



Keppel DC REIT Management Pte. Ltd.

(Co Reg No. 199508930C)

Tel: (65) 6535 5665

18 Cross Street #10-10

Fax: (65) 6535 0660

China Square Central

Singapore 048423

www.keppeldcreit.com

MEDIA RELEASE

Unaudited Results of Keppel DC REIT for the Financial Period from the Listing Date of 12 December 2014 to Second Quarter ended 30 June 2015

15 July 2015

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the financial period from the listing date of 12 December 2014 to 30 June 2015.

The materials are also available at www.keppeldcreit.com, www.keppeltt.com.sg and www.kepcorp.com.

For more information, please contact:

Media Relations

Mr Kevin Ho
Executive
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6581
Email: kevin.ho@kepcorp.com

Investor Relations

Ms Liang Huihui
Executive
Investor Relations
Keppel DC REIT Management Pte. Ltd.
Tel: (65) 6305 0784
Email: huihui.liang@keppeldcreit.com

DBS Bank Ltd. and Standard Chartered Securities (Singapore) Pte. Limited are the Joint Financial Advisers and Issue Managers to the initial public offering of Keppel DC REIT (the "Offering"). DBS Bank Ltd., Standard Chartered Securities (Singapore) Pte. Limited and Credit Suisse (Singapore) Limited are the Joint Global Coordinators to the Offering. DBS Bank Ltd., Standard Chartered Securities (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Deutsche Bank AG, Singapore Branch and Goldman Sachs (Singapore) Pte. are the Joint Bookrunners and Underwriters to the Offering.

Keppel DC REIT's First Distribution Payout Surpasses Forecast

Results Highlights

- Net property income of \$48.1 million outperformed forecast by 2.6% for the period from the listing date of 12 December 2014 to 30 June 2015.
- Distributable income to Unitholders of \$31.4 million was 1.6% above forecast.
- Distribution per Unit of 3.56 cents declared for the period from the listing date of 12 December 2014 to 30 June 2015.
- Portfolio occupancy rate rose from 93.6% to 94.0%.
- Portfolio weighted average lease expiry (WALE) of 7.2 years by leased lettable area.
- Healthy aggregate leverage of 26.4%.
- Interest coverage ratio of 9.4 times.

Summary of Results

	2Q 2015 Actual (\$'000)	YTD 2015 Actual ¹ (\$'000)	YTD 2015 IPO Forecast ² (\$'000)	YTD 2015 Variance
Gross Revenue	26,027	57,177	55,263	+3.5%
Property Expenses	(4,102)	(9,098)	(8,418)	+8.1%
Net Property Income	21,925	48,079	46,845	+2.6%
Distributable Income to Unitholders	14,272	31,432	30,949	+1.6%
Distribution per Unit ³ (cents)				
For the Period	1.62	3.56	3.51	+1.6%
Annualised	6.48	6.46	6.36	+1.6%
Annualised Distribution Yield (%)				
Based on IPO offering price \$0.93		6.95	6.84	+11 bps
Based on closing price ⁴ \$1.05		6.15	6.06	+9 bps

Notes:

(1) Actual income available for distribution to Unitholders for the financial period from 12 December 2014 to 30 June 2015.

(2) On a pro-rata basis for the financial period 12 December 2014 to 30 June 2015, as derived from the Forecast Year 2015 figures disclosed in the Prospectus.

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

(4) Based on the market closing price per Unit of \$1.05 as at 30 June 2015.

Financial Review

For the financial period from the listing date of 12 December 2014 to the end of second quarter in 2015, Keppel DC REIT Management Pte. Ltd. (the "Manager") is pleased to announce that Keppel DC REIT has achieved a net property income (NPI) of \$48.1 million, outperforming its IPO forecast of \$46.8 million by 2.6%. This translated to a 1.6% increase in distributable income from IPO forecast of \$30.9 million to \$31.4 million for the period.

Keppel DC REIT's first distribution of 3.56 cents per Unit has been declared for the period since listing on 12 December 2014 to 30 June 2015. Based on the IPO offering price of \$0.93 per Unit, the annualised distribution yield is 6.95% which is above the forecasted 6.84%. Book Closure Date is 24 July 2015 and Unitholders can expect to receive their distribution on 28 August 2015.

The higher NPI and distributable income were mainly attributed to higher variable rental income from the Singapore properties and other income derived from recovery of power costs and ad hoc service fees charged at Gore Hill Data Centre and Citadel 100 Data Centre, as compared to the IPO forecast. Property expenses were above the IPO forecast due to higher variable facility management and property management costs, as well as property tax expenses.

As at 30 June 2015, Keppel DC REIT was trading at a premium of 19% above its Net Asset Value per Unit of \$0.88.

Sustained Portfolio Performance

As at 30 June 2015, Keppel DC REIT has a well-diversified tenant profile anchored with 37 established corporations in its portfolio across Asia Pacific and Europe. Proactive lease management and rigorous marketing efforts have led to an increase in portfolio occupancy rate from 93.6% to 94.0%, while WALE remained healthy at approximately 7.2 years.

