

# Results for Announcement to the Market

**For the half-year ended 31 December 2016**  
(Previous corresponding period: to 31 December 2015)

## SUMMARY OF FINANCIAL INFORMATION

	Note	Half-year 2016 \$'000	Half-year 2015 \$'000	Change \$'000	Change %
Revenue from ordinary activities	1	58,719	42,110	16,609	39%
Profit from ordinary activities after income tax for the period attributable to members	1	19,275	644	18,631	nmf <sup>1</sup>
Profit after income tax attributable to members	1	19,275	644	18,631	nmf <sup>1</sup>

## Explanation of Revenue and Profit from Ordinary Activities

**Note 1:** The following information has been provided in order to understand the Group's revenue from ordinary activities and profit after income tax.

	Half-year 2016 \$'000	Half-year 2015 \$'000
Data centre services revenue	55,968	41,284
Other revenue	2,751	826
<b>Total revenue from continuing operations</b>	<b>58,719</b>	<b>42,110</b>
Profit before income tax	8,001	644
Income tax benefit	11,274	-
<b>Profit after income tax</b>	<b>19,275</b>	<b>644</b>

During the half-year, NEXTDC recognised an income tax benefit in relation to its carried forward tax losses.

## NTA Backing

	31 Dec 2016	31 Dec 2015
Net tangible asset backing per ordinary share	\$1.74	\$1.34

## DIVIDENDS

No interim dividend has been proposed or declared for the period ended 31 December 2016.

<sup>1</sup> nmf: not meaningful

**NEXTDC Limited**

ABN 35 143 582 521

**Interim report  
for the half-year ended 31 December 2016**

# **NEXTDC Limited** ABN 35 143 582 521

## **Interim report - 31 December 2016**

### **Contents**

	Page
Directors' report	1
Interim financial statements	
Consolidated statement of comprehensive income	5
Consolidated balance sheet	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Note to the consolidated financial statements	9
Directors' declaration	14
Independent auditor's review report to the members	15

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by NEXTDC Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These interim financial statements are the consolidated interim financial statements of the consolidated entity consisting of NEXTDC Limited and its subsidiaries. The interim financial statements are presented in the Australian currency.

NEXTDC Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

NEXTDC Limited  
Level 6  
100 Creek Street  
Brisbane Qld 4000

## Directors' report

The Directors of NEXTDC Limited submit their report on the consolidated entity (referred to hereafter as "the Group") consisting of NEXTDC Limited ("NEXTDC" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

### Directors

The following persons held office as Directors of NEXTDC Limited during the financial period:

Douglas Flynn  
Craig Scroggie  
Elizabeth Gaines (resigned 31 January 2017)  
Stuart Davis  
Gregory J Clark

### Principal activities

During the half-year, the principal continuing activities of the Group consisted of the development and operation of independent data centres in Australia.

### Operating and financial review

NEXTDC is pleased to announce its interim results for the half-year ended 31 December 2016 ("1H17") that saw continued substantial growth in data centre revenue, as well as a significant increase in EBITDA and operating cash flows.

During the half-year, the Company has:

- Successfully raised \$150 million in shareholder funds through the issue of equity
- Up-sized its senior debt facility from \$50 million to \$100 million (completed in August 2016)
- Contracted 3.9MW of new capacity
- Commenced construction of B2 and M2 data centre facilities

Key financial highlights include:

- Total revenue up 39% to \$58.7 million (1H16: \$42.1 million)
- EBITDA of \$23.9 million (1H16: \$11.4 million)
- Operating cash flow of \$25.4 million (1H16: \$5.9 million)
- Cash and term deposits of \$276.5 million at 31 December 2016
- Net profit before tax of \$8.0 million (1H16: \$0.6 million)
- Statutory net profit of \$19.3 million (1H16: \$0.6 million)

Reconciliation of statutory profit to EBITDA is as follows:

	\$'000
Net profit after tax	\$19,275
Add finance costs	\$7,806
Less interest income	(\$2,751)
Less income tax benefit	(\$11,274)
Add depreciation and amortisation	\$10,806
<b>EBITDA</b>	<b>\$23,862</b>

During the half-year, the Group experienced continued growth in number of customers, customer orders and data centre services revenue. Data centre services revenue for the half-year increased from \$41.3 million to \$56.0 million. The increase in revenue was largely driven by increased utilisation of data centre services across the business.

