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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for First Quarter Ended 31 March 2017

17 April 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 first quarter ended 31 March 2017.

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

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Keppel DC REIT's Distributable Income Registers Strong Year-on-year Growth

Key Highlights

- Distributable income[1] for 1Q 2017 was $21.8 million, 47.6% higher than 1Q 2016, contributed by a $1.7 million one-off capital distribution in relation to the Keppel DC Singapore 3 acquisition, income from the acquisitions announced last year as well as lower property-related and other expenses.
- Portfolio occupancy rate of 95.1%
- Portfolio weighted average lease expiry (WALE) of 9.2 years by leased lettable area
- Aggregate leverage of 27.9%
- Interest coverage ratio of 11.6 times

($'000)	**1Q 2017**	**1Q 2016**	**+/(-) %**
Gross Revenue	32,224	24,771	+30.1
Property Expenses	(3,380)	(3,585)	(5.7)
Net Property Income	28,844	21,186	+36.1
Distributable Income to Unitholders[1]	21,766	14,747	+47.6
Distribution per Unit[2,3] (DPU)(cents)	1.89	1.67	+13.2
Annualised Distribution Yield[3] (%)			
- At 1Q 2017 closing price of $1.200	6.01	5.60	+41bps
- At 1Q 2016 closing price of $1.060	6.80	6.34	+46bps

(1) 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 included a one-off capital distribution of approximately $1.7 million for the month of December 2016. Pursuant to the lease agreement entered into for Keppel DC Singapore 3, the distributable income would also include an amount of capital expenditure that had been set aside for this asset (the Capex Reserves).

(2) The DPU was computed based on the distributable income to Unitholders and had excluded the Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter under review.

(3) Excluding the one-off capital distribution of approximately $1.7 million (equivalent to 0.15 cents per Unit), 1Q 2017's DPU would have been 1.74 cents per Unit and the adjusted annualised distribution yield would have been 5.88% and 6.66% based on closing prices of 1Q 2017 and 1Q 2016 respectively.

Financial Review

Keppel DC REIT Management Pte. Ltd. (the Manager) is pleased to announce that Keppel DC REIT's distributable income had increased from $14.7 million in 1Q 2016 to $21.8 million in 1Q 2017, translating to a 47.6% growth year-on-year.

The year-on-year increase in distributable income was contributed by the one-off capital distribution in relation to the Keppel DC Singapore 3 acquisition, income from the acquisitions announced last year, as well as lower property-related and other expenses. The one-off capital distribution of approximately $1.7 million for the month of December 2016 arose 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. Year-on-year, there were lower rental income arising from a client downsizing its requirements in Keppel DC Dublin 1 in 1Q 2016, as well as lower variable income from Keppel DC Singapore 1 and Keppel DC Singapore 2 due to lower recurring and power revenue.

Based on 1Q 2017's market closing price of $1.200 per Unit, Keppel DC REIT's annualised distribution yield was 6.01%, up from 5.60% when compared to the same period last year. Excluding the one-off capital distribution of approximately $1.7 million (equivalent to 0.15 cents per Unit), the adjusted annualised distribution yield would have been 5.88%. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter under review.

As at 31 March 2017, Keppel DC REIT was trading at a 26.8% premium to its Net Asset Value per Unit of $0.946.

Portfolio Performance

Keppel DC REIT's portfolio remains resilient with a diversified geographical reach, well-established clientele and a long portfolio WALE.

On 20 January 2017, Keppel DC REIT completed the acquisition of 90% interest in Keppel DC Singapore 3, adding a third asset in Singapore and strengthening its presence in this key data centre hub. The REIT has also obtained tax transparency treatment for its share of the taxable income arising from the 90% interest, similar to that which was granted for Keppel DC Singapore 1 and Keppel DC Singapore 2.

Portfolio occupancy rate rose from 94.4% as at 31 December 2016 to 95.1% as at 31 March 2017, while portfolio WALE remained long at 9.2 years. A major contract at one of the Singapore colocation assets, which was expiring in 2017, was renewed for five years. The Manager will continue to manage existing leases proactively and engage with prospective clients to optimise returns from the REIT's portfolio.

The portfolio remains balanced by a mix of master-leased facilities on long leases, and colocation facilities which provide diversity in terms of client profile and lease expiry. The REIT's income stability is also supported by its diversified clientele of high value-added industries.

Capital Management

The Manager has been consistently adopting a prudent capital management approach to mitigate the effects of interest rate and foreign currency fluctuations. This has proven to be beneficial amidst market volatility, enabling the Manager to provide Unitholders with regular and stable distributions.

As at 31 March 2017, 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 2H 2018 with foreign currency forward contracts. There is also natural hedging in place with borrowings in currencies that match the corresponding investments.

Keppel DC REIT's balance sheet remains healthy. The REIT's low aggregate leverage of 27.9% provides the REIT with a comfortable debt headroom and financial flexibility to pursue growth opportunities. All of the REIT's borrowings are unsecured with an average annualised cost of debt of 2.2% per annum and a weighted average debt maturity of 2.9 years. Interest coverage ratio was 11.6 times.

Outlook

The global economy is expected to grow modestly in 2017 and 2018, amidst potential market volatility and policy uncertainties, according to the Organisation for Economic Cooperation and Development's Global Interim Economic Outlook released on 7 March 2017. Against this backdrop, the increasing demands of the digital economy and data centre outsourcing requirements will continue to underpin growth opportunities in the data centre industry. With a global client base and the Manager's established track record, Keppel DC REIT is well positioned to tap the potential of the industry.

The Manager remains confident of the data centre market's growth potential although near-term pressure on rental rates is expected with data centre supply coming online in Singapore. The addition of Keppel DC Singapore 3 to the REIT's portfolio earlier this year further strengthened the REIT's foothold in Singapore.

The Manager will maintain its focused investment strategy through a combination of proactive asset management and prudent capital management approach to capture value from the data centre industry.

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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 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 March 2017, the REIT had a portfolio valued at approximately $1.40 billion, comprising 12 data centres strategically located in key data centre hubs. With a total attributable lettable area of approximately 892,040 sq ft, the portfolio spanned 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, Keppel DC Singapore 2 and Keppel DC Singapore 3 in Singapore; Basis Bay Data Centre in Cyberjaya, Malaysia; Intellicentre 2 Data Centre 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 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.

The REIT is managed by Keppel DC REIT Management Pte. Ltd., which is 50% owned by Keppel Capital Holdings (Keppel Capital) and 50% owned by Keppel Telecommunications & Transportation (Keppel T&T). Keppel Capital is a premier asset manager in Asia with assets under management of approximately $25 billion in real estate, infrastructure and data centre properties in key global markets. As a member of Keppel Capital, the Manager can leverage and grow Keppel DC REIT further with the increased scale, larger investor base, wider geographical coverage and greater resources.

Keppel T&T is a provider of integrated services and solutions for logistics and data centres. Its data centre division owns, acquires, develops and manages high-availability data centres. As the Sponsor of the REIT, Keppel T&T has also granted Rights of First Refusal to the REIT for its income generating data centre assets.

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 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.