

KEPPEL DC REIT**THIRD QUARTER 2016 FINANCIAL STATEMENTS ANNOUNCEMENT****UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

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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.

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

SUMMARY OF KEPPEL DC REIT RESULTS

	Actual 3Q 2016 \$'000	Forecast ¹ 3Q 2016 \$'000	+/(-) %	Actual 9M 2016 \$'000	Forecast ¹ 9M 2016 \$'000	+/(-) %
Gross Revenue	22,663	25,767	(12.0)	72,299	76,743	(5.8)
Property Expenses	40	(3,898)	Nm	(6,305)	(11,608)	(45.7)
Net Property Income	22,703	21,869	3.8	65,994	65,135	1.3
Distributable Income to Unitholders ²	16,782	14,758	13.7	46,278	43,954	5.3
Distribution per Unit (DPU) (cents) ^{2,3}	1.90	1.67	13.8	5.24	4.98	5.2
Annualised Distribution Yield (%) ^{3,4}						
- Based on IPO offering price \$0.930				7.44	7.15	29bps
- Based on 9M 2016 closing price \$1.220				5.67	5.45	22bps

	Actual 3Q 2016 \$'000	Actual 3Q 2015 \$'000	+/(-) %	Actual 9M 2016 \$'000	Actual 9M 2015 \$'000	+/(-) %
Gross Revenue	22,663	25,743	(12.0)	72,299	77,698	(6.9)
Property Expenses	40	(4,370)	Nm	(6,305)	(12,671)	(50.2)
Net Property Income	22,703	21,373	6.2	65,994	65,027	1.5
Distributable Income to Unitholders ²	16,782	14,480	15.9	46,278	42,958	7.7
Distribution per Unit (cents) ^{2,3}	1.90	1.64	15.9	5.24	4.87	7.6
Annualised Distribution Yield (%) ^{3,4}						
- Based on 9M 2016 closing price \$1.220				5.67	5.34	33bps
- Based on 9M 2015 closing price \$1.020				6.79	6.38	41bps

Notes:

- Keppel DC REIT was established on 17 March 2011 and the acquisition of the Singapore Properties, remaining issued share capital of subsidiaries and an associate it does not already hold, except for a 1.0% non-controlling interest in Basis Bay Data Centre, were completed on Listing Date. The forecast figures were derived from the Projection Year FY2016 (for the financial periods from 1 July to 30 September 2016 and 1 January to 30 September 2016) as disclosed in the Prospectus.
- The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. No distribution has been declared for the financial period under review.
- Including a one-off distributable income arising from the net property tax refund amounting to approximately 0.23 cents per unit in 3Q 2016, the annualised DPU is approximately 6.92 cents (Actual 9M 2015: 6.51 cents). Excluding this one-off distributable income, the adjusted DPU for 3Q 2016 and 9M 2016 would be approximately 1.67 cents (Actual 3Q 2015: 1.64 cents) and 5.01 cents (Actual 9M 2015: 4.87 cents) respectively and the adjusted annualised DPU is approximately 6.69 cents (30 Sep 2015: 6.51 cents). The one-off property tax refund relates to the financial period from Listing Date to 31 December 2015.
- Annualised distribution yield is computed based on the annualised DPU and the relevant number of days over the financial year.

For details, refer to Paragraph 1A(i)(ii) - Statement of total return and distribution statement, Paragraph 8 -Review of Performance and Paragraph 9 - Variance from Forecast Statement.

INTRODUCTION

Keppel DC REIT was listed on Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 December 2014 ("Listing Date").

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

As at 30 September 2016, Keppel DC REIT has a portfolio size of approximately \$1.08 billion. The portfolio comprises 9 high quality well located data centres in Singapore, Australia, Ireland, Malaysia, the Netherlands and the United Kingdom (UK).

1) Keppel DC Singapore 1	("KDC SGP 1")	} (collectively, "Singapore Properties")
2) Keppel DC Singapore 2	("KDC SGP 2")	
3) Basis Bay Data Centre	("Basis Bay DC")	
4) Gore Hill Data Centre	("Gore Hill DC")	
5) Intellicentre 2	("IC2")	
6) isseek Data Centre	("iseek DC")	
7) GV7 Data Centre	("GV7 DC")	
8) Almere Data Centre	("Almere DC")	
9) Keppel DC Dublin 1	("KDC DUB 1")	

In October 2015, Keppel DC REIT announced the forward purchase of maincubes Data Centre which will be developed in Offenbach am Main, Germany, and is expected to be completed in 2018.

On 12 August 2016, Keppel DC REIT announced that it had entered into a share purchase agreement to acquire the shell and core building of a data centre in Milan, Italy. The acquisition is expected to be completed later this year.

On 6 October 2016, Keppel DC REIT announced and concurrently completed the acquisition of the shell and core building of Cardiff data centre in Cardiff, UK.

The notes below shall be applicable to the relevant paragraphs thereafter:

- "Actual" - The unaudited results of Keppel DC REIT for the financial periods under review is from 1 July to 30 September 2016 and 1 January to 30 September 2016.
- "Forecast" - The forecast figures were derived from the Projection Year 2016 (for the financial period 3Q 2016 and 9M 2016) as disclosed in the Prospectus.
- "3Q" – Refers to the third quarter from 1 July to 30 September 2016 and the corresponding period of the preceding year.
- "9M" – Refers to the nine months from 1 January to 30 September 2016 and the corresponding period of the preceding year.

