



ASX/Media Release

28 February 2013

HALF-YEAR RESULTS ANNOUNCEMENT

"NEXTDC Limited (ASX: NXT) ("the Company" or "NEXTDC") is pleased to announce the Company's half-year results for the period 1 July 2012 to 31 December 2012.

Financial Results

Key financial highlights for the period were:

	H1 2013	H1 2012
- Revenue from data centre services	\$3.8 million	\$0.3 million
- EBITDA including impact of APDC transaction	\$7.7 million	(\$5.0 million)
- EBITDA excluding impact of APDC transaction	(\$8.0 million)	(\$5.0 million)
- Net profit after tax	\$4.7 million	(3.3 million)
- Investment in data centre building and fitout	\$33.4 million	\$51.1 million
- Cash reserves at the end of the period	\$77.7 million	\$56.7 million
- Achieved operational break-even at B1		

Capital Recycling

During the half-year the Company completed its capital recycling program with the sale-and-leaseback of its Melbourne M1, Sydney S1 and Perth P1 data centre property assets to the real estate investment trust, Asia Pacific Data Centre Group ("APDC"). In January 2013, APDC (ASX: AJDCA) successfully listed on the Australian Securities Exchange. Included in the result is a net accounting gain on the disposal of APDC of \$5.7 million and development profit for the S1 and P1 buildings of \$10.4 million based on the proportion complete to 31 December 2012.



Operational Milestones

Operational milestones for the period were:

- completion of approximately two-thirds of the S1 base building at 31 December 2012;
- commencement of the development of P1;
- preparation of M1's Data Hall 3 for full production and planning for the fitout of the fourth data hall; and
- commencement of C1 Stage 2b fitout transformation.

Sales

Specific sales milestones for the period were:

- signing over 100 unique customers and 160 service orders;
- a contract with Pacnet for approximately 100 racks in M1;
- increased facility utilisation at M1 to 61% of the currently fitted out space (3,000m²) and 37% of current power (6,000 kW) within 7 months of opening; and
- increased facility utilisation at B1 to over 40% of total space and power.

NEXTDC CEO Craig Scroggie said "The Company has achieved many important milestones in development, sales and capital recycling during the period and is well placed to capitalise on its position as the only national provider of vendor and carrier neutral data centres."

Attached is the Appendix 4D and Interim Financial Report for the period.

ENDS

For more information:

Craig Scroggie

Chief Executive Officer

Paul Jobbins

Chief Financial Officer

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About NEXTDC

NEXTDC is an ASX 300 company and is the only independent data centre operator with strategic footprint in all major growth markets in Australia.

NEXTDC offers a range of highly flexible, scalable, 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, independent data centres in which organisations can host their critical IT infrastructure, and also to address the emergence and growth of cloud (internet-based) computing.

As a cloud enabler, NEXTDC's enterprise-class data centre facilities address the challenges of security, connectivity and neutrality that have hindered the wider acceptance of cloud computing.

Further information is available at www.nextdc.com or www.nextdc.com/blog



Appendix 4D

Results for Announcement to the Market

For the half-year ended 31 December 2012
(Previous corresponding period: to 31 December 2011)

Summary of Financial Information

	Note	Half-year 2012 \$'000	Half-year 2011 \$'000	Change \$'000	Change %
Revenue from ordinary activities	1	34,309	2,229	32,080	Up 1,439%
Loss from ordinary activities after income tax for the period attributable to members	2	(1,099)	(3,259)	2,160	Down 66%
Profit /(loss) after income tax attributable to members		4,711	(3,259)	8,159	Up 250%

Explanation of Revenue and Profit / (Loss) from Ordinary Activities

Note 1 The following information has been provided in order to understand the Group's revenue from ordinary activities.

	Half-year 2012 \$'000	Half-year 2011 \$'000
Data centre services revenue	3,772	259
Data centre development revenue	29,472	-
Interest income	1,065	1,970
Total revenue from ordinary activities	34,309	2,229

The Company's core operating activity is the provision of data centre services. There will be further development revenue from the completion of Sydney S1 and Perth P1 data centre buildings during the current financial year and next year. In future, where NEXTDC develops further data centres and offers them to APDC or other parties, further development revenue will be derived.

