

# Keppel DC REIT

## Second Quarter & First Half 2016 Financial Results

18 July 2016



# Important Notice

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.

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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 presentation. 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 presentation or its contents or otherwise arising in connection with this presentation. 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 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 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

- Key Highlights
- Financial Review
- Portfolio Performance
- Capital Management
- Outlook
- Additional Information



**Keppel DC REIT**

**Key Highlights**

# Key Highlights



Distribution Per Unit Declared<sup>2</sup>

**3.34 cents**

0.9% higher than IPO forecast<sup>1</sup>

Annualised Distribution Yield

**7.22%**

6bps higher than IPO forecast<sup>1</sup>  
(based on IPO price \$0.930)



Portfolio Occupancy

**92.3%**

as at 30 Jun 2016

Portfolio WALE

**8.7 years**

by leased lettable area



Aggregate Leverage<sup>3</sup>

**29.1%**

as at 30 Jun 2016

Interest Coverage

**9.5 times**

as at 30 Jun 2016

Notes:

- (1) On a pro-rata basis for the financial period 1 January 2016 to 30 June 2016, as derived from the Projection Year 2016 figures disclosed in the IPO Prospectus.
- (2) Distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. For the financial period from 1 January 2016 to 30 June 2016, eligible Unitholders will receive distribution of 3.34 cents per Unit.
- (3) Aggregate Leverage is gross borrowings and deferred payment 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 Keppel DC Dublin 1 (Citadel 100 Data Centre).

**Keppel DC REIT**

**Keppel**

**Financial Review**

# Distributable Income: Actual vs Forecast<sup>1</sup>

(\$'000)	2Q 2016 Actual	2Q 2016 Forecast <sup>1</sup>	Variance (%)	1H 2016 Actual	1H 2016 Forecast <sup>1</sup>	Variance (%)
<b>Distributable Income to Unitholders<sup>2</sup></b>	<b>14,749</b>	<b>14,598</b>	<b>+1.0</b>	<b>29,496</b>	<b>29,196</b>	<b>+1.0</b>
<u>Comprising:</u>						
Gross Revenue	24,865	25,488	(2.4)	49,636	50,976	(2.6)
Property Expenses	(2,760)	(3,855)	(28.4)	(6,345)	(7,710)	(17.7)
Net Property Income	22,105	21,633	+2.2	43,291	43,266	+0.1
<b>Distribution Per Unit<sup>2</sup> (cents)</b>	<b>1.67</b>	<b>1.66</b>	<b>+0.6</b>	<b>3.34</b>	<b>3.31</b>	<b>+0.9</b>
<b>Annualised Distribution Yield (%)</b>						
- At IPO price \$0.930				<b>7.22</b>	<b>7.16</b>	<b>+6bps</b>
- At 1H 2016 closing price \$1.110				<b>6.05</b>	<b>6.00</b>	<b>+5bps</b>

Notes:

- (1) On a pro-rata basis for the relevant financial period, as derived from the Projection Year 2016 figures disclosed in the IPO Prospectus.
- (2) Distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. For the financial period from 1 January 2016 to 30 June 2016, eligible Unitholders will receive distribution of 3.34 cents per Unit.

# Distributable Income: Year-on-Year Comparison

(\$'000)	2Q 2016 Actual	2Q 2015 Actual	Variance (%)	1H 2016 Actual	1H 2015 Actual	Variance (%)
<b>Distributable Income to Unitholders<sup>1</sup></b>	<b>14,749</b>	<b>14,272</b>	<b>+3.3</b>	<b>29,496</b>	<b>28,478</b>	<b>+3.6</b>
<u>Comprising:</u>						
Gross Revenue	24,865	26,027	(4.5)	49,636	51,955	(4.5)
Property Expenses	(2,760)	(4,102)	(32.7)	(6,345)	(8,301)	(23.6)
Net Property Income	22,105	21,925	+0.8	43,291	43,654	(0.8)
<b>Distribution Per Unit<sup>1</sup> (cents)</b>	<b>1.67</b>	<b>1.62</b>	<b>+3.1</b>	<b>3.34</b>	<b>3.23</b>	<b>+3.4</b>
<b>Annualised Distribution Yield (%)</b>						
- At 1H 2016 closing price \$1.110				<b>6.05</b>	<b>5.87</b>	<b>+18bps</b>
- At 1H 2015 closing price \$1.050				<b>6.40</b>	<b>6.20</b>	<b>+20bps</b>

Note:

(1) Distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. For the financial period from 1 January 2016 to 30 June 2016, eligible Unitholders will receive distribution of 3.34 cents per Unit.

