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ACQUISITION OF 100.0% INTEREST IN THE PROPERTY LOCATED AT, GOETHERING 29, OFFENBACH AM MAIN, GERMANY

1. INTRODUCTION

The Board of Directors of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the "**Manager**"), is pleased to announce that The Trust Company (Asia) Limited, in its capacity as trustee of Keppel DC REIT (the "**Trustee**"), has through an indirect wholly-owned subsidiary of Keppel DC REIT, KDCR Netherlands 3 B.V. (the "**Purchaser**"), entered into a conditional real property purchase agreement ("**Purchase Agreement**") with mainCubes One Immobilien GmbH & Co. KG (the "**Vendor**") on 28 October 2015, to acquire a 100.0% interest in the property located at Goethering 29, Offenbach am Main, Germany which is registered in the Land Register of Offenbach, Local Court of Offenbach am Main, Sheet 17184 as Parcel Nos. 346/21 and 346/22 (the "**Property**", and the transaction acquiring the Property, (the "**Acquisition**"). Under the terms of the Purchase Agreement, a four storey fully-fitted data centre will be constructed to Tier III specifications on the Property by the Vendor (the "**Data Centre**").

In connection with the Acquisition, a commercial lease agreement (the "**Commercial Lease Agreement**") has been entered into by the Purchaser, and a related party of the Vendor, mainCubes One GmbH. Under the terms of the Commercial Lease Agreement, the Data Centre will, upon completion of construction, be subject to a triple-net lease for an initial term of 15 years, with options granted to the tenant for the renewal of the lease for three (3) further periods of five (5) years each (the "**Lease**" and, together with the Acquisition, the "**Transaction**").

The Transaction constitutes a discloseable transaction under Chapter 10 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**", and the Listing Manual of the SGX-ST, the "**Listing Manual**").

2. INFORMATION ON THE PROPERTY

The Property is located at Goethering 29, Offenbach am Main, Germany and is entered in the Land Register of Offenbach, Local Court of Offenbach am Main, Sheet 17184 as Parcel Nos.

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.

346/21 and 346/22. The Data Centre is a proposed 4-storey fully-fitted data centre with a total lettable area of approximately 11,780 sqm and will be located within the Offenbach am Main data centre hub. Land title to the Property is freehold and the land area of the Property is approximately 5,596 sqm.

3. CONSIDERATION AND PRINCIPAL TERMS OF THE TRANSACTION

The aggregate consideration for the Acquisition is EUR 84,000,000 (approximately S$130,000,000[1]) (the "**Consideration**") which will be satisfied fully in cash. The Consideration is payable in two separate tranches and is inclusive of the Vendor's obligation to construct the Data Centre. The Purchaser has made a first tranche payment of EUR 8,400,000 (approximately S$13,000,000[1]) with the remainder of the Consideration payable on or after completion of the Acquisition. Pursuant to the terms of the Purchase Agreement, the Vendor will make (or cause to be made) regular coupon payments to the Purchaser until the date of completion of the Acquisition whereupon the Lease will commence immediately.

The Acquisition is expected to be completed no later than 40 months from the date of notarization of the Purchase Agreement and is subject to the fulfilment of the condition precedent that a written declaration is made by an independent expert that the constructed Data Centre satisfies the relevant criteria as set out in the Purchase Agreement.

The Consideration was arrived at on a willing-buyer and willing-seller basis and is supported by the independent valuation of the Data Centre by CBRE Ltd (the "**Valuer**"), which is an independent valuer appointed by the Manager. The Valuer, in its valuation report dated 1 October 2015 stated that the market value of the 100.0% interest in the Data Centre was EUR 86,100,000 (approximately S$133,300,000[1]) as at 1 October 2015, using the investment (income capitalisation) and discounted cash flow methods.

The Purchase Agreement and the ancillary documents do not contain any unusual requirements and are consistent with usual market conditions of sale in Germany.

4. FINANCIAL EFFECTS

4.1 Assumptions

The pro forma financial effects of the Transaction presented below are strictly for illustration purposes and do not reflect the actual financial position of Keppel DC REIT following the completion of the Transaction. They have been prepared based on the latest unaudited financial statements of Keppel DC REIT for the financial period ended 30 September 2015, taking into account the Consideration as well as the assumption that the Transaction is intended to be funded by a combination of debt and equity.

As the Transaction includes a lease arrangement on a triple-net lease basis, for illustration purposes under paragraphs 4.2 and 4.4 below, the Lease has been assumed to have had commenced on 12 December 2014.

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[1] Based on an exchange rate of EUR 1.00 to S$1.5481 as at 30 September 2015.

4.2 Pro Forma Net Profits[2]

The pro forma net profits attributable to the Transaction for the period commencing on 12 December 2014 and ended on 30 September 2015 is approximately EUR 3,654,000 (approximately S$5,535,000[3]).

4.3 Pro Forma Net Asset Value ("**NAV**")

FOR ILLUSTRATIVE PURPOSES ONLY: The table below sets out the pro forma financial effects of the Transaction on the NAV per unit in Keppel DC REIT ("**Unit**") as at 30 September 2015, as if the Transaction was completed on 30 September 2015.

