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MEDIA RELEASE

Keppel DC REIT expands data centre footprint to Italy

Acquires data centre in Milan with a long lease to one of the world's largest telecommunications companies

Singapore, 12 August 2016 – Keppel DC REIT has expanded its geographical presence in Europe with the acquisition of the shell and core building of a data centre in Milan, Italy. The purchase consideration of the data centre is EUR 37.3 million (approximately S$57.3 million[1]).

The data centre comprises three interconnected four-storey buildings with a total lettable area of approximately 15,365 sqm (165,389 sq ft). The facility is sited on 11,965 sqm (128,791 sq ft) of freehold land that is approximately eight kilometres away from the Milan city centre, well connected and easily accessible via the Milan Metro system.

The data centre has been fully leased to one of the world's largest telecommunications companies, on a double-net lease structure for 12 years since January 2016. The lease provides for annual rental escalations and an option to renew for another six years. The client will continue to manage the facility, own the fit-out, as well as bear operating expenses and capital expenditure of the mechanical and electrical equipment.

The acquisition is expected to be accretive to Keppel DC REIT's Distribution Per Unit and will enhance its income stream stability through geographical diversification. The portfolio's Weighted Average Lease Expiry (WALE) will be lengthened from 8.7 years to 9.3 years, while the REIT's portion of master-leased facilities will be increased.

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 (collectively, the "Joint Bookrunners").

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

[1] Based on an exchange rate of EUR 1.00 to S$1.5356 as at 30 June 2016

Commenting on the REIT's first investment in Italy, Mr Chua Hsien Yang, CEO of Keppel DC REIT Management Pte. Ltd., the Manager of Keppel DC REIT, said, "Milan is home to the Milan Internet Exchange point and is a strategic location as an emerging regional IT hub that is well connected to other European markets.

"This acquisition complements the REIT's existing portfolio profile and growth plans by increasing the proportion of European assets and master-leased facilities. The addition of the shell and core asset on a double-net basis will require minimal capital expenditure, and also adds a well-established client to the REIT's client base," he added.

According to BroadGroup, the Italian market presents opportunities with data centre demand growth forecasted to outpace supply growth. Utilisation rate is expected to rise steadily, with data centre demand projected to grow at a compounded annual growth rate of 15% from 2016 to 2020. In addition, increasing IT outsourcing, cloud adoption and data sovereignty regulations in Europe are expected to continue driving the region's data centre requirements.

The acquisition will be fully funded by debt and is expected to be completed in the third quarter of 2016. Upon completion, Keppel DC REIT's aggregate leverage is expected to increase from 29.1% to approximately 32.5%. Assets under management will increase to approximately S$1.13 billion with aggregate lettable area of approximately 70,912 sqm (763,298 sq ft) across 10 data centres, excluding maincubes Data Centre, which is under construction by the vendor in Germany and slated for completion in 2018.

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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.

Its current portfolio comprises nine high-quality data centres strategically located in key data centre hubs. With an aggregate lettable area of approximately 597,900 sq ft, the portfolio spans seven cities in six countries in Asia Pacific and Europe.

Keppel DC REIT's data centre properties in Asia Pacific include Keppel DC Singapore 1 (S25) and Keppel DC Singapore 2 (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; Keppel DC Dublin 1 (Citadel 100 Data Centre) in Dublin, Ireland; and Almere Data Centre in Almere, the Netherlands. In October 2015, Keppel DC REIT announced the forward purchase of maincubes Data Centre which will be developed in Offenbach am Main, Germany and is expected to be completed in 2018.

Keppel Telecommunications & Transportation (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

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events. The past performance of Keppel DC REIT and the Manager are not necessarily indicative of the future performance of any of them.

The value of 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 the SGX-ST does not guarantee a liquid market for the Units.

Keppel DC REIT

Expands Data Centre Footprint to Italy

12 August 2016



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The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this presentation 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 presentation. 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 presentation or its contents or otherwise arising in connection with this presentation. 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.

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Content

- Overview
- Key Merits of Investment
- Enhancing Portfolio's Stability

Overview

- Expanding data centre footprint in Europe with first Italian investment
- Acquiring the shell and core of a data centre in Milan, Italy
- Enhancing the REIT's income stream stability with a 12-year double-net lease that includes annual rental escalations and a six-year renewal option



Acquisition of data centre in Milan, Italy

Location	Via Bisceglie 71, 73 and 75 (8km from Milan city centre in Italy)
Land Tenure	Freehold
Land Area	11,965 sqm
Lettable Area	15,365 sqm
Purchase Price	EUR 37.3 million
Lease Structure	12-year double-net lease whereby landlord bears property tax and insurance expenses

Key Merits of Investment

This acquisition is in line with the REIT's investment strategy of acquiring income-producing assets that would enhance total return to Unitholders and increase potential for future growth

1. Positioned to capture growth in key market

- Italy is an emerging regional hub in Europe with data centre demand projected to grow at 15% CAGR from 2016 to 2020

