

## KEPPEL DC REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

### UNAUDITED RESULTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2014 (LISTING DATE) TO 31 DECEMBER 2015

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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.

## SUMMARY OF KEPPEL DC REIT RESULTS

### ACTUAL VS FORECAST

	Actual 4Q 2015 <sup>2</sup> \$'000	Forecast <sup>1</sup> 4Q 2015 <sup>2</sup> \$'000	+ /(-) %	Actual YTD 2015 <sup>2</sup> \$'000	Forecast <sup>1</sup> YTD 2015 <sup>2</sup> \$'000	+ /(-) %
<b>Gross Revenue</b>	24,764	25,295	(2.1)	107,684	105,853	1.7
<b>Property Expenses</b>	(2,919)	(3,852)	(24.2)	(16,387)	(16,123)	1.6
<b>Net Property Income</b>	21,845	21,443	1.9	91,297	89,730	1.7
<b>Distributable Income to Unitholders<sup>3</sup></b>	14,482	14,169	2.2	60,394	59,283	1.9
<b>Distribution per Unit (cents)<sup>3</sup></b>	1.64	1.61	1.9	6.84	6.71	1.9
<b>Annualised distribution yield<sup>4</sup> (%)</b>				6.97%	6.84%	Nm

#### Notes:

Nm – Not meaningful

- Keppel DC REIT (formerly known as Securus Data Property Trust) 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 Forecast Year FY2015 (for the period from Listing Date to 31 December 2015 and for the period from 1 October to 31 December 2015) as disclosed in the Prospectus.
- "4Q 2015" refer to the fourth quarter of 92 days from 1 October to 31 December 2015 and "YTD 2015" refers to the financial period of 385 days from Listing Date to 31 December 2015.
- The distributable income to Unitholders is based on 100% of the income available for distribution to Unitholders. Distribution amounting to 3.56 cents per Unit for the financial period from Listing Date to 30 June 2015 was paid on 28 August 2015. For the financial period from 1 July to 31 December 2015, eligible unitholders will receive distribution of 3.28 cents per unit.
- The annualised distribution yield is on a pro-rata basis from the results following the Listing Date based on the listing price of \$0.93. The forecast figures were derived from the Forecast Year 2015 as disclosed in the Prospectus.

For details, refer to **Paragraph 1A(i)(ii) Statement of total return and distribution statement –performance between Actual and Forecast results** and **Paragraph 9 - Variance from Forecast Statement**.

<b>Distribution</b>	<u>2nd</u> Distribution Distribution for the period from 1 July 2015 to 31 December 2015
<b>Distribution Type</b>	(a) Taxable Income (b) Tax-exempt Income
<b>Distribution Rate</b>	Distribution for 1 July 2015 to 31 December 2015 (a) Taxable Income – 1.55 cents per unit (b) Tax-exempt Income – 1.73 cents per unit
<b>Distribution amount (\$'000)</b>	28,962
<b>Book Closure Date</b>	22 January 2016
<b>Payment Date</b>	29 February 2016

## INTRODUCTION

Keppel DC REIT (formerly known as “Securus Data Property Trust”) is a Singapore-domiciled real estate investment trust constituted by the trust deed dated 17 March 2011 (as amended) (the “Trust Deed”) between AEP Investment Management Pte Ltd and Keppel DC REIT Management Pte. Ltd., together as Trustee-Managers.

Pursuant to the Deed of Appointment and Retirement dated 24 October 2014, the Trustee-Managers were replaced by Keppel DC REIT Management Pte. Ltd. (the “Manager”), as the manager of Keppel DC REIT and The Trust Company (Asia) Limited (the “Trustee”), as the trustee of Keppel DC REIT on 24 October 2014.

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 31 December 2015, Keppel DC REIT has a portfolio size of approximately \$1.10 billion. The portfolio comprises 9 high quality well located data centres in Singapore, Australia, Ireland, Malaysia, the Netherlands and England.

- |                            |   |   |
|----------------------------|---|---|
| 1) S25                     | } | (collectively, “Singapore Properties”)    |
| 2) T25                     |   |   |
| 3) Gore Hill Data Centre   |   |   |
| 4) iSeek Data Centre       |   |   |
| 5) Intellicentre 2         |   | (acquisition completed on 10 August 2015) |
| 6) Citadel 100 Data Centre |   |   |
| 7) Basis Bay Data Centre   |   |   |
| 8) Almere Data Centre      |   |   |
| 9) GV7 Data Centre         |   |   |

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

- “Actual” - Although Keppel DC REIT was constituted on 17 March 2011, it was listed on the SGX-ST on the Listing Date. The results of Keppel DC REIT for the current financial periods were from Listing Date to 31 December 2015 and 1 October to 31 December 2015.
- “Pro forma” - The comparative figures were derived from the Prospectus for the financial period ended 31 December 2014 (for the financial periods 4Q 2014 and YTD 2014).
- “Forecast” - The forecast figures were derived from the Forecast Year FY2015 (for the financial periods 4Q 2015 and YTD 2015) as disclosed in the Prospectus.
- “4Q” – Refers to the third quarter of 92 days from 1 October to 31 December 2015 for the current year or the corresponding fourth quarter of the preceding year.
- “YTD” - Refers to the financial period of 385 days from Listing Date to 31 December 2015 or the corresponding financial period of the preceding year.

## 1 UNAUDITED RESULTS FOR THE FINANCIAL PERIOD FROM LISTING DATE TO 31 DECEMBER 2015

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 financial periods ended 31 December 2015:

### 1(A)(i)(ii) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT Performance between Actual and Forecast results<sup>1</sup>