# Update on Property Tax

- Property tax incurred in Singapore in the past quarters have been higher than forecast due to increase in annual value (AV) assessed by IRAS since IPO date

## Successful appeal to IRAS

- Appeal to IRAS was successful and reduced the AVs of the Singapore Properties
  - A one-time gain will be recognised in 3Q 2016 for the refund of excess property tax previously paid to IRAS
  - As per the sale and purchase agreements entered into during IPO, the revised AVs will result in an adjustment to the purchase price of the Singapore Properties, i.e. an additional payment to Keppel T&T will be made in 2H 2016

# Balance Sheet Highlights

	As at 30 Jun 2016 (\$'000)	As at 31 Dec 2015 (\$'000)
Investment Properties	1,101,594	1,102,685
Total Assets	1,213,278	1,211,171
Gross Borrowings <sup>1</sup>	341,114	341,848
Total Liabilities	402,387	397,683
<b>Unitholders' Funds</b>	<b>810,491</b>	<b>813,114</b>
Units in Issue ('000)	883,115	882,977
Net Asset Value ("NAV") per Unit (\$)	0.918	0.921
Adjusted NAV per Unit (\$) <i>(excluding Distributable Income)</i>	0.884	0.888
Unit Price (Closing price on last trading day) (\$)	1.110	1.015
<b>Premium to NAV (%)</b>	<b>+20.9</b>	<b>+10.2</b>

Note:

(1) Gross borrowings relates to bank borrowings drawn down from loan facilities.

# Aggregate Leverage

	As at 30 Jun 2016 (\$'000)	As at 31 Dec 2015 (\$'000)
Investment Properties <sup>1</sup> <i>(excluding finance lease liabilities commitments)</i>	1,070,267	1,071,358
Total Assets <sup>1</sup> <i>(excluding finance lease liabilities commitments)</i>	1,181,951	1,179,844
Gross Borrowings + Deferred Payment <sup>2</sup>	344,186	344,890
<b>Aggregate Leverage<sup>3</sup></b>	<b>29.1%</b>	<b>29.2%</b>

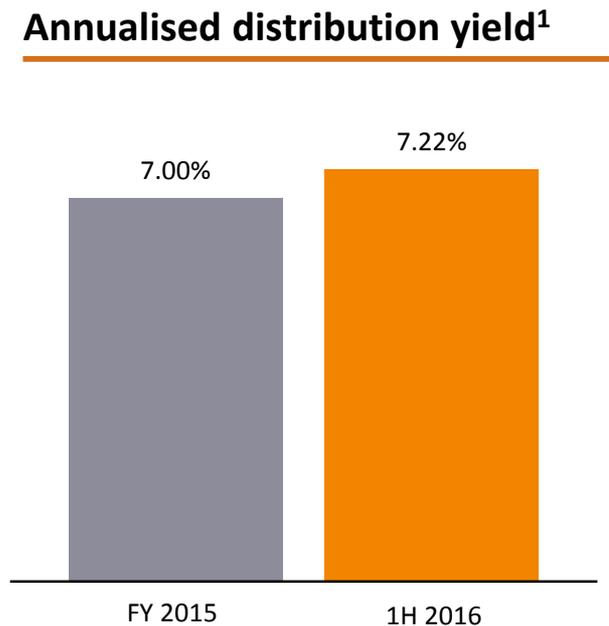
Notes:

- (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) Includes a \$3.1 million deferred payments for acquisition of assets.
- (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 isseek Data Centre and Keppel DC Dublin 1 (Citadel 100 Data Centre). If these finance lease liabilities were included, the Aggregate Leverage will be 31.0%. (31 December 2015: 31.1%)

# Distribution Declared

- Distribution per Unit of 3.34 cents declared for the period from 1 January 2016 to 30 June 2016
- Annualised distribution yield was 7.22%<sup>1</sup>

Distribution Timetable	
<b>Ex-Date</b>	Friday, 22 July 2016
<b>Book Closure Date</b>	Tuesday, 26 July 2016
<b>Payment Date</b>	Wednesday, 31 August 2016



Note:

(1) Based on the IPO price of \$0.930.

The logo for Keppel DC REIT, featuring the word "Keppel" in white on a dark grey background, followed by "DC REIT" in orange. The background of the entire slide is a photograph of a modern, multi-story office building with a mix of white, tan, and blue glass facades under a blue sky with light clouds.

