



N E X T D C

RETAIL ENTITLEMENT OFFER

NEXTDC LIMITED ACN 143 582 521

1 FOR 6.23 ACCELERATED NON-RENOUNCEABLE PRO RATA ENTITLEMENT
OFFER OF NEXTDC ORDINARY SHARES AT \$ 2.25 PER NEW SHARE

THE ENTITLEMENT OFFER IS FULLY UNDERWRITTEN

RETAIL ENTITLEMENT OFFER CLOSES: 5.00PM (SYDNEYTIME) ON FRIDAY,
11 DECEMBER 2015

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICES

This Information Booklet is dated Tuesday, 24 November 2015 and relates to the Retail Entitlement Offer, which is part of the Capital Raising by NEXTDC of New Shares to raise approximately \$120 million. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Retail Entitlement Offer is being made in accordance with section 708AA Corporations Act (as notionally modified by ASIC Class Order 08/35), which allows entitlement offers to be made to retail investors without a prospectus. This Information Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide to participate in the Retail Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been, and will not be, lodged with ASIC. **Please contact your professional advisor or the NEXTDC offer information line on 1300 366 176 (within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday if you have any questions.**

Documents relevant to the Retail Entitlement Offer

Before deciding to invest in New Shares, you should carefully consider this Information Booklet; NEXTDC's constitution, which outlines the rights of New Shares; and NEXTDC's continuous disclosure notices lodged with ASX (available at www.asx.com.au).

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY^{®1} in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for NEXTDC to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of NEXTDC with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Information Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States disclaimer

None of the information in this booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this booklet (or any part of it), the accompanying ASX announcement nor the accompanying Entitlement and Acceptance Form may be released or distributed directly or indirectly, to persons in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

Definitions, time and currency

Defined terms used in this Information Booklet are contained in section 6. All references to time are to Sydney time, unless otherwise indicated.

All references to '\$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 5 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. NEXTDC recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

NEXTDC collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in NEXTDC.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to NEXTDC (directly or through the Share Registry). NEXTDC collects, holds and will use that information to assess your Application. NEXTDC collects your personal information to process and administer your shareholding in NEXTDC and to provide related services to you. NEXTDC may disclose your personal information for purposes related to your shareholding in NEXTDC, including to the Share Registry, NEXTDC's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that NEXTDC holds about you. To make a request for access to your personal information held by (or on behalf of) NEXTDC, please contact NEXTDC through the Share Registry.

Governing law

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by NEXTDC or any of its officers.

1 © registered to BPAY Pty Ltd ABN 69 079 137 518.

Past performance

Investors should note that NEXTDC's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) NEXTDC's future performance including NEXTDC's future financial position or share price performance.

Future performance

This Information Booklet contains certain forward looking statements with respect to the financial condition, results of operations, projects and business of NEXTDC and certain plans and objectives of the management of NEXTDC. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may", "intends", "guidance", "project", "forecast", "target", "likely" and other similar expressions, and include, but are not limited to, statements regarding outcome and effects of the Retail Entitlement Offer. Any forward looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of NEXTDC and the Lead Manager Parties (defined below). This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements may include projections, guidance on future revenues, earnings, dividends and estimates.

These forward-looking statements contained in this Information Booklet involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither NEXTDC, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of NEXTDC. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

The forward looking statements are based on information available to NEXTDC as at the date of this Information Booklet. Except as required by law or regulation (including the ASX Listing Rules), NEXTDC undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

You should consider any forward-looking statements in light of the risks of investing in New Shares detailed in section 3 of this Information Booklet.

None of the Lead Manager Parties have authorised, approved or verified any forward-looking statements.

Lead Manager

Neither the Lead Manager, nor any of its affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Lead Manager Parties**), nor the advisers to NEXTDC or any other person including clients named in this document, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet (or any other materials released by NEXTDC) and, except to the extent referred to in this Information Booklet, none of them makes or purports to make any statement in this Information Booklet and there is no statement in this Information Booklet which is based on any statement by any of them.

The Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from NEXTDC.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of NEXTDC and the Lead Manager. To the maximum extent permitted by law, each of the Offeror and the Lead Manager and each of their respective Affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Lead Manager Parties disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Information Booklet being inaccurate or due to information being omitted from this Information Booklet, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Information Booklet.

The Lead Manager Parties take no responsibility for any part of this Information Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Information Booklet or otherwise arising in connection with either of them.

The Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

Risks

Refer to the 'Key risks' section of the Investor Presentation included in section 3 of this Information Booklet for a summary of general and specific risk factors that may affect NEXTDC. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

No cooling off

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw an Application once it has been accepted.

Trading New Shares

NEXTDC will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by NEXTDC or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by NEXTDC, or its related bodies corporate in connection with the Retail Entitlement Offer.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Chairman's letter

Tuesday, 24 November 2015

Dear Shareholder,

As a valued Shareholder of NEXTDC Limited (**NEXTDC** or the **Company**), I am pleased to offer you the opportunity to participate in NEXTDC's recently announced fully underwritten 1 for 6.23 accelerated non-renounceable pro rata entitlement offer of new NEXTDC ordinary shares (**New Shares**) at an offer price of \$2.25 (**Offer Price**) per New Share.

New funding and use of proceeds

On Monday, 23 November 2015, NEXTDC announced its intention to raise \$120 million via a placement to institutional investors to raise \$50 million (**Placement**) and an accelerated non-renounceable pro rata entitlement offer to raise \$70 million (**Entitlement Offer**) (collectively the **Capital Raising**).

The Placement and institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) (collectively the **Institutional Offer**) was successfully completed before trading in NEXTDC shares recommenced on Tuesday, 24 November 2015. The Placement was priced at \$2.55 per share, which was equivalent to the last closing price on Friday, 20 November 2015 and a 13.3% premium to the Offer Price of \$2.25 per new share under the Entitlement Offer.

On Friday, 20 November 2015, NEXTDC also announced that it had successfully received commitments for \$100 million of unsecured notes (**Notes II**). Settlement of the Notes II offer (which is subject to conditions) is scheduled for 3 December 2015.

The Capital Raising and Notes II offer proceeds together with current cash reserves, undrawn secured debt facility and ongoing operating cashflow is expected to provide NEXTDC with adequate funds to complete the initial investment in the proposed new data centre facilities, one each in Brisbane (**B2**) and Melbourne (**M2**) (collectively the **New Facilities**) and fund the capital requirements of the potential new large customer opportunities which are currently in advanced discussions.

FY16 Guidance

NEXTDC's trading performance for the first four months of FY16 has been in line with expectations. Accordingly, the Company is pleased to confirm that it remains on track to achieve its FY16 revenue guidance of \$85 million to \$90 million and EBITDA guidance of \$25 million to \$28 million, with a skew towards second half earnings performance in line with the likely delivery and billing commencement of the new Leading Corporation and Federal Government customer contracts announced in June and August 2015.

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Institutional Entitlement Offer. The Entitlement Offer Price of \$2.25 per New Share represents a 10.4% discount to Theoretical Ex-Rights Price (**TERP**)² and 11.8% discount to the closing price of NEXTDC of \$2.55 per share on Friday, 20 November 2015. The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in the Information Booklet.

If you take up your full entitlement, you may also apply for additional New Shares in excess of your Entitlement, at the Offer Price (**Top Up Facility**). Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. NEXTDC retains the flexibility to scale back Applications for additional New Shares at its discretion (refer to section 4 of this Information Booklet for more information).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. I encourage you to consider this offer carefully.

