



Asia Pacific Data Centre Group
Asia Pacific Data Centre Holdings Limited ACN 159 621 735
Asia Pacific Data Centre Trust ARSN 161 049 556

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17 November 2015

Chairman's Address

Attached is the Chairman's overview and presentation to the Combined Meetings for Asia Pacific Data Centre Holdings Limited and Asia Pacific Data Centre Trust to be held today.

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APDC is a special purpose real estate investment trust (A-REIT) which listed on the Australian Securities Exchange on 9 January 2013 to own data centre properties. APDC has the objective of providing investors with a stable income and the potential for capital growth.

COMBINED MEETINGS
ASIA PACIFIC DATA CENTRE HOLDINGS LIMITED ACN 159 621 735
ASIA PACIFIC DATA CENTRE TRUST ARSN 161 049 556
17 NOVEMBER 2015

CHAIRMAN'S ADDRESS

Introduction

Good morning ladies and gentlemen.

I welcome you to the 2015 Annual General Meeting of the Members of Asia Pacific Data Centre Holdings Limited and the 2015 General Meeting of Unitholders of Asia Pacific Data Centre Trust.

My name is Ian Fraser and I am the Chairman and an independent Non-Executive Director of Asia Pacific Data Centre Holdings Limited and Asia Pacific Data Centre Limited.

I have been appointed by APDC Limited, the Responsible Entity for the APDC Trust, as the Chairman of the APDC Trust General Meeting and I table my letter of appointment.

The Meetings of the two entities will be held concurrently today as detailed in the Notice of Meetings dated 14 October 2015 sent to securityholders. The constitutions of each entity provide for the meetings to be held in conjunction with each other while the stapling of the shares in APDC Holdings to the units in the APDC Trust applies.

Let me begin by introducing my fellow Directors and executives. With me today are:

- Francina Turner - Executive Director, CEO and Company Secretary;

Non-Executive Directors:

- Chris Breach; and
- John Wright - chair of the Audit, Risk and Compliance Committee.

I wish to acknowledge the contribution of Greg Baynton who resigned as a director in February this year. Greg served on the Board from its inception in 2012 and shared his knowledge of the IT sector, capital markets and new enterprise establishment. On behalf of the Board, I thank Greg for his time with us.

Also with us today is KPMG, the Company's Auditor, represented at these Meetings in person by Jillian Richards and Johan Visser.

The minutes of the 2014 Meetings were approved by the Board and signed by the Chairman of the Meetings. Copies are available at the registration desk should any securityholder wish to view them.

I will provide an overview of the 2015 year, and then conduct the formal business of the Meetings.

On behalf of your Board of Directors, it is my pleasure to provide you with an overview of the performance of the Asia Pacific Data Centre Group (APDC Group) for the year ended 30 June 2015.

APDC and the data centre sector

APDC listed on 9 January 2013 and was established to own investment grade data centre properties in the Asia Pacific.

It derives income from owning and leasing these data centres to data centre tenants or operators.

The data centre services sector is growing rapidly and evolving as users' storage needs change from primarily relying on in-house data centres to storing data in off-site or outsourced data centres such as the ones in the current APDC portfolio.

The data storage and connectivity requirements of Cloud providers, government and corporates are expected to drive demand for this asset class.

The Group owns a portfolio of three operational data centres in Melbourne, Sydney, and Perth, totalling more than 46,000 square metres of gross lettable area.

All of the data centres in our portfolio were developed by NEXTDC Limited and are leased to NEXTDC, an ASX S&P 300 listed company.

APDC performance

I am pleased to say that APDC has achieved a 28.1% accumulated return for FY15 and despite the volatility in equity markets has maintained a security price at or above its Net Tangible Assets of \$1.24 per security.

APDC paid distributions of 9.1 cents per stapled security for the 2015 financial year compared with 9.0 cents for the previous year.

The stapled security price closed at \$1.25 yesterday, up from \$1.06 on 30 June last year.

Financial highlights

I will now take you through some of the key highlights for the financial year ended 30 June 2015.

The Group's financial results for the year ended 30 June 2015 were in line with expectations.

APDC recorded distributable earnings of \$10.56 million from which it paid distributions of \$10.47 million or 9.1 cents per stapled security. This was in line with the Board's guidance at the last AGM.

Statutory profit was \$26.16 million which included unrealised asset revaluations of \$15.6 million.

Distributions in FY15 were 24.75% tax deferred.

Management costs were maintained at prior year levels.

Rental income

The 2015 year, our second full year of operation, has been a year of income stability and capital growth.

The rental income from the three data centres in our portfolio was \$12.97 million for the year ended 30 June 2015.

