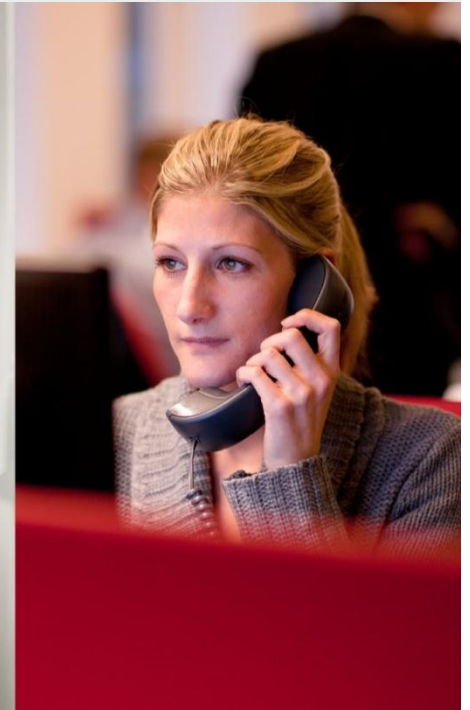


# TelecityGroup plc

## Sell-side analyst afternoon

9 June 2011



## Cautionary note regarding forward-looking statements

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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.

## **MATTHEW SPRINGETT** **HEAD OF INVESTOR RELATIONS**



**Matthew is responsible for managing TelecityGroup's relationships with investors and analysts.**

Matthew joined TelecityGroup in 2008, having previously worked in investor relations at Gallaher Group and as a sell-side analyst at Merrill Lynch and Citi.

Matthew holds a BSc. In Politics and International Relations from the University of Southampton and an MA in International Political Economy from the University of Warwick.

# Agenda

## WELCOME & OVERVIEW

Matthew Springett, Head of Investor Relations 1.25pm

## OUR CUSTOMERS

James Tyler, Director of Marketing and Communications 1:30pm

## TELECITYGROUP AMSTERDAM

Alexandra Schless, Managing Director, Netherlands 2:00pm

## TELECITYGROUP UK

Adriaan Oosthoek, Managing Director UK and Ireland 2.20pm

**TEA BREAK** 2:40pm

## TELECITYGROUP FRANKFURT

Martin Essig, Managing Director, Germany 3.00pm

## GROUP OPERATIONS AND CAPACITY EXPANSION

Rob Coupland, Chief Operations Officer 3.20pm

## CLOSING REMARKS

Mike Tobin, CEO 3.50pm

### **JAMES TYLER** **DIRECTOR OF MARKETING AND COMMUNICATIONS**



**James is responsible for TelecityGroup's marketing and communication strategy and CSR**

James has over 15 years' experience in senior communications and marketing roles, 12 of which have been in the technology and communications sectors. Prior to TelecityGroup he worked in senior marketing and communications roles in London and Italy for, among others, Level 3 Communications and Baltimore Technologies. James started his career in Porter Novelli, a leading global communications agency.

James holds a Master's degree in Cultural History from Aberdeen University.

# How our business works

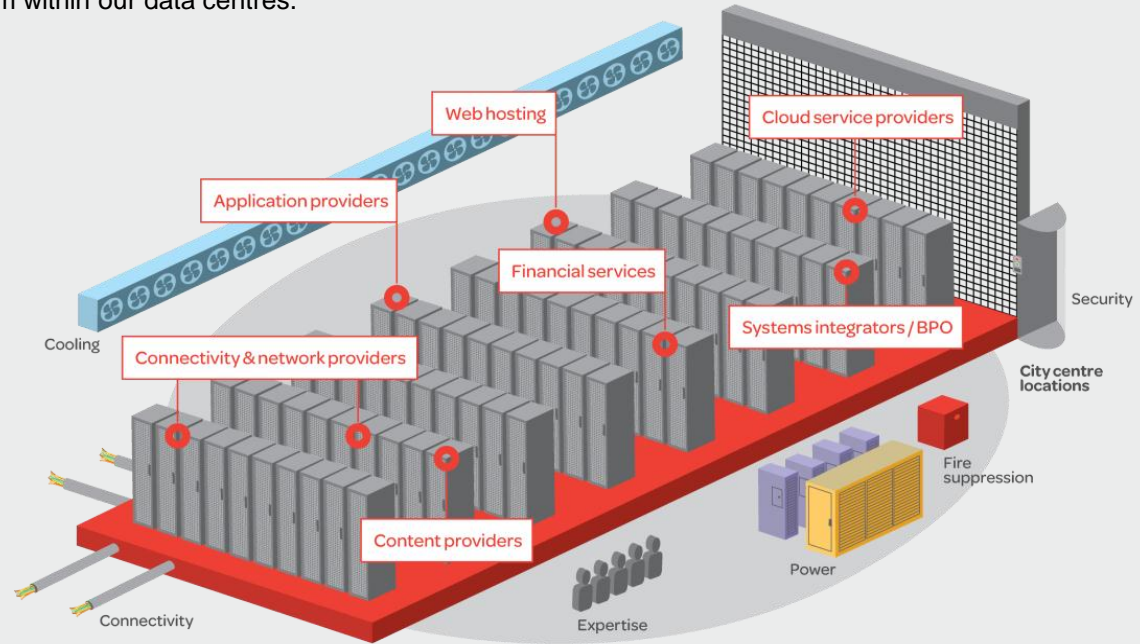
## What is driving demand?

The growth of the digital economy is creating significant demand for the services provided by our customers. Examples of demand drivers include:

-  Digital media
-  Enterprise IT services
-  Financial services
-  On-demand IT / Cloud computing
-  Mobile computing
-  E-Commerce
-  Social networking
-  Internet access
-  Music & video content
-  Gaming
-  E-Government services
-  Knowledge management

## The TelecityGroup hub: the data centres that enable the digital economy

These end-user demands are being met by a wide range of our customers who operate services from within our data centres.



## The TelecityGroup data centre

A TelecityGroup data centre is a thriving, connected, digital ecosystem providing direct access to a wide choice of telecoms and content distribution networks, key internet exchange points, and cloud hubs.

- Track record
- City centre locations
- Customer ecosystem
- High levels of connectivity

Technologies and applications evolve but TelecityGroup's core business remains the same. The data centre environments which TelecityGroup builds and operates are difficult to replicate: scalability, cost-management, reliability and flexibility all improve when IT infrastructure is hosted in a TelecityGroup network-independent data centre.

# How customers choose mission-critical data centres

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## **MUST HAVES**

### ✓ **CONNECTIVITY OPTIONS**

Are the required connectivity options, internet exchanges, CDNs and communities of interest in the data centre?

### ✓ **QUALITY OF INFRASTRUCTURE**

Is the data centre of a high technical standard offering reliability and resilience?

### ✓ **SUITABILITY OF LOCATION**

Is it convenient for the customer's technicians to visit the data centre on a frequent basis?

### ✓ **CUSTOMER SERVICE AND REPUTATION**

Does the data centre provider have a track record as a partner that can be entrusted with mission critical applications?

