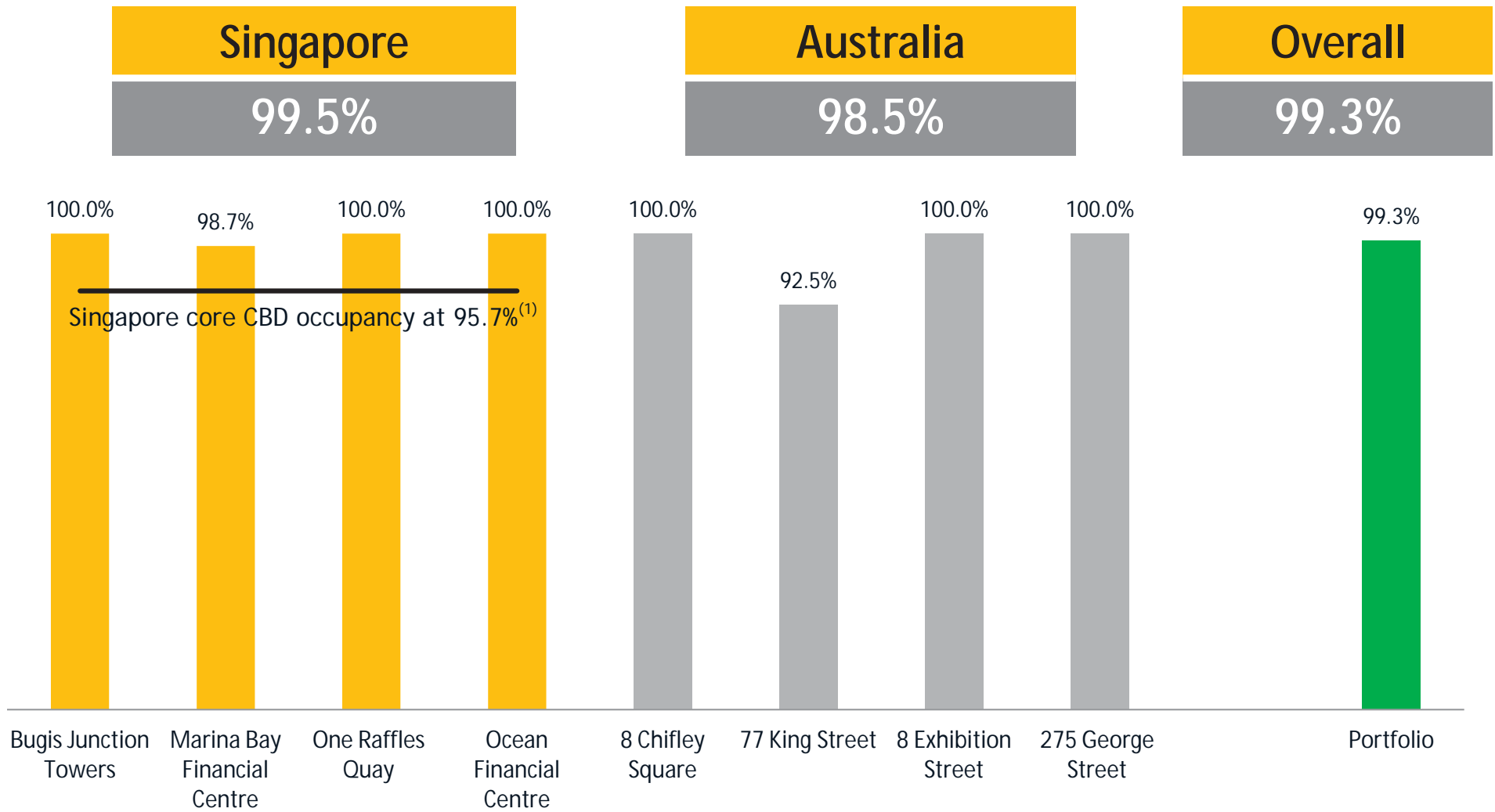
(1) Tenants with multiple leases are accounted as one tenant





