TelecityGroup
where content meets connectivity

TelecityGroup plc

Results for the 6 months ended 30 June 2010

2 August 2010

Cautionary note regarding forward-looking statements

TelecityGroup
where content meets connectivity

This presentation includes statements that are forward-looking in nature. All statements other than statements of historical facts could be deemed to be forward-looking statements. By their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. Accordingly, the actual results, performance or achievements of the Company may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, due to known and unknown risks, uncertainties and other factors. Except as required by the Listing Rules and applicable law, Telecity Group plc undertakes no obligation to update or change any forward-looking statements to reflect events occurring after the date such statements are published.

This presentation is neither an offer to sell nor a solicitation of an offer to buy any securities in the United States, or any other jurisdiction. The Company's shares have not been registered in any U.S. jurisdiction and, in particular, will not be registered under the U.S. Securities Act of 1933, as amended, or any applicable state securities laws.

Michael Tobin

Chief Executive Officer

Introduction

H1 2010 highlights

- **Strong financial performance in H1 2010**
  - Revenues up 13.9% to £93.7m, with constant currency revenue growth of 14.7%
  - EBITDA up 29.0% to £37.9m
  - EBITDA margin up 470bps to 40.4%
  - Adjusted diluted earnings per share up 27.5% to 8.8p
  - Cash flow from operating activities up 30.6% to £42.9m
- **Continued investments in capacity and operational excellence**
  - Additional 2.6MW of capacity announced for Stockholm
  - Acquisition of further capacity in Manchester initially providing 1.4MW of customer power
  - Total announced capacity now 92MW
  - Award of Carbon Trust Standard and ISO 14001, recognising superior environmental management
- **Outlook remains favourable**
  - Significant order wins year to date
  - Order pipeline is robust

Delivery of key targets since IPO in 2007

TelecityGroup
where content meets connectivity

- **Controlled, value creating growth delivered in all markets since H1 07**
  - 103% revenue growth
  - 268% adjusted EBITDA growth
  - Adjusted EBITDA margin has increased from 22.4% to 40.4%
  - Very strong increases in EPS and operating free cash flow
  - Capacity added in Amsterdam, Frankfurt, London, Manchester, Milan, Paris and Stockholm
  - Operational capacity up 90% to 58MW
  - Announced capacity up 200% to 92MW
- **Industry leadership position consolidated**
  - Premium highly connected European market position maintained
  - Operational excellence enhanced
  - Environmental leadership established
- **FTSE 250 ranking improved more than 100 places since IPO to 98***
  - Index weighting increased from 25% to 100%

*Excluding investment trusts.

Brian McArthur-Muscroft

Group Finance Director

Financial Summary

Income statement highlights

TelecityGroup
where content meets connectivity

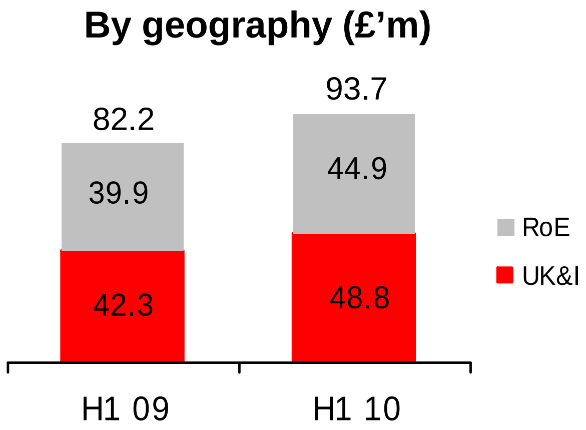
	H1 09 (£'m)	H1 10 (£'m)	Growth (%)
Revenue	**82.2**	**93.7**	13.9%
Operating costs	(52.8)	(55.8)	
EBITDA	**29.4**	**37.9**	29.0%
Depreciation and amortisation	(12.8)	(13.4)	
Operating profit	**16.6**	**24.5**	47.9%
Net finance costs	(2.1)	(3.0)	
Adjusted profit before tax	**14.5**	**21.5**	47.7%
Adjusted tax charge	(1.0)	(3.9)	
Adjusted profit after tax	**13.5**	**17.6**	30.4%
Adjusted diluted EPS	**6.9p**	**8.8p**	
EBITDA margin	35.7%	40.4%	

- The above results are the Group's underlying (adjusted) results and exclude the post tax effect of FX on financing items and refinancing costs (refer to appendix I).

