

Keppel DC REIT

First Half 2015 Financial Results

15 July 2015



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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.

Content

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- Financial Review
- Portfolio Performance
- Capital Management
- Outlook

Key Highlights

Key Highlights

- Net property income outperformed IPO forecast¹ by 2.6% for the period from listing date of 12 December 2014 to 30 June 2015
- Distributable income was 1.6% higher than IPO forecast¹
- Distribution per unit of 3.56 cents declared
- Annualised distribution yield² was 11bps above IPO forecast¹
- Portfolio occupancy rate rose to 94.0%
- Aggregate Leverage³ of 26.4%

Notes:

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

(2) Based on the IPO offering price of S\$0.93.

(3) Aggregate Leverage is gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the finance lease liabilities pertaining to land rent commitments for isek Data Centre and Citadel 100 Data Centre.

Keppel DC REIT



Financial Review

YTD Distributable Income

	YTD Actual ¹ (S\$'000)	Forecast ² (S\$'000)	Variance (%)
Distributable Income to Unitholders ³	31,432	30,949	+1.6
Distribution Per Unit (Cents)	3.56	3.51	+1.6
Distribution Yield ⁴	6.95%	6.84%	+11bps
Comprising:			
Gross Revenue	57,177	55,263	+3.5
Property Expenses	(9,098)	(8,418)	+8.1
Net Property Income	48,079	46,845	+2.6

Notes:

- (1) Actual income available for distribution to Unitholders for the financial period of 201 days 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 disclosed in the Prospectus.
- (3) The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.
- (4) Based on the IPO offering price of S\$0.93.

2Q 2015 Distributable Income

	2Q Actual ¹ (S\$'000)	Forecast ² (S\$'000)	Variance (%)
Distributable Income to Unitholders ³	14,272	14,010	+1.9
Comprising:			
Gross Revenue	26,027	25,019	+4.0
Property Expenses	(4,102)	(3,812)	+7.6
Net Property Income	21,925	21,207	+3.4

Notes:

- (1) Actual income available for distribution to Unitholders for the financial period of 91 days from 1 April 2015 to 30 June 2015.
- (2) On a pro-rata basis for the financial period 1 April 2015 to 30 June 2015, as derived from the Forecast Year 2015 disclosed in the Prospectus.
- (3) The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.

Balance Sheet Highlights

	As at 30 Jun 2015 (S\$'000)
Investment Properties ¹	1,013,499
Total Assets ¹	1,115,414
Gross Borrowings	286,035
Total Liabilities	335,726
Unitholders' Funds	779,274
Units in Issue ('000)	882,930
Net Asset Value ("NAV") per Unit (S\$)	0.883
Unit Price (as at 30 June 2015) (S\$)	1.050
Premium to NAV (%)	+18.9%

Note:

(1) This relates to the carrying value, taking into consideration the finance lease liabilities pertaining to the land rent commitments for Iseek Data Centre and Citadel 100 Data Centre.

Aggregate Leverage

	As at 30 Jun 2015 (S\$'000)
Investment Properties ¹ <i>(excluding finance lease liabilities commitments)</i>	982,135
Total Assets ¹ <i>(excluding finance lease liabilities commitments)</i>	1,084,050
Gross Borrowings ²	286,035
Total Borrowings ³	317,399
Aggregate Leverage	26.4% ⁴

Notes:

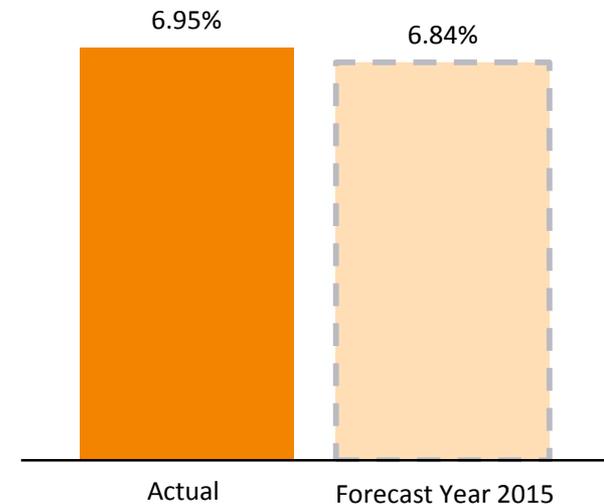
- (1) Investment properties relates to carrying value while total assets relates to deposited properties as stipulated in the Property Fund Guidelines in the Code on Collective Investment Schemes issued by MAS, without considering finance lease liabilities pertaining to land rent commitments.
- (2) Gross Borrowings relates to bank borrowings drawn down from term loan facilities.
- (3) Total Borrowings relates to bank borrowings drawn down from term loan facilities, as well as the finance lease liabilities of S\$31.3 million.
- (4) Aggregate Leverage is gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the finance lease liabilities pertaining to land rent commitments for iseek Data Centre and Citadel 100 Data Centre. If these finance lease liabilities were included, the Aggregate Leverage will be 28.4%.