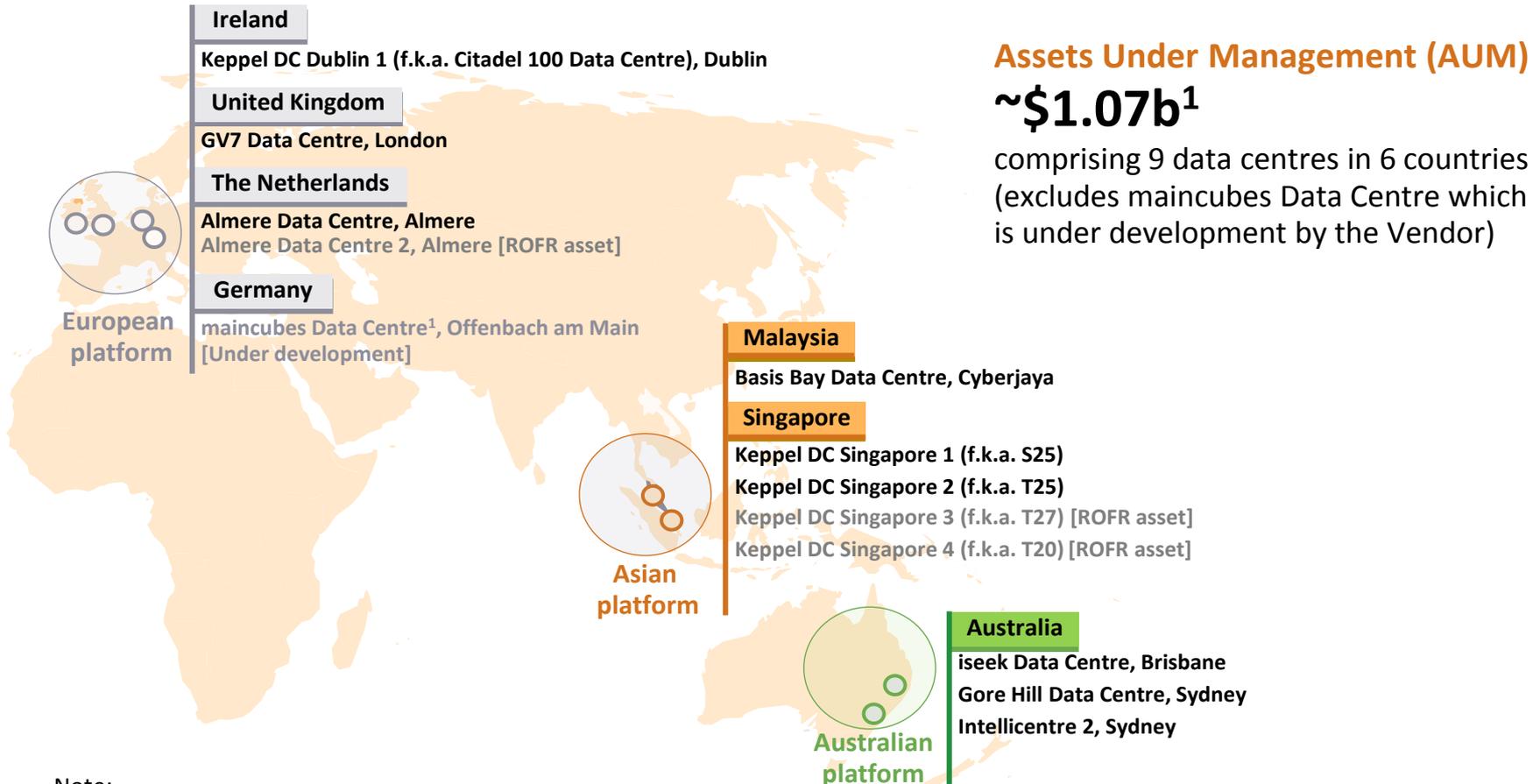
**Keppel DC REIT**

An orange banner with the text "Portfolio Performance" in white, positioned at the bottom right of the slide. The banner has a decorative graphic of three parallel diagonal lines in white and orange on its right side.

**Portfolio Performance**

# Geographical Footprint

- Keppel T&T and Keppel DC REIT's colocation assets were rebranded to streamline the naming convention and strengthen collective branding



Note:

(1) In October 2015, the REIT announced its first German acquisition of maincubes Data Centre to be developed in Offenbach am Main. This development is expected to be completed in 2018 by the Vendor and is excluded from the portfolio's AUM as at 31 December 2015.

# Project Update: maincubes Data Centre

- Construction on track; Completion expected in 1H 2018
- Quarterly coupons received from the Vendor since 4Q 2015



*Construction of maincubes Data Centre is on track in Germany*

<b>Location</b>	Offenbach am Main, Germany
<b>Land area</b>	5,596 sqm
<b>Estimated lettable area</b>	11,780 sqm
<b>Land tenure</b>	Freehold
<b>Purchase price</b>	EUR 84.0 million (10% deposit; balance upon completion)
<b>Master lease</b>	15-year triple-net lease to commence upon building completion