1 UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

The Directors of Keppel DC REIT Management Pte. Ltd., as the manager of Keppel DC REIT, advise the following unaudited results of the Group for the nine months ended 30 September 2016:

1(A)(i)(ii) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT

Performance between Actual and Forecast results¹

Statement of Total Return (Group)

	Actual 3Q 2016 \$'000	Forecast 3Q 2016 \$'000	+ / (-) %	Actual 9M 2016 \$'000	Forecast 9M 2016 \$'000	+ / (-) %
Gross rental income	21,888	25,747	(15.0)	71,104	76,683	(7.3)
Other income	775	20	>100.0	1,195	60	>100.0
Gross Revenue	22,663	25,767	(12.0)	72,299	76,743	(5.8)
Property operating expenses	40	(3,898)	Nm	(6,305)	(11,608)	(45.7)
Net Property Income	22,703	21,869	3.8	65,994	65,135	1.3
Finance income	328	19	>100.0	986	57	>100.0
Finance costs	(3,122)	(3,331)	(6.3)	(9,366)	(9,922)	(5.6)
Trustee's fees	(45)	(45)	-	(135)	(135)	-
Manager's base fee	(1,359)	(1,320)	3.0	(4,068)	(3,932)	3.5
Manager's performance fee	(821)	(727)	12.9	(2,250)	(2,165)	3.9
Net realised gains on derivatives	1,136	-	Nm	1,776	-	Nm
Other trust income / (expenses)	3,162	(699)	Nm	4,123	(2,083)	Nm
Total return for the period before tax	21,982	15,766	39.4	57,060	46,955	21.5
Tax expenses	(931)	(1,053)	(11.6)	(3,004)	(3,137)	(4.2)
Total return for the period after tax	21,051	14,713	43.1	54,056	43,818	23.4
Attributable to:						
Unitholders	21,043	14,703	43.1	54,033	43,789	23.4
Non-controlling interest	8	10	(20.0)	23	29	(20.7)
	21,051	14,713	43.1	54,056	43,818	23.4

Distribution Statement

Total return for the period attributable to Unitholders	21,043	14,703	43.1	54,033	43,789	23.4
Net tax and other adjustments	(4,261)	55	Nm	(7,755)	165	Nm
Income available for distribution²	16,782	14,758	13.7	46,278	43,954	5.3
Distribution per Unit (cents)^{2, 3}	1.90	1.67	13.8	5.24	4.98	5.2

Notes:

Nm – Not meaningful

- Details of actual property operating expenses, other trust expenses, net tax and other adjustments, income available for distribution and distribution income to Unitholders for the periods can be found in **Paragraph 1(A)(i)(ii) Statement Of Total Return And Distribution Statement – Review of Performance between Actual 2016 and Actual 2015 results**. Review of performance can be found in **Paragraph 9 - Variance from Forecast Statement**.
- The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. No distribution has been declared for the financial period under review.
- Included a one-off distributable income arising from the net property tax refund amounting to approximately 0.23 cents per unit in 3Q 2016. Excluding this one-off distributable income, the adjusted DPU for 3Q 2016 and 9M 2016 would be approximately 1.67 cents (Forecast: 1.67 cents) and 5.01 cents (Forecast: 4.98 cents) respectively.

1(A)(i)(ii) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT
Performance between 2016 and 2015 results

Statement of total return and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Total Return (Group)

		Actual 3Q 2016 \$'000	Actual 3Q 2015 \$'000	+ / (-) %	Actual 9M 2016 \$'000	Actual 9M 2015 \$'000	+ / (-) %
	Note						
Gross rental income		21,888	25,241	(13.3)	71,104	76,154	(6.6)
Other income	1	775	502	54.4	1,195	1,544	(22.6)
Gross Revenue		22,663	25,743	(12.0)	72,299	77,698	(6.9)
Property operating expenses	2	40	(4,370)	Nm	(6,305)	(12,671)	(50.2)
Net Property Income		22,703	21,373	6.2	65,994	65,027	1.5
Finance income		328	-	Nm	986	-	Nm
Finance costs	3	(3,122)	(2,887)	8.1	(9,366)	(8,554)	9.5
Trustee's fees		(45)	(45)	-	(135)	(135)	-
Manager's base fee		(1,359)	(1,249)	8.8	(4,068)	(3,714)	9.5
Manager's performance fee		(821)	(1,148)	(28.5)	(2,250)	(2,580)	(12.8)
Net realised gains on derivatives	4	1,136	771	47.3	1,776	771	>100.0
Other trust income	5	3,162	714	>100.0	4,123	2,021	>100.0
Total return for the period before tax		21,982	17,529	25.4	57,060	52,836	8.0
Tax expenses	6	(931)	(614)	51.6	(3,004)	(3,178)	(5.5)
Total return for the period after tax		21,051	16,915	24.5	54,056	49,658	8.9
Attributable to:							
Unitholders		21,043	16,906	24.5	54,033	49,630	8.9
Non-controlling interest		8	9	(11.1)	23	28	(17.9)
		21,051	16,915	24.5	54,056	49,658	8.9

Distribution Statement

Total return for the period attributable to Unitholders		21,043	16,906	24.5	54,033	49,630	8.9
Net tax and other adjustments	7	(4,261)	(2,426)	75.6	(7,755)	(6,672)	16.2
Income available for distribution	8	16,782	14,480	15.9	46,278	42,958	7.7
Distribution per Unit (cents)	9	1.90	1.64	15.9	5.24	4.87	7.6

Note:

Nm – Not meaningful

Notes (Actual 2016 and Actual 2015):

1 In 3Q 2016, higher other income was mainly due to higher ad hoc service income as compared to 3Q 2015.

2 Included as part of the property operating expenses were the following:

	Actual 3Q 2016 \$'000	Actual 3Q 2015 \$'000	Actual 9M 2016 \$'000	Actual 9M 2015 \$'000
Property-related taxes	2,502	(998)	764	(2,674)
Facility management costs	(1,225)	(1,267)	(4,021)	(3,932)
Repairs and maintenance	(371)	(827)	(1,032)	(2,272)
Other property-related costs	(866)	(1,278)	(2,016)	(3,793)
	40	(4,370)	(6,305)	(12,671)

In 3Q 2016, there were revisions to the annual value of the investment properties resulting in a refund of property tax amounting to approximately \$2.7 million till date before the associated consultancy fees incurred in relation to the appeal and taxes.