#### Statement of Total Return (Group)

	Actual 4Q 2015 \$'000	Forecast 4Q 2015 \$'000	+ / (-) %	Actual YTD 2015 \$'000	Forecast YTD 2015 \$'000	+ / (-) %
Gross rental income	24,565	25,275	(2.8)	105,940	105,770	0.2
Other income	199	20	>100.0	1,744	83	>100.0
<b>Gross Revenue</b>	<b>24,764</b>	<b>25,295</b>	<b>(2.1)</b>	<b>107,684</b>	<b>105,853</b>	<b>1.7</b>
Property operating expenses	(2,919)	(3,852)	(24.2)	(16,387)	(16,123)	1.6
<b>Net Property Income</b>	<b>21,845</b>	<b>21,443</b>	<b>1.9</b>	<b>91,297</b>	<b>89,730</b>	<b>1.7</b>
Finance income	321	18	>100.0	321	73	>100.0
Finance costs	(3,156)	(3,313)	(4.7)	(12,401)	(13,867)	(10.6)
Trustee's fees	(45)	(45)	-	(189)	(189)	-
Manager's base fee	(1,297)	(1,325)	(2.1)	(5,271)	(5,547)	(5.0)
Manager's performance fee	(682)	(705)	(3.3)	(3,429)	(2,950)	16.2
Net realised gains on derivatives	-	-	-	771	-	Nm
Other trust expenses	(1,661)	(686)	>100.0	(2,398)	(2,871)	(16.5)
<b>Total return for the period before tax</b>	<b>15,325</b>	<b>15,387</b>	<b>(0.4)</b>	<b>68,701</b>	<b>64,379</b>	<b>6.7</b>
Fair value changes in investment properties	41,879	-	Nm	41,095	-	Nm
Tax expenses	(2,399)	(1,008)	>100.0	(5,577)	(4,221)	32.1
<b>Total return for the period after tax</b>	<b>54,805</b>	<b>14,379</b>	<b>&gt;100.0</b>	<b>104,219</b>	<b>60,158</b>	<b>73.2</b>
<b>Attributable to:</b>						
Unitholders	54,794	14,369	>100.0	104,178	60,117	73.3
Non-controlling interest	11	10	10.0	41	41	-
	<b>54,805</b>	<b>14,379</b>	<b>&gt;100.0</b>	<b>104,219</b>	<b>60,158</b>	<b>73.2</b>
<u>Distribution Statement</u>						
<b>Total return for the period attributable to Unitholders</b>	54,794	14,369	>100.0	104,178	60,117	73.3
Net tax and other adjustments	(40,312)	(200)	Nm	(43,784)	(834)	Nm
<b>Income available for distribution</b>	<b>14,482</b>	<b>14,169</b>	<b>2.2</b>	<b>60,394</b>	<b>59,283</b>	<b>1.9</b>
<b>Distribution to Unitholders<sup>2</sup></b>	<b>14,482</b>	<b>14,169</b>	<b>2.2</b>	<b>60,394</b>	<b>59,283</b>	<b>1.9</b>
<b>Distribution per Unit (cents)<sup>2</sup></b>	<b>1.64</b>	<b>1.61</b>	<b>1.9</b>	<b>6.84</b>	<b>6.71</b>	<b>1.9</b>

#### Note:

Nm – Not meaningful

1 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 and Pro forma results**. Review of performance can be found in **Paragraph 9 - Variance from Forecast Statement**.

2 Distribution to Unitholders is based on 100% of the income available for distribution to Unitholders. Total distribution amounting to 3.56 cents per unit in respect of the financial period from Listing Date to 30 June 2015 was paid on 28 August 2015. For the financial period from 1 July to 31 December 2015, eligible unitholders will receive distribution of 3.28 cents per unit.

**1(A)(i)(ii) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT**  
**Performance between Actual and Pro forma 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)

	Note	Actual 4Q 2015 \$'000	Pro forma 4Q 2014 \$'000	+ / (-) %	Actual YTD 2015 \$'000	Pro forma YTD 2014 \$'000	+ / (-) %
Gross rental income		24,565	25,218	(2.6)	105,940	105,532	0.4
Other income	1	199	1,726	(88.5)	1,744	7,222	(75.9)
<b>Gross Revenue</b>		<b>24,764</b>	<b>26,944</b>	<b>(8.1)</b>	<b>107,684</b>	<b>112,754</b>	<b>(4.5)</b>
Property operating expenses	2	(2,919)	(3,496)	(16.5)	(16,387)	(14,630)	12.0
<b>Net Property Income</b>		<b>21,845</b>	<b>23,448</b>	<b>(6.8)</b>	<b>91,297</b>	<b>98,124</b>	<b>(7.0)</b>
Finance income		321	-	Nm	321	-	Nm
Finance costs	3	(3,156)	(3,453)	(8.6)	(12,401)	(14,449)	(14.2)
Trustee's fees		(45)	(45)	-	(189)	(189)	-
Manager's base fee		(1,297)	(1,291)	0.5	(5,271)	(5,403)	(2.4)
Manager's performance fee		(682)	(752)	(9.3)	(3,429)	(3,147)	9.0
Net realised gains on derivatives	4	-	-	-	771	-	Nm
Other trust expenses	5	(1,661)	(804)	>100.0	(2,398)	(3,364)	(28.7)
<b>Total return for the period before tax</b>		<b>15,325</b>	<b>17,103</b>	<b>(10.4)</b>	<b>68,701</b>	<b>71,572</b>	<b>(4.0)</b>
Fair value changes in investment properties		41,879	-	Nm	41,095	-	Nm
Tax expenses		(2,399)	(1,130)	>100.0	(5,577)	(4,729)	17.9
<b>Total return for the period after tax</b>		<b>54,805</b>	<b>15,973</b>	<b>&gt;100.0</b>	<b>104,219</b>	<b>66,843</b>	<b>55.9</b>
<b>Attributable to:</b>							
Unitholders		54,794	15,963	>100.0	104,178	66,801	56.0
Non-controlling interest		11	10	10.0	41	42	(2.4)
		<b>54,805</b>	<b>15,973</b>	<b>&gt;100.0</b>	<b>104,219</b>	<b>66,843</b>	<b>55.9</b>

Distribution Statement

<b>Total return for the period attributable to Unitholders</b>		54,794	15,963	>100.0	104,178	66,801	56.0
Net tax and other adjustments	6	(40,312)	95	Nm	(43,784)	400	Nm
<b>Income available for distribution</b>	7	<b>14,482</b>	<b>16,058</b>	<b>(9.8)</b>	<b>60,394</b>	<b>67,201</b>	<b>(10.1)</b>
<b>Distribution to Unitholders</b>	8	<b>14,482</b>	<b>16,058</b>	<b>(9.8)</b>	<b>60,394</b>	<b>67,201</b>	<b>(10.1)</b>

**Notes:**

Nm – Not meaningful

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 Pro forma comparative figures have been compiled to reflect the following adjustments:

- i) financial performance of the properties after adjusting for income and expenses arising from the acquisition and the reversal of the fair value changes in investment properties and to reflect the revised finance costs (including commitment fees and amortisation of debt related transaction costs) from new borrowings; and
- ii) to include management fees, the trustee fees, the property management fees and administrative and other trust expenses.

