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ASX Release

14 December 2017

Wind-up of Asia Pacific Data Centre Trust

NEXTDC Limited (ASX: NXT) ("**NEXTDC**" or "**the Company**") advises that it intends to convene an Extraordinary General Meeting of securityholders in the Asia Pacific Data Centre Trust (the "**Trust**") with the objective of winding up the Trust and distributing the net cash proceeds to all members (the "**Wind-up Action**").

NEXTDC holds a 29.2% interest in the Asia Pacific Data Centre Group (ASX: AJD or "**APDC**").

Rationale for Wind-up Action

NEXTDC has elevated concerns over the governance track record of the 360 Capital Group (ASX: TGP or "**360 Capital**"), which now controls APDC, with limited true independent controls.

On 7 December 2017, the 360 Capital-appointed Board of APDC advised the market that it is proceeding with a new debt facility of \$100 million provided by Bankwest and National Australia Bank with expected completion before 31 December 2017. Furthermore, APDC reiterated earlier public statements that it intended to pursue the "*strategic initiatives*" outlined in 360 Capital's Bidder's Statement.

360 Capital advised the market at the time of letting its takeover bid lapse on 21 November 2017 that the new APDC Board, under its control would look to undertake a strategic review, including implementing the capital distribution outlined in the 360 Capital's Bidder's Statement.

Furthermore, 360 Capital's Bidder's Statement dated 4 October 2017 advised APDC securityholders of 360 Capital's intention upon completion of its takeover bid to raise APDC's debt facility to \$100 million, with the increased debt proceeds utilised for the purposes of funding a \$0.65 per security capital distribution ("**Proposed Capital Distribution**").

The Proposed Capital Distribution is not in the best interests of all securityholders as it would increase APDC's debt to imprudent levels and thereby significantly elevate its risk profile, reducing both the quantum and value of future distributions and restrict APDC's ability to fund growth initiatives. This was also a consistent view adopted by the previous independent Board of APDC, which had rejected capital distribution proposals made by 360 Capital on three separate occasions since 28 June 2017, having regard to the interests of all securityholders.

Furthermore, NEXTDC has repeatedly informed both APDC and 360 Capital, as well as publicly through its ASX Announcement on 26 September 2017 and Takeovers Panel application dated 10 October 2017, that the Proposed Capital Distribution constitutes "*financial assistance*" and accordingly requires approval by a special (75%) resolution of APDC's securityholders (excluding interests held by 360 Capital and its associates). As previously advised, NEXTDC would vote against such resolutions.

Given actions to date, NEXTDC has no confidence that the 360 Capital-appointed Board of APDC will seek the required securityholder approvals before proceeding with the Proposed Capital Distribution.

Accordingly, NEXTDC has chosen to convene its own meeting of APDC securityholders to pursue the Wind-up Action.



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Notice of Meeting

NEXTDC will now look to convene a meeting of the Trust early in the New Year.

To this end, NEXTDC has requested from APDC a register of its securityholders. Once this register is supplied, within the statutory seven-day period, the Company intends to send a Notice of Meeting to all APDC securityholders shortly thereafter, setting out the rationale and key considerations in relation to the proposed Wind-up Action.

Advisors

NEXTDC has retained Herbert Smith Freehills as Legal advisor and Cadence Advisory as financial advisor in relation to the Wind-up Action.

ENDS

For more information:

Alex Teo

Manager Investor Relations and Corporate Development

T: +61 414 871 966

E: investorrelations@nextdc.com

Sue Cato (Media)

Cato Counsel

T: +61 419 282 319

E: cato@catocounsel.com.au

NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre

About NEXTDC

NEXTDC is an ASX200-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 nationwide network of Tier III and IV facilities, NEXTDC provides enterprise-class colocation services to local and international organisations. With a focus on sustainability and renewable energy NEXTDC is leading the industry with award-winning engineering solutions for energy efficiency and NABERS 4.5 star certification.

NEXTDC is extending its leadership in data centre services through the innovative DCIM-as-a-Service software platform, ONEDC®, which enables customers to centrally manage their on-premise and colocated infrastructure; and advanced connectivity services that deliver a range of secure, high-speed interconnections between racks, networks and cloud services.

NEXTDC's Cloud Centre is the online marketplace for the country's largest independent network of carriers, cloud and IT service providers, enabling customers to freely source best of breed suppliers within the NEXTDC Partner community.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com