3 Included in finance costs were interest expense, amortisation of debt related transaction costs from borrowings and finance lease charges recognised.

4 Net realised gains on derivatives for 3Q 2016 relate to the net gains on settlement of forward foreign exchange contracts.

5 Included in other trust income in 3Q 2016 were net higher unrealised foreign exchange gains on the revaluation of borrowings mainly due to the depreciation of GBP and EUR against SGD, partially offset by realised foreign exchange losses on the settlement of working capital, as compared to 3Q 2015.

6 Tax expenses comprise (i) tax in relation to the taxable income that are not accorded full tax transparency treatment, (ii) tax expense of the Group's overseas properties, and (iii) net deferred tax expenses recognised on tax losses carried forward and fair value changes in investment properties.

7 Included in the net tax and other adjustments were the following:

	Actual 3Q 2016 \$'000	Actual 3Q 2015 \$'000	Actual 9M 2016 \$'000	Actual 9M 2015 \$'000
Trustee's fees	45	45	135	135
Rental income adjustment on a straight-line basis	1,679	(454)	1,113	(1,986)
Amortisation of capitalised transaction costs	88	93	266	275
Unrealised foreign exchange gains	(3,677)	(669)	(6,240)	(4,629)
Deferred tax	(293)	(149)	(44)	512
Other net adjustments	(2,103)	(1,292)	(2,985)	(979)
Net tax and other adjustments	(4,261)	(2,426)	(7,755)	(6,672)

Included in other net adjustments were dividends and distribution income, finance lease charges, other non-taxable income and non-deductible expenses.

8 Higher distributable income in the current financial quarter was mainly due to net property tax refund in relation to the Singapore Properties. Excluding this one-off distributable income for the net property tax refund of approximately \$2.0 million, the adjusted distributable income in the current financial quarter would still be higher than 3Q 2015 mainly due to contribution from Intellicentre 2, higher other income (Note 1) and higher finance income. These were offset by a client downsizing its requirements in Keppel DC Dublin 1 in 1Q 2016, lower contribution from the Singapore Properties and higher finance costs and tax expenses.

9 The DPU is derived based on the Units in issue as at the end of the financial period. No distribution has been declared for the financial period under review. Excluding the one-off distributable income amounting to approximately 0.23 cents per unit, the adjusted DPU for 3Q 2016 and 9M 2016 would be approximately 1.67 cents (3Q 2015: 1.64 cents) and 5.01 cents (9M 2015: 4.87 cents) respectively.

1(B)(i) BALANCE SHEETS

Balance sheets together with a comparative statement for the end of the immediately preceding financial year

	Note	Group			Trust		
		Actual 30-Sep-16 \$'000	Actual 31-Dec-15 \$'000	+/(-) %	Actual 30-Sep-16 \$'000	Actual 31-Dec-15 \$'000	+/(-) %
Non-current assets							
Investment properties	1	1,107,364	1,102,685	0.4	474,435	454,000	4.5
Investment in subsidiaries	2	-	-	-	393,985	390,454	0.9
Loans to subsidiaries	2	-	-	-	156,475	156,440	-
Derivative financial assets	3	642	4,200	(84.7)	642	564	13.8
Deposit	4	12,553	12,744	(1.5)	-	-	-
Deferred tax assets	5	237	312	(24.0)	-	-	-
Total non-current assets		1,120,796	1,119,941	0.1	1,025,537	1,001,458	2.4
Current assets							
Trade and other receivables	6	34,280	53,060	(35.4)	13,412	33,023	(59.4)
Derivative financial assets	3	1,604	1,009	59.0	1,604	1,009	59.0
Cash and other equivalents		33,342	37,161	(10.3)	22,247	26,707	(16.7)
Total current assets		69,226	91,230	(24.1)	37,263	60,739	(38.7)
TOTAL ASSETS		1,190,022	1,211,171	(1.7)	1,062,800	1,062,197	-
Current liabilities							
Loans and borrowings	7	36,846	33,643	9.5	-	-	-
Loans from a subsidiary		-	-	-	33,261	30,208	10.1
Derivative financial liabilities	3	404	139	>100.0	404	139	>100.0
Trade and other payables	8	22,852	17,785	28.5	15,942	7,898	>100.0
Total current liabilities		60,102	51,567	16.6	49,607	38,245	29.7
Non-current liabilities							
Loans and borrowings	7	333,641	338,337	(1.4)	-	-	-
Loans from a subsidiary		-	-	-	306,757	311,640	(1.6)
Derivative financial liabilities	3	4,588	1,721	>100.0	147	361	(59.3)
Deferred tax liabilities	5	5,813	6,058	(4.0)	4	-	Nm
Total non-current liabilities		344,042	346,116	(0.6)	306,908	312,001	(1.6)
TOTAL LIABILITIES		404,144	397,683	1.6	356,515	350,246	1.8
NET ASSETS		785,878	813,488	(3.4)	706,285	711,951	(0.8)
Represented by:							
Unitholders' funds		785,484	813,114	(3.4)	706,285	711,951	(0.8)
Non-controlling interest	9	394	374	5.3	-	-	-
		785,878	813,488	(3.4)	706,285	711,951	(0.8)
Net asset value per Unit (\$)	10	0.889	0.921	(3.5)	0.800	0.806	(0.7)
Aggregate leverage / Deposited properties (%)	11	29.4	29.2	20bps	Nm	Nm	Nm

Note:

Nm – Not meaningful

Notes:

- 1 Included in the investment properties were finance leases of \$31.3 million capitalised at the lower of its fair value and the present value of the minimum lease payments for isseek Data Centre and Keppel DC Dublin 1.