**Notes (Actual vs Pro forma):**

- 1 In Pro forma 4Q 2014, the higher other income was due to higher power-related revenue for the recovery of power costs and higher ad hoc service fees charged at Gore Hill and Citadel assets as compared to 4Q 2015.
- 2 Included as part of the property operating expenses were the following:

	<b>Actual 4Q 2015 \$'000</b>	<b>Pro forma 4Q 2014 \$'000</b>	<b>Actual YTD 2015 \$'000</b>	<b>Pro forma YTD 2014 \$'000</b>
Property-related taxes	1,014	565	3,835	1,993
Facility management costs	1,188	905	5,403	3,787
Repairs and maintenance	241	613	2,513	2,565
Other property-related costs	476	1,413	4,636	6,285
	<b>2,919</b>	<b>3,496</b>	<b>16,387</b>	<b>14,630</b>

- 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 YTD 2015 relates to the gains on settlement of forward foreign exchange contracts.
- 5 Included in other trust expenses in 4Q 2015 were mainly foreign exchange losses on the revaluation of external borrowings due to the depreciation of SGD against both AUD and EUR.
- 6 Included in the net tax and other adjustments were the following:

	<b>Actual 4Q 2015 \$'000</b>	<b>Pro forma 4Q 2014 \$'000</b>	<b>Actual YTD 2015 \$'000</b>	<b>Pro forma YTD 2014 \$'000</b>
Trustee's fees	45	45	189	189
Rental income adjustment on a straight-line basis	(374)	(865)	(2,429)	(3,619)
Amortisation of capitalised transaction costs	93	85	386	356
Establishment fees on acquisition	-	-	1,660	-
Net fair value gains in investment properties	(41,879)	-	(41,095)	-
Unrealised foreign exchange losses/(gains)	712	-	(3,188)	-
Deferred tax	2,441	730	2,953	3,055
Other adjustments	(1,350)	100	(2,260)	419
<b>Net tax and other adjustments</b>	<b>(40,312)</b>	<b>95</b>	<b>(43,784)</b>	<b>400</b>

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

- 7 Excluding the higher other income of \$1.5 million as explained in Note 1 above, income available for distribution for 4Q 2014 would be \$14.5 million, hence comparable to 4Q 2015.
- 8 Distribution to Unitholders is based on 100% of the income available for distribution to Unitholders. Total distribution amounting to 3.56 cents per unit in respect of the financial period from Listing Date to 30 June 2015 was paid on 28 August 2015. For the financial period from 1 July to 31 December 2015, eligible unitholders will receive distribution of 3.28 cents per unit.

### 1(B)(i) BALANCE SHEETS

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

	Note	Group			Trust		
		Actual 31-Dec-15 \$'000	Actual 31-Dec-14 \$'000	+/(-) %	Actual 31-Dec-15 \$'000	Actual 31-Dec-14 \$'000	+/(-) %
<b>Non-current assets</b>							
Investment properties	1	1,102,685	1,047,143	5.3	454,000	416,733	8.9
Investment in subsidiaries	2	-	-	-	390,454	316,155	23.5
Loans to subsidiaries	2	-	-	-	156,440	202,521	(22.8)
Derivative financial assets	3	4,200	1,099	>100.0	564	-	Nm
Deposit	4	12,744	-	Nm	-	-	-
Deferred tax assets	5	312	741	(57.9)	-	-	-
<b>Total non-current assets</b>		<b>1,119,941</b>	<b>1,048,983</b>	<b>6.8</b>	<b>1,001,458</b>	<b>935,409</b>	<b>7.1</b>
<b>Current assets</b>							
Trade and other receivables	6	53,060	46,985	12.9	33,023	23,362	41.4
Derivative financial assets	3	1,009	-	Nm	1,009	-	Nm
Cash and other equivalents		37,161	25,537	45.5	26,707	15,864	68.3
<b>Total current assets</b>		<b>91,230</b>	<b>72,522</b>	<b>25.8</b>	<b>60,739</b>	<b>39,226</b>	<b>54.8</b>
<b>TOTAL ASSETS</b>		<b>1,211,171</b>	<b>1,121,505</b>	<b>8.0</b>	<b>1,062,197</b>	<b>974,635</b>	<b>9.0</b>
<b>Current liabilities</b>							
Loans and borrowings	7	33,643	3,857	>100.0	-	-	-
Loans from a subsidiary		-	-	-	30,208	-	Nm
Derivative financial liabilities	3	139	-	Nm	139	-	Nm
Trade and other payables		17,785	17,570	1.2	7,898	10,669	(26.0)
<b>Total current liabilities</b>		<b>51,567</b>	<b>21,427</b>	<b>&gt;100.0</b>	<b>38,245</b>	<b>10,669</b>	<b>&gt;100.0</b>
<b>Non-current liabilities</b>							
Loans and borrowings	7	338,337	322,748	4.8	-	-	-
Loans from a subsidiary		-	-	-	311,640	294,826	5.7
Derivative financial liabilities	3	1,721	559	>100.0	361	-	Nm
Deferred tax liabilities	5	6,058	3,743	61.8	-	-	-
<b>Total non-current liabilities</b>		<b>346,116</b>	<b>327,050</b>	<b>5.8</b>	<b>312,001</b>	<b>294,826</b>	<b>5.8</b>
<b>TOTAL LIABILITIES</b>		<b>397,683</b>	<b>348,477</b>	<b>14.1</b>	<b>350,246</b>	<b>305,495</b>	<b>14.6</b>
<b>NET ASSETS</b>		<b>813,488</b>	<b>773,028</b>	<b>5.2</b>	<b>711,951</b>	<b>669,140</b>	<b>6.4</b>
<b>Represented by:</b>							
Unitholders' funds		813,114	772,587	5.2	711,951	669,140	6.4
Non-controlling interest		374	441	(15.2)	-	-	-
		<b>813,488</b>	<b>773,028</b>	<b>5.2</b>	<b>711,951</b>	<b>669,140</b>	<b>6.4</b>
<b>Net asset value per Unit (\$)</b>	8	0.92	0.88	4.5	0.81	0.76	6.6
<b>Gross borrowings / Deposited properties (%)</b>	9	29.2	27.1	Nm	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 iSeek and Citadel 100 data centres. The increase in investment properties was mainly due to the acquisition of Intellicentre 2, net fair value gains from the revaluation of the data centres, offset by a decrease due to the depreciation of foreign currencies against SGD from 31 December 2014 till 31 December 2015.