## Operating and financial review (continued)

Net profit after tax for the half-year ended 31 December 2016 was \$19.3 million. In the half-year to 31 December 2016, NEXTDC recognised accumulated tax losses as a tax benefit. Non-statutory underlying earnings before interest, tax, depreciation and amortisation (EBITDA) improved from \$11.4 million in 1H16 to \$23.9 million in 1H17.

A summary of consolidated revenues and segment EBITDA for the period is set out below:

	Segment revenues		Segment EBITDA	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Vic	25,471	19,330	19,103	13,610
NSW	18,093	12,127	11,350	7,110
Qld	7,358	6,886	5,570	5,311
WA	4,076	2,170	1,258	(427)
ACT	800	734	(1,281)	(1,120)
Other	170	37	(263)	(17)
Total segment revenue/result	55,968	41,284	35,737	24,467

## Sales performance

NEXTDC has continued to focus its sales strategy on partnering with providers of infrastructure, platform and packaged services. Flexibility offered by being carrier and vendor neutral allows customers a choice of carriers and systems integrators, leading to an increase in the number of unique customers to 699 at 31 December 2016.

During 1H17 NEXTDC increased its contracted utilisation from 26.1MW at 30 June 2016 to 30.0MW at 31 December 2016.

Contracted utilisation at the M1 Melbourne facility has increased from 86% to 89% of the total power capacity (15.0MW) during the period from 1 July 2016 to 31 December 2016.

B1 Brisbane continues to operate profitably and has increased its contracted utilisation from 93% (2.1MW) at 30 June 2016 to 94%.

S1 Sydney's contracted utilisation increased from 66% to 88% of the total power capacity, during the period from 1 July 2016 to 31 December 2016. During 1H17, the target capacity of S1 was increased to 15.0MW.

P1 Perth's contracted utilisation, based on total target power capacity of 6.0MW, has increased from 15% at 30 June 2016 to 18% at 31 December 2016.

C1 contracted utilisation increased from 4% to 5% of target power capacity (4.8MW).

NEXTDC is deriving revenue from numerous product sources including white space, rack ready services, establishment service fees and add-on services. During 1H17 cross connectivity generated approximately 5% of total recurring revenue.

The Group continues to develop its go-to-market strategy through its channel partnerships with major telecommunications and IT service providers, allowing the Company to actively increase the breadth and depth of its selling capability without adding to its sales operating cost base.

## Dividends

No dividend has been declared or paid during the half-year ended 31 December 2016 (1H16: nil).

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'Craig Scroggie', with a long horizontal flourish extending to the right.

Craig Scroggie  
Director

Sydney  
24 February 2017



## Auditor's Independence Declaration

As lead auditor for the review of NEXTDC Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of NEXTDC Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Michael Shewan'.