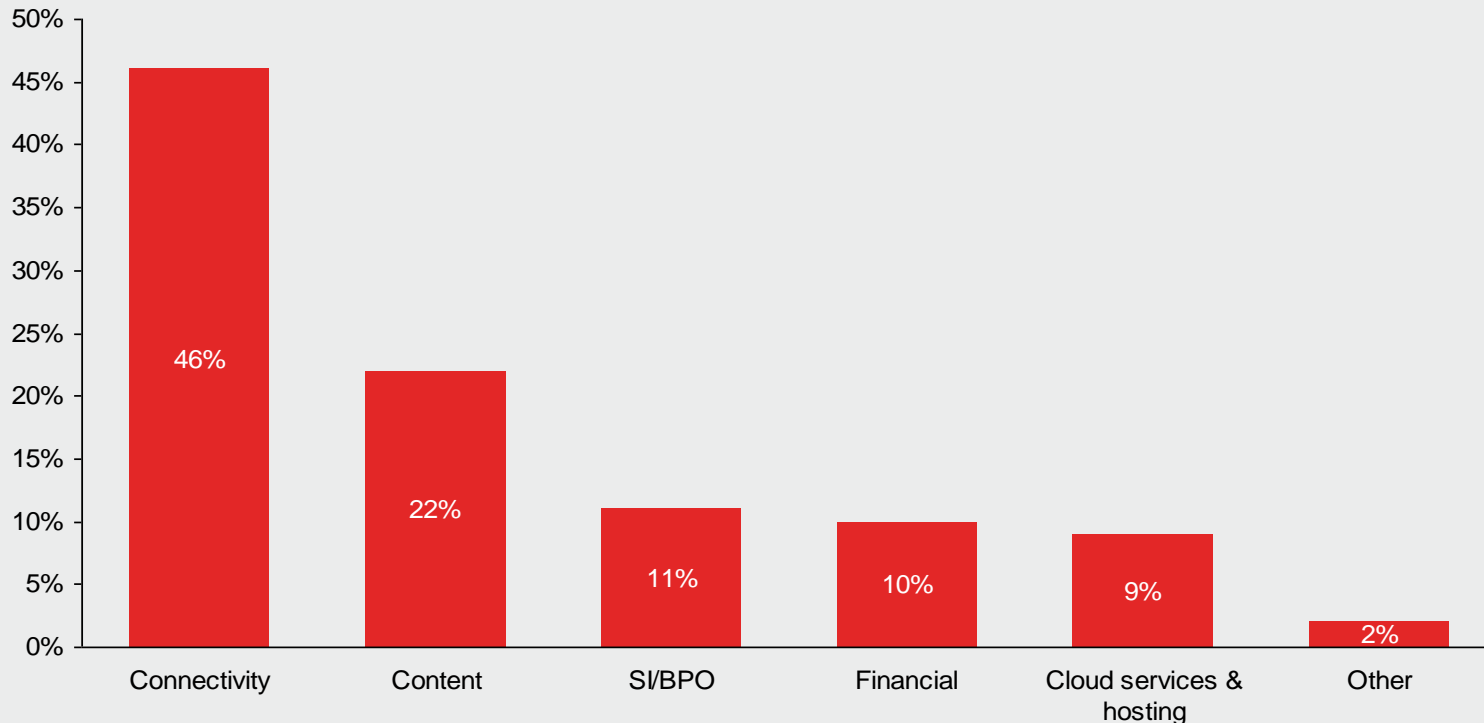
### ✓ **PRICE**

Are there other providers that can fulfil the requirements above?

## Our customer base

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

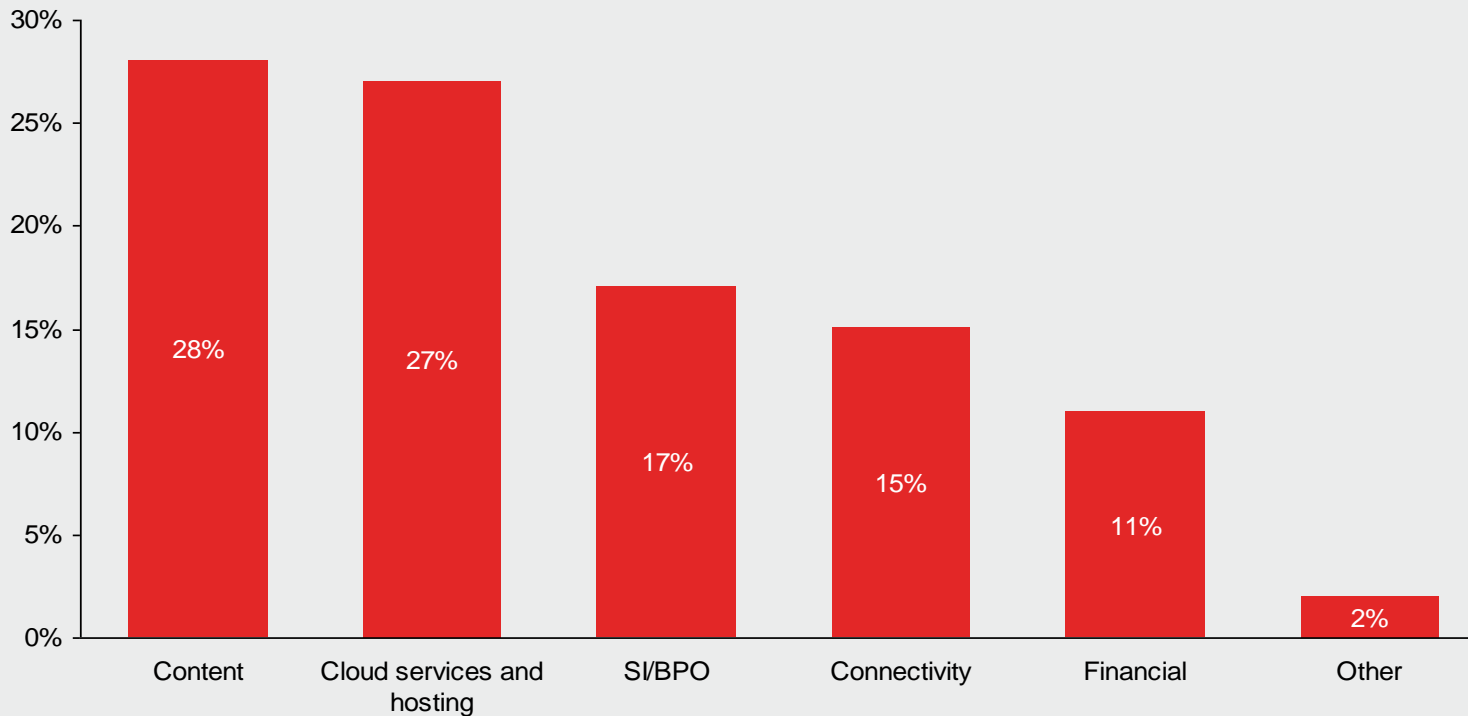
### TelecityGroup's top 100 customers by application type (% of revenue)



## Cloud is becoming a source of incremental demand

TelecityGroup has a diverse and growing customer base with over 5,000 customer contracts. While the growth in internet content remains the primary growth driver, cloud is becoming increasingly relevant.

**Top 100 Q1 2011 order wins by application type (% of revenue)**



# TelecityGroup as a cloud enabler

**What is the Cloud: IT capabilities / functions / applications provided as a service over a network**

**Cloud computing is enabled by: connectivity, virtualisation, data centres**

## TelecityGroup as a cloud enabler



### Highly-connected

TelecityGroup provides access to multiple networks, Internet Exchanges and ISP's



### Efficiently scalable

TelecityGroup operates efficient and scalable data centres across Europe. Capacity expansion programme complements customers' growth plans



### Secure, resilient

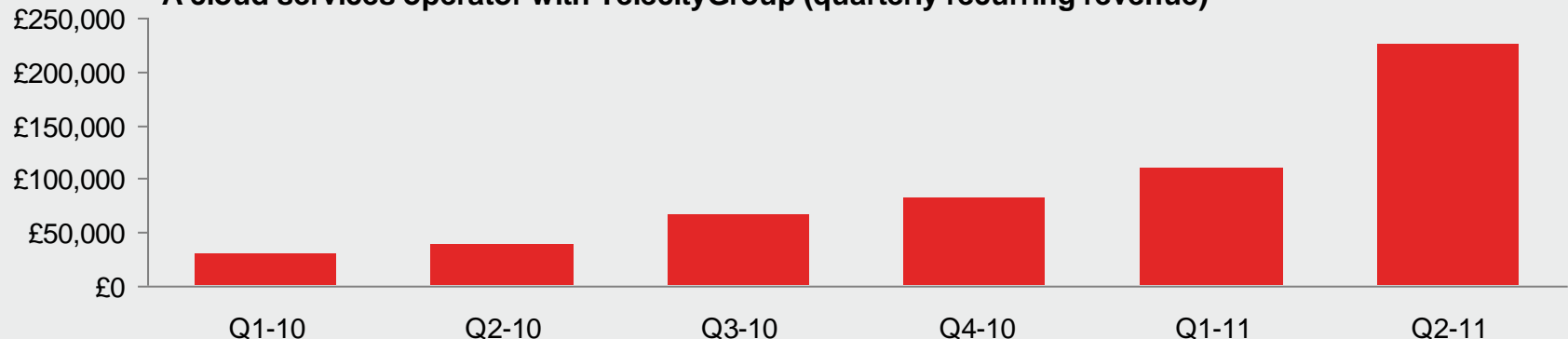
TelecityGroup has secure, high power density facilities with redundant power, connectivity and cooling infrastructure to ensure service availability



### Eco-systems

TelecityGroup data centres are hubs for the burgeoning cloud services marketplace – providing access to additional revenue opportunities

**A cloud services operator with TelecityGroup (quarterly recurring revenue)**



## A Q1 2011 order win case studies: Cloud

### ○ **CLOUD IS BECOMING A SIGNIFICANT GROWTH DRIVER**

- 'Cloud' is a network dependent service that performs most effectively in carrier-neutral data centres
- Applications that previously ran in-house are being outsourced to cloud-based environments
- TelecityGroup is becoming an intrinsic part of the cloud services value chain
- Wins in Q1 2011 from customers running business applications (e.g. CRM) and cloud hosting

### ○ **Q1 ORDER WIN CASE STUDY**

- Customer offers on-demand virtual private servers, based solely in US until 2010
- TelecityGroup chosen to support European expansion, bringing the service closer to its international client base
- Powergate site chosen due to access to multiple Tier 1 carriers, ability to provide high power density and significant expansion capacity
- Initial order was for 30kW, this quickly increased to 100kW
- Due to continued growth contracts are now in place to provide scalability up to 300kW

### ○ **TELECITYGROUP'S FLEXIBLE APPROACH IS A COMPETITIVE ADVANTAGE**

- TelecityGroup's long-serving and expert sales force partners with customers to find bespoke solutions, not a 'one size fits all' approach