2. The Theoretical Ex-rights Price (TERP) is calculated by reference to NEXTDC's closing price on Friday, 20 November 2015 of \$2.55 per share, being the last trading day on the ASX prior to the announcement of the Capital Raising, including all New Shares issued under the Capital Raising. TERP is a theoretical calculation only and the actual price at which NEXTDC's shares trade immediately after the ex-date of the Capital Raising will depend on many factors and may not approximate TERP.

Other information

This Information Booklet contains important information, including:

- ASX announcements relating to the Entitlement Offer, including the Investor Presentation referred to above, which was released to the ASX on Monday, 23 November 2015, and provides information on NEXTDC, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions in this Information Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via Bpay® or by cheque.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 11 December 2015.

If you decide to take this opportunity to increase your investment in NEXTDC please ensure that, before 5.00pm (Sydney time) on Friday, 11 December 2015, you have paid your Application Monies preferably via Bpay® pursuant to the instructions that are set out in the enclosed Entitlement and Acceptance Form or your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Please read in full the details on how to submit your Application which are set out in this Information Booklet. For further information regarding the Retail Entitlement Offer, please call 1300 366 176 (within Australia) and +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday, or visit our website at www.nextdc.com.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the board of NEXTDC, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely



Doug Flynn

Chairman

Key dates

Activity	Date
Announcement of the Placement and Entitlement Offer	Monday, 23 November 2015
Information Booklet lodged with ASX	Tuesday, 24 November 2015
Record Date for Entitlement Offer (7.00pm Sydney time)	Thursday, 26 November 2015
Retail Entitlement Offer opens	Friday, 27 November 2015
Information Booklet and Entitlement & Acceptance Form dispatched	Monday, 30 November 2015
Allotment of New Shares under the Institutional Offer	Monday, 7 December 2015
New Shares issued under the Institutional Offer commence trading on a normal settlement basis	Monday, 7 December 2015
Retail Entitlement Offer closes (5.00pm Sydney Time)	Friday, 11 December 2015
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 21 December 2015
Normal ASX trading for New Shares issued under the Retail Entitlement Offer commences	Tuesday, 22 December 2015
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	Tuesday, 22 December 2015

This Timetable above is indicative only and may change. NEXTDC reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, NEXTDC reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Shares.

NEXTDC also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

Telephone: 1300 366 176 (within Australia) and +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday.

Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Contents

Chairman's letter	4
Key dates	6
Enquiries	6
1 Summary of options available to you	8
2 How to apply	9
2.1 Important information	9
2.2 Overview	9
2.3 Institutional Offer	9
2.4 Retail Entitlement Offer	10
2.5 Your Entitlement	10
2.6 Options available to you	10
2.7 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility	11
2.8 Taking up part of your Entitlement and allowing the balance to lapse	11
2.9 Allowing your Entitlement to lapse	11
2.10 Consequences of not accepting all or part of your Entitlement	11
2.11 Payment	12
2.12 Payment by BPAY®	12
2.13 If you are unable to pay by BPAY®	12
2.14 Entitlement and Acceptance Form is binding	13
2.15 Brokerage and stamp duty	14
2.16 Notice to nominees and custodians	15
2.17 Withdrawal of the Entitlement Offer	15
2.18 Enquiries	15
3 ASX announcements and investor presentation	16
4 Additional information	38
4.1 Eligibility of Retail Shareholders	38
4.2 Ranking of New Shares	38
4.3 Allotment	38
4.4 Reconciliation	38
4.5 Underwriting arrangements	38
4.6 Continuous Disclosure	39
5 Australian taxation consequences	40
5.1 Issue of Entitlement	40
5.2 Exercise of Entitlement and applying for additional New Shares	40
5.3 Lapse of Entitlement	40
5.4 Taxation in respect of Dividends on New Shares	40
5.5 Disposal of New Shares or additional New Shares	41
5.6 Taxation of Financial Arrangements	41
5.7 GST	41
5.8 Stamp duty	41
6 Definitions	42
7 Corporate information	44

1 Summary of options available to you

If you are an Eligible Retail Shareholder³, you may take one of the following actions:

- take up all of your Entitlement and also apply for additional New Shares under the Top Up Facility;
- take up all of your Entitlement but not apply for any additional New Shares under the Top Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an “**Ineligible Retail Shareholder**”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	▪ You may elect to purchase New Shares at the Offer Price (see section 2 “How to Apply” for instructions on how to take up your Entitlement). ▪ The New Shares will rank equally in all respects with existing Shares. ▪ The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 11 December 2015. ▪ If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility.
2. Take up part of your Entitlement	▪ If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Top Up Facility. ▪ If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up. ▪ If you do not take up your Entitlement in full, you will have your percentage holding in NEXTDC reduced as a result of the Entitlement Offer.
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	▪ If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means they are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.

³ See Section 4.1.

2 How to apply

2.1 Important information

You should read the enclosed carefully and in their entirety before making a decision about your Entitlement:

- Important Notices;
- Chairman's letter;
- ASX Announcements, including the Investor Presentation⁴ (and in particular the 'Key risks' section of the Investor Presentation);
- Additional Information;
- Entitlement and Application Form; and
- other information made publicly available by NEXTDC.

2.2 Overview

NEXTDC intends to raise \$120 million under the Placement and Entitlement Offer.

NEXTDC will use the proceeds of the Placement and Entitlement Offer to:

- Fund the acquisition and "Phase 1" development of a new data centre facility in Brisbane (**B2**) and Melbourne (**M2**); and
- Pay for the costs of the acquisitions, the Placement and the Entitlement Offer.

The Entitlement Offer is an offer of approximately 31 million New Shares at \$2.25 per New Share.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as Entitlements of Ineligible Institutional Shareholders at the Offer Price was carried out, to raise \$40 million; and
- (b) the Retail Entitlement Offer – Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. In addition, Eligible Retail Shareholders who take up their full Entitlement may also participate in the Top Up Facility by applying for additional New Shares in excess of their Entitlement, at the Offer Price. The Retail Entitlement Offer, including any New Shares issued pursuant to the Top Up Facility, is expected to raise approximately \$30 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable.

New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer. In addition, Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

2.3 Institutional Offer

NEXTDC has already raised approximately \$90 million from Eligible Institutional Shareholders as part of the Placement, at \$2.55 per share, and Institutional Entitlement Offer, at \$2.25 per New Share. New Shares are expected to be issued under the Placement and Institutional Entitlement Offer on Monday, 7 December 2015.

⁴ The enclosed ASX Announcements, including the Investor Presentation are current as at Monday, 23 November 2015. There may be other announcements that have been made by NEXTDC after Monday, 23 November 2015 and, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 11 December 2015 that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by NEXTDC before submitting an Application.

2 How to apply (cont)

2.4 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

As a result, this offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on NEXTDC and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in section 3, NEXTDC's interim and annual reports, other announcements made available at www.nextdc.com or www.asx.com.au (including NEXTDC's half year report for the six months ended 31 December 2014 released to ASX on 26 February 2015 and the annual report for the year ended 30 June 2014 released to ASX on 25 August 2014) and all other parts of this Information Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 6.23 Shares held on the Record Date. The Offer Price of \$2.25 per New Share represents a discount of 10.4% to TERP.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be sold, transferred or otherwise disposed of.

The Retail Entitlement Offer opens on Friday, 27 November 2015 and is expected to close at 5.00pm (Sydney time) on Friday, 11 December 2015.

2.5 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 6.23 Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Information Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility. There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. New Shares will only be allocated to Eligible Retail Shareholders if available and then only if and to the extent that NEXTDC so determines, in its absolute discretion.

Eligible Retail Shareholders should be aware that an investment in NEXTDC involves risks. The key risks identified by NEXTDC are set out in the section entitled "Risks" from page 12 of the Investor Presentation (enclosed in section 3).

