

# Asia Pacific Data Centre Group Combined Annual Meetings

19 November 2014



# Agenda

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**Welcome**

**Chairman's Overview**

**Formal Business**

# Chairman's Overview

# Investment in a Growing Sector

- Investment grade data centres
  - Owning and leasing data centre properties
  - Increasing use of outsourced data centres
    - 51% of companies use an outsourced data centre
    - 25% of companies use a combination of in-house and outsourced data centres
    - Australian market for outsourced data centres is up 16%
- Source: Frost & Sullivan, Australian Data Centre Services Market 2014
- Data storage and connectivity needs of Cloud computing, government and corporates are driving demand

# Portfolio Overview

46,893m<sup>2</sup> gross lettable area

13.7 years Weighted Average Lease Expiry as at 30/09/2014

100% leased

1 tenant



# Features of our data centres

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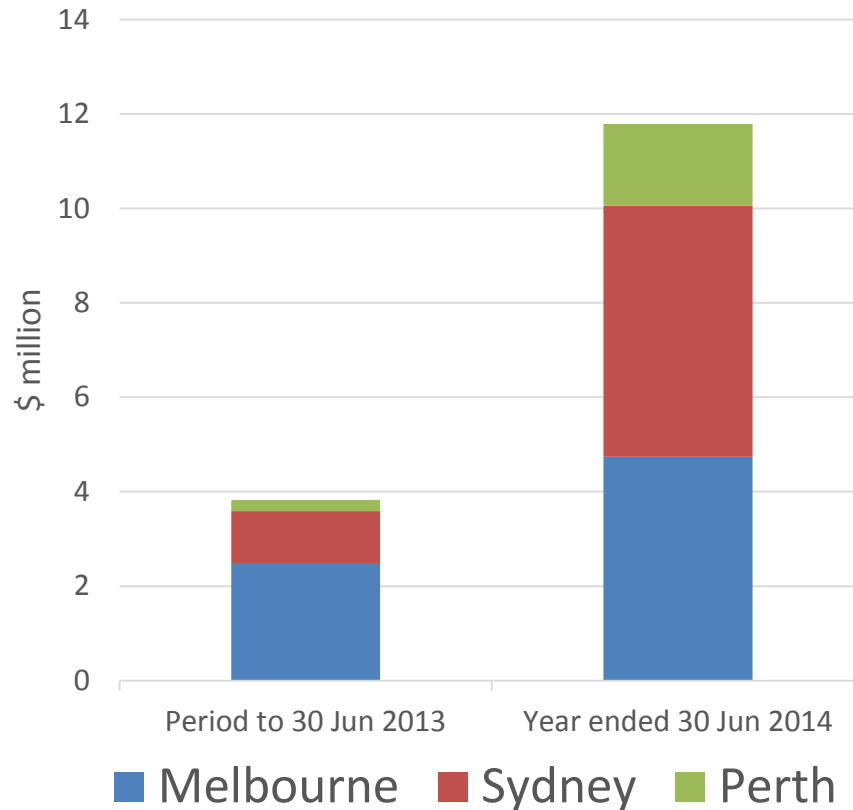
- Metropolitan location, within established commercial zones
- Uptime Institute Certification
  - Ability to support high levels of service availability, with Tier III being the highest level
  - Tier III for design and construction – Sydney, Perth
  - Tier III for design – Melbourne
- Access to power (29 MW across the APDC portfolio) and water
- Energy efficiency



Image: [www.nextdc.com](http://www.nextdc.com)

# Rent profile – by asset

## Rental from Leases and Unimproved Land



- \$11.8m FY14 Rent
- 2.3% CPI rent review from Dec14



# Perth data centre acquisition



Image: [www.nextdc.com](http://www.nextdc.com)

# Our tenant – NEXTDC Limited

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- Lessee of initial portfolio
  - NEXTDC the sole tenant of initial portfolio (3 data centres)
  - Triple net lease – all operating risk sits with NEXTDC
  - Initial lease term 15 years (plus options to a total of a further 25 years)
- 3 year alliance period to December 2015
- S&P/ASX 300 company
  - Developer and operator of data centres in Australia since 2010
  - Provides independent, co-location data centre services

# NEXTDC recent performance

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- APDC's Melbourne and Sydney data centres are EBITDA positive at facility level for NEXTDC
- Continued fit out of APDC data centres linked to customer demand
- Recent guidance is EBITDA positive for FY15

# Valuations

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<b>Data Centre</b>	<b>Acquisition price</b>	<b>Current valuation</b>
Melbourne	\$52.0m	\$56.2m
Sydney	\$58.0m	\$64.5m
Perth	\$28.8m	\$30.0m
	<b>\$138.8m</b>	<b>\$150.7m</b>

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# PDS Milestones Achieved

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- IPO in January 2013
- Completion of the Final Instalment in May 2013
- Acquisition of the Sydney and Perth data centre base buildings
- Securing the loan facility to fund the Perth data centre development fee and to provide working capital headroom
- Management of operating expenses
- Distributions of 12.18 cents per stapled security from listing to 30 June 2014

# Financial overview



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	<b>FY14</b>
Statutory profit	\$21.76m
Distributable earnings	\$9.95m
Distribution per stapled security	9.00 cents
Tax deferred component	28.18%

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Includes unrealised gains from fair value adjustment on investment properties of \$11.99m

# Capital Management

## ■ Gearing of 16.4%

Interest Bearing Liabilities to  
Investment Properties as at  
30/06/2014

	<b>FY14</b>
Facility limit	\$29.0m
Drawn	\$25.0m
% hedged	50%
Effective cost of drawn debt	5.46% As at 30/06/2014
Term to maturity	4 years
LVR	39% vs 50% covenant
ICR	9.3x vs 2.0x covenant

# Distribution Guidance

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DecQ	2.25 cps
MarQ	2.30 cps
JunQ	2.30 cps

This guidance is subject to market conditions and the existing portfolio, operations, hedging and capital structure remaining unchanged





# Formal Business

# Agenda - Ordinary Business

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- Consideration of financial statements and reports
- Resolution 1: Election of Ian Fraser as a Director
- Resolution 2: Adoption of Remuneration Report

# Consideration of Reports

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- Annual Financial Statements
- Directors' Report
- Independent Auditor's Report

# Resolution 1

## Re-election of Ian Fraser



“That, Ian Fraser, who retires in accordance with Clause 47(c) of the Constitution of APDC Holdings, and having offered himself for election and being eligible, is hereby re-elected as a Director of APDC Holdings Limited.”

	<b>For</b>	<b>Open</b>	<b>Against</b>	<b>Abstain</b>
<b>Proxy results</b>	50,890,822	117,800	0	16,598
% of votes cast	99.77%	0.23%	0.00%	

# Resolution 2 –

## Adoption of Remuneration Report

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“That, the Remuneration Report (which forms part of the Directors’ Report) for APDC Holdings Limited for the year ended 30 June 2014 be adopted.”

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	<b>For</b>	<b>Open</b>	<b>Against</b>	<b>Abstain</b>
<b>Proxy results</b>	45,308,305	117,800	4,134,377	70,000
% of votes cast	91.42%	0.24%	8.34%	

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 NEXTDC

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5

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