Keppel DC REIT

Third Quarter & Nine Months 2017 Financial Results

16 October 2017

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Keppel DC REIT

Key Highlights

Key Highlights

9M 2017 Adjusted DPU[1]

5.22 cents

up 4.2% from 9M 2016[1]

Adjusted Distribution Yield[1]

5.27%

based on 9M 2017's closing price of $1.325

Portfolio Occupancy

93.4%

as at 30 Sep 2017

Portfolio WALE

9.2 years

by leased area

Aggregate Leverage[2]

32.1%

as at 30 Sep 2017

Interest Coverage

10.6 times

ended 30 Sep 2017

Notes:

(1) Keppel DC REIT declares distributions on a half-yearly basis. Keppel DC REIT has distributed 3.63 cents per Unit for the first half of 2017. No distribution has been declared for the quarter ended 30 September 2017. 9M 2017's adjusted DPU of 5.22 cents was 4.2% higher than 9M 2016's adjusted DPU of 5.01 cents after excluding the one-off capital distribution that arose from the Keppel DC Singapore 3 acquisition in January 2017, as well as the impact of the pro-rata Preferential Offering and the one-off net property tax refund in 2016.

(2) Aggregate Leverage was computed based on 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 Keppel DC Dublin 1.

Financial Performance

Distributable Income

($'000)	3Q 2017	3Q 2016	+/(-) %	9M 2017	9M 2016	+/(-) %
Distributable Income to Unitholders[1]	**20,179**	**16,782**	**+20.2**	**62,075**	**46,278**	**+34.1**
Comprising:						
Gross Revenue	35,483	22,663	+56.6	102,222	72,299	+41.4
Property Expenses	(3,219)	40	Nm[2]	(9,751)	(6,305)	+54.7
Net Property Income	32,264	22,703	+42.1	92,471	65,994	+40.1
Distribution per Unit[3] (DPU) (cents)	1.74	1.49	+16.8	5.37	4.83	+11.2
Adjusted DPU[3] (cents)	**1.74**	**1.67[4]**	**+4.2**	**5.22[4]**	**5.01[4]**	**+4.2**
Distribution Yield[5] (%)				5.38	5.19	+19bps
Adjusted Distribution Yield[5] (%)				**5.27**	**5.05**	**+22bps**

Notes:

(1) Included a one-off capital distribution of $1.7 million arising from the later completion of Keppel DC Singapore 3 on 20 January 2017 and where the vendor had agreed that all the rights and obligations shall pass to the REIT as if completion had occurred on 1 December 2016. The distributable income also includes Keppel DC Singapore 3's Capex Reserves.

(2) Nm – not meaningful

(3) Keppel DC REIT declares distributions on a half-yearly basis. Keppel DC REIT has distributed 3.63 cents for the first half of 2017. No distribution has been declared for 3Q 2017. The DPU was computed based on the distributable income to Unitholders and had excluded the Capex Reserves.

(4) Excluding the one-off capital distribution of approximately $1.7 million (equivalent to 0.15 cents per Unit) paid to the Unitholders, 9M 2017's adjusted DPU would be 5.22 cents. This would be higher than 9M 2016's adjusted DPU of 5.01 cents after adjusting for the impact of the pro-rata Preferential Offering in November 2016 which lowered DPU by approximately 0.36 cents, and a one-off net property tax refund recorded in 3Q 2016 which increased DPU by approximately 0.18 cents.

(5) Based on 9M 2017's annualised DPU and closing price of $1.325 per Unit.

Balance Sheet Highlights

($'000)	As at 30 Sep 2017	As at 31 Dec 2016	+/(-) %
Investment Properties	1,576,629	1,225,938	+28.6
Total Assets	1,747,399	1,582,999	+10.4
Gross Borrowings [1]	542,696	439,321	+23.5
Total Liabilities	638,409	509,131	+25.4
Unitholders' Funds	**1,084,519**	**1,073,525**	**+1.0**
Units in Issue ('000)	1,127,124	1,125,210	+0.2
Net Asset Value (NAV) per Unit ($)	0.96	0.95	+1.1
Unit Price (Closing price of last trading day) ($)	1.325	1.185	+11.8
Premium to NAV (%)	**+38.0**	**+24.7**	**+13.3pp**

