Keppel DC REIT Management Pte. Ltd.
(Co Reg No. 199508930C)
18 Cross Street #10-10
China Square Central
Singapore 048423
www.keppeldcreit.com
Tel: (65) 6535 5665
Fax: (65) 6535 0660

MEDIA RELEASE

Unaudited Results of Keppel DC REIT for Fourth Quarter and Full Year Ended 31 December 2016

23 January 2017

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the fourth quarter and full year ended 31 December 2016.

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

For more information, please contact:

Media Relations

Mr Kevin Ho
Senior Executive
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6581
Email: kevin.ho@kepcorp.com

Investor Relations

Ms Liang Huihui
Assistant Manager
Investor Relations
Keppel DC REIT Management Pte. Ltd.
Tel: (65) 6305 0784
Email: huihui.liang@keppeldcreit.com

Keppel DC REIT's FY 2016 Distributable Income Exceeds Forecast by 4.0%

Key Highlights

- Portfolio grew during the year with three acquisitions
- DPU[2,3] of 2.80 cents declared for 2H 2016
- Distributable income[2] for FY 2016 was $61.0 million, 4.0% higher than IPO forecast[1]
- Adjusted distribution yield[3] based on IPO price was 7.18%, up 3 bps from IPO forecast[1]
- Portfolio occupancy of 94.4%
- Portfolio weighted average lease expiry (WALE) of 9.6 years by leased lettable area
- Aggregate leverage of 28.3%
- Strong interest coverage ratio of 9.4 times

	4Q 2016 Actual	4Q 2016 Forecast[1]	+/(-) %	FY 2016 Actual	FY 2016 Forecast[1]	+/(-) %
Gross Revenue ($'000)	26,840	25,767	+4.2	99,139	102,510	(3.3)
Property Expenses ($'000)	(1,898)	(3,898)	(51.3)	(8,203)	(15,506)	(47.1)
Net Property Income ($'000)	24,942	21,869	+14.1	90,936	87,004	+4.5
Distributable Income[2] ($'000)	14,770	14,756	+0.1	61,048	58,710	+4.0
DPU[2,3] (cents)	1.31	1.67	(21.6)	6.14	6.65	(7.7)
Distribution Yield[3] (%)						
At IPO price $0.930				6.60	7.15	(55bps)
At FY 2016 closing price $1.185				5.18	5.61	(43bps)
Adjusted DPU[3] (cents)	1.67	1.67	-	6.68	6.65	+0.5
Adjusted Distribution Yield[3] (%)						
At IPO price $0.930				7.18	7.15	+3bps
At FY 2016 closing price $1.185				5.64	5.61	+3bps

	4Q 2016 Actual	4Q 2015 Actual	+/(-) %	FY 2016 Actual	FY 2015 Actual	+/(-) %
Gross Revenue ($'000)	26,840	24,764	+8.4	99,139	102,462	(3.2)
Property Expenses ($'000)	(1,898)	(2,919)	(35.0)	(8,203)	(15,590)	(47.4)
Net Property Income ($'000)	24,942	21,845	+14.2	90,936	86,872	+4.7
Distributable Income[2] ($'000)	14,770	14,482	+2.0	61,048	57,440	+6.3
DPU[2,3] (cents)	1.31	1.64	(20.1)	6.14	6.51	(5.7)
Distribution Yield[3] (%)						
At FY 2016 closing price $1.185				5.18	5.49	(31bps)
At FY 2015 closing price $1.015				6.05	6.41	(36bps)
Adjusted DPU[3] (cents)	1.67	1.64	+1.8	6.68	6.51	+2.6
Adjusted Distribution Yield[3] (%)						
At FY 2016 closing price $1.185				5.64	5.49	+15bps
At FY 2015 closing price $1.015				6.58	6.41	+17bps

Notes:

(1) *On a pro-rata basis for the relevant financial period, as derived from the Projection Year 2016 figures in IPO Prospectus.*

(2) *Distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. Keppel DC REIT has distributed 3.34 cents per Unit for 1H 2016. For 2H 2016, eligible Unitholders will receive distribution of 2.80 cents per Unit.*

(3) *The 242.0 million new Units listed on 15 November 2016, pursuant to the pro-rata preferential offering, are entitled to the distributable income for 2H 2016. In addition, there was a period of 1.5 months for which there was no income contributed by Keppel DC Singapore 3 as the acquisition was completed later than expected. Excluding the impact from the pro-rata preferential offering, the later completion of Keppel DC Singapore 3 acquisition as well as the one-off property tax refund in 3Q 2016, the adjusted DPU for FY 2016 would have been 6.68 cents, higher than both the IPO forecast and FY 2015 Actual. Adjusted distribution yield for FY 2016 would be correspondingly higher than IPO forecast and FY 2015 Actual.*

Financial Review

For the financial year ended 31 December 2016, Keppel DC REIT Management Pte. Ltd. (the Manager) is pleased to announce that Keppel DC REIT has achieved $61.0 million of distributable income, which surpassed the IPO forecast by 4.0%. This represents a 6.3% growth year-on-year.

