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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for Third Quarter and Nine Months Ended 30 September 2017

16 October 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 third quarter and nine months ended 30 September 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 Achieves 4.2% Year-on-Year Growth in 9M 2017 Adjusted DPU

Key Highlights

- 9M 2017's adjusted DPU⁽¹⁾ of 5.22 cents was 4.2% higher than 9M 2016's adjusted DPU of 5.01 cents
- Distributable income⁽²⁾ for 9M 2017 was \$62.1 million, 34.1% higher than 9M 2016, contributed by acquisitions and the one-off capital distribution
- Portfolio occupancy rate remained healthy at 93.4% with portfolio weighted average lease expiry (WALE) of 9.2 years by leased area
- Aggregate leverage was 32.1% and interest coverage ratio was 10.6 times

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

(1) 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.

(2) 9M 2017's distributable income included a one-off capital distribution of approximately \$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.

(3) Nm – not meaningful

(4) 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 the quarter ended 30 September 2017. The DPU was computed based on the distributable income to Unitholders and had excluded the Capex Reserves.

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

Financial Review

Keppel DC REIT Management Pte. Ltd. (the Manager) is pleased to announce that Keppel DC REIT has achieved a 9M 2017 adjusted DPU of 5.22 cents, excluding the one-off capital distribution that arose from the Keppel DC Singapore 3 acquisition in January 2017. This represents a 4.2% growth from 9M 2016's adjusted DPU of 5.01 cents after adjusting for the impact of the pro-rata Preferential Offering and the one-off net property tax refund in 2016. Based on 9M 2017's market closing price of \$1.325 per Unit, Keppel DC REIT's adjusted annualised distribution yield would be 5.27%.

Distributable income for 9M 2017 was \$62.1 million, 34.1% higher than the distributable income of \$46.3 million in 9M 2016. The growth in distributable income was contributed by acquisitions as well as a one-off capital distribution of \$1.7 million in 1Q 2017 paid to the Unitholders in relation to the Keppel DC Singapore 3 acquisition. The increase was partially offset by lower variable income from Keppel DC Singapore 1 and Keppel DC Singapore 2, lower rental income from Basis Bay Data Centre as well as an absence of a one-off net property tax refund that was recorded in 3Q 2016.

Portfolio Review

During the quarter, Keppel DC REIT acquired B10 Data Centre, the REIT's second data centre in Dublin, Ireland, a key data centre hub in Europe. This increased Keppel DC REIT's assets under management to approximately \$1.54 billion across 13 data centres in Asia and Europe.

An energy-efficient colocation facility, B10 Data Centre is a strategic addition to Keppel DC REIT's portfolio given its strong tenant profile comprising global internet enterprise, IT services and telecommunications clients, and the facility's long WALE of approximately 10.9 years.

As at 30 September 2017, portfolio occupancy was 93.4%, with a WALE of 9.2 years. The Manager is in the midst of finalising the documentation of the two remaining major leases due in 2017.

Capital Management

As at 30 September 2017, the REIT's aggregate leverage remained low at 32.1%, providing financial flexibility to pursue growth opportunities. All of the REIT's borrowings were unsecured with an average annualised cost of debt of 2.2% per annum. Weighted average debt maturity was 2.5 years while interest coverage ratio remained healthy at 10.6 times.

The Manager maintains a prudent capital management approach to manage the REIT's exposure to interest rate and foreign currency fluctuations. As at 30 September 2017, interest rates of the long-term loans have been substantially locked in with interest rate swaps, while the REIT's forecasted foreign-sourced distributions have been hedged up to 1H 2019 with foreign currency forward contracts. Natural hedging is also in place with borrowings in currencies that match the corresponding investments.

Outlook

According to the Organisation for Economic Co-operation and Development (OECD)¹, the world economy has picked up momentum, with notable improvements in industrial data as well as technology spending. However, the OECD cautioned that investment and trade levels need to improve further to sustain the recovery in the medium-term.

In its latest semi-annual report², International Data Corporation (IDC) also expects data centre investment activities to increase and continue to be driven by cloud service providers. Furthermore, IDC noted improvements in business confidence across multiple verticals which would result in higher IT budgets. IDC projects 6% year-on-year growth in IT spending by professional services firms, including cloud services firms, and at least 5% growth from the financial services sector.

The Manager remains confident that the data centre industry's growth potential will be underpinned by the increasing reliance on digital data, as well as sustained demand for cloud services. Keppel DC REIT is well-positioned to capture value for unitholders with its global client base and the Manager's established track record.

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¹ OECD Interim Economic Outlook, 20 September 2017

² IDC Worldwide Semiannual IT Spending Guide: Industry and Company Size

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.

Its current portfolio comprises 13 high-quality data centres strategically located in key data centre hubs. With an aggregate lettable area of approximately 917,240 sq ft, the portfolio spans nine cities in seven countries in Asia Pacific and Europe.

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 comprising 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.