

Keppel DC REIT

Strengthens Data Centre Portfolio with Acquisition in Europe

6 October 2016



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- Improving Earnings Stability

Overview

- Maintains portfolio growth momentum with the REIT's fourth acquisition since listing
- Acquisition of a data centre's shell and core in Cardiff, the capital city of Wales
- Fully leased to one of the largest global cloud service providers on a 15-year triple-net lease basis



Acquisition of data centre in the United Kingdom

Location	Cardiff, Wales, United Kingdom (4km from Cardiff city centre)
Land Tenure	Freehold
Land Area	26,000 sqm
Lettable Area	7,380 sqm
Purchase Price	GBP 34.0 million
Lease Structure	15-year triple-net lease with mechanism for annual rental escalations

Key Merits of Investment

Consistent with the REIT's investment strategy of acquiring income-producing assets that would enhance total return to Unitholders and increase potential for future growth

1. Demand growth of emerging digital cluster

- Cardiff is an emerging digital cluster driven by strong government support and a growing business community
- Potential onshoring of data in the UK following Brexit

2. Favourable lease structure with creditworthy client

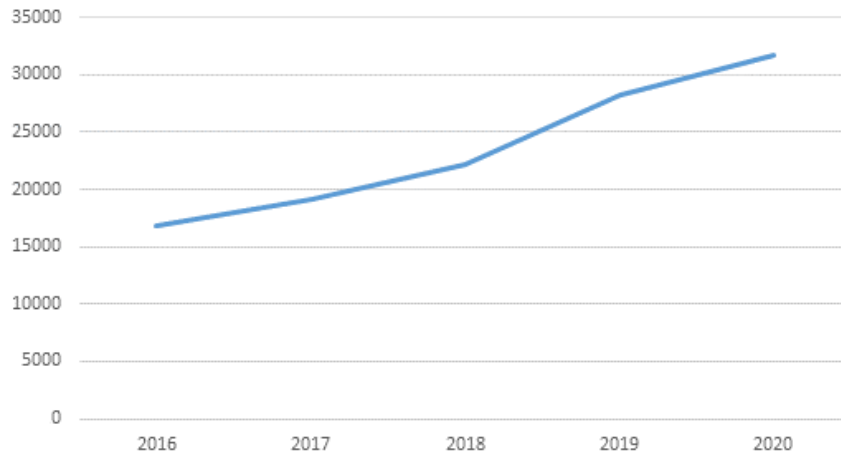
- Fully leased asset on 15-year triple-net lease structure enhances the REIT's income stream stability
- Addition of one of the largest global cloud service providers diversifies the REIT's client base

3. Rebalanced portfolio with enhanced stability

- Increased proportion of master-leased facilities
- Geographical and income diversification
- Portfolio WALE lengthened from 8.7 years to 9.5 years

1. Demand Growth of Emerging Digital Cluster

Projected demand in Wales



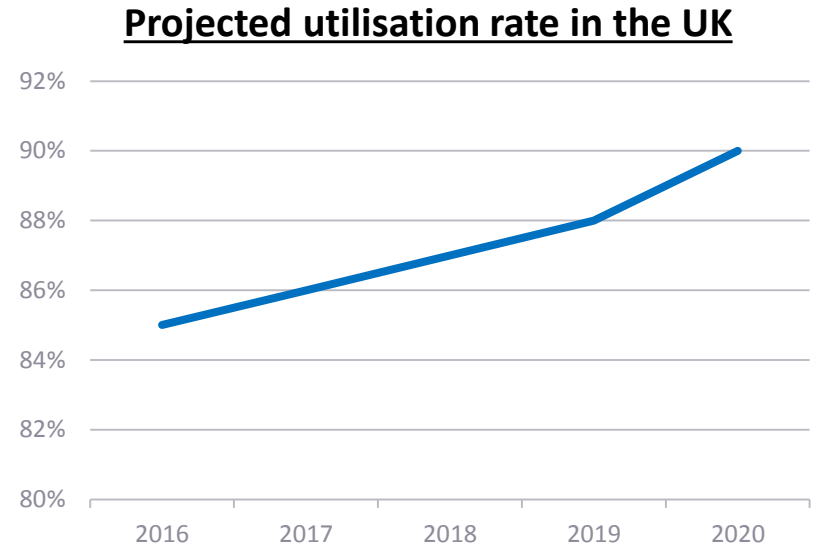
“Cardiff, as capital of Wales, is positioned to benefit from Wales’ increase in data centre demand which is projected to grow at CAGR of 19% from 2016 to 2020”