<u>Investment Properties</u>	<u>Tenure</u>	<u>Carrying value (\$'000)</u>
S25	Leasehold, expiring 30 Sept 2055	275,000
T25	Leasehold, expiring 31 July 2051	179,000
Basis Bay Data Centre	Freehold	37,461
Almere Data Centre	Freehold	129,715
GV 7 Data Centre	Leasehold, expiring 28 Sept 2183	82,243
Citadel 100 Data Centre	Leasehold, expiring 11 April 2041	109,827
iSeek Data Centre	Leasehold, expiring 29 June 2047	38,652
Gore Hill Data Centre	Freehold	202,820
Intellicentre 2	Freehold	47,967
		<b>1,102,685</b>

- 2 During 2015, a net amount of \$43.4 million was reclassified from loan to subsidiaries to investment in subsidiaries for Gore Hill and Almere. In addition, \$60.8 million was injected into subsidiaries through a combination of equity and debt for the acquisition of Intellicentre 2 and the funding for the 10% deposit for mainCubes Data Centre (see Note 4).
- 3 This relates 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.
- 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 This relates 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 and Malaysia.
- 6 Included in the balance were accrued rental revenue from lessees and recoverable from a related corporation pertaining to a revision of property tax of an investment property based upon an indemnity as provided by the sales and purchase agreement. 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 lessees.
- 7 This relates to external bank borrowings of \$341.8 million drawn down (refer to paragraph 1(B)(ii)), finance lease liabilities of \$31.3 million recognised for iSeek and Citadel data centres and capitalised debt-related transaction costs.
- 8 This excludes non-controlling interest's share of net asset value.
- 9 Gross borrowings relate to the \$341.8 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 iSeek and Citadel 100 data centres. If these finance lease liabilities pertaining to land rent commitments were included, the ratio would be 31.1% (31 December 2014: 29.3%).



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

	Actual As at 31 Dec 15 \$'000	Actual As at 31 Dec 14 \$'000
<b>Unsecured borrowings<sup>1</sup></b>		
Amount repayable within one year	30,208	-
Amount repayable after one year	311,640	294,826
	341,848	294,826

**Note:**

- 1 Keppel DC REIT has obtained unsecured facilities comprising (i) term loan facilities maturing in three to five years (2014: four to five years) amounting to approximately \$311.6 million (2014: \$294.8 million) in SGD, AUD, EUR and GBP currencies and (ii) revolving credit facilities, amounting to a total of \$70.0 million (2014: \$35.0 million) from various financial institutions.

As at 31 December 2015, the term loan facilities were fully drawn down and were fully hedged using floating-for-fixed interest rate swaps. As at 31 December 2015, the Group had total borrowings of approximately \$341.8 million and unutilised \$40.4 million of facilities to meet its future obligations. The year-to-date all-in average interest rate for borrowings was 2.5% per annum for the financial period ended 31 December 2015.

### 1(C) CONSOLIDATED STATEMENT OF CASH FLOWS

	Actual 4Q 2015 <sup>1</sup> \$'000	Actual YTD 2015 <sup>1</sup> \$'000	Actual Year ended 31 Dec 14 <sup>2</sup> \$'000
<b>Operating activities</b>			
Total return for the financial period/year	54,805	104,219	45,035
Adjustments for:			
Tax expenses	2,399	5,577	5,058
Finance income	(321)	(321)	-
Finance costs	3,156	12,401	13,254
Fair value changes in investment properties	(41,879)	(41,095)	(19,682)
Management fees paid in units	47	47	-
Share of results of an associate prior to Listing Date	-	-	(119)
	18,207	80,828	43,546
Changes in working capital:			
- Trade and other receivables	(4,975)	(21,528)	17,021
- Trade and other payables	(855)	(2,874)	(26,362)
Income tax paid	-	(160)	(6)
<b>Net cash from operating activities</b>	12,377	56,266	34,199
<b>Cash flows from investing activities</b>			
Acquisition of investment properties	-	(476,725)	(430,088)
Acquisition of a subsidiary	-	(47,552)	(47,552)
Additions to investment properties	(7,702)	(8,486)	(784)
Capital expenditure on investment properties	(214)	(308)	(65)
Dividends from an associate prior to Listing Date	-	-	3,705
<b>Net cash used in investing activities</b>	(7,916)	(533,071)	(474,784)

### 1(C) CONSOLIDATED STATEMENT OF CASH FLOWS

	Actual 4Q 2015 <sup>1</sup> \$'000	Actual YTD 2015 <sup>1</sup> \$'000	Actual Year ended 31 Dec 14 <sup>2</sup> \$'000
<b>Cash flows from financing activities</b>			
Proceeds from issuance of units	-	821,125	821,125
Redemption of existing units	-	(313,814)	(313,814)
Proceeds from bank borrowings	31,062	373,950	295,000
Payment of financing transaction costs	(39)	(1,581)	(1,475)
Acquisition of remaining interests of subsidiaries	-	(51,743)	(51,743)
Repayment of bank borrowings and Islamic financing facilities	(17,757)	(224,877)	(207,120)
Finance costs paid	(2,900)	(11,193)	(12,147)
Distributions paid, relating prior to Listing Date	-	(26,015)	(58,638)
Distributions paid to Unitholders	-	(31,432)	-
Dividends paid to a non-controlling interest	(8)	(38)	-
Repayment of amount due to a related corporation	-	(1,712)	-
Payment of transaction costs relating to fund-raising	-	(15,209)	(11,661)
Repayment of loan due to a non-controlling interest	-	(10,344)	(10,344)
<b>Net cash from financing activities</b>	<b>10,358</b>	<b>507,117</b>	<b>449,183</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,819</b>	<b>30,312</b>	<b>8,598</b>
Cash and cash equivalents at beginning of period/year	22,302	7,511	17,411
Effects of exchange rate fluctuations on cash held	40	(662)	(472)
<b>Cash and cash equivalents at end of period/year</b>	<b>37,161</b>	<b>37,161</b>	<b>25,537</b>

**Note:**

- 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. Consequently, there is no comparative Statement of Cash Flows for the financial periods for the Group from 1 October to 31 December 2014 and 12 December 2013 to 31 December 2014.
- The year ended 31 December 2014 constitutes both the results when Keppel DC REIT was a private trust from 1 January to 11 December 2014 and after it was listed on SGX-ST from 12 December to 31 December 2014.

