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NEXTDC

Investors Update

16 April 2012

Delivering the vision

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> To become the most **recognised**, **connected** & **trusted** data centre brand in Australia and New Zealand.

We are building more than just a data centre

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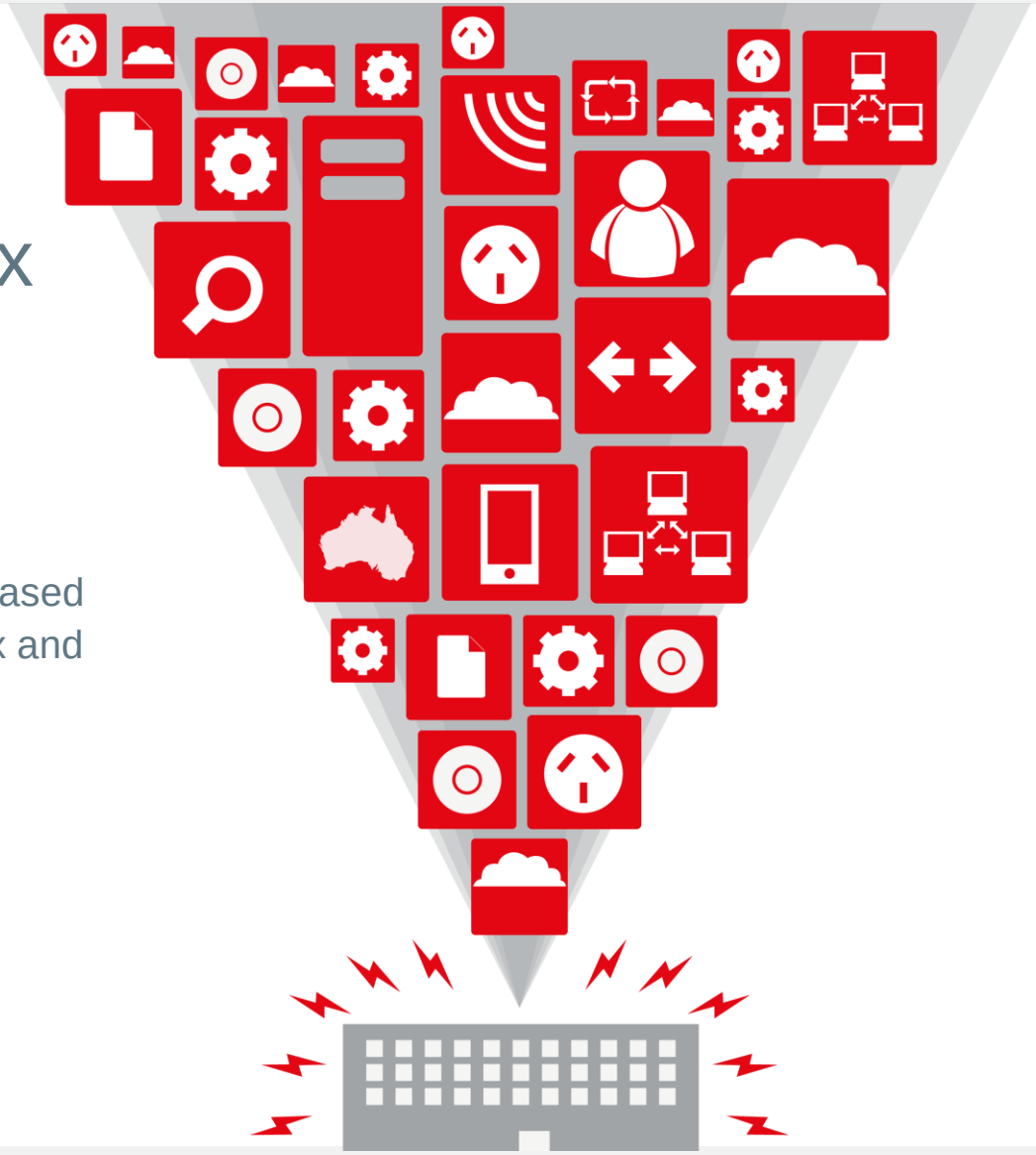
Data centres are more than a big box with power, cooling and security.

Traditional and poorly designed data centres are under pressure from increased energy cost, introduction of carbon tax and emerging technologies such as virtualisation and cloud computing.



We are re-defining the data centre industry

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We are re-defining the Australian data centre market by introducing our "**Data Centre as a Service**" (DCaaS) model