Distributable income exceeded IPO forecast mainly due to the one-off net property tax refund, contributions from Intellicentre 2, higher finance income, as well as lower property-related and other expenses. These were partially offset by lower rental income arising from a client downsizing its requirements in Keppel DC Dublin 1 in 1Q 2016. There was also a drop in variable income at the Singapore Properties due to lower recurring and power revenue.

A distribution of 2.80 cents per Unit has been declared for 2H 2016. Book Closure Date is 1 February 2017 and distributions will be paid out on 28 February 2017. Together with the distribution of 3.34 cents per Unit paid on 31 August 2016 for 1H 2016, total distribution for the financial year ended 31 December 2016 was 6.14 cents per Unit. Based on the IPO price of $0.930 per Unit, distribution yield was 6.60%.

During the quarter, approximately 242.0 million new Units were listed on 15 November 2016 pursuant to the pro-rata preferential offering that accompanied the acquisition of Keppel DC Singapore 3 (KDC SGP 3). The new Units rank *pari passu* with the Units in issue before the listing of the new Units, and are entitled to the distributable income for 2H 2016. There was also a period of 1.5 months for which there was no income contributed by KDC SGP 3 as the acquisition was completed later than expected.

Adjusted DPU for FY 2016 would have been 6.68 cents, 0.5% higher than IPO forecast and 2.6% higher than FY 2015, excluding the impact of the pro-rata preferential offering, the later completion of KDC SGP 3 acquisition as well as the one-off property tax refund in 3Q 2016 . Accordingly, adjusted distribution yield for FY 2016 would have been 7.18%, 3 bps above the IPO forecast.

As at 31 December 2016, Keppel DC REIT's closing price was $1.185, which translates to a 24.2% premium to its Net Asset Value per Unit of $0.954.

Portfolio Expansion

Extending its portfolio growth momentum from its first year of listing, the Manager announced three acquisitions in 2H 2016. These included the REIT's forays into two new markets, Milan in Italy and Cardiff, the capital of Wales in the United Kingdom, as well as the REIT's acquisition of 90% interest in KDC SGP 3.

The REIT's geographical footprint has expanded to nine cities across seven countries in Asia Pacific and Europe. Assets under management as at 31 December 2016 was approximately $1.20 billion and consisted of 11 data centre properties, excluding maincubes Data Centre which is under development by the vendor in Germany, and KDC SGP 3 which was pending legal completion. If all the announced acquisitions were included, AUM would have grown more than 50% within two years from listing date.

The addition of the two facilities on long master leases in 2016 enhances the resilience of the portfolio's income stream by extending the portfolio WALE and rebalancing the lease mix. The REIT's first Italian acquisition involves the shell and core building of a data centre in Milan which is fully leased to one of the world's largest telecommunications companies for 12 years on a double-net lease structure. In Cardiff, the REIT acquired the shell and core building of a data centre which has been fully-leased to one of the largest global cloud service providers on a 15-year triple-net lease basis.

On 20 January 2017, Keppel DC REIT completed the acquisition of 90% interest in KDC SGP 3. An agreement was entered into with the vendor so that the rights and obligations of the 90% interest shall pass to the REIT as if completion had occurred on 1 December 2016. The REIT has also been granted tax transparency treatment for its share of the taxable income arising from the 90% interest, similar to that which was granted for its two existing Singapore properties. This acquisition will further strengthen the REIT's presence in the Singapore data centre market.

In Germany, the construction of the REIT's first German asset, maincubes Data Centre, by the vendor is on track for completion in 1H 2018. The building shell of the data centre has been completed as of end-2016.

Portfolio Performance

Keppel DC REIT's portfolio remains resilient and stable. In 4Q 2016, portfolio occupancy rate rose from 92.7% to 94.4% while the WALE was extended from 8.6 years to 9.6 years, offering investors strong investment fundamentals.