Strong revenue growth

Total revenue up 13.9%

- **14.7% on a currency neutral basis**
  - Colocation revenues up 16.9%
  - VAS revenues up 2.6%
  - Over 90% of revenues are recurring



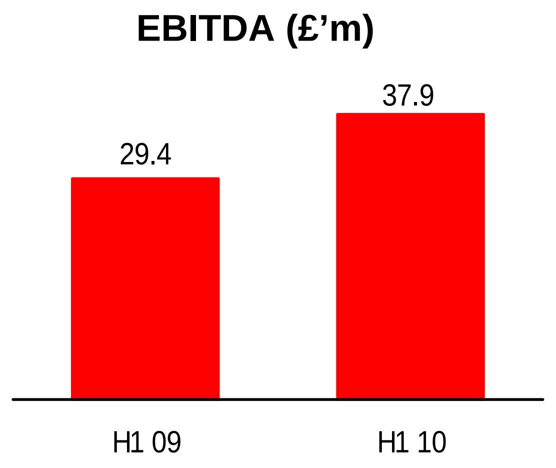
Geographies

- **UK & Ireland revenues up 15.3%**
- **Rest of Europe revenues up 12.4%**
  - 13.9% on a currency neutral basis

Significant growth in EBITDA

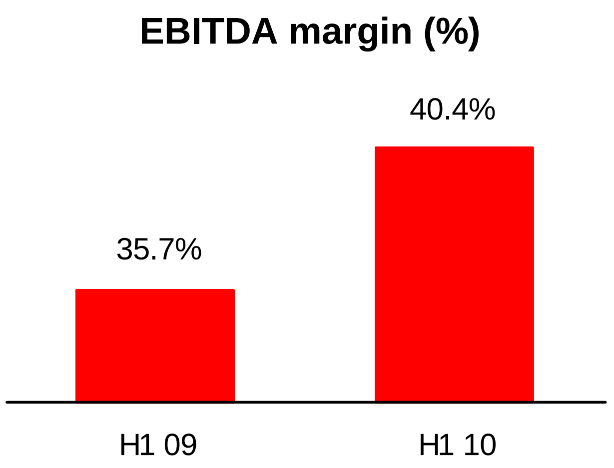
H1 10 EBITDA up 29.0% to £37.9m

- Continuing flow through from operational leverage
- Continuing focus on cost control

