

# ASX RELEASE

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## Annual Results for the year ended 30 June 2015

Asia Pacific Data Centre Group (APDC, Group) today announces its results for the year ended 30 June 2015.

### Performance highlights

Distributions paid or payable	\$10.47 million (9.10 cents per stapled security)
Distributable earnings <sup>1</sup>	\$10.56 million
Profit for the year	\$26.16 million (includes unrealised asset revaluations of \$15.6 million)
Data centre portfolio value	\$166.3 million (up 10.4% from 30 June 2014)
Gearing <sup>2</sup>	15.3%
Net tangible assets	\$1.24 (up from \$1.11 at 30 June 2014)

### Operational highlights

Investment property revaluations	Independent valuations of APDC's data centres as at 30 June 2015 resulted in an increase in the value of the portfolio by \$15.6 million or 10.4%.
Rent reviews	Rentals for all three of APDC's data centres were the subject of a CPI review and a 2.3% increase effective from 21 December 2014.
Bankwest debt facility	Subsequent to year end, APDC renegotiated the interest rate margin on its debt facility, resulting in a reduction in margin from 2.15% per annum to 1.50% per annum.

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<sup>1</sup> The Group reports profit attributable to members in accordance with Australian Accounting Standards (AAS). Distributable earnings are a non-AAS measure that represents the Directors' view of the amount available for distribution to securityholders from ongoing activities for the year, being profit/loss after tax adjusted for unrealised fair value gains.

<sup>2</sup> Gearing is total non-current liabilities divided by total non-current assets

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.

APDC CEO Ms Francina Turner reflected on a successful year for APDC, 'The Group paid distributions of 9.10 cents per stapled security in line with our earnings guidance, and achieved accumulated security holder return of 28.1% for the year.'

### Earnings

The Group recorded a profit for the year of \$26.16 million which included unrealised asset revaluations of \$15.6 million. Distributable earnings were \$10.56 million.

During the year, APDC earned \$12.97 million in rental income pursuant to the leases, reflecting a full year of rent for the three data centres in Melbourne, Sydney and Perth. Rentals benefited from a CPI review which resulted in a 2.3% increase from 21 December 2014.

These leases are on a triple-net basis, therefore no operating or outgoing expenses are payable by the Group.

Operating and compliance expenses totalled \$1.1 million, in line with the prior year.

### Distributions

APDC will pay a final distribution of 2.3 cents per stapled security in respect of the June quarter. The record date for the June quarter distribution was 30 June 2015 and it is scheduled to be paid on 27 August 2015.

Total distributions for the year ended 30 June 2015 were 9.10 cents per stapled security. Distributions were 24.75% tax deferred for the year.

Distributions of \$10.47 million were fully funded by distributable earnings.

### Investment property valuations

The directors have revalued the Group's investment properties based on independent valuations as at 30 June 2015 by CBRE Valuations Pty Limited and are summarised below:

Property	New valuation	Increase to carrying value	% Increase in carrying value	Capitalisation rate %
M1 Melbourne	62,800,000	6,600,000	11.7%	7.75%
S1 Sydney	70,000,000	5,500,000	8.5%	7.75%
P1 Perth	33,500,000	3,500,000	11.7%	8.00%
	<b>\$166,300,000</b>	<b>\$15,600,000</b>	10.4%	

### Capital management

Gearing was 15.3% at 30 June 2015. 50% of the drawn loan principal is hedged with a fixed rate interest rate swap at 30 June 2015.

The Group has a five year facility with Bankwest (a division of Commonwealth Bank of Australia) to provide the Group with up to \$29 million of asset-secured debt funding. The debt facility is secured by a mortgage over the S1 Sydney data centre asset. At 30 June 2015, the Group had undrawn debt facility capacity of \$4.0 million.

APDC recently renegotiated the interest rate margin for the debt facility, resulting in a reduction in the margin from 2.15% per annum to 1.50% per annum.

**Outlook and distribution guidance**

APDC's investment strategy is to own data centre assets in the Australia and Asia Pacific region with the intention of providing investors with a stable income and potential for capital growth.

APDC has an alliance with NEXTDC Limited (ASX: NXT) which provides the parties with rights and obligations in relation to the acquisition, development and operation of further data centres in the Australia and Asia Pacific region. The alliance expires on 21 December 2015.

Based on its current portfolio and operating conditions, the Board expects that the Group will maintain its current distribution of 2.3 cents per stapled security for the September and December 2015 quarters.

Pursuant to the leases, the rentals for the Group's data centre assets will be subject to CPI rent reviews in December 2015.

For further information please contact:

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