

Infratil Investor Day 2017

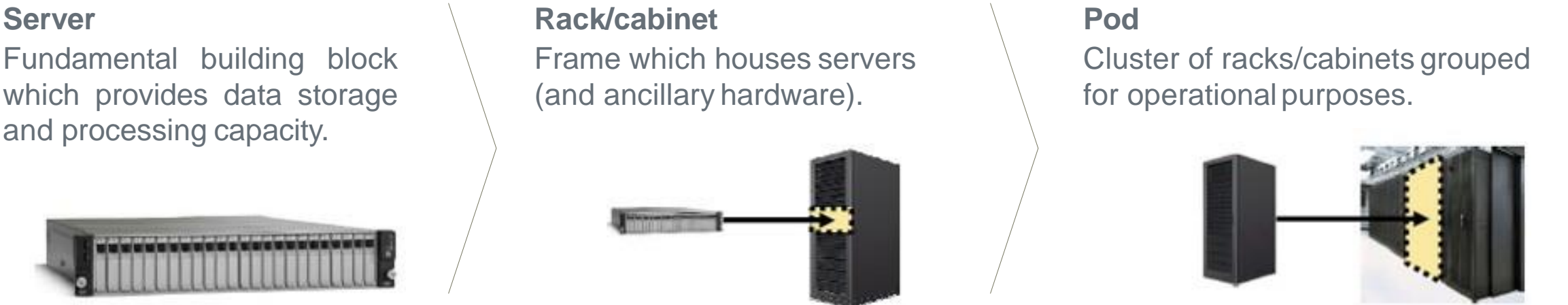


CDC provides highly secure outsourced data centre services to the Australian Federal Government and their key managed service providers.

A datacentre houses an organisation’s computer systems and associated equipment for data storage and processing.

Canberra Data Centres (CDC) provides critical services by accommodating their IT infrastructure in an organised, scalable environment with the following features:

- › Electrical supply
- › Cooling capacity
- › Redundancy and resilience
- › DR/BC capabilities
- › Connectivity
- › Technical Services



Canberra Data Centres is a collection of computing pods to which critical power and cooling infrastructure is connected.



Fyshwick Campus

- 🏠 2 data centres
Fyshwick 1 — operational 2015
Fyshwick 2 — development
- ⚡ Total of 39 MW capacity
- 🔒 ‘Secret’ security accreditation, designed for ‘Top Secret’
- 🗄️ 100+ Pods
2,300+ Racks



Hume Campus

- 🏠 3 data centres; Hume 1, 2 & 3
- ⚡ Total of 21 MW capacity
Operational 2007 - present
- 🔒 ‘Secret’ Security accreditation, designed for ‘Top Secret’
- 🗄️ 80+ Pods
1,600+ Racks

The Federal Government data centre market is a unique segment with significant advantages for incumbents with close proximity and connection to Government.

There are three major growth drivers in CDC's target market:

1. Data Growth

- Move from analog to digital
- 'Data Explosion' – hundredfold increase in the next decade (Data61)
- Big Data Analytics
- Artificial Intelligence and cognitive computing