2.6 Options available to you

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form. Eligible Retail Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to section 2.7);
- (b) take up part of the Entitlement, in which case the balance of the Entitlement would lapse (refer to section 2.8); or
- (c) allow their Entitlement to lapse (refer to section 2.9).

Ineligible Retail Shareholders may not participate in the Retail Entitlement Offer.

NEXTDC reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (Sydney time) on Friday, 11 December 2015** (however, that date may be varied by NEXTDC, in accordance with the Listing Rules and the Underwriting Agreement).

2.7 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up all or part of your Entitlement, payment must be made via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on Friday, 11 December 2015. If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. If you are a New Zealand Shareholder who does not have an Australian bank account or is otherwise unable to pay by BPAY®, please call the NEXTDC offer information line on 1300 366 176 (within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday (and refer to Section 2.13 below). Amounts received by NEXTDC in excess of the Offer Price multiplied by your Entitlement may be treated as an Application to apply for as many additional New Shares as your Application Monies will pay for in full.

If you apply for additional New Shares under the Top Up Facility and if your Application is successful (in whole or in part), your New Shares will be issued to you at the same time that other New Shares are issued under the Retail Entitlement Offer. New Shares will only be allocated to Eligible Retail Shareholders if available. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). If you wish to advise or change your banking instructions with the Share Registry you may do so by going to www.linkmarketservices.com and logging into the Investor Centre.

2.8 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, payment must be made via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form. If you are a New Zealand Shareholder who does not have an Australian bank account or is otherwise unable to pay by BPAY®, please call the NEXTDC offer information line on 1300 366 176 (within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday (and refer to Section 2.13 below). If NEXTDC receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

2.9 Allowing your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

2.10 Consequences of not accepting all or part of your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Underwriters or sub-underwriters or by Eligible Retail Shareholders under the Top Up Facility.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in NEXTDC will also be further diluted as a result of the Entitlement Offer.

2 How to apply (cont)

2.11 Payment

Payment should be made using BPAY® if possible. New Zealand Shareholders who do not have an Australian bank account will be able to pay by cheque (see below at 2.13).

Cash payments will not be accepted. Receipts for payment will not be issued.

NEXTDC will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

If you are unable to pay by BPAY® please call the NEXTDC Limited offer information line on 1300 366 176 (within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday and refer below to Section 2.13.

2.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in section 2.14; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Friday, 11 December 2015. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

2.13 If you are unable to pay by BPAY®

If you are a New Zealand Shareholder and are unable to pay by BPAY® please call the NEXTDC Limited offer information line on 1300 366 176 (within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday.

NEXTDC encourages payments by BPAY® if possible.

If you are a New Zealand Shareholder who is completing a payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'NEXTDC Retail Offer' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00pm (Sydney time) on Friday, 11 December 2015. You must ensure cleared funds are held in your account as your cheque will be banked as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque must be:

- (a) for an amount equal to \$2.25 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident Shareholders must arrange for payment to be made in Australian dollars.

Please return your completed application form and cheque to the address below:

Mailing Address

NEXTDC Limited
C/- Link Market Services Limited or
GPO Box 3560
Sydney NSW 2001

Hand Delivery

NEXTDC Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

2.14 Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. NEXTDC's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Information Booklet, and NEXTDC's constitution;
- (c) you authorise NEXTDC to register you as the holder(s) of New Shares allotted to you;
- (d) all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) that once NEXTDC receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (h) you authorise NEXTDC, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

2 How to apply (cont)

- (k) this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in NEXTDC and is given in the context of NEXTDC's past and ongoing continuous disclosure announcements to ASX;
- (l) the statement of risks in the "Risks" section of the Investor Presentation included in the Section 3 of this Information Booklet, and that investments in NEXTDC are subject to risk;
- (m) none of NEXTDC, the Lead Manager, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of NEXTDC, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise NEXTDC to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) for the benefit of NEXTDC, the Lead Manager and its respective related bodies corporate and affiliates, you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (q) the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (s) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (t) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (u) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

2.15 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer or for additional New Shares under the Top Up Facility.

2.16 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from NEXTDC. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

NEXTDC is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. NEXTDC is not able to advise on foreign laws.

2.17 Withdrawal of the Entitlement Offer

Subject to applicable law, NEXTDC reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case NEXTDC will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to NEXTDC will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to NEXTDC.

2.18 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the NEXTDC Offer Information Line on 1300 366 176 (within Australia) and +61 1300 366 176 (outside of Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Eligible Retail Shareholders should be aware that an investment in NEXTDC involves risks. The key risks identified by NEXTDC are set out from page 12 of the Investor Presentation (in section 3).

3 ASX announcements and investor presentation

ASX Release

23 November 2015

Capital Raising

NEXTDC Limited (ASX: NXT) ("**NEXTDC**" or the "**Company**") is pleased to announce the launch of an equity raising to fund investment in new facilities.

Highlights

- New data centre facilities planned for Brisbane (B2) and Melbourne (M2) ("**New Facilities**")
- Advanced discussions in relation to further large customer opportunities across existing data centre footprint
- NEXTDC seeking certainty of funding upfront before embarking upon the new investments to support the New Facilities and further large customer opportunities
- Notes II offer has successfully closed raising \$100 million¹
- Fully underwritten capital raising consisting of:
 - placement to institutional investors ("**Placement**") to raise \$50 million at \$2.55 per share, equivalent to the NEXTDC's last closing price on 20 November 2015
 - 1 for 6.23 accelerated non-renounceable pro rata entitlement offer ("**Entitlement Offer**") to raise \$70 million at \$2.25 per New Share ("**Offer Price**"), representing a 10.4% discount to TERP²
- NEXTDC expects that the New Facilities will generate returns in excess of the Company's cost of capital, thereby generating additional value for its shareholders over the longer term
- FY16E Guidance confirmed

New Facilities

NEXTDC continues to experience strong demand for its premium data centre services. The Company's existing facilities in Brisbane (B1) and Melbourne (M1) are now rapidly reaching capacity constraints. B1 contract utilisation reached 90% at 31 October 2015 (an increase from 79% in 30 June 2015) and M1 contract utilisation reached 77% at 31 October 2015 (an increase from 76% in 30 June 2015).

As disclosed in NEXTDC's FY15 Full Year Results announcement on 26 August 2015, the Company intends to develop two new data centre sites in Brisbane (B2) and Melbourne (M2). B2 is expected to have an initial capacity of 1MW+ with a target total capacity of approximately 6MW. M2 is expected to have an initial capacity of 2MW+ with a target total capacity of approximately 25MW. The initial investment in the New Facilities is expected to be \$175 million to \$200 million over the next 12 to 18 months.

The Company is currently undertaking due diligence on a number of new sites for each of the New Facilities and expects to commission both facilities in 2H FY17. NEXTDC intends to acquire the land and buildings associated with the New Facilities and to continue to hold the underlying property once each facility is developed. The Company's intention to hold the underlying property at the New Facilities is supported by the evolution of NEXTDC's operations, and the Company's desire to have greater control over its long term assets and improve its operating leverage. Also, the enhanced security, which ownership of the underlying property provides, is

¹ Refer to ASX Announcement dated 20 November 2015. Settlement 3 December 2015.

² The Theoretical Ex-rights Price ("TERP") is calculated by reference to NEXTDC's closing price on 20 November 2015 of \$2.55 per share, being the last trading day prior to the announcement of the Capital Raising, including all New Shares issued under the Capital Raising. TERP is a theoretical calculation only and the actual price at which NEXTDC's shares trade immediately after the ex-date of the Capital Raising will depend on many factors and may not approximate TERP.