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

Aggregate Leverage

($'000)	As at 30 Sep 2017	As at 31 Dec 2016	+/(-) %
Investment Properties [1] *(excluding finance lease liabilities commitments)*	1,544,231	1,193,540	+29.4
Deposited Properties [1] *(excluding finance lease liabilities commitments)*	1,688,640	1,550,258	+8.9
Gross Borrowings + Deferred Payment	542,696	439,321	+23.5
Aggregate Leverage [2]	**32.1%**	**28.3%**	**+380bps**

Notes:
(1) Investment properties relates to carrying value and deposited properties relates to total assets as stipulated in the Property Fund Appendix in CIS Code, without considering finance lease liabilities pertaining to land rent commitments.
(2) Aggregate Leverage was computed based on gross borrowings as a percentage of the deposited properties (Note 1). Taking into consideration finance lease liabilities pertaining to land rent commitments, the Aggregate Leverage will be 33.4% (2016: 29.8%).

Keppel DC REIT

Portfolio Review

Portfolio Growth: Second Data Centre in Dublin

- Acquired a second data centre in Dublin, Ireland, a key data centre hub in Europe
- B10 Data Centre is an energy-efficient carrier-neutral colocation data centre leased to global internet enterprise, IT services and telecommunications clients
- Strategic addition to portfolio given strong tenant profile with a long WALE of approximately 10.9 years

Newly acquired B10 Data Centre in Dublin, Ireland

Location	Ballycoolin Business and Technology Park, Dublin, Ireland (12km from Dublin city centre)
Land Tenure	999-year
Lettable Area	25,200 sq ft
Occupancy Rate	87.3%
Lease Type	Colocation
Agreed Value	EUR 66.0 million

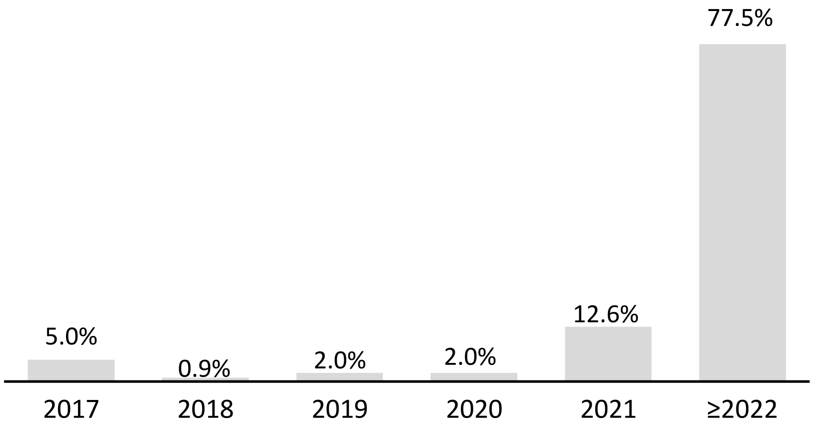
Portfolio Update

- Following the addition of B10 Data Centre in Dublin, portfolio WALE remains long at 9.2 years while occupancy was at 93.4%
- Key terms have been agreed in-principle for the two remaining major leases due in 2017, pending finalisation of lease documentation

The REIT has colocation data centres as well as master-leased facilities, such as the GV7 Data Centre (in picture)

Lease expiry profile (by leased area)

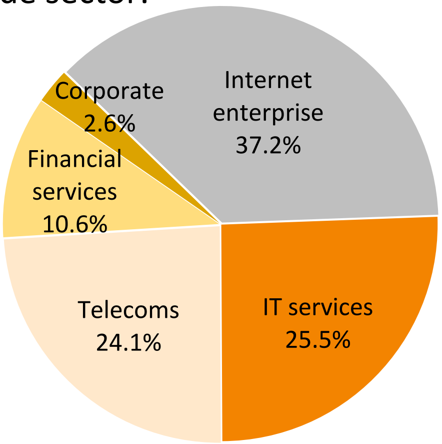
As at 30 September 2017



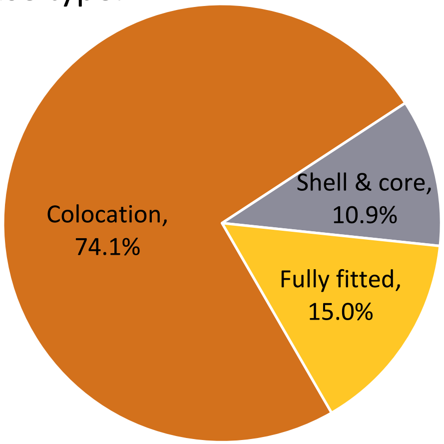
Stable & Diversified Portfolio

Rental income breakdown for the month of September 2017[1]

By trade sector:



By lease type:



Income stability with an established global clientele and a mix of master-leased facilities on long leases, as well as colocation facilities which provide diversity in terms of client profile and lease expiry.