Note 2 Loss from ordinary activities excludes transactions relating to the disposal of controlling interest in Asia Pacific Data Centre Group but includes the profit on data centre development activities.

NTA Backing	31 Dec 2012	31 Dec 2011
Net tangible assets per share in cents	114.36 cents	103.63 cents



Appendix 4D (continued)

Dividends

No interim dividend has been proposed or declared in respect of the period ended 31 December 2012.

Entities over Which Control Was Gained or Lost During the Period

Name of Entity	Date Control Gained	Date Control Lost
Asia Pacific Data Centre Holdings Limited ACN 159 621 735	24 July 2012	31 December 2012
Asia Pacific Data Centre Limited ACN 159 624 585	25 July 2012	31 December 2012
Asia Pacific Data Centre Trust ARSN 161 049 556	15 November 2012	31 December 2012

Details of associates and joint venture entities

Name of entity	2012 Share of associate	2011 Share of associate	2012 Contribution to net profit (\$'000)	2011 Contribution to net profit (\$'000)
Asia Pacific Data Centre Group	23%	-	-	-

The APDC Group did not contribute to NEXTDC Group's profit during the period.



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 2012.

Directors

The names of directors who held office during the whole of the half-year and up to the date of this report:

Mr Roger Clarke	Chairman, Non-Executive
Mr Craig Scroggie	CEO, Executive Director
Mr Bevan Slattery	Deputy Chairman, Non-Executive Director
Mr Robin Khuda	Deputy CEO, Executive Director
Mr Greg Baynton	Non-Executive Director
Mr Edward (Ted) Pretty	Non-Executive Director

Review of Operations

During the half-year, the Company completed its capital recycling program with the sale-and-leaseback of its Melbourne M1, Sydney S1 and Perth P1 data centre property assets to the real estate investment trust, Asia Pacific Data Centre Group ("APDC"). In January 2013, APDC (ASX: AJDCA) successfully listed on the Australian Securities Exchange.

In addition to growing revenue from the Group's Brisbane B1 data centre facility, operating revenue for M1 and Canberra C1 was booked for the first time following their launches in July and August 2012. Revenue from data centre services for the half-year totalled \$3.77 million, up from \$0.26 million for the same period last year.

Net profit after tax for the half-year ended 31 December 2012 was \$4.7 million compared to a net loss after tax of \$3.26 million for the same period last year. Included in the result was an accounting gain on the disposal of the Group's controlling interest in APDC of \$13.0 million and development profit for the S1 and P1 buildings of \$10.4 million based on the proportion complete to 31 December 2012. Transaction costs for the establishment of the trust of \$5.3 million were incurred during the period and a further \$2.0 million loan from NEXTDC to APDC was forgiven.

Key sales and engineering staff have joined the team together with appointments to the Company's leadership group of Chief Financial Officer, Mr Paul Jobbins, Chief Legal Officer, Ms Tanya Mangold and Chief Technology Officer, Mr Paul Gampe.

During the period \$33.4 million was invested in the development of facility buildings and fitout including the completion of M1 data hall 3 and continued construction of S1 and P1. After receiving cash proceeds of \$53.4 million for the sale of assets to APDC, cash reserves totalled \$77.7 million at 31 December 2012. The Company has flexibility to fund the remaining development required for the initial phase of its national footprint of carrier and vendor neutral data centres.

Sales Update

NEXTDC has continued to focus its 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 over 100 as at the date of this report.



Facility utilisation of the flagship Melbourne facility has increased to 61% of the currently fitted out space (3,000m²) with a significant pipeline of sales opportunities sufficient to fully utilise current and future planned capacity. Since opening 7 months ago, the facility's contracted recurring revenue is already surpassing that of B1.

B1, a significantly smaller facility than M1, is operating profitably and has increased utilisation based on space available from 32% to over 40% during the period from 1 July 2012 to the date of this report. A strong and growing pipeline is expected to convert to additional recurring revenue over the coming months.