<u>Investment Properties</u>	<u>Tenure</u>	<u>Carrying value</u> <u>(\$'000)</u>
Keppel DC Singapore 1	Leasehold, expiring 30 Sept 2055 [^]	292,878
Keppel DC Singapore 2	Leasehold, expiring 31 July 2051 [^]	181,557
Basis Bay Data Centre	Freehold	39,259
Gore Hill Data Centre	Freehold	204,010
iseek Data Centre	Leasehold, expiring 29 June 2047 [^]	38,798
Intellicentre 2	Freehold	48,175
GV 7 Data Centre	Leasehold, expiring 28 Sept 2183 [^]	66,736
Almere Data Centre	Freehold	127,771
Keppel DC Dublin 1	Leasehold, expiring 11 April 2041 [^]	108,180
		1,107,364

[^] Include options to renew between 7 to 30 years

- 2 These relate to the investments in subsidiaries as well as interest-bearing and quasi-equity loans to subsidiaries.
- 3 These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from the investment properties in Australia, Europe and Malaysia, and the fair value of interest rate swaps entered into by the Group. These are for hedging purposes.
- 4 This relates to the 10% deposit made to the vendor upon signing of the forward sale and purchase agreement for the acquisition of maincubes Data Centre in Offenbach am Main, Germany. Completion of the acquisition is subject to the completion of the construction of the data centre by the vendor, expected to be in 2018, as well as satisfaction of other conditions.
- 5 These relate to the net deferred tax assets and liabilities recognised in different tax jurisdictions that arose on tax losses carried forward and fair value changes in investment properties held in Ireland, the Netherlands, Malaysia and Singapore.
- 6 Included in trade and other receivables were accrued rental revenue from the clients. Also included were deferred lease receivables relating to lease income which has been recognised due to the straight-lining of rental revenue in accordance with *FRS 17 Leases*, but not yet received from the clients.
- 7 This relates to external bank borrowings of \$340.0 million drawn down (refer to Paragraph 1(B)(ii)), finance lease liabilities recognised for isseek Data Centre and Keppel DC Dublin 1 and capitalised debt-related transaction costs.
- 8 Included in trade and other payables were payables to related corporations pertaining to revisions of property tax of investment properties based upon indemnities as provided by the sales and purchase agreements.
- 9 This relates to the non-controlling interest's share of net asset value.
- 10 This excludes the non-controlling interest's share of net asset value.
- 11 Aggregate leverage relates to the \$340.0 million external borrowings drawn down (refer to Paragraph 1(B)(ii)) and deposited properties refers to the value of the Group's total assets based on the latest valuation defined in the property fund guidelines in the Code on Collective Investment Schemes issued by MAS, without considering finance lease liabilities pertaining to the land rent commitments for isseek Data Centre and Keppel DC Dublin 1. If these finance lease liabilities pertaining to land rent commitments were included, the ratio would be 31.2% (31 December 2015: 31.1%).

1(B)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES

	Actual As at 30 Sep 16 \$'000	Actual As at 31 Dec 15 \$'000
Unsecured borrowings¹		
Amount repayable within one year	33,261	30,208
Amount repayable after one year	306,757	311,640
	340,018	341,848

Note:

- 1 Keppel DC REIT has obtained unsecured facilities comprising (i) term loan facilities maturing in two to five years (2015: three to five years) amounting to approximately \$366.5 million (2015: \$311.6 million) in SGD, AUD, EUR and GBP currencies and (ii) revolving credit facilities, amounting to a total of \$170.2 million (2015: \$70.0 million).

As at 30 September 2016, the Group had total borrowings of approximately \$340.0 million and unutilised \$196.7 million of facilities to meet its future obligations. The year-to-date all-in average interest rate for borrowings was 2.4% per annum for the financial period ended 30 September 2016.

