

A decorative icon consisting of a grey and orange geometric shape, resembling a stylized arrow or a building facade element.

**Proposed Acquisition
of a One-third Interest in
Marina Bay Financial Centre Tower 3**



**Extraordinary General Meeting
24 November 2014**

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.



Growth Record

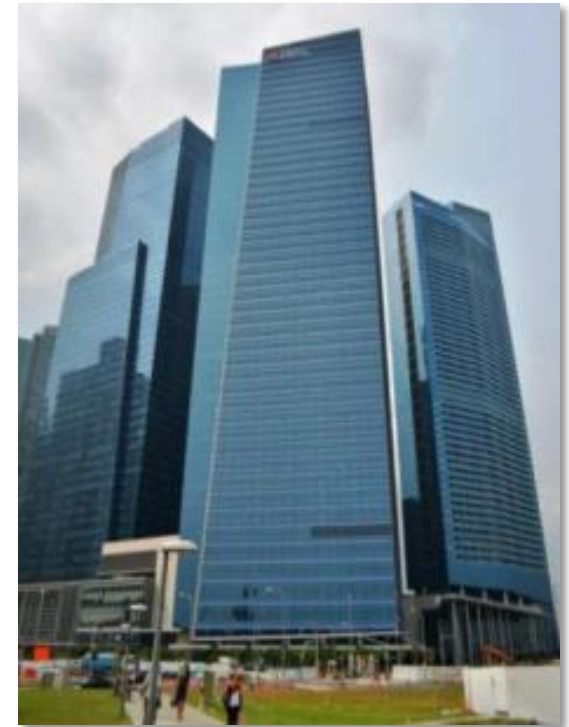




- » **Strategic rejuvenation** of property portfolio
- » On 26 September 2014, Keppel REIT completed the divestment of its 92.8% interest in **Prudential Tower** for **S\$512.0 million**
 - **4.5% premium** to the last valuation of S\$490.0 million⁽¹⁾
 - **46.7%** over the original purchase price of S\$349.1 million
- » Proposed **acquisition** of a one-third interest in **MBFC Tower 3** following the successful divestment of Prudential Tower



Divestment of the 16-year-old Prudential Tower



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

(1) Valuation as at 28 April 2014.





Singapore Properties



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre Phase 1
(33.33% interest)



One Raffles Quay
(33.33% interest)



Bugis Junction Towers



Marina Bay Financial Centre Tower 3
(33.33% interest)



Prudential Tower
(92.8% interest)



Australia Properties



8 Chifley Square, Sydney
(50% interest)



77 King Street Office Tower, Sydney



8 Exhibition Street, Melbourne
(50% interest)

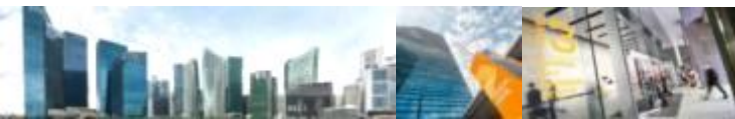


275 George Street, Brisbane
(50% interest)



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

**Expected completion in 2H 2015*







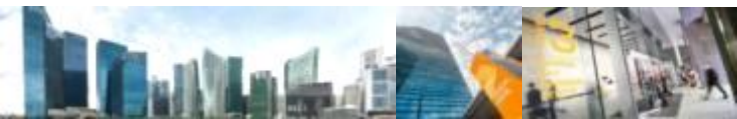
Marina Bay Financial Centre Tower 3



Keppel REIT



-  Newly completed building located in the heart of prime waterfront land in Marina Bay with a total NLA of approximately 1.34 million sq ft
-  A 46-storey Premium Grade A office building designed by Kohn Pedersen Fox Associates, a world-renowned New York-based architect
-  Large column-free and symmetrical floor plates of approximately 30,000 sq ft to 45,000 sq ft that maximise space efficiency and offer panoramic views of the Marina Bay
-  Directly linked to MRT interchange and stations, as well as other developments in Marina Bay via an underground pedestrian network



- » Well-established tenant base with **long weighted average lease expiry (WALE)** of **7.0 years**
- » **Occupancy** at MBFC Tower 3 is approximately **96%** as at 31 October 2014

DBS Bank

- Leading financial services group in Asia with more than 250 branches across 17 markets
- Listed on the Singapore Stock Exchange with market capitalisation of approximately S\$44bn
- Credit ratings of “AA-” and “Aa1” are among the highest in the Asia-Pacific region