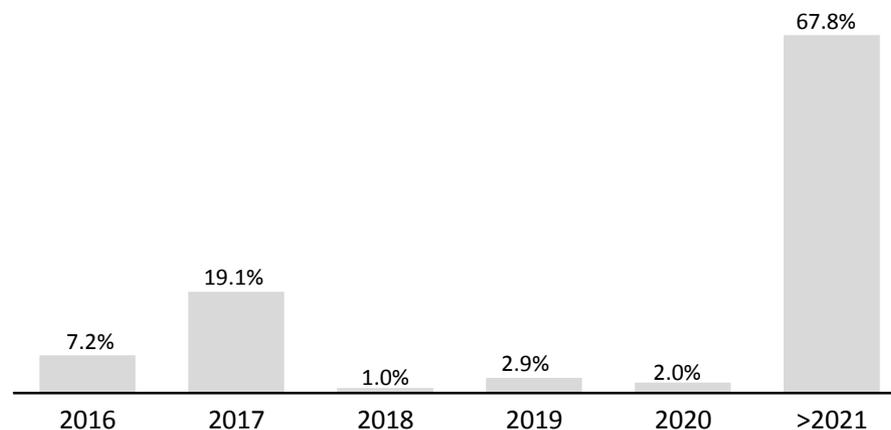
# Portfolio Update

- Improvement in portfolio's occupancy rate to 92.3% and weighted average lease expiry (WALE) healthy at 8.7 years

Portfolio Metrics	As at 30 Jun 2016
Lettable Area	597,909 sq ft
Valuation	\$1.07 billion <sup>1</sup>
Occupancy	92.3%
WALE	8.7 years <sup>2</sup>
Rental Escalations	2% - 4%

## Lease expiry profile

As at 30 June 2016



Notes:

(1) Valuation as at 31 December 2015.

(2) By leased lettable area as at 30 June 2016.

# Portfolio Update (Cont'd)

- Signed forward renewal of one of the major contracts expiring in late 2017 in one of the Singapore Properties
  - Renewed contract for more than five years
  - Secured commitment to expand by 6,800 sq ft of data centre space in two phases (half in 2H 2016, half in 2H 2017)
- Renewed an expiring contract in Keppel DC Dublin 1 for a five-year term with additional 1,600 sq ft of data centre space take-up

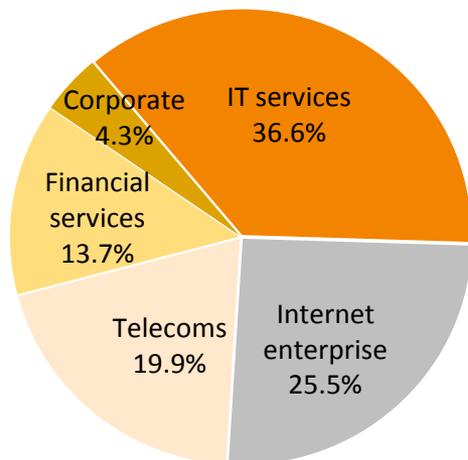


*A data hall within a data centre facility*

# Favourable Client Profile & Lease Mix

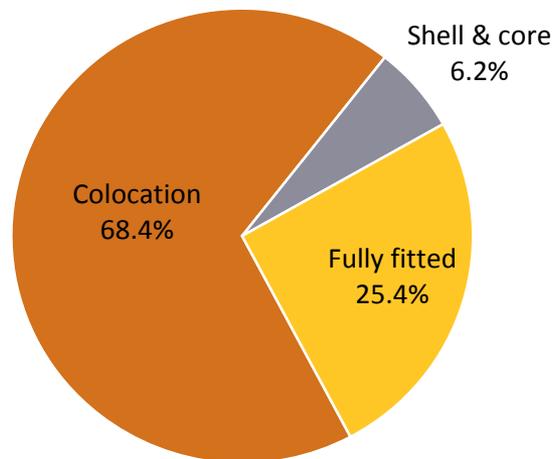
## Rental income breakdown by trade sector

For the month of June 2016



## Rental income breakdown by lease type

For the month of June 2016



Lease Type	WALE <sup>1</sup>
Colocation	2.9 years
Fully fitted	9.2 years
Shell & core	15.2 years

- Exposure to fast growing industries such as internet enterprises, information technology services, telecommunications and financial services
- Portfolio has a balanced mix of long leases that enhance income stability of the portfolio, and short leases which provides opportunities for growth

Note:

(1) By leased lettable area as at 30 June 2016.



**Keppel DC REIT**

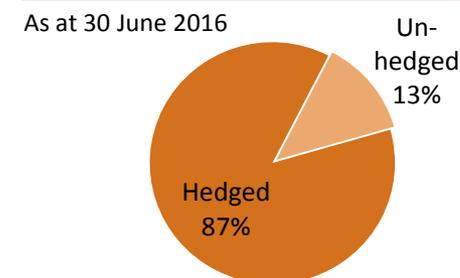


**Capital Management**

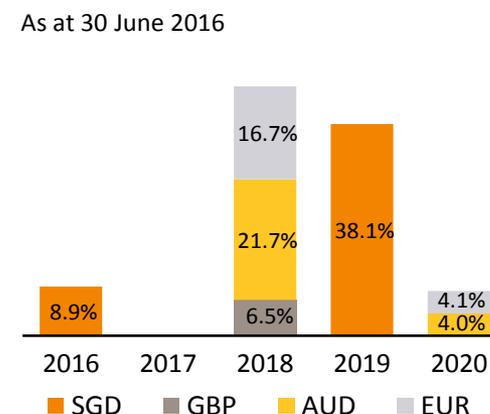
# Proactive Capital Management

- Managing interest rate exposure:
  - Entered into floating-to-fixed interest rate swaps to lock in interest rates of the long-term loans