Michael Shewan  
Partner  
PricewaterhouseCoopers

Brisbane  
24 February 2017

**NEXTDC Limited**  
**Consolidated statement of comprehensive income**  
**For the half-year ended 31 December 2016**

	31 December 2016 \$'000	31 December 2015 \$'000
Note		
<b>REVENUE FROM CONTINUING OPERATIONS</b>		
Data centre services revenue	55,968	41,284
Other revenue	2,751	826
<b>Total revenue</b>	<b>58,719</b>	<b>42,110</b>
<b>OTHER INCOME</b>		
Other income	95	60
<b>EXPENSES</b>		
Direct costs	(7,035)	(3,660)
Employee benefits expense	(11,394)	(11,851)
Data centre facility costs	(10,297)	(10,271)
Depreciation and amortisation expense	(10,806)	(7,530)
Professional fees	(636)	(955)
Marketing costs	(174)	(331)
Office and administrative expenses	(2,665)	(2,911)
Finance costs	(7,806)	(4,017)
<b>Profit before income tax</b>	<b>8,001</b>	<b>644</b>
Income tax benefit	5 11,274	-
<b>Profit after income tax</b>	<b>19,275</b>	<b>644</b>
<b>PROFIT IS ATTRIBUTABLE TO:</b>		
Owners of NEXTDC Limited	19,275	644
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Total comprehensive income</b>	<b>19,275</b>	<b>644</b>
Attributable to:		
Owners of NEXTDC Limited	19,275	644
	<b>Cents</b>	<b>Cents</b>
<b>PROFIT PER SHARE FOR PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE GROUP:</b>		
Basic earnings per share	7.23	0.32
Diluted earnings per share	7.08	0.31

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*



**NEXTDC Limited**  
**Consolidated balance sheet**  
**As at 31 December 2016**

	31 December 2016 \$'000	30 June 2016 \$'000
Note		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	129,995	191,393
Term deposits	146,500	-
Trade and other receivables	2      16,869	18,070
Other assets	8,954	11,971
	<u>302,318</u>	<u>221,434</u>
<b>Total current assets</b>	<u>302,318</u>	<u>221,434</u>
<b>Non-current assets</b>		
Property, plant and equipment	365,927	302,746
Other assets	1,448	1,770
Intangible assets	6,021	4,294
Deferred tax assets	13,700	-
<b>Total non-current assets</b>	<u>387,096</u>	<u>308,810</u>
<b>Total assets</b>	<u>689,414</u>	<u>530,244</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	17,212	27,017
Other liabilities	2,470	2,407
Finance lease liability	4      282	274
	<u>19,964</u>	<u>29,698</u>
<b>Total current liabilities</b>	<u>19,964</u>	<u>29,698</u>
<b>Non-current liabilities</b>		
Other liabilities	111	1,312
Provisions	304	227
Interest-bearing borrowings	4      161,008	159,547
Finance lease liability	4      6,189	6,332
<b>Total non-current liabilities</b>	<u>167,612</u>	<u>167,418</u>
<b>Total liabilities</b>	<u>187,576</u>	<u>197,116</u>
<b>Net assets</b>	<u>501,838</u>	<u>333,128</u>
<b>EQUITY</b>		
Contributed equity	7      524,192	375,507
Reserves	4,284	3,534
Retained earnings	<u>(26,638)</u>	<u>(45,913)</u>
<b>Total equity</b>	<u>501,838</u>	<u>333,128</u>

*The above consolidated balance sheet should be read in conjunction with the accompanying notes.*

**NEXTDC Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2016**

	Note	Attributable to owners of NEXTDC Limited			Total equity \$'000
		Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	
<b>Balance at 1 July 2015</b>		260,094	2,475	(47,669)	214,900
Profit for the half-year		-	-	644	644
<b>Total comprehensive income for the period</b>		-	-	<b>644</b>	<b>644</b>
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments		-	577	-	577
Contributions of equity, net of transaction costs and tax	7	115,222	-	-	115,222
		115,222	577	-	115,799
<b>Balance at 31 December 2015</b>		<b>375,316</b>	<b>3,052</b>	<b>(47,025)</b>	<b>331,343</b>
<b>Balance at 1 July 2016</b>		375,507	3,534	(45,913)	333,128
Profit for the half-year		-	-	19,275	19,275
<b>Total comprehensive income for the period</b>		-	-	<b>19,275</b>	<b>19,275</b>
<b>Transactions with owners in their capacity as owners:</b>					
Exercise of options / loan funded shares		501	-	-	501
Share-based payments		-	750	-	750
Contributions of equity, net of transaction costs	7	148,184	-	-	148,184
		148,685	750	-	149,435
<b>Balance at 31 December 2016</b>		<b>524,192</b>	<b>4,284</b>	<b>(26,638)</b>	<b>501,838</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**NEXTDC Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2016**