C1 utilisation based on currently fitted out space has increased to 13% during the period since opening in August 2012 to the date of this report and a number of opportunities are maturing.

NEXTDC is now deriving revenue from numerous product sources including white space, rack and block deals, establishment fees and add-on services, and during December cross connectivity between customer racks generated 4% of total recurring revenue.

Operational Update

At the end of the calendar year, construction of the S1 base building was approximately two-thirds complete and on track to be handed over to APDC by mid May 2013. The main structure has now been completed and mechanical and electrical fitout are underway. Fitout is expected to be completed in advance of the facility opening for customers in the September 2013 quarter.

A contract for the construction of P1 base building was entered into in November 2012, coinciding with the commencement of site preparation. Detailed engineering design and planning has been completed and contractors have now commenced on site, procurement for the fitout stage is underway in parallel. Construction of the base building is expected to be complete for handover to APDC by mid November 2013 prior to completion of the data centre fitout for opening to customers shortly thereafter.

M1's third hall has been prepared for full production, including rack ready installation and comprehensive integrated systems testing.

C1 Stage 2b fitout transformation commenced in November 2012 and is progressing in line with expectations.

The award winning ONEDC Data-Centre-as-a-Service management platform has been updated with new functionality including the introduction of cross connect ordering and facility bookings.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.



Directors' Report (continued)

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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

A handwritten signature in blue ink, appearing to read 'M. Scroggie'.

.....
Craig Scroggie
CEO, Executive Director

Brisbane
28 February 2013



Auditor's Independence Declaration

As lead auditor for the review of NEXTDC Limited for the half year ended 31 December 2012, 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 'Trevor Mahony', written in a cursive style.

Trevor Mahony
Partner
PricewaterhouseCoopers

28 February 2013

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Consolidated Statement of Comprehensive Income

	Note	Half-year 2012 \$'000	Half-year 2011 \$'000
REVENUE FROM CONTINUING OPERATIONS			
Data centre services revenue		3,772	259
Data centre development revenue	4a	29,472	-
Interest income		1,065	1,970
		34,309	2,229
OTHER INCOME			
Other income	4a	13,109	-
		47,418	2,229
LESS: EXPENSES			
Direct costs		908	364
Development costs	4a	19,044	-
Employee benefits expense		5,455	2,640
Data centre facility costs		2,623	454
Depreciation and amortisation expense		2,459	244
Professional fees		546	453
Marketing costs		659	442
Office and administrative expenses		2,163	891
APDC expenses	4b	5,299	-
Loan forgiveness	4b	2,000	-
Finance costs		396	-
Profit / (loss) before income tax		5,866	(3,259)
Income tax expense		1,155	-
Profit / (loss) for the period		4,711	(3,259)
Other comprehensive income for the period		-	-
Total comprehensive profit / (loss) for the period		4,711	(3,259)
Profit / (loss) attributable to:			
— members of the entity		4,711	(3,259)
		4,711	(3,259)
Total comprehensive profit / (loss) attributable to:			
— members of the entity		4,711	(3,259)
		4,711	(3,259)
Earnings per share for profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company			
— basic earnings per share in cents		2.73	(2.40)
— diluted earnings per share in cents		2.72	(2.40)

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.



Consolidated Balance Sheet

	Note	31 Dec 2012 \$'000	30 June 2012 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		77,723	68,098
Trade and other receivables	5	31,354	1,905
Other current assets		3,109	2,790
TOTAL CURRENT ASSETS		112,186	72,793
NON-CURRENT ASSETS			
Investments accounted for using the equity method	6	26,948	-
Loan to associate		750	-
Property, plant and equipment		85,712	57,195
Capital work in progress		8,422	83,854
Intangible assets		1,443	170
Deferred tax assets	10	-	1,343
TOTAL NON-CURRENT ASSETS		123,275	142,562
TOTAL ASSETS		235,461	215,355
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	26,984	13,644
Other current liabilities		-	46
Finance lease liability		225	623
TOTAL CURRENT LIABILITIES		27,209	14,313
NON-CURRENT LIABILITIES			
Provisions		237	465
Finance lease liability		7,227	6,754
TOTAL NON-CURRENT LIABILITIES		7,464	7,219
TOTAL LIABILITIES		34,673	21,532
NET ASSETS		200,788	193,823
EQUITY			
Contributed equity	8	207,342	205,280
Reserves		1,023	831
Retained earnings/(accumulated losses)		(7,577)	(12,288)
TOTAL EQUITY		200,788	193,823

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.



