



Kingston Properties Limited

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS QUARTER ENDED MARCH 31, 2015

The Board of Directors is pleased to present, for the shareholders and the investing public at large, the unaudited consolidated financial statements for the quarter ended March 31, 2015.

Income Statement

For the three months ended March 31, 2015, **group rental income** was \$25.6 million versus \$25.0 million for the March 2014 quarter. This reflects a shift in the composition of the investment portfolio as a result of the sale of the Hagley Park building, the four (4) condo units in the Miami Loft II building and the purchase of the nineteen (19) unit apartment building.

Profit for the period was \$10.5 million compared with \$2.4 million for the similar period last year. This is primarily a result of the \$7.1 million decline in net unrealized losses on translation of foreign currency investments and borrowings and \$3.6 million increase in income tax credit.

Group operating expenses, which consist of direct property expenses and administrative costs, were \$16.1 million, versus \$13.3 million for the similar period a year ago. Direct property expenses include insurance, property taxes, homeowners' association (HOA) fees, broker fees and repairs & maintenance. These represented 55.6% of operating expenses for the March 2015 quarter versus 57.7% for the similar period last year.

Group net finance costs were \$6.1 million for the quarter ended March 31, 2015 compared with \$12.5 million for the similar period in 2014. These amounts include unrealized foreign currency translation losses of \$1.3 million and \$8.5 million respectively.

Total group comprehensive income for the period was \$12.25 million, versus the \$18.2 million reported for the quarter ended March 31, 2014. Group comprehensive income consists of foreign currency translation differences for foreign operations.

Balance Sheet

Kingston Properties' significant balance sheet assets are **Investment Properties** of \$955.6 million at March 31, 2015 versus \$1.0 billion at March 31, 2014. The decrease is primarily as a result of portfolio shifts, which include sale of four (4) units in the Miami Loft II building, sale of the Hagley Park office/warehouse and purchase of a nineteen (19) unit apartment building.

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Cash & cash equivalent plus reverse repurchase agreements totaled \$428.0 million compared with \$216.5 million for the similar period last year. Included in cash & cash equivalent are restricted amounts of \$208.2 million and sales proceeds from the disposal of the Hagley Park building.

Total group liabilities were \$559.7 million at March 31, 2015 versus \$443.1 million at March 31, 2014. The liabilities are primarily mortgage loans collateralized by the properties. The year-over-year increase is mostly as a result of additional mortgage loans for the newly acquired nineteen (19) unit apartment building.

Dividends

Dividends declared in the March 2015 quarter was US\$0.0029 per share for a total of US\$200,000. This represents approximately 15.7% increase versus the dividends declared in the March 2014 quarter of US\$0.0025 per share.

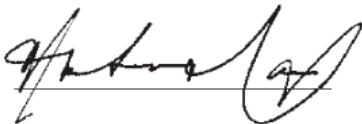
Earnings Per Stock Unit

Earnings Per Stock Unit (EPS) for the quarter was \$0.15 compared with negative \$0.03 for the similar quarter last year.

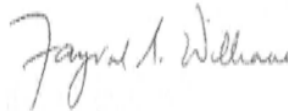
Summary

For the quarter, the operations and property management results reflect the investment property portfolio changes in terms of sales and purchases. Occupancy rates remained high. Rent collection was steady and we continue to respond promptly to tenant issues.

As always, thanks to our shareholders, employees and other stakeholders for your continued support as we seek to meet or exceed our corporate objectives.



Garfield Sinclair
Chairman



Fayval Williams
Executive Director