	31 December 2016 Note \$'000	31 December 2015 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	62,091	44,404
Payments to suppliers and employees (inclusive of GST)	<u>(36,919)</u>	<u>(35,994)</u>
	25,172	8,410
Interest paid	(2,907)	(3,263)
Payments for bank guarantees	1,028	(201)
Interest received	<u>2,139</u>	<u>960</u>
<b>Net cash inflow from operating activities</b>	<u>25,432</u>	<u>5,906</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(84,574)	(37,356)
Payments for term deposits	(146,500)	-
Payments for intangible assets	<u>(1,845)</u>	<u>(1,882)</u>
<b>Net cash (outflow) from investing activities</b>	<u>(232,919)</u>	<u>(39,238)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares (including exercised options)	150,993	119,964
Proceeds from borrowings	-	100,000
Transaction costs paid in relation to issue of shares	(4,458)	(4,575)
Finance lease payments	(135)	(128)
Transaction costs paid in relation to loans and borrowings	(311)	(2,550)
Transfer of funds held in escrow	<u>-</u>	<u>(7,000)</u>
<b>Net cash inflow from financing activities</b>	<u>146,089</u>	<u>205,711</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(61,398)</u>	<u>172,379</u>
Cash and cash equivalents at the beginning of the financial period	191,393	52,881
<b>Cash and cash equivalents at end of period</b>	<u>129,995</u>	<u>225,260</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **1 Basis of preparation of half-year report**

These financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by NEXTDC Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **(a) New and amended standards adopted by the Group**

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2017 annual report as a consequence of these amendments.

### **(b) Critical accounting estimates**

#### **Deferred tax assets**

The deferred tax assets include an amount of \$10.8 million which relates to carried forward tax losses of NEXTDC Limited. The Group has incurred the losses during its start-up operations and has concluded that the deferred assets are probable of recovery using the estimated future taxable income. The Group is expected to generate taxable income from 2017 onwards. The losses can be carried forward indefinitely and have no expiry date.

## **2 Trade and other receivables**

	<b>31 December 2016 \$'000</b>	30 June 2016 \$'000
Trade receivables	<b>15,309</b>	16,963
Provision for impairment	<b>(189)</b>	(983)
	<b>15,120</b>	15,980
Interest receivable	<b>717</b>	105
GST receivable	<b>937</b>	1,979
Other receivables	<b>95</b>	6
	<b>1,749</b>	2,090
	<b>16,869</b>	18,070

## **3 Segment information**

### **(a) Description of segments**

Management considers the business from a geographic perspective and has identified six reportable segments, the first five being each state where the Group operates data centre facilities and the last capturing financial information from operations that do not naturally fit into any particular geography. These segments do not exist as a separate legal entity, consequently, information such as income tax expense and segment liabilities are not prepared and provided to management for review and therefore not presented.