The REIT's global clientele remains well-diversified across high-value added fast growing industries. Its top 10 clients are mainly from the internet enterprise, information technology services and telecommunications industries. The diversified and resilient portfolio is balanced by a mix of master-leased facilities with stable long leases, as well as colocation facilities comprising diversified clients with comparatively shorter and staggered lease expiries.

Capital Management

Amidst market volatilities, the Manager will maintain its prudent capital management to mitigate the effects of interest rate and foreign currency fluctuations. Interest rates of the long-term loans have been substantially locked in with interest rate swaps, while the REIT's forecasted foreign-sourced distribution has been hedged up to 1H 2018 with foreign currency forward contracts. There is also natural hedging in place with borrowings in currencies that match the corresponding investments.

Following the preferential offering of approximately 242.0 million new Units in 4Q 2016, the REIT's aggregate leverage decreased to 28.3% as at 31 December 2016, allowing comfortable debt headroom and financial flexibility to pursue future growth opportunities. The higher assets under management, the fully unencumbered portfolio and higher free float quantum are expected to provide better access to the debt and equity capital markets.

As at 31 December 2016, weighted average debt maturity was 3.2 years. The average annualised cost of debt remained low at approximately 2.3% per annum while interest coverage ratio was 9.4 times.

Outlook

The outlook of the global economy remains uncertain. In the World Bank's Global Economic Prospects report release on 10 January 2017, global growth is projected at 2.7% in 2017, down 0.1 percentage point from the forecast in June 2016.

Against this backdrop, the Manager continues to see growth potential in the data centre industry. The expanding requirements of the digital economy and massive-scale cloud providers will continue to propel wholesale colocation growth. In particular, demand for data centre space remains strong in Asia Pacific and Europe. Structure Research projects that the Asia Pacific region will surpass the North America region in colocation market revenue by 2020. According to BroadGroup Consulting, the European market presents attractive growth opportunities given relative under-development in recent years.

Although the increase in data centre space in Singapore is expected to exert near-term pressure on rental rates, the Manager is confident of the data centre market's long-term potential. The recently completed acquisition of KDC SGP 3 will serve to strengthen the REIT's foothold in Singapore. Apart from seeking growth opportunities, the Manager will continue its proactive asset management approach and work to improve occupancy of its properties.

During the year, 50% of Keppel Corporation Limited's interest in the Manager was consolidated under Keppel Capital Holdings Pte. Ltd. (Keppel Capital), along with Keppel Infrastructure Fund Management Pte. Ltd., Keppel REIT Management Limited and Alpha Investment Partners Limited. As a member of Keppel Capital, the Manager will be able to leverage the larger platform and wider geographical coverage of an enlarged grouping. Keppel T&T will continue to own the remaining 50% interest in the Manager and support the REIT's growth as its Sponsor.

The Manager will remain focused on its disciplined investment and prudent capital management strategies to capture the growth potential of this industry and deliver value to the REIT's stakeholders.

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About Keppel DC REIT (www.keppeldcreit.com)

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

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

As at 31 December 2016, the portfolio comprises 11 data centres strategically located in key data centre hubs. With an aggregate lettable area of approximately 843,084 sq ft, the portfolio spans nine cities in seven countries in Asia Pacific and Europe.

Keppel DC REIT's data centre properties in Asia Pacific include Keppel DC Singapore 1 (formerly known as S25) and Keppel DC Singapore 2 (formerly known as T25) in Singapore; Basis Bay Data Centre in Cyberjaya, Malaysia; Intellicentre 2 and Gore Hill Data Centre in Sydney, Australia; and iseek Data Centre in Brisbane, Australia.

In Europe, Keppel DC REIT owns GV7 Data Centre in London, United Kingdom; Cardiff Data Centre in Cardiff, United Kingdom; Keppel DC Dublin 1 (formerly known as Citadel 100 Data Centre) in Dublin, Ireland; Milan Data Centre in Milan, Italy; and Almere Data Centre in Almere, the Netherlands. The portfolio excluded the REIT's forward purchase of maincubes Data Centre which is under construction by the vendor in Offenbach am Main, Germany, and Keppel DC Singapore 3 (formerly known as T27) which was pending legal completion as at 31 December 2016. The acquisition of Keppel DC Singapore 3 was recently completed on 20 January 2017.

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

The REIT is managed by Keppel DC REIT Management Pte. Ltd.. Keppel Capital Holdings Pte. Ltd. (Keppel Capital) has a 50% interest in the Manager, with the remaining interest held by Keppel T&T. Keppel Capital is a premier asset manager in Asia with assets under management of approximately $26 billion in real estate, infrastructure and data centre properties in key global markets.

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

Important Notice

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

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

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