

MEDIA RELEASE

Keppel DC REIT to expand Australian footprint in Sydney

- *Enters into agreement with Macquarie Telecom Pty. Ltd. (Macquarie Telecom) to construct new shell and core data centre within the current Intellicentre 2 Data Centre site*
- *Facility will be backed by a 20-year triple-net master lease when completed*

Singapore, 7 August 2018 – Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, will be expanding its data centre footprint in Australia with a new shell and core data centre, which will be built on the vacant land within the Macquarie Business Park precinct in Sydney. The development will be undertaken by Macquarie Telecom, the master lessee of the existing shell and core data centre, Intellicentre 2 Data Centre (“IC2 DC”). Macquarie Telecom will also be the master lessee of the new shell and core data centre when completed.

The expansion to the Macquarie Telecom data centre campus will be named Intellicentre 3 East Data Centre (“IC3 East DC”) and will feature a minimum of 86,000 sq ft of lettable area upon its completion, which is expected to be between 2019 and 2020. The costs payable by Keppel DC REIT will be based on the actual total costs of construction works, within a range of A\$26.0 million to A\$36.0 million, to be payable to Macquarie Telecom only on completion.

This addition to Keppel DC REIT’s portfolio is expected to be DPU-accretive. Upon the completion of the development, a new 20-year triple-net master lease with Macquarie Telecom incorporating both IC2 DC and IC3 East DC shell and core buildings will commence. The lease will include built-in annual rental escalations with renewal options.

Mr Chua Hsien Yang, CEO of Keppel DC REIT Management, said, “Sydney is a key data centre hub in Australia and a strategic market for Keppel DC REIT. We continue to see growth potential in the Australian data centre market, which was ranked as one of the top five most robust data centre markets in the Asia Pacific¹. The development of the new asset, which will be fully-leased upon completion, demonstrates the Manager’s ability to position the REIT for growth opportunities in the market and to create value from unutilised space within an existing asset.”

Australia’s data centre market has experienced robust demand from multinational companies and massive-scale cloud providers. 451 Research estimates Sydney’s data centre market to grow at a compound annual growth rate of 10 per cent through 2021.

¹ Data Centre Risk Index 2017, Cushman & Wakefield

Assuming the completion of IC3 East DC had occurred on 30 Jun 2018, the transaction would have increased the portfolio Weighted Average Lease Expiry (WALE) from 8.8 years to 9.9 years, enhancing the stability of income streams for Unitholders, and the portfolio aggregate lettable area would have increased to approximately 1,198,103 sq ft.

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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 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 10 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 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.