

**Third Quarter &  
Nine Months 2015  
Financial Results**

15 October 2015



# 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.

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this presentation 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 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

## Key Highlights

A decorative graphic consisting of three parallel diagonal lines in white and orange, located at the bottom right of the slide.

# Key Highlights

- YTD<sup>1</sup>:
  - Net property income outperformed IPO forecast<sup>2</sup> by 1.7%
  - Distributable income was 1.8% higher than IPO forecast<sup>2</sup>
  - Annualised distribution yield<sup>3</sup> was 12bps above IPO forecast<sup>2</sup>
- 3Q 2015:
  - Net property income was marginally lower than IPO forecast<sup>2</sup>, due to higher property tax expenses as well as foreign exchange losses from depreciation of certain foreign currencies that were not forecasted.
  - Distributable income was 2.2% above IPO forecast<sup>2</sup>, due to realisation of hedging gains and lower interest expenses due to the interest rate swaps entered into.
- Portfolio occupancy rate rose to 95.1%<sup>5</sup>
- Aggregate Leverage<sup>4</sup> remains healthy at 30.1%<sup>5</sup>

## Notes:

(1) For the financial period from 12 December 2014 to 30 September 2015.

(2) On a pro-rata basis for the relevant financial period, as derived from the Forecast Year 2015 disclosed in the Prospectus.

(3) Based on the IPO offering price of S\$0.930.

(4) 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 Citadel 100 Data Centre.

(5) As at 30 September 2015.

**Keppel DC REIT**



**Financial Review**

# YTD<sup>1</sup> Distributable Income

	YTD Actual <sup>1</sup> (S\$'000)	Forecast <sup>2</sup> (S\$'000)	Variance (%)
Distributable Income to Unitholders <sup>3</sup>	45,912	45,114	+1.8
Distribution Per Unit <sup>3</sup> (cents)	5.20	5.11	+1.8
Annualised Distribution Yield <sup>4</sup>	6.96%	6.84%	+12bps
Comprising:			
Gross Revenue	82,920	80,558	+2.9
Property Expenses	(13,468)	(12,271)	+9.8
Net Property Income	69,452	68,287	+1.7

Notes:

- (1) For the financial period of 293 days from 12 December 2014 to 30 September 2015.
- (2) On a pro-rata basis for the financial period 12 December 2014 to 30 September 2015, as derived from the Forecast Year 2015 disclosed in the Prospectus.
- (3) The distributable income to Unitholders is based on 100% of the income available for distribution to Unitholders. Keppel DC REIT has distributed 3.56 cents per Unit for the financial period from 12 December 2014 to 30 June 2015. No distribution has been declared for the quarter ended 30 September 2015.
- (4) Based on the IPO offering price of S\$0.930.

# 3Q 2015 Distributable Income

	3Q Actual <sup>1</sup> (S\$'000)	Forecast <sup>2</sup> (S\$'000)	Variance (%)
Distributable Income to Unitholders <sup>3</sup>	14,480	14,165	+2.2
Comprising:			
Gross Revenue	25,743	25,295	+1.8
Property Expenses	(4,370)	(3,853)	+13.4
Net Property Income	21,373	21,442	(0.3)

Notes:

(1) For the financial period of 92 days from 1 July 2015 to 30 September 2015.

(2) On a pro-rata basis for the financial period 1 July 2015 to 30 September 2015, as derived from the Forecast Year 2015 disclosed in the Prospectus.

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



# Balance Sheet Highlights

	As at 30 Sept 2015 (S\$'000)
Investment Properties <sup>1</sup>	1,050,546
Total Assets <sup>1</sup>	1,139,399
Gross Borrowings	331,196
Total Liabilities	382,506
<b>Unitholders' Funds</b>	<b>756,480</b>
Units in Issue ('000)	882,930
Net Asset Value ("NAV") per Unit (S\$)	0.857
Unit Price (as at 30 September 2015) (S\$)	1.020
<b>Premium to NAV (%)</b>	<b>+19.0%</b>

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 Sept 2015 (S\$'000)
Investment Properties <sup>1</sup> <i>(excluding finance lease liabilities commitments)</i>	1,019,730
Total Assets <sup>1</sup> <i>(excluding finance lease liabilities commitments)</i>	1,108,853
Gross Borrowings <sup>2</sup>	334,227
Total Borrowings <sup>3</sup>	362,012
<b>Aggregate Leverage</b>	<b>30.1%</b> <sup>4</sup>

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 loan facilities and a S\$3.0 million deferred payment for asset.
- (3) Total Borrowings relates to bank borrowings drawn down from loan facilities, as well as the finance lease liabilities of S\$30.8 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 32.0%.