Lease Type	WALE[2] (years)	Ownership of Data Centre Components		
		M&E Equipment	Facility Management	Servers & Racks
Colocation	4.1	✓	✓	-
Fully fitted	10.5	✓	-	-
Shell & core	12.4	-	-	-

Notes:
(1) Based on the colocation agreements and lease agreements with clients of the Properties, treating the Keppel leases on a pass-through basis to the underlying clients.
(2) By leased area as at 30 September 2017.

Keppel DC REIT

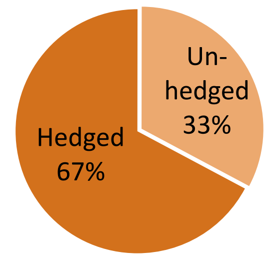
Capital Management

Prudent Capital Management

- Comfortable debt headroom: Aggregate leverage at 32.1% following latest B10 Data Centre acquisition, leaving headroom for further growth
- Managing interest rate exposure: Interest rates of long-term loans substantially hedged with floating-to-fixed interest rate swaps

Hedging of borrowing costs

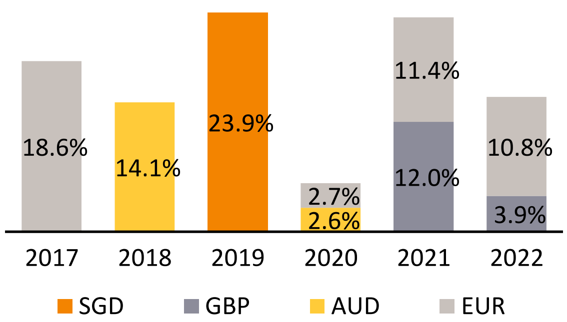
As at 30 September 2017



As at 30 September 2017	
Total debt	~\$543m of external loans (unencumbered)
Available facilities	~\$68m of undrawn credit facilities
Aggregate Leverage[1]	32.1%
Average cost of debt[2]	2.2% per annum
Debt tenor	2.5 years on weighted average
Interest coverage[3]	10.6 times

Debt maturity profile

As at 30 September 2017



Notes:

(1) Aggregate Leverage was computed based on 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 Keppel DC Dublin 1.

(2) Including amortisation of upfront debt financing costs and excluding finance lease charges.

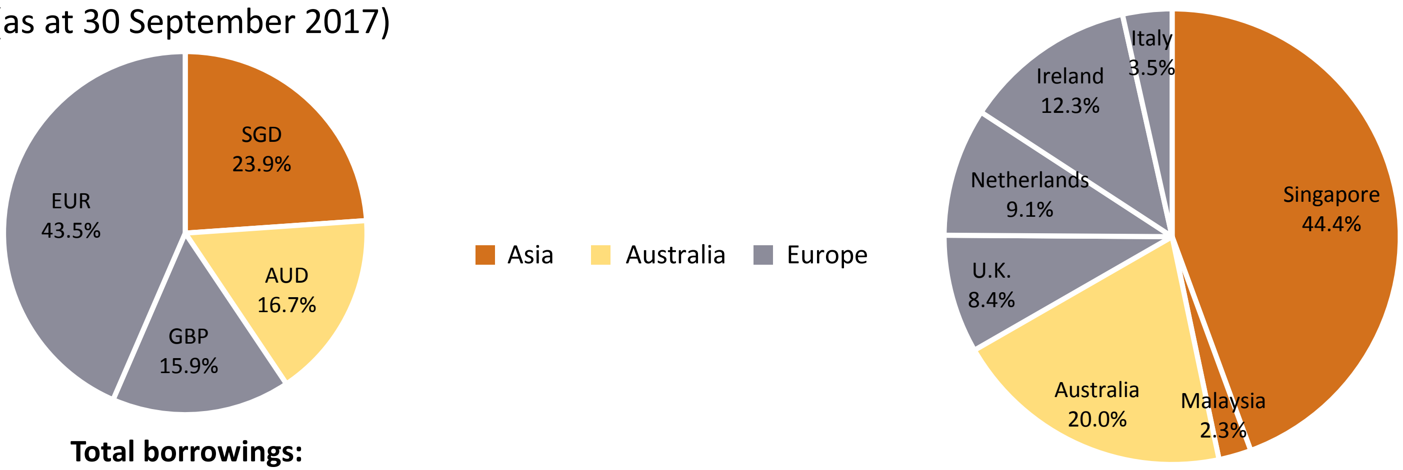
(3) Calculated as EBIT / Finance costs, where EBIT is NPI less Manager's base and performance fees, Trustee's fee and Other trust expenses. Finance costs pertain to interest expense based on total debt drawn and debt amortisation costs.