1(C) CONSOLIDATED STATEMENT OF CASH FLOWS

	Actual 3Q 2016 \$'000	Actual 3Q 2015 \$'000	Actual 9M 2016 \$'000	Actual 9M 2015 \$'000
Operating activities				
Total return for the financial period	21,051	16,915	54,056	49,658
Adjustments for:				
Tax expenses	931	614	3,004	3,178
Finance income	(328)	-	(986)	-
Finance costs	3,122	2,887	9,366	8,554
Management fees paid in Units	61	-	204	-
	24,837	20,416	65,644	61,390
Changes in working capital:				
- Trade and other receivables	8,381	5,294	8,461	(15,203)
- Trade and other payables	(9,620)	93	(10,132)	(3,694)
Cash generated from operations	23,598	25,803	63,973	42,493
Income tax paid	(57)	(184)	(1,014)	(160)
Net cash from operating activities	23,541	25,619	62,959	42,333
Cash flows from investing activities				
Acquisition of investment properties	-	(43,595)	-	(43,595)
Capital expenditure on investment properties	(2,057)	(91)	(2,586)	(94)
Net cash used in investing activities	(2,057)	(43,686)	(2,586)	(43,689)
Cash flows from financing activities				
Proceeds from bank borrowings	3,054	43,515	3,709	43,515
Payment of financing transaction costs	(2)	(67)	(2)	(67)
Finance costs paid	(2,516)	(2,715)	(8,715)	(7,903)
Distributions paid to Unitholders	(29,496)	(31,432)	(58,458)	(31,432)
Dividends paid to a non-controlling interest	(5)	(10)	(21)	(30)
Repayment of amount due to a related corporation	-	-	-	(1,712)
Payment of transaction costs relating to fund-raising	-	-	-	(3,548)
Net cash (used in) / from financing activities	(28,965)	9,291	(63,487)	(1,177)
Net decrease in cash and cash equivalents	(7,481)	(8,776)	(3,114)	(2,533)
Cash and cash equivalents at beginning of period	41,422	31,234	37,161	25,537
Effects of exchange rate fluctuations on cash held	(599)	(156)	(705)	(702)
Cash and cash equivalents at end of period	33,342	22,302	33,342	22,302

Cash flow analysis (3Q 2016 vs 3Q 2015)

Cash generated from operating activities for the quarter was \$23.6 million, \$2.2 million lower than \$25.8 million for the corresponding quarter last year. This was mainly due to lower working capital partially offset by higher operational cash inflow during the quarter.

Net cash used in investing activities for the quarter was \$2.1 million, lower than \$43.7 million for 3Q 2015. This was mainly due to the completion of the acquisition of Intellicentre 2 in Sydney in August 2015.

Net cash used in financing activities was \$29.0 million as compared to net cash generated of \$9.3 million for the corresponding quarter last year. This was mainly due to bank borrowings proceeds drawn down to finance the acquisition of Intellicentre 2 in August 2015.

1(D)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

GROUP

	Note	Unitholders' Funds \$'000	Non-controlling interest \$'000	Total \$'000
At 1 January 2016		813,114	374	813,488
Operations				
Total return for the period		32,990	15	33,005
Net increase in net assets resulting from operations		32,990	15	33,005
Unitholders' transactions				
Distributions to Unitholders		(28,962)	-	(28,962)
Payment of management fees in Units		143	-	143
Net decrease in net assets resulting from Unitholders' transactions		(28,819)	-	(28,819)
Dividends paid to a non-controlling interest		-	(16)	(16)
Hedging Reserve				
Movement in hedging reserve	1	(3,593)	-	(3,593)
Net decrease in hedging reserve		(3,593)	-	(3,593)
Foreign currency translation movement for the period	1	(3,201)	27	(3,174)
At 30 June 2016		810,491	400	810,891
Operations				
Total return for the period		21,043	8	21,051
Net increase in net assets resulting from operations		21,043	8	21,051
Unitholders' transactions				
Distributions to Unitholders		(29,496)	-	(29,496)
Payment of management fees in Units		61	-	61
Net decrease in net assets resulting from Unitholders' transactions		(29,435)	-	(29,435)
Dividends paid to a non-controlling interest		-	(5)	(5)
Hedging Reserve				
Movement in hedging reserve	1	(2,417)	-	(2,417)
Net decrease in hedging reserve		(2,417)	-	(2,417)
Foreign currency translation movement for the period	1	(14,198)	(9)	(14,207)
At 30 September 2016		785,484	394	785,878

Note:

- These other comprehensive income items relate to the fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and the movement in foreign currency translation reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.

1(D)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

GROUP

	Note	Unitholders' Funds \$'000	Non-controlling interest \$'000	Total \$'000
At 1 January 2015		772,587	441	773,028
Operations				
Total return for the period		32,724	19	32,743
Net increase in net assets resulting from operations		32,724	19	32,743
Dividends paid to a non-controlling interest		-	(20)	(20)
Hedging Reserve				
Movement in hedging reserve	1	2,848	-	2,848
Net increase in hedging reserve		2,848	-	2,848
Foreign currency translation movement for the period	1	(28,885)	(26)	(28,911)
At 30 June 2015		779,274	414	779,688

Operations				
Total return for the period		16,906	9	16,915
Net increase in net assets resulting from operations		16,906	9	16,915
Unitholders' transactions				
Distributions to Unitholders		(31,432)	-	(31,432)
Net decrease in net assets resulting from Unitholders' transactions		(31,432)	-	(31,432)
Dividends paid to a non-controlling interest		-	(10)	(10)
Hedging Reserve				
Movement in hedging reserve	1	(649)	-	(649)
Net decrease in hedging reserve		(649)	-	(649)
Foreign currency translation movement for the period	1	(7,619)	-	(7,619)
At 30 September 2015		756,480	413	756,893

Note:

- These other comprehensive income items relate to the fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and the movement in foreign currency translation reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.

1(D)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

TRUST

	Note	Unitholders' Funds 2016 \$'000	Unitholders' Funds 2015 \$'000
At 1 January		711,951	669,140
Operations			
Total return for the period		32,007	8,390
Net increase in net assets resulting from operations		32,007	8,390
Unitholders' transactions			
Distribution to Unitholders		(28,962)	-
Payment of management fees in Units		143	-
Net decrease in net assets resulting from Unitholders' transactions		(28,819)	-
Hedging Reserve			
Movement in hedging reserve	1	2,434	2,082
Net increase in hedging reserve		2,434	2,082
At 30 June		717,573	679,612
Operations			
Total return for the period		19,959	14,500
Net increase in net assets resulting from operations		19,959	14,500
Unitholders' transactions			
Distributions to Unitholders		(29,496)	(31,432)
Payment of management fees in Units		61	-
Net decrease in net assets resulting from Unitholders' transactions		(29,435)	(31,432)
Hedging Reserve			
Movement in hedging reserve	1	(1,812)	(900)
Net decrease in hedging reserve		(1,812)	(900)
At 30 September		706,285	661,780

Note:

- 1 The other comprehensive income item relates to the fair value changes of the cash flow hedges as a result of interest rate swaps entered into by the Trust.