## A Q1 2011 order win case studies: Content

### ○ **INTERNET CONTENT REMAINS A PRIMARY GROWTH DRIVER**

Content companies need to deliver content quickly, reliably, securely and cost effectively

- TelecityGroup's connectivity options enable fast and efficient distribution
- The Group's experience and reputation make it the first choice for mission-critical applications
- Q1 wins include streaming media, retail and gaming

### ○ **Q1 ORDER WIN CASE STUDY**

Start-up enterprise first came to TelecityGroup in Stockholm 1 in 2009

- The customer provides music streaming services
- TelecityGroup Stockholm selected for expansion in Stockholm 2 2011
- The Group was able to offer the right combination of infrastructure quality across sites, high power density, connectivity and the ability to offer growth capacity
- Customer capacity with TelecityGroup has doubled over the last two years

### ○ **TELECITYGROUP'S ANNOUNCED CAPACITY EXPANSION IS A COMPETITIVE ADVANTAGE**

- TelecityGroup's roadmap for growth offers customers with expanding requirements clear long-term scalability

## A Q1 2011 order win case studies: Systems integrator

### ○ **SYSTEM INTEGRATORS (SI) USE TELECITYGROUP DATA CENTRES TO HOST THEIR CUSTOMERS' MISSION CRITICAL IT INFRASTRUCTURE**

- SIs specialise in the provision of IT systems, services and applications, not data centres
- SIs require high quality, connected data centres where they can scale their operations as they grow
- TelecityGroup is seeing significant growth from both global and local operators in this sector

### ○ **Q1 SI WIN EXAMPLE A**

- National SI managing the IT systems of a rail operator, including ticketing and live information feeds
- TelecityGroup's Amsterdam 4 data centre chosen for quality, service, connectivity and ability to scale 60 kW initial order, customer quickly scaling through this initial commitment

### ○ **Q1 SI WIN EXAMPLE B**

- International SI running a private cloud for an enterprise customer
- TelecityGroup Frankfurt selected due to energy efficiency, connectivity and ability to offer the customer a bespoke set-up

### ○ **TELECITYGROUP'S REPUTATION FOR QUALITY AND EXPERTISE IS A COMPETITIVE ADVANTAGE**

- Reputation surpassing expectations in data centre service quality and delivery TelecityGroup leads the European industry in energy efficiency initiatives

## A Q1 2011 order win case studies: Connectivity

### ○ **CONNECTIVITY CUSTOMERS FORM THE LARGEST PART OF TELECITYGROUP'S ORDERBOOK**

- Carriers, mobile operators, ISPs and CDNs connect to each other and service content providers
- TelecityGroup continues to see growth in this sector as it expands to handle increasing internet traffic
- The Group won over 80 new orders from connectivity customers in Q1 2011

### ○ **Q1 CONNECTIVITY WIN EXAMPLE, CUSTOMER 'A'**

- The customer is experiencing strong growth as internet content becomes richer
- TelecityGroup chosen as a key European supplier due to the levels of connectivity available across internet hubs
- Business with TelecityGroup has doubled over the last two years
- TelecityGroup now supplies customer A over 1MW of capacity across 11 data centres
- Additional expansions already contracted in 2011 in Frankfurt and Amsterdam

### ○ **TELECITYGROUP'S CONNECTIVITY IS A COMPETITIVE ADVANTAGE**

- Telecity Group's connectivity hub dynamic is an attractive marketplace for connectivity companies
- The optionality, cost advantages and service performance offered by connectivity hubs is ever more important as the internet grows
- TelecityGroup's ability to respond quickly to customers' growth demands and install equipment on short lead times make it an ideal choice for dynamic high growth companies

## ALEXANDRA SCHLESS MANAGING DIRECTOR, NETHERLANDS



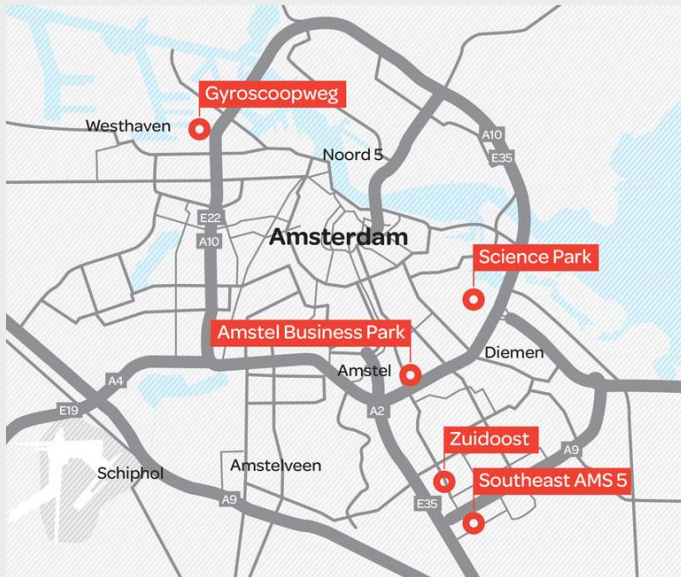
**Alexandra Schless started as Country Manager Sales and Marketing for The Netherlands in February 2000.**

In 2002, Alexandra was appointed Managing Director for The Netherlands and from then on she headed the Dutch locations and was responsible for strategy and positioning in the Dutch market.

Alexandra has extensive international experience in the telecoms industry. Before joining TelecityGroup Alexandra worked with Vicorp as regional sales director for The Netherlands, Belgium, Switzerland, Austria and Germany. Before that she was marketing and communications manager with Enertel. She started her career as business product manager with Lucent Technologies.

Alexandra holds a degree in Business Economics from the Erasmus University in Rotterdam, the Netherlands.

## MARKET LEADING POSITION GROWTH CAPACITY SECURED

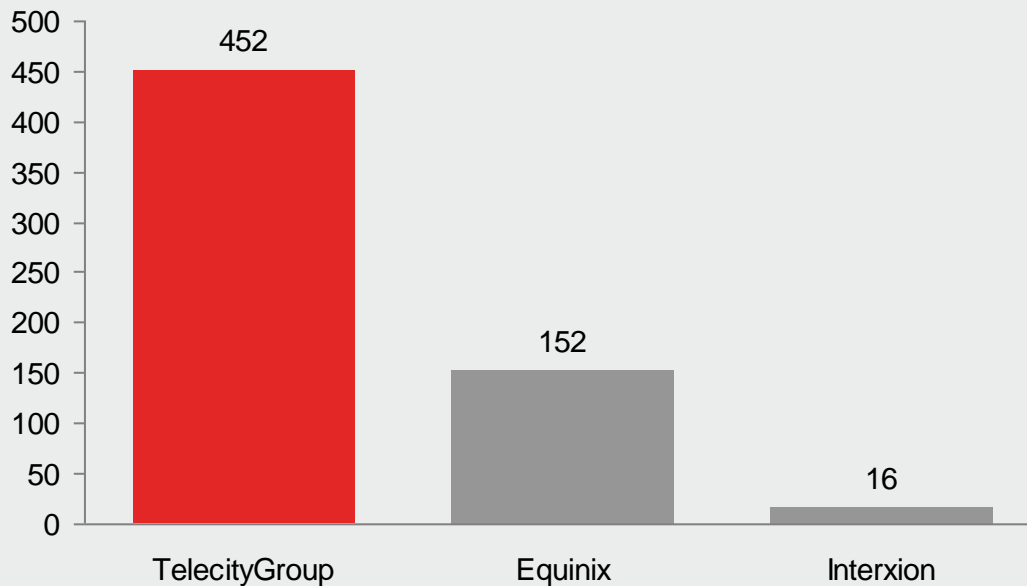


- **Leading connectivity provider in Amsterdam**
  - 4 data centres all with AMS-IX connectivity
  - Over 250 connectivity options
  - 13MW and 13,000 sq.m of customer capacity
  - 2008-10 revenue CAGR >20%
- **Future growth capacity secured**
  - Flagship Amsterdam 4 (Amstel Business Park) data centre approaching full utilisation
  - New Amsterdam 5 data centre under construction

## Market leading position

- **Over 500 customers**
  - No customer accounts for >1.5% of Group revenues
  - Particular strength in the content, connectivity and content distribution verticals
- **Market leading data centre portfolio in terms of quality and connectivity**
- **Primary competitors are Equinix and Interxion**