Prudent Capital Management (Cont'd)

- Mitigating impact of currency fluctuations:
  - Hedged the REIT's forecasted foreign-sourced distributions up to 1H 2019 through foreign currency forward contracts
  - Adopted natural hedging by borrowing in currencies that match the corresponding investments

Debt currency breakdown
(as at 30 September 2017)

Investment properties breakdown[1]
(as at 30 September 2017)



Total borrowings:
Approx. $543m

Total carrying value:
Approx. $1.54b

Note:
(1) Based on 100% carrying value as at 30 September 2017 without taking into consideration the finance lease liabilities pertaining to the land rent commitments for iseek Data Centre and Keppel DC Dublin 1.

Keppel DC REIT

Outlook

Sustained Industry Growth

- **Higher IT budget and data centre investment activities expected**
  - Data centre investment activities to increase; continues to be driven by cloud service providers
  - IDC expects IT budget expansion with stabilising business confidence; IDC projects 6% increase by professional services firms (including cloud service providers) and at least 5% growth from the financial services sector

Cloud service providers' data centre requirements continue to grow

Source: IDC Worldwide Semiannual IT Spending Guide: Industry and Company Size

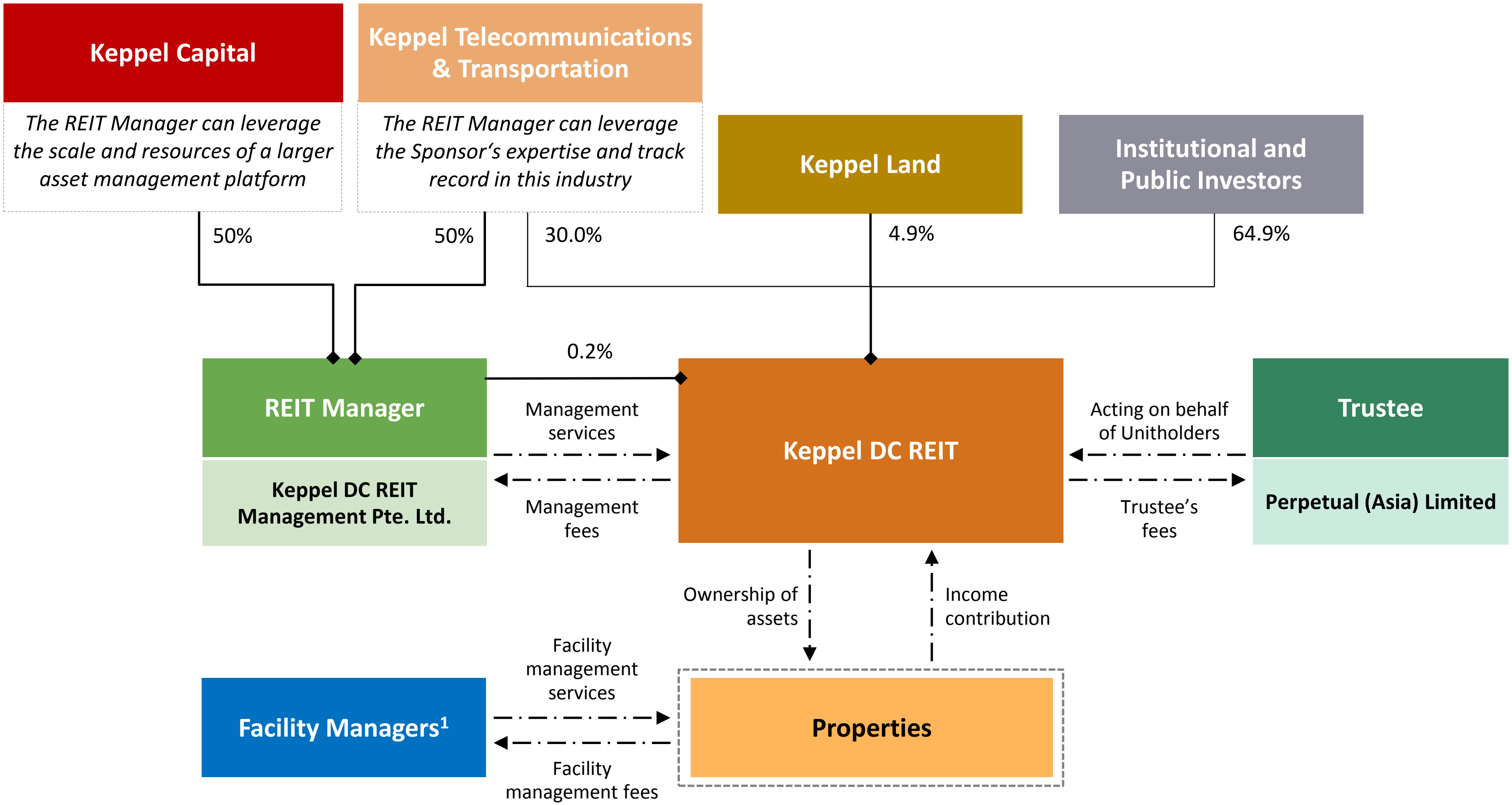
Committed to Deliver Value

Vision: To be the preferred data centre real estate investment trust, serving as a trusted partner to our stakeholders.

Mission: Guided by the Keppel Group's operating principles and core values, we will create value for our investors by growing a quality portfolio of data centre assets that generates sustainable returns.