We are revolutionising customer experience

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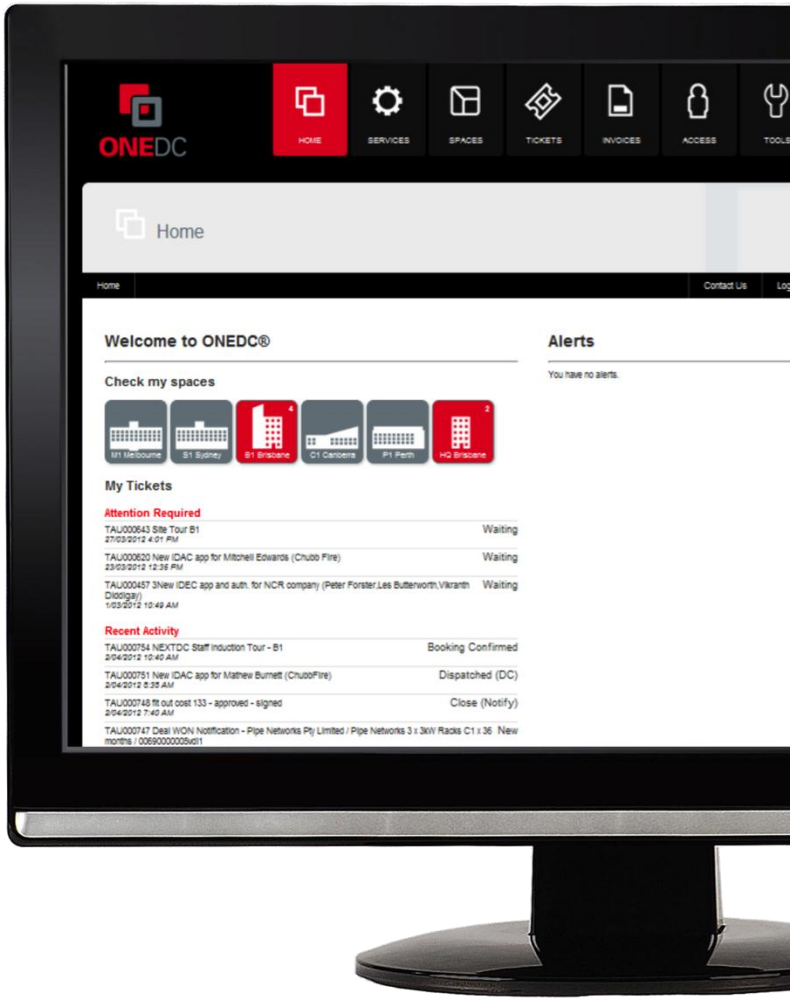
ONEDC™ allows customers to monitor their racks anywhere and anytime. Key features in the first release include:

- Security management system including remote rack locking
- Real-time power monitoring at both rack and suite level
- Environmental monitoring and alerts
- Integrated ticketing system
- Billing and invoicing
- Location services
- Account management information



We are investing in sustainable data centres

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Increasing energy cost, fear over energy security and focus on renewable energy present significant opportunities for NEXTDC

In addition to our industry leading design incorporating direct and indirect free air cooling technology and tri-generation plants, we are generating our own renewable energy, for example, solar energy.

NEXTDC is building Australia's biggest commercial rooftop solar energy system in M1.

In addition to 400 kW solar energy in M1, we are committed to generating further 1 MW of solar energy at our upcoming data centres.

We have developed a smart and scalable internal process

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ONESITE™ is an internally developed comprehensive integrated customer management and ticketing solution.

The solution is scalable to address business growth without adding too many additional resources.

We have the power to grow

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In a short period of time, we have established ourselves as the largest independent data centre operator in Australia and secured a significant electricity allocation.

Facility	Target Size of Facility	Target Technical Space	Target Rack Capacity	Target Available Power	Target ICT Load	Target PUE
Brisbane (B1)	2,900m^2	1,800m^2	700	4.5 MVA	2.25 MW	1.6
Melbourne (M1)	17,500m^2	6,000m^2	3,000	22.5 MVA	12.0 MW	1.4
Canberra (C1)	6,000m^2	2,000m^2	1,000	8.0 MVA	4.0 MW	1.4
Sydney (S1)	17,650m^2	5,600m^2	2,800	20.0 MVA	11.0 MW	1.3
Perth (P1)	10,500m^2	3,000m^2	1,500	14.0 MVA	6.0 MW	1.3
TOTAL	54,550m^2	18,400m^2	9,000	69.0 MVA	35.25 MW	1.4 (average)

NOTE: approximate only and subject to change.

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Sales Update

Data centres – still a hot topic

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> Data traffic on our networks doubled in 2011, and is projected to increase 30-fold within 5 years and 1,000-fold within 10 years.
>
> Telstra Chairman's Speech – 2011 Annual General Meeting (October 2011)

> Storage shipped in Australia will increase by over 240% between 2010 and 2014. By 2020, data objects will grow 67 times, while data will grow 44 times.
>
> IDC

> Australian data centre market requires $8 billion construction boost.
>
> IDC (November 2011)

> Global data centre IP traffic will increase fourfold over the next 5 years. Overall, data centre IP traffic will grow at a compound annual growth rate (CAGR) of 33 percent from 2010 to 2015.
>
> Cisco Global Cloud Index: Forecast and Methodology, 2010–2015

Sales progress

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- Significant customer wins since B1 went live in October 2011
- B1 utilisation is ahead of internal expectation
- Pipeline continues to grow at an accelerated rate
- Strong take up of high margin products (racks and blocks)
- Increasing demand for multi-city data centres
- Solid demand for higher density racks
- Solid sales conversion and pipeline opportunities resulted in fit out of remaining data floors in B1 ahead of internal expectation

Sales progress at a glance

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Number of deals signed	43
Annualised contracted recurring revenue (excluding options for additional racks or space)	$8M*
Annualised unweighted sales pipeline revenue (excluding large and strategic opportunities)	$20M+

* Please note that contracted recurring revenue will be realised at various dates based on customer take up profile

Utilisation summary: (based on committed orders)

Facility	Space		Power	
	Excl. Options for Additional Rack or Space	Incl. Options for Additional Rack or Space	Excl. Options for Additional Rack or Space	Incl. Options for Additional Rack or Space
B1 (vs. full capacity)	31%	52%	34%	52%
M1 (vs. full capacity)	20%	23%	12%	14%
M1 (vs. initial available capacity)	40%	46%	23%	27%

Power density profile for racks: (based on committed orders)

Density/Rack	2 kW	3 kW	4 kW	5 kW	6 kW	Other	Total
% of Overall	10%	66%	13%	5%	5%	1%	100%

