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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for Third Quarter and Nine Months Ended 30 September 2018

16 October 2018

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the third quarter and nine months ended 30 September 2018.

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

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Keppel DC REIT Posts 12.7% Y-o-Y Growth in Distributable Income for 9M 2018

Key Highlights

- 9M 2018 distributable income grew by 12.7% to \$70.0 million mainly contributed by the acquisitions of Keppel DC Singapore 5, maincubes Data Centre, and Keppel DC Dublin 2
- 9M 2018 adjusted DPU increased by 4.8% to 5.47 cents
- Australian footprint will be strengthened with a shell and core data centre which will be built within the existing Intellicentre 2 Data Centre (IC2 DC) site in Sydney
- Maintained healthy portfolio occupancy of 93.1% and weighted average lease expiry (WALE) of 8.5 years by leased area

(\$'000)	3Q 2018	3Q 2017	+/(-) %	9M 2018	9M 2017	+/(-) %
Gross Revenue	47,557	35,483	+34.0	127,492	102,222	+24.7
Property Expenses	(4,514)	(3,219)	+40.2	(12,286)	(9,751)	+26.0
Net Property Income	43,043	32,264	+33.4	115,206	92,471	+24.6
Distributable Income to Unitholders ¹	26,024	20,179	+29.0	69,970	62,075	+12.7
Distribution per Unit ^{1,2} (DPU)(cents)	1.85	1.74	+6.3	5.47	5.37	+1.9
Adjusted DPU^{2,3} (cents)	1.85	1.74	+6.3	5.47	5.22	+4.8
Annualised Distribution Yield ^{2,4} (%)				5.32	5.19	+13 bps
Adjusted Annualised Distribution Yield^{3,4} (%)				5.32	5.08	+24 bps

(1) 9M 2017 DPU included a one-off capital distribution of approximately 0.15 cents per Unit for the month of December 2016 arising from the later completion of KDC SGP 3. This excludes an amount of capital expenditure that has been set aside for Keppel DC Singapore 3 and Keppel DC Singapore 5 (Capex Reserves).

(2) The Manager declared distributions to eligible Unitholders of (i) 2.77 cents per Unit for the period from 1 January to 15 May 2018 in connection with the private placement launched on 7 May 2018 and (ii) 0.85 cents per Unit for the period from 16 May to 30 June 2018. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter ended 30 September 2018.

(3) Excluding the one-off capital distribution of approximately 0.15 cents per Unit recorded in 1Q 2017, the adjusted DPU for 9M 2017 would be 5.22 cents.

(4) Distribution yields were annualised by quarters and computed based on 3Q 2018 closing price of \$1.370.

Financial Review

Keppel DC REIT is pleased to report distributable income of \$70.0 million for 9M 2018, 12.7% higher than 9M 2017's \$62.1 million, mainly contributed by the acquisitions of Keppel DC Singapore 5, maincubes Data Centre, and Keppel DC Dublin 2. At the same time, higher variable income from other Singapore assets also contributed to the higher distributable income.

9M 2018 adjusted DPU was 5.47 cents, 4.8% higher than the 5.22 cents achieved in the same period last year. Based on 9M 2018's market closing price of \$1.370 per Unit, Keppel DC REIT's adjusted annualised distribution yield was also higher at 5.3%.

Portfolio Review

On 7 August 2018, the Manager entered into an agreement with Macquarie Telecom Pty. Ltd. (Macquarie Telecom) to construct the REIT's fourth data centre in Australia – Intellicentre 3 East Data Centre (IC3 East DC), on the vacant land within the IC2 DC site in Sydney, Australia.

Upon completion, the facility will be fully-leased to Macquarie Telecom on a 20-year triple-net master lease with built-in annual rental escalations and renewal options, enhancing the REIT's income stability. The addition of IC3 East DC is expected to be DPU-accretive, and will strengthen the REIT's footprint in Australia, one of Asia Pacific's fastest-growing data centre markets, underpinned by robust demand from MNCs and massive-scale cloud providers.

As at 30 September 2018, portfolio weighted average lease expiry (WALE) was 8.5 years, and portfolio occupancy rate remained strong at 93.1% with less than 5% of the leases due for expiry per year until end-2020.

Capital Management

The Manager continues to manage its capital prudently in the volatile macroeconomic environment.

The Manager has substantially locked-in 86% of its borrowings through floating-to-fixed interest rate swaps, and forecasted foreign-sourced distributions have been hedged with foreign currency forward contracts till 1H 2020.

The Manager adopts natural hedging by borrowing in currencies that match corresponding investments overseas where possible.

The REIT's aggregate leverage of 32.0% remains low, providing a healthy debt headroom for growth. Average cost of debt remained competitive at 1.9% per annum and its interest coverage ratio remained high at 11.2 times.

Outlook

In its September 2018 interim economic outlook, the Organization for Economic Cooperation and Development expects the global economy to grow by 3.7% for 2018 and 2019, bearing in mind uncertainties arising from monetary policy normalisation and deepening trade tensions.

Demand for data centre space in key European and Asian hubs continues to be underpinned by demand from hyperscale cloud players, increasing digitalisation and cloud adoption, data centre outsourcing, and other drivers such as data sovereignty regulations.

According to BroadGroup Consulting, many hyperscale cloud players are only about a third of the way through their planned data centre build-outs, signalling strong potential requirements for data centre space.

Improved connectivity as well as the development and adoption of new technologies will continue to drive the growth of data creation and fuel demand for data storage requirements in key data centre hubs globally.

Keppel DC REIT, with its established track record and enlarged portfolio of assets, is well-positioned to benefit from the growth of the data centre market. The Manager will continue to seek opportunities to capture value and strengthen its presence across key data centre hubs.

About Keppel DC REIT (www.keppeldcreit.com)

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

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

Its current portfolio comprises 15 high-quality data centres strategically located in key data centre hubs. With an aggregate lettable area of approximately 1,111,991 sq ft, the portfolio spans ten cities in eight countries in Asia Pacific and Europe.

Keppel Telecommunications & Transportation Ltd (Keppel T&T), the Sponsor of the REIT, has also granted Rights of First Refusal (ROFR) to the REIT for future acquisition opportunities of its data centre assets.

The REIT is managed by Keppel DC REIT Management Pte. Ltd.. Keppel Capital Holdings Pte. Ltd. (Keppel Capital) has a 50% interest in the Manager, with the remaining interest held by Keppel T&T. Keppel Capital is a premier asset manager in Asia with assets under management comprising real estate, infrastructure and data centre properties in key global markets.

The Manager's key objectives are to provide the REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth while maintaining an optimal capital structure.

Important Notice

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

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

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