Consolidated Statement of Changes in Equity

	Note	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2011		106,212	264	(1,674)	104,802
Loss for the half-year		-	-	(3,259)	(3,259)
Share-based payments expense		-	316	-	316
Total comprehensive income for the half-year		-	316	(3,259)	(2,943)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	8	48,704	-	-	48,704
Balance at 31 December 2011		154,916	580	(4,933)	150,563
Balance at 1 July 2012		205,280	831	(12,288)	193,823
Profit for the half-year		-	-	4,711	4,711
Share-based payments expense		-	192	-	192
Total comprehensive income for the half-year		-	192	4,711	4,904
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	8	2,062	-	-	2,062
Balance at 31 December 2012		207,342	1,023	(7,577)	200,788

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows

	Half-year	
	2012	2011
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods and services tax)	2,685	239
Payments to suppliers and employees (inclusive of goods and services tax)	(31,828)	(5,115)
Interest received	1,420	1,887
Income tax paid	-	-
Net cash outflow from operating activities	(27,723)	(2,989)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(15,517)	(51,084)
Proceeds from disposal of controlling interest in subsidiary	51,365	-
Loans to related parties	(750)	-
Net cash inflow / (outflow) from investing activities	35,098	(51,084)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of costs	2,250	48,669
Net cash inflow from financing activities	2,250	48,669
Net increase / (decrease) in cash held	9,625	(5,404)
Cash and cash equivalents at beginning of period	68,098	62,098
Cash and cash equivalents at end of period	77,723	56,694

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2012

NOTE 1: CORPORATE INFORMATION

The interim consolidated financial report of NEXTDC Limited ("the Company") and its subsidiaries ("the Group") for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 28 February 2013. The directors have the power to amend and reissue the financial statements. NEXTDC Limited is a public company limited by shares incorporated and domiciled in Australia.

The registered office of the Company is Level 4, 88 Creek Street, Brisbane Qld 4000.

NOTE 2: BASIS OF PREPARATION

This general purpose condensed financial report for the half-year ended 31 December 2012 has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the Corporations Act 2001. The half-year financial report does not include all notes of the type normally included within the annual financial report therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by NEXTDC Limited during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Impact of standards issued but not yet applied by the entity

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The group does not expect any impact on its financial report.

NOTE 3: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2012 (half-year ended 31 December 2011: nil).



Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2012

NOTE 4: FINANCIAL PERFORMANCE

(a) Loss of control of APDC

During the period, NEXTDC Group established APDC Group and transferred its M1 land and building, S1 land and P1 land in to the new entity. As part of the transfer, NEXTDC and APDC entered into development agreements to construct buildings on the S1 and P1 sites.

On 31 December 2012, APDC issued securities to new holders as part of its Initial Public Offering, which resulted in NEXTDC losing control of the APDC Group. NEXTDC's remaining 23% interest in the group has been classified as a non-current investment in an associate using the equity method. On 31 December 2012, NEXTDC simultaneously de-recognised the net assets of APDC from the consolidated entity and as a result recognised a gain of \$13.0 million.

At 31 December 2012, NEXTDC also recognised a receivable for the development fees due for the S1 and P1 buildings based on the proportion complete to 31 December, amounting to \$29.5 million. Development costs of \$19.0 million were incurred in respect of the developments.

	2012
Other income	\$'000
Gain on disposal of controlling interest in APDC	12,991
Research and development income	118
	13,109

(b) Additional expenses

In the half-year to 31 December 2012, NEXTDC incurred significant costs in establishing the APDC Group.