Distribution Declared

- Distribution per unit of 3.56 cents declared for the period from the date of the listing, 12 December 2014 to 30 June 2015

Distribution Timetable	
Ex-Date	Wednesday, 22 July 2015
Book Closure Date	Friday, 24 July 2015
Payment Date	Friday, 28 August 2015

Distribution yield¹



Note:

(1) Based on the IPO offering price of S\$0.93.

Keppel DC REIT



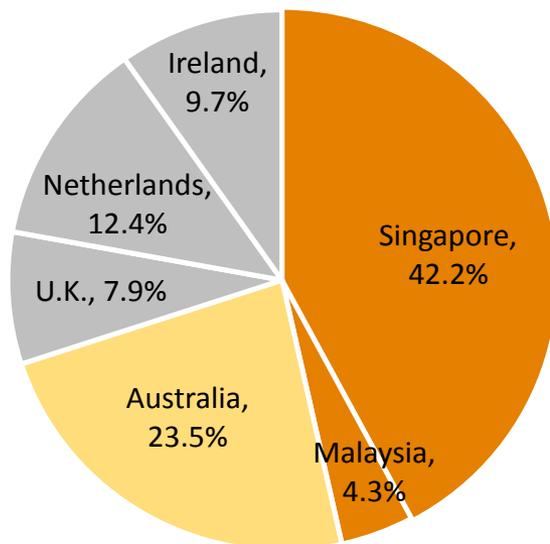
Portfolio Performance



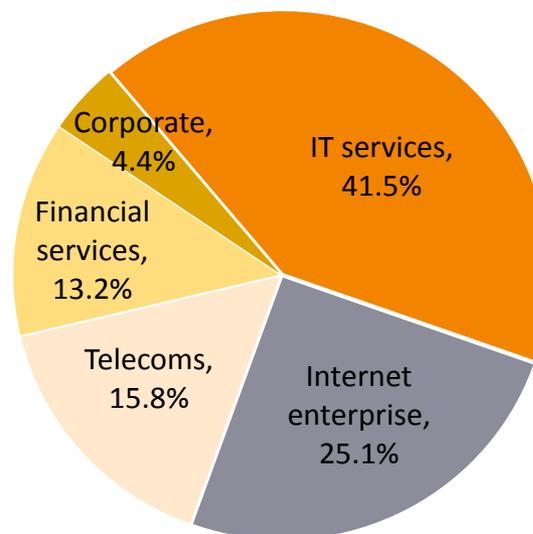
Global and Diverse Clientele

- Key features of portfolio:
 - Geographically well-spread assets
 - Well-diversified tenant profile anchored with established corporations

**Breakdown of portfolio¹
by geography**



**Breakdown of rental income²
by tenant's trade sector**



Notes:

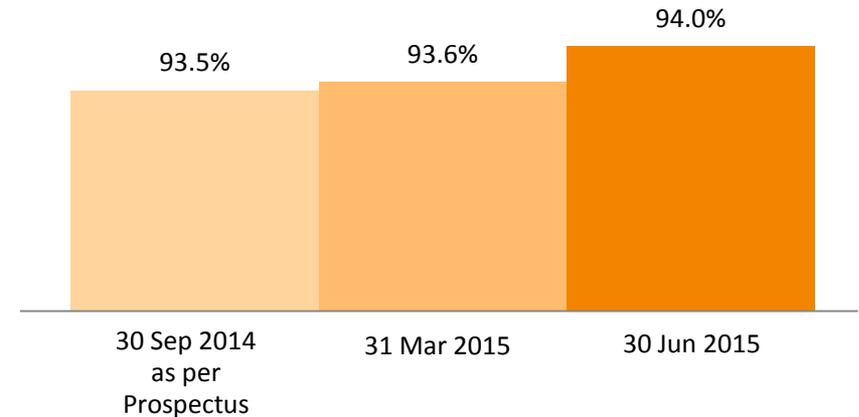
(1) Without taking into consideration the finance lease liabilities pertaining to the land rent commitments for iseek Data Centre and Citadel 100 Data Centre.

(2) Based on percentage contribution of rental income for the month of June 2015.

