

Managed by

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## **MEDIA RELEASE**

### **Keppel REIT divests its interest in 77 King Street for A\$160 million**

***The sale of the property in Sydney is approximately 40% above its original purchase price and an approximate 27% premium over its latest valuation, and will yield a divestment gain of approximately A\$28 million***

**17 January 2016, Singapore** – Keppel REIT Management Limited, as manager of Keppel REIT (the “Manager”), wishes to announce the divestment of its 100% interest in 77 King Street (the “Property”) in Sydney, Australia, to ARE Noble Pty Ltd, a wholly-owned subsidiary of Invesco Asia Core Fund for A\$160 million or approximately S\$160 million<sup>1</sup>, resulting in a divestment gain of approximately A\$28 million or S\$28 million<sup>1</sup>.

The sale price is approximately 40% above Keppel REIT’s original purchase price of A\$116 million in end-2010 and an approximate 27% premium over the Property’s latest valuation of A\$126 million<sup>2</sup>. As part of the agreement, the Purchaser has paid a deposit of A\$16 million or S\$16 million<sup>1</sup>.

Ms Ng Hsueh Ling, Chief Executive Officer of the Manager, said, “The strategic divestment of 77 King Street is in line with our commitment to maximise and capture value for Unitholders, while providing Keppel REIT with greater financial flexibility.”

The Manager intends to use the sale proceeds to repay existing debt, fund general corporate and working capital purposes and/or for future investment opportunities.

Located in Sydney’s Central Business District, 77 King Street offers approximately 147,000 sf of net lettable area over 18 levels of offices and two basement levels of retail space.

The divestment of 77 King Street is expected to be completed in the first quarter of 2016.

Following the divestment, Keppel REIT will continue to own four premium-grade office assets in Australia comprising 50% interests in 8 Chifley Square in Sydney, 275 George Street in Brisbane, the office tower and annexe at the Old Treasury Building site in Perth, 8 Exhibition Street and its two retail units, as well as a 100% interest in its three adjoining retail units in Melbourne. The weighted average lease expiry of Keppel REIT’s Australian portfolio will be approximately 10 years, with an average age of 5 years.

For more information on the transaction, please refer to the Manager’s SGX announcement.

<sup>1</sup> Based on the exchange rate of A\$1=S\$1 as at 14 January 2016.

<sup>2</sup> Valuation by Savills as at 31 July 2015.

## About Keppel REIT ([www.keppelreit.com](http://www.keppelreit.com))

Keppel REIT was listed by way of an introduction on 28 April 2006. Over the last decade, Keppel REIT has grown from strength-to-strength to become one of Asia's leading REITs with the youngest and largest portfolio of premium Grade A commercial assets in Singapore's prime business and financial districts.

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

As at 31 December 2015 and prior to the divestment of 77 King Street, Keppel REIT had an asset size of approximately \$8.4 billion comprising interests in nine premium office assets with 12 office towers strategically located in the central business districts of Singapore, as well as key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

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

The assets in Australia are 8 Chifley Square (50% interest) and the office tower at 77 King Street (100% interest), both in Sydney, 8 Exhibition Street in Melbourne (50% interest in the office building and two retail units, as well as a 100% interest in another three retail units), 275 George Street in Brisbane (50% interest), as well as the office tower and its annexe on the Old Treasury Building site in Perth (50% interest).

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

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#### **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 Singapore Exchange Securities Trading Limited ("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.*

*This media release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units in the United States. This media release is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. No public offering of securities is being made in the United States.*