**Keppel DC REIT**



**Portfolio Performance**



# Portfolio Expansion

- Maiden acquisition completed successfully on 10 August 2015
- Sale and leaseback transaction with Macquarie Telecom for the shell and core building of Intellicentre 2 in Sydney enhances long-term stability of the REIT's income stream



*Intellicentre 2, Sydney*

- **Portfolio WALE:** extended to approx. 8.9 years with the 20-year triple-net lease arrangement with annual rental escalations
- **Post-acquisition gearing:** approx. 30.1% with debt headroom for further growth opportunities
- **Acquisition funding:** approx. 30% via 5-year AUD-denominated term loan facility and approx. 70% via 1-year SGD-denominated revolving credit facility

# 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**

**Current AUM**  
**~S\$1.05b**  
comprising 9 data centres

**Total Lettable Area**  
**~597,900 sq ft**  
across 6 countries

**Malaysia**  
Basis Bay Data Centre<sup>(1)</sup>, Cyberjaya

**Singapore**  
S25  
T25  
T27 [ROFR asset]  
T20<sup>(2)</sup> [ROFR asset]

**Asian platform**

**Australia**  
iseek Data Centre, Brisbane  
Gore Hill Data Centre, Sydney  
Intellicentre 2<sup>(3)</sup>, Sydney

**Australian platform**

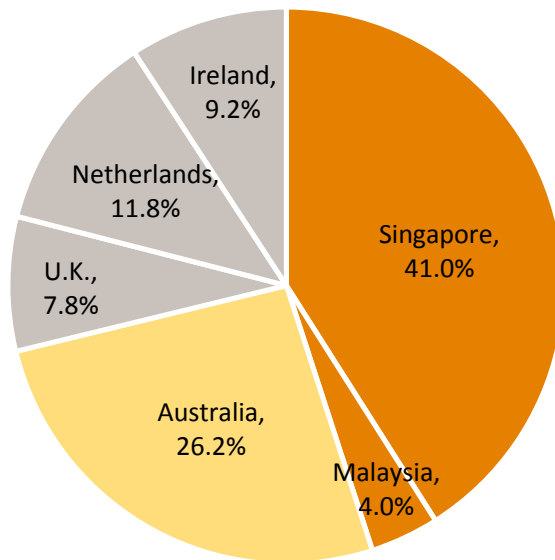
**Notes:**

- (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 23 July 2015, the Sponsor Keppel T&T announced plans to develop its fourth data centre in Singapore, which will be strategically located in close proximity to the existing data centres in Tampines.
- (3) The REIT's maiden acquisition of Intellicentre 2 in Sydney, Australia from Macquarie Telecom has been completed on 10 August 2015.

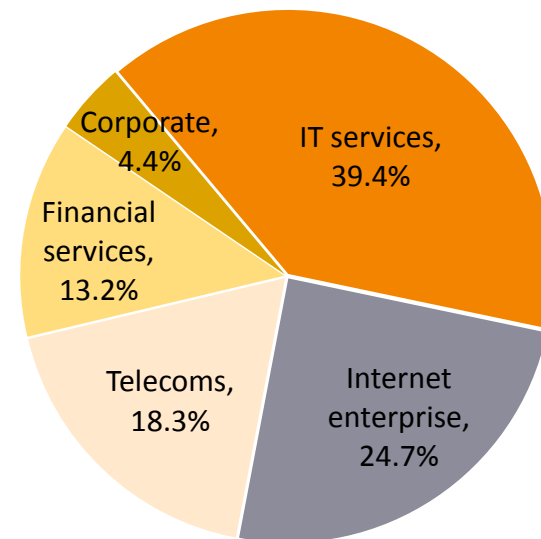
# Strong & Diverse Tenant Pool

- Assets located in key data centre hubs across Asia Pacific and Europe
- Well-diversified and credit-worthy tenant base