Case study on B1 (the power of a live data centre)

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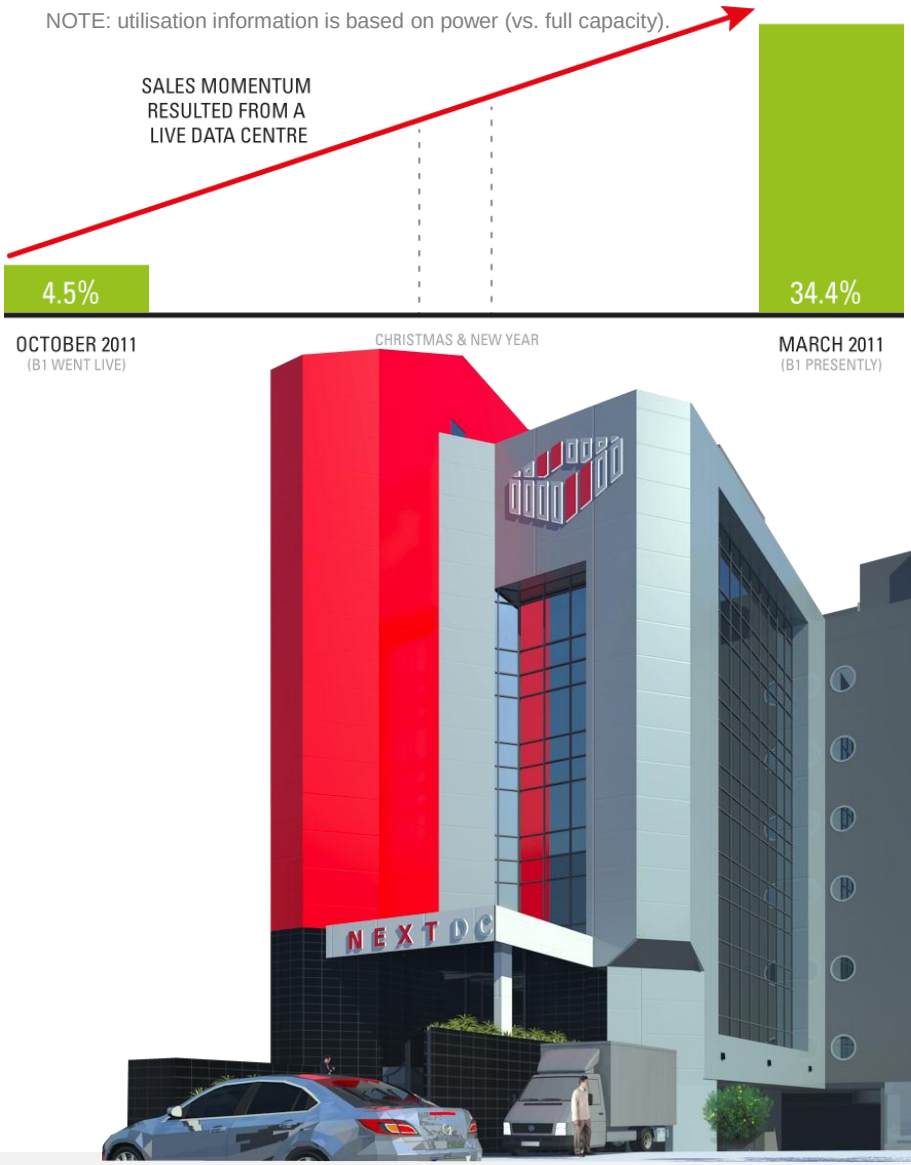
- When B1 went live mid October 2011, the facility had only 4.5% utilisation
- Over the past six months (including Christmas and New Year period), and particularly the past 3 months many sales opportunities were converted (resulted in 34.4% utilisation) while the existing sales pipeline continued to grow
- Due to our unique design and offering, we were also able to offer growth option to our customers that if exercised, could result in 52% utilisation of B1 facility
- B1 customer profile: 58% racks (30 customers) and 42% white space (2 customers) (based on committed power drawdown)
- As foundation customers are on board, we are focusing on selling more rack and block type solution (higher margin) for remaining space
- Average 3 kW+ racks supports demand for high density data centres



