

ASX Release

27 April 2018

Asia Pacific Data Centre Group – Response

NEXTDC Limited (ASX: NXT) (“**NEXTDC**” or “**the Company**”) refers to the ASX announcement made by Asia Pacific Data Centre Group Limited (“**APDC**”) on 26 April 2018.

APDC’s statement that it is seeking to resolve the disputes with NEXTDC currently on foot on an “*amicable basis*” is not borne out by its conduct to date nor that of its controlling securityholder, 360 Capital Limited (ASX: **TGP**).

Notwithstanding APDC’s repeated assertions that the S1, M1 and P1 data centre properties could command a portfolio value of \$300 million, to date the global sales process conducted by APDC has not secured a buyer, even at the latest pre-emptive offer price of \$265 million.

NEXTDC responds to APDC’s most recent ASX announcement as follows:

- **APDC Buyback proposal** – APDC’s letter stating that it is “*considering*” a highly conditional buyback proposal (letter attached) is not an actual proposal warranting NEXTDC’s response.
- **NEXTDC takeover proposal** – After APDC announced on 5 March 2018 that its undisclosed bidder at \$280 million had withdrawn its offer, NEXTDC engaged in confidential discussions with both APDC and TGP in an attempt to finally resolve the APDC dispute. These discussions broke down and NXT withdrew its non-binding, conditional and indicative offer of \$2.00 per security (less the March distribution of \$0.02) in writing on 20 March 2018.
- **Valuer access** – Contrary to the claims by APDC, NEXTDC continues to resist ongoing disruptive access to S1, M1 and P1 in accordance with its rights under the respective property leases. NEXTDC’s position remains that APDC has no right to interrupt NEXTDC’s exclusive possession by bringing in valuers onto the sites. These matters remain before the court for determination and NEXTDC will continue to vigorously defend its rights.

NEXTDC continues to be of the firm view that APDC is no longer operated with sound governance practices and as such it remains appropriate that the vehicle be wound up. Accordingly, the Company continues to proceed with the its proposal to wind up the APDC Trust and related court proceedings

ENDS

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About NEXTDC

NEXTDC is an ASX200-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a nationwide network of Tier III and IV facilities, NEXTDC provides enterprise-class colocation services to local and international organisations. With a focus on sustainability and renewable energy NEXTDC is leading the industry with award-winning engineering solutions for energy efficiency and NABERS 4.5-star certification.

NEXTDC is extending its leadership in data centre services through the innovative DCIM-as-a-Service software platform, ONEDC®, which enables customers to centrally manage their on-premise and colocated infrastructure; and advanced connectivity services that deliver a range of secure, highspeed interconnections between racks, networks and cloud services.

NEXTDC's Cloud Centre is the online marketplace for the country's largest independent network of carriers, cloud and IT service providers, enabling customers to freely source best of breed suppliers within the NEXTDC Partner community.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com

18 April 2018

Mr Craig Scroggie
Chief Executive Officer
NEXTDC Limited
Level 6, 100 Creek Street
Brisbane, QLD 4000

Dear Mr Scroggie,

On behalf of Asia Pacific Data Centre Group (APDC), the stapled security comprising Asia Pacific Data Centre Holdings Limited and Asia Pacific Data Centre Trust, the Independent Board Committee (IBC) is considering making the following proposal to APDC securityholders.

The proposal would be based on APDC undertaking a buyback at an offer price of \$2.00 per security and would be offered to all APDC securityholders (**Proposal**). It will be a condition of proceeding with the Proposal that 360 Capital Group will agree not to participate in the buyback.

As you are aware, APDC has a \$100 million credit approved debt facility which would be used to fund the buyback. A condition of drawing down on this facility is completing the independent valuation of each of the properties within APDC.

Therefore APDC would seek, as a condition of the Proposal, to amend the access provisions of the lease agreements between NEXTDC Limited and The Trust Company (Australia) across the three properties within the APDC portfolio to allow independent valuations to be undertaken as needed and to allow APDC's financiers access as needed.

The Proposal is indicative, incomplete, is to remain confidential, is subject to obtaining all relevant legal approvals and is non-binding. It is not an offer capable of acceptance and no purported acceptance of it will create any legal or financial relationship or obligation between the NEXTDC and APDC, or any of their respective associates. Accordingly, public disclosure of the Proposal is not required under the ASX Listing Rules.

We would like to know whether NEXTDC would support this Proposal and would welcome an opportunity to discuss this Proposal at your earliest convenience.

Yours Sincerely



Lawrie Gibbs
Chairman
APDC Independent Board Committee

APDC is a special purpose real estate investment trust (A-REIT) which listed on the Australian Securities Exchange on 9 January 2013 to own data centre properties. APDC has the objective of providing investors with a stable income and the potential for capital growth.