Proactive Lease Management

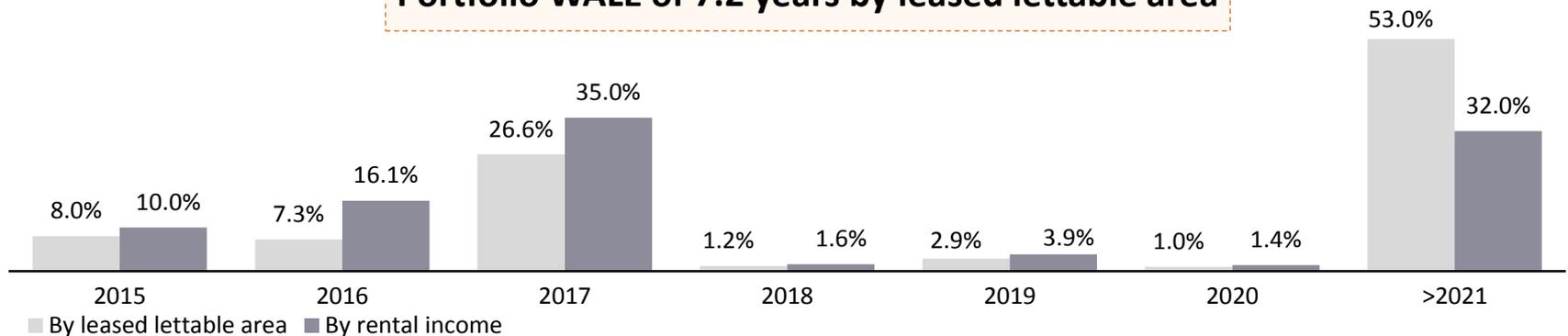
- Strong commitment from tenants translates to healthy occupancy rate and ensures income sustainability

Portfolio occupancy rate



Lease expiry profile (as at 30 June 2015)

Portfolio WALE of 7.2 years by leased lettable area



Favourable Lease Mix

- Augmenting long-term stability in double- or triple-net leases with well-spread lease expiries and tenant diversity in co-location assets

Co-location

WALE²

- 2.6 years

Fixed escalations

- Rental rates with annual escalations of 2.0% - 4.0%

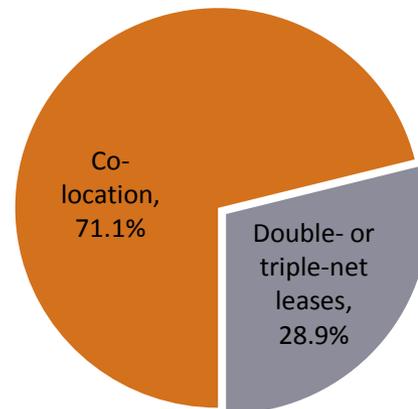
Tenant-borne expenses

- None; the REIT is responsible for facilities management and all property-related expenses

Replacement capex

- Borne by Keppel DC REIT

Rental income¹ breakdown by lease type³



Double- or triple-net leases

WALE²

- 10.5 years

Fixed escalations

- Rental rates with annual escalations of 2.0% - 4.0%

Tenant-borne expenses

- Double-net lease: all out-goings except property tax and insurance
- Triple-net lease: all out-goings

Replacement capex for double-net leases⁴

- Borne by Keppel DC REIT

Notes:

(1) Based on percentage contribution of rental income for the month of June 2015.

(2) By leased lettable area as at 30 June 2015.

(3) Includes the co-location arrangement in relation to iseek Data Centre (the "iseek Lease") which for purposes of this presentation is treated as a double-net lease despite being a co-location arrangement which is a contractual arrangement. Such treatment is due to the fact that the terms of the iseek Lease, when read together with the facilities management arrangement (as amended) entered into by KDCR Australia Trust No. 1 and iseek Communications are intended to operate to give the same economic effects of a double-net lease and impose on iseek Communications the same responsibilities which it would bear if it were a lessee under a double-net lease.

(4) With the exception that Almere Data Centre's replacement capex is to be borne by the Lessee.

Maiden Acquisition

- Portfolio growth with a new acquisition¹ within 5 months after listing
 - Sale and leaseback transaction with Macquarie Telecom for the shell and core building of Intellicentre 2 in Sydney
 - Extending portfolio WALE to 9.1 years with the 20-year triple-net lease arrangement with annual rental escalations
 - Post-acquisition gearing of 29.5% provides debt headroom for further growth opportunities



Purchase consideration

■ A\$43.3 million

Location

■ Macquarie Business Park, Sydney, Australia

Lettable area

■ 8,169 sm

Land area

■ Approx. 20,000 sm

Age of building

■ Approx. 3 years

Note:

(1) On 28 May 2015, the REIT announced the 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.