Findings from B1 case study

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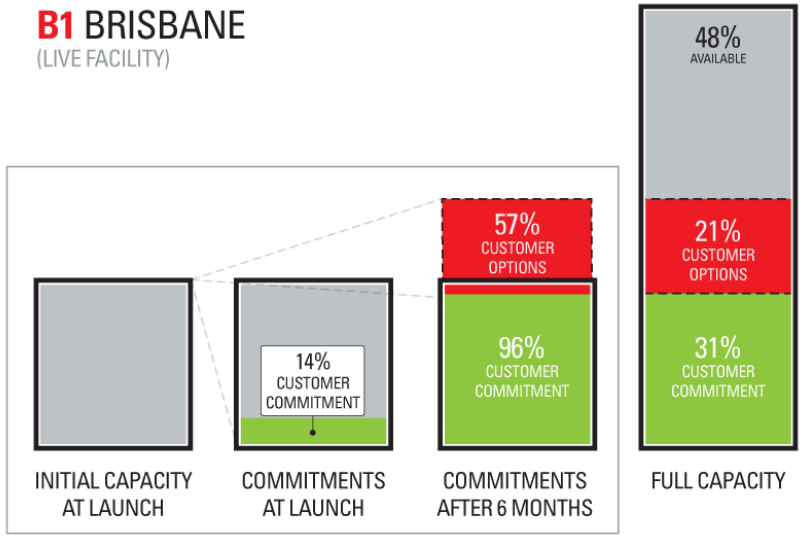
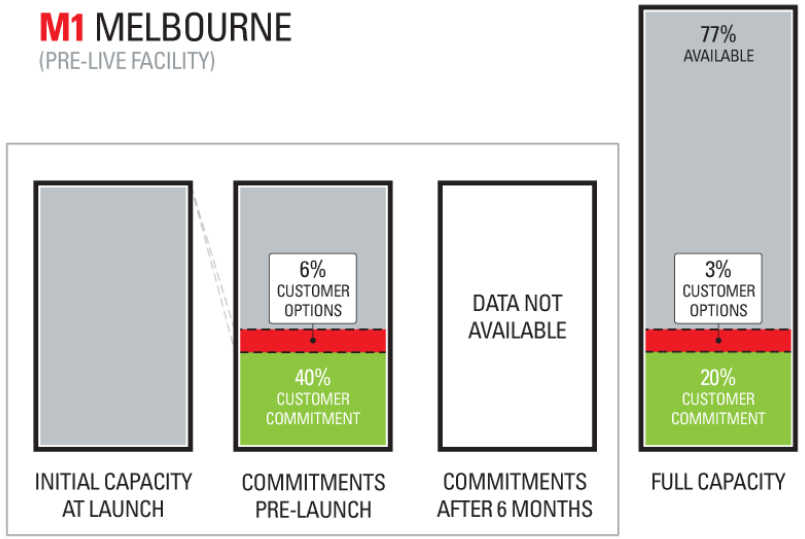
- Data centre outsourcing is the most strategic decision for any organisation, hence customers typically wait for a live data centre prior to long term commitment
- Typical sales cycle 3-6 months (based on size of opportunity). Larger opportunities may take up to 12 months to convert
- First mover advantage pays off due to lengthy sales cycle
- Typically first half of a facility takes longer to fill up compared to second half of a facility, but due to lack to supply, we are seeing strong upfront demand for a live data centre
- NEXTDC's independent ecosystem is driving solid interest from ISPs, MSPs and cloud providers in addition to corporate & government customers for high density racks and cross-connects (and creating customer stickiness)





NOTE: unaudited figures and utilisation information is based on space.

Sales model

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NEXTDC's sales model is adaptable to end customer's buying behaviour. Our 10 member sales team across Australia is expected to be doubled within next six months.

Sales Department

Direct Sales Team

Target Customers:

Medium to large corporate and government agencies.

Under this model end customers buy directly from NEXTDC.

Indirect Sales Team

Target Customers:

Cloud computing providers, managed service providers and internet service providers.

Under this model end customers buy through their service providers.

Inside Sales Team

Target Customers:

Support both direct and indirect sales team to improve existing "share of wallet".

Additionally, target customers with smaller footprint requirements.

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Our Unique Value Propositions to Customers

Simplicity

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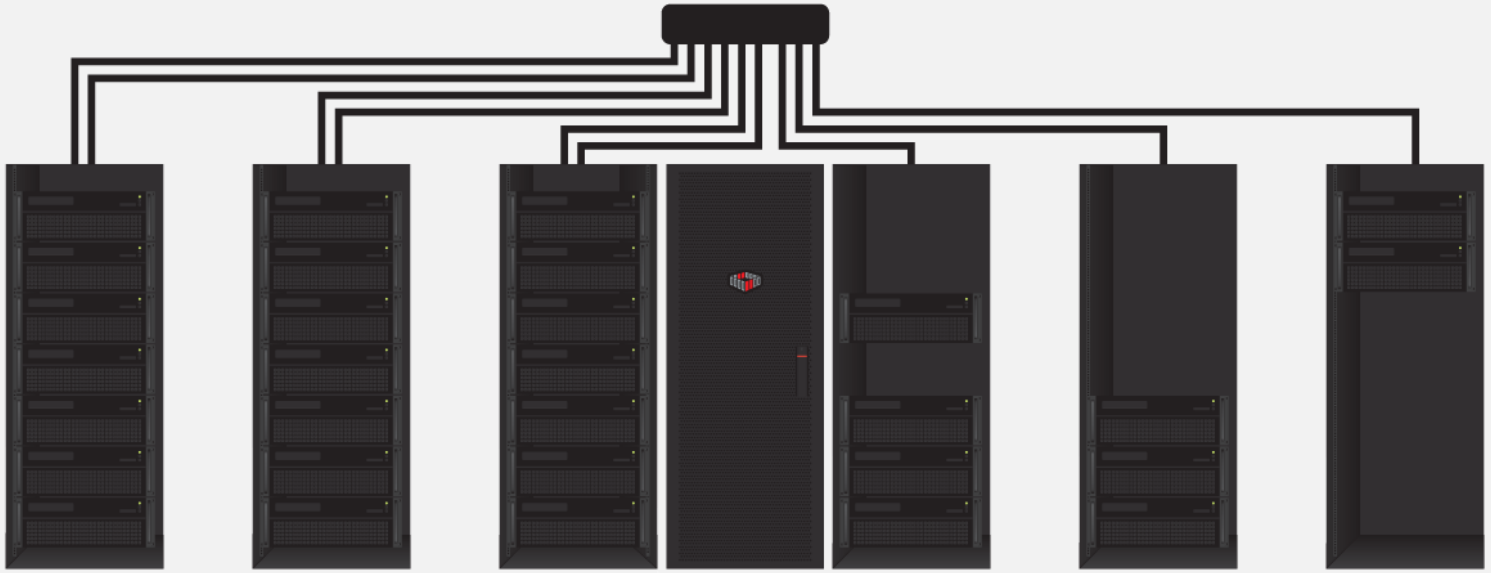
We offer a single contract, consistent SLA and single customer interface to any customer nationally.