1(D)(ii)DETAIL OF CHANGES IN THE UNITS

GROUP AND TRUST	Actual 1 Jul 16 to 30 Sep 16	Actual 1 Jan 16 to 30 Jun 16	Actual 1 Jan 15 to 30 Sep 15
	No. of Units	No. of Units	No. of Units
Issued Units as at beginning of period	883,115,429	882,976,595	882,930,000
Management fees paid in Units	55,657	138,834	-
Issued Units as at end of period	883,171,086	883,115,429	882,930,000

1(D)(iii)TOTAL NUMBER OF ISSUED UNITS

Keppel DC REIT did not hold any treasury units as at 30 September 2016 and 31 December 2015.

	Actual As at 30 Sep 16	Actual As at 31 Dec 15
Total number of issued Units	883,171,086	882,976,595

1(D)(iv) SALES, TRANSFER, DISPOSALS, CANCELLATION OR USE OF TREASURY UNITS

Not applicable.

2 AUDIT

Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by the auditors.

3 AUDITORS' REPORT

Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 ACCOUNTING POLICIES

Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation have been consistently applied during the current reporting period except that in the current financial year, the Group has adopted new and revised standards and Interpretation of FRS ("INT FRS") that are effective for annual period beginning on 1 January 2016.

5 CHANGES IN ACCOUNTING POLICIES

If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT

	Actual 3Q 2016	Actual 3Q 2015	Actual 9M 2016	Actual 9M 2015
Earnings per Unit ("EPU")				
EPU (basic and diluted) (cents)	2.38	1.91	6.12	5.62
Weighted average number of Units ¹	883,153,542	882,930,000	883,095,127	882,930,000
Total return for the period after tax ² (\$'000)	21,043	16,906	54,033	49,630
Distribution per Unit ("DPU")				
DPU^{3,4} (cents)	1.90	1.64	5.24	4.87
Total number of Units in issue at end of period	883,171,086	882,930,000	883,171,086	882,930,000
Income available for distribution to Unitholders (\$'000)	16,782	14,480	46,278	42,958

7 NET ASSET VALUE ("NAV") / NET TANGIBLE ASSET ("NTA") PER UNIT

	Actual As at 30 Sep 16	Actual As at 31 Dec 15
NAV²/NTA² per Unit⁵ (\$)	0.889	0.921
Adjusted NAV ² per unit (excluding the distributable income)	0.870	0.888

Notes:

- 1 The actual weighted average number of Units was based on the issued Units during the financial period in review.
- 2 This excludes the non-controlling interest's share of net asset value / net tangible asset and total return for the period after tax.
- 3 DPU is based on 100% of the taxable income available for distribution to Unitholders. No distribution has been declared for the financial period under review.
- 4 DPU was computed and rounded based on the relevant number of Units entitled to distribution at the end of the period. Including the one-off distributable income arising from the net property tax refund amounting to approximately 0.23 cents per unit, the annualised DPU would be approximately 6.92 cents (30 Sep 2015: 6.51 cents). Excluding the one-off distributable income arising from the net property tax refund in 3Q 2016, the adjusted annualised DPU would have been approximately 6.69 cents.
- 5 The NAV / NTA per Unit was computed based on the issued Units at the end of the period.

8 REVIEW OF PERFORMANCE

Review of the Performance between Actual 2016 and 2015 results

Actual (9M 2016 vs 9M 2015)

Gross rental income for 9M 2016 was \$71.1 million, a decrease of \$5.1 million or 6.6% from 9M 2015 of \$76.2 million. At Keppel DC Dublin 1, there was lower rental income arising from a client downsizing its requirements in 1Q 2016 as well as the absence of the initial recognition gain recorded in 1Q 2015 for the straight-lining of rental income. At Almere Data Centre, there was also a one-off non-cash downward adjustment for the straight-lining of rental income in 3Q 2016. There was a drop in the variable income at the Singapore Properties due to lower recurring and power revenue as well as higher repairs and maintenance and other property-related costs. In addition, overseas contribution declined due to the depreciation of AUD, GBP and MYR against SGD. These were partially offset by contribution from Intellicentre 2. Other income was \$1.2 million arising mainly from power and service revenue charged to clients.

For 9M 2016, the impact of lower gross revenue was offset by savings in property operating expenses of \$6.3 million, \$6.4 million or 50.2% lower, as compared to 9M 2015. This was largely due to a refund of property tax amounting to approximately \$2.7 million in 3Q 2016 before the associated consultancy fees paid in relation to the appeal and taxes due to revisions in the annual value of the investment properties in Singapore, as compared to the higher property taxes that were incurred during 2015. Lower repairs and maintenance and other property-related costs from the colocation assets as compared to 9M 2015 also contributed to the lower property expenses.

As a result, net property income of \$66.0 million for 9M 2016 was \$1.0 million or 1.5% higher than 9M 2015.

Total return after tax for 9M 2016 was \$54.1 million, an increase of \$4.4 million or 8.9% as compared to 9M 2015 of \$49.7 million. This was mainly due to higher net property income, higher finance income, higher realised gains on settlement of foreign exchange contracts in 9M 2016, higher net unrealised foreign exchange gains and lower other expenses. These were partially offset by higher finance costs as compared to 9M 2015.