WongPartnership

- One of the largest law firms in Singapore with offices in Abu Dhabi, Beijing, Doha, Shanghai and Yangon

Rio Tinto

- Leading global mining and metals company
- Listed on the London Stock Exchange and Australian Securities Exchange with market capitalisation of approximately £61bn and A\$108bn respectively

Booking.com

- World leader in online booking accommodations
- Part of Priceline Group which is listed on NASDAQ with market capitalisation of approximately US\$65bn

McGraw-Hill

- Global education and financial information provider, owns Standard & Poors Rating Services
- Its financial information arm, McGraw Hill Financial Inc. is listed on the NASDAQ with market capitalisation of approximately US\$22bn

Mead Johnson

- World's leading nutrition company for infant and children
- Listed on the New York Stock Exchange with market capitalisation of approximately US\$67bn

Lego

- World's largest toy manufacturer
- Privately held company with subsidiaries and branches all around the world

The above information is as at 31 August 2014.

Transaction Summary

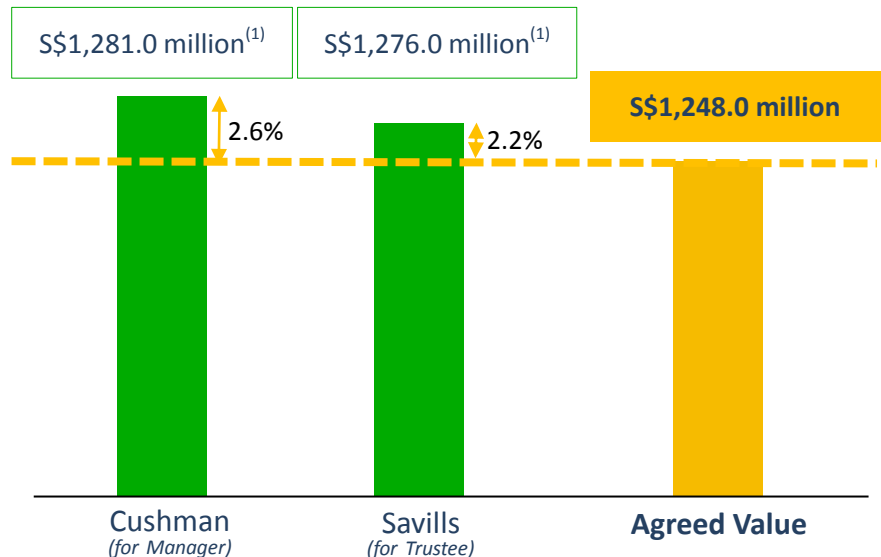


Agreed Value

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

Independent Valuations

Agreed value of the MBFC Tower 3 Interest is **lower than the two independent valuations** done



(1) Independent valuations of the MBFC Tower 3 Interest as at 18 August 2014.

Purchase Consideration

Agreed Value	S\$1,248.0 million
Less:	
Adjustments for net liabilities	S\$537.9 million ⁽¹⁾
Purchase Consideration	S\$710.1 million⁽²⁾

Funding Structure

- » Divestment proceeds from Prudential Tower
- » Placement proceeds⁽³⁾
- » Consideration Units to Keppel Land⁽⁴⁾
- » Borrowings⁽⁵⁾

- (1) Refers to the one-third share of the adjusted net liabilities of Central Boulevard Development Pte. Ltd. ("CBDPL") as at 31 July 2014. The actual amount will only be determined after Completion Date.
- (2) Amount as at 31 July 2014. Actual amount will only be determined after Completion Date.
- (3) Placement of 195,000,000 new Units at the issue price of S\$1.17. The new Units were listed on the SGX-ST on 29 September 2014.
- (4) The Units issued to Keppel Land as part payment, amounting to S\$185.0 million shall be issued on date of legal completion and priced based on the preceding 10-day volume weighted average price of Keppel REIT Units.
- (5) Borrowings of approximately S\$120.7 million.