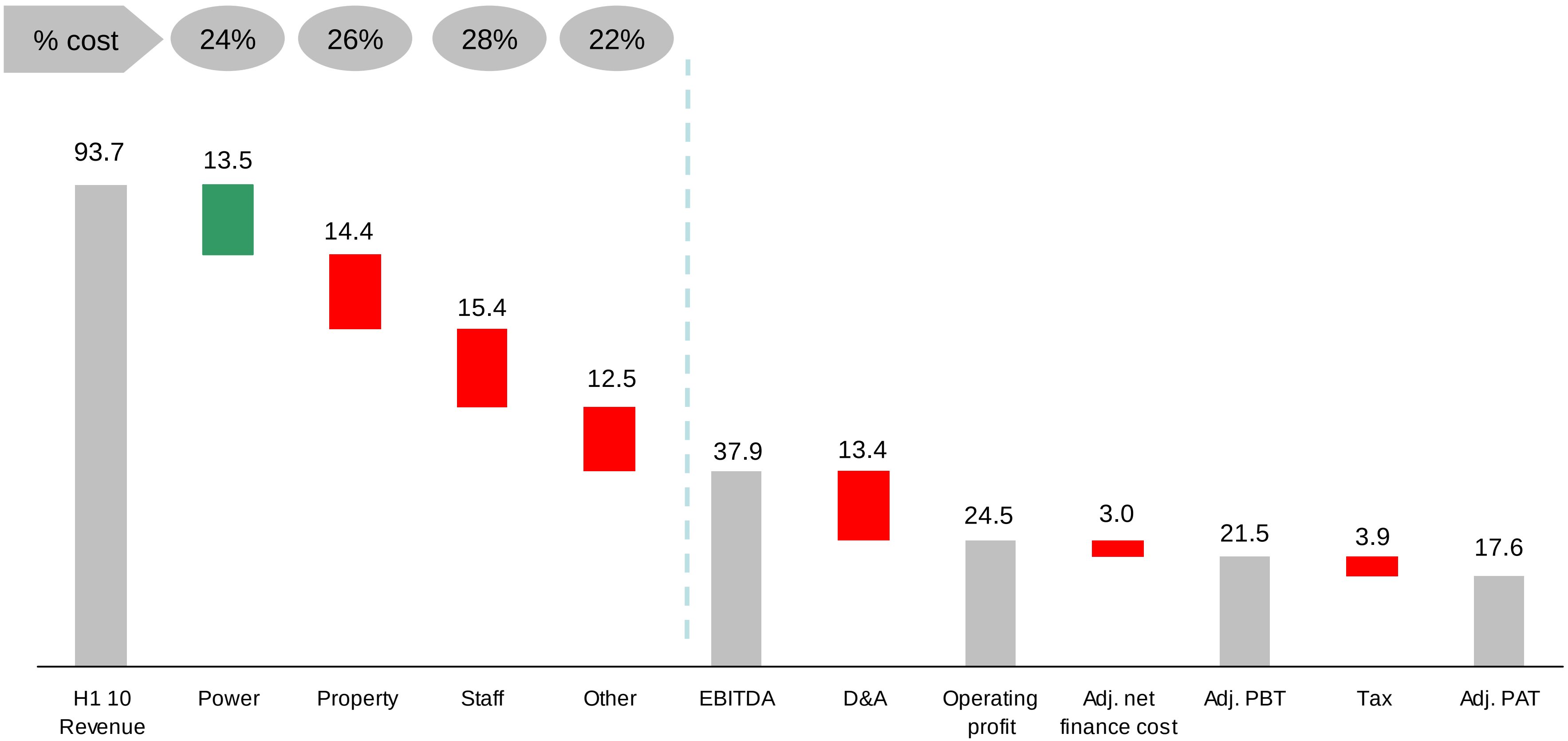


H1 10 EBITDA margin up to 40.4%

- EBITDA margin growth achieved notwithstanding effect of new builds on margins

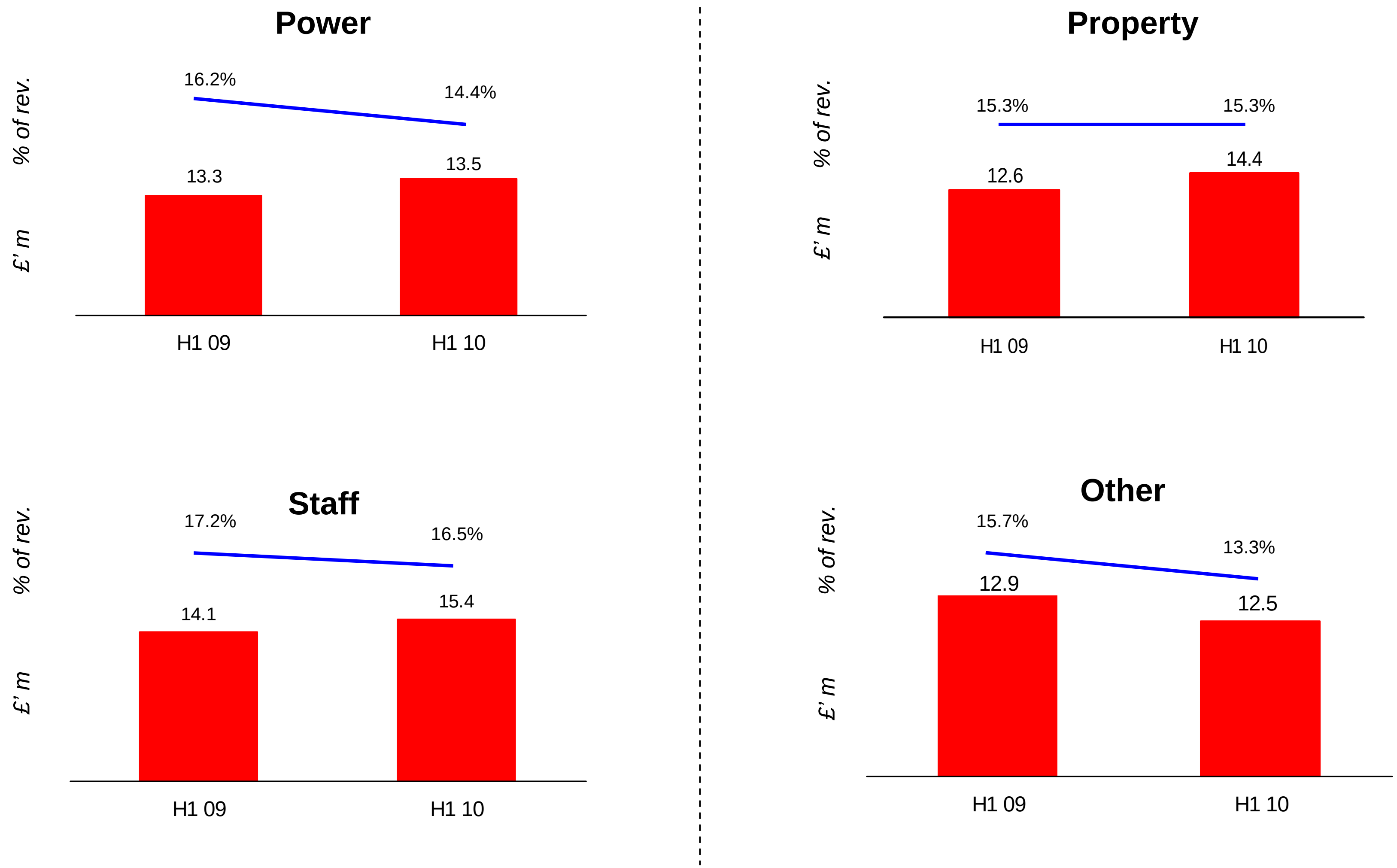


Continued benefit from operational leverage



- The above results are the Group's underlying (adjusted) results and exclude the post tax effect of FX on financing items and refinancing costs (refer to appendix I).

Operating costs



Strong cash flow generation and working capital performance

TelecityGroup
where content meets connectivity

TelecityGroup H1 10	*(£'m)*
EBITDA	**37.9**
Working capital	10.1
Net interest	(2.9)
Tax paid	(2.2)
Operating cash flow	**42.9**
Operational capex*	(6.4)
Operating free cash flow	**36.5**

Drivers

- Strong conversion of EBITDA into operating cash flows
- Efficient working capital cycle and continued management focus resulted in an additional £10.1m cash inflow, including effect of a customer prepayment of £4.3m
- Operating free cash flow of £36.5m, which has been used to invest in the Group's expansion programme

*Operational capex includes maintenance, sales and general capex and excludes expansion capex

Capex cash flows

TelecityGroup
where content meets connectivity

Expansion capex £22.5m

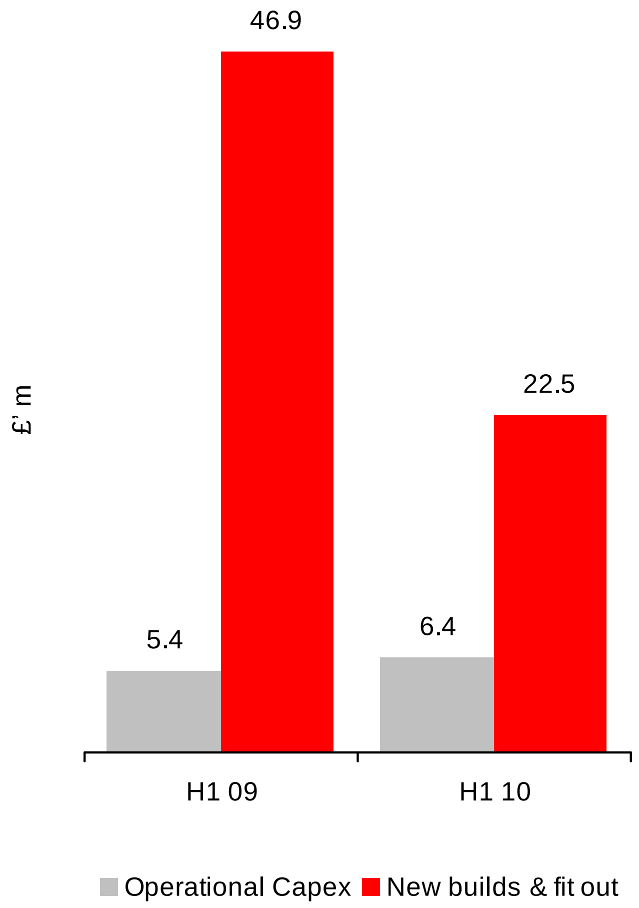
- All 2010 projects are on plan
- Continued expansion in response to sustained customer demand
- 2010 capex weighted towards H2

Operational capex* £6.4m

- Maintenance including efficiency spend
- Success based customer capex

FY 10 capex including announced projects £80m-£90m

- Guidance updated to include Powergate expansion
- Excludes the cost of the IFL acquisition



*Operational capex includes maintenance, sales and general capex and excludes expansion capex.

Financial strategy to maximise value creation

- **Capital management is a key element of value creation**
  - 5-year senior debt facility is the most competitive funding solution available in the current market
  - Management of interest costs ensures that returns from growth capex benefit shareholders
  - Working capital management maximises available cash and minimises interest cost
- **Selective capital allocation is key to maintaining strong returns**
  - Organic growth: all projects are assessed on a strict IRR basis
  - M&A: TelecityGroup has the best data centre portfolio in Europe, M&A has to complement this position
  - Management of capital spend: strong governance procedures avoid waste
- **Controlled growth to the bottom line of the P&L**
  - No “growth for growth’s sake”
  - Expansion only in response to customer demand
  - Responsible pricing
  - Cost control and efficiency programmes increment EBITDA margin growth
  - Disciplined capital allocation and management of interest allows growth to flow through to EPS