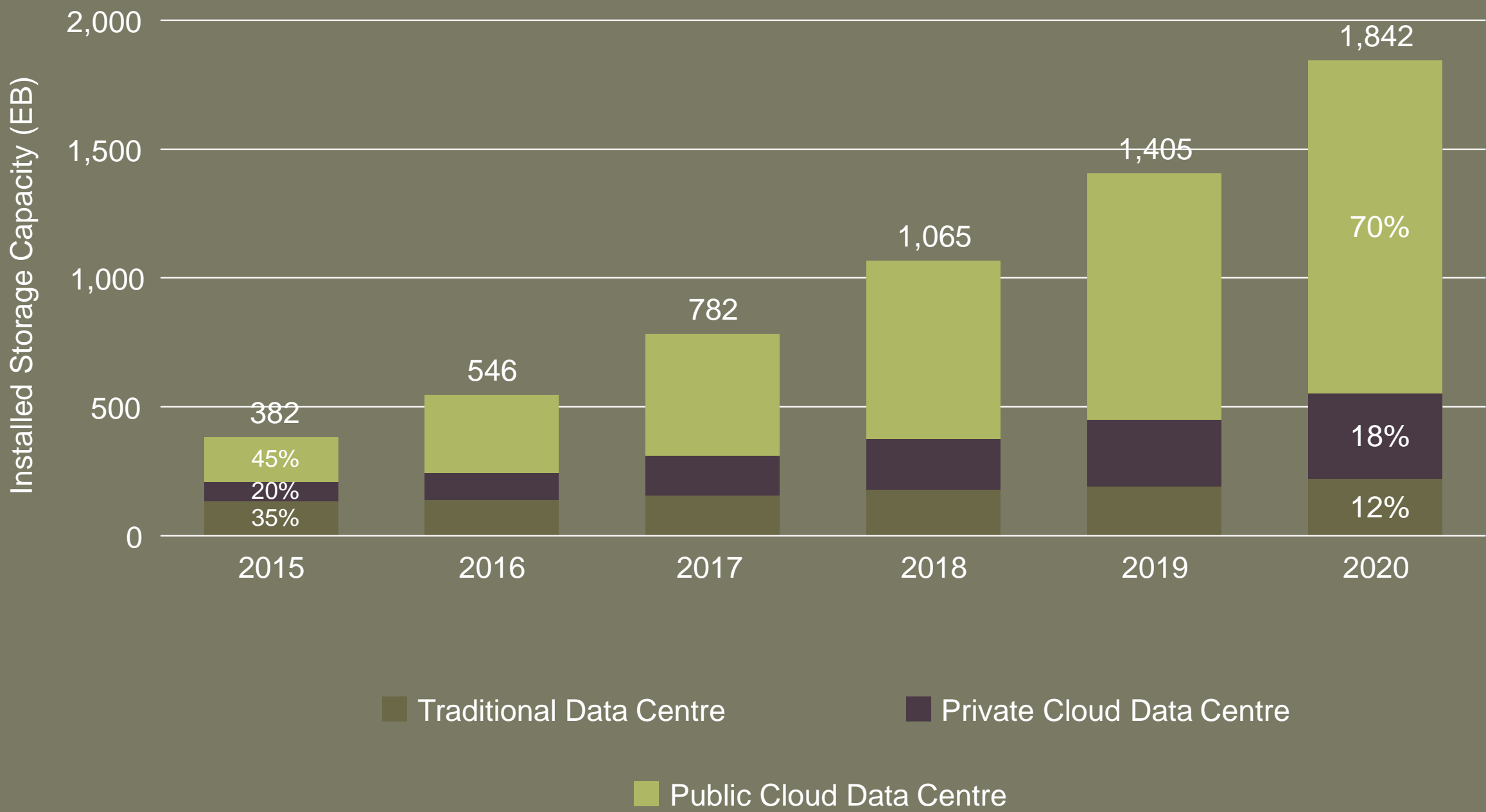
2. Government digitisation

- Digitisation of the government – citizen relationship
- Federal Government digitisation journey is well underway, pursuing efficiency and cost savings
- Many departments are just starting the digitisation journey
- Government stakeholders are not yet satisfied with progress
- Digital Transformation Agency (DTA) has been created
- Mobility is key; access anytime, anyplace
- Simpler, faster interactions for citizens
- National Security related ICT investment