## Hedging of borrowing costs



## Debt maturity profile



As at 30 Jun 2016	
<b>Total debt</b>	<ul style="list-style-type: none"> <li>■ ~\$341m of external loans (unencumbered)</li> <li>■ ~\$130m of undrawn revolving credit facility</li> </ul>
<b>Aggregate Leverage<sup>1</sup></b>	■ 29.1%
<b>Average cost of debt<sup>2</sup></b>	■ 2.4% per annum for 1H 2016
<b>Debt tenor</b>	■ 2.8 years on average
<b>Interest coverage<sup>3</sup></b>	■ 9.5 times

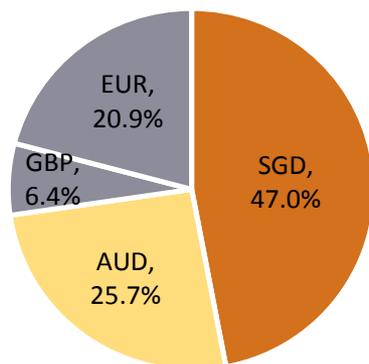
Notes:

- (1) Aggregate Leverage is gross borrowings and deferred payment 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 isseek Data Centre and Keppel DC Dublin 1 (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.

# Proactive Capital Management (Cont'd)

- Mitigating impact of currency fluctuations:
  - Used foreign currency forward contracts to hedge the REIT's foreign-sourced distribution up to end of 2017
  - Adopted natural hedging by borrowing in currencies that match the denomination of corresponding investments

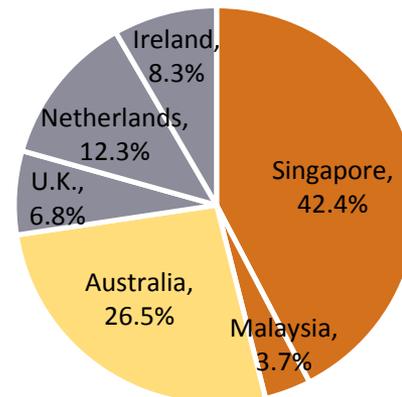
**Debt currency breakdown**



Total borrowings:  
Approx. \$341.1m

■ Asia ■ Australia ■ Europe

**Portfolio breakdown<sup>1</sup>**



Total value:  
Approx. \$1.07b

Note:

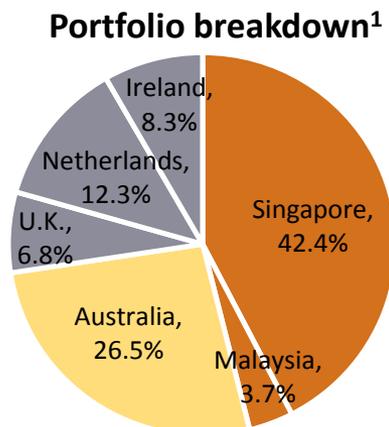
(1) Without taking into consideration the finance lease liabilities pertaining to the land rent commitments for iseek Data Centre and Keppel DC Dublin 1 (Citadel 100 Data Centre).

**Keppel DC REIT**

**Outlook**

# Minimal Exposure to Brexit

- GV7 Data Centre is the REIT's only asset in the UK, contributing ~6.8% of portfolio
- Low occupancy risk as the entire facility is on a long master lease to a well-established client until 2027
- Existing hedging policies in place against currency fluctuations



Note:

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



*GV7 Data Centre, London*

# Sustainable Growth

- Continued growth of the data centre industry with developing technologies forming the next wave of digital revolution and data creation

Internet of Things<sup>1</sup>

**+17%**

CAGR from 2014 to 2020

Connected Devices<sup>2</sup>

**+34%**

CAGR from 2016 to 2020

Cloud Market<sup>3</sup>

**+61%**

CAGR from 2015 to 2020



Sources:

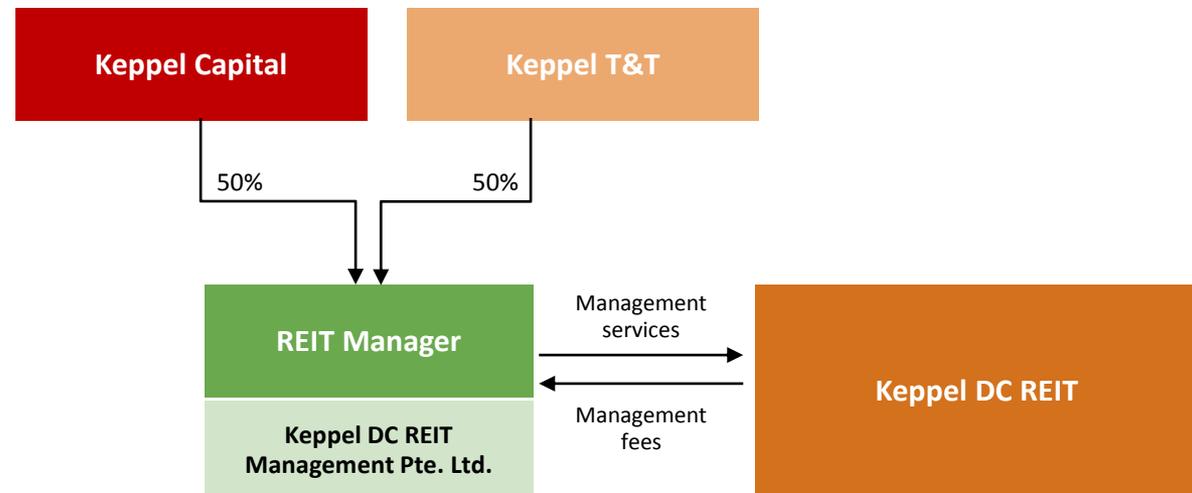
- (1) IDC, 2014-2020
- (2) Gartner, 2016-2020
- (3) Structure Research, 2015-2020

# Harnessing Strengths

## Completion of Keppel Corporation's consolidation of 50% interest in Keppel DC REIT Management (the REIT Manager) under Keppel Capital:

- The REIT Manager is now a subsidiary of Keppel Capital and will be able to leverage the scale and resources of a larger asset management platform
- Keppel T&T holds the remaining 50% interest in the REIT Manager and remains committed to support the REIT's growth as its Sponsor

### Post-transaction:



# Committed to Deliver Value

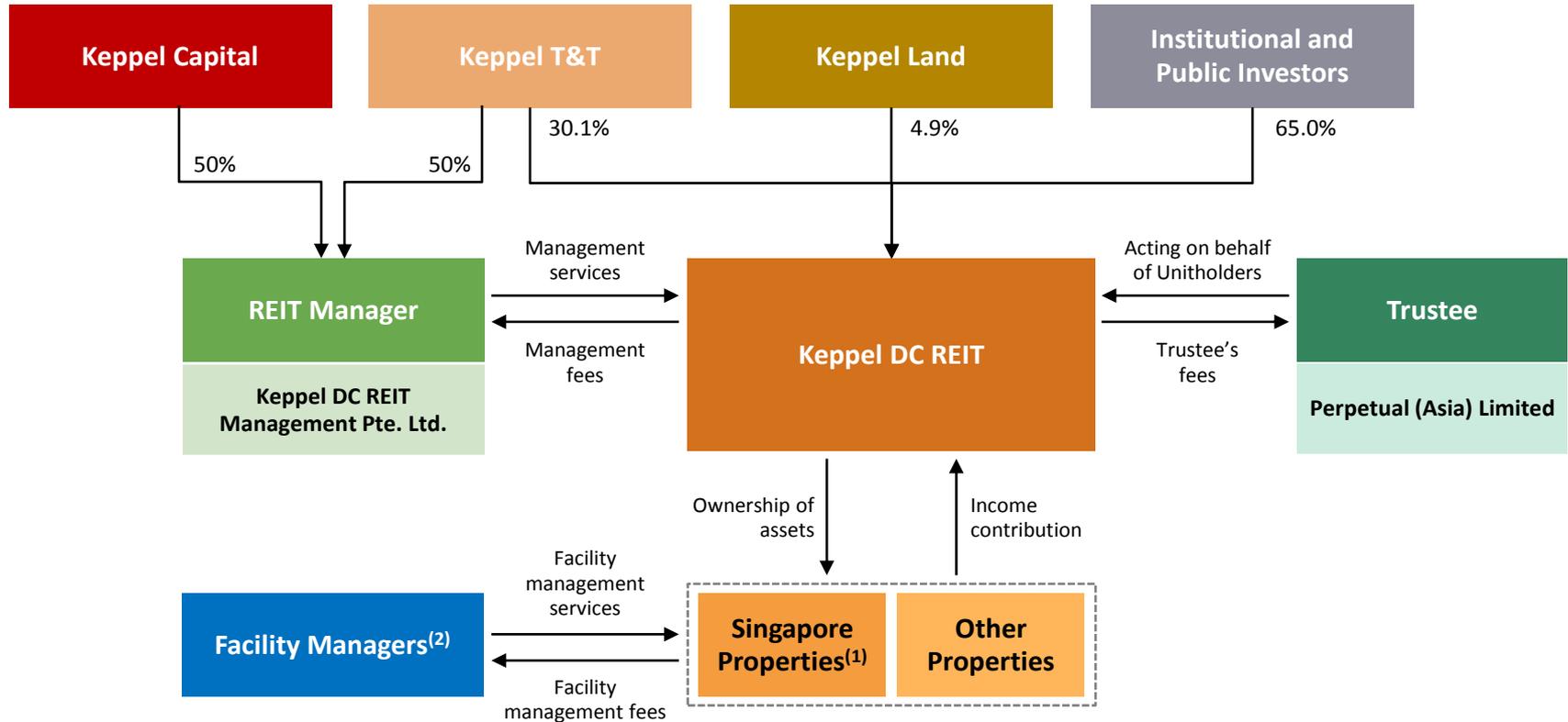


To provide Unitholders with regular and stable distributions, and to achieve long-term growth in DPU and NAV per unit, while maintaining an optimal capital structure.