	2012
Costs incurred to establish Asia Pacific Data Centre Group	\$'000
Professional fees, offer management and underwriting fees	4,721
Office and administration	231
Printing and design costs	61
Taxes and duties	286
Total	5,299

To provide capital to fund the operating expenses of APDC, NEXTDC lent APDC \$2.75 million and subsequently forgave \$2.0 million. After transaction costs, the net gain on the disposal of APDC was \$5.7 million.

NOTE 5: TRADE AND OTHER RECEIVABLES

	31 Dec 2012	30 June 2012
	\$'000	\$'000
Trade receivables – data centre services	600	471
Trade receivables – development fee	29,472	-
Other receivables	1,282	1,434
	31,354	1,905



Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2012

NOTE 6: INVESTMENT IN ASSOCIATE

NEXTDC Limited has a 23% interest in the Asia Pacific Data Centre Group, comprising Asia Pacific Data Centre Holdings Limited, Asia Pacific Data Centre Limited and Asia Pacific Data Centre Trust.

	31 Dec 2012	30 June 2012
	\$'000	\$'000
Carrying amount at the beginning of the period	-	-
Securities issued as consideration for disposal of assets	26,948	-
Carrying amount at the end of the period	26,948	-

NEXTDC Limited and Asia Pacific Data Centre Holdings Limited entered into a loan agreement with a term of three years. At balance date \$750,000 has been advanced under the loan.

NOTE 7: TRADE AND OTHER PAYABLES

	31 Dec 2012	30 June 2012
	\$'000	\$'000
Trade and other payables	16,669	13,644
Payable for second instalment of investment in associate	10,315	-
	26,984	13,644

NOTE 8: CONTRIBUTED EQUITY

	2012	2011	2012	2011
	Shares	Shares	\$'000	\$'000
Ordinary securities				
Balance as at 1 July	172,316,572	114,962,029	205,280	106,212
Issued during the period				
— Contributed Equity	2,000,000	28,571,429	2,250	50,000
— Shares Issued under the Loan Funded Share Plan	-	1,714,284	-	3,000
— Less transaction costs on shares issued	-	-	-	(1,296)
— Less current tax credit recognised directly in equity	-	-	(189)	-
Subtotal	174,316,572	145,247,742	207,342	157,916
Less shares held in NEXTDC Share Plan Pty Ltd	(1,714,284)	(1,714,284)	(3,000)	(3,000)
Total	172,602,288	143,533,458	204,342	154,916



Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2012

NOTE 9: OPERATING SEGMENTS

Directors consider the business from a geographic perspective and have identified five reportable segments, being each of the Group's data centre facilities. These segments exist by way of geographical segregation and 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. The financial report discloses these as nil for each operating segment.

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Only property, plant and equipment for each data centre facility is included as the asset for that segment. All other assets including trade receivables are classified as "Other Segments".

	Brisbane B1	Melbourne M1	Canberra C1	Perth P1	Sydney S1	Total
1 July 2012 to 31 December 2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External sales	1,972	1,695	105	-	-	3,772
Total segment revenue	1,972	1,695	105	-	-	3,772
Depreciation and amortisation	941	1,221	144	-	3	2,309
Data centre facility costs	420	721	1,261	43	181	2,626
Cost of services	253	540	111	-	-	904
Segment profit / (loss) before tax	358	(787)	(1,411)	(43)	(184)	(2,067)
Amounts not included in segment result:						
—	Net development profit					10,428
—	Sundry revenue, including gain on disposal of controlling interest in APDC					13,109
—	Interest income					1,065
—	Employee benefits expense					(5,455)
—	APDC establishment costs and loan forgiveness					(7,299)
—	Unallocated/ Head office overheads					(3,915)
Net profit before tax from continuing operations						5,866

Segment Assets

	Brisbane B1	Melbourne M1	Canberra C1	Perth P1	Sydney S1	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2012						
Segment assets	23,506	51,651	4,676	700	4,804	85,337
Unallocated						150,124
Total assets - 2012						235,461



Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2012

NOTE 9: OPERATING SEGMENTS (CONTINUED)

	Brisbane B1	Melbourne M1	Canberra C1	Perth P1	Sydney S1	Total
1 July 2011 to 31 December 2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External sales	259	-	-	-	-	259
Total segment revenue	259	-	-	-	-	259
Depreciation and amortisation	216	-	-	-	-	216
Property maintenance	346	79	210	-	21	656
Cost of services	162	-	-	-	-	162
Segment profit / (loss) before tax	(465)	(79)	(210)	-	(21)	(775)
Amounts not included in segment result:						
— Sundry revenue						1,970
— Salaries and wages						(2,641)
— Other						(1,813)
Net loss before tax from continuing operations						(3,259)

Segment Assets

	Brisbane B1	Melbourne M1	Canberra C1	Perth P1	Sydney S1	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2011						
Segment assets	30,861	53,953	383	7,511	10,963	103,671
Unallocated						61,871
Total assets						165,542



Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2012

NOTE 10: DEFERRED TAX ASSETS

The Company potentially has access to further deferred tax assets in the future as follows:

	31 Dec 2012	30 June 2012
	\$'000	\$'000
Unused tax losses for which no deferred tax asset has been recognised	8,971	12,901
Potential tax benefit @ 30%	2,691	3,870

This benefit of tax losses will only be realised if:

- › the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- › the Company continues to comply with the conditions and deductibility imposed by tax legislation; and
- › there are no changes in tax legislation that adversely affect the Company in realising the benefit.

NOTE 11: RELATED PARTY TRANSACTIONS

Asia Pacific Data Centre Holdings Limited, Asia Pacific Data Centre Limited and Asia Pacific Data Centre Trust were wholly owned subsidiaries of the NEXTDC Group until 31 December 2012. On this date, Asia Pacific Data Centre Holdings Limited issued 88.55 million partly-paid securities by way of Initial Public Offering. Asia Pacific Data Centre is a related party by way of being an associate of NEXTDC and sharing a common director. Greg Baynton, who is a non-executive director of NEXTDC Limited, is also a non-executive director of Asia Pacific Data Centre Holdings Limited.

NEXTDC Limited has entered into 15 year operating leases over the land and building of its Melbourne M1, Sydney S1 and Perth P1 data centre facilities. These leases expire in 2027 and have options for a further 2 x 10 years and 1 x 5 years. In addition to the operating leases, NEXTDC Limited has also entered into development agreements to complete the construction of the buildings of its Sydney S1 and Perth P1 data centre facilities.

During the period ended 31 December 2012, the Group entered into an agreement with RBS Morgans Corporate Limited to act as Joint Lead Manager and Underwriter to Asia Pacific Data Centre's initial public offering. Mr Roger Clarke, who is a non-executive Director of NEXTDC Ltd, is the Chairman of the Board of Advice at RBS Morgans Limited, which is also related entity of RBS Morgans Corporate Limited. The agreement was on an arm's length basis and resulted in a payment to RBS Morgans of \$2.6 million plus GST.

NOTE 12: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the reporting period, no matters have arisen which significantly effected 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.

NOTE 14: CAPITAL COMMITMENTS

As at 31 December 2012, NEXTDC had commitments of \$12.6 million to complete the fitout of its data centre facilities.



Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 16 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended 31 December 2012 on that date and
2. 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 the Board of Directors.

A handwritten signature in blue ink, appearing to read 'C. Scroggie', written over a dotted line.

.....
Craig Scroggie
CEO, Executive Director

Brisbane
28 February 2013



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, which comprises the consolidated balance sheet as at 31 December 2012, 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 both NEXTDC Limited (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 (including the Australian Accounting Interpretations) 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 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 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 2012 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*.

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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:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half-year ended 31 December 2012 included on NEXTDC Limited's web site. The company's directors are responsible for the integrity of the NEXTDC Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Trevor Mahony'.

Trevor Mahony
Partner

28 February 2013