Positive Committed Occupancy Levels

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

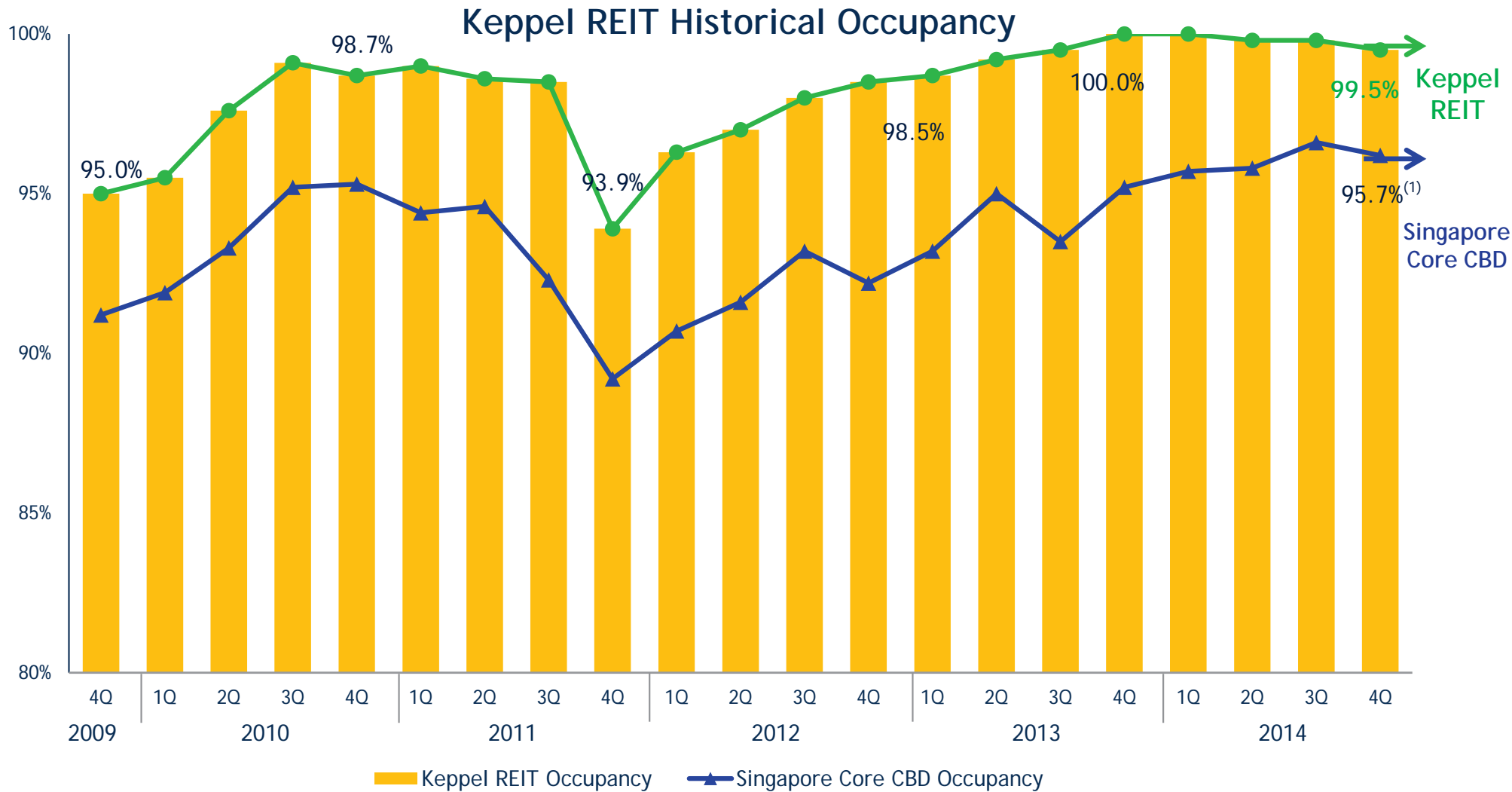


(1) Source: CBRE



Singapore Portfolio Occupancy above Market

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



(1) Source: CBRE



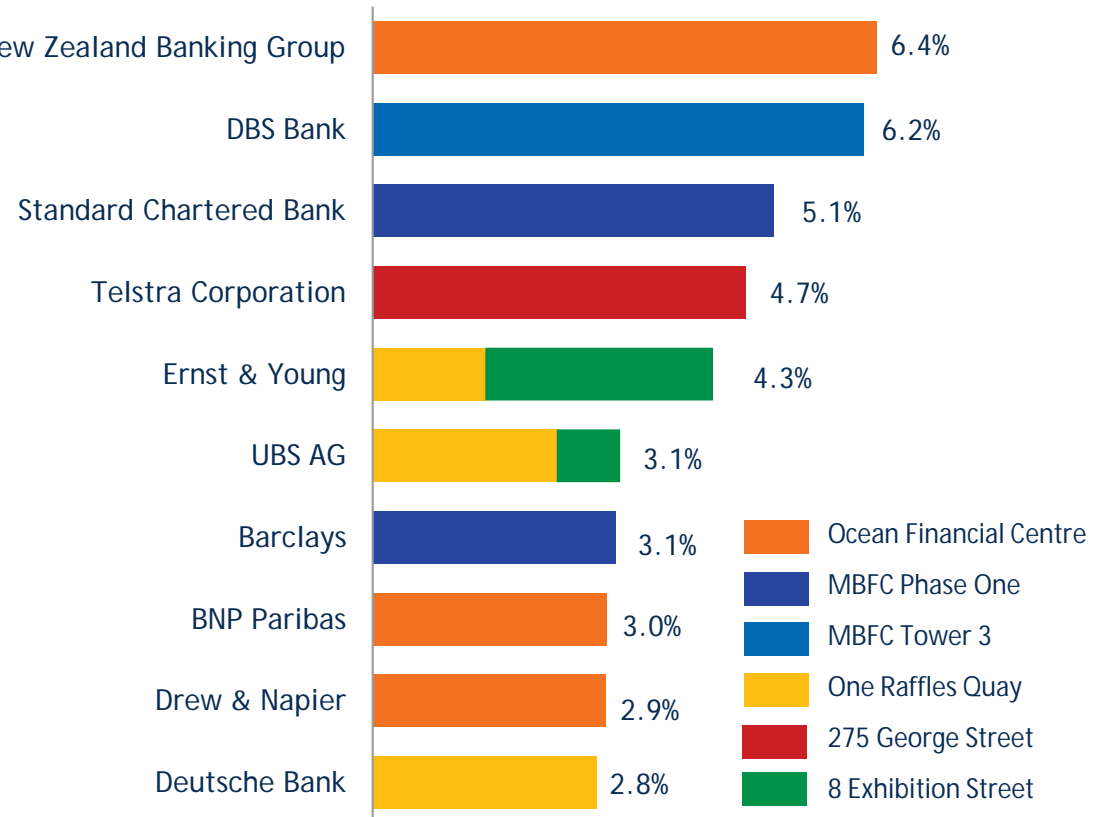
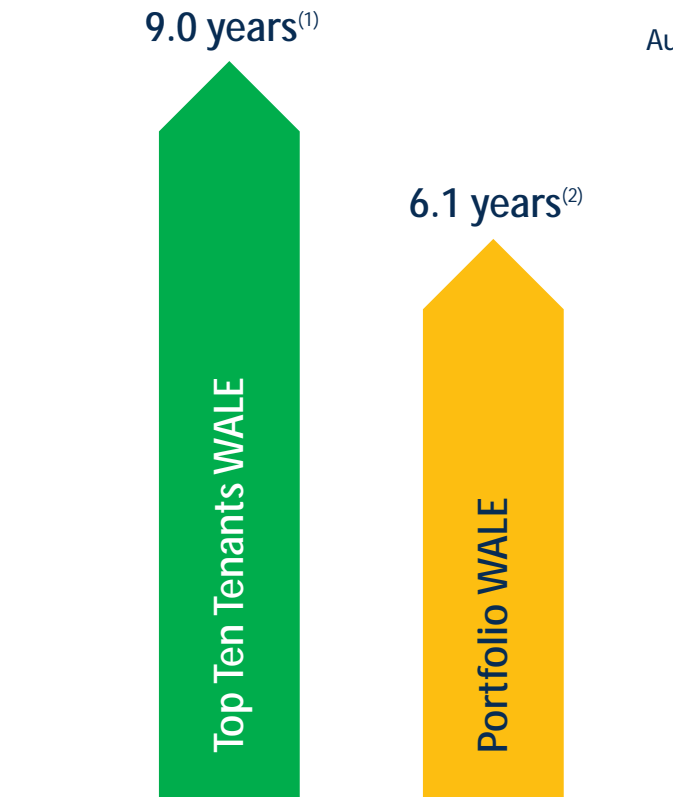


Long Weighted Average Lease Expiry

- » **Top 10 tenants** account for approximately **42%** of portfolio NLA
- » **Long WALE** of **9 years** and are **diversified across 7 office towers** in Singapore and Australia

Weighted Average Lease Expiry (WALE)

Top 10 Tenants (by NLA)



(1) Excluding the new office tower to be built on the Old Treasury Building site, the top ten tenants WALE will be 6.6 years.