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

Interest Coverage Ratio

4.9 times

Percentage of Assets Unencumbered

72% or S\$5.8 billion
of property portfolio

All-in Interest Rate

~2.3%⁽¹⁾

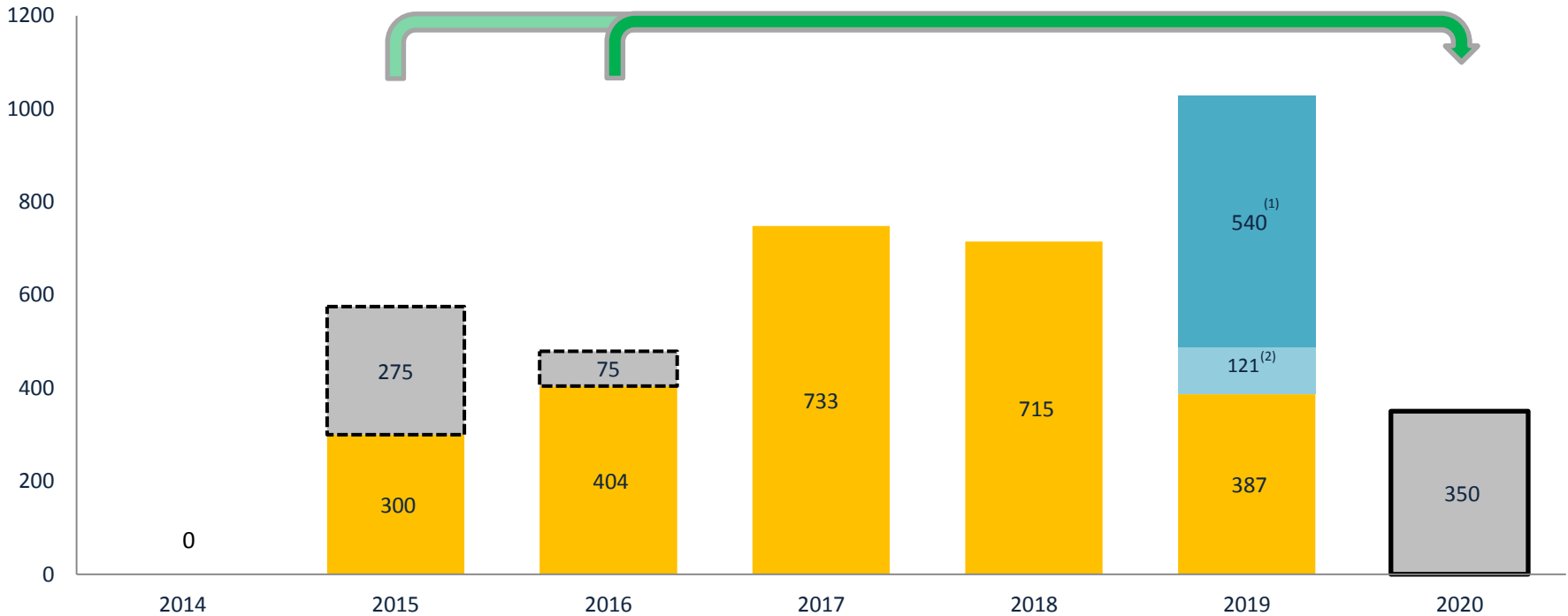
Borrowings on Fixed-rate

~65% of borrowings



(1) Assumes hedging ratio is maintained at approximately 65%.

Million **Pro Forma Debt Maturity Profile (\$ million)**



- (1) One-third share of estimated bank borrowings in CBDPL's books.
- (2) Estimated borrowings to part finance the acquisition of the one-third interest in MBFC Tower 3.
- (3) Based on Keppel REIT's total borrowings, including the borrowings accounted for in the associates level and deferred payments (if any), divided by deposited property value.
- (4) Includes the one-third share of the borrowings recorded in CBDPL's books.

	Post-acquisition
Weighted Average Term to Expiry	3.5 years
Aggregate Leverage Ratio ⁽³⁾	~43.8% ⁽⁴⁾