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

### GROUP

	Note	Unitholders' funds \$'000	Non-controlling interests \$'000	Total \$'000
<b>At Listing Date<sup>1</sup></b>		282,056	53,450	335,506
<b>Operations</b>				
Total return for the period		49,384	30	49,414
<b>Net increase in net assets resulting from operations</b>		<b>49,384</b>	<b>30</b>	<b>49,414</b>
<b>Unitholders' transactions</b>				
Increase in net assets resulting from				
Unitholders' contribution	2	821,125	-	821,125
Redemption of existing units	2	(313,814)	-	(313,814)
Issue expenses	2	(18,252)	-	(18,252)
Acquisition of non-controlling interests	2	1,268	(53,011)	(51,743)
Distribution to Unitholders		(31,432)	-	(31,432)
<b>Net increase/(decrease) in net assets resulting from Unitholders' transactions</b>		<b>458,895</b>	<b>(53,011)</b>	<b>405,884</b>
Dividends paid to a non-controlling interest		-	(30)	(30)
<b>Hedging Reserves</b>				
Movement in hedging reserves	3	2,739	-	2,739
<b>Net increase in hedging reserves</b>		<b>2,739</b>	<b>-</b>	<b>2,739</b>
Foreign currency translation movement for the period	3	(36,594)	(26)	(36,620)
<b>At 30 September 2015</b>		<b>756,480</b>	<b>413</b>	<b>756,893</b>
<b>Operations</b>				
Total return for the period		54,794	11	54,805
<b>Net increase in net assets resulting from operations</b>		<b>54,794</b>	<b>11</b>	<b>54,805</b>
<b>Unitholders' transactions</b>				
Payment of management fees in units		47	-	47
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>47</b>	<b>-</b>	<b>47</b>
Dividends paid to a non-controlling interest		-	(8)	(8)
<b>Hedging Reserves</b>				
Movement in hedging reserves	3	661	-	661
<b>Net increase in hedging reserves</b>		<b>661</b>	<b>-</b>	<b>661</b>
Foreign currency translation movement for the period	3	1,132	(42)	1,090
<b>At 31 December 2015</b>		<b>813,114</b>	<b>374</b>	<b>813,488</b>

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

### GROUP

	Note	Unitholders' Funds \$'000	Non-controlling interests \$'000	Total \$'000
<b>At 1 January 2014</b>		311,311	46,859	358,170
<b>Operations</b>				
Total return for the year		32,542	12,493	45,035
<b>Net increase in net assets resulting from operations</b>		<b>32,542</b>	<b>12,493</b>	<b>45,035</b>
<b>Unitholders' transactions</b>				
Distributions		(44,055)	(5,882)	(49,937)
Net increase in net assets resulting from Unitholders' contribution	2	821,125	-	821,125
Redemption of existing units	2	(313,814)	-	(313,814)
Issue expenses	2	(18,252)	-	(18,252)
Acquisition of non-controlling interests	2	1,268	(53,011)	(51,743)
<b>Net increase/(decrease) in net assets resulting from Unitholders' transactions</b>		<b>446,272</b>	<b>(58,893)</b>	<b>387,379</b>
<b>Hedging Reserves</b>				
Movement in hedging reserves	3	540	-	540
<b>Net increase in hedging reserves</b>		<b>540</b>	<b>-</b>	<b>540</b>
Foreign currency translation movement for the year	3	(18,078)	(18)	(18,096)
<b>At 31 December 2014</b>		<b>772,587</b>	<b>441</b>	<b>773,028</b>

### 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. Consequently, there is no comparative Statement of Movement in Unitholders' funds for the financial period for the Group from 12 December 2013 to 31 December 2014.
- These transactions relate to the increase in the Unitholders' funds from the Offering and the redemption of Keppel DC REIT's units on Listing Date, issue expenses in relation to the Offering and the acquisition of the non-controlling interests on the Listing Date.
- These other comprehensive income relate to the movement in foreign currency translation reserve arose from translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities, 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.

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

### TRUST

	Note	Unitholders' Funds \$'000
<b>At Listing Date<sup>1</sup></b>		178,183
<b>Operations</b>		
Total return for the period		24,788
<b>Net increase in net assets resulting from operations</b>		<b>24,788</b>
<b>Unitholders' transactions</b>		
Issue of new units on listing	2	821,125
Redemption of existing units	2	(313,814)
Distribution to Unitholders		(31,432)
Issue expenses	2	(18,252)
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>457,627</b>
<b>Hedging Reserves</b>		
Movement in hedging reserves	3	1,182
<b>Net increase in hedging reserves</b>		<b>1,182</b>
<b>At 30 September 2015</b>		<b>661,780</b>
<b>Operations</b>		
Total return for the period		50,233
<b>Net increase in net assets resulting from operations</b>		<b>50,233</b>
<b>Unitholders' transactions</b>		
Payment of management fees in units		47
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>47</b>
<b>Hedging Reserves</b>		
Movement in hedging reserves	3	(109)
<b>Net decrease in hedging reserves</b>		<b>(109)</b>
<b>At 31 December 2015</b>		<b>711,951</b>

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

### TRUST

	Note	Unitholders' Funds \$'000
<b>At 1 January 2014</b>		197,077
<b>Operations</b>		
Total return for the year		27,059
<b>Net increase in net assets resulting from operations</b>		<b>27,059</b>
<b>Unitholders' transactions</b>		
Issue of new units on listing	2	821,125
Redemption of existing units	2	(313,814)
Issue expenses	2	(18,252)
Distribution to Unitholders		(44,055)
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>445,004</b>
<b>At 31 December 2014</b>		<b>669,140</b>