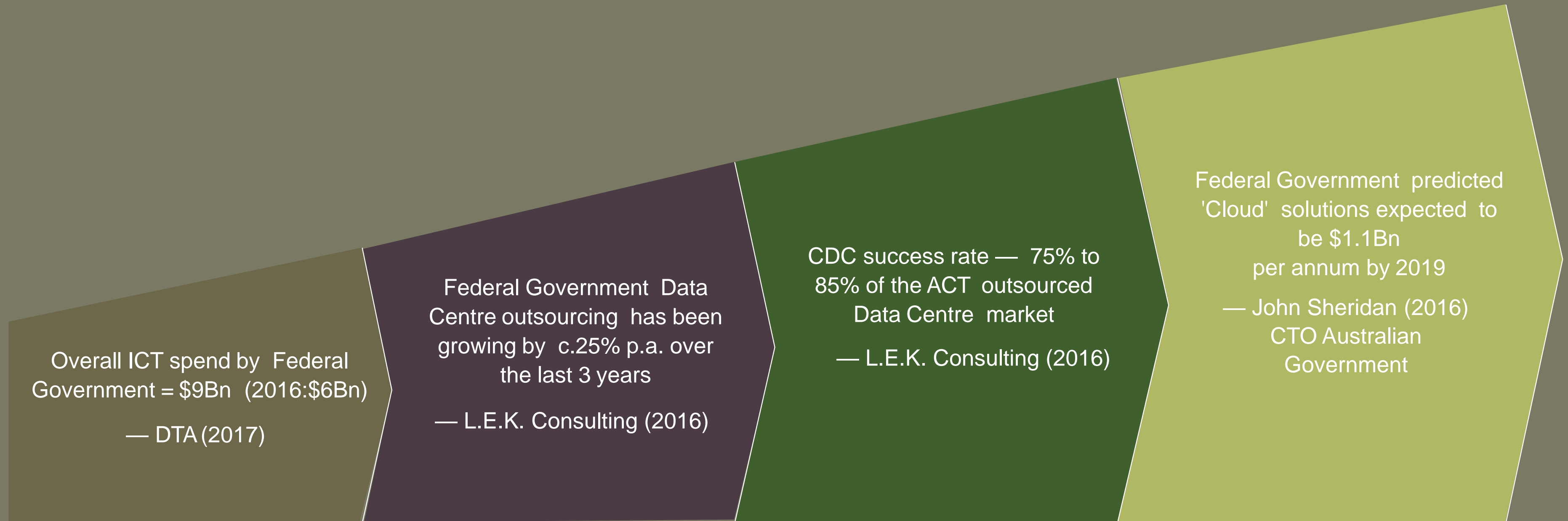
3. Outsourcing

- Policy that is mandated by the Gershon Report
- Government outsourced tenders increased fivefold since 2008
- Harnessing the cloud

Global trend
in Data Centre
Storage Capacity



Source: Cisco Global Cloud Index, 2015-2020



Current dynamics of Government procurement

- › Cyber issues
- › Election Cycle — Double Dissolution Federal Election
- › Central review of all Government IT Projects > \$10m
- › Client project delays
- › Whole of Government procurement initiatives
- › Procurement moving to DTA
- › Government initiatives
 - Hyper scale, dedicated Government cloud
 - New Government platforms
 - Border Security initiatives
 - Big Data projects
 - Security is driving Defence decisions
- › Institutional interest in the data centre sector is increasing, limited entry points
- › Data Centre ownership changes

Temporary pause —
now accelerating



‘CENSUSFAIL: IBM AUSTRALIA APOLOGISES FOR DEBACLE WHICH SAW CENSUS WEBSITE GO OFFLINE’

— The Australian, October 25th 2016

‘ATO’S ONLINE OUTAGE TO ENTER FIFTH DAY’

— IT News, 3 February 2017

‘AUSTRALIAN BUREAU OF STATISTICS LAYS BLAME FOR CENSUS BUNGLE ON IBM’

— The Guardian, 23 September 2016

‘AMAZON S3 OUTAGE HAS BROKEN A LARGE CHUNK OF THE INTERNET’

— Global Advisors, 28th February 2017

Why Government chooses (and stays at) CDC:

Must Have:

- › Panel Membership
- › Proximity
- › Track record
- › ICON Connectivity

Key Features:

- › Security
- › Specification and Scalability
- › Reliability
- › Interconnectivity
- › Capacity
- › Price
- › Service

Added Value:

- › Power efficiency — designed PUE < 1.3
- › Dual sites — 2 sites < 15 kms apart
- › Speed to deploy — deploy in < 6 weeks
- › Added Security features — custom features

- › High success rate with Federal Government tenders
- › Contracts are long term and performance based



CDC has developed a tailored premium offering that serves specific demands unique to Federal Government.