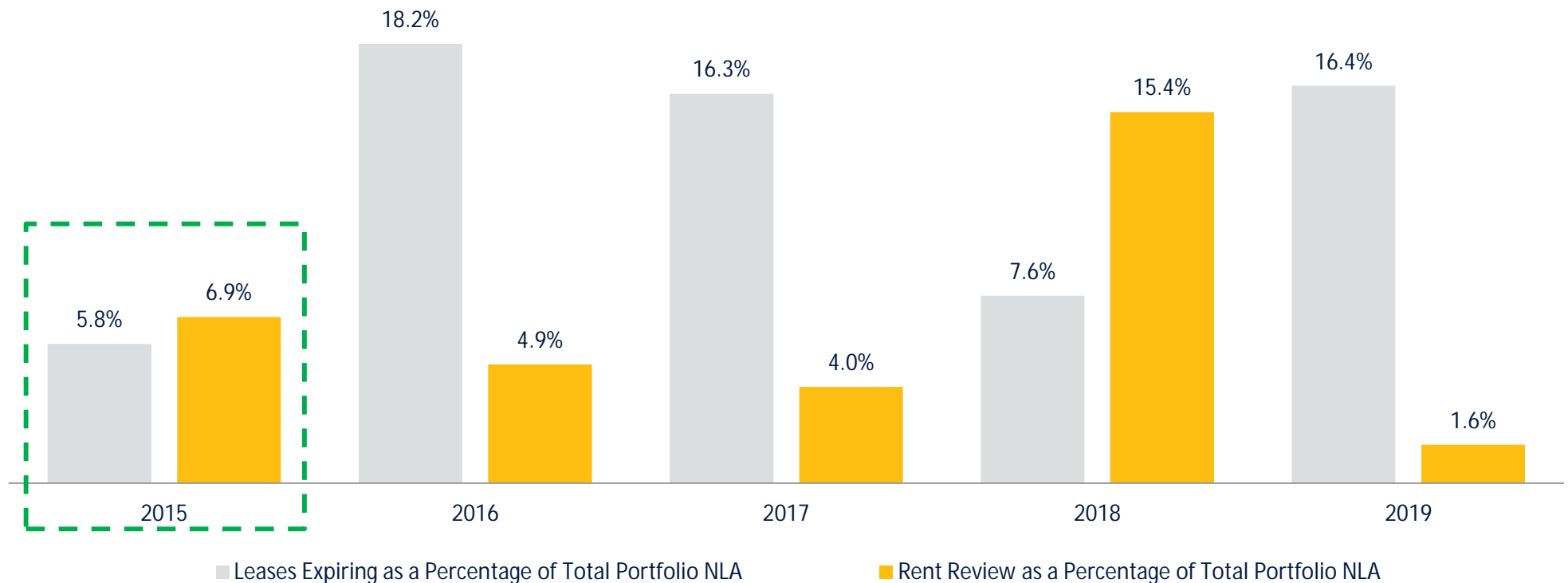
(2) Excluding the new office tower to be built on the Old Treasury Building site, the portfolio WALE will be 5.2 years.





- » **Proactive leasing efforts** for the approximate **420,000 sf** of office space due for renewal and review in 2015
- » **Well-staggered lease profile** with not more than **18.2%** of the portfolio expiring in any one year over the next five years