#### 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. Consequently, there is no comparative Statement of Movement in Unitholders' funds for the financial period for the Trust from 12 December 2013 to 31 December 2014.
- These transactions relate to the increase in Unitholders' funds from the Offering and the redemption of Keppel DC REIT's units on Listing Date, issue expenses in relation to the Offering and the acquisition of the non-controlling interests on the Listing Date.
- The other comprehensive income 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 Oct 15 to 31 Dec 15	Actual 12 Dec 14 to 30 Sep 15	Actual 1 Jan 14 to 31 Dec 14
	No. of Units	No. of Units	No. of Units
<b>Issued units as at beginning of period</b>	882,930,000	165,000,000	165,000,000
<b>On Listing Date:</b>			
- Sub-division of existing units	-	201,682,367	201,682,367
- Redemption of existing units	-	(366,682,367)	(366,682,367)
- Issue of new units	46,595	882,930,000	882,930,000
<b>Issued units as at end of period</b>	<b>882,976,595</b>	<b>882,930,000</b>	<b>882,930,000</b>

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

Keppel DC REIT did not hold any treasury units as at 31 December 2015 and 31 December 2014.

	Actual As at 31 Dec 15	Actual As at 31 Dec 14
Total number of issued units	882,976,595	882,930,000

#### 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 2015.

#### 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

	<b>Actual 4Q 2015</b>	<b>Actual YTD 2015</b>
<b><u>Earnings per unit ("EPU")</u></b>		
Weighted average number of units <sup>1</sup>	882,937,625	882,961,907
Total return for the period after tax <sup>4</sup> (\$'000)	54,794	104,178
EPU (basic and diluted) (cents)	6.21	11.80
<b><u>Distribution per unit ("DPU")</u></b>		
Total number of units in issue at end of period	882,976,595	882,976,595
Income available for distribution to Unitholders (\$'000)	14,482	60,394
Distribution to Unitholders <sup>2</sup>	14,482	60,394
DPU <sup>2,3</sup> (cents)	1.64	6.84

#### 7 NET ASSET VALUE ("NAV")

	<b>Actual As at 31 Dec 15</b>	<b>Actual As at 31 Dec 14</b>
<b>NAV<sup>4</sup> per unit<sup>5</sup> (\$\$)</b>	0.92	0.88
<b>Adjusted NAV<sup>4</sup> per unit<sup>5</sup> (\$\$)</b> (excluding the distributable income)	0.89	0.87

#### Notes:

- 1 The actual weighted average number of units was based on the issued units during the financial period in review.
- 2 Distribution to Unitholders is based on 100% of the income available for distribution to Unitholders. Total distribution amounting to 3.56 cents per unit in respect of the financial period from Listing Date to 30 June 2015 was paid on 28 August 2015. For the financial period from 1 July to 31 December 2015, eligible unitholders will receive distribution of 3.28 cents per unit.
- 3 DPU was computed and rounded based on the number of units entitled to distribution at the end of the period. The annualised DPU is approximately 6.48 cents for YTD 2015.
- 4 This excludes the non-controlling interest's share of net asset value and total return for the period after tax.
- 5 The NAV 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 compared to Pro forma results

#### Actual YTD 2015 vs Pro Forma YTD 2014

Gross rental income for YTD 2015 was \$105.9 million, an increase of \$0.4 million or 0.4% from Pro forma YTD 2014 of \$105.5 million. This was due to contribution from Intellicentre 2, higher variable rental income from the Singapore Properties as well as an initial adoption for straight-lining of rental income in Citadel. These were partially offset by lower rental income in other countries arising mainly from the depreciation of foreign currencies against SGD. Other income was \$1.7 million, a decrease of \$5.5 million mainly due to higher ad hoc fees charged to clients in the comparative period.

Property operating expenses for YTD 2015 of \$16.4 million were \$1.8 million or 12.0% higher, as compared to the Pro forma expenses of \$14.6 million. This was largely due to higher contracted facility management costs of \$1.6 million for the Singapore Properties and Gore Hill asset, and higher property tax, insurance and staff costs.

As a result, net property income of \$91.3 million for YTD 2015 was \$6.8 million or 7.0% lower than the Pro forma period.

Total return after tax for YTD 2015 was \$104.2 million, contributed by net fair value gains of \$41.1 million in the investment properties from valuations performed by independent valuers as at 31 December 2015 offset by deferred tax liabilities of \$1.9 million provided on the fair value gains for the properties in the Netherlands and Malaysia. Excluding this net fair value gains and deferred tax, the total return after tax for YTD was \$65.0 million, \$1.8 million or 2.7% lower than the Pro forma period of \$66.8 million. This was attributable to lower net property income, higher non-recurring stamp duties incurred on the establishment of the REIT as well as the Manager's acquisition fees for Intellicentre 2. These were partially offset by foreign exchange gains recognised on revaluation of external borrowings, gains from the settlement of foreign exchange forward contracts, as well as lower borrowing costs as compared to the Pro forma for the same period.

#### Actual 4Q 2015 vs Pro Forma 4Q 2014

Gross rental income for 4Q 2015 was \$24.6 million, a decrease of \$0.6 million or 2.6% from Pro forma 4Q 2014 of \$25.2 million. This was due to lower variable rental income from the Singapore Properties and lower rental income from other countries arising mainly from the depreciation of foreign currencies against SGD. These were partially offset by the contribution from Intellicentre 2. Other income was \$0.2 million, a decrease of \$1.5 million mainly due to higher ad hoc fees charged to clients in the comparative period.

Property operating expenses for 4Q 2015 of \$2.9 million were \$0.6 million or 16.5% lower as compared to Pro forma expenses of \$3.5 million mainly due to lower repairs and maintenance and other property-related costs. This is partially offset by higher property tax for the Singapore Properties and contracted facility management costs for the Gore Hill asset.

As a result, net property income of \$21.8 million for 4Q 2015 was \$1.6 million or 6.8% lower than the Pro forma period.

Total return after tax for 4Q 2015 was \$54.8 million, contributed by net fair value gains of \$41.9 million in the investment properties from valuations performed by independent valuers as at 31 December 2015 offset by deferred tax liabilities of \$1.9 million provided on the fair value gains for the properties in the Netherlands and Malaysia. Excluding this net fair value gains and deferred tax, the total return after tax for 4Q was \$14.8 million, \$1.2 million or 7.5% lower than the Pro forma period of \$16.0 million. This was mainly attributable to foreign exchange losses recognised on revaluation of external borrowings for the quarter and lower net property income. These were partially offset by lower borrowing costs as well as lower tax expenses as compared to the Pro forma period.