Competitive Advantages that give CDC a highly defensible position:



DESIGN + LEADERSHIP

- › World Class adaptable design
- › Modular, scalable, efficient and future proof platform
- › Flexible commercial model
- › 2 campus, full 2N redundancy
- › Market leadership
- › Quality offering
- › Operational leverage



ECOSYSTEM + CONNECTIVITY

- › Largest Federal Government agencies are clients
- › Ecosystem continues to get stronger with each client
- › Network cost savings for clients
- › Speed of deployment less than 6 weeks
- › Critical mass of Government, Cloud and MSP customers



CRITICAL INFRASTRUCTURE & SECURITY



- › Government accredited and secure
- › ICON — unique dual pathway
- › Co-location — Cheaper, more secure and reliable, better performing interconnects
- › Modern facilities, latest technology
- › Model being replicated in the UK



TRUSTED PARTNER

- › Valued advisor and solution provider
- › Deep customer relationships; we understand Government
- › Interconnectivity experience and expertise
- › Strong track record
- › Reference-ability
- › Contracted revenues

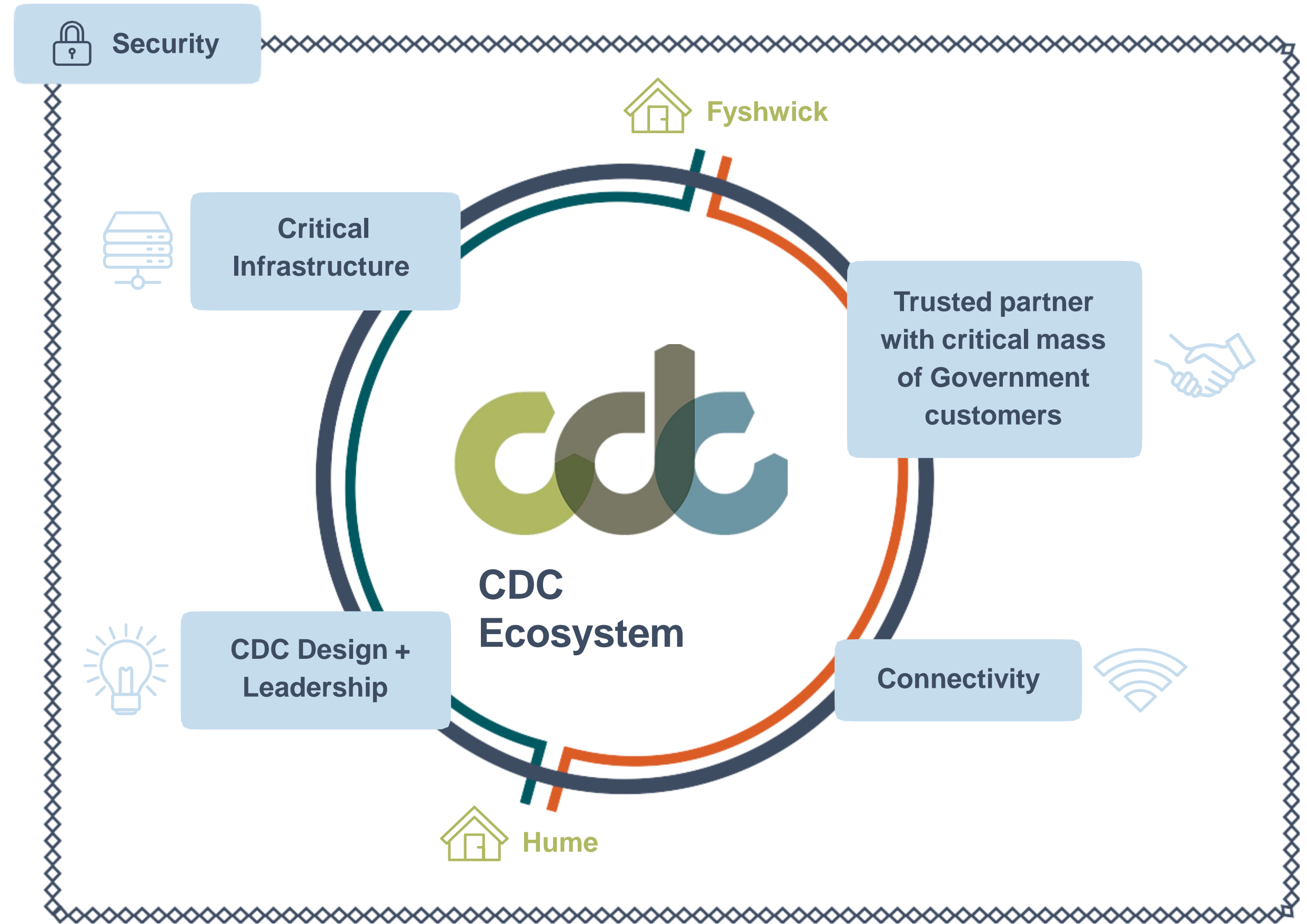
“Colocation is quickly becoming the nexus of both cloud and enterprise IT”