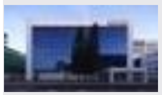
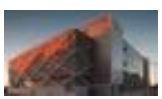
Additional Information

Keppel DC REIT Structure



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

Portfolio Overview (as at 30 September 2017)

Asia Pacific	Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Carrying value[3] ($m)	Lease type	WALE (years)	Land lease title
 **Keppel DC Singapore 1**	Singapore	100%	109,721	19	90.7	280.1	Keppel lease / Colocation	3.8	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
 **Keppel DC Singapore 2**	Singapore	100%	37,098	4	100.0	177.2	Keppel lease / Colocation	3.5	Leasehold (Expiring 31 Jul 2021, with option to extend by 30 years)
 **Keppel DC Singapore 3**	Singapore	90%	49,433	2	100.0	228.9	Keppel lease / Colocation	4.7	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
 **Basis Bay Data Centre**	Cyberjaya, Malaysia	99%	48,193	1	63.1	35.5	Colocation	4.7	Freehold
 **Gore Hill Data Centre**	Sydney, Australia	100%	90,955	3	100.0	224.1	Triple-net (Shell & core) / Colocation	7.2	Freehold
 **Intellicentre 2 Data Centre**	Sydney, Australia	100%	87,930	1	100.0	50.1	Triple-net (Shell & core)	17.9	Freehold
 **iseek Data Centre**	Brisbane, Australia	100%	12,389	1	100.0	35.4	Double-net[2] (Fully fitted)	8.7	Leasehold (Expiring 29 Jun 2040, with option to extend by 7 years)

(1) Certain clients have signed more than one colocation arrangement using multiple entities.
(2) Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.
(3) Carrying value of the investment properties is based on 100% interest and does not include finance lease liabilities pertaining to land rent commitments in iseek Data Centre and Keppel DC Dublin 1.

