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2014 Annual General Meeting CEO's Address

Thank you Doug and good morning Ladies and Gentlemen.

I am delighted to have this opportunity to address shareholders after such a pivotal year in NEXTDC's history. In my presentation today, I would like to provide you with a review of the 2014 financial year and comment on our operating progress this financial year.

FY14 saw the Company achieve significant growth across all key operational and financial metrics and move closer to generating positive cash flows. Data centre services revenue across all five operating facilities grew 237% to \$30.4 million. Importantly, the majority of this revenue is recurring and underpinned by international and domestic customers and service provider partners that are forming long term relationships with NEXTDC.

During FY14, the Company raised over \$160 million from diversified funding sources including equity holders, bond holders, base building development fees, and proceeds from the sale of the Company's holding in Asia Pacific Data Centre. At 30 June 2014, the Company had over \$70 million in cash and term deposits with access to a further \$20 million from an undrawn senior debt facility. NEXTDC's strong capital and financial position ensures the Company has the flexibility to fund further expansion as our customer base grows.

FY14 saw S1 and P1 data centres opened, and NEXTDC delivered on its promise of building a world-class portfolio of market-leading carrier and vendor-neutral data centres in key markets across Australia. NEXTDC has successfully achieved internationally recognised certifications that demonstrate the reliability and trustworthiness of the Company's operations. S1 and P1 received the world class Uptime Institute (UTI) Tier III-certification for both design and construction and M1 was certified for design. All five data centres and Brisbane head office achieved ISO 9001:2008 Quality Management System certification for secured data centre infrastructure and services.

The quality of NEXTDC's offering was also recognised in July 2014 with NEXTDC being admitted to the Commonwealth Government Data Centre Facilities Supplies Panel. This admission enables NEXTDC to contract with Federal Government departments and agencies for data centre services at all of the Company's facilities across the country.

Year to date, NEXTDC achieved ISO 27001:2005 Information Security Management System certification for the operations and maintenance of S1 and M1 data centres, supported by Brisbane head office, a remarkable achievement for such a young organisation. Our S1 facility was the Asia-Pacific award winner for Innovation in the Mega-Data Centre category from Datacentre Dynamics, and the ARN ICT Industry Awards rated NEXTDC the Service Provider of the year for the second year in a row. NEXTDC was also recognised by the City of Melbourne for our sustainability leadership in renewable energy production from the fully operational M1 rooftop solar array, and last night NEXTDC was the winner of the 2014 Deloitte Technology Fast 50 awards.

In FY15 the Company will introduce a number of exciting new products and services including our new ONEDC subscription-based data centre intelligence platform; a new virtual software interconnection platform that will further develop the richness of our ecosystem; FastStart online colocation ordering, and half and quarter-rack products, which together are ideal for



SMEs or businesses trialling the benefits of colocation and considering the move to public or private cloud computing solutions colocated with their own infrastructure.

NEXTDC's sales model focuses on partnering with the key organisations that drive the growth of digital connectedness and public and private cloud computing. The Company's strategy of partnering increases the breadth and depth of NEXTDC's selling capacity and market reach into the enterprise customer base. It also drives unique value to our customers through a diverse ecosystem of service providers that makes NEXTDC a marketplace for the digital economy.

Strong start to FY15:

We have now completed the first four months of FY15, and the Company continues to make strong progress in key operating metrics. Contracted utilisation has increased 1.2MW to 13.1MW at an average price of \$5.4 million per MW, with annualised contracted recurring revenue¹ increasing \$6.5 million to \$48.2 million. Interconnection continues to increase at a rapid pace with 603 cross connects added in just over 4 months, reflecting an increase of 41%, and customer growth continues with 55 new customers joining NEXTDC over the same period, an increase of 18%.

FY15 Outlook:

With our full year results for 2014 released in August, for the first time we issued earnings guidance for the 2015 financial year. We are pleased to be able to modestly upgrade that guidance, with our expectation for the following outcomes over FY15:

- new sales between 2.4MW and 3.0MW (FY14: 2.1MW)
- substantial growth in data centre services revenue to between \$51.0 million and \$55.0 million (FY14: \$30.4 million)
- positive EBITDA for both the first half of FY15 and FY15 overall, which is an improvement from our previous expectation for EBITDA break-even in the first half;
- direct variable costs, including power and consumables, to increase in line with customer consumption (FY14: \$3.9 million)
- fixed costs, excluding power and consumables, of between \$44.0 million and \$46.5 million (FY14: \$42.6 million)
- capital investment on plant and equipment of between \$30.0 million and \$35.0 million.

NEXTDC has come a long way in a short space of time, and this would not have been possible without our great team of people. We recognise our NEXTHEROES and staff as valued contributors, and on behalf of the Board I would like to thank each and every one of you. We look forward to continuing NEXTDC's employee engagement, development and recognition initiatives.

The Company has a highly motivated and energetic executive team supported by an experienced independent Board. Funding flexibility is in place to support ongoing growth, and industry fundamentals are supported by strong global trends in the digital economy and industry tailwinds like cloud and mobile computing. All of these factors provide the Company with confidence in its ability to deliver strong growth over FY15 and beyond.

I would like to close my presentation by thanking you, our shareholders, for your time today and for your continued support. We are excited about the opportunities that lie ahead as we leverage our national platform for growth.

ENDS

¹ Annualised contracted recurring revenue excludes revenue from cross connects and power recharges from whitespace customers and includes customers with deferred contract commencement dates



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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