NEXTDC LIMITED ABN 35 143 582 521

Level 4, 88 Creek Street, Brisbane QLD 4000
GPO Box 3219, Brisbane QLD 4001

BRISBANE CANBERRA MELBOURNE PERTH SYDNEY

P +61 7 3177 4777
F +61 7 3177 4789

info@nextdc.com
www.nextdc.com



anticipated to enable access to more flexible longer term debt funding arrangements, which ultimately is expected to lower NEXTDC's cost of capital.

Commenting on the New Facilities, Mr Scroggie, Chief Executive Officer said: *"Both B1 and M1 have proven to be highly successful facilities for the Company in a relatively short period of time. We are confident that the ongoing demand in these geographies, together with our return expectations warrants this next phase of investment in markets we know well"*.

Large customer opportunities

NEXTDC continues to experience strong demand for its premium data centre services across its national footprint. The Company is currently in advanced discussions in relation to a number of new large customer opportunities, which, if successful, will require additional capital expenditure in the coming months.

Funding and Returns

NEXTDC seeks certainty of funding before embarking upon new investments. The Capital Raising announced today will raise \$120 million.

As announced on 20 November 2015, the Company's Notes II offer has successfully closed, raising \$100 million³.

The Capital Raising and Notes II offer proceeds together with current cash reserves, undrawn secured debt facility and ongoing operating cashflow is expected to provide NEXTDC with adequate funds to complete the initial investment in the New Facilities and fund the capital requirements of the potential new large customer opportunities which are currently in advanced discussions.

NEXTDC is conscious of deploying capital to generate returns which are in excess of the Company's cost of capital. NEXTDC expects that the New Facilities will generate returns in excess of the Company's cost of capital, thereby generating additional value for its shareholders over the longer term.

Trading Update

NEXTDC's trading performance for the first four months of FY16 has been in line with expectations. Accordingly, the Company is pleased to confirm that it remains on track to achieve its FY16 revenue guidance of \$85 million to \$90 million and EBITDA guidance of \$25 million to \$28 million, with a skew towards second half earnings performance in line with the likely delivery and billing commencement of the new Leading Corporation and Federal Government customer contracts announced in June and August 2015.

Capital Raising

Today, NEXTDC announced the launch of a fully underwritten Capital Raising consisting of a Placement and Entitlement Offer.

The Placement will raise \$50 million at \$2.55 per share, equivalent to the last closing price on 20 November 2015 and a 13.3% premium to the Offer Price of \$2.25 per new share under the Entitlement Offer.

The Entitlement Offer comprises a 1 for 6.23 accelerated non-renounceable pro rata entitlement offer to raise \$70 million. The Entitlement Offer is being offered at a price of \$2.25 per new share, which represents a discount of 10.4% to the theoretical ex-rights price (TERP) being \$2.51 and an 11.8% discount to NEXTDC's last closing price of \$2.55 on 20 November 2015.

³ Funds have been committed but receipt is subject to settlement, which is subject to conditions and scheduled on 3 December 2015.



Under the Entitlement Offer, eligible shareholders are invited to subscribe for one new NEXTDC ordinary share for every 6.23 existing NEXTDC shares held at 7.00pm (Sydney time) on Thursday, 26 November 2015. Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing NEXTDC ordinary shares from allotment.

The Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and retail component ("**Retail Entitlement Offer**").

The Capital Raising is fully underwritten by the Sole Lead Manager, Macquarie Capital (Australia) Limited.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from today. Eligible institutional shareholders can choose to take up all, part or none of their entitlement. Institutional entitlements cannot be traded on market.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall bookbuild at the Offer Price today.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Friday, 27 November 2015 and close at 5.00pm (Sydney time) on Friday, 11 December 2015.

Further details about the Retail Entitlement Offer will be set out in a retail offer booklet ("Information Booklet"), which NEXTDC expects to lodge with the ASX on Tuesday, 24 November 2015, in advance of the dispatch date (as detailed further below). For Eligible Retail Shareholders who wish to take up all or part of their Entitlement, payment must be made via BPAY® or by cheque by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on 11 December 2015. The Information Booklet and accompanying Entitlement and Acceptance Form are expected to be dispatched on Monday, 30 November 2015.

Indicative Capital Raising Timetable

Event	Date
Trading halt and announcement	Monday, 23 November 2015
Placement and Institutional Entitlement Offer bookbuild	Monday, 23 November 2015
Trading halt lifted – shares recommence trading on an "ex-entitlement" basis	Tuesday, 24 November 2015
Record date for determining entitlement to subscribe for New Shares	Thursday, 26 November 2015
Retail Entitlement Offer opens	Friday, 27 November 2015
Retail Offer Booklet dispatched	Monday, 30 November 2015
Settlement of Institutional Entitlement Offer and Placement	Friday, 4 December 2015
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Monday, 7 December 2015



Retail Entitlement Offer closes	Friday, 11 December 2015
Allotment of New Shares under the Retail Entitlement Offer	Monday, 21 December 2015
Dispatch of holding statements and normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 22 December 2015

The above timetable is indicative only. NEXTDC and the Sole Lead Manager reserve the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of New Shares is subject to confirmation from the ASX. All references to time in this announcement are to Sydney time.

Further information in relation to the Entitlement Offer will be set out in a Capital Raising presentation released today to ASX by NEXTDC.

If you believe that you are an Eligible Retail Shareholder and you do not receive a copy of the Information Booklet or your personalised Entitlement and Acceptance Form, you can call the NEXTDC Offer Information Line on 1300 366 176 (within Australia) or +61 1300 366 176 (outside Australia) from 8.30am to 5.30pm Monday to Friday until Friday, 11 December 2015, when the Retail Entitlement Offer closes.

ENDS

For more information:

Craig Scroggie

Chief Executive Officer

Oskar Tomaszewski

Chief Financial Officer

T: +61 7 3177 4777

E: investorrelations@nextdc.com



Important Notice

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of New Shares in any jurisdiction outside Australia. In particular, neither the Entitlement Offer nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States unless they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which the Company operates, and beliefs and assumptions. Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include statements regarding outcome and effects of the equity raising. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

The forward-looking statements made in this release relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.



About NEXTDC

NEXTDC is an ASX300-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a national network of UTI Tier III-certified facilities, NEXTDC provides enterprise-class colocation services across the country, facilitating hybrid cloud deployments by offering direct connections to their partner community: Australia's largest independent network of carriers, cloud and IT service providers.

NEXTDC's subsidiaries include AXON Systems, which offers AXONVX, a virtual exchange delivering secure, elastic connections via a dynamic, high-speed switching fabric; and ONEDC Software, developer of the ONEDC® cloud-platform for data centre infrastructure management.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com



N E X T D C

CAPITAL RAISING

23 NOVEMBER 2015

NEXTDC LIMITED ACN 143 582 521

Important notice - disclaimer

Important Notice

This Presentation (**Presentation**) has been prepared by NEXTDC Limited ACN 143 582 521 (**NEXTDC**) and includes information regarding a capital raising. The offer comprises an institutional placement (**Placement**) and an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**) (together, the **Entitlement Offer**) (collectively the **Capital Raising**) relating to new ordinary shares in NEXTDC (**New Shares**).

Summary information

The information contained in this Presentation is of a general nature and no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. Neither Macquarie Capital (Australia) Limited (the **Sole Lead Manager**), nor any of its respective affiliates, related bodies corporate (as that term is defined in the Corporations Act), or their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Sole Lead Manager Parties**), nor the advisers to NEXTDC or any other person including clients named in this document, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. Statements in this Presentation are made only as of the date of this Presentation unless otherwise stated and the information in this Presentation remains subject to change without notice. The historical information in this Presentation is, or is based upon, information that has been released to the market. It should be read in conjunction with NEXTDC's other periodic and continuous disclosure announcements to ASX available at www.asx.com.au.