Michael Tobin

Chief Executive Officer

Operating review

Europe's industry-leading provider of premium carrier neutral data centres

TelecityGroup
where content meets connectivity

Growth

- Central to the digital economy
- Customer driven expansion
- Focus on strong returns
- Multiple expansion opportunities

Financial strength

- Strong operational leverage
- Highly cash generative
- Efficient working capital cycle
- Strong financial position

TelecityGroup
where content meets connectivity

Resilience

- Sticky customer base
- Diverse customer base
- High competitive barriers to entry
- Strong visibility of supply and demand

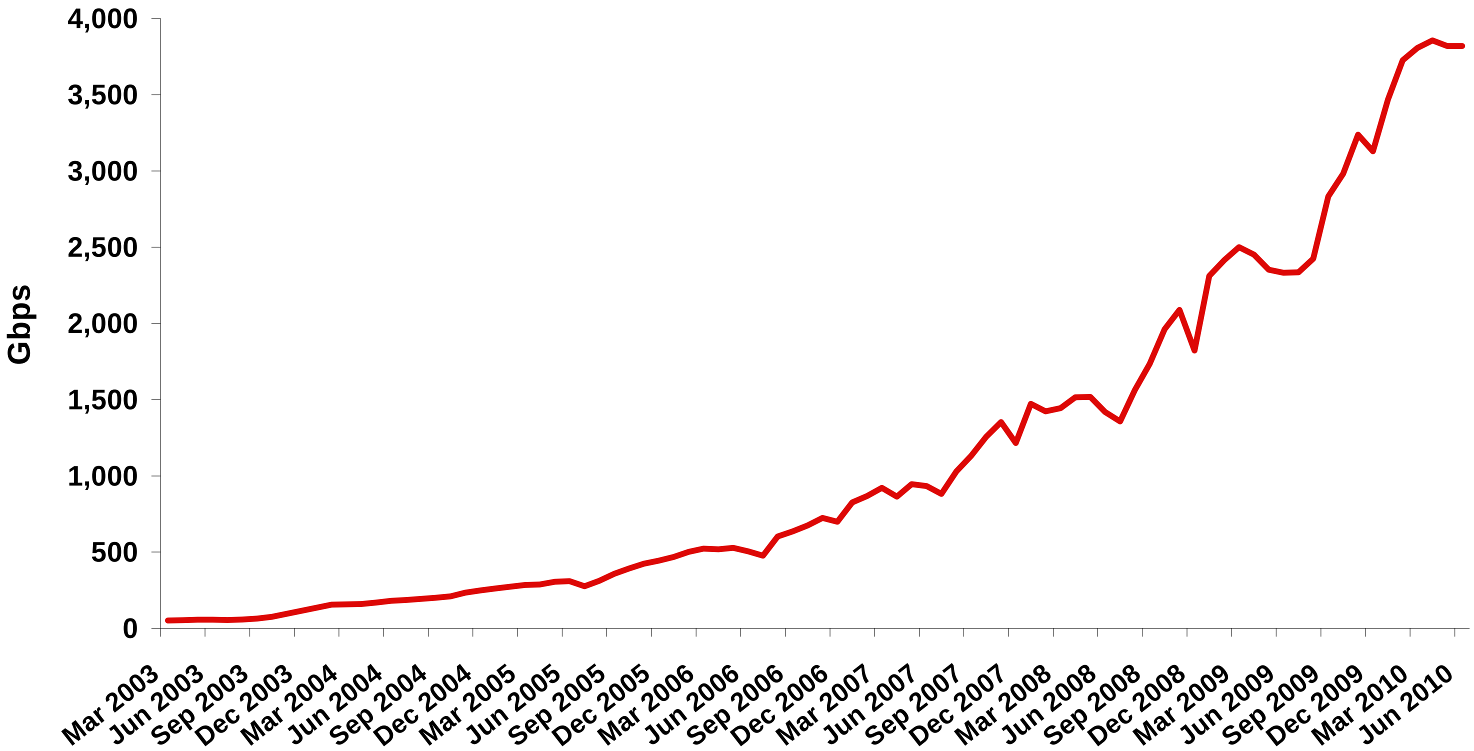
Leadership

- Leader in key European markets
- Operational excellence
- Customer focus
- Environment leadership

Structural growth: Internet traffic is a core demand driver for data centre capacity

TelecityGroup
where content meets connectivity

Aggregated peak European IXP traffic (2003 – 2010)