Keppel DC REIT



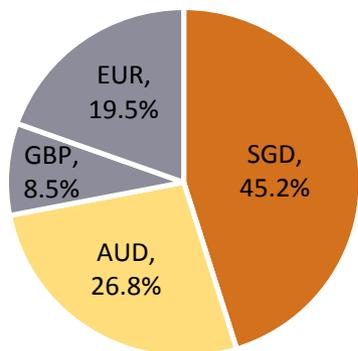
Capital Management

Prudent Capital Management

- Hedging policies optimise risk-adjusted returns to Unitholders:
 - Interest rates are 100% fixed for the next 4 to 5 years
 - Foreign-sourced distributions are 100% hedged for the forecast years of FY2015 and FY2016

Use of natural hedging to manage foreign currency risks

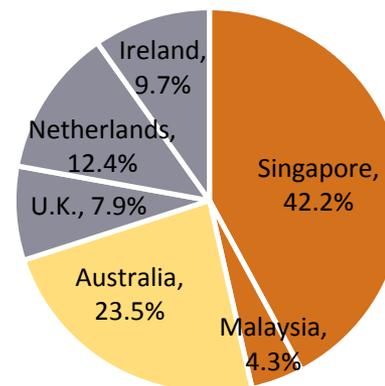
Debt currency breakdown



Total term loans:
Approx. S\$286m

■ Asia ■ Australia ■ Europe

Portfolio breakdown¹



Total value :
Approx. S\$982m

Note:

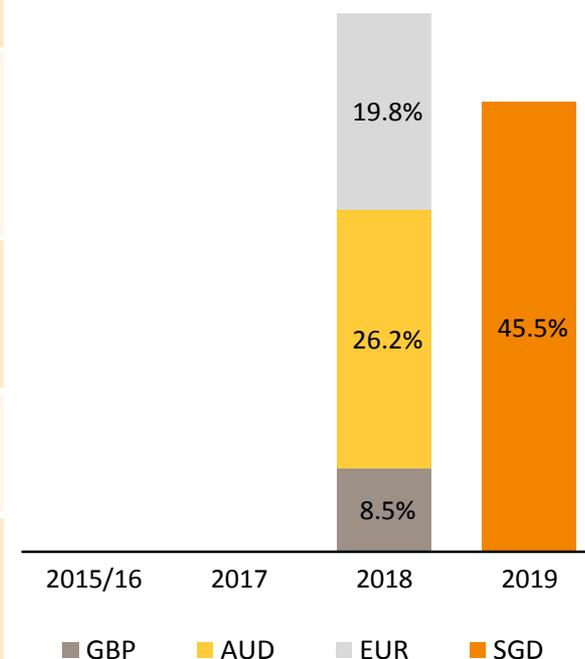
(1) Without taking into consideration the finance lease liabilities pertaining to the land rent commitments for iseek Data Centre and Citadel 100 Data Centre.

Prudent Capital Management

Total debt	<ul style="list-style-type: none"> ■ Approximately S\$286m of term loans ■ S\$35m of undrawn revolving credit facility
Aggregate Leverage¹	■ 26.4%
Average cost of debt²	■ 2.5% per annum for the financial period ended 30 June 2015
Debt tenor	■ Average of 3.9 years
FY2015 interest cover³	■ 9.4 times

Debt maturity profile

As at 30 June 2015



Notes:

- (1) Aggregate Leverage is gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the finance lease liabilities pertaining to land rent commitments for Iseek Data Centre and Citadel 100 Data Centre.
- (2) Including amortisation of upfront debt financing costs and excluding finance lease charges.
- (3) Calculated as EBIT / Finance costs, where EBIT is NPI less Manager's base and performance fees, Trustee's fee and Other trust expenses. Finance costs pertain to interest expense based on total debt drawn and debt amortisation costs. Property-related calculations include the 1.0% interest in Basis Bay Data Centre held by the Basis Bay Vendor.