We are the only independent data centre operator in Australia that can offer such an unique value proposition to any customer at a national level.

Scalability



Through our design of high density data centres (2,000 watts/m^2), we allow customers to increase power density within the same rack as the demand increases. We are geared for growth.

> Existing facilities have IT power density of 400-800 Watt/m^2 compared to 1,200-1,500 Watt/m^2 in modern data centre facilities.
> Source: Broadgroup Report 2009.

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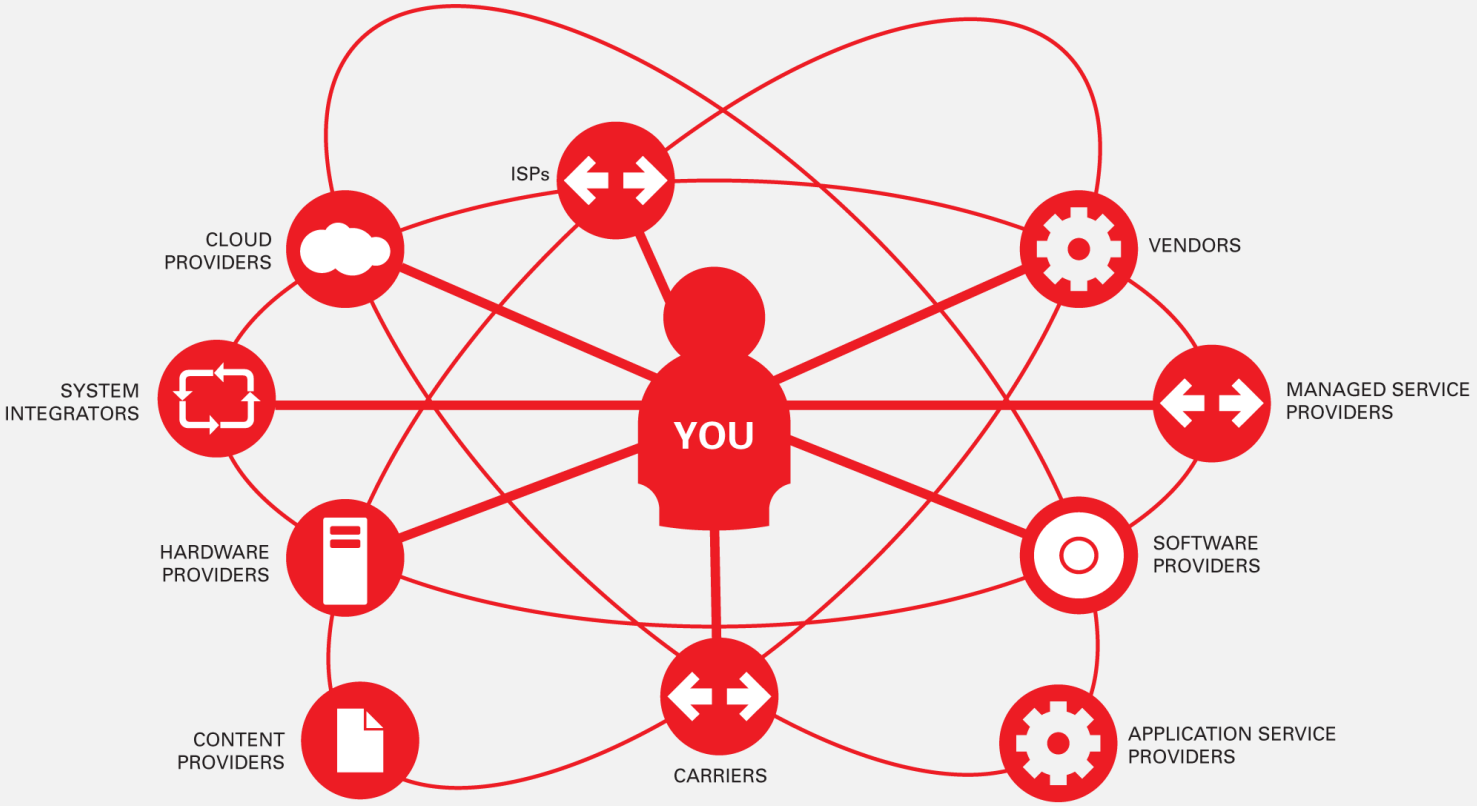
Flexibility



NEXTDC ecosystem streamlines ease of doing business and creates a completely flexible business operational model that enables customers have full control over.

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Expandability

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We maintain and offer a simple and standardised product portfolio that allows us to stay focused and reduce operational costs.

Racks

Racks are sold either individually or in multiple configurations. Power allocations can be scaled to suit customer requirements.

Charged on a per rack basis with power cost included.

Blocks

Blocks are 10 or more contiguous racks. Blocks are ideal if customers require multiple racks and would like more flexibility with power allocation per rack.

Charged on a per rack basis with power cost included.

Data Suites

Private data suites provide customers with a fully customisable space and the highest level of security without the costs of building and maintaining own data centre.

Charged on a rate per m2 with allocated power. Customers typically pay for power based on usage.