### Peak Amsterdam internet exchange traffic (Gb / second)

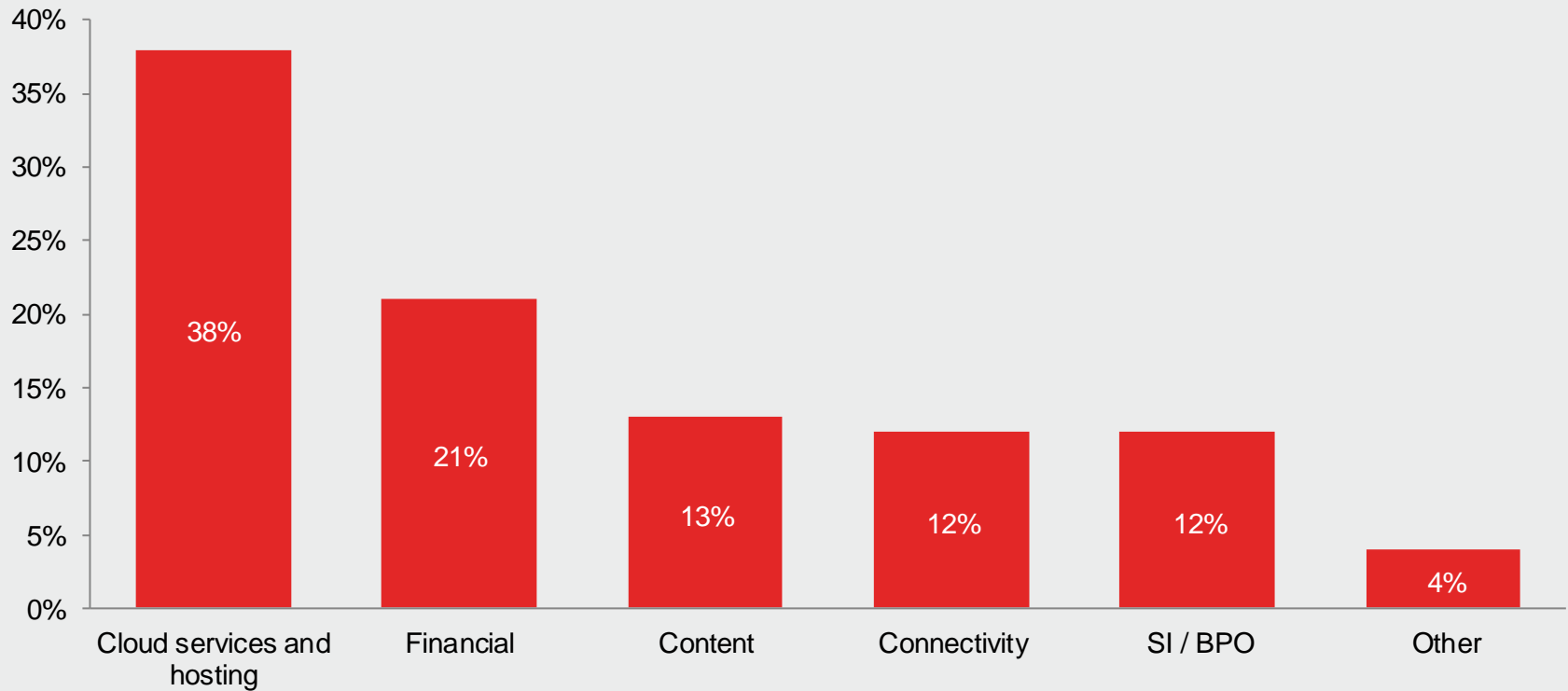


Source: AMS-IX, June 2011

## Premium customer base

TelecityGroup's high levels of connectivity and best-in-class, high-power density infrastructure are highly relevant to the needs of key growth verticals

Top-20 2011 order wins by application type (% of revenue)

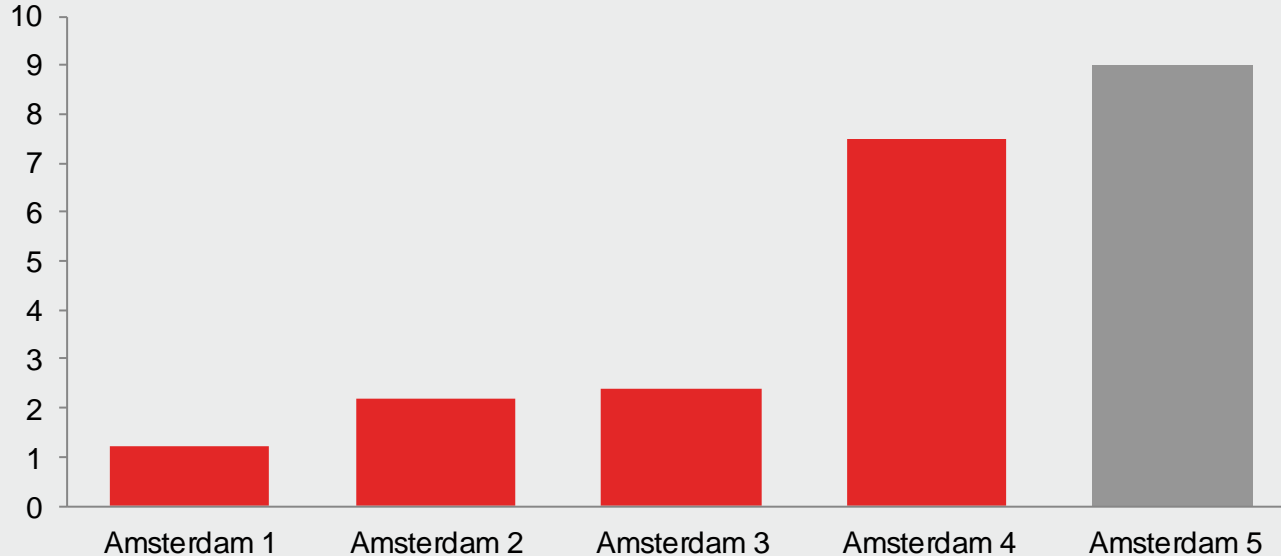


## Growth capacity secured

### New 9MW Amsterdam 5 data centre under construction

- Flagship Amsterdam 4 site opened in 2008 and is nearing full occupancy
- Amsterdam 5 will be linked into Amsterdam 2, which is the city's primary internet hub

Customer available power (MW)

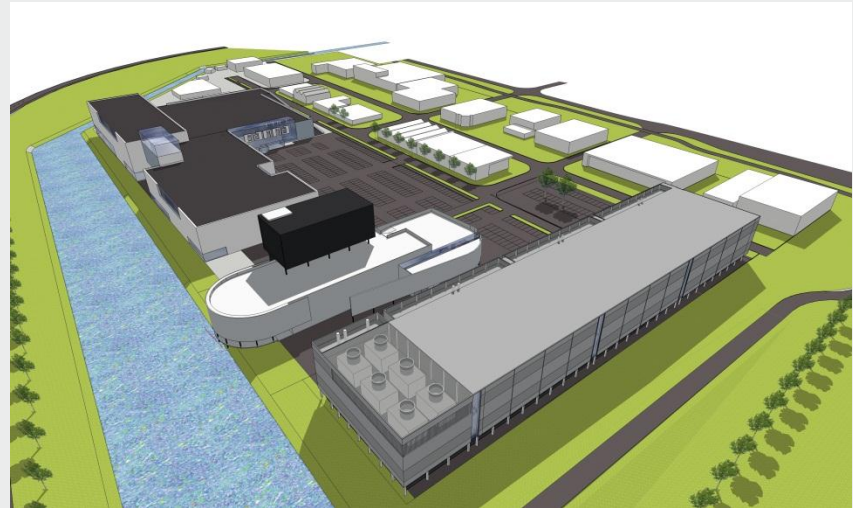


# Growth capacity secured

## AMSTERDAM 5



Exterior



Plan view

## TelecityGroup UK and Ireland

### **ADRIAAN OOSTHOEK** **COUNTRY MANAGER, UK AND IRELAND**



**Adriaan Oosthoek is responsible for developing the company's reputation and presence in the UK market.**

Before joining the company Adriaan worked for Teles AG in Berlin. In 1996 he helped found the Dutch subsidiary of Teles AG. In January 1999 he was promoted to Managing Director Benelux. In April 2000 he was asked, next to his job as Managing Director in the Netherlands, to manage the French subsidiaries as well, on an interim basis. In 2001 he was responsible for Business Development for the Communication Division. Before 1996 Adriaan worked for Racal Datacom as a Manager Distribution Channel and Raet Systems & Services as an account manager.

Adriaan has a bachelors degree in Business Information Sciences. He studied at the Business School for Economics in The Hague and holds marketing certificates NIMA A and NIMA B.