— James Bourne, Cloud Computing

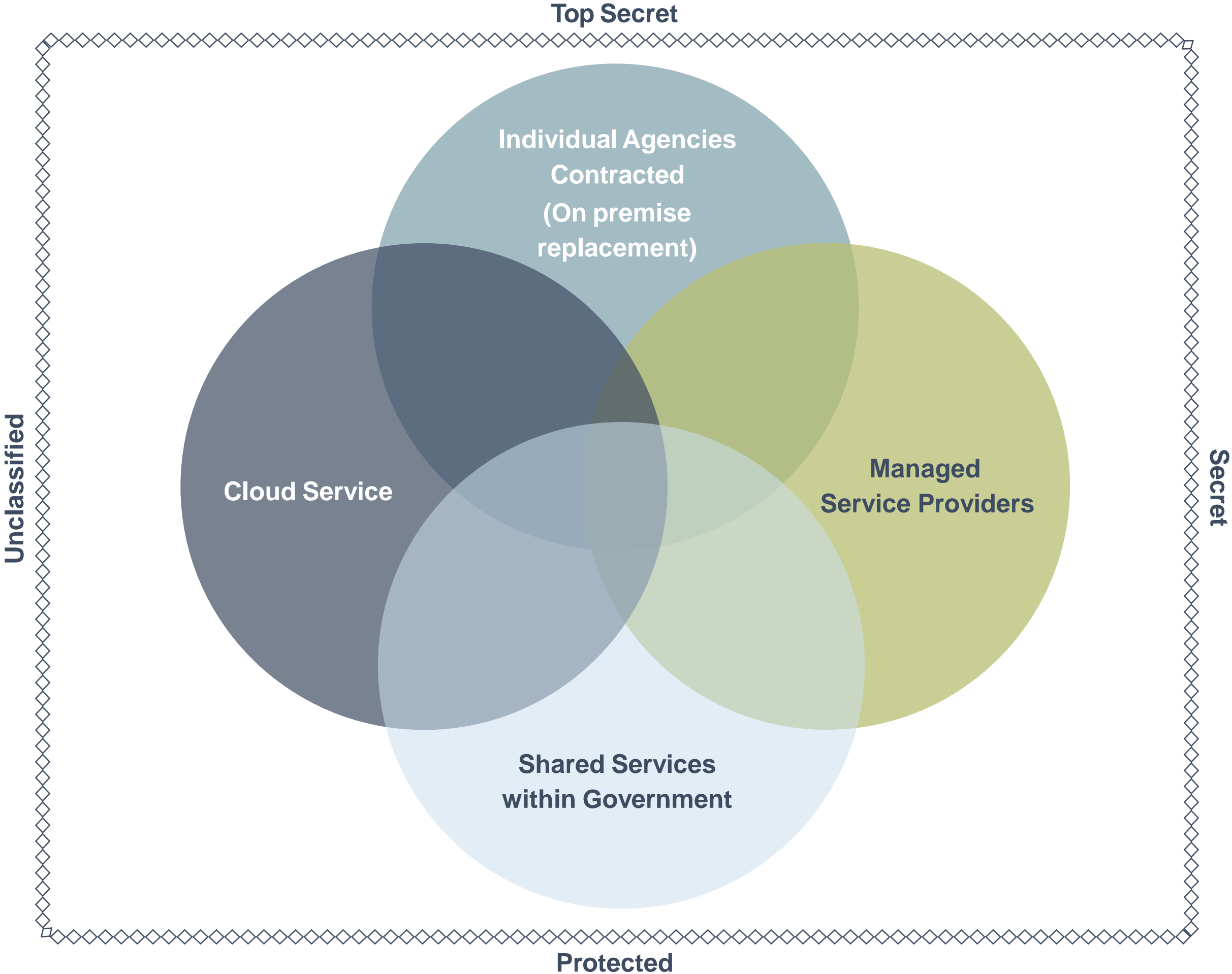
“The colocation market is serving as ‘data centre arms dealer’ to both enterprises and the cloud. In this process, colocation is often becoming the strategic connection point between the two.”