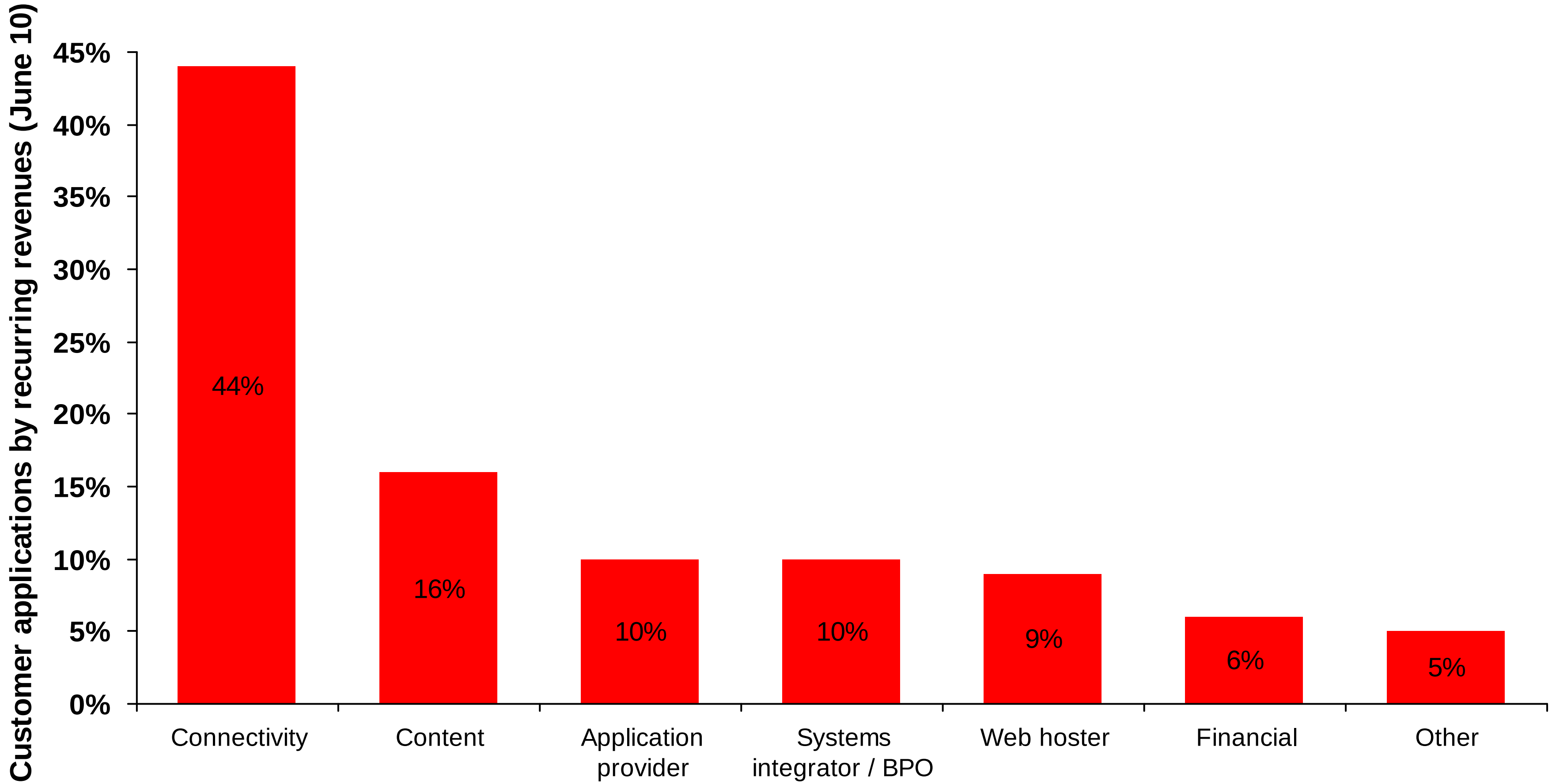
We continue to see significant growth in the digital economy

- Virtuous circle of growth in internet traffic and investment in network capacity

Source: Euro-IX

Leading companies choose TelecityGroup to host mission-critical applications

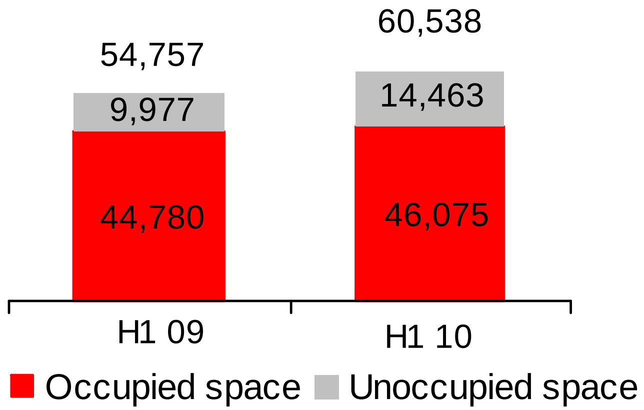
TelecityGroup
where content meets connectivity



