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Canberra Data Centres (“CDC”) signs contract with Microsoft to deliver hyperscale cloud services from Canberra and announces final investment approval for the 20MW Fyshwick 2 data centre

Infratil is pleased to announce that CDC has entered into a contract with Microsoft to deliver hyperscale cloud services from CDC’s two Canberra based data centre campuses. This will significantly enhance the breadth and depth of secure cloud based services able to be consumed by Government and further strengthens the CDC secure customer ecosystem. Further details are provided in the attached copy of Microsoft’s press release.

Along with other recent contract wins this deployment will take CDC’s utilisation of existing facilities to 73%¹. Accordingly the Board of CDC has approved the development of the 20MW Fyshwick 2 data centre to provision further capacity to support growth. Construction is expected to commence in September 2017 post receiving final development approvals.

FY18 Earnings Guidance

Infratil’s Underlying EBITDAF guidance for FY18 remains within the range provided in May 2017 (\$460 – \$500 million).

An operational update will be provided as part of Infratil’s Annual Meeting on 24 August 2017.

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¹ Utilisation is measured as the number of income producing rack spaces (including reserved spaces) that are contracted as a proportion of total available rack spaces in the Hume and Fyshwick campuses.

Microsoft First to Offer Hyperscale Cloud Regions for Australian Government

Partnership with Canberra Data Centres to deliver Microsoft Azure for Australian Unclassified and Protected Government Data

SYDNEY – 15 August, 2017 – Microsoft plans to deliver Microsoft Azure from two new regions located within highly-secure data centres in Canberra, Australia. Through a strategic partnership with Canberra Data Centres (CDC), Microsoft will be the only major cloud provider in Australia to deliver hyperscale cloud services to handle Unclassified and Protected government data.

With today's announcement, Microsoft expands to deliver the most trusted, innovative, and open cloud platform to accelerate the digital transformation of the Australian government at federal, state and local levels.

The two new regions in Canberra will focus on the needs of government and their suppliers. Available in the first half of 2018, they will offer unprecedented opportunity through advanced data analytics, sophisticated data protections and artificial intelligence. These two new regions will complement Microsoft's existing cloud services currently delivered from Sydney and Melbourne.

The Hon. Angus Taylor MP, Assistant Minister for Cities and Digital Transformation, welcomed the news: "The Australian Government has embarked on a sweeping program of change, bringing digital innovation to the transformation of the Australian public sector. Global innovation in areas such as cloud technology is an essential foundation for this transformation and will ensure we can meet the expectations and needs of all Australians. So too the local software ecosystem can build its skills and innovate rapidly to first serve our local needs, then expand into global markets."

Microsoft continues to rapidly expand its global cloud footprint, having recently revealed plans to deliver the Microsoft Cloud from [new datacentres in South Africa](#) and France, and the availability of cloud services from new regions in the UK, Germany and South Korea. With two new regions coming to Australia, it means Microsoft has announced 42 Azure regions globally – more than any other major cloud provider.

"Azure expands globally to create greater opportunity for the digital transformation of our customers," said Tom Keane, Head of Global Infrastructure, Microsoft Azure, Microsoft Corp. "Australia is a critical cloud market for Microsoft. We're delighted to be partnering with a locally owned provider with deep roots across government to further extend the reach of our cloud, and to provide the full innovation of Azure to Australian and New Zealand Government customers and partners".

A Trusted Foundation for Government

Today's news [follows June's announcement](#) when the Australian Signals Directorate (ASD) formally certified a greatly expanded range of Microsoft Azure and Microsoft Office 365 services for inclusion on the ASD Certified Cloud Services List. In July, Microsoft then [announced](#) the ability to order Microsoft Azure Stack, making Microsoft Azure the only cloud platform with truly consistent hybrid capabilities. Azure Stack is an extension of Microsoft Azure that brings the agility and innovation of cloud computing to an on-premise or hosted environment.

Steven Worrall, Managing Director, Microsoft Australia, said: "Across our nation, we see government, healthcare and education organisations all driving forward with their digital transformation initiatives. We hear from them the need for Microsoft to deliver rapid innovation and unleash the possibilities

and creativity that only the cloud can provide. But also, to do that in a way that provides the highest levels of assurance in security, privacy and resilience. We're listening and today's announcement shows Microsoft is committed to delivering both the innovation and the trusted platform our customers and partners demand."

"Our partnership with Canberra Data Centres, our open approach and our mature ecosystem of partners, ensures government can accelerate transformation and apply intelligent systems to their abundant existing data. I'm excited about how this complements the ongoing transformation of our own organisation, as we recruit architects and engineers, invest in our partners and contribute to ensure the best outcomes for everyone."

Microsoft's expansion into Canberra is the first opportunity for public cloud services from a major provider to be located in the same highly secure facilities as some of the nation's most sensitive data. The two new regions are intended to serve data classified as either Protected or Unclassified (featuring dissemination limiting markers or DLM).

Greg Boorer, Chief Executive Officer of Australian-owned Canberra Data Centres, said: "We've built Canberra Data Centres from the ground-up over 10 years with a singular purpose to be the most trusted, flexible and resilient platform for government innovation. But more important than building and operating facilities that are now widely regarded as some of the most modern and secure in Australia, has been the creation of an ecosystem of customers and partners that thrive together. Our strategic partnership is about combining the local ecosystem and our own expertise with the global innovation and open ecosystem of Microsoft. I couldn't be more excited about the potential this creates for the digital transformation of Australian and New Zealand governments and what it means to our combined ecosystem."