— 451 Consulting – Katie Broderick: Research Director

The CDC Ecosystem
is organic and
self reinforcing.



The CDC Ecosystem is unique and grows stronger with every client that joins it.



Growth

- › Growth from existing customers
- › Growth from new Government customers
- › Opportunities in Hyperscale Cloud partners
- › Growth in specialised assured Cloud platforms
- › Growth in private/hybrid/cloud approaches

Development

- › Fyshwick 2
- › New facility in new geography
- › Expansion of service offering
- › Mergers & Acquisitions
- › Whole of Government Initiatives



CDC has established a clear market leadership position in the provision of highly secure outsourced co-location data centre facilities for Government end users.

Market leader

- › CDC operates 2 scalable Data Centre campuses in Canberra providing highly secure outsourced co-location Data Centre services to Australian Government entities and third party service providers
- › Available capacity of 39MW makes CDC orders of magnitude larger than its direct competitors
- › Industry leading operating metrics

Operating in a sector with strong demand tailwinds

- › CDC is benefiting from 3 significant sector trends;
 - 1) Massive data processing and storage growth driven by increased computing power and new applications,
 - 2) Government digitisation, and
 - 3) Outsourcing of ICT services.
- › The business operates within the Government procurement framework which has an inherently long lead time and an inconsistent sales cycle

CDC has an advantaged market position

- › CDC is well positioned to capitalise on the expected strong market growth
- › CDC established its reputation by developing a world class adaptable Data Centre design that fits unique Government requirements
- › Today CDC operates a powerful ecosystem with dozens of Government agencies and third parties servicing Government
- › The CDC Ecosystem delivers incremental customer value with each additional client

Tangible growth pipeline

- › Numerous growth opportunities are available to CDC;
 - Utilisation of existing capacity at Fyshwick and Hume requiring limited incremental capital
 - Development of new Data Centre capacity beginning with Fyshwick 2 (21 MW)
 - Expansion of service offerings to support customer ICT objectives
 - Selective M&A