Portfolio Lease Profile (by NLA) as at 31 Dec 2014



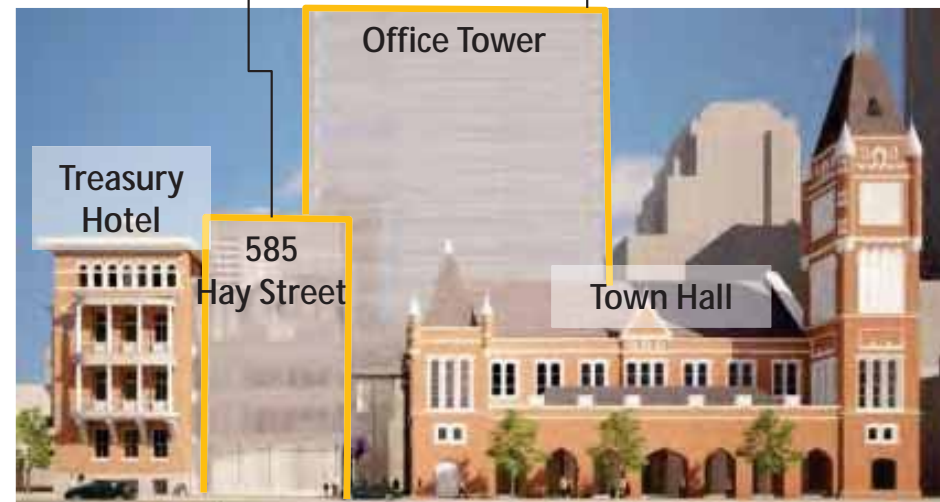
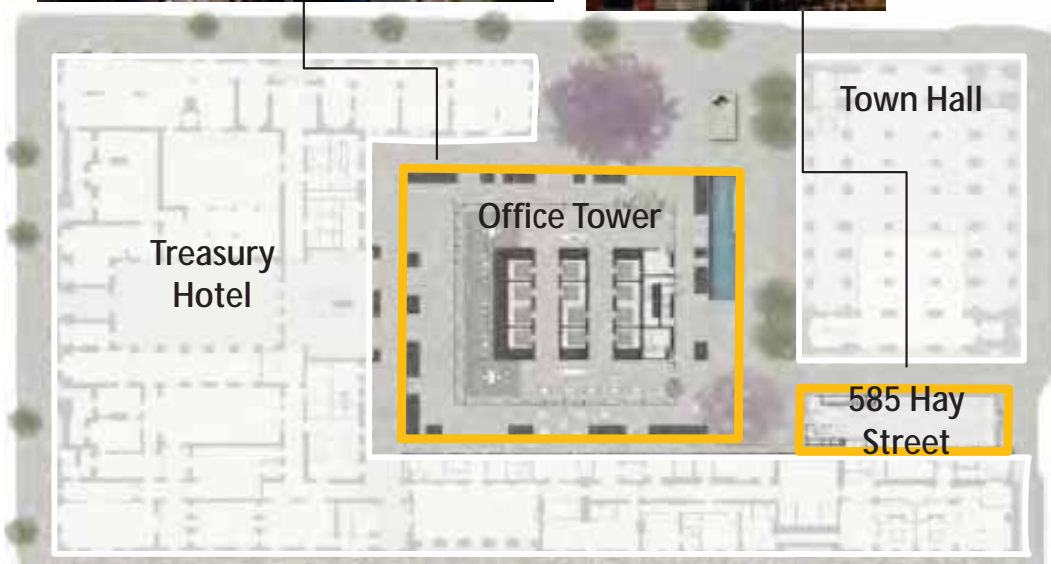
New Office Tower at the Old Treasury Building site

- » Construction for the 35-storey building has **reached level 32**
- » **On track for completion** in 2H 2015

Construction Progress



Artist Impressions



4Q 2014 - Ongoing Community Engagement

Arts for all

- » National Arts Council's (NAC) "Arts in your Neighbourhood" programme at Ocean Financial Centre in Nov
- » "Silver Arts" programme at Marina Bay Link Mall in Oct to encourage the elderly to express their creativity through art



WTA

- » Public awareness event for the Women's Tennis Association (WTA) finals at Ocean Financial Centre in Oct
- » First time that the WTA is held in the Asia-Pacific region
- » Activities include performances, games and tennis coaching lessons as well as photo-taking with the coveted WTA Finals' Billie Jean King trophy