– BroadGroup

- **Thriving digital economy:** South Wales is among the five fastest growing digital clusters in the UK according to Tech City UK, a government agency responsible for promoting the growth of technology business UK-wide
 - **High internet traffic:** The Cardiff Internet Exchange serves as an intersection for internet traffic in the region
 - **Strong support:** Undergoing digital transformation driven by government support and a growing business community in a city that is well served by major modes of transportation

1. Demand Growth of Emerging Digital Cluster (Cont'd)

- **Distribution of DCs for broader coverage:** BroadGroup sees data centre users looking to increase domestic presence or distribute data centres throughout the UK for broader coverage
- **Potential of IoT:** Strong potential from the Internet of Things (IoT) in the UK with significant investments in new technologies
- **On-shoring of data:** Divergence of UK and EU data residency and compliance requirements following Brexit could increase the onshoring of data in both regions



“Demand for data centre services in the UK is expected to remain unabated, rising steadily at CAGR of 13% from 2016 to 2020”

– BroadGroup

2. Favourable Lease Structure with Creditworthy Client

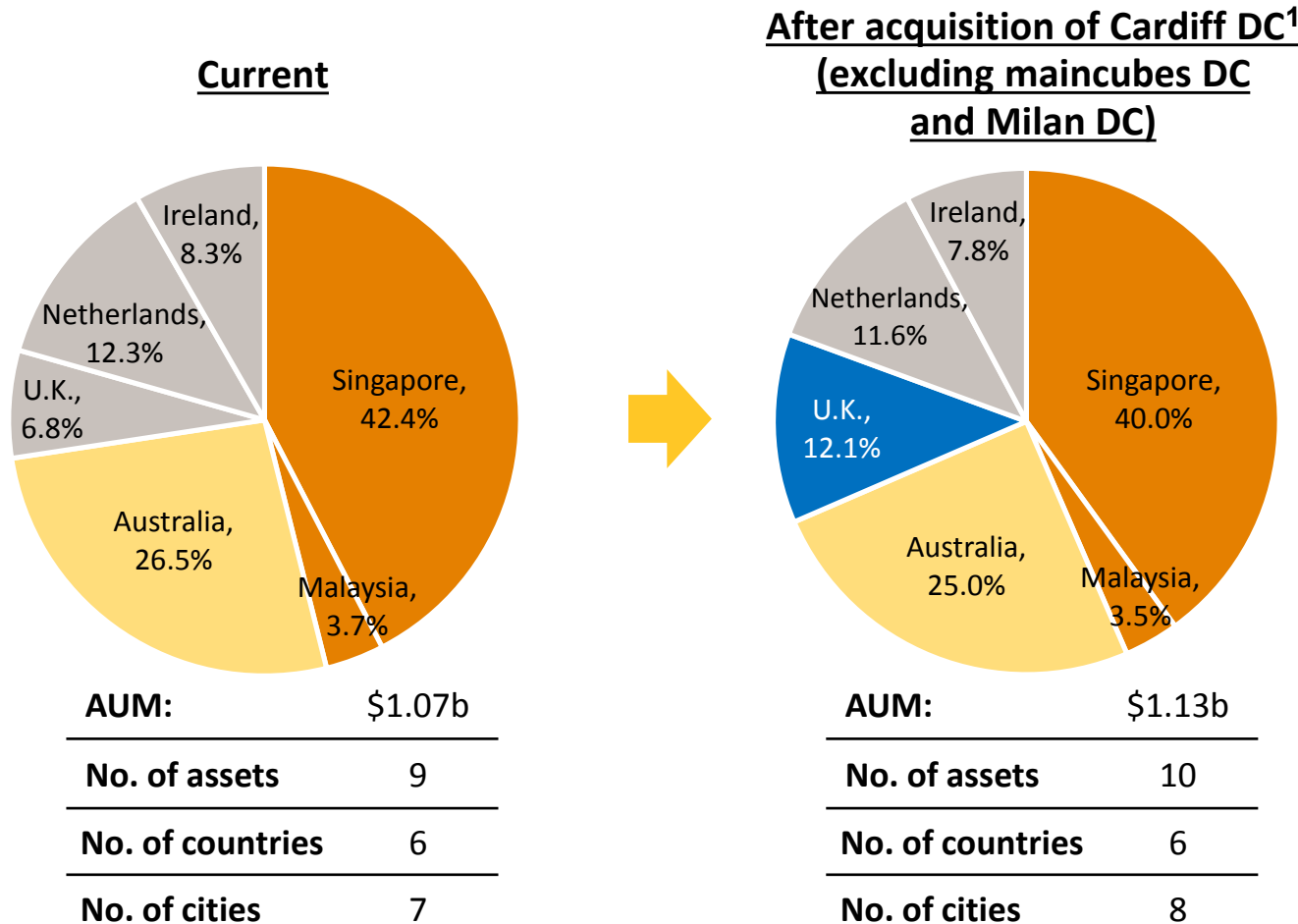


Data centre interior

- Increase portfolio income resilience with facility fully leased to and operated by one of the largest global cloud service providers
 - 15-year triple-net lease provides stable cashflow with annual rental escalations mechanism
 - No requirement for operating expenses or capital expenditure
- REIT's income sources diversified with addition of one of the largest global cloud service providers into client base