## UK and Ireland

### MARKET LEADING POSITIONS GROWTH CAPACITY SECURED

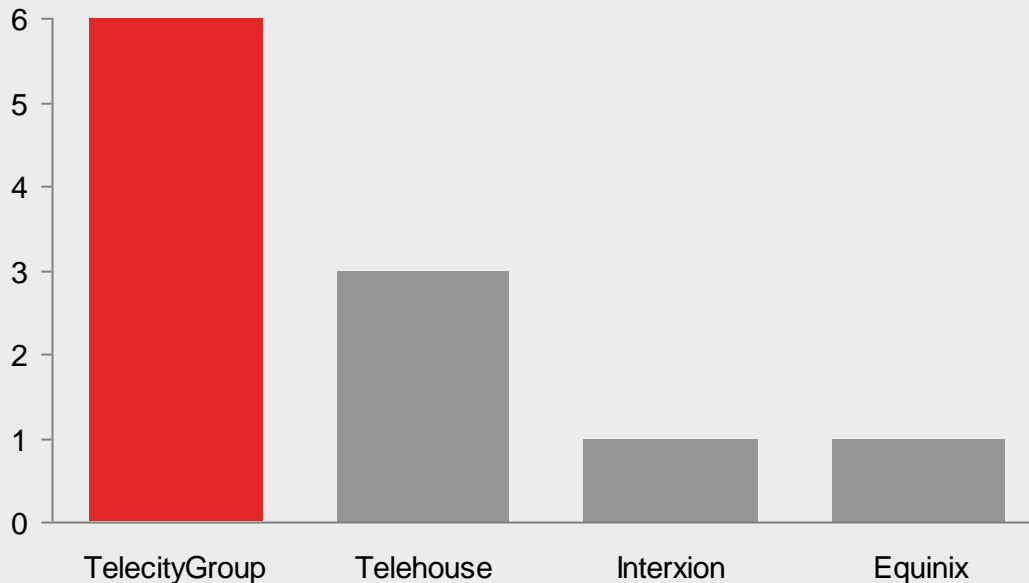


- **Leading market positions in London and Manchester**
  - 11 data centres with 7 internet exchange POPs
  - Over 250 connectivity options
  - 24MW and 31,000 sq.m of customer capacity
  - 2008-10 revenue CAGR >15%
- **Future growth capacity secured**
  - Over 30MW to be added in London Powergate, London Docklands and Manchester

## Market leading position

- **Over 1,000 customers**
  - No customer accounts for >3% of Group revenues
  - Particular strength in the connectivity and content verticals
- **Market leading data centre portfolio in terms of connectivity and capacity**

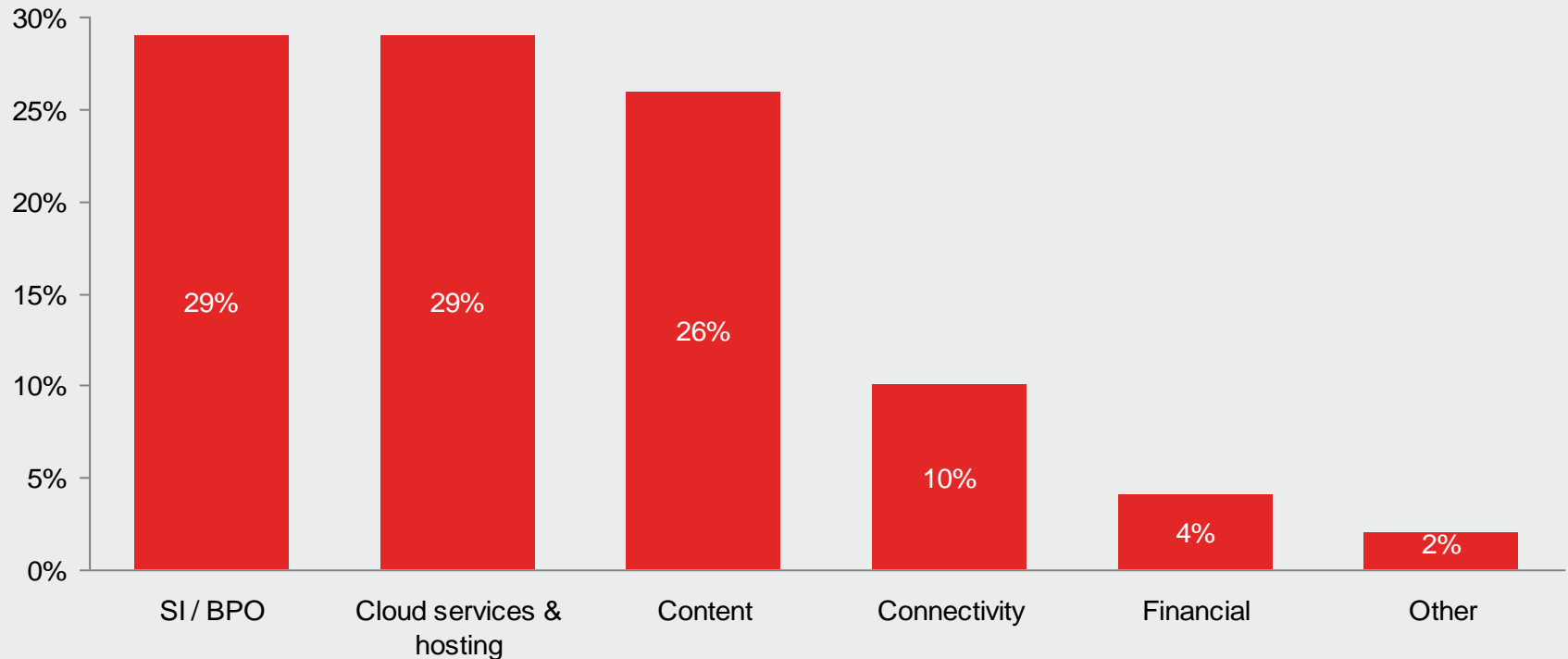
### London Internet Exchange switching platforms



## Premium customer base

Highly connected capacity in London, Manchester and Dublin enables customers' applications to work efficiently and cost effectively. London Powergate is becoming a new internet hub in West London.

### Top-20 2011 order wins by application type (% of revenue)

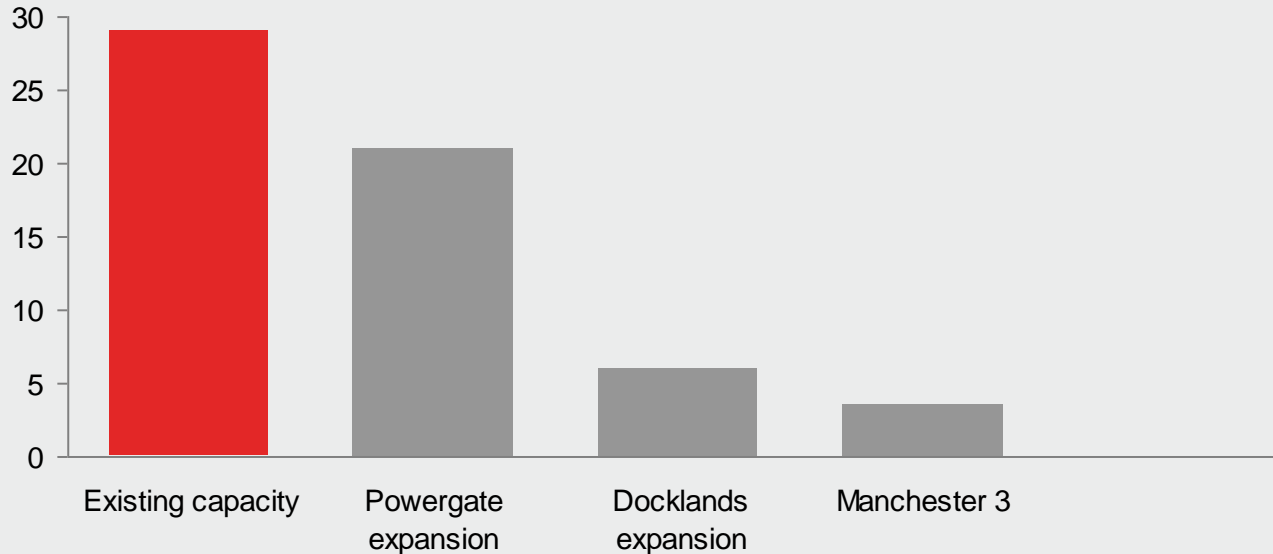


## Growth capacity secured

### Work is progressing on sites that will provide 30MW of extra capacity

- 21MW expansion of London Powergate site
- 6MW to be added in London Docklands
- New 3.5MW site under construction in Manchester

Customer available power (MW)



# Growth capacity secured

## EXPANSION



Harbour Exchange



Manchester 3



Powergate



Powergate

## **MARTIN ESSIG** **COUNTRY MANAGER, GERMANY**



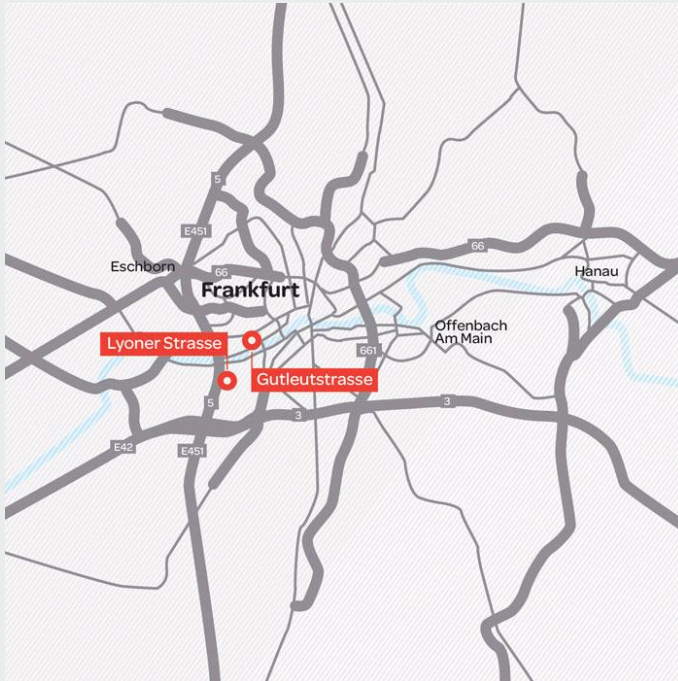
**Martin Essig is responsible for the management and co-ordination of the company's local operations.**

Martin's key objective is to expand the company's reputation and prominence in the German market.