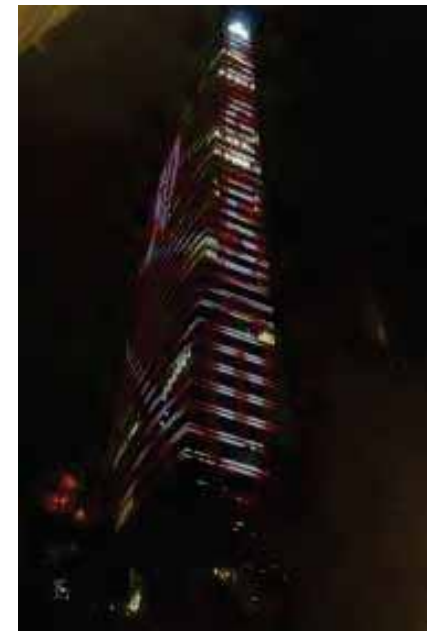
Christmas Cheer

- » Tenants at Ocean Financial Centre and Bugis Junction Towers were encouraged to spread the joy of Christmas with the children from Melrose Home
- » Tenants were treated to Christmas carolling and special Christmas goodies



SG50

- » Ocean Financial Centre joined the nation in ushering in Singapore's Golden Jubilee (SG50) at the highly anticipated New Year's Eve Countdown event



Global Real Estate Sustainability Benchmark (GRESB)

- » 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**

Ocean Financial Centre

- » MIPIM Asia Gold award for the **Best Innovative Green Building**
- » Silver Certificate for **PUB Water Efficient Buildings**



Australian Portfolio - Awards

8 Chifley Square

- » **12 accolades** for development, architectural, construction excellence and environmental sustainability