	Before the Transaction	Adjusted for the Transaction
NAV per Unit (S$)	0.857	0.869[4]

4.4 Pro Forma Distributable Income per Unit[5] ("**DPU**")

FOR ILLUSTRATIVE PURPOSES ONLY: The table below sets out the pro forma financial effects of the Transaction on Keppel DC REIT's DPU for the financial period commencing on 12 December 2014 and ended on 30 September 2015, as if Keppel DC REIT had completed the Transaction on 12 December 2014 and held the Data Centre through to 30 September 2015.

	Before the Transaction	Adjusted for the Transaction	Accretion
DPU (cents)	5.20	5.34	2.7%

5. RATIONALE FOR THE TRANSACTION

5.1 Competitive Strengths of the Data Centre

The Transaction is in line with the Manager's stated growth strategy of acquiring quality income-producing data centre properties that fit within Keppel DC REIT's investment strategy to enhance total return to unitholders of Keppel DC REIT ("**Unitholders**") and increase potential opportunities for future income and capital growth.

Germany is an important data centre market and the Acquisition will strengthen Keppel DC REIT's presence in the key European cities.

5.2 DPU Accretion

As Keppel DC REIT will receive regular coupon payments from the Vendor until the construction of the Data Centre is completed whereupon the Lease will commence, the Transaction will be immediately DPU accretive.

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2 Estimated based on the assumed rental derived from the Data Centre, net of operating, financing and trust expenses.

3 Based on an average exchange rate of EUR 1.00 to S$1.5148 for the period commencing on 12 December 2014 and ended on 30 September 2015.

4 Based on an average exchange rate of EUR 1.00 to S$1.5148 for the period commencing on 12 December 2014 and ended on 30 September 2015 and an exchange rate of EUR 1.00 to S$1.5481 as at 30 September 2015.

5 Rule 1010(9) of the Listing Manual requires that the issuer discloses the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year. The effect of the Transaction on the distributable income per Unit is disclosed instead as it is a more appropriate measure for a real estate investment trust.

5.3 Extend Keppel DC REIT's Weighted Average Lease to Expiry (WALE)

The Transaction is expected to increase the portfolio WALE of Keppel DC REIT to 10.0 years assuming the Transaction was completed and the Lease had commenced as of 30 September 2015.

5.4 Income and Tenant Diversification

With income certainty over a 15 year lease term, this Transaction is expected to enhance the resilience of the cash flow and to diversify the tenant base of Keppel DC REIT.

6. METHOD OF FINANCING

The Manager intends to fund the Transaction with a combination of debt and equity.

7. INTERESTS OF THE DIRECTORS AND CONTROLLING UNITHOLDERS

None of the directors of the Manager or controlling unitholders of Keppel DC REIT has any interest, direct or indirect, in the Transaction (otherwise than through their unitholdings, if any, in Keppel DC REIT).

8. OTHER INFORMATION

8.1 Director's Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Transaction or any other transaction contemplated in relation to the Transaction

8.2 Disclosure under Rule 1010(13) of the Listing Manual

8.2.1 Chapter 10 of the Listing Manual classifies transactions by Keppel DC REIT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, among other things, the following bases:

(a) The net profits attributable to the assets acquired, compared with Keppel DC REIT's net profits;

(b) The aggregate value of the consideration given, compared with Keppel DC REIT's market capitalisation based on the total number of issued units excluding treasury units; and

(c) The number of equity securities issued by Keppel DC REIT as consideration for the Transaction, compared with the number of equity securities previously in issue.

8.2.2 Based on the Manager's estimated net profits attributable to the Transaction and Keppel DC REIT's unaudited financial statements as at 30 September 2015, the relative figure for the basis of comparison set out in paragraph 8.2.1(a) is approximately 11.2%.

8.2.3 Based on the Consideration and Keppel DC REIT's market capitalisation as at 27 October 2015 having been S$932,638,959[6], the relative figure for the basis of comparison set out in paragraph 8.2.1(b) is approximately 13.9%.

8.2.4 Paragraph 8.2.1(c) is not applicable as no equity securities will be issued by Keppel DC REIT as consideration for the Transaction.

Under Rule 1010 of the Listing Manual, where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the Transaction is regarded as a discloseable transaction.

9 DOCUMENTS FOR INSPECTION

Copies of the Purchase Agreement and the valuation report of the Valuer are available for inspection[7] during normal business hours at the registered office of the Manager at 1 Harbourfront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD
Keppel DC REIT Management Pte. Ltd.
(Company registration no. 199508930C)
as manager of Keppel DC REIT

Kelvin Chua Hua Yeow / Maritz bin Mansor
Joint Company Secretaries
Singapore

28 October 2015

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[6] Based on 882,930,000 Units in issue multiplied by the weighted average price of S$1.0563 per Unit transacted on the SGX-ST on 27 October 2015, being the market day immediately preceding the date of signing of the Purchase Agreement.

[7] Prior appointment with the Manager will be appreciated.

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.