2. Long lease with a well-established client

- Enhances the REIT's income stream stability with 12-year double-net lease
- Diversifies client mix with addition of one of the world's largest telecommunications companies

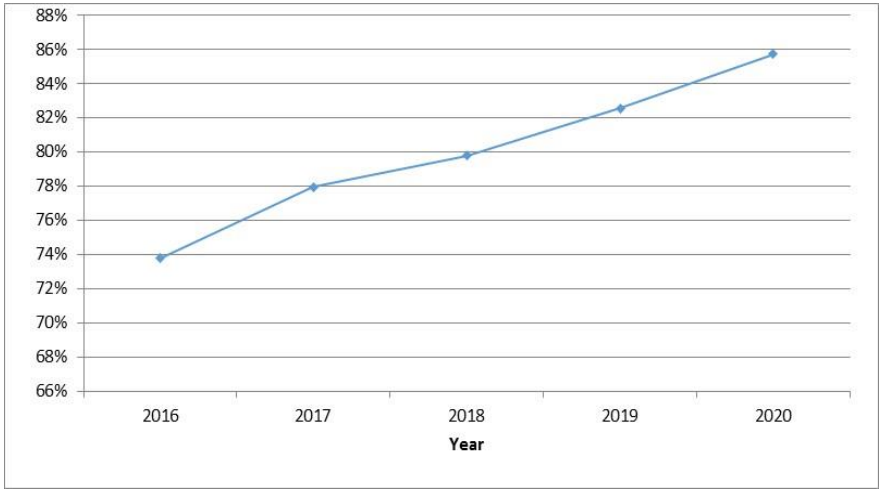
3. Strengthens portfolio

- Extends portfolio WALE from 8.7 years to 9.3 years
- Diversifies geographical profile and income sources
- Complements existing portfolio profile and growth plans by increasing proportion of European assets and master-leased facilities

1. Positioned to Capture Growth in Key Market

- **Strategic location**: Italy is an emerging regional hub with access to other European markets
- **Growing data centre demand:**
  - The Italian market presents opportunities with data centre demand growth forecasted to outpace supply growth
  - Government plans to speed up broadband roll-out across the country and boost e-commerce
  - Increasing IT outsourcing, cloud adoption and data sovereignty regulations to drive data centre requirements

Projected utilisation rate in Italy (%)

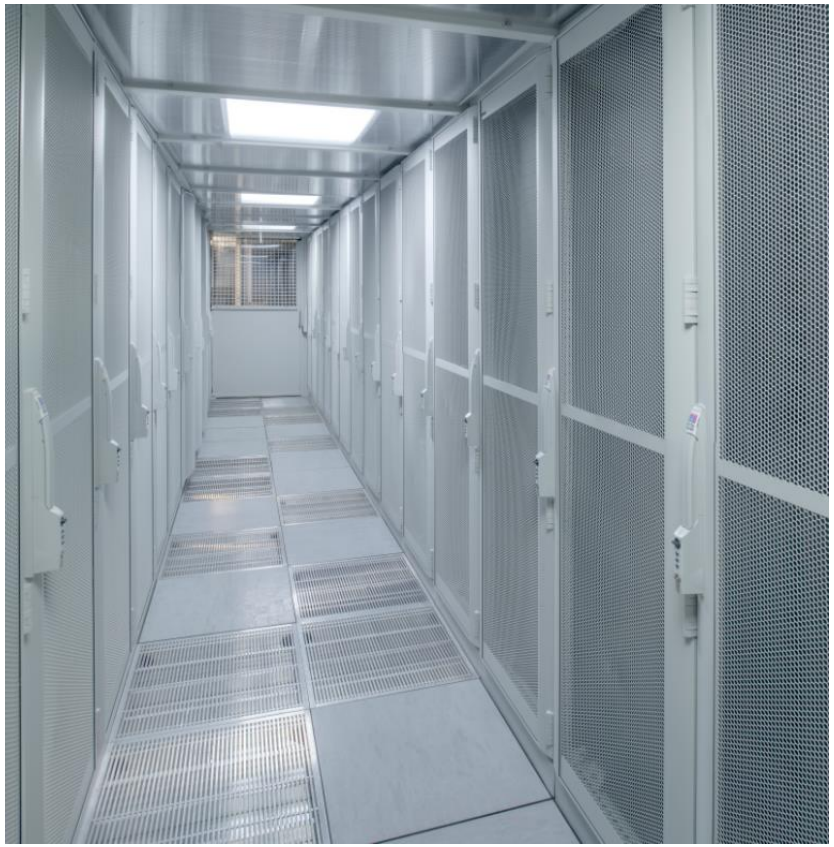


"Utilisation rate is expected to rise steadily, with data centre demand projected to grow at 15% CAGR from 2016 to 2020"

– BroadGroup

2. Long Lease with a Well-established Client

- 12-year double-net lease enhances the REIT's income stream stability
- The data centre will be fully-leased to and operated by one of the world's largest telecommunications companies
- The REIT's client mix will be strengthened with addition of another well-established client