Office tower on the Old Treasury Building site

- » **5-Star Green Star** Office Design v3 Certified Rating



Bugis Junction Towers,
Singapore

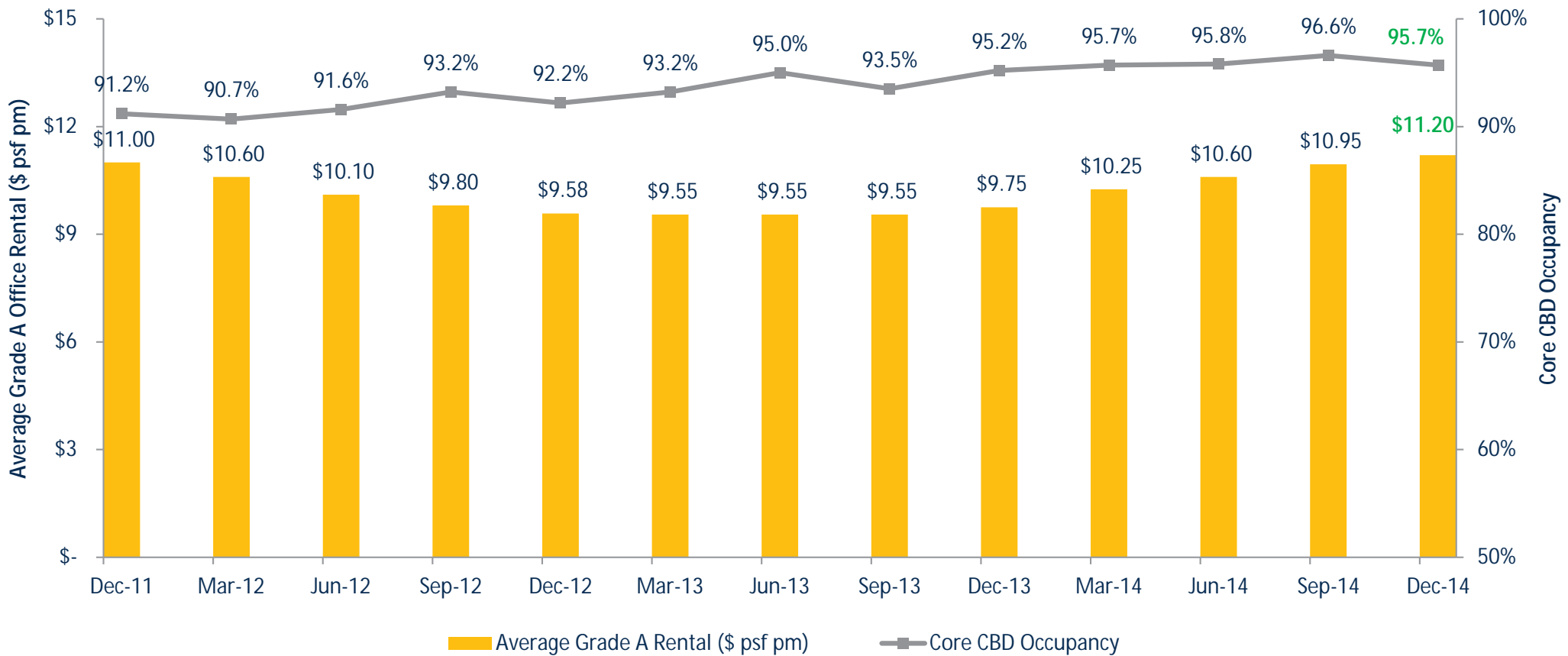
Keppel REIT

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Keppel REIT



- » Average Grade A occupancy in the core CBD area held firm at **95.7%**
- » Grade A office rents continued to lead growth, rising an average of **14.9%** y-o-y to reach **\$11.20 psf**



Source: CBRE



Singapore

- » Economy expected to record 2.8% growth in 2014
- » 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 driven by various industries and increasingly the TMT sector
- » Overall Grade A office rentals recorded an average 14.9% increase in 2014 and is forecasted to grow further in 2015



Australia

- » Recorded an economic growth of 2.7% y-o-y in 3Q 2014
- » Reserve Bank of Australia will continue to maintain interest rate at 2.5% to encourage sustainable economic growth
- » Demand for office remained relatively stable across Australia and was driven largely by the technology firms
- » Consultants expect stronger business conditions to further support the office market in 2015



Thank You



Ground Plaza
MBFC Tower 1
← M & P

MBFC Towers 2&3
M & P ↑

Marina Bay Link Mall
Singapore



Vision

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

Mission

To deliver stable and sustainable returns to Unitholders by continually enhancing our assets and expanding our portfolio

Key Thrusts

Acquisition growth

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

Prudent capital management

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

Active asset management

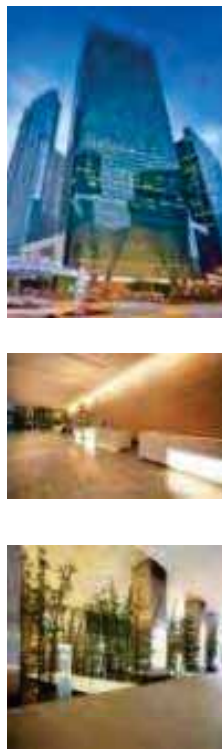
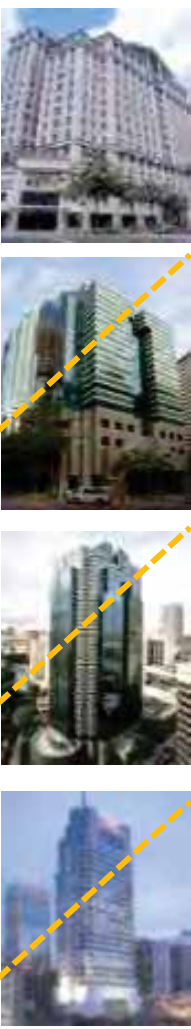
- » Attract creditworthy tenants to increase occupancy as well as retain good existing tenants
- » Balance lease expiry and rent review profiles to enhance cash flow resilience for Unitholders

Growth Record



K-REITasia
Listed in April

\$630.7 million



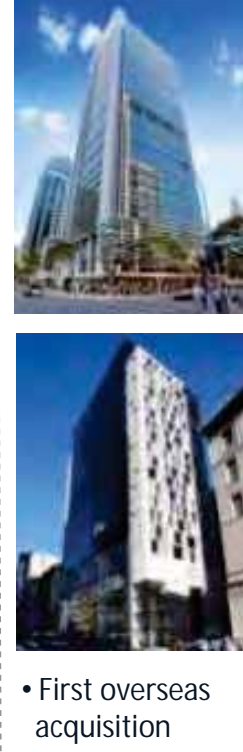
- Maiden acquisition: One Raffles Quay

\$2.1 billion



- First third-party acquisition: Increased stake in Prudential Tower

\$2.1 billion



- First overseas acquisition
- First S-REIT to qualify for Australia's MIT structure
- First strategic asset swap to acquire MBFC Phase 1

\$3.5 billion



- First forward funding acquisition structure
- First S-REIT to utilise LLP structure to hold assets

\$6.0 billion



- Increased interest in OFC to 99.9%
- Obtained tax transparency for MBFC Phase 1