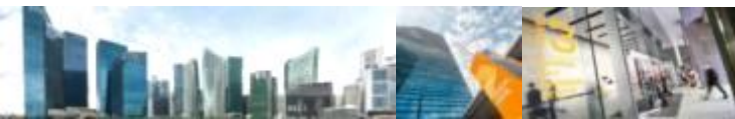
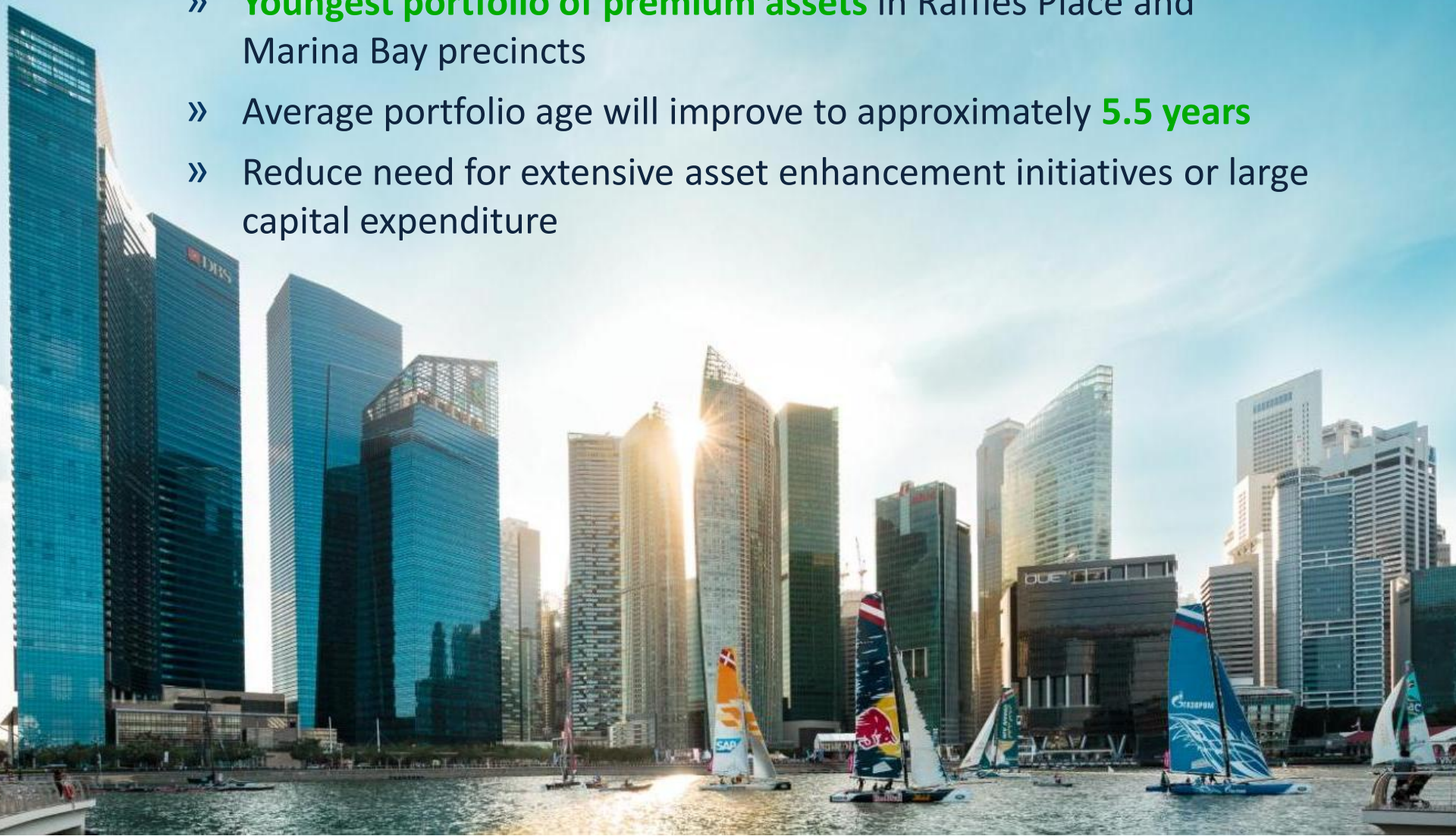


Key Benefits of Transaction



Keppel REIT

- » **Youngest portfolio of premium assets** in Raffles Place and Marina Bay precincts
- » Average portfolio age will improve to approximately **5.5 years**
- » Reduce need for extensive asset enhancement initiatives or large capital expenditure