**Additional Information**

# Keppel DC REIT Structure



Notes:

(1) The Singapore Properties are held directly by the REIT.

(2) The Facility Managers are appointed pursuant to the facility management agreements entered into for the respective properties.

# Portfolio Overview (as of 30 June 2016)

## Asia Pacific

Property	Location	Interest	Lettable area (sq ft)	No. of clients <sup>(1)</sup>	Occupancy rate (%)	Carrying Value <sup>(5)</sup> (\$m)	Lease type	WALE (years)	Land lease title
 <b>Keppel DC Singapore 1 (S25)</b>	Singapore	100%	109,574	21 <sup>(2)</sup>	85.7	275.0	Keppel lease / Colocation	3.6 <sup>(2)</sup>	Leasehold (Expiring 30 September 2025, with option to extend by 30 years)
 <b>Keppel DC Singapore 2 (T25)</b>	Singapore	100%	36,888	4 <sup>(2)</sup>	100.0	179.0	Keppel lease / Colocation	1.2 <sup>(2)</sup>	Leasehold (Expiring 31 July 2021, with option to extend by 30 years)
 <b>Basis Bay Data Centre</b>	Cyberjaya, Malaysia	99% <sup>(3)</sup>	48,680	1	100.0	40.1	Double-net (Fully fitted)	1.0	Freehold
 <b>Gore Hill Data Centre</b>	Sydney, Australia	100%	90,955	3	100.0	205.2	Triple-net (Shell & core) [one client] / Colocation [two clients]	8.4	Freehold
 <b>Intellicentre 2</b>	Sydney, Australia	100%	87,930	1	100.0	48.5	Triple-net (Shell & core)	19.1	Freehold
 <b>iseek Data Centre</b>	Brisbane, Australia	100%	12,389	1	100.0	30.3	Double-net <sup>(4)</sup> (Fully fitted)	10.0	Leasehold (Expiring 29 June 2040, with an option to extend for 7 years)

(1) Certain clients have signed more than one colocation arrangement using multiple entities.

(2) Based on the number of underlying clients which have entered into colocation arrangements with the Keppel lessees (Keppel Digihub Ltd and Keppel Datahub Pte Ltd) in Keppel DC Singapore 1 (S25) and Keppel DC Singapore 2 (T25), treating the Keppel leases on a pass-through basis to the underlying clients. Keppel DC REIT has in place the Keppel leases with the Keppel lessees pursuant to which Keppel DC REIT will grant a lease for a term of 10 years to the Keppel lessees, with an option to renew for a further term of five years.

(3) 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) includes the 1.0% interest in Basis Bay Data Centre held by the Basis Bay Vendor.

(4) Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.

(5) Carrying value of the investment properties does not include finance lease liabilities pertaining to land rent commitments in iseek Data Centre and Keppel DC Dublin 1 (Citadel 100 Data Centre).

# Portfolio Overview (as of 30 June 2016) (Cont'd)

## Europe

Property	Location	Interest	Lettable area (sq ft)	No. of clients <sup>(1)</sup>	Occupancy rate (%)	Carrying Value <sup>(5)</sup> (\$m)	Lease type	WALE (years)	Land lease title
 <b>GV7 Data Centre</b>	London, United Kingdom	100%	24,972	1	100.0	72.3	Triple-net (Fully fitted)	10.6	Leasehold (Expiring 28 September 2183)
 <b>Almere Data Centre</b>	Almere, Netherlands	100%	118,403	1 <sup>(2)</sup>	100.0	131.3	Double-net (Fully fitted)	12.2	Freehold
 <b>Keppel DC Dublin 1 (Citadel 100 Data Centre)</b>	Dublin, Ireland	100%	68,118	12	55.3	88.6	Colocation	2.7	Leasehold (Expiring 11 April 2041)

## Property Under Development

Property	Location	Interest	Lettable area (sq ft)	No. of clients	Occupancy rate (%)	Purchase Price (\$m)	Lease type	WALE (years)	Land lease title
 <b>maincubes Data Centre<sup>(3)</sup></b> (expected completion in 2018)	Offenbach am Main, Germany	100%	126,800	1	100.0 (upon legal completion)	131.1	Triple-net lease (Fully fitted)	15 <sup>(4)</sup>	Freehold

(1) Certain clients have signed more than one colocation arrangement using multiple entities.