Highly connected, highly resilient data centres and excellent customer service have made TelecityGroup the first choice in Europe for the mission-critical hosting needs of many of the world's leading companies

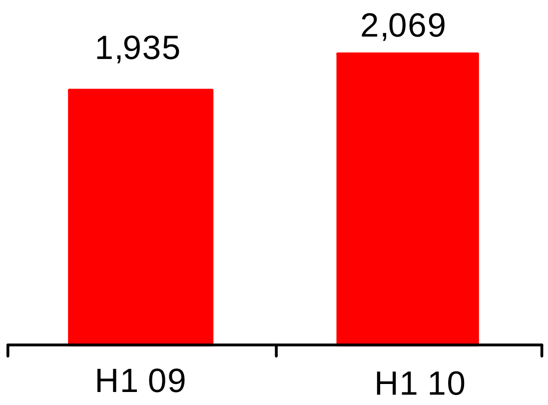
Growth: Capacity and occupancy

Group capacity & occupancy (sq.m)



- H1 10 capacity up 10.6% to 60,538 sq.m
- H1 10 occupied space up 2.9% to 46,075 sq.m
- Underlying growth in occupied space up 6.6%[(2)]

Group revenue per occupied sq.m [(1)]



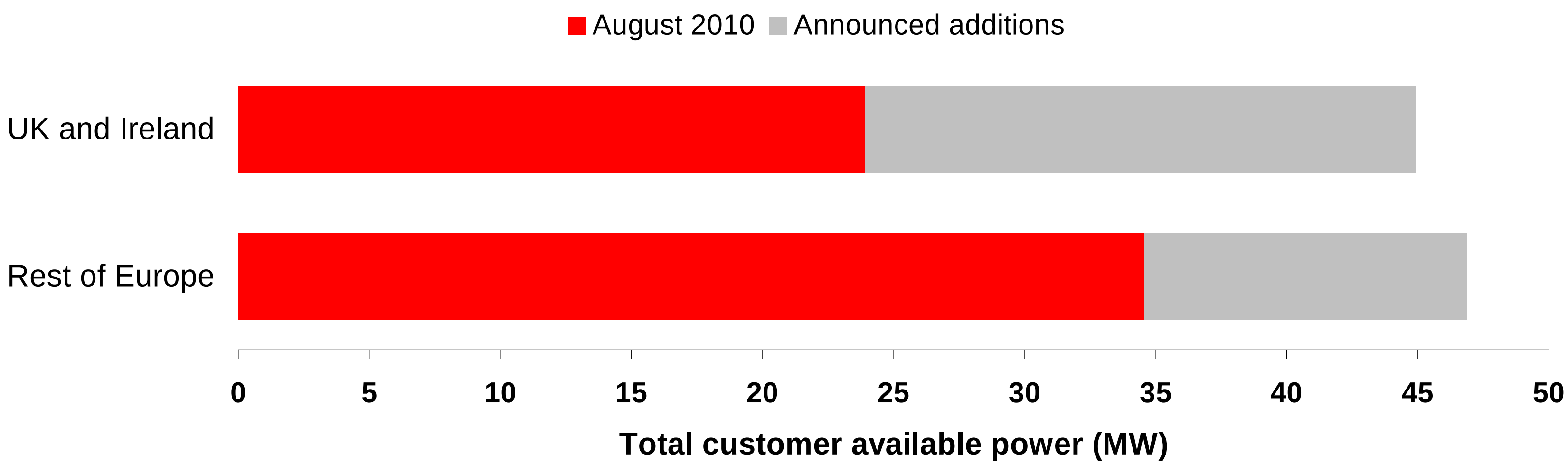
- H1 10 revenue per occupied sq.m up 6.9% to £2,069, with FX neutral growth of 7.8%

[(1)] Total revenues including colocation, power and value added services divided by average occupied space.

[(2)] Adjusted for the departure of the incumbent tenant during H2 09, which had been acquired with the purchase of a data centre in Milan in H1 09.