### 3 Segment information (continued)

#### (b) Segment information provided to management

Half-Year to 31 Dec 2016	Qld \$'000	Vic \$'000	NSW \$'000	WA \$'000	ACT \$'000	Other \$'000	Total \$'000
Revenue from external customers	7,358	25,471	18,093	4,076	800	170	55,968
Direct and facility costs	(1,402)	(5,760)	(6,098)	(2,370)	(1,702)	(1)	(17,333)
Employee benefits expense	(353)	(556)	(449)	(406)	(319)	(162)	(2,245)
Other expenses	(33)	(52)	(196)	(42)	(60)	(270)	(653)
<b>Segment operating profit/(loss)</b>	<b>5,570</b>	<b>19,103</b>	<b>11,350</b>	<b>1,258</b>	<b>(1,281)</b>	<b>(263)</b>	<b>35,737</b>
Depreciation and amortisation	(1,269)	(3,421)	(3,217)	(1,244)	(446)	(768)	(10,365)
Finance charge	(186)	-	-	-	-	-	(186)
<b>Segment profit/(loss) before tax</b>	<b>4,115</b>	<b>15,682</b>	<b>8,133</b>	<b>14</b>	<b>(1,727)</b>	<b>(1,031)</b>	<b>25,186</b>
<b>Assets - 31 Dec 2016</b>							
Segment assets	59,072	129,721	112,454	40,436	17,127	6,142	364,952
Unallocated assets	-	-	-	-	-	-	324,167
<b>Total segment assets</b>	<b>59,072</b>	<b>129,721</b>	<b>112,454</b>	<b>40,436</b>	<b>17,127</b>	<b>6,142</b>	<b>689,119</b>
<b>Half-Year to 31 Dec 2015</b>	<b>Qld \$'000</b>	<b>Vic \$'000</b>	<b>NSW \$'000</b>	<b>WA \$'000</b>	<b>ACT \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
Revenue from external customers	6,886	19,330	12,127	2,170	734	37	41,284
Direct and facility costs	(1,136)	(4,991)	(4,226)	(2,087)	(1,491)	-	(13,931)
Employee benefits expense	(404)	(647)	(703)	(469)	(301)	-	(2,524)
Other expenses	(35)	(82)	(88)	(41)	(62)	(54)	(362)
<b>Segment operating profit/(loss)</b>	<b>5,311</b>	<b>13,610</b>	<b>7,110</b>	<b>(427)</b>	<b>(1,120)</b>	<b>(17)</b>	<b>24,467</b>
Depreciation and amortisation	(1,260)	(2,415)	(1,924)	(989)	(298)	(235)	(7,121)
Finance charge	(193)	-	-	-	-	-	(193)
<b>Segment profit/(loss) before tax</b>	<b>3,858</b>	<b>11,195</b>	<b>5,186</b>	<b>(1,416)</b>	<b>(1,418)</b>	<b>(252)</b>	<b>17,153</b>
<b>Assets - 31 Dec 2015</b>							
Segment assets	27,295	87,684	87,238	35,940	10,326	5,916	254,399
Unallocated assets	-	-	-	-	-	-	260,863
<b>Total segment assets</b>	<b>27,295</b>	<b>87,684</b>	<b>87,238</b>	<b>35,940</b>	<b>10,326</b>	<b>5,916</b>	<b>515,262</b>

### 3 Segment information (continued)

#### (c) Other segment information

A reconciliation of operating segment results to profit before income tax is as follows:

	<b>31 December 2016 \$'000</b>	31 December 2015 \$'000
<b>Total segment profit before tax</b>	<b>25,186</b>	17,154
Employee benefits expense (non-facility staff)	<b>(9,149)</b>	(9,326)
Interest revenue	<b>2,751</b>	826
Finance costs	<b>(7,620)</b>	(3,824)
Head office depreciation	<b>(441)</b>	(410)
Overheads and other expenses	<b>(2,726)</b>	(3,776)
<b>Profit before income tax from continuing operations</b>	<b>8,001</b>	<b>644</b>

### 4 Interest bearing loans and borrowings

	<b>31 Dec 2016 \$'000</b>	30 June 2016 \$'000
<b>CURRENT</b>		
Finance lease liability	<b>282</b>	274
<b>NON-CURRENT</b>		
Finance lease liability	<b>6,189</b>	6,332
Unsecured notes	<b>161,008</b>	159,547
<b>Total non-current interest bearing loans and borrowings</b>	<b>167,197</b>	165,879
<b>Total interest-bearing loans and borrowings</b>	<b>167,479</b>	<b>166,153</b>

#### Unsecured Notes

The Group has issued \$60.0 million ("Notes I") and \$100.0 million ("Notes II") in unsecured notes which mature in June 2019. Notes I has a face value of \$60.0 million with a fixed rate of 9%. The coupon rate is 8% (paid semi-annually) and a 1% premium will be paid on redemption of the note for each year (or part thereof) that it is held. Notes II has a face value of \$100.0 million with a fixed rate of 8.25%. The coupon rate is 7.0% (paid semi-annually) and a 1.25% premium will be paid on redemption of the note for each year (or part thereof) that it is held.

Although both offers of Notes mature in June 2019, the Group has the option to repay them in six month intervals from June 2017, or at any other time subject to change of control or a change in withholding tax legislation. Notes I and II are recognised at fair value net of transaction costs which are subsequently amortised using the effective interest rate method.