In the quarter, Keppel DC REIT announced that it has entered into a sale and leaseback transaction with Macquarie Telecom for the shell and core building of Intellicentre 2 in Sydney. Macquarie Telecom will, on legal completion, enter into a 20-year triple-net lease arrangement with annual rental escalations. This addition to Keppel DC REIT's portfolio will extend its WALE to 9.1 years and augment the long-term stability of the REIT's income stream. With legal completion expected in the third quarter of 2015, the post-acquisition aggregate leverage is expected to be approximately 29.5% and allow debt headroom for further acquisitions.

Focused on providing Unitholders with regular and stable distributions as well as long-term growth, the Manager will continue to actively evaluate third-party acquisition opportunities in Asia Pacific and Europe, on top of its Rights of First Refusal pipeline.

Prudent Capital Management

On the capital management front, Keppel DC REIT will continue to optimise its financing structure and adopt hedging strategies to mitigate interest rate and foreign currency volatilities.

The REIT has entered into floating-to-fixed interest rate swaps to manage 100% of interest rate exposure under its initial debt facilities for the next four to five years. The resultant annualised cost of debt is approximately 2.5% per annum, compared to the IPO forecast of 3.1%.

To manage foreign currency risks, the Manager has adopted natural hedging by borrowing in currencies that match the corresponding investments and cash flows. 100% of the foreign-sourced distribution forecasted for 2015 and 2016 has been hedged using foreign currency forward contracts.

Aggregate leverage as at 30 June 2015 was 26.4%, providing debt headroom for the REIT to pursue growth opportunities.

Outlook

Data centre demand is expected to be driven by the shift towards cloud computing and e-commerce. Cisco¹ projects that cloud traffic will grow by a compounded annual growth rate (CAGR) of 37% in Asia Pacific and 26% in Western Europe from 2013 to 2018, while Statista² estimates an 18% CAGR of e-commerce sales growth worldwide from 2013 to 2018.

According to IDC³, the digital universe is doubling in size every two years. The amount of data created and duplicated annually is expected to reach 44 zettabytes by 2020. Despite the growing supply of

¹ Cisco Global Cloud Index, 2013-2018

² Statista B2C E-Commerce Sales Growth Worldwide, 2015

³ IDC Digital Universe of Opportunities, 2014

data centres globally, BroadGroup⁴ expects utilisation rate of data centres to rise with supply lagging demand growth in Keppel DC REIT's markets.

In the second quarter, Keppel DC REIT received recognition from some of the accreditation organisations. The REIT was added to the MSCI Singapore Small Cap Index while its co-location assets in Singapore, T25 and S25, were conferred the BCA-IDA Green Mark Award for Data Centres by BCA as well as Singapore Standard 564 (SS564) for Green Data Centres by TÜV SÜD PSB respectively.

Keppel DC REIT will continue with its proactive asset management, disciplined investment and prudent capital management strategies to capture the growth potential of this industry and deliver value to its stakeholders.

⁴ BroadGroup Independent Property Market Research Report, 2014

About Keppel DC REIT (www.keppeldcreit.com)

Listed on 12 December 2014, Keppel DC REIT is the first data centre REIT listed in Asia and on the Singapore Exchange (SGX-ST).

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate related assets, with an initial focus on Asia Pacific and Europe.

Its current portfolio comprises eight high-quality data centre properties with an aggregate lettable area of approximately 509,979 sq ft, strategically located in key data centre hubs across seven cities in Asia Pacific and Europe.

Keppel DC REIT's data centre properties in Asia Pacific include S25 and T25 in Singapore; Basis Bay Data Centre in Cyberjaya, Malaysia; Gore Hill Data Centre in Sydney, Australia; and iseek Data Centre in Brisbane, Australia. On 28 May 2015, the REIT announced its maiden acquisition of the shell and core building of Intellicentre 2 in Sydney, Australia from Macquarie Telecom. This acquisition is expected to be completed in the third quarter of 2015.

In Europe, Keppel DC REIT owns GV7 Data Centre in London, United Kingdom; Citadel 100 Data Centre in Dublin, Ireland; and Almere Data Centre in Amsterdam, Netherlands.

Keppel Telecommunications & Transportation (Keppel T&T), the Sponsor of the REIT, has also granted Rights of First Refusal (ROFR) to acquire all of its income-producing data centre assets.

The REIT is managed by Keppel DC REIT Management Pte. Ltd., a wholly-owned subsidiary of Keppel T&T, with the key objectives of providing Unitholders of Keppel DC REIT with regular and stable distributions, and achieving long-term growth while maintaining an appropriate capital structure.

Important Notice

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

Prospective investors and unitholders of Keppel DC REIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the "Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT ("Units") and the income derived from them may fall as well as rise.

Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.