Actual (3Q 2016 vs 3Q 2015)

Gross rental income for 3Q 2016 was \$21.9 million, a decrease of \$3.3 million or 13.3% from 3Q 2015 of \$25.2 million. At Keppel DC Dublin 1, there was lower rental income arising from a client downsizing its requirements in 1Q 2016. At Almere Data Centre, there was a one-off non-cash downward adjustment for the straight-lining of rental income in 3Q 2016. There was a drop in variable income at the Singapore Properties due to lower recurring and power revenue and higher other property-related costs. In addition, overseas contribution declined due to the depreciation of GBP and MYR against SGD. These were partially offset by contribution from Intellicentre 2 and higher overseas contribution due to the appreciation of AUD and EUR against SGD. Other income was \$0.8 million arising mainly from power and service revenue charged to clients.

For 3Q 2016, the impact of lower gross revenue was offset by savings in property operating expenses, \$4.4 million lower as compared to 3Q 2015. This was largely due to a refund of property tax amounting to approximately \$2.7 million in 3Q 2016 before the associated consultancy fees paid in relation to the appeal and taxes due to revisions in the annual value of the investment properties, as compared to the higher property taxes that were paid in 2015. Lower repairs and maintenance and other property-related costs also contributed to the lower property expenses. These were partially offset by higher expenses arising from the appreciation of AUD and EUR against SGD.

As a result, net property income of \$22.7 million for 3Q 2016 was \$1.3 million or 6.2% higher than 3Q 2015.

Total return after tax for 3Q 2016 was \$21.1 million, an increase of \$4.2 million or 24.5% as compared to 3Q 2015 of \$16.9 million. This was mainly due to higher net property income, higher unrealised foreign exchange gains in 3Q 2016, higher realised gains on settlement of foreign exchange contracts in 3Q 2016 and higher finance income. These were partially offset by higher finance costs and tax expenses as compared to 3Q 2015.

9 VARIANCE FROM FORECAST STATEMENT

Review of performance between the Actual and Forecast Results

Actual vs Forecast (9M 2016)

Gross rental income for 9M 2016 was \$71.1 million, a decrease of \$5.6 million or 7.3% from Forecast of \$76.7 million. At Keppel DC Dublin 1, there was lower rental income arising from a client downsizing its requirements in 1Q 2016. At Almere Data Centre, there was also a one-off non-cash downward adjustment of straight-lining of rental income in 3Q 2016. There was a drop in variable income at the Singapore Properties due to lower recurring and power revenue and higher property-related costs. In addition, overseas contribution declined due to the depreciation of AUD, EUR, GBP and MYR against SGD as compared to Forecast. These were offset by contribution from Intellicentre 2. Other income was \$1.2 million arising mainly from power and service revenue charged to clients.

For 9M 2016, the impact of lower gross revenue was offset by savings in property operating expenses of \$6.3 million, \$5.3 million or 45.7% lower, as compared to Forecast. This was largely due to a refund of property tax amounting to approximately \$2.7 million in 3Q 2016 before the associated consultancy fees paid in relation to the appeal and taxes due to revisions in the annual value of the investment properties. Lower repairs and maintenance and other property-related costs from the colocation assets and the depreciation of AUD and EUR against SGD also contributed to the lower property expenses.

As a result, net property income of \$66.0 million for 9M 2016 was \$0.9 million or 1.3% higher as compared to Forecast.

Total return after tax for 9M 2016 was \$54.1 million, an increase of \$10.3 million or 23.4% as compared to Forecast. This was mainly due to higher net property income, higher net unrealised foreign exchange gains of \$6.2 million in 9M 2016, higher realised gains on settlement of foreign exchange forward contracts in 2016, higher finance income and lower finance costs as compared to Forecast.

Actual vs Forecast (3Q 2016)

Gross rental income for 3Q 2016 was \$21.9 million, a decrease of \$3.9 million or 15.0% from Forecast of \$25.8 million. This was due to lower rental income from Keppel DC Dublin 1 arising from a client downsizing its requirements and lower overseas contribution due to the depreciation of AUD, EUR, GBP and MYR against SGD as compared to Forecast. At Almere Data Centre, there was also a one-off non-cash downward adjustment of straight-lining of rental income in 3Q 2016. There was a drop in variable income at the Singapore Properties due to lower recurring and power revenue and higher property-related costs. These were partially offset by contribution from Intellicentre 2. Other income was \$0.8 million arising mainly from power and service revenue charged to clients.

For 3Q 2016, the impact of lower gross revenue was offset by savings in property operating expenses, \$3.9 million lower as compared to Forecast. This was largely due to a refund of property tax amounting to approximately \$2.7 million in 3Q 2016 before the associated consultancy fees paid in relation to the appeal and taxes due to revisions in the annual value of the investment properties. Lower repairs and maintenance and other property-related costs from the colocation assets and the depreciation of AUD and EUR against SGD also contributed to the lower property expenses.

As a result, net property income of \$22.7 million for 3Q 2016 was \$0.8 million or 3.8% higher as compared to Forecast.

Total return after tax for 3Q 2016 was \$21.1 million, an increase of \$6.4 million or 43.1% as compared to Forecast. This was mainly due to higher net property income, higher net unrealised foreign exchange gains of \$3.7 million in 3Q 2016, higher realised gains on settlement of foreign exchange forward contracts in 2016, higher finance income and lower finance costs as compared to Forecast.