Not an offer

This Presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or under any other law. It is for information purposes only and is not an invitation nor offer of securities for subscription, purchase or sale in any jurisdiction.

Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the information to be contained in a separate offer document (**Retail Offer Booklet**) to be prepared and issued to eligible retail investors in deciding to apply under that offer. The Retail Offer Booklet will be available following its lodgement with ASX. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the application form.

This Presentation does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of New Shares.

This Presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in NEXTDC nor does it contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act.

U.S. restrictions

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States of America (**United States**). This Presentation may not be distributed or released in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws.

Sole Lead Manager

The Sole Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from NEXTDC.

Not investment advice

This Presentation has been prepared without taking account of any person's investment objectives, financial situation or particular needs and prospective investors should conduct their own independent investigation and assessment of the Capital Raising and the information contained in, or referred to in, this Presentation.

An investment in NEXTDC is subject to investment risk including possible loss of income and principal invested. Please see the 'Key Risks' Section of this Presentation for further details.

Important notice - disclaimer

Financial amounts

All dollar values are in Australian dollars (A\$) and financial data is presented as at or for the year ended 30 June 2015 unless stated otherwise. NEXTDC's results are reported under Australian International Financial Reporting Standards, or AIFRS. The results for 2H15 and FY15 have not been audited. The historical information included in this Presentation is based on information that has previously been released to the market. The pro forma historical financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission. Investors should also be aware that certain financial data included in this Presentation may be 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission (ASIC) or 'non-GAAP financial measures' under Regulation G of the US Securities Exchange ACT of 1934. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this Presentation.

Future performance

This Presentation contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include statements regarding outcome and effects of the equity raising. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of NEXTDC and the Sole Lead Manager Parties, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain risk factors that may affect NEXTDC. None of the Sole Lead Manager Parties have authorised, approved or verified any forward-looking statements.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Disclaimer

No party other than NEXTDC has authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. No person is authorised to give any information or make any representation in connection with the Capital Raising which is not contained in this Presentation. Any information or representation not contained in this Presentation may not be relied upon as having been authorised by NEXTDC in connection with the Capital Raising. To the maximum extent permitted by law, NEXTDC, the Sole Lead Manager Parties and NEXTDC's advisors disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Capital Raising and the information in this Presentation being inaccurate or due to information being omitted from this Presentation, whether by way of negligence or otherwise, make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation and, with regards the Sole Lead Manager Parties, take no responsibility for or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Presentation or otherwise arising in connection with it. The Sole Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Capital Raising nor do they make any representations or warranties, express or implied, to you concerning this Capital Raising or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Sole Lead Manager Parties in relation to the New Shares or the Capital Raising generally. The information in this Presentation remains subject to change without notice. NEXTDC reserves the right to withdraw or vary the timetable for the Capital Raising without notice.

Acknowledgment

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the institutional or retail components of the Capital Raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of NEXTDC and the Sole Lead Manager;
- each of NEXTDC and the Sole Lead Manager and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Acceptance

By attending an investor presentation or briefing, or accepting, assessing or reviewing this document you acknowledge and agree to the above. Not for distribution in the United States



Overview

NEXTDC is undertaking a fully underwritten Capital Raising to raise \$120 million

- NEXTDC continues to experience strong demand for its premium data centre services
- Brisbane facility (**B1**) is approaching full capacity with the Company's Melbourne facility (**M1**) running at 77% contracted utilisation (31 October 2015)
- New data centre facilities planned for Brisbane (**B2**) and Melbourne (**M2**) ("**New Facilities**") to seamlessly satisfy customer demand
- Initial investment in the New Facilities expected to be \$175m to \$200m over the next 12 – 18 months, including ownership of underlying property
- The Company is in advanced discussions in relation to further large customer opportunities across existing data centre footprint, which, if successful, are anticipated to require a further \$40m to \$50m of capital expenditure in FY16
- NEXTDC seeking certainty of funding upfront before embarking upon the new investments to support the New Facilities and further large customer opportunities which are currently in advanced discussions
- Notes II offer has successfully closed raising \$100m¹
- NEXTDC today announces a fully underwritten capital raising, consisting of an institutional placement to raise \$50 million at \$2.55 per share and a 1 for 6.23 accelerated non-renounceable pro rata entitlement offer to raise \$70 million at \$2.25 per share ("**Entitlement Offer**") raise \$120m in total (collectively the "**Capital Raising**")
- Notes II and the Capital Raising proceeds together with current cash reserves, undrawn secured debt facility and ongoing operating cashflow provide NEXTDC with adequate funds to complete the initial investment in the New Facilities and fund the capital requirements of the potential new large customer opportunities
- NEXTDC expects that the New Facilities will generate returns in excess of the Company's cost of capital, thereby generating additional value for its shareholders over the longer term
- FY16E Guidance confirmed

¹ Refer to ASX Announcement dated 20 November 2015. Funds have been committed but receipt is subject to settlement, which is subject to conditions and scheduled for 3 December 2015.



The next phase of growth

New data centre facilities planned for Brisbane (B2) and Melbourne (M2)

New Facilities

- NEXTDC has developed world-class data centres in five major markets
- Expertise in developing new data centres with specialist staff expertise around:
 - Site selection and design, including power supply
 - Approval processes
 - Project management and data-centre construction
 - High density fit-out
- New Facilities will ensure NEXTDC can continue to satisfy customer demand in Brisbane and Melbourne
- Long term ownership of property provides numerous benefits:
 - Greater flexibility over the use and operation of the land and buildings
 - Improved operating leverage, profitability and cash flows
 - Enhanced security, enabling a greater use of flexible longer term debt funding arrangements, which ultimately lowers NEXTDC's cost of capital
 - Shareholders benefit from the potential longer term appreciation in land values

Brisbane (B2) and Melbourne (M2)

- Brisbane short-listed sites subject to advanced negotiation and confirmatory due diligence
- Melbourne short-listed sites subject to preliminary evaluation
- Expands NEXTDC's presence in well established markets where NEXTDC has a successful track record
 - B2 expected to open with an initial capacity of 1MW +
 - M2 expected to open with an initial capacity of 2MW +
- Approximately \$175m to \$200m of investment to open two new facilities, including initial MW capacity, by 2H FY17
 - FY16 investment of \$60m to \$80m

New facilities indicative summary

	B2	M2
Target capacity	6MW	25MW
Facility size – IT space	Approx 3,000m ²	Approx 10,000m ²
Target open date	2H FY17	2H FY17
Initial capacity	1MW+	2MW+

Capital Raising overview

Fully underwritten Capital Raising, consisting of an institutional placement and 1 for 6.23 accelerated non-renounceable pro rata entitlement offer to raise \$120 million

Offer size & structure	- Fully underwritten Capital Raising consists of: - A placement to institutional investors to raise \$50 million (Placement); and - Accelerated non-renounceable pro rata entitlement offer of 1 New Share for every 6.23 existing ordinary shares in NEXTDC (Existing Shares), to raise \$70 million - Approximately 51 million New Shares will be issued under the Capital Raising, representing 26% of current shares on issue - The Placement shares will not be entitled to participate in the Entitlement Offer - Capital Raising is fully underwritten by Macquarie Capital (Australia) Limited as the Sole Lead Manager and Bookrunner
Placement Price	\$2.55 per share, representing the Company's last closing price on 20 November 2015 (Last Close) and a 13.3% premium to the Entitlement Offer Price of \$2.25 per New Share under the Entitlement Offer
Entitlement Offer Price	\$2.25 per New Share, representing 10.4% discount to NEXTDC's TERP of \$2.51¹ and 11.8% discount to Last Close
Timetable²	- Placement and Institutional component of the Entitlement Offer (Institutional Entitlement Offer) conducted on 23 November 2015 - Retail component to open on 27 November 2015 and close on 11 December 2015 (Retail Entitlement Offer)
Ranking	Shares issued under the Capital Raising will rank equally with Existing Shares on issue

1. The Theoretical Ex-rights Price (TERP) is calculated by reference to NEXTDC's closing price on Friday, 20 November 2015 of \$2.55 per share, being the last trading day on the ASX prior to the announcement of the Capital Raising, including all New Shares issued under the Capital Raising. TERP is a theoretical calculation only and the actual price at which NEXTDC's shares trade immediately after the ex-date of the Capital Raising will depend on many factors and may not approximate TERP.
2. The above timetable is indicative only. NEXTDC and the Sole Lead Manager and Bookrunner reserve the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of New Shares is subject to confirmation from the ASX. All references to time in this Presentation are to Sydney time.