Keppel DC REIT

Outlook

Positive Growth Trends

- IDC¹ projects that the digital universe will double in size every 2 years



Cloud traffic²

+37% in Asia Pacific

+26% in W. Europe

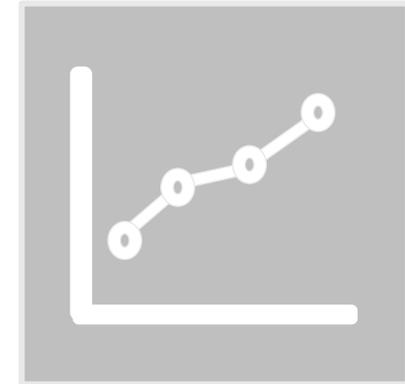
CAGR from 2013 to 2018



E-commerce sales³

+18%

CAGR from 2013 to 2018



Annual data creation¹

44 zettabytes

by 2020

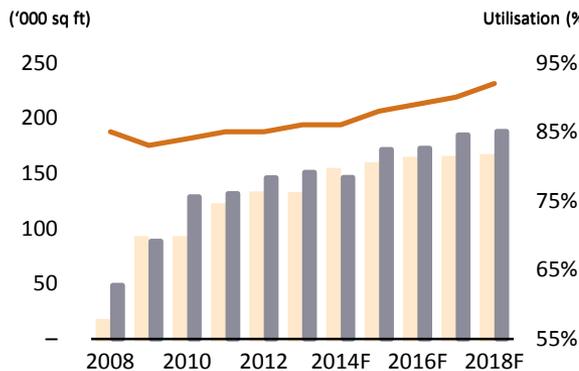
Sources:

- (1) IDC Digital Universe of Opportunities, 2014
- (2) Cisco Global Cloud Index, 2013-2018
- (3) Statista B2C E-Commerce Sales Growth Worldwide, 2015

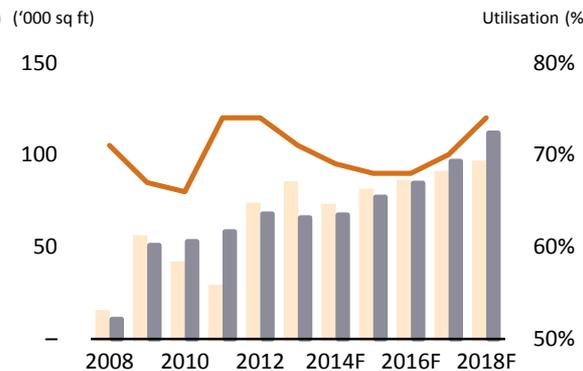
Positive Growth Trends

- Utilisation rate expected to increase with supply lagging demand growth in Keppel DC REIT's markets