The two CDC campuses are the only private data centre facilities in Australia with the security controls and accreditations appropriate for the handling of Top Secret government data. The concentration of secure connectivity including the Intra Government Communications Network (ICON) at CDC provides an added benefit for government agencies with secure, highly cost-effective network access to Microsoft Azure.

An Open Ecosystem for Partners to Government

Today's announcement provides significant new opportunities for Microsoft's local and global partner ecosystem.

Keiran Mott, CEO of Veritec described the impact of the news for his 120-strong Canberra based organisation:

"We've built our business on applying Microsoft cloud solutions to the needs of Australian government customers. There's a tremendous desire all across government to get on with delivering real innovation and taking advantage of all the cloud has to offer. Perception of security has in the past been a blocker. With this news, it's not any more."

Leading software company, Intelledox, is finding global success from its Canberra headquarters through its innovative Infiniti solution for workflow, smart forms and automation. Michelle Melbourne, Co-Founder and Executive Director, said:

"We've been a Microsoft partner for over two decades and we have proven the value of innovating on a trusted cloud like Microsoft Azure. We can confidently deliver our Infiniti solution to enable the transformation of digitally focused government agencies as well as

insurance, banking, financial services, education and healthcare companies globally. This investment by Microsoft in Canberra opens new possibilities, but even more importantly it highlights their commitment to supporting the ecosystem we are building with government and enterprise to evolve and grow. And that's going to make a big difference to all Australians."

Canberra based start-up, Kailash Krishnamurthi of Gravity Consulting, creator of the innovative StrategyDotZero solution for strategy execution and enterprise visualisation remarked:

"This is hugely important for us. We're helping government agencies across Australia to manage some of the largest, most complex programs of work with tools that cut through the clutter. And we're building that all on Azure, applying artificial intelligence and data visualisation to enable better executive decision making. Our customers demand the highest levels of security and this announcement really helps us to confidently deliver to their needs".

Handling Protected Government Data

The new Azure regions are intended to serve both Unclassified and Protected data, with the appropriate controls at the personnel, physical, information and governance level to achieve Protected certification in compliance with Australian requirements. It also reflects the whole-of-nation approach to the protection of national critical infrastructure that the Australian government is driving through the National Cybersecurity Strategy.

Canberra-based Microsoft Azure Engineering Lead for Australia, James Kavanagh said: "Less than three years ago, we launched our first cloud services from an Australian data centre. Since then, we've worked to lead the way in delivering trusted innovation to our customers and partners, which has at times meant the hard work of undertaking very onerous compliance processes. We've taken on that effort to reduce the work our partners and customers must do themselves thus accelerating their ability to adopt innovation. This has led the Australian Signals Directorate to certify a total of 52 services across Microsoft Azure, Microsoft Office 365 and Microsoft Dynamics 365 – far more than all other cloud services combined. Globally we have over 60 compliance certifications and attestations making Azure the truly trusted cloud for government."

"Today is a big step forward and another first – progressing to deliver our hyperscale cloud for both Unclassified and Protected data from facilities designed for the handling of even Top Secret classified data and surrounded by an ecosystem that can drive real outcomes for government. We're confident these two new regions and the services provided will satisfy requirements for Unclassified and Protected data. And that confidence comes from the simple fact we've already completed assessments under the Independent Registered Assessors Program (IRAP) for services in Sydney and Melbourne. In reviewing those services, IRAP assessors delivered a positive finding in favour of certification at Protected level earlier this year. We're still working to finalise this certification process with Australian Signals Directorate (ASD) and for clarity it is important to be aware that Microsoft Azure is not certified at Protected level by ASD. We still have work to do, but the pathway is understood."

For those higher levels of classification such as Secret or Top Secret data, or services that need to operate in a deployed environment, customers and partners can leverage the recently announced [Azure Stack](#) for a consistent hybrid cloud experience

The digital transformation of Australian organisations is rapidly proceeding across the nation powered by the Microsoft cloud.

- [The Australian Department of Immigration and Border Protection](#) has Dynamics 365 and Microsoft Azure at the heart of a new system that is streamlining Australian Border Force cargo inspections.
- The new [Bendigo Hospital](#), Victoria's newest acute care facility is delivering anytime anywhere access to patient and clinical information with the help of local Microsoft partner Mexia on Microsoft Azure.
- Emergency services in Queensland, NSW and [Victoria](#) rely on Microsoft Azure and Microsoft Office 365 to respond in the event of natural disasters.
- [Department of Industry, Innovation and Science](#) is leading the way in Australia. It is one of the first federal agencies to federate with Microsoft Azure and one of the first government departments in APAC to roll out Dynamics365 which is proving a powerful ally for both Department staff and Australian businesses.

About Microsoft

Microsoft is the leading platform and productivity company for the mobile-first, cloud-first world, and its mission is to empower every person and every organisation on the planet to achieve more.

About Canberra Data Centres

CDC was formed in 2007 with the sole purpose of being a trusted partner for data centre services. Since its creation, CDC has developed two data centre campus in Canberra to support our client growing needs and demands. In 2015, CDC was recognised by Frost & Sullivan as the Australian Data Centre Provider of the Year.

CDC is majority Australian owned with its long-term stable management team owning 4% of the organisation and the Commonwealth Government entity the Commonwealth Superannuation Corporation holding a 48% stake on behalf of Australian Government employee and Australian Defence Force superannuation fund members. The balance of ownership sits with New Zealand based Infratil which invests in long term infrastructure assets.

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