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Financial Update

Investment program

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Data centres are capex intensive. NEXTDC intends to fund its future growth program via combination of equity, debt and capital recycling program.

in $million	B1	M1	S1	P1	C1	Total
Equity raised						**154.0**
Land and Building	(7.0)	(28.0)	(12.0)	(8.0)		(55.0)
Fit out	(26.0)	(39.0)	(1.0)		(1.0)	(67.0)
Working Capital						(5.9)
Proceeds from B1 sale and leaseback						11.3
Total net investment	(33.0)	(67.0)	(13.0)	(8.0)	(1.0)	(116.6)
Cash at bank at 31 March 2012						**37.4**

A purpose-built data centre requires 12-18 months to construct and fit out.

Based on existing customer commitments and sales pipeline, we have started to explore suitable sites for B2 and M2 due to the data centre site selection and construction timeframes.

NOTE: unaudited figures.

Capital recycling program update

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- NEXTDC announced capital recycling program in 2011 with a view of re-investing property investment (yield of 8% -10%) to data centre infrastructure assets (yield 15% - 30%) via sale and leaseback arrangements
- As part of capital recycling program, B1 property (core and shell) was sold in January 2012 for $11.3 million to a private investor
- As a completed facility, B1 attracted 8.4% yield (based on annual rent of $0.95 million) in tough market conditions
- Commenced marketing of M1, S1 and P1 sale and leaseback to fund growth program
- Based on B1 sale and leaseback experience, completed M1 facility is expected to be more attractive to potential buyers potentially delivering higher interest and better yield compared to early stage or greenfield sites
- NEXTDC's admission to ASX300 also generated strong interest from potential buyers
- Projected annual rental expense for M1: $4.4 million, S1: $4.4 million and P1: $2.6 million

Sale and leaseback marketing campaign

CBRE and Savills (two of the largest real estate companies in Australia) have been engaged to undertake sale and leaseback of NEXTDC properties. Both domestic and international marketing campaign commenced and will continue until June 2012.

NEXTDC business at a glance

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Once completed, NEXTDC facilities (B1, M1, C1, S1 and P1) are expected to deliver solid returns. This is consistent with overseas peers.

- NEXTDC expects to deliver approximately 35 MW ICT load with target capacity utilisation 90%+
- Internal target is to achieve target capacity utilisation (90%+) for smaller facilities within 2-3 years and larger facilities within 3-5 years
- Projected annual rental expense (post sale and leaseback of M1, S1 and P1): $15.0 - $20.0 million
- Projected total headcount: 80 -120 full time
- Projected electricity cost: unknown (predominantly pass-through)
- Projected useful life of fit out equipment: 7-15 years

NOTE: approximate only and subject to change.

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Facilities Update

Delivering a national footprint in record time

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- Irrespective of extended bad weather condition in some parts of the country and tight labour market conditions, we are delivering a national footprint in a record time
- Our first mover advantage enabled us to address both short and long term customer demand
- Continued to invest in in-house design capability to protect design IP
- Focus on delivering next generation data centres at the lowest cost/MW compared to competitors
- Cost/MW continues to be improved due to smarter design, favourable buying power and exchange rates

Facility timeline

NEXTDC is establishing a national footprint in a very short period of time and is the only neutral data centre provider with strategic footprint in all major growth markets in Australia.

Q4 2011 CY	Q1 2012 CY	Q2 2012 CY	Q3 2012 CY	Q4 2012 CY	Q1 2013 CY
B1 (Brisbane) goes live.	**M1** (Melbourne) & **C1** (Canberra) construction continues. Strong sales momentum driving growth.	**M1** (Melbourne) & **C1** (Canberra) go live.	**S1** (Sydney) & **P1** (Perth) construction continues.	**S1** (Sydney) & **P1** (Perth) construction continues.	**S1** (Sydney) & **P1** (Perth) go live.

NOTES:
1. Approximate only and subject to change.
2. Live dates are reported on a Calendar Year (CY) basis. Live dates are subject to receiving planning and development approval from relevant government bodies, receiving power supply from electricity distribution companies on time and construction related timelines being met.

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B1 Brisbane

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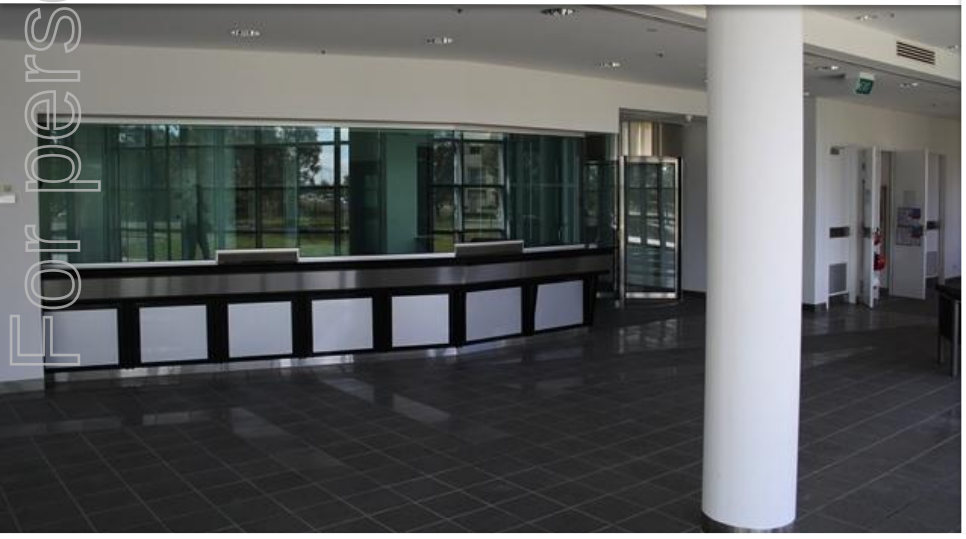
C1 Canberra