10 PROSPECTS

A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In its biannual projections for the global economy in October 2016, the International Monetary Fund maintained its 2016 global growth forecast at 3.1% in view of sluggish economic performance, international trade slowdown, and geopolitical uncertainties. Despite the lacklustre macroeconomic outlook, the data centre industry fundamentals remain positive.

While the increase in data centre space in Singapore is expected to exert near-term pressure on rental rates, the Manager is confident of the data centre market's long-term potential. The proposed acquisition of Keppel DC Singapore 3¹ under the right of first refusal granted by the Sponsor, Keppel Telecommunications & Transportation Ltd, will serve to strengthen the REIT's foothold in the high-potential market and provide greater income resilience with an expanded portfolio. The preferential offering that accompanies the proposed acquisition will lower the REIT's aggregate leverage, allowing greater debt headroom to pursue future growth opportunities. The increase in total number of Units in issue may also improve the trading liquidity of the Units.

Apart from seeking growth through acquisitions, the Manager maintains a proactive asset management strategy by engaging clients ahead of contract expiry and working to improve occupancy of its properties in order to optimise returns from its existing portfolio.

The Manager believes that the recently announced acquisitions of the Milan data centre, Cardiff data centre as well as the proposed acquisition of Keppel DC Singapore 3¹ will support long-term growth for Keppel DC REIT. The Manager remains committed to its disciplined investment and prudent capital management strategies to capture the growth potential of this industry and deliver value to the REIT's stakeholders.

11 RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigates them. Some of the key risks that the Manager has identified are as follows:

Interest rate risk

The Manager constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through financial instruments or other suitable financial products.

Liquidity risk

The Manager monitors and maintains Keppel DC REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Consideration has been given to funding and expense requirements so as to manage the cash position at any point of time.

Note:

1 On 17 October 2016, the Manager has announced that the Trustee, in its capacity of Keppel DC REIT, has entered into a conditional share purchase agreement with Keppel Data Centre Holdings Pte. Ltd. in relation to a proposed acquisition of 90.0% interest in Keppel DC Singapore 3 Pte. Ltd., which in turn holds Keppel DC Singapore 3 located at 27 Tampines Street 92, Singapore 528878.

11 RISK FACTORS AND RISK MANAGEMENT

Credit risk

Credit risk assessments of prospective clients are carried out by way of evaluation of information from corporate searches conducted prior to the signing of lease agreements. In addition, the Manager also monitors the property portfolio's client trade sector mix to assess and manage exposure to any one potentially volatile trade sector.

Currency risk

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, Europe and Malaysia, and the distributable income and interest income from progressive payments related to such foreign investments. The Group maintains a natural economic hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Manager monitors the Group's foreign currency exposure on an on-going basis and will manage its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

Operational risk

Measures have been put in place to ensure sustainability of net property income. These measures include steps taken to negotiate for favourable terms/covenants, manage expenses, and actively monitor rental payments from the clients and continuously evaluate the Group's counter-parties.

In addition, the Manager also continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary. The Manager manages such risks through multiple layers of redundancy and back-up systems as well as detailed and structured operational procedures, maintenance programmes and appropriate method statements. Such multiple layers of redundancy and back-up systems have at times failed in the data centre industry.

Competition risk

The Manager will actively manage the properties and grow strong relationships with its clients by providing value-added property-related services. Through such active asset management and enhancements, the Manager seeks to maintain high client retention and occupancy levels and achieve stable rental growth, as well as minimise the costs associated with marketing and leasing space to new clients.

The Manager will work with the facility managers (where applicable) to actively manage (i) contract and colocation renewals and (ii) new contracts and colocation arrangements to maintain high client retention levels and minimise vacancy periods. The Manager also intends to leverage on its relationship with existing data centre clients as well as data centre brokers to secure new clients for the Group's new and existing data centre facilities.

12 DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year?

No.

(c) Book closure date

Not applicable.

(d) Date payable

Not applicable.

13 DISTRIBUTION STATEMENT

If no distribution has been declared / recommended, a statement to that effect.

Other than as disclosed in Paragraph 12(a), no distribution has been declared / recommended.

14 INTERESTED PERSON TRANSACTIONS

Name of Interested Persons	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000)
	Actual 3Q 2016 \$'000
Keppel Corporation Limited and its subsidiaries	
- Manager's management fees	2,180
Keppel Telecommunications & Transportation Ltd and its subsidiaries	
- Variable rental income	7,709
- Facility management fees	937
- Support services fees	135
Perpetual (Asia) Limited	
- Trustee fees	45

Keppel DC REIT has not obtained a general mandate from Unitholders for Interested Person Transactions for the financial period under review.

15 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this announcement 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 announcement. 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 announcement or its contents or otherwise arising in connection with this announcement. 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.

By Order of the Board
Keppel DC REIT Management Pte. Ltd.
(Company Registration Number: 199508930C)
As Manager of Keppel DC REIT

MARITZ BIN MANSOR / KELVIN CHUA HUA YEOW
Joint Company Secretaries
17 October 2016

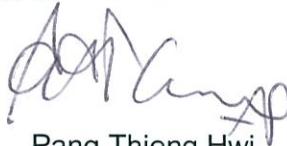
CONFIRMATION BY THE BOARD
Pursuant to Rule 705(5) of the Listing Manual

We, Chan Hon Chew and Pang Thieng Hwi, being two Directors of Keppel DC REIT Management Pte. Ltd. (the "Company"), as manager of Keppel DC REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of Keppel DC REIT for the financial period from 1 January 2016 to 30 September 2016 to be false or misleading in any material respects.

On behalf of the Board,



Chan Hon Chew
Chairman



Pang Thieng Hwi
Director

17 October 2016