NEXTDC Capital Raising – 23 November 2015

Funding flexibility to deliver capacity expansion

Available funds to complete the initial investment in the New Facilities and fund potential new large customer opportunities, which are currently in advanced discussions

Sources

Funding sources	\$m	Comment
Cash and term deposits	52.9	As at 30 June 2015
Secured Debt Facility	50.0	Undrawn at 23 November 2015
Notes II	100.0	Committed but receipt is subject to settlement, which is subject to conditions and scheduled for 3 Dec 2015
Capital Raising	120.0	Underwritten
Total	322.9	

Above funding sources are further supplemented by ongoing operating cashflow

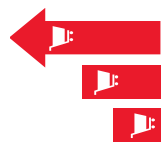
Uses

- Fit out of existing facilities:
 - Capital expenditure on existing facilities of between \$75m to \$85m is expected in FY16, as previously announced
 - Potential large customer opportunities which, if successful, are anticipated to require a further \$40m to \$50m of capital expenditure in FY16
- New Facilities:
 - Expected to open in 2H FY17 with initial capacity of 1MW+ in B2 and 2MW+ in M2 (**Phase 1**)
 - Total Phase 1 investment of \$175m to \$200m, of which between \$60m and \$80m is forecast to be invested in FY16
- Transaction costs
- Other corporate purposes



FY16E Guidance confirmed

FY16E Guidance confirmed other than capital expenditure estimates which have been updated to reflect new investment program



Ongoing growth in revenue

Revenue of \$85m to \$90m (up 40% - 48% on FY15)

- FY16E revenues underpinned by significant growth in contracted and recurring revenues
- Expecting further growth in connectivity revenue underpinned by national ecosystem
- New Leading Corporation and Federal Government contracts not at full ramp-up in FY16E



Benefits of operating leverage

EBITDA of \$25m to \$28m (up 213% - 250% on FY15)

- Operating leverage beginning to become apparent as the business ramps up
- Skew towards second half earnings performance in line with the likely delivery and billing commencement of the New Leading Corporation and Federal Government contracts announced in June and August 2015



Customer driven capital investment

Capital expenditure on existing facilities of between \$75m and \$85m, with a further \$40m to \$50m subject to successfully securing further large customer opportunities

- Capital expenditure on existing facilities of between \$75m to \$85m is expected in FY16
- Further large customer opportunities, if successful, are anticipated to require a further \$40m to \$50m of capital expenditure in FY16
- Additional capital expenditures tightly tied to customer growth



Facilitating next stage of growth

Capital expenditure on new data centre developments of between \$60m and \$80m in FY16

- Dependent on securing new sites for B2 and M2
- Land and building ownership to drive further operating leverage and cash flows

Capital Raising indicative timetable

Event	Date
Trading halt and announcement	Monday, 23 November 2015
Placement and Institutional Entitlement Offer bookbuild	Monday, 23 November 2015
Trading halt lifted – shares recommence trading on an “ex-entitlement” basis	Tuesday, 24 November 2015
Record date for determining entitlement to subscribe for New Shares	7.00pm (Sydney time) Thursday, 26 November 2015
Retail Entitlement Offer opens	9.00am (Sydney time) Friday, 27 November 2015
Retail Offer Booklet dispatched	Monday, 30 November 2015
Settlement of Placement and Institutional Entitlement Offer	Friday, 4 December 2015
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	Monday, 7 December 2015
Retail Entitlement Offer closes	5.00pm (Sydney time), Friday, 11 December 2015
Allotment of New Shares under the Retail Entitlement Offer	Monday, 21 December 2015
Dispatch of holding statements and normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 22 December 2015

The above timetable is indicative only. NEXTDC and the Sole Lead Manager reserve the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of New Shares is subject to confirmation from the ASX. All references to time in this Presentation are to Sydney time.

Notes II – Key terms

NEXTDC's Notes II offer closed on Friday, 20 November 2015 raising approximately \$100m⁽¹⁾

Size	■ \$100m
Interest	■ Cash interest: 7.00% per annum ■ Accreting make-whole: 1.25% per annum paid upon redemption
Maturity Date	■ 16 June 2019 ■ Coincides with existing \$60m Notes I maturity date⁽²⁾
Issuer Call	■ Call option at December 2016, in line with Notes I⁽²⁾ ■ Able to call every six months thereafter
Covenants / Undertaking	■ In-line with existing Notes I covenant package ■ Senior debt / tangible assets: 0.3x ■ Total debt / tangible assets: 0.5x ■ Negative pledge
Status & Ranking	■ Direct, senior, unsubordinated and unsecured obligations ■ Pari passu with Notes I⁽²⁾
Settlement	■ 3 December 2015

1. Funds have been committed but receipt is subject to settlement, which is subject to conditions and scheduled for 3 December 2015.

2. Refers to the \$60m senior unsecured notes offering completed 16 June 2014.

Pro Forma Balance Sheet

	30 June 2015	Underwritten Capital Raising ¹	Notes II ¹	Costs ²	Pro forma 30 June 2015
	\$m	\$m	\$m	\$m	\$m
Cash and cash equivalents	52.9	120.0	100.0	(6.7)	266.2
Other current assets	14.3				14.3
Total current assets	67.2	120.0	100.0	(6.7)	280.5
Property, plant and equipment	221.2				221.2
Other non-current assets	4.9				4.9
Total non-current assets	226.1				226.1
Total assets	293.3	120.0	100.0	(6.7)	506.6
Interest bearing liabilities	0.3				0.3
Other current liabilities	11.3				11.3
Total current liabilities	11.6				11.6
Interest bearing liabilities	66.5		100.0	(2.1)	164.4
Other non-current liabilities	0.3				0.3
Total non-current liabilities	66.8		100.0	(2.1)	164.7
Total liabilities	78.4		100.0	(2.1)	176.3
Net assets	214.9	120.0	-	(4.6)	330.3
Equity	214.9	120.0		(4.6)	330.3

1. Pro forma adjustments after allowing for the recently closed Notes II offer of \$100 million and assuming that \$120 million is raised under the proposed Capital Raising.
2. An estimated amount of \$4.6m of costs relating to the Capital Raising will be offset against contributed equity. Similarly, an estimated amount of \$2.1m of costs relating to the issue of Notes II will be capitalised in accordance with Accounting Standards. In the event of an oversubscription, additional costs relating to these offers will be treated similarly.