The data centre leases are the subject of an annual CPI review based on the September quarter CPI. The rent for all three of APDC's data centres increased by 2.3% at 21 December 2014 and will increase by 1.5% from 21 December of this year. The total annual rental from the leases will thus increase to \$13.3 million.

Leases

The weighted average lease expiry of the portfolio is 12.7 years as at 30 September 2015.

The terms of the leases are 'triple net' where outgoing and statutory expenses, maintenance and the tenant's plant and equipment are the responsibility of the tenant.

The leases feature initial lease terms of 15 years expiring in 2017 and 2018 and options for further terms totalling another 25 years. Annual rent increases with CPI and there are market reviews at 5 year intervals, with the first market review being in 2017.

APDC and NEXTDC are also party to a three year alliance agreement whereby APDC has the first right of refusal to acquire any NEXTDC's data centre developments or acquisitions and NEXTDC has a first right to lease or operate any properties that APDC acquires. This agreement expires in December this year. It is the parties' present intention not to formally extend the strategic alliance but to collaborate if appropriate opportunities arise on commercial, arms-length terms.

Tenant performance

NEXTDC continues to make progress in its operating objectives.

In its annual results announcement in February 2015 NEXTDC stated that:

- Revenues were \$60.9m up 85% on FY14
- It achieved a positive EBITDA of \$8.0m, in line with guidance.
- The Melbourne and Sydney data centres owned by APDC achieved facility EBITDA margins of 66% and 53% respectively in the second half of FY15
- It signed significant customer contracts in FY15
- It has sufficient funding in place to meet its planned FY16 capital expenditure

Investment properties

The Group has invested \$138.8 million in the acquisition of the data centres and the portfolio is currently valued at \$166.3 million, an increase in value of 20% since acquisition.

All three data centres were independently valued by CBRE at 30 June 2015 and all have recorded valuation uplifts in this financial year.

The Board believes that the valuation increases reflect the real estate market in the respective locations, quality of the data centres and investor demand for long term leases.

Our Melbourne data centre was valued at \$62.8 million at 30 June 2015, an increase of \$6.6 million in the carrying value at 30 June 2014.

Our Sydney data centre was valued at \$70.0 million at 30 June 2015, an increase of \$5.5 million in the carrying value at 30 June 2014.

The Perth data centre was valued at \$33.5 million at 30 June 2015, an increase of \$3.5 million in the carrying value at 30 June 2014.

These valuation increments resulted in unrealised gains of \$15.6 million and Net Tangible Assets per security increased from \$1.11 to \$1.24. These unrealised gains have not been included in the amounts distributed to securityholders.

Capital management

The Group has a debt facility with Bankwest of up to \$29.0 million of debt funding which expires in 2017 and is secured against the Sydney data centre. The Melbourne and Perth data centre assets remain unencumbered.

\$25 million of this loan facility is drawn and no additional drawings were made this year.

Gearing was 15.3% of total non-current assets at 30 June 2015. For both Loan to Value Ratio and Interest Cover the Group has comfortable headroom relative to the debt facility covenants.

Subsequent to year end, APDC successfully renegotiated the interest rate on its debt facility, resulting in a reduction in margin of 65 basis points.

50% of the drawn debt is hedged for interest rate risk management.

Distribution guidance

I would like to advise that our guidance for distributions for the remainder of FY16 is 2.35 cents per security for the December quarter and 2.40 cents per security for the March and June quarters.

This guidance is subject to market conditions and the existing portfolio, operations, interest rates, hedging and capital structure remaining unchanged. If circumstances change, this guidance may be reviewed.

Outlook

APDC will continue to earn rent from its current portfolio which provides a stable and CPI-linked income to the Group.

APDC will continue to apply a disciplined acquisition strategy. In identifying and assessing possible acquisitions, we will take into account location, quality of tenant covenant and lease terms.

Closing remarks

APDC has a small, dedicated and effective Board and management team who are present here today. I thank the directors for their service to securityholders and on behalf of the Board, I extend my thanks to the management team for their dedication and contribution in the past year.

I thank all securityholders for their support as it is important and valued by the Board and particularly those for taking the time to join us.

