



ASX Release

27 February 2014

NEXTDC HALF-YEAR RESULTS – 31 December 2013

NEXTDC Limited (ASX: NXT) ("the Company" or "NEXTDC") today reported its interim results for the half-year ended 31 December 2013.

Key points include:

- Data centre revenues up \$7.6M (200%) on the previous corresponding period to \$11.4M
- Loss attributable to members \$7.3M (vs \$4.7M profit for the previous corresponding period)
- Capital expenditure up \$33.5M (68%) on H2 FY13 to \$82.6M¹
- Cash up \$2.6M (5%) on H2 FY13 to \$54.0M
- Raised over \$130M in new cash and funding in H1 FY14, including a debt facility of \$30.0M

NEXTDC CEO, Craig Scroggie said, "NEXTDC has recently been focused on the rapid development of its national network of carrier and vendor neutral data centres. As the Company begins to transition out of the development phase, and leverages its impressive national network of data centres, the operating leverage of the model will become more pronounced in the financial results".

National network:

Subsequent to 31 December 2013, the Company went live with its fifth (5th) data centre, P1 Perth, on 24 February 2014. Building construction risk has now been removed with no new data centres currently under construction, other than ongoing data hall fit-outs.

During the half-year ended 31 December 2013, the Company derived revenue from four (4) operating data centres, with S1 Sydney going live on 30 September 2013.

¹ Includes payments for property, plant and equipment of \$72.0 million plus \$10.5 million in data centre development costs, which were subsequently recouped from APDC Limited (ASX: ADJ)

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B1 Brisbane continued to contribute positive facility EBITDA, with M1 Melbourne also now achieving facility EBITDA break-even.

Sales milestones:

Since 30 June 2013, NEXTDC has achieved the following sales milestones during the half-year ended 31 December 2013:

- Annualised contracted recurring revenue up \$4.4M (14%) to \$35.1M
- High margin cross connects up 493 (96%) to 1,006, representing 4% of recurring revenue in December 2013
- Increase in contracted customer utilisation by 940kW (10%) to 10.7MW through mainly higher-margin racks
- Increased total contracted customer utilisation to 76% of installed capacity of 14.05MW
- Annualised unweighted pipeline up \$8M (7%) to \$127M

Furthermore, NEXTDC secured Telstra as an important channel partner from December 2013.

Operational milestones:

Since 30 June 2013, NEXTDC has achieved the following operational milestones during the half-year ended 31 December 2013, including:

- Added 5.1MW of network capacity to 14.05MW (planned target: 35.35MW)
- Opened S1 Sydney on 30 September 2013, with initial capacity of 3.1MW
- Practical completion of the P1 Perth base building (November 2013)
- Each of the facilities M1, S1 and P1 achieved a form of UTI Tier III Certification
- Data hall fit-out at M1, S1 and P1 in progress at 31 December 2013 for an additional 5.6MW

The rollout of new capacity will continue to be actively managed to ensure that current and anticipated demand is adequately catered for, with future capital investments tightly aligned to customer demand.

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Capital management:

In July 2013, the Company sold down its remaining holding in Asia Pacific Data Centre Group, ("APDC") (ASX: AJD) achieving cash proceeds of \$28.1 million (after transaction costs).

In August 2013, the Company successfully raised \$50 million (before transaction costs) via a heavily oversubscribed placement at \$2.60 per share to institutions and sophisticated investors.

Also in August, the Company secured a new three-year \$30 million corporate debt facility with ANZ Bank.

During the half-year, the Company was paid \$23.3 million in development fees for the base buildings for P1 Perth and S1 Sydney.

During the period, NEXTDC raised a total of over \$130 million in cash and debt to support its capital investment program and the ongoing working capital needs of the business during its development phase.

Conclusion:

Mr Scroggie said, "With the opening of our fifth world-class data centre, P1 Perth, the Company now has a true national presence. We are in position to leverage our national network of vendor and carrier neutral data centres for the benefit of all customers and partners. During the period we have achieved many important milestones in capital management, development and sales. Our focus now turns to enabling our broad network of channel partners and continuing to build on the development of our rich customer ecosystem."

ENDS

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About NEXTDC

As Australia's leading Data-Centre-as-a-Service (DCaaS) provider, NEXTDC is revolutionising cloud computing in Australia. An ASX300 company and the only independent data centre operator with a strategic footprint in all major growth markets in Australia, NEXTDC offers a range of highly flexible, resilient and secure colocation services to corporate, government and IT services companies.

NEXTDC's purpose-built facilities have been designed to address the market's growing appetite for energy-efficient carrier-neutral data centres in which organisations can host critical IT infrastructure and selectively source services through their diverse national ecosystem.

NEXTDC is where the cloud lives.

To learn more, visit www.nextdc.com

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