**Breakdown of portfolio<sup>1</sup>  
by geography**



**Breakdown of rental income<sup>2</sup>  
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.

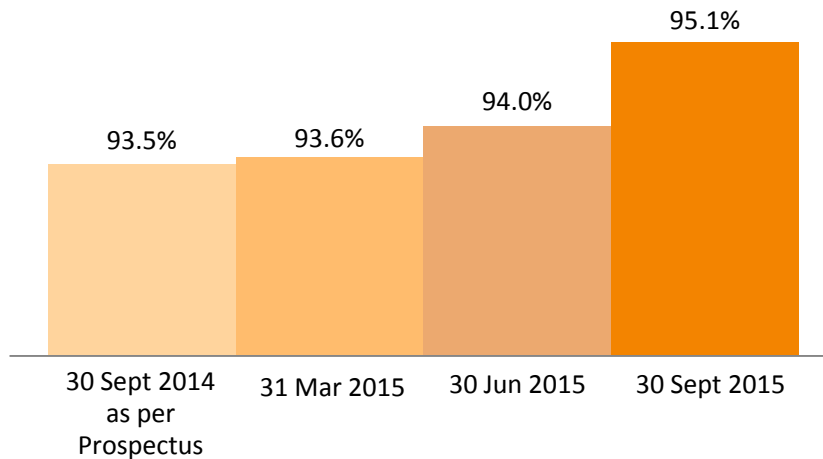
(2) Based on percentage contribution of rental income for the month of September 2015.

# Proactive Leasing Strategy

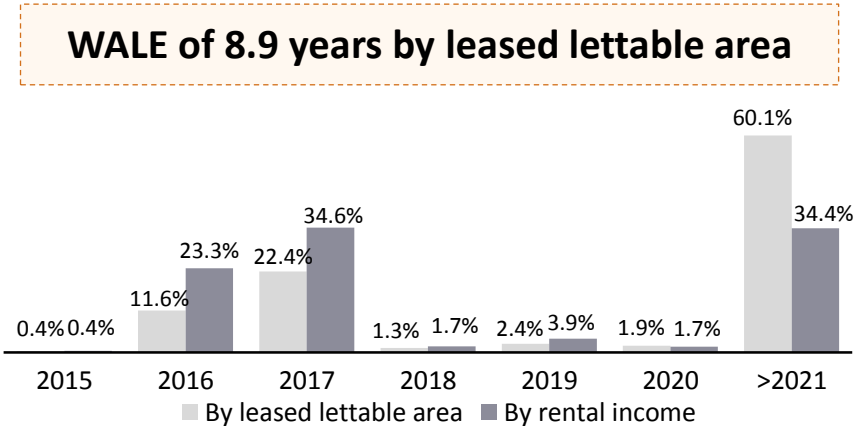
- Maintained healthy portfolio occupancy of 95.1%, with seven of nine assets at full occupancy
- Long portfolio WALE of 8.9 years

Leases signed in 3Q 2015	No. of leases	Area (sq ft)
Renewal leases	2	2,775
Expansion leases	2	2,440
New leases	4	93,221

## Portfolio occupancy rate



## Lease expiry profile (as at 30 Sept 2015)

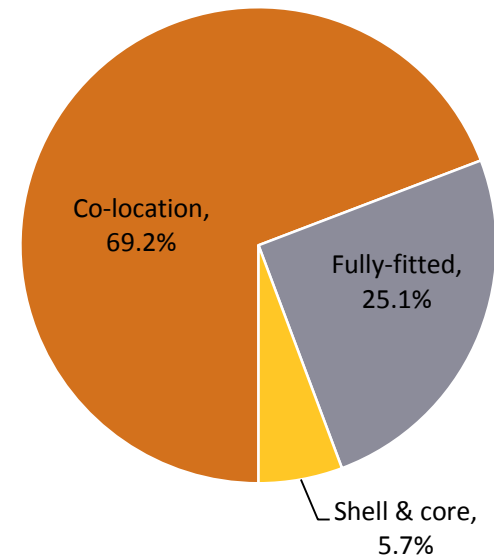


# Favourable Lease Profile

- A balanced portfolio comprising stable long-term leases and co-location assets with diversified tenant profile