(2) 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 client becomes conceptually similar to a sub-lease, with Borchveste being (i) the leasehold client of KDCR Almere B.V. and (ii) the lessor to the underlying client.

(3) On 28 October 2015, the REIT announced its first German acquisition of maincubes Data Centre which will be developed in Offenbach am Main. This development is expected to be completed in 2018 by the Vendor and is excluded from the portfolio's assets under management as at 31 December 2015.

(4) WALE upon lease commencement.

(5) Carrying value of the investment properties does not include finance lease liabilities pertaining to land rent commitments in isek Data Cente and Keppel DC Dublin 1 (Citadel 100 Data Centre).

# Overview of Lease Arrangements

## Asia Pacific

Property	Lease Arrangement	Description	Responsibilities of Lessor / Owner					
			Property Tax	Building Insurance	Facilities Management	Day-to-day Maintenance	Maintenance Opex	Refresh Capex
<b>Keppel DC Singapore 1 (S25)</b>	Keppel lease <sup>(1)</sup> / Colocation <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Client: Pays cost of rent and all expenses recharged to Lessor</li> <li>Lessor: Responsible for facilities management</li> </ul>	✓	✓	✓	✓	✓	✓
<b>Keppel DC Singapore 2 (T25)</b>	Keppel lease <sup>(1)</sup> / Colocation <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Client: Pays cost of rent and all expenses recharged to Lessor</li> <li>Lessor: Responsible for facilities management</li> </ul>	✓	✓	✓	✓	✓	✓
<b>Basis Bay Data Centre</b>	Double-net lease	<ul style="list-style-type: none"> <li>Client: Pays all outgoings except building insurance and property tax; responsible for facilities management</li> </ul>	✓	✓	-	-	-	✓
<b>Gore Hill Data Centre (for one client)</b>	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays all outgoings and responsible for facilities management in their space</li> </ul>	-	-	-	-	-	-
<b>Gore Hill Data Centre (for two clients)</b>	Colocation arrangement <sup>(2)(3)</sup>	<ul style="list-style-type: none"> <li>Client: Pays cost of rent</li> <li>Owner: All expenses paid by Lessor; responsible for facilities management</li> </ul>	✓	✓	✓	✓	✓	✓
<b>Intellicentre 2</b>	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays all outgoings; responsible for facilities management</li> </ul>	-	-	-	-	-	-
<b>iseek Data Centre</b>	Double-net lease <sup>(4)</sup>	<ul style="list-style-type: none"> <li>Client: Pays all outgoings except building insurance; Client responsible for facilities management</li> </ul>	-	✓	-	-	-	✓

- (1) Refers to the Keppel leases entered into by Keppel DC REIT with the Keppel lessees (Keppel Digihub Ltd and Keppel Datahub Pte Ltd) in relation to Keppel DC Singapore 1 (S25) and Keppel DC Singapore 2 (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 colocation arrangements between Keppel lessees and the underlying clients.
- (2) Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. In the case of Keppel DC REIT, end-clients with colocation 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 colocation arrangements.
- (3) Keppel DC REIT has in place colocation arrangements with two of the clients of Gore Hill Data Centre.
- (4) Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms thereof are structured as effectively equivalent to a double-net lease.

# Overview of Lease Arrangements (Cont'd)

## Europe

Property	Lease Arrangement	Description	Responsibilities of Lessor / Owner					
			Property Tax	Building Insurance	Facilities Management	Day-to-day Maintenance	Maintenance Opex	Refresh Capex
GV7 Data Centre	Triple-net lease	■ Client: Pays all outgoings; responsible for facilities management	-	-	-	-	-	-
Almere Data Centre	Double-net lease	■ Client: Pays all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-	-	-
Keppel DC Dublin 1 (Citadel 100 Data Centre)	Colocation <sup>(1)(2)</sup>	■ Client: Pays cost of rent; all expenses paid by Lessor ■ Owner: Responsible for facilities management	✓	✓	✓	✓	✓	✓

## Property Under Development

Property	Lease Arrangement	Description	Responsibilities of Lessor / Owner					
			Property Tax	Building Insurance	Facilities Management	Day-to-day Maintenance	Maintenance Opex	Refresh Capex
maincubes Data Centre <sup>(3)</sup> (expected completion in 2018)	Triple-net lease	■ Client: Pays all outgoings; responsible for facilities management	-	-	-	-	-	-

(1) Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. In the case of Keppel DC REIT, end-clients with colocation 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 colocation arrangements.

(2) Keppel DC REIT has in place colocation arrangements with the clients of Keppel DC Dublin 1 (Citadel 100 Data Centre).

(3) On 28 October 2015, the REIT announced its first German acquisition of maincubes Data Centre which will be developed in Offenbach am Main. This development is expected to be completed in 2018 by the Vendor and is excluded from the portfolio's assets under management as at 31 December 2015.

**Thank you.**