3. Rebalanced Portfolio with Enhanced Stability

- The acquisition of Cardiff Data Centre further diversifies the geographical profile of the REIT's portfolio and increases the proportion of European assets in the portfolio



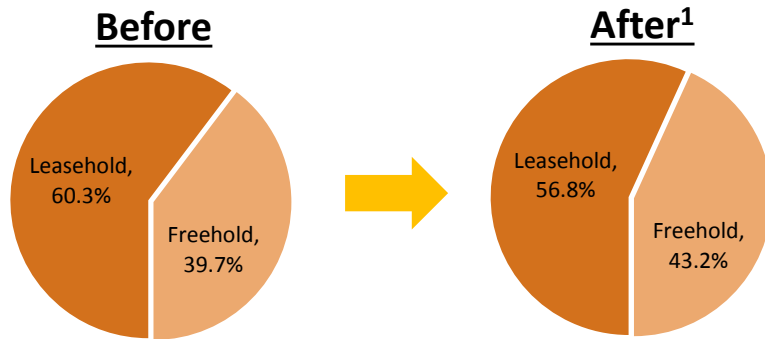
Note:

(1) Assuming acquisition completed as at 30 June 2016

3. Rebalanced Portfolio with Enhanced Stability (Cont'd)

- The addition of the shell and core asset enhances the REIT's income stability and rebalances the portfolio with an increased proportion of master-leased facilities

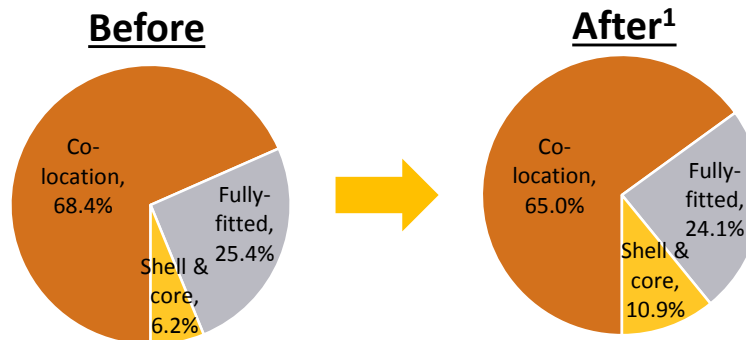
Increases Portion of Freehold Assets (by AUM)



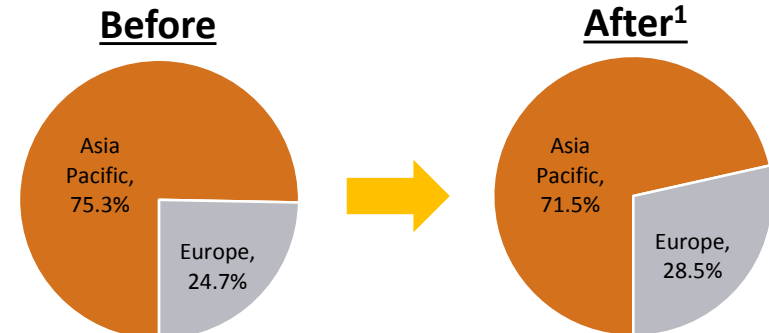
Extends Weighted Lease to Expiry (WALE)



Balances Portfolio Lease Types²



Balances Investment Regions²



Notes:

(1) Assuming acquisition completed as at 30 June 2016

(2) Based on percentage contribution of rental income for the month of June 2016

Improving Earnings Stability

Interest Rate Volatility

- The Manager will look to hedge the loan's exposure with interest rate swaps over the 5-year loan tenure

Foreign Currency Exposure

- Acquisition fully funded by GBP debt to increase the natural hedge for the REIT's assets in the UK
- As with the rest of the portfolio, the Manager will look to hedge the REIT's forecasted foreign-sourced distribution from this asset on a 2-year forward basis

Operational Risk

- Shell & core asset requires no obligation for operating expenses or capital expenditure
- Under the triple-net lease structure, the client manages the facility, as well as bears all operating expenses and capital expenditure

Thank you.