Martin was previously a member of the executive management in charge of the operating business of Unitec Informationssysteme GmbH in Hanau. Unitec is a system house in the field of the outsourcing of IT services for companies in the manufacturing industries. From 1996 to 1999 Martin worked as Director of Operations with Unifi Communications GmbH in Frankfurt, a technology company in the telecommunications area.

Martin can draw on twelve years of professional experience in the IT and telecommunications industries. He studied at the Technical University of Nova Scotia in Halifax, Canada, and graduated as a Bachelor of Mechanical Engineering in 1992. In addition, he completed, amongst other things, the International Executive Programme of INSEAD, Fontainebleau, France.

## MARKET LEADING POSITION GROWTH CAPACITY SECURED

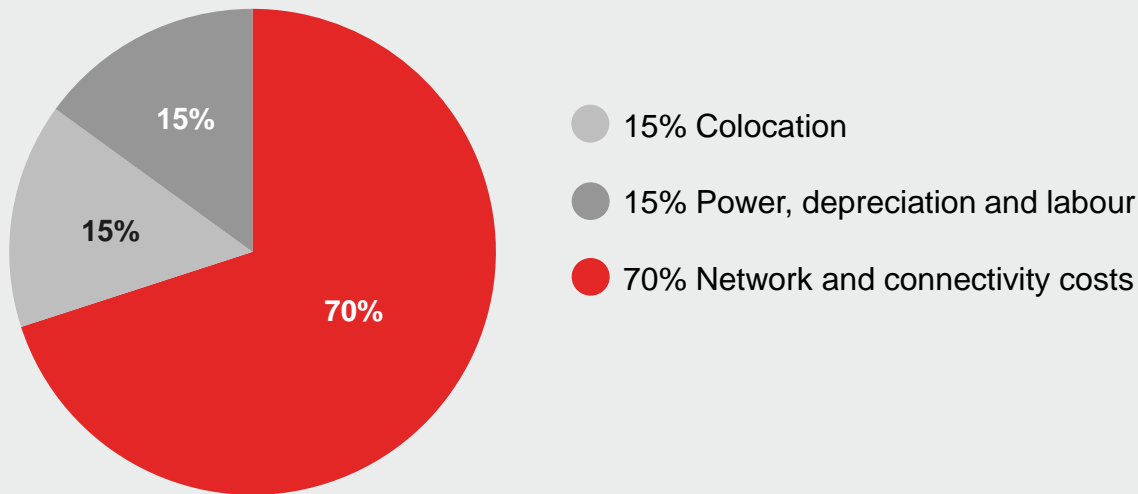


- **Premium provider in the Frankfurt Market**
  - 2 data centres with access to DE-CIX
  - 75 connectivity options
  - 7.3MW and 7,300 sq.m of customer capacity
  - 2008-10 revenue CAGR >20%
- **Future growth capacity secured**
  - First phase of 6MW of capacity expansion started
  - Capacity for further expansion on existing campus sites

## Market leading position

- **Over 200 customers**
  - No customer accounts for >1% of Group revenues
  - Particular strength in the content, connectivity and content distribution verticals
- **TelecityGroup's data centres typically offer customers significant efficiency savings on connectivity and other costs versus in house or wholesale solutions**
- **Focus on differentiated high-connectivity and service offer leads to superior profitability**
- **Key competitors are Interxion and Equinix**

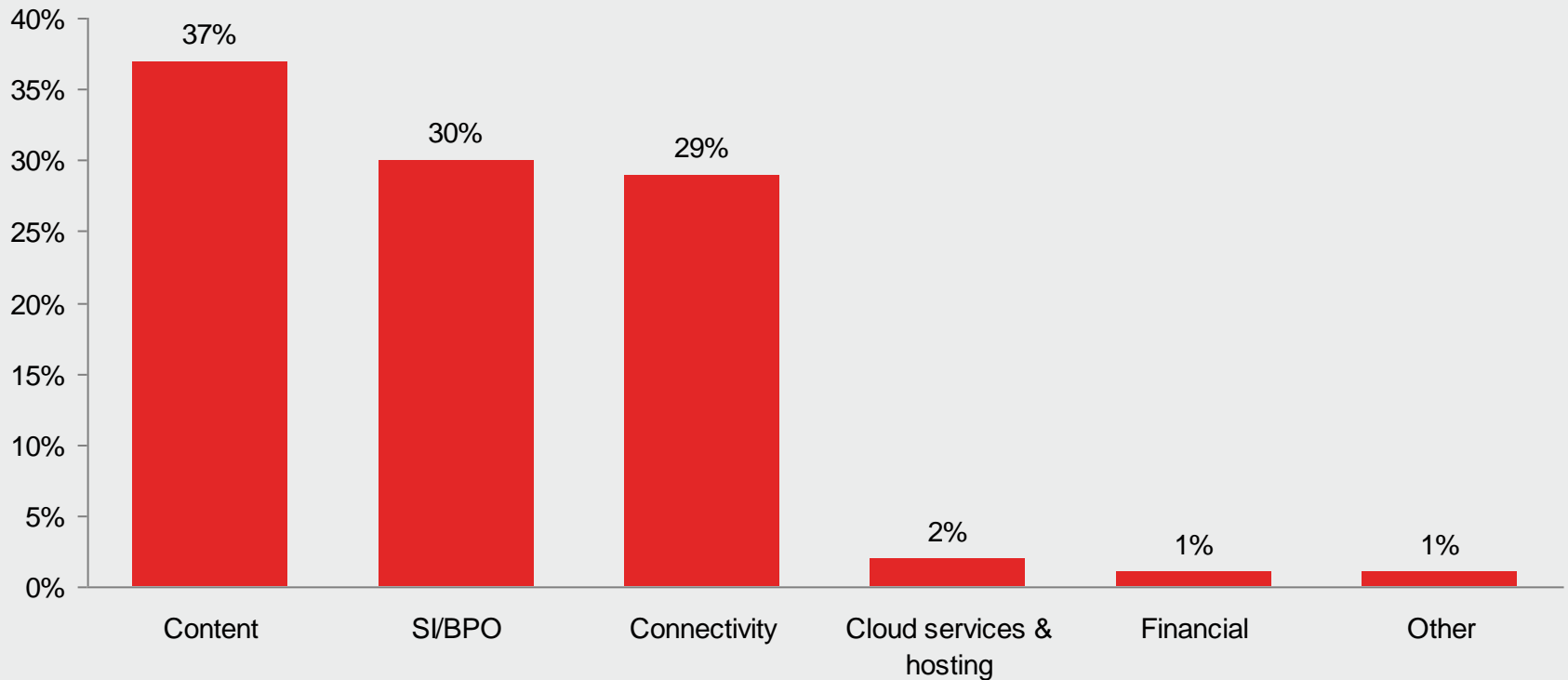
### Case study of a highly network-dependent customer's data centre costs



## Premium customer base

Highly connected data centres achieve strong pricing, despite the presence of large scale wholesale capacity in the wider market

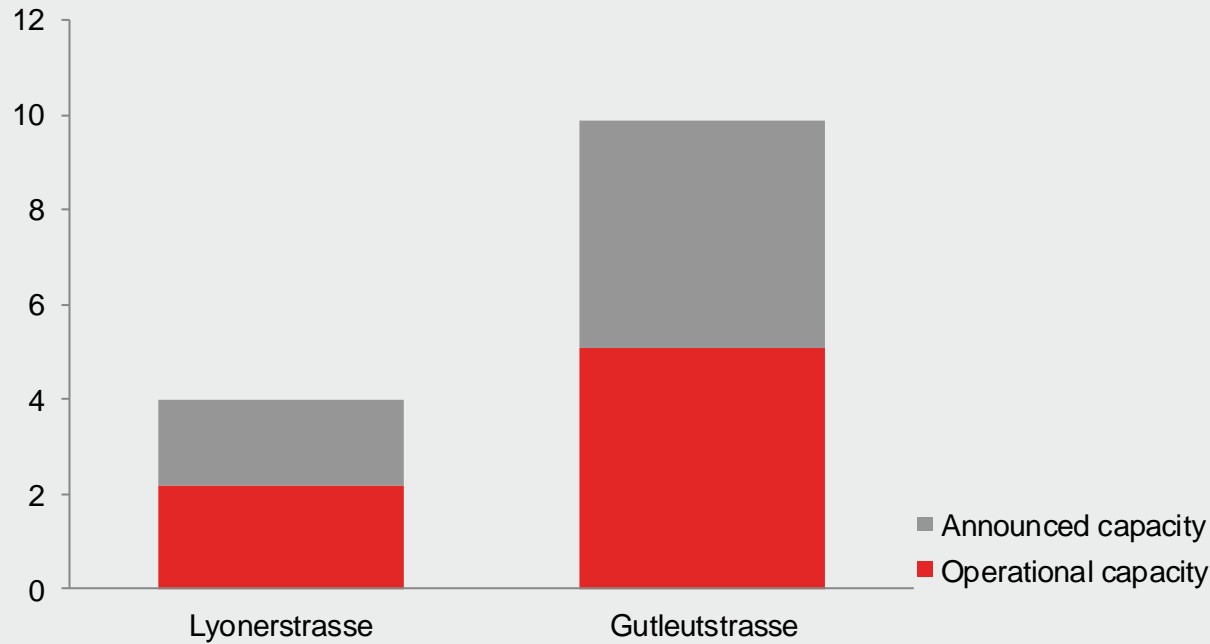
### Top-20 2011 order wins by application type