Key risks

Data centre utilisation	The proceeds of the equity raising are expected to primarily be used to fund the acquisition of land and construction of new data centres as well as to meet ongoing customer demand. However, there is no guarantee that such demand will continue or that existing customers will renew their data centre requirements through NEXTDC. This may impact utilisation which is the key component of NEXTDC's operational revenue.
Reduction in demand for data centre services	The market for data centres is characterised by rapidly changing technology, frequent new product and competitor introductions, changing laws (for example – data and privacy) as well as changing customer demands, and any reduction in demand for or increase or changes in supply of data centre services may impact NEXTDC significantly. There may be adverse trends in data centre outsourcing and co-location cloud provision.
Security risk	Security risks, including physical threats, loss of power, flooding, fire, explosion, aircraft impact, terrorism, malicious damage and external hacking and/ or the malfunction of response equipment may have sustained and adverse impacts on NEXTDC's business viability through the loss of future revenues or payment of damages (not otherwise insured).
Development risk	NEXTDC is involved in the development of data centres, including the proposed new sites for B2 and M2. Generally, development projects have a number of risks including (i) the risk that suitable sites or required planning consents and regulatory approvals are not obtained or, if obtained, are received later than expected, or are adverse to NEXTDC's interests, or are not properly adhered to; (ii) the escalation of development costs beyond those originally expected; (iii) unforeseeable project delays beyond the control of NEXTDC; and (iv) non-performance/breach of contract by a contractor or sub-contractor. Increases in supply or falls in demand could influence the acquisition of sites, the timing and value of sales and carrying value of projects.
Reliance on key management personnel	NEXTDC depends on the talent and experience of its staff and employees. It is essential that appropriately skilled staff be available in sufficient numbers to support NEXTDC's business. While NEXTDC has initiatives in place to mitigate the risk of its key staff leaving, the loss of such staff may have a negative impact on NEXTDC.
Infrastructure and technology failure	NEXTDC relies on its infrastructure and technology to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including human error, power loss, improper maintenance by landlords and security breaches. Service interruptions, regardless of their cause, may cause contractual and other losses to NEXTDC.

Key risks

Supply and pricing of utilities

NEXTDC and its landlords rely on third party providers for the supply of utilities to its data centres (including electricity and water). There is no guarantee that the third party providers will be able to consistently provide sufficient levels of utilities to NEXTDC at acceptable costs to satisfy demand requirements.

Lease risk

NEXTDC holds long term leases over M1, S1, P1, C1 and B1. Any breach or termination of these leases could have a material adverse impact on NEXTDC.

Funding risk

NEXTDC has entered into an Underwriting Agreement under which the underwriter has agreed to fully underwrite the Capital Raising, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the underwriter may terminate the Underwriting Agreement. The ability of the underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Capital Raising, the value of the securities, or the willingness of investors to subscribe for securities, or where they may give rise to liability for the underwriter.

Notes II issue priced on Thursday, 19 November 2015 in an amount of \$100 million and is scheduled to settle on 3 December 2015. The obligations of National Australia Bank Limited as initial subscriber for the Notes are subject to certain conditions, which if not satisfied may result in settlement of the Notes II issue not proceeding. These conditions include a range of circumstances including adverse developments affecting the issuer or market or economic conditions generally.

General risks

An investment in NEXTDC is also subject to general risks including those related to general economic conditions, availability of funding, refinancing requirements, foreign exchange risk, share price volatility, interest rates, debt covenants, financial distress of customers, attracting and retaining employees, health, safety and environment issues, litigation and disputes, financial forecasts, regulatory issues, changes in law, changes in accounting policy and standards, taxation implications, insurance issues, force majeure, counterparty risk, intellectual property risk and reputational risk.

International offer restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand – Institutional Component

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

New Zealand – Retail Component

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

NEXTDC Capital Raising – 23 November 2015

International offer restrictions (cont)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.



Thank you

VISION

Our vision is to help enterprises harness the digital age, improving our society through the advancement of technology

MISSION

Our mission is to be the world's leading customer-centric data centre services company, delivering solutions that power, secure and connect enterprise



DISCLAIMER:

The information may not be reproduced or distributed to any third party or published in whole or in part for any purpose. The information contained in these materials or discussed at the presentation is not intended to be an offer for subscription, invitation or recommendation with respect to shares or securities in any jurisdiction. No representation or warranty, express or implied, is made in relation to the accuracy or completeness of the information contained in this document or opinions expressed in the course of this presentation. The information contained in this presentation is subject to change without notification.

This presentation contains forward-looking statements which can be identified by the use of words such as "may", "should", "will", "expect", "anticipate", "believe", "estimate", "intend", "scheduled" or "continue" or similar expressions. Any forward-looking statements contained in this presentation are subject to significant risks, uncertainties, assumptions, contingencies and other factors (many of which are outside the control of, and unknown to, NEXTDC Limited ("NEXT")) and its officers, employees, agents or associates), which may cause the actual results or performance to be materially different from any future result so performed, expressed or implied by such forward looking statements. There can be no assurance or guarantee that actual outcomes will not differ materially from these statements.

4 Additional information

4.1 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) are registered as a holder of existing NEXTDC shares;
- (b) have a registered address in Australia or New Zealand or are a Shareholder that NEXTDC has otherwise determined is eligible to participate;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

NEXTDC has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

4.2 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

4.3 Allotment

NEXTDC has applied for quotation of the New Shares on ASX in accordance with Listing Rule requirements.

If ASX does not grant quotation of the New Shares, NEXTDC will repay all Application Monies (without interest).

Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on Monday, 21 December 2015.

Application Monies will be held by NEXTDC on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Tuesday, 22 December 2015.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

4.4 Reconciliation

In any entitlement offer, investors may believe that they own more existing Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all eligible Shareholders have the opportunity to receive their full Entitlement.

NEXTDC may need to issue a small quantity of additional New Shares to ensure all eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

NEXTDC also reserves the right to reduce the number of an Entitlement or New Shares allocated to eligible Shareholders or persons claiming to be eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not eligible Shareholders.

4.5 Underwriting arrangements

NEXTDC and the Lead Manager have entered into an Underwriting Agreement. The Lead Manager has agreed to underwrite the Entitlement Offer on the terms and conditions set out in the Underwriting Agreement. The obligations of the Lead Manager are subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement. Furthermore, in accordance with the Underwriting Agreement, as is customary with these types of underwriting arrangements:

- (a) NEXTDC has (subject to certain limitations) agreed to indemnify the Lead Manager, its affiliates and its related bodies corporate and its respective officers, directors, agents, representatives, advisers or employees or any of their respective affiliates, successors or related bodies corporate against losses in connection with the Entitlement Offer;
- (b) NEXTDC and the Lead Manager have given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer;
- (c) the Lead Manager may terminate the Underwriting Agreement and be released from their obligations on the occurrence of certain events (in some cases, subject to the materiality of the relevant event), including (but not limited to) where:
 - (i) the S&P/ASX 200 Index published by ASX:
 - (A) is at any time before the First Settlement Date more than 10% below its level as at the close of trading on the ASX on the business day immediately preceding the date of the Underwriting Agreement (**Starting Level**); or
 - (B) closes on any Trading Day at a level that more than 10% below the Starting Level;
 - (ii) there is a material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the assets, earnings, business, results of operations, management or prospects of the NEXTDC group;
 - (iii) approval is refused or not granted or ASX states that it will not be granted, other than subject to customary conditions, to the official quotation of all the New Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified (other than by customary condition) or withheld;
 - (iv) ASX announces or makes a statement to any person that NEXTDC will be removed from the official list of ASX or its Shares will be suspended from quotation, removes NEXTDC from the official list or ceases to quote the NEXTDC's Shares on ASX;
 - (v) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer or the Offer Documents or ASIC commences an investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Entitlement Offer or the Offer Materials (including this Information Booklet) or ASIC announces any other inquiry or investigation in connection with the Entitlement Offer;
 - (vi) there are certain delays in the timetable for the Entitlement Offer without the Lead Manager's consent;
 - (vii) there is a material disruption in political or financial or economic conditions in key markets, or hostilities not presently existing commence or a major terrorist act is perpetrated on certain key countries;
 - (viii) the due diligence committee report or any information supplied by or on behalf of NEXTDC to the Lead Manager for the purposes of the due diligence investigations, the Offer Materials (including this Information Booklet), or the Entitlement Offer, is false, misleading or deceptive (including by omission); and
 - (ix) NEXTDC withdraws the Entitlement Offer or indicates that it does not intend to or is unable to proceed with the Entitlement Offer;
- (d) the Lead Manager will receive a financial benefit as a result of their engagement as the underwriter to the Entitlement Offer by NEXTDC; and
- (e) without limiting any other express provisions of the Underwriting Agreement, notwithstanding that the Lead Manager may have assisted, and may continue to assist, NEXTDC in the preparation of the Offer Materials and in connection with promotional activities in relation to the Entitlement Offer, NEXTDC is responsible for the contents of, or omissions from, the final form of the Offer Materials (including this Information Booklet) and agrees to ensure that they comply with all applicable laws in relation to the Entitlement Offer.