Portfolio Overview (as at 30 September 2017) (Cont'd)

Europe		Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Carrying value[4] ($m)	Lease type	WALE (years)	Land lease title
	**GV7 Data Centre**	London, United Kingdom	100%	24,972	1	100.0	68.0	Triple-net (Fully fitted)	9.4	Leasehold (Expiring 28 Sep 2183)
	**Cardiff Data Centre**	Cardiff, United Kingdom	100%	79,439	1	100.0	60.8	Triple-net (Shell & core)	13.7	Freehold
	**Almere Data Centre**	Almere, Netherlands	100%	118,403	1[2]	100.0	140.6	Double-net (Fully fitted)	10.9	Freehold
	**Keppel DC Dublin 1**	Dublin, Ireland	100%	68,118	12	57.6	84.4	Colocation	1.9	Leasehold (Expiring 11 Apr 2041)
	**B10 Data Centre**	Dublin, Ireland	100%	25,200	4	87.3	104.6	Colocation	10.9	Leasehold (Expiring 31 Dec 2997)
	**Milan Data Centre**	Milan, Italy	100%	165,389	1	100.0	54.5	Double-net (Shell & core)	10.3	Freehold

Pending Legal Completion		Location	Interest	Attributable lettable area (sq ft)	No. of clients	Occupancy rate (%)	Purchase price ($m)	Lease type	WALE (years)	Land lease title
	**maincubes Data Centre[3]** *(expected completion in 2018)*	Offenbach am Main, Germany	100%	126,800	1	100.0 (upon legal completion)	132.0	Triple-net lease (Fully fitted)	15	Freehold

(1) Certain clients have signed more than one colocation arrangement using multiple entities.
(2) Keppel DC REIT, through its wholly-owned subsidiary has entered into the Ground Lease with Borchveste. With the Ground Lease in place, the lease with the underlying client becomes conceptually similar to a sub-lease, with Borchveste being (i) the leasehold client of KDCR Almere B.V. and (ii) the lessor to the underlying client.
(3) On 28 October 2015, the REIT announced its first German acquisition of maincubes Data Centre which will be developed in Offenbach am Main. This development is expected to be completed in 2018 by the vendor and is excluded from the portfolio's assets under management.
(4) Carrying value of the investment properties does not include finance lease liabilities pertaining to land rent commitments in iseek Data Centre and Keppel DC Dublin 1.

Overview of Lease Arrangements

Asia Pacific

Property	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Keppel DC Singapore 1	Keppel lease[1] / Colocation[3]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 2	Keppel lease[1] / Colocation[3]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 3	Keppel lease[2] / Colocation[3]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Basis Bay Data Centre	Colocation[3]	■ Client: Pays rent; responsible for facilities management ■ Owner: Bears pre-agreed facilities management amount, insurance and property tax	✓	✓	✓	✓
Gore Hill Data Centre *(for one client)*	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management in their space	-	-	-	-
Gore Hill Data Centre *(for two clients)*	Colocation arrangement[3]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Intellicentre 2 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
iseek Data Centre	Double-net lease[4]	■ Client: Pays rent and all outgoings except building insurance; responsible for facilities management	-	✓	-	✓

(1) Refers to the leases entered into by Keppel DC REIT with the Keppel lessees (Keppel DC Singapore 1 Ltd and Keppel DC Singapore 2 Pte Ltd) in relation to Keppel DC Singapore 1 and Keppel DC Singapore 2 respectively. However, due to the pass-through nature of the Keppel leases, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangements between Keppel lessees and the underlying clients.

(2) Refers to the lease entered into by Keppel DC Singapore 3 LLP with the Keppel lessee (Keppel DCS3 Services Pte Ltd) in relation to Keppel DC Singapore 3. However, due to the pass-through nature of the Keppel lease, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangement between Keppel lessee and the underlying client.

(3) Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. Keppel DC REIT is usually responsible for facilities management in respect of such colocation arrangements, except in the case of Basis Bay Data Centre where the client is responsible for facilities management.

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

Overview of Lease Arrangements (Cont'd)

Europe

Property	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
GV7 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Cardiff Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Almere Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
Keppel DC Dublin 1	Colocation[1,2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
B10 Data Centre	Colocation[1,2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Milan Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-

Pending Legal Completion

Property	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
maincubes Data Centre[3] *(expected completion in 2018)*	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-

(1) Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. Keppel DC REIT is usually responsible for facilities management in respect of such colocation arrangements, except in the case of Basis Bay Data Centre where the client is responsible for facilities management.
(2) Keppel DC REIT has in place colocation arrangements with the clients of Keppel DC Dublin 1 and B10 Data Centre
(3) On 28 October 2015, the REIT announced its first German acquisition of maincubes Data Centre which will be developed in Offenbach am Main. This development is expected to be completed in 2018 by the vendor and is excluded from the portfolio's assets under management.

Thank you.