Asia Pacific Data Centre Group Combined Annual Meetings

17 November 2015





Agenda

Welcome

Chairman's Overview

Formal Business

Chairman's Overview

Investment in the data centre sector

- Investment grade data centres
- Owning and leasing data centre properties

Portfolio overview

46,893m² gross lettable area

12.7 years Weighted Average Lease Expiry as at 30/09/2015

100% leased

1 tenant – NEXTDC



Performance highlights

	FY15
Accumulated return	28.1%
NTA	\$1.24
Distribution per stapled security	9.10 cents

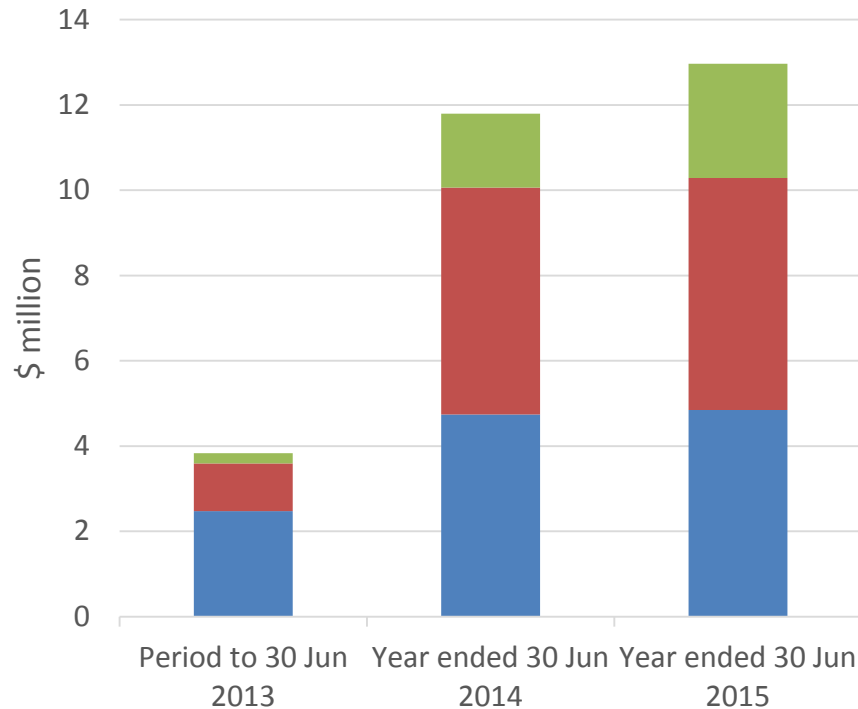
Financial overview

	FY15
Distributable earnings	\$10.56m
Statutory profit	\$26.16m
Distribution per stapled security	9.10 cents
Tax deferred component	24.75%

Includes unrealised gains from fair value adjustment on investment properties of \$15.6m

Rent profile – by asset

Rental from Leases and Unimproved Land



- \$12.97m FY15 Rent
- 2.3% CPI rent review from Dec14
- 1.5% CPI rent review from Dec15

■ Melbourne ■ Sydney ■ Perth



Image: www.nextdc.com

NEXTDC recent performance

- Revenues were \$60.9m up 85% on FY14
- EBITDA of \$8.0m in line with guidance
- APDC's Melbourne and Sydney data centres are EBITDA positive at facility level for NEXTDC

Investment properties - valuations

Data Centre	Acquisition price	Current valuation
Melbourne	\$52.0m	\$62.8m
Sydney	\$58.0m	\$70.0m
Perth	\$28.8m	\$33.5m
	\$138.8m	\$166.3m

Capital management

■ Gearing of 15.3%

Total Non-Current Liabilities to
Total Non-current Assets as at
30/06/2015

	FY15
Facility limit	\$29.0m
Drawn	\$25.0m
% hedged	50%
Effective cost of drawn debt	4.56% As at 25/08/2015
Term to maturity	2 years
LVR	36% vs 50% covenant
ICR	3.8x vs 2.0x covenant

Distribution guidance

DecQ	2.35 cps
MarQ	2.40 cps
JunQ	2.40 cps

This guidance is subject to market conditions and the existing portfolio, operations, interest rate, hedging and capital structure remaining unchanged

Outlook

- Stable and CPI-linked rental income from current portfolio
- Disciplined approach to acquisitions



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Formal Business

Agenda - ordinary business

- Consideration of financial statements and reports
- Resolution 1: Re-election of Chris Breach as a Director
- Resolution 2: Adoption of Remuneration Report

Consideration of reports

- Annual Financial Statements
- Directors' Report
- Independent Auditor's Report

Resolution 1

Re-election of Chris Breach



“That, Chris Breach, who retires in accordance with Clause 47(c) of the Constitution of APDC Holdings, and having offered himself for election and being eligible, is hereby re-elected as a Director of APDC Holdings Limited.”

	For	Open	Against	Abstain
Proxy results	45,174,552	138,635	9,350	-
% of votes cast	99.67%	0.31%	0.02%	

Resolution 2 –

Adoption of Remuneration Report



“That, the Remuneration Report (which forms part of the Directors’ Report) for APDC Holdings Limited for the year ended 30 June 2015 be adopted.”

	For	Open	Against	Abstain
Proxy results	45,174,552	138,635	9,350	314,836
% of votes cast	99.44%	0.36%	0.20%	



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COURT NEXT DC



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