	Co-location	Fully-fitted	Shell & core
<b>WALE<sup>2</sup></b>	2.6 years	9.9 years	16.0 years
<b>Rental escalations</b>	Rental rates with annual escalations of approx. 2% - 4%		

**Rental income<sup>1</sup>  
breakdown by lease type<sup>3</sup>**



**Notes:**

- (1) Based on percentage contribution of rental income for the month of September 2015.
- (2) By leased lettable area as at 30 September 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.



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 building with a complex facade of grey panels and white structural elements, set against a clear blue sky.

**Keppel DC REIT**

The text "Capital Management" is displayed in white on an orange banner that has a white and grey striped pattern on its right side.

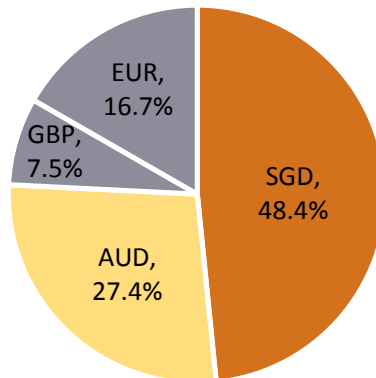
**Capital Management**

# Disciplined Capital Management

- Proactive hedging policies to mitigate interest rate and foreign currency risks:
  - Fixed 100% of interest rate exposure for long-term loans
  - Hedged 100% of forecasted foreign-sourced distribution up to 1H 2017

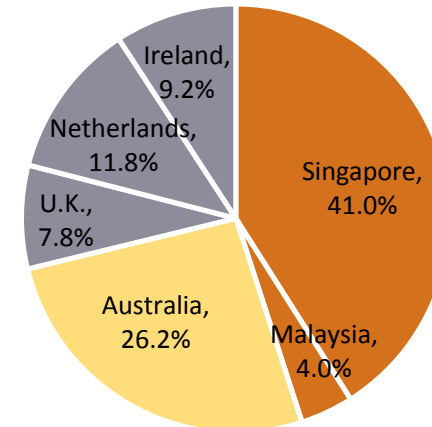
## Use of natural hedging to manage foreign currency risks

Debt currency breakdown



■ Asia ■ Australia ■ Europe

Portfolio breakdown<sup>1</sup>



Note:

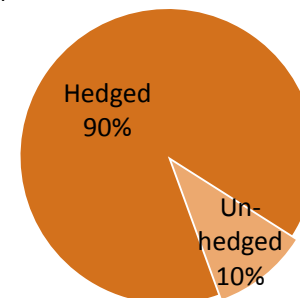
(1) Without taking into consideration the finance lease liabilities pertaining to the land rent commitments for isek Data Centre and Citadel 100 Data Centre.

# Disciplined Capital Management

<b>Total debt</b>	<ul style="list-style-type: none"> <li>■ Approximately S\$331m of external loans</li> <li>■ S\$40m of undrawn revolving credit facility</li> </ul>
<b>Aggregate Leverage<sup>1</sup></b>	<ul style="list-style-type: none"> <li>■ 30.1%</li> </ul>
<b>Average cost of debt<sup>2</sup></b>	<ul style="list-style-type: none"> <li>■ 2.5% per annum for the financial period ended 30 September 2015</li> </ul>
<b>Debt tenor</b>	<ul style="list-style-type: none"> <li>■ Average of 3.4 years</li> </ul>
<b>FY2015 interest cover<sup>3</sup></b>	<ul style="list-style-type: none"> <li>■ 9.4 times</li> </ul>