## Growth capacity secured

Campus style sites offer significant growth capacity and opportunity to leverage the existing connectivity hubs

Customer available power (MW)



## Group operations and capacity expansion

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### **ROB COUPLAND** **CHIEF OPERATING OFFICER**



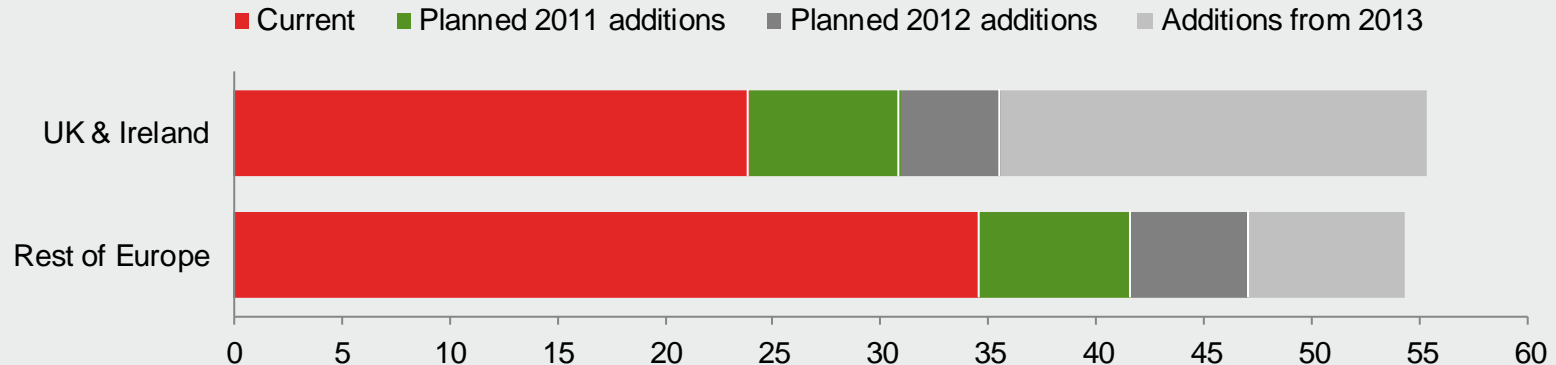
**Rob is Chief Operating Officer at TelecityGroup, responsible for the operational aspects of the business, including overall management and delivery of the new build programme, systems strategy and business development.**

He has over fifteen years' experience in the telecommunications and technology sector. Prior to joining TelecityGroup in early 2007, Rob was Head of Product Marketing at NTL Business where he was responsible for the entire business services portfolio. Before joining NTL Rob spent 12 years at Cable & Wireless in senior product management roles with a particular focus on business networks, hosting and convergence markets.

# Secured pan-European capacity expansion programme

- **Expansion underway in London Docklands, London Powergate, Manchester, Amsterdam, Frankfurt, Paris and Stockholm**
  - Total current capacity 58MW
  - Total announced customer power up to 110MW
  - Build costs range from £5.5m to £7.5m per MW

## Total customer power (MW)



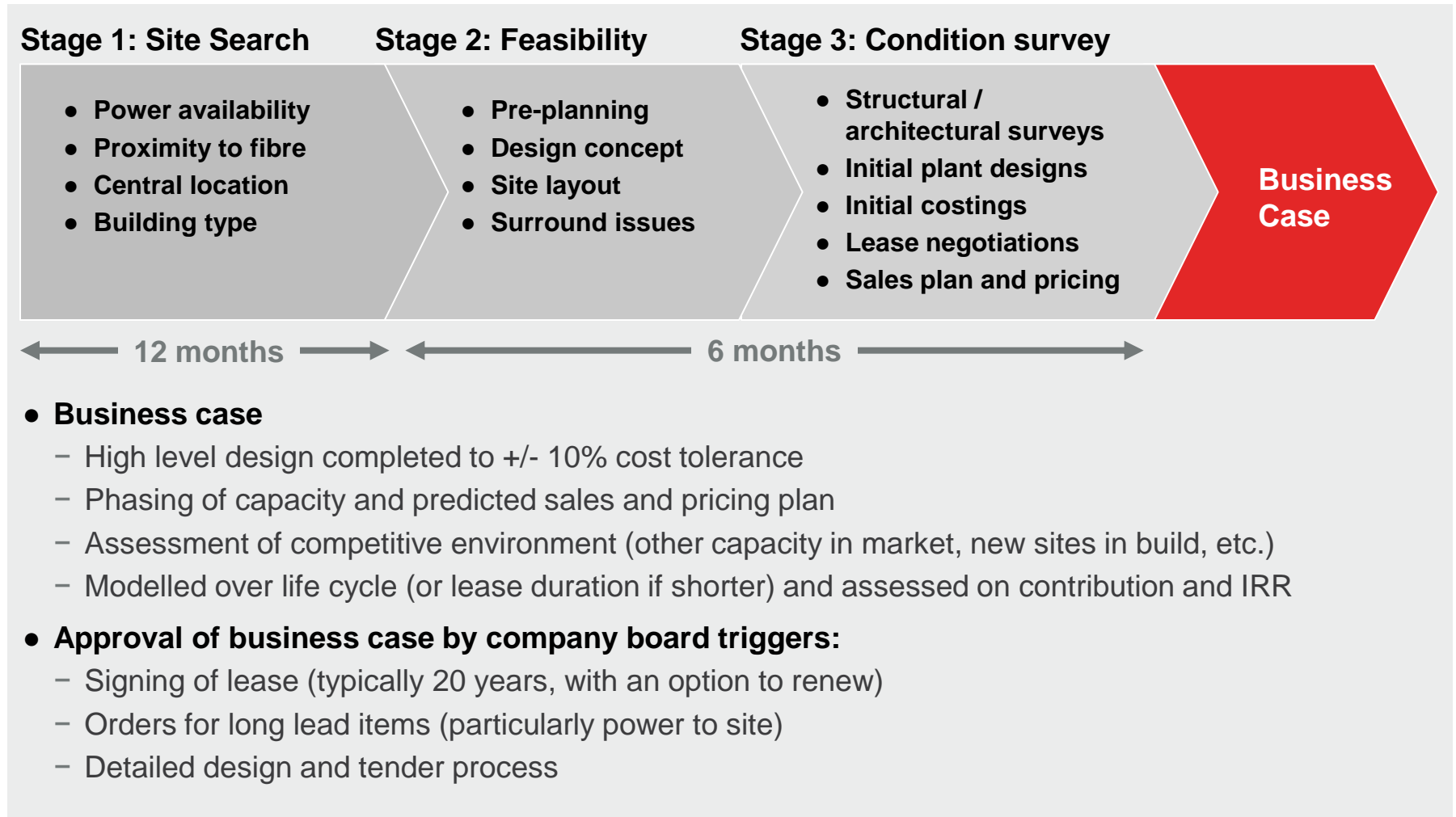
# Announced expansion projects

## PHASED OPENINGS

<b>LONDON</b>	<b>21MW expansion of 'Powergate' site 6MW expansion of Harbour Exchange site</b>
<b>AMSTERDAM</b>	<b>New 9MW site</b>
<b>FRANKFURT</b>	<b>6MW expansion of existing facilities</b>
<b>STOCKHOLM</b>	<b>3.6MW expansion of Stockholm 2</b>
<b>MANCHESTER</b>	<b>New 3.5MW site</b>
<b>PARIS</b>	<b>3MW expansion of Paris 3</b>