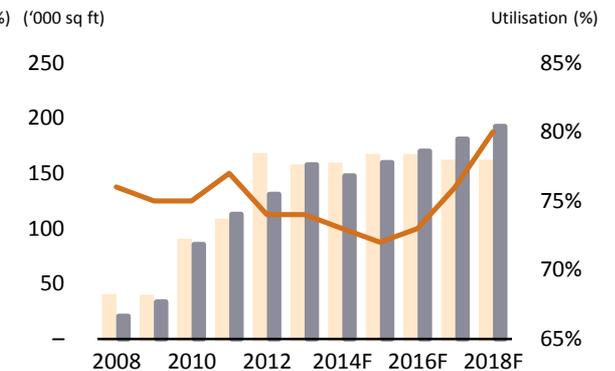
Singapore



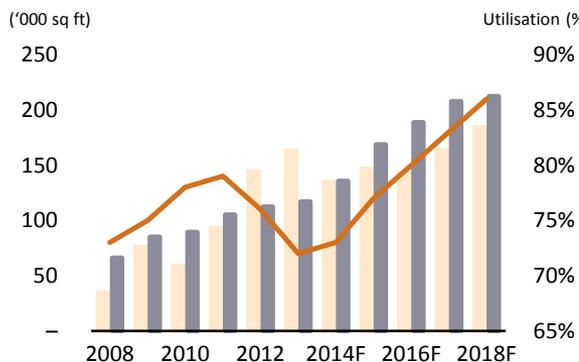
Kuala Lumpur



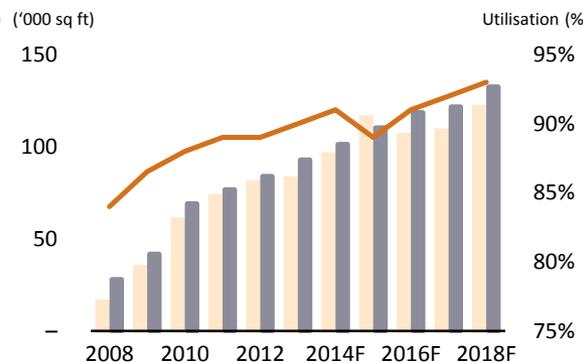
Sydney



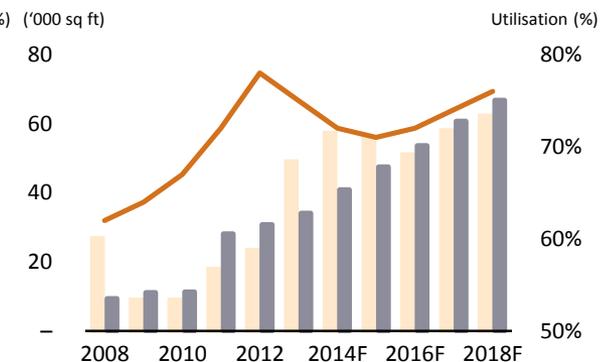
London



Amsterdam



Dublin



Incremental space Absorption

Source: BroadGroup Independent Property Market Research, 2014

Service Excellence

- Gaining recognition from accreditation organisations
 - KDCREIT was added to the MSCI Singapore Small Cap Index
 - T25 conferred the BCA-IDA Green Mark Gold^{PLUS} Award for Data Centres
 - S25 received the Singapore Standard 564 (SS564) for Green Data Centres from TÜV SÜD PSB



BCA GREEN MARK



Positioned to Capture Value



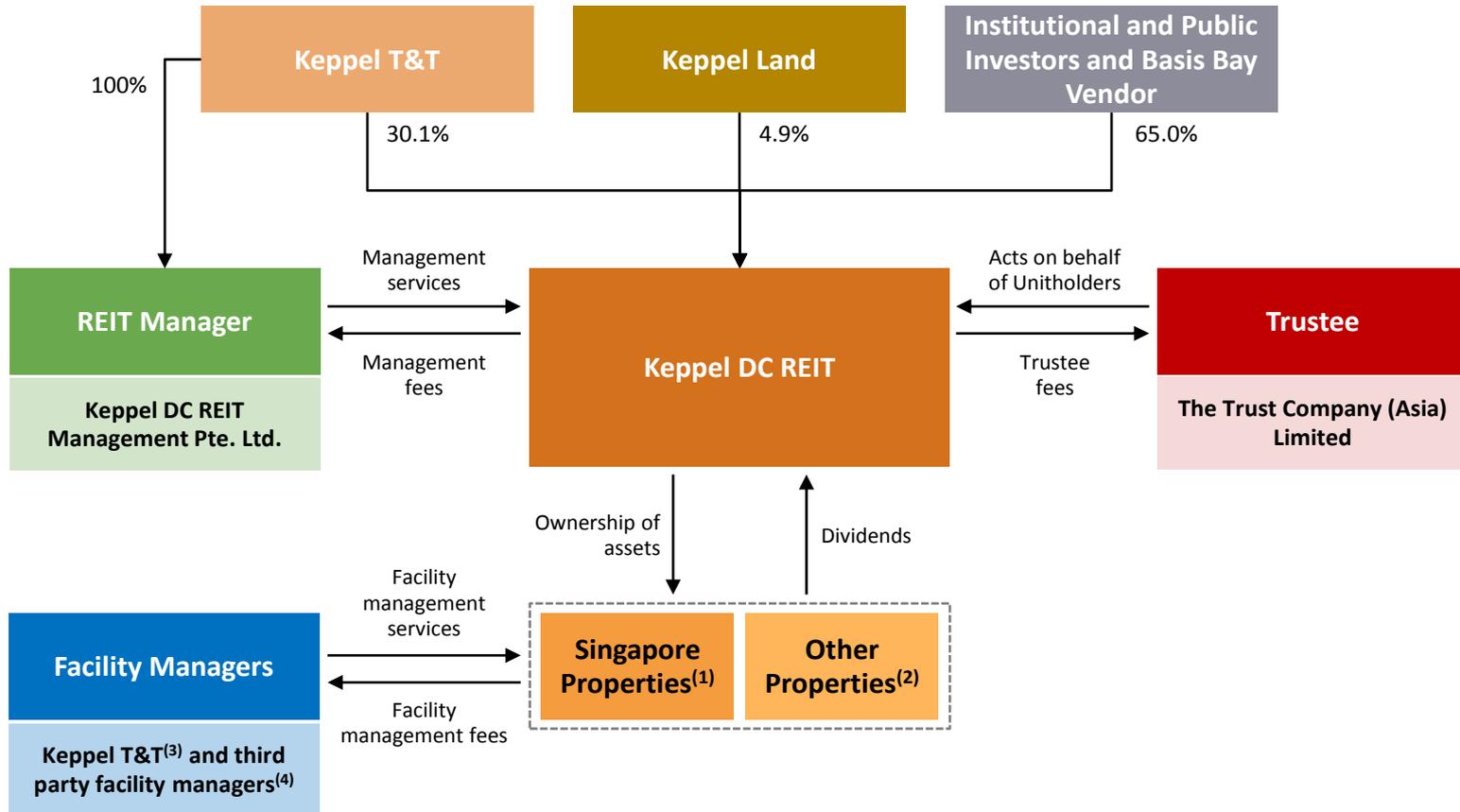
To provide Unitholders with regular and stable distributions, and to achieve long-term growth in DPU and NAV per unit, while maintaining an optimal capital structure.



