



NEXTDC where the cloud lives®

ASX Release

21 December 2017

NEXTDC Responds to Claims by Asia Pacific Data Centre Group

NEXTDC Limited (ASX: NXT) (“NEXTDC” or “the Company”) refers to ASX Announcements recently made by Asia Pacific Data Centre Group (“APDC”):

- 21 December 2017: ‘APDC Appoints Agents and Commences Marketing Campaign’; and
- 19 December 2017: ‘APDC Update’ (the “APDC ASX Announcements”)

NEXTDC holds a 29.2% interest in APDC.

The APDC ASX Announcements contain repeated inaccurate statements in relation to the expected value of the three data centres owned by APDC. APDC claims its three data centres are now worth \$300 million based in large part due to the recent private sale of the Metronode business to Equinix, Inc. (Nasdaq: EQIX).

APDC is a Real Estate Investment Trust (“REIT”). It owns the base buildings and land. It collects a passive rental stream and has no economic exposure to the operations of its sole tenant, NEXTDC.

Metronode (like NEXTDC) is a data centre operator. It is not a REIT.

Given this important context it is incorrect for APDC to claim that APDC’s property capitalisation rates should also be closer to 4.73%, implying a portfolio value of \$300 million based on the implied sale yield (EBITDA / EV) of an operating business like Metronode.

Craig Scroggie, Chief Executive Officer said: “APDC’s reference to Metronode’s assumed 4.73% acquisition yield is akin to one suggesting that a property landlord should trade on the same capitalisation rate or multiple as its tenant be they BHP or Google. This has no logic and is simply incorrect”.

Furthermore, APDC’s properties were independently valued only a few months ago at \$212.8 million. The previous independent Board of APDC also ran a global sales process for the whole group and each of its property assets that concluded on 25 August 2017 and reached the conclusion that a takeover proposal of \$1.80 per security was still the best option. 360 Capital eventually agreed to pay \$1.95 per security, 18% premium to APDC’s independently assessed Net Tangible Value of \$1.65.

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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, high-speed 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

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