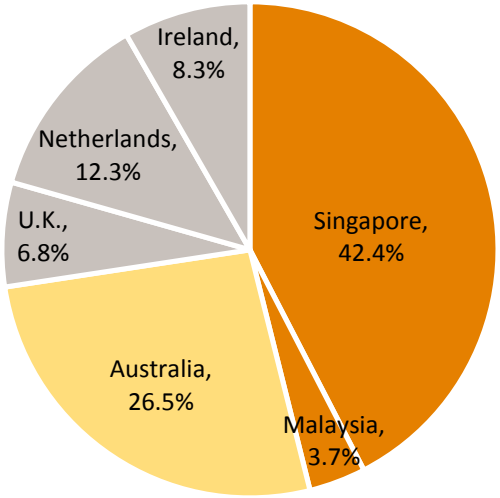
Interior of a data centre facility

3. Strengthens Portfolio

- The Italian acquisition further diversifies the geographical profile of the REIT's portfolio

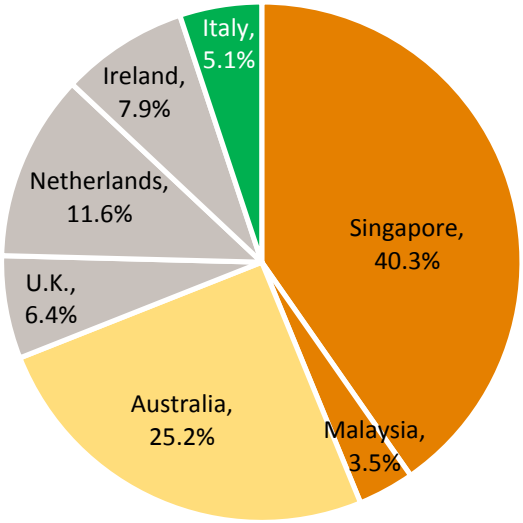
Diversifies Geographical Profile of Portfolio

Current



AUM: $1.07b

After acquisition of Milan DC (excluding maincubes DC)

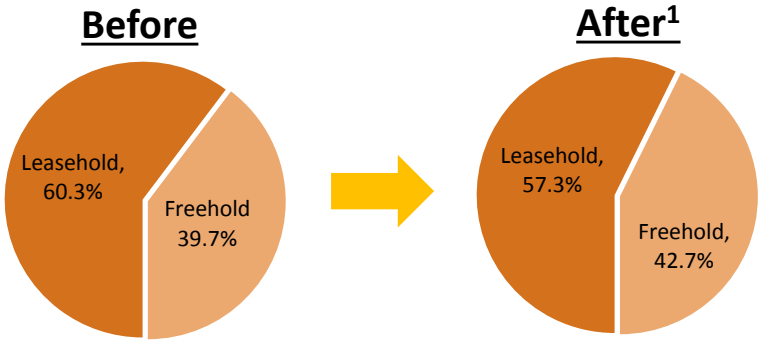


AUM: $1.13b

3. Strengthens Portfolio (Cont'd)

- The acquisition complements the REIT's existing portfolio profile and growth plans by increasing the proportion of European assets and master-leased facilities

Increases Portion of Freehold Assets (by AUM)



Extends Weighted Lease to Expiry (WALE)

Before

WALE

8.7 years

by lettable area

After[1]

WALE

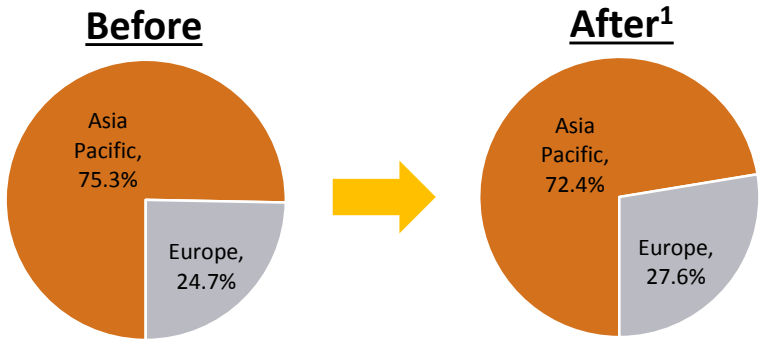
9.3 years

by lettable area

Balances Portfolio Lease Types[2]



Balances Investment Regions[2]



Notes:
(1) Assuming acquisition completed as at 30 June 2016
(2) Based on percentage contribution of rental income for the month of June 2016

Enhancing Portfolio's Stability

Interest Rate Volatility

- The Manager will look to hedge long-term loan's exposure with interest rate swaps over the loan tenure

Foreign Currency Exposure

- As with the rest of the portfolio, the Manager will look to hedge the REIT's forecasted foreign-sourced distribution from this asset
- The REIT's borrowings in EUR will also serve as natural hedge

Operational Risk

- Shell & core asset requires minimal ongoing capital expenditure as landlord's responsibilities are limited to the building's base structure
- Under the double-net lease structure, the client will manage the facility, own the fit-out as well as bear operating expenses and capital expenditure of the mechanical and electrical equipment

Thank you.