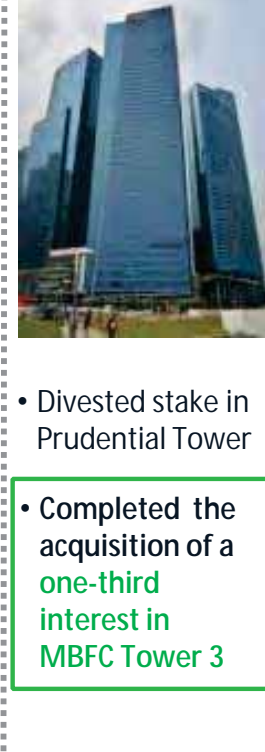
Renamed
Keppel REIT

\$6.5 billion



- Acquisition of the new office tower at the Old Treasury Building in Perth
- Acquisition of 8 Exhibition Street in Melbourne

\$7.2 billion



- Divested stake in Prudential Tower
- Completed the acquisition of a one-third interest in MBFC Tower 3

\$8.2 billion



2006 2007 2009 2010 2011 2012 2013 2014

Portfolio Information

- » Keppel REIT's AUM is approximately **\$8.2 billion** as at 31 December 2014, with **88%** of portfolio in Singapore and **12%** in Australia
- » Around **93%** of Keppel REIT's Singapore portfolio is located in the prime **Raffles Place** and **Marina Bay precincts**

	Bugis Junction Towers	Marina Bay Financial Centre Phase One ⁽¹⁾	Marina Bay Financial Centre Tower 3 ⁽¹⁾	One Raffles Quay ⁽¹⁾	Ocean Financial Centre ⁽²⁾
Description	15-storey Grade A office tower	A pair of 33 and 50 storey premium Grade A office towers and subterranean mall	46-storey premium Grade A office tower with ancillary retail space	A pair of 50 and 29 storey premium Grade A office towers	43-storey premium Grade A office tower
Attributable NLA (sf)	244,989	581,392	447,327	444,291	884,525
Ownership	100.0%	33.33%	33.33%	33.33%	99.9%
Number of tenants	15	94	58	40	50
Principal tenants	IE Singapore, InterContinental Hotels Group, Keppel Land	Barclays Capital, BHP Billiton, Standard Chartered Bank	DBS Bank, WongPartnership, Rio Tinto	Deutsche Bank, Ernest & Young, UBS	ANZ, BNP Paribas, Drew & Napier
Tenure	99 years expiring 9 Sept 2089	99 years expiring 10 Oct 2104	99 years expiring 7 Mar 2106	99 years expiring 12 June 2100	99 years expiring 13 Dec 2110
Valuation ⁽³⁾ (\$ million)	527.0	1,641.0	1,289.0	1,228.0	2,560.0
Committed occupancy (As at 31 Dec 2014)	100.0%	100.0%	97.0%	100.0%	100.0%

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

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

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

	8 Chifley Square, Sydney ⁽¹⁾	77 King Street Office Tower, Sydney	8 Exhibition Street, Melbourne ⁽¹⁾	275 George Street, Brisbane ⁽¹⁾	Office Tower to be built at the Old Treasury Building site, Perth ⁽¹⁾
Description	34-storey Grade A office tower	18-storey Grade A office tower	35-storey Grade A office tower	30-storey Grade A office tower	33-storey Grade A office tower scheduled for completion in 2H 2015
Attributable NLA (sf)	104,138	146,624	241,600	224,688	165,685
Ownership	50.0%	100.0%	50.0%	50.0%	50.0%
Number of tenants	8	13	19	8	1
Principal tenants	Corrs Chambers Westgarth, QBE Insurance Group, Quantum Group	Apple, Facebook, Capgemini Australia	Ernst & Young, UBS, AECOM Australia	Queensland Gas Company, Telstra Corporation	Government of Western Australia ⁽²⁾
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	Freehold	99 years ⁽³⁾
Valuation ⁽⁴⁾ (S\$ million)	205.9	139.9	194.3	213.7	197.0
Committed occupancy (As at 31 Dec 2014)	100.0%	92.5%	100.0%	100.0%	98.2%

(1) Refers to Keppel REIT's 50% interest in the properties.

(2) Pre-committed lease.

(3) The 99 year leasehold tenure will commence on the date of practical completion of the property.

(4) Based on the exchange rate of A\$1 = S\$1.11. 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.