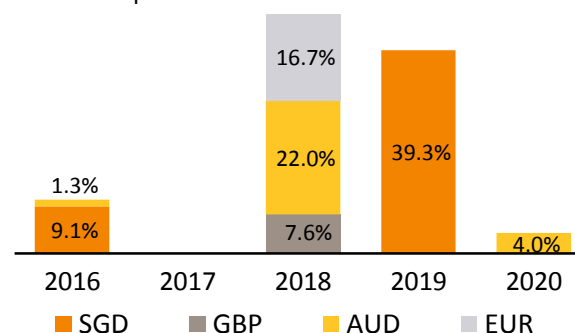
## Hedging of borrowing costs

As at 30 September 2015



## Debt maturity profile

As at 30 September 2015



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 isek 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.

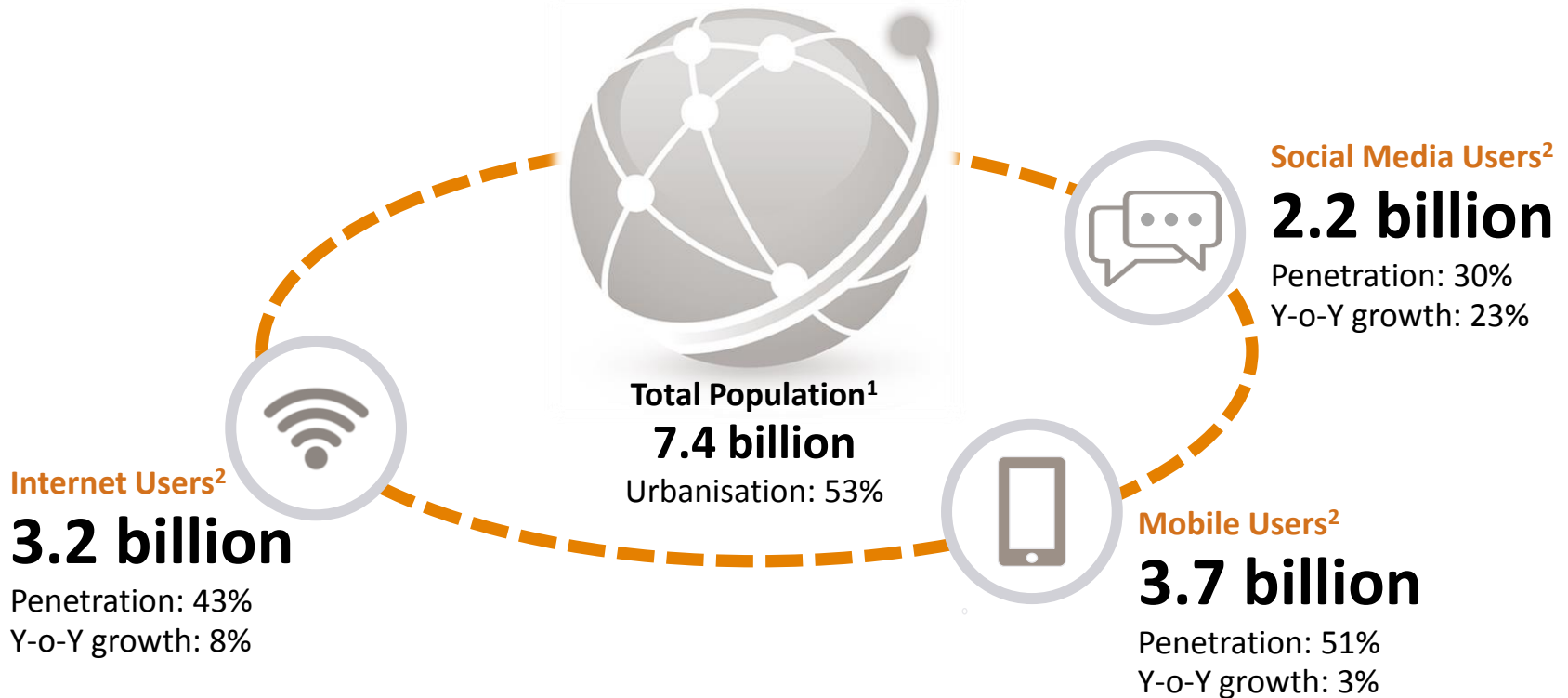


**Keppel DC REIT**

**Outlook**

# Fundamentals Remain Sound

- Demand for data centres remains stable, fueled by growth in data storage needs



Sources:

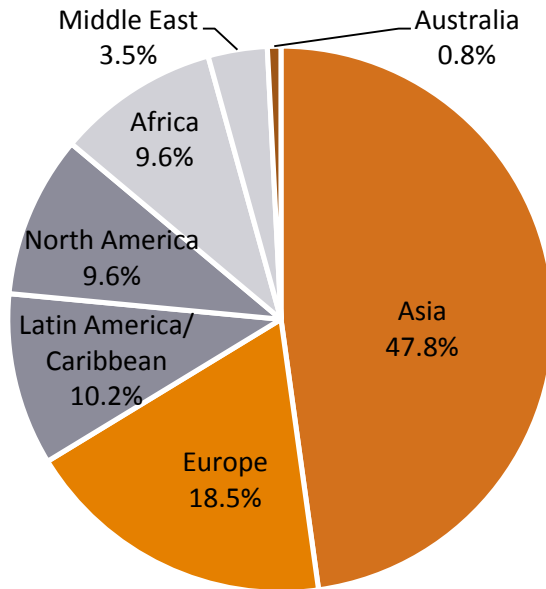
(1) United Nations Department of Economic and Social Affairs, Population Division, 2015

(2) We Are Social's Global Digital Statshot, 2015

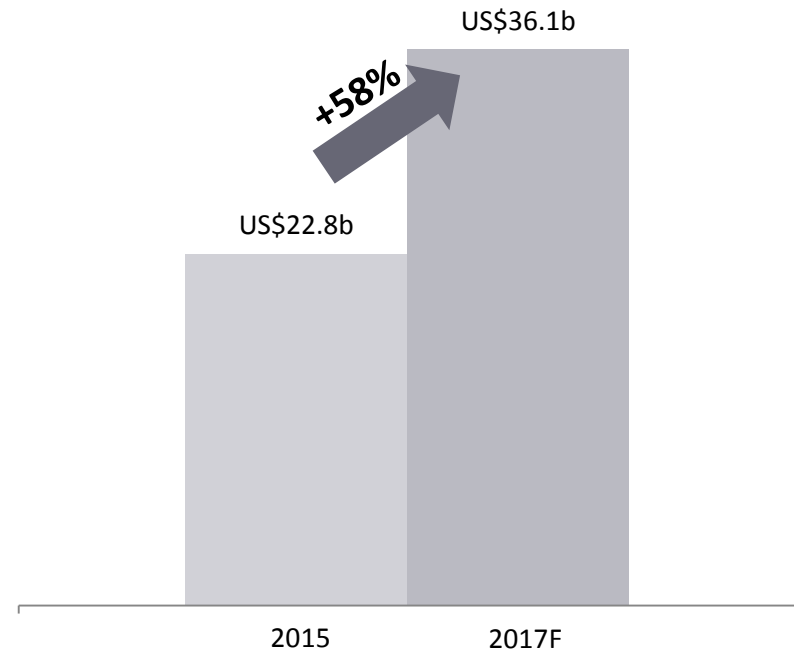
# Strategically Positioned to Tap Growth

- Large and growing base of Internet users in the REIT's key investment regions
- Increasing outsourcing of data centre requirements

Internet users in the world<sup>1</sup>



Global co-location annualised revenue<sup>2</sup>



Sources:

- (1) Internet World Stats, 2015
- (2) 451 Research, 2015

# 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.

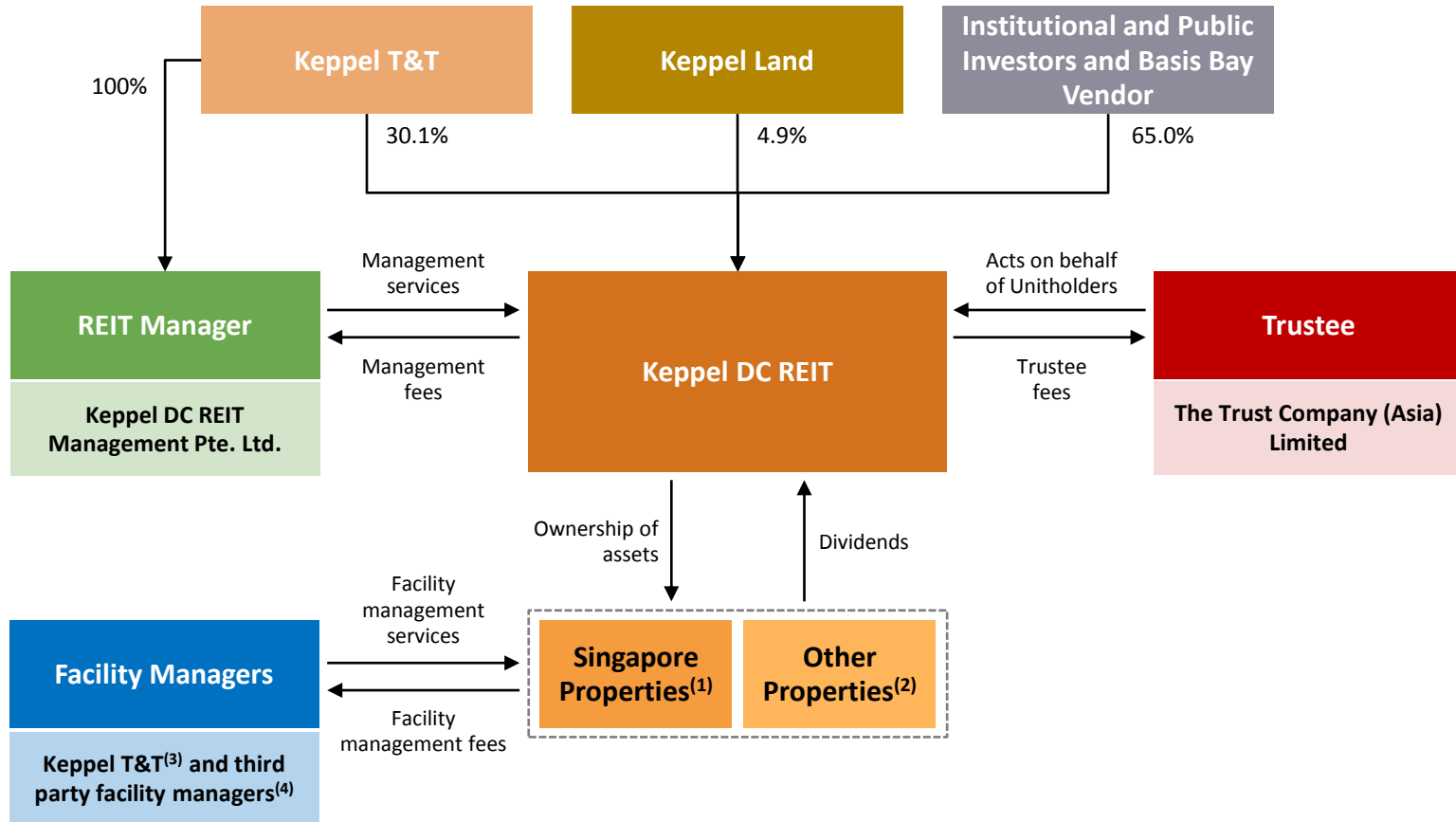


**Keppel DC REIT**

**Additional Information**












# Keppel DC REIT Structure



**Notes:**

- (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.