## 5 Income tax expense

### (a) Income tax expense

	<b>31 December 2016 \$'000</b>	31 December 2015 \$'000
Current tax	1,791	-
Utilisation of tax attributes that have not previously been booked	(1,791)	-
	<u>-</u>	<u>-</u>
Deferred income tax (revenue) expense included in income tax expense comprises:		
(Increase) decrease in deferred tax assets	(13,696)	-
(Decrease) increase in deferred tax liabilities	(4)	-
Deferred tax credited to equity	2,426	-
	<u>(11,274)</u>	<u>-</u>

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	<b>31 December 2016 \$'000</b>	31 December 2015 \$'000
Profit from continuing operations before income tax expense	8,001	644
Tax at the Australian tax rate of 30.0% (2016 - 30.0%)	2,400	193
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	6	-
Share-based payments	225	-
Temporary timing differences (re-recognised)	(311)	-
Previously unrecognised tax losses now recouped to reduce current tax expense	(1,791)	(193)
Capital raising costs allowed as a deduction	(528)	-
Recognition of previously unrecognised timing differences	(442)	-
Recognition of unused tax losses as a tax benefit	(10,833)	-
Income tax expense	<u>(11,274)</u>	<u>-</u>

### Deferred tax assets

The deferred tax assets include an amount of \$10.8 million which relates to carried forward tax losses of NEXTDC Limited. The Group has incurred the losses during its start-up operations and has concluded that the deferred assets are probable of recovery using the estimated future taxable income. The Group is expected to generate taxable income from 2017 onwards. The losses can be carried forward indefinitely and have no expiry date.

## 6 Contingencies

The Group had no contingent liabilities at 31 December 2016 (2015: nil).

## 7 Contributed equity

### (a) Movements in ordinary share capital

Date	Details	Number of shares	\$'000
1 July 2015	Opening balance	197,081,230	267,422
4 December 2015	Issue of capital	50,703,052	119,964
4 December 2015	Transaction costs	-	(4,902)
12 April 2016	Conversion of loan funded shares	200,000	350
12 April 2016	Adjustment from loan funded shares	(200,000)	(350)
	<b>Sub-total</b>	<b>247,784,282</b>	<b>382,484</b>
30 June 2016	Less shares held by NEXTDC Share Plan Pty Ltd	(3,181,030)	(6,978)
<b>30 June 2016</b>	<b>Balance</b>	<b>244,603,252</b>	<b>375,507</b>

Date	Details	Number of shares	\$'000
1 July 2016	Opening balance	247,784,282	382,484
14 September 2016	Issue of capital	39,182,754	150,484
14 September 2016	Transaction costs	-	(4,726)
31 December 2016	Deferred tax credit recognised directly in equity	-	2,426
12 October 2016	Conversion of loan funded shares	286,428	501
12 October 2016	Adjustment from loan funded shares	(286,428)	(501)
	<b>Sub-total</b>	<b>286,967,036</b>	<b>530,668</b>
31 December 2016	Less shares held by NEXTDC Share Plan Pty Ltd	(2,894,602)	(6,476)
<b>31 December 2016</b>	<b>Balance</b>	<b>284,072,434</b>	<b>524,192</b>

## 8 Events occurring after the reporting period

Since the end of the reporting period, no matters have arisen which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.



In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Craig Scroggie  
Director  
Sydney  
24 February 2017



## **Independent auditor's review report to the members of NEXTDC Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of NEXTDC Limited (the company), which comprises the consolidated balance sheet as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for NEXTDC Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of NEXTDC Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### ***Conclusion***

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of NEXTDC Limited is not in accordance with the *Corporations Act 2001* including:

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001  
T: +61 7 3257 5000, F: +61 7 3257 5999, [www.pwc.com.au](http://www.pwc.com.au)



1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read "Michael Shewan", with a long horizontal flourish extending to the right.

Michael Shewan  
Partner

Brisbane  
24 February 2017