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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for Second Quarter and First Half Ended 30 June 2018

17 July 2018

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 second quarter and first half ended 30 June 2018.

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 Declares DPU of 3.62 cents for 1H 2018

Key Highlights

- DPU of 3.62 cents declared for 1H 2018, 4.0% higher than 1H 2017's adjusted DPU of 3.48 cents after excluding the one-off capital distribution recorded in 1Q 2017
- 1H 2018's distributable income of \$43.9 million was higher year-on-year mainly due to higher contribution from maincubes Data Centre and the assets in Singapore and Dublin
- Portfolio AUM increased to \$1.94 billion with the acquisition of Keppel DC Singapore 5
- Portfolio occupancy at 92.0% and WALE at 8.8 years by leased area
- Aggregate leverage decreased to 31.7% following the private placement of 224.0 million new Units in relation to the Keppel DC Singapore 5 acquisition

(\$'000)	2Q 2018	2Q 2017	+/(-) %	1H 2018	1H 2017	+/(-) %
Gross Revenue	41,927	34,515	+21.5	79,935	66,739	+19.8
Property Expenses	(3,852)	(3,152)	+22.2	(7,772)	(6,532)	+19.0
Net Property Income	38,075	31,363	+21.4	72,163	60,207	+19.9
Distributable Income to Unitholders ⁽¹⁾	23,079	20,130	+14.6	43,946	41,896	+4.9
Distribution per Unit ⁽²⁾ (DPU)(cents)	1.82	1.74	+4.6	3.62	3.63	(0.3)
Adjusted DPU⁽³⁾ (cents)	1.82	1.74	+4.6	3.62	3.48	+4.0
Annualised Distribution Yield ⁽⁴⁾ (%)				5.32	5.23	+9 bps
Adjusted Annualised Distribution Yield⁽⁴⁾ (%)				5.32	5.12	+20 bps

(1) 1Q 2017's distributable income included a one-off capital distribution of \$1.7 million for the month of December 2016 arising from the later completion of Keppel DC Singapore 3. Distributable income included Keppel DC Singapore 3 and Keppel DC Singapore 5's Capex Reserves.

(2) DPU was computed based on the distributable income to Unitholders and had excluded the Capex Reserves. 1H 2017's DPU included a one-off capital distribution of 0.15 cents per Unit. The Manager declared an advanced distribution of 2.77 cents per Unit to eligible Unitholders for the period from 1 January to 15 May 2018, in connection with the private placement of 224.0 million new Units. For the period from 16 May to 30 June 2018, eligible Unitholders will receive distribution of 0.85 cents per Unit.

(3) 1H 2018's DPU was higher than 1H 2017's adjusted DPU after excluding the one-off capital distribution recorded in 1Q 2017.

(4) Annualised by quarters and computed based on 1H 2018's closing price of \$1.360 per Unit.

Financial Review

Keppel DC REIT Management Pte. Ltd. (the Manager) is pleased to declare DPU of 3.62 cents for 1H 2018, which was 4.0% higher than 1H 2017's adjusted DPU of 3.48 cents after excluding the one-off capital distribution that arose from the Keppel DC Singapore 3 acquisition last year. Annualised distribution yield was 5.32% based on 1H 2018's closing price of \$1.360 per Unit.

1H 2018 DPU of 3.62 cents comprised (i) an advanced distribution of 2.77 cents per Unit for the period from 1 January to 15 May 2018 which will be paid on 8 August 2018, and (ii) a distribution of 0.85 cents per Unit for the period from 16 May to 30 June 2018, post private placement of 224.0 million new Units. Book Closure Date for the distribution of 0.85 cents per Unit is 25 July 2018 and eligible Unitholders can expect to receive their distribution on 29 August 2018.

Distributable income for 1H 2018 was \$43.9 million, higher than 1H 2017's \$41.9 million. This is mainly due to higher contribution from maincubes Data Centre and the assets in Singapore and Dublin, partially offset by lower rental income from Basis Bay Data Centre as well as higher finance costs and Manager's fees.

Portfolio Review

On 12 June 2018, the Manager completed the acquisition of Keppel DC REIT's fourth asset in Singapore – Keppel DC Singapore 5 (formerly known as Kingsland Data Centre) – and expanded Keppel DC REIT's asset base to

15 data centres with a combined assets under management (AUM) of \$1.94 billion. 66.7% of the enlarged portfolio is in Asia Pacific while 33.3% is in Europe.

The addition of the five-storey, purpose-built, carrier-neutral colocation data centre in the tightly held Singapore market reinforces the REIT's position as a leading data centre provider in Singapore, meeting demand from leading internet enterprise and IT services clients. The acquisition is DPU accretive and has started contributing to the REIT's income stream following its completion.

Apart from seeking inorganic growth, the Manager maintained its proactive asset management strategy to optimise returns from the portfolio. Capex works at Keppel DC Dublin 1 to improve overall power efficiency has also commenced and is expected to be completed over two years.

As at 30 June 2018, portfolio weighted average lease expiry (WALE) was 8.8 years. Portfolio occupancy rate remained strong at 92.0% and less than 5% of the leases are due for expiry per year until end-2020.

Capital Management

The Manager continues to manage its capital prudently in the volatile macroeconomic environment. In connection with the acquisition of Keppel DC Singapore 5, the REIT raised \$303.1 million in gross proceeds through a private placement of 224.0 million new Units in May 2018. This brought the REIT's aggregate leverage down from 37.4% as at 31 March 2018 to 31.7% as at 30 June 2018. The REIT's free float has also increased to \$1.28 billion.

During the quarter, the Manager refinanced loans that were maturing in 2018 with proceeds raised from the issuance of €50 million floating rate notes due 2023, extending the REIT's weighted average debt maturity to 3.5 years. The REIT's average cost of debt remained competitive at 1.9% per annum and its interest coverage ratio remained healthy at 10.7 times.

Interest rates of loans have been substantially hedged through floating-to-fixed interest rate swaps, and forecasted foreign-sourced distributions have been hedged till 2H 2019 with foreign currency forward contracts. Natural hedging is also in place with borrowings in currencies that match the corresponding investments.

Outlook

According to its June 2018 update on Global Economic Prospects, the World Bank forecasts continued growth of the global economy in 2018 although policy uncertainty, geopolitical risks and mounting trade protectionism may dampen this growth outlook.

Demand for data centre space remains supported by both enterprises' and consumers' move towards digitalisation and cloud adoption. The trend of data centre outsourcing is expected to continue as large enterprises seek efficient deployment of quality high-redundancy data centre space. Improved connectivity as well as the development and adoption of new technologies will also continue to drive the growth of data creation. These drivers, as well as the tightening of data sovereignty regulations, are expected to fuel demand for data storage requirements in key data centre hubs globally.

Keppel DC REIT, with its established track record and enlarged portfolio of assets, is well-positioned to benefit from the growth of the data centre market. The Manager will continue to seek opportunities to capture value and strengthen its presence across key data centre hubs.

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 15 high-quality data centres strategically located in key data centre hubs. With an aggregate lettable area of approximately 1,111,991 sq ft, the portfolio spans ten cities in eight 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.