# Portfolio Overview (as of 30 September 2015)

Property	Location	Interest	Lettable area (sq ft)	No. of customers <sup>(1)</sup>	Occupancy rate (%)	Carrying value <sup>(6)</sup> (\$m)	Lease type	WALE (years)	Land lease title
 S25	Singapore	100%	109,574	20 <sup>(2)</sup>	85.7	253.9	Keppel lease / Co-location	3.1 <sup>(2)</sup>	Leasehold (Expiring 30 September 2025, with option to extend by 30 years)
 T25	Singapore	100%	36,888	4 <sup>(2)</sup>	100.0	163.8	Keppel lease / Co-location	2.0 <sup>(2)</sup>	Leasehold (Expiring 31 July 2021, with option to extend by 30 years)
 Basis Bay Data Centre	Cyberjaya, Malaysia	99% <sup>(4)</sup>	48,680	1	100.0	40.8	Double-net (Fully-fitted)	1.7	Freehold
 Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	191.7	Triple-net (Shell & core) [one tenant] / Co-location [two end-users]	9.1	Freehold
 Intellicentre 2	Sydney, Australia	100%	87,930	1	100.0	46.6	Triple-net (Shell & core)	19.9	Freehold
 iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	28.5	Double-net lease <sup>(3)</sup> (Fully-fitted)	10.7	Leasehold (Expiring 29 June 2040, with an option to extend for 7 years)
 GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	80.0	Triple-net lease (Fully-fitted)	11.4	Leasehold (Expiring 28 September 2183)
 Almere Data Centre	Almere, Netherlands	100%	118,403	1 <sup>(5)</sup>	100.0	120.5	Double-net lease (Fully-fitted)	12.9	Freehold
 Citadel 100 Data Centre	Dublin, Ireland	100%	68,118	9	80.3	93.9	Co-location	1.8	Leasehold (Expiring 11 April 2041)
<b>Total</b>			<b>597,909</b>	<b>41</b>	<b>95.1</b>	<b>1,019.7</b>		<b>8.9</b>	

(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 tenant, the terms 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 <sup>(1)</sup> / Co-location <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Lessee: Pays cost of rent and all expenses recharged to Lessor</li> <li>Lessor: Responsible for facilities management</li> </ul>	✓	✓	✓	✓	✓	✓
T25	Keppel lease <sup>(1)</sup> / Co-location <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Lessee: Pays cost of rent and all expenses recharged to Lessor</li> <li>Lessor: Responsible for facilities management</li> </ul>	✓	✓	✓	✓	✓	✓
Basis Bay Data Centre	Double-net lease	<ul style="list-style-type: none"> <li>Lessee: Pays all outgoings except building insurance and property tax; responsible for facilities management</li> </ul>	✓	✓	-	-	-	✓
Gore Hill Data Centre (for one tenant)	Triple-net lease	<ul style="list-style-type: none"> <li>Lessee: Pays all outgoings and responsible for facilities management in their space</li> </ul>	-	-	-	-	-	-
Gore Hill Data Centre (for two end-users)	Co-location arrangement <sup>(2)(3)</sup>	<ul style="list-style-type: none"> <li>End-user: Pays cost of rent</li> <li>Owner: All expenses paid by Lessor; responsible for facilities management</li> </ul>	✓	✓	✓	✓	✓	✓
Intellicentre 2	Triple-net lease	<ul style="list-style-type: none"> <li>Lessee: Pays all outgoings; responsible for facilities management</li> </ul>	-	-	-	-	-	-
iseek Data Centre	Double-net lease <sup>(4)</sup>	<ul style="list-style-type: none"> <li>Tenant: Pays all outgoings except building insurance; Lessee responsible for facilities management</li> </ul>	-	✓	-	-	-	✓
GV7 Data Centre	Triple-net lease	<ul style="list-style-type: none"> <li>Lessee: Pays all outgoings; responsible for facilities management</li> </ul>	-	-	-	-	-	-
Almere Data Centre	Double-net lease	<ul style="list-style-type: none"> <li>Lessee: Pays all outgoings except building insurance and property tax; responsible for facilities management</li> </ul>	✓	✓	-	-	-	-
Citadel 100 Data Centre	Co-location <sup>(2)(5)</sup>	<ul style="list-style-type: none"> <li>End-user: Pays cost of rent; all expenses paid by Lessor</li> <li>Owner: Responsible for facilities management</li> </ul>	✓	✓	✓	✓	✓	✓

- (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.**