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M1 Melbourne (rendered images)

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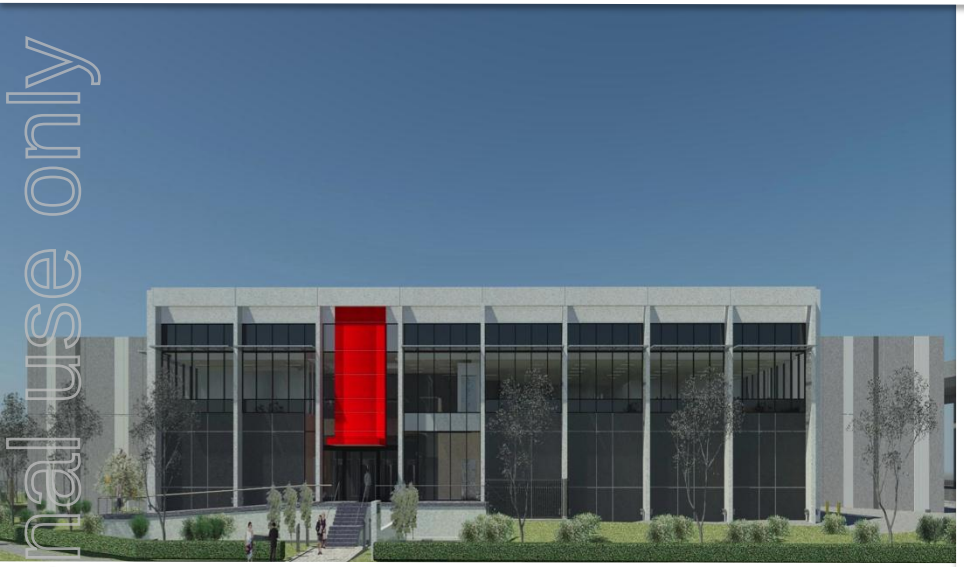

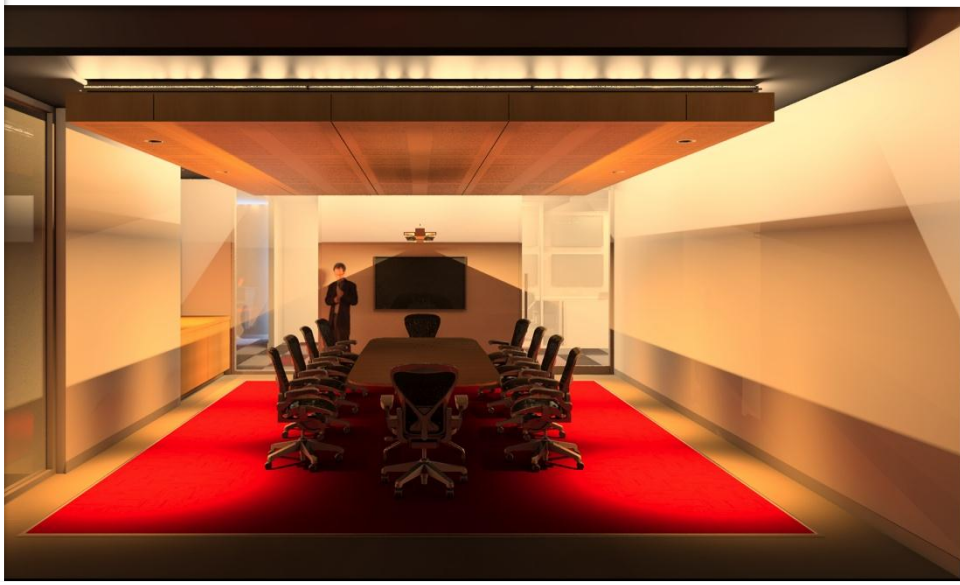

M1 Melbourne (construction in progress)

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S1 Sydney (rendered images)

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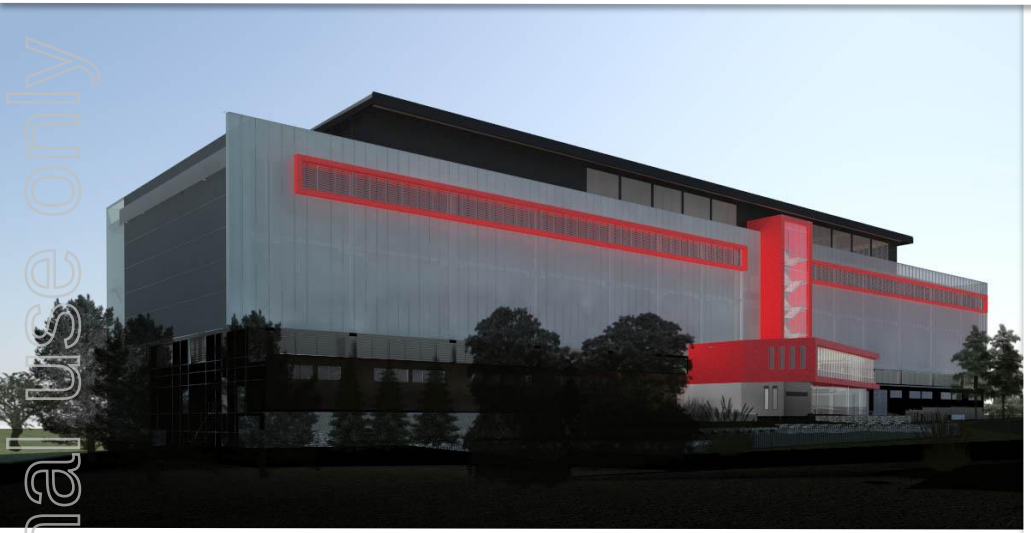