Announced capacity expansion to reach 92MW

- **Total capacity in August 2010 58MW, including the Manchester acquisition**
  - Total announced customer available power up to 92MW
  - Further builds planned in Europe in response to customer demand



Outlook

TelecityGroup
where content meets connectivity

- **Confident in 2010 outlook**
  - Significant YTD orderbook growth, adding to the recurring revenue base
  - Order pipeline remains robust
  - Operational leverage and cost base management to drive incremental margin expansion
- **Further investment in controlled, value creating growth planned**
  - Continued expansion in response to customer demand
  - Total announced capacity up to 92MW
  - Plans for further expansion in Europe

TelecityGroup

where content meets connectivity

Appendix I - earnings per share

The strong performance during the half year has resulted in a 27.5% growth in adjusted diluted earning per share ('EPS') to 8.8p (H1 2009: 6.9p). A reconciliation between the Group's adjusted and unadjusted results and EPS is shown below:

	Results		EPS	
	H1 09	**H1 10**	H1 09	**H1 10**
	£'m	**£'m**	Pence	**Pence**
Profit attributable to equity holders of the Company	13.7	**12.5**	7.0	**6.2**
Add/(less) exchange loses/(gains) on financing items	(0.2)	**0.9**	(0.1)	**0.4**
Add costs incurred on refinancing	—	**6.2**	—	**3.2**
Less tax effects of above	—	**(2.0)**	—	**(1.0)**
Adjusted profit attributable to equity holders of the Company	13.5	**17.6**	6.9	**8.8**

Appendix II - KPIs

TelecityGroup
where content meets connectivity

- Measurement of rev/sq.m has been enhanced during the current period
- Now measured as revenue divided by average occupancy for the period rather than period end
- Results under both new and previous methods shown below

	New method			Previous method		
	H1 09	**H1 10**	% change	H1 09	**H1 10**	% change
Revenue (£'m)	82.2	**93.7**	13.9%	82.2	**93.7**	13.9%
Occupied space (sq.m)	42,509	**45,283**	6.5%	44,780	**46,075**	2.9%
Revenue per sq.m (£/sq.m)	1,935	**2,069**	6.9%	1,837	**2,033**	10.7%

Appendix III - Strong demand drivers for internet infrastructure services

TelecityGroup
where content meets connectivity

Consumer

- Strong growth in internet use
  - By 2014 the internet is forecast to be nearly 4x larger than in 2009
  - By 2014 the equivalent of 10bn DVDs will cross the internet each month

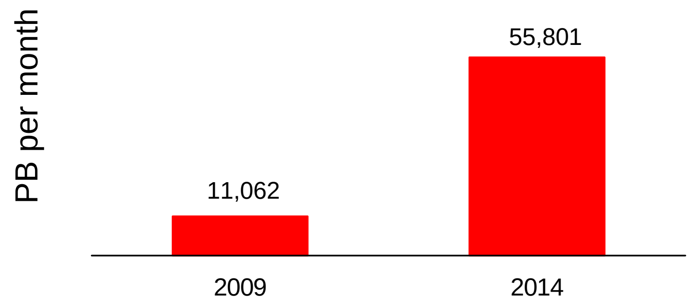
Enterprise

- Strong infrastructure as a service market opportunity
  - Migration to network-centric computing
  - Increased IT outsourcing
  - Growth in internet traffic

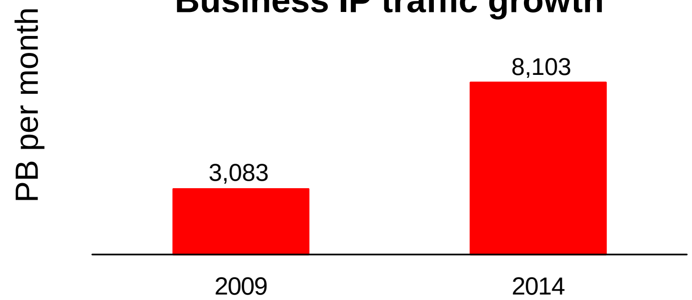
Mobile

- Data is surpassing voice traffic on mobile networks
  - Increased 3G penetration
  - Smartphone penetration is growing rapidly
  - By 2014 66% of global mobile data expected to be video

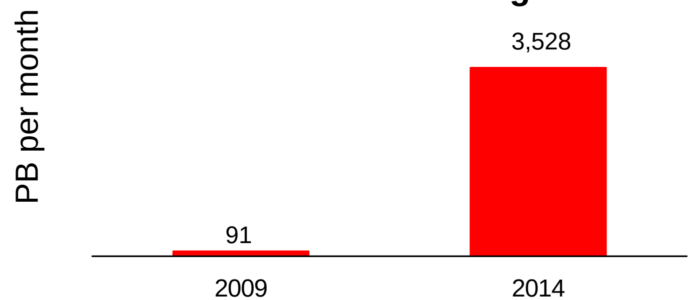
Consumer IP traffic growth



Business IP traffic growth



Mobile data traffic growth



Source: Cisco, 2010