Keppel DC REIT

Additional Information

Keppel DC REIT Structure



- (1) The Singapore Properties are held directly by the REIT.
- (2) The Other Properties are held via multiple layers of intermediate Singapore, Australia, BVI, Malaysia, the Netherlands, Ireland and Guernsey SPVs. Keppel DC REIT holds a 99.0% interest in Basis Bay Data Centre while the Basis Bay Vendor holds the remaining 1.0% interest.
- (3) Facility management of S25 and T25 have been outsourced to Keppel Dighub Ltd and Keppel Datahub Pte Ltd respectively, both of which are indirectly owned subsidiaries of Keppel T&T.
- (4) Third-party facility managers include data centre customers of Keppel DC REIT.

Geographical Network

Ireland
Citadel 100 Data Centre, Dublin

United Kingdom
GV7 Data Centre, London

Netherlands
Almere Data Centre, Almere
Almere Data Centre 2, Almere [ROFR asset]

European platform

Investment Mandate:
To invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets, which are used primarily for data centre purposes, with an initial focus on Asia-Pacific and Europe.

S25 **T25** **Basis Bay**

Malaysia
Basis Bay Data Centre⁽¹⁾, Cyberjaya

Singapore
S25
T25
T27 [ROFR asset]

Asian platform

iseek **Gore Hill**

Australia
iseek Data Centre, Brisbane
Gore Hill Data Centre, Sydney
Intellicentre 2⁽²⁾, Sydney

Australian platform

(1) Keppel DC REIT holds a 99.0% interest in Basis Bay Data Centre while the Basis Bay Vendor holds the remaining 1.0% interest.
 (2) 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.

Portfolio Overview (as of 30 June 2015)

Property	Location	Interest	Lettable area (sq ft)	No. of customers ⁽¹⁾	Occupancy rate (%)	Carrying value ⁽⁶⁾ (\$m)	Lease type	WALE (years)	Land lease title
 S25	Singapore	100%	109,574	18 ⁽²⁾	87.1	253.9	Keppel lease / Co-location	3.1 ⁽²⁾	Leasehold (Expiring 30 September 2025, with an option to extend for 30 years)
 T25	Singapore	100%	36,888	4 ⁽²⁾	100.0	163.8	Keppel lease / Co-location	2.2 ⁽²⁾	Leasehold (Expiring 31 July 2021, with an option to extend for 30 years)
 Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	197.5	Triple-net (one tenant) / Co-location (two end-users)	9.4	Freehold
 iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	29.4	Double-net lease ⁽³⁾	11.0	Leasehold (Expiring 29 June 2040, with an option to extend for 7 years)
 Basis Bay Data Centre	Cyberjaya, Malaysia	99% ⁽⁴⁾	48,680	1	100.0	40.8	Double-net lease	2.0	Freehold
 GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	78.1	Triple-net lease	11.6	Leasehold (Expiring 28 September 2183)
 Almere Data Centre	Almere, Netherlands	100%	118,403	1 ⁽⁵⁾	100.0	122.9	Double-net lease	13.2	Freehold
 Citadel 100 Data Centre	Dublin, Ireland	100%	68,118	8	75.5	95.8	Co-location	1.6	Leasehold (Expiring 11 April 2041)
Total			509,979	37	94.0	982.2		7.2	

(1) Certain customers have signed more than one co-location arrangement using multiple entities.

(2) Based on the number of underlying end-users which have entered into co-location arrangements with the S25 and T25 Lessees, treating the S25 and T25 Lease on a pass-through basis to the underlying end users. Keppel DC REIT has in place the S25 and T25 Leases with the S25 and T25 Lessees pursuant to which Keppel DC REIT will grant a lease for a term of 10 years to the S25 and T25 Lessees, with an option to renew for a further term of five years subject to JTC's and HDB's consent respectively, and on terms to be agreed between Keppel DC REIT and the S25 and T25 Lessees.