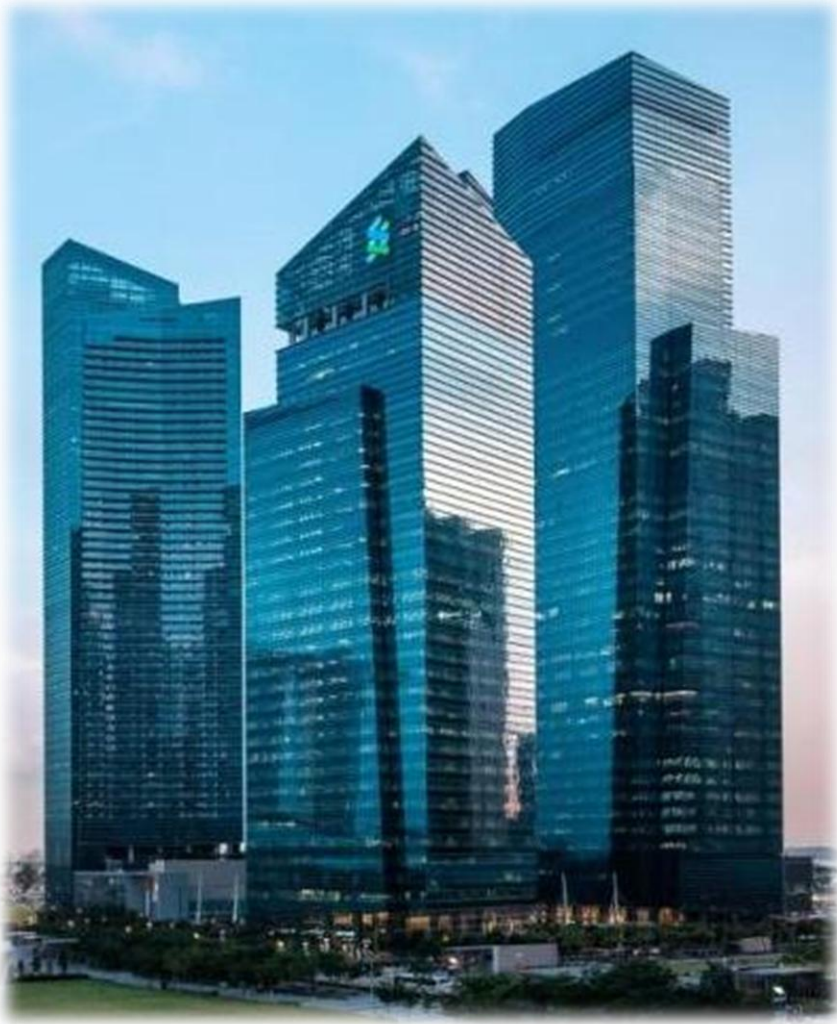
- » **Lengthen WALE** by NLA for top 10 tenants to **9.2 years⁽¹⁾** and portfolio to **6.4 years⁽¹⁾**
- » Top 10 tenants are **diversified across six buildings** in Singapore and Australia



(1) Excluding the new office tower to be built on the site of the Old Treasury Building, which is currently under construction, the WALE (by NLA) is expected to be 6.9 years for the top 10 tenants and 5.4 years for the overall portfolio.

(2) As at 30 September 2014.





- » Keppel REIT will have an ownership interest in all three office towers at MBFC
- » Greater flexibility to **optimise leasing and operational efficiencies**





1

Portfolio of **12** office towers across **nine** quality Premium Grade and Grade A office assets and tenanted to established corporations across various business sectors

2

Premium office buildings located in the **prime CBDs** of Singapore and Australia, both countries with **AAA sovereign ratings**

3

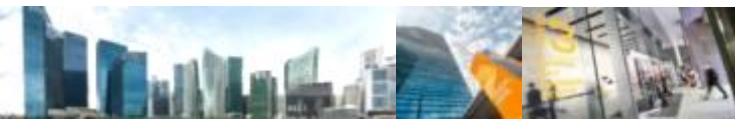
Total portfolio value of more than **S\$8.1 billion** with approximately **93%** of Keppel REIT's Singapore portfolio located in the **prime business and financial districts**