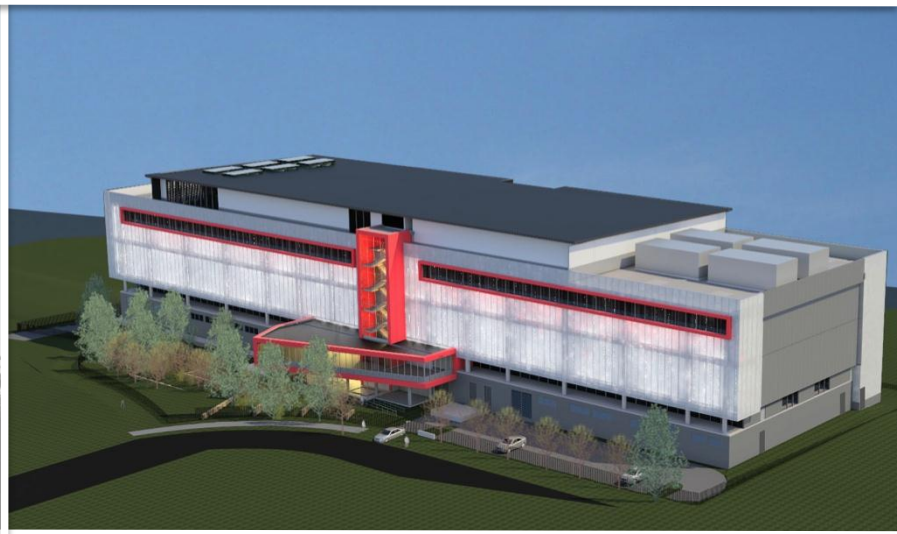

S1 Sydney (construction in progress)

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P1 Perth (rendered images)

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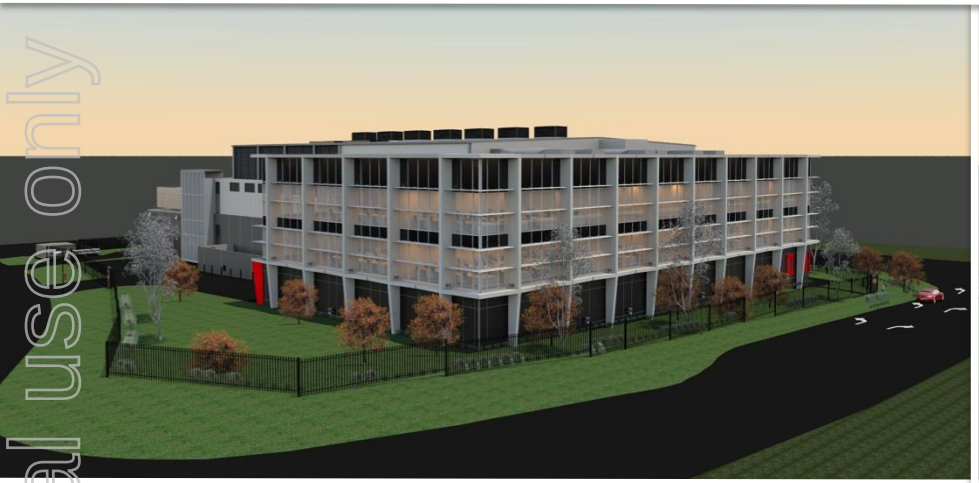

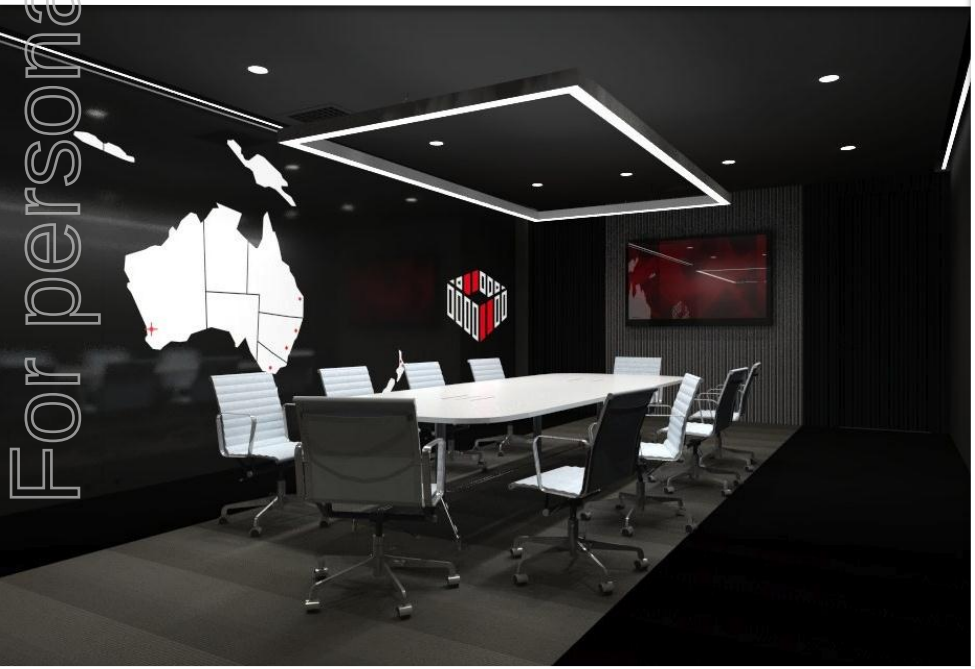

P1 Perth (site location)

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