(3) Keppel DC REIT has in place the iseek Lease with the tenant of iseek Data Centre. While the iseek Lease is called a co-location arrangement between the landlord and the tenant, the terms thereof are structured as effectively equivalent to a double-net lease.

(4) Keppel DC REIT holds a 99.0% interest in Basis Bay Data Centre while the Basis Bay Vendor holds the remaining 1.0% interest. Property-related calculations (e.g. Rental Income, Net Property Income, WALE, Independent Valuations, Appraised Value) includes the 1.0% interest in Basis Bay Data Centre held by the Basis Bay Vendor.

(5) Keppel DC REIT, through its wholly-owned subsidiary has entered into the Ground Lease with Borchveste. With the Ground Lease in place, the lease with the underlying tenant becomes conceptually similar to a sub-lease, with Borchveste being (i) the leasehold tenant of KDCR Almere B.V. and (ii) the lessor to the underlying tenant, the underlying tenant becoming essentially the sub-tenant.

(6) Carrying value of the investment properties does not include finance lease liabilities pertaining to land rent commitments in iseek Data Centre and Citadel 100 Data Centre.

Overview of Lease Arrangements

Asset	Lease Arrangement	Description	Responsibilities of Lessor / Owner					
			Property Tax	Building Insurance	Facilities Management	Day-to-day Maintenance	Maintenance Opex	Refresh Capex
S25	Keppel lease ⁽¹⁾ / Co-location ⁽²⁾	<ul style="list-style-type: none"> Lessee: Pays cost of rent and all expenses recharged to Lessor Lessor: Responsible for facilities management 	✓	✓	✓	✓	✓	✓
T25	Keppel lease ⁽¹⁾ / Co-location ⁽²⁾	<ul style="list-style-type: none"> Lessee: Pays cost of rent and all expenses recharged to Lessor Lessor: Responsible for facilities management 	✓	✓	✓	✓	✓	✓
Gore Hill Data Centre (for one tenant)	Triple-net lease	<ul style="list-style-type: none"> Lessee: Pays share of all outgoings; responsible for facilities management in their space 	-	-	-	-	-	-
Gore Hill Data Centre (for two end-users)	Co-location arrangement ⁽²⁾⁽³⁾	<ul style="list-style-type: none"> End-user: Pays cost of rent Owner: All expenses paid by Lessor; responsible for facilities management 	✓	✓	✓	✓	✓	✓
iseek Data Centre	Double-net lease ⁽⁴⁾	<ul style="list-style-type: none"> Tenant: Pays all outgoings except building insurance; Lessee responsible for facilities management 	-	✓	-	-	-	✓
Basis Bay Data Centre	Double-net lease	<ul style="list-style-type: none"> Lessee: Pays all outgoings except building insurance and property tax; responsible for facilities management 	✓	✓	-	-	-	✓
GV7 Data Centre	Triple-net lease	<ul style="list-style-type: none"> Lessee: Pays all outgoings; responsible for facilities management 	-	-	-	-	-	-
Almere Data Centre	Double-net lease	<ul style="list-style-type: none"> Lessee: Pays all outgoings except building insurance and property tax; responsible for facilities management 	✓	✓	-	-	-	-
Citadel 100 Data Centre	Co-location ⁽²⁾⁽⁵⁾	<ul style="list-style-type: none"> End-user: Pays cost of rent; all expenses paid by Lessor Owner: Responsible for facilities management 	✓	✓	✓	✓	✓	✓

- (1) Refers to the S25 Lease and the T25 Lease entered into by Keppel DC REIT with the S25 Lessee and the T25 Lessee in relation to S25 and T25 respectively. However, due to the pass-through nature of the Keppel leases, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying co-location arrangements entered into by the Keppel lessees and the underlying end-users.
- (2) Co-location arrangements are typically entered into by end-customers who utilise co-location space for the installation of their servers and other mission critical IT equipment. In the case of Keppel DC REIT, end-customers with co-location arrangements pay for rent and all the property-related expenses are borne by the Keppel DC REIT. Keppel DC REIT is usually responsible for facilities management in respect of such co-location arrangements.
- (3) Keppel DC REIT has in place co-location arrangements with two of the customers of Gore Hill Data Centre.
- (4) Keppel DC REIT has in place the iseek Lease with the tenant of iseek Data Centre. While the iseek Lease is called a co-location arrangement between the landlord and the tenant, the terms thereof are structured as effectively equivalent to a double-net lease.
- (5) Keppel DC REIT has in place co-location arrangements with the customers of Citadel 100 Data Centre.

Thank you.