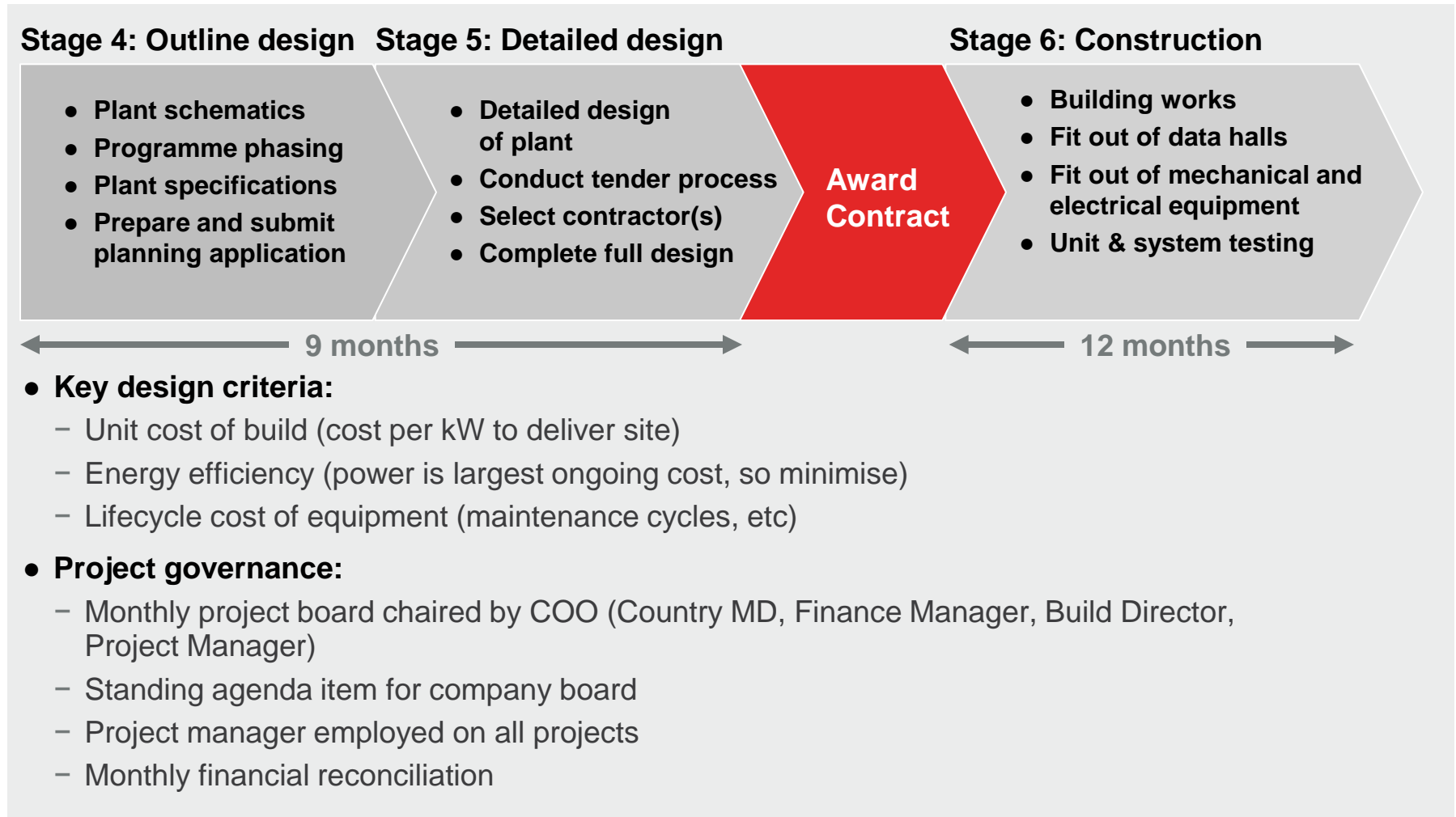
# Key investment criteria and procedure for Board approval

## BUSINESS CASE



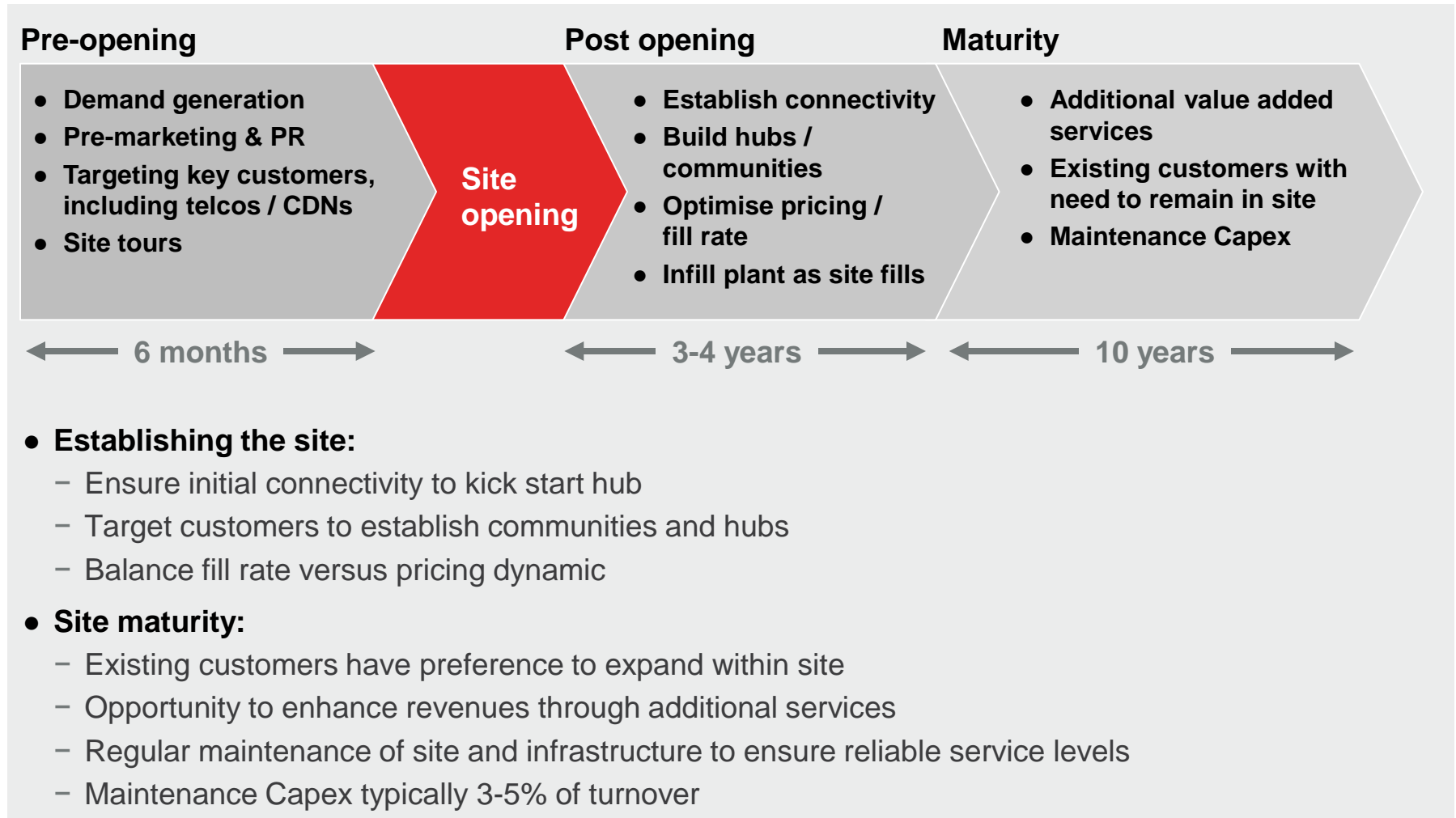
# From approval to opening – the lifecycle of a data centre

## AWARD CONTRACT



# From opening to maturity – the lifecycle of a data centre

## SITE OPENING



### **MIKE TOBIN** **CHIEF EXECUTIVE OFFICER**



**Mike joined Redbus Interhouse in 2002 as Sales and Marketing Director and became Chief Executive Officer in 2003, leading the company through its integration with TeleCity, the subsequent acquisition of Globix in 2006 and the successful IPO of the Group in 2007.**

He has more than 25 years' experience in the telecommunications and technology sector. Prior to TelecityGroup, he headed-up Fujitsu's e-Commerce operations in Germany and before that ran ICL's Danish outsourcing subsidiary out of Copenhagen. He has also held senior positions based in Paris for over 11 years including International Computer Group and Tricord Systems Europe, and was formerly Managing Director of Goupil UK.

## Our future

- **HIGHLY CONNECTED DATA CENTRES ARE THE KEY ENABLERS OF THE DIGITAL ECONOMY**
- **SECURED, DEMAND-DRIVEN CAPACITY EXPANSION PROGRAMME UNDERWAY**
- **STRONG CASH GENERATION OFFERS FLEXIBILITY, CHOICE AND OPPORTUNITY**

# TelecityGroup

where content meets connectivity

Outstanding data centres.  
Expertise you can trust.

Europe's leading provider of  
premium network-independent  
data centres.

[www.telecitygroup.com](http://www.telecitygroup.com)