## **9 VARIANCE FROM FORECAST STATEMENT**

### Review of performance between the Actual and Forecast Results

#### Actual vs Forecast (YTD 2015)

Income available for distribution was \$60.4 million, \$1.1 million or 1.9% above the Forecast.

Gross rental income for YTD 2015 was \$105.9 million, comparable to the Forecast of \$105.8 million. This was due to contribution from Intellicentre 2, higher variable rental income from the Singapore Properties as well as initial adoption for straight-lining of rental income in Citadel. These were partially offset by lower rental income in other countries arising mainly from the depreciation of foreign currencies against SGD. Other income was \$1.7 million, contributed from power-related revenue for the recovery of power costs and ad hoc service fees charged at Gore Hill and Citadel assets.

Property operating expenses for YTD 2015 of \$16.4 million were \$0.3 million or 1.6% higher, as compared to the Forecast of \$16.1 million due to higher property tax in Singapore and higher contracted facility management costs for the Singapore Properties and Gore Hill asset. These were partially offset by lower property expenses in other countries arising mainly from the depreciation of foreign currencies against SGD.

As a result, net property income of \$91.3 million for YTD 2015 was \$1.6 million or 1.7% above the Forecast.

Total return after tax for YTD 2015 was \$104.2 million, contributed by net fair value gains of \$41.1 million in the investment properties from valuations performed by independent valuers as at 31 December 2015 offset by deferred tax liabilities of \$1.9 million provided on the fair value gains for the properties in the Netherlands and Malaysia. Excluding this net fair value gains and deferred tax, the total return after tax for YTD was \$65.0 million, \$4.9 million or 8.2% higher than the Forecast of \$60.1 million. This was mainly due to higher net property income, foreign exchange gains recognised on revaluation of external borrowings, gains from the settlement of foreign exchange forward contracts, as well as lower borrowing costs. These were partially offset by non-recurring stamp duties incurred on the establishment of the REIT as well as the Manager's acquisition fees for Intellicentre 2.

#### Actual vs Forecast (4Q 2015)

Gross rental income for 4Q 2015 was \$24.6 million, a decrease of \$0.7 million or 2.8% from Forecast of \$25.3 million. This was attributable to lower variable rental income from Singapore Properties and lower rental income from other countries arising mainly from the depreciation of foreign currencies against SGD. These were partially offset by contribution from Intellicentre 2. Other income was \$0.2 million, contributed from power-related revenue for the recovery of power costs and ad hoc service fees charged at Gore Hill and Citadel assets.

Property operating expenses for 4Q 2015 of \$2.9 million were \$1.0 million or 24.2% lower, as compared to the Forecast of \$3.9 million due to lower repairs and maintenance and lower contracted facility management costs incurred during the period. These were partially offset by higher property tax for the Singapore Properties.

As a result, net property income of \$21.8 million for 4Q 2015 was \$0.4 million or 1.9% above the Forecast.

Total return after tax for 4Q 2015 was \$54.8 million, mainly contributed by net fair value gains of \$41.9 million in the investment properties from valuations performed by independent valuers as at 31 December 2015 offset by deferred tax liabilities of \$1.9 million provided on the fair value gains for the properties in the Netherlands and Malaysia. Excluding this net fair value gains and deferred tax, the total return after tax for YTD was \$14.8 million, \$0.4 million or 2.8% higher than the Forecast of \$14.4 million. This was mainly due to higher net property income, lower borrowing costs as well as lower tax expenses as compared to the Forecast. These were partially offset by foreign exchange losses recognised on revaluation of external borrowings for the quarter.

## 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

The world economy grew 2.4% in 2015 below the June 2015 projected forecast growth of 2.8%. For 2016, global growth prospect remains anaemic as the World Bank has lowered an earlier 3.3% growth forecast to 2.9%.

In the countries where Keppel DC REIT operates, it was reported that the growth prospects remain modest, ranging from 1% to 3%.

Against this weak operating environment, industry fundamentals however remain intact, anchored by global trends such as the proliferation of smart devices, internet penetration as well as increased compliance and regulatory requirements. The shift towards cloud computing and e-commerce is expected to further strengthen data centre demand as well.

According to Cisco's Global Cloud Index 2014-2019, global cloud traffic is projected to more than quadruple from 2014 to 2019, growing at a compounded annual growth rate (CAGR) of 33%. The global e-commerce market is expected to grow at a CAGR of 17% from 2014 to 2018 as well by eMarketer, a US-based independent market research company. It is expected that the growth in global cloud traffic and the global e-commerce market will translate to increase in data centre requirements.

Keppel DC REIT enjoyed healthy occupancy levels at 94.8% with a long weighted average lease expiry of 8.7 years as at 31 December 2015. The Manager will continue its proactive asset management approach by engaging its clients and reaching out to prospective clients.

The Manager will also continue 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 have been given to funding and expense requirements so as to manage the cash position at any point of time.

## 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 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) lease and co-location renewals and (ii) new leases and co-location 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?

Name of distribution:	<u>2nd</u> Distribution Distribution for the period from 1 July 2015 to 31 December 2015
Distribution Type:	(a) Taxable Income (b) Tax-exempt Income
Distribution rate:	Distribution for 1 July 2015 to 31 December 2015 (a) Taxable Income – 1.55 cents per unit (b) Tax-exempt Income – 1.73 cents per unit
Distribution amount (\$'000):	28,962
Tax rate:	<p>(a) <u>Taxable Income Distribution:</u></p> <p>Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.</p> <p>Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors up to 31 March 2020, as extended in Budget Statement for Financial Year 2015, delivered on 23 February 2015.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p>(b) <u>Tax-exempt income distribution</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income, exempt dividend income and interest income received by Keppel DC REIT.</p>

### (b) Corresponding Period of the Immediately Preceding Financial Year

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

Not applicable.

### (c) Book closure date

The Transfer Books and Register of Unitholders of Keppel DC REIT will be closed at 5.00pm on **22 January 2016** for purposes of determining each Unitholder's entitlement to the REIT's distribution.