4

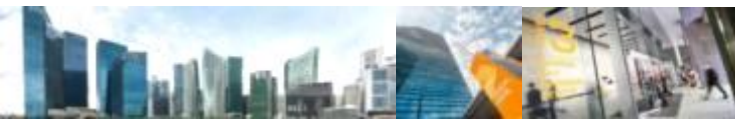
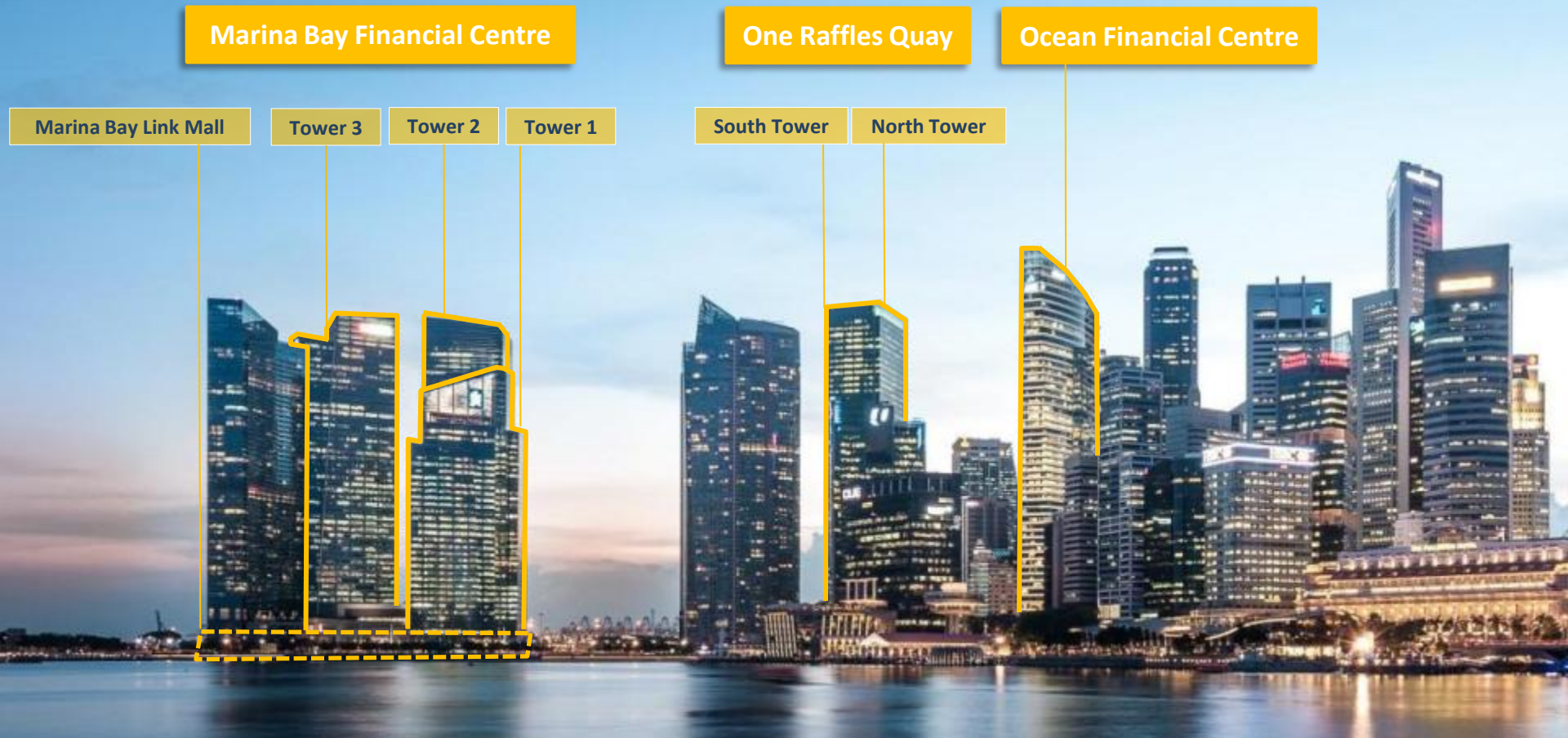
Total NLA of approximately **3.3 million sq ft⁽¹⁾**

The above information is as at 30 September 2014.

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



- » Strengthen Keppel REIT's position as the leading landlord of iconic office buildings strategically located in the prime precincts of Raffles Place and Marina Bay, the new downtown core of Singapore's Central Business District





- » ISS is the **world's leading provider of corporate governance solutions**, offering **objective governance research and recommendations**

Institutional Shareholder Services

- » In their report dated 10 November 2014, ISS has recommended that investors vote **FOR ALL 3 RESOLUTIONS** in relation to the proposed acquisition of a one-third interest in Marina Bay Financial Centre Tower 3



» The Manager seeks **Unitholders' approval** for the following 3 resolutions:



Resolution 1: the proposed acquisition of a one-third Interest in Marina Bay Financial Centre Tower 3



Resolution 2: the proposed issuance of new units as partial consideration for the proposed acquisition of a one-third Interest in Marina Bay Financial Centre Tower 3



Resolution 3: the proposed Whitewash Resolution



Ground Plaza
MBFC Tower 1
← ♿ ♿ ♿ ♿ P

MBFC Towers 2&3
MRT ♿ ♿ ♿ ↑

Thank You