4.6 Continuous Disclosure

NEXTDC is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

NEXTDC is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, NEXTDC has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of NEXTDC shares. That information is available to the public from ASX.

5 Australian taxation consequences

Below is a general guide to the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares or additional New Shares acquired under the Top Up Facility on capital account.

The guide below applies only to Eligible Retail Shareholders who are Australian resident individuals, companies or complying superannuation entities. The guide does not apply to Eligible Retail Shareholders who:

- acquired, or were taken to have acquired, their Shares before 20 September 1985;
- are not a resident for Australian income tax purposes;
- hold their Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- acquired the Shares in respect of which the Retail Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme

The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 9.00am (Sydney time) on Monday, 23 November 2015. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified. The comments also do not take into account tax legislation of any country other than Australia.

5.1 Issue of Entitlement

The issue of the Entitlement will not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

5.2 Exercise of Entitlement and applying for additional New Shares

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement under the Retail Entitlement Offer. Additional New Shares will be acquired where the Eligible Retail Shareholder acquires additional New Shares under the Top Up Facility.

An Eligible Retail Shareholder will not derive any assessable income, or make any capital gain or capital loss at the time of exercising their Entitlement under the Retail Entitlement Offer or acquiring additional New Shares under the Top Up Facility.

For Australian capital gains tax (**CGT**) purposes, New Shares will be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement and additional New Shares will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Retail Shareholder. The cost base of each New Share and additional New Share will be equal to the Offer Price payable for each New Share and additional New Share respectively (plus any non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring the New Shares and additional New Shares).

5.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

5.4 Taxation in respect of Dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

5.5 Disposal of New Shares or additional New Shares

The disposal of New Shares or additional New Shares will constitute a disposal for CGT purposes.

On disposal of a New Share or an additional New Shares, an Eligible Retail Shareholder will make a net capital gain if the capital proceeds received on disposal exceed the total cost base of the New Share or additional New Share. An Eligible Retail Shareholder will make a net capital loss if the capital proceeds are less than the total reduced cost base of the New Share or additional New Share.

Eligible Retail Shareholders that are individuals or complying superannuation entities and that have held their New Shares or additional New Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and 33.33% for complying superannuation entities.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised their Entitlement or when the New Shares were issued under the Top Up Facility. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the Entitlement were exercised or were issued under the Top Up Facility, as the case may be.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains from other sources i.e. the capital loss cannot be used against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, provided certain loss utilisation tests are satisfied.

5.6 Taxation of Financial Arrangements

The application of the Taxation of Financial Arrangements (**TOFA**) provisions depends on the specific facts and circumstances of the Eligible Retail Shareholder. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

5.7 GST

The taking up of the New Shares and additional New Shares will be classified as a “financial supply” for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition of the New Shares or additional New Shares. Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares or additional New Shares acquired under the Top Up Facility.

5.8 Stamp duty

Stamp duty will not be payable in respect of the taking up of New Shares or additional New Shares on the assumption no Shareholder and associated person will hold an interest of 90% or more in NEXTDC.

6 Definitions

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and the securities exchange operated by it.

Business Day has the same meaning as in the Listing Rules.

Capital Raising means the Placement and the Entitlement Offer.

Closing Date means 5.00pm (Sydney time) on Friday, 11 December 2015, the day the Retail Entitlement Offer closes.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Shareholder on the Record Date who:

- (a) is not an Ineligible Institutional Shareholder; and
- (b) has successfully received an invitation from the Lead Manager to participate in the Institutional Offer (either directly or through a nominee).

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) is registered as a holder of existing NEXTDC shares;
- (b) has a registered address in Australia or New Zealand or is a Shareholder that NEXTDC has otherwise determined is eligible to participate;
- (c) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States;
- (d) was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Entitlement means the right to subscribe for 1 New Shares for every 6.23 Shares held by eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Information Booklet.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

Ineligible Institutional Shareholder means a Shareholder who is an institutional or sophisticated Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that NEXTDC and the Lead Manager agree to whom ASX Listing Rule 7.7.1(a) applies.

Ineligible Retail Shareholder means a Shareholder (or beneficial holder of Shares) other than an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that NEXTDC and the Lead Manager agree to whom ASX Listing Rule 7.7.1(a) applies.

Institutional Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer to Eligible Institutional Shareholders.

Information Booklet means this document.

Institutional Offer means the Placement and Institutional Entitlement Offer.

Investor Presentation means the presentation to investors released to the ASX on Monday, 23 November 2015, incorporated in section 3 of this Information Booklet.

Lead Manager means Macquarie Capital (Australia) Limited ABN 79 123 199 548.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility or to the Lead Manager or sub-underwriters.

NEXTDC means NEXTDC Group Limited ACN 143 582 521.

Offer Materials has the same meaning given in the Underwriting Agreement.

Offer Price means \$2.25 per New Share.

Placement means the placement to institutional investors.

Record Date means 7.00pm (Sydney time) on Thursday, 26 November 2015.

Retail Entitlement Offer means the pro rata non-renounceable offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 6.23 Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$2.25 per New Share pursuant to this Information Booklet.

Share means a fully paid ordinary share in the capital of NEXTDC.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shareholder means a holder of Shares.

TERP means the theoretical price at which NEXTDC shares should trade immediately after the ex-date of the Entitlement Offer.

Timetable means the indicative table set out in the 'key dates' section of this Information Booklet.

Top Up Facility means the facility described in section 2.7 under which Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement.

Underwriting Agreement means the underwriting agreement dated Monday, 23 November 2015 between NEXTDC and the Lead Manager.

US Securities Act means the US Securities Act of 1933, as amended.

7 Corporate information

Company

NEXTDC Group ACN 143 582 521
Level 4, 88 Creek Street
Brisbane Qld 4000

Tel +61 7 3177 4777
www.NEXTDC.com.au

Lead Manager

Macquarie Capital (Australia) Limited
No. 50 Martin Place
Sydney NSW 2000

Co-Lead Manager

Morgans Financial Limited
Level 29, 123 Eagle Street
Brisbane QLD 4000

Share Registry

Link Market Services Limited
Level 15
324 Queen Street
Brisbane QLD 4000

Legal Adviser

Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

NEXTDC Retail Entitlement offer information line

Australia: 1300 366 176
International: +61 1300 366 176
Open 8.30am to 5.30pm (Sydney time) Monday to Friday.



N E X T D C