### (d) Date payable

The date the distribution is payable: **29 February 2016**

## 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 SEGMENTAL INFORMATION

<b>By type of asset class</b>	<b>YTD 2015</b>			<b>Total \$'000</b>
	<b>Co-location \$'000</b>	<b>Fully fitted \$'000</b>	<b>Shell and core \$'000</b>	
Gross revenue	76,690	27,161	3,833	107,684
Net property income	61,365	26,889	3,043	91,297
Finance income	75	209	37	321
Finance costs	(6,714)	(3,589)	(1,822)	(12,125)
<b>Reportable segment total return before tax</b>	<b>80,446</b>	<b>33,348</b>	<b>4,189</b>	<b>117,983</b>
<b>Unallocated amounts:</b>				
- Finance costs:				(276)
- Other corporate expenses:				(7,911)
<b>Total return before tax</b>				<b>109,796</b>

  

<b>By type of asset class</b>	<b>Co-location \$'000</b>	<b>Fully fitted \$'000</b>	<b>Shell and core \$'000</b>	<b>Total \$'000</b>
<b>Segment assets</b>	671,454	320,360	214,148	1,205,962
Other unallocated amounts				5,209
<b>Consolidated assets</b>				<b>1,211,171</b>
<b>Segment liabilities</b>	165,052	139,535	91,236	395,823
Other unallocated amounts				1,860
<b>Consolidated liabilities</b>				<b>397,683</b>
<b>Other segment items:</b>				
Net change in fair value of investment properties	29,095	10,196	1,804	41,095
Capital expenditure / Additions	2,099	-	5,911	8,010

<b>By type of asset class</b>	<b>Actual 2014<sup>1</sup></b>			<b>Total \$'000</b>
	<b>Co-location \$'000</b>	<b>Fully fitted \$'000</b>	<b>Shell and core \$'000</b>	
Gross revenue	24,644	26,641	3,410	54,695
Net property income	21,043	26,388	2,801	50,232
Finance costs	(4,005)	(8,237)	(769)	(13,011)
<b>Reportable segment total return before tax</b>	<b>29,411</b>	<b>24,809</b>	<b>2,032</b>	<b>56,252</b>
<b>Share of results of associate</b>				
- excluding change in fair value of investment property:	2,347	-	-	2,347
- change in fair value of investment property:	(2,228)	-	-	(2,228)
				119
<b>Unallocated amounts:</b>				
- Finance costs:				(243)
- Other corporate expenses:				(6,035)
<b>Total return before tax</b>				<b>50,093</b>

  

	<b>Co-location \$'000</b>	<b>Fully fitted \$'000</b>	<b>Shell and core \$'000</b>	<b>Total \$'000</b>
<b>Segment assets</b>	725,097	309,070	54,911	1,089,078
Other unallocated amounts				32,427
<b>Consolidated assets</b>				<b>1,121,505</b>
<b>Segment liabilities</b>	56,243	97,223	5,494	158,960
Other unallocated amounts				189,517
<b>Consolidated liabilities</b>				<b>348,477</b>
<b>Other segment items:</b>				
Net change in fair value of investment properties	12,626	2,824	4,232	19,682
Capital expenditure	37	812	-	849

**Note:**

- 1 The actual 2014 figures constitute both the results when Keppel DC REIT was a private trust from 1 January 2014 to 11 December 2014 and after it was listed on SGX-ST from Listing Date to 31 December 2014.

## 14 SEGMENTAL INFORMATION

### By geographical area

<u>Gross Revenue</u>	YTD 2015 \$'000	Actual 2014 <sup>1</sup> \$'000
- Singapore	43,909	2,170
- Australia	27,917	31,961
- Ireland	15,149	681
- Other countries	20,709	19,883
<b>Total gross revenue</b>	<b>107,684</b>	<b>54,695</b>

### Major Customers

Revenue of \$60.4 million (2014: \$34.4 million) were derived from 2 separate external clients from Singapore and Australia (2014: Australia and the Netherlands).

<u>Investment Properties</u>	2015 \$'000	Actual 2014 \$'000
- Singapore	454,000	416,733
- Australia	289,439	251,825
- The Netherlands	129,715	131,657
- Other countries	229,531	246,928
<b>Total value of investment properties</b>	<b>1,102,685</b>	<b>1,047,143</b>

### **Note:**

- The actual 2014 figures constitute both the results when Keppel DC REIT was a private trust from 1 January 2014 to 11 December 2014 and after it was listed on SGX-ST from Listing Date to 31 December 2014.

## 15 MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to paragraph 8 on the review of performance.

## 16 BREAKDOWN OF SALES

	YTD 2015 \$'000	Pro forma YTD 2014 \$'000	+ / (-) %
<b>First half year<sup>1</sup></b>			
Gross revenue reported	57,177	58,886	(2.9)
Total return after tax <sup>2</sup>	31,715	34,897	(9.1)
<b>Second half year<sup>1</sup></b>			
Gross revenue reported	50,507	53,868	(6.2)
Total return after tax <sup>2</sup>	31,409	31,946	(1.7)

### **Notes:**

- First half year refers to the financial period from Listing Date to 30 June 2015 whereas second half year relates to 1 July 2015 to 31 December 2015.
- The total return after tax for first half year and second half year of FY2015 excludes fair value losses of \$0.8 million and fair value gains \$41.9 million of the investment properties respectively. Fair value changes are non-taxable items and have no impact on the distributable income to Unitholders.

## 17 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)
	<b>Actual YTD 2015<sup>1</sup> \$'000</b>
<b>Keppel Corporation Limited and its subsidiaries</b>	
- Media-related costs for the listing of Keppel DC REIT	295
<b>Keppel Telecommunications &amp; Transportation Ltd and its subsidiaries</b>	
- Fixed rental income	91,711
- Variable rental income	34,288
- Manager's management fees	8,700
- Facility management fees	4,031
- Support services fees	634
<b>The Trust Company Asia (Limited)</b>	
- Trustee fees	189

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

## 18 BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

	<b>YTD 2015 \$'000</b>
Listing Date to 30 June 2015	31,432
1 July 2015 to 31 December 2015	28,962
	60,394

Prior to the Listing Date, the distributions of Keppel DC REIT were paid to its private trust unitholders. Consequently, there is no comparative annual distribution for the financial periods for the Group from Listing Date to 30 June and 1 July 2015 to 31 December 2015.

## 19 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.

## 20 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, we confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.



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  
14 January 2016