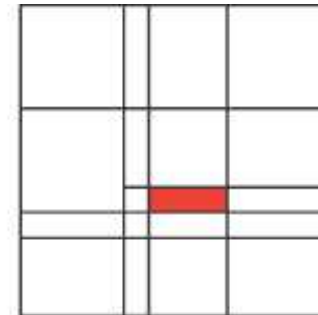

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Data Centre Trends

Information Age – Future of the Data Centre

June 2010

Tim Anker, Founder, The Colocation Exchange

Agenda

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- 1. Market Structure**
 - 2. Pricing**
 - 3. What others are saying**
 - 4. Our Perspective**
 - 5. Future Issues**
-

Real Estate/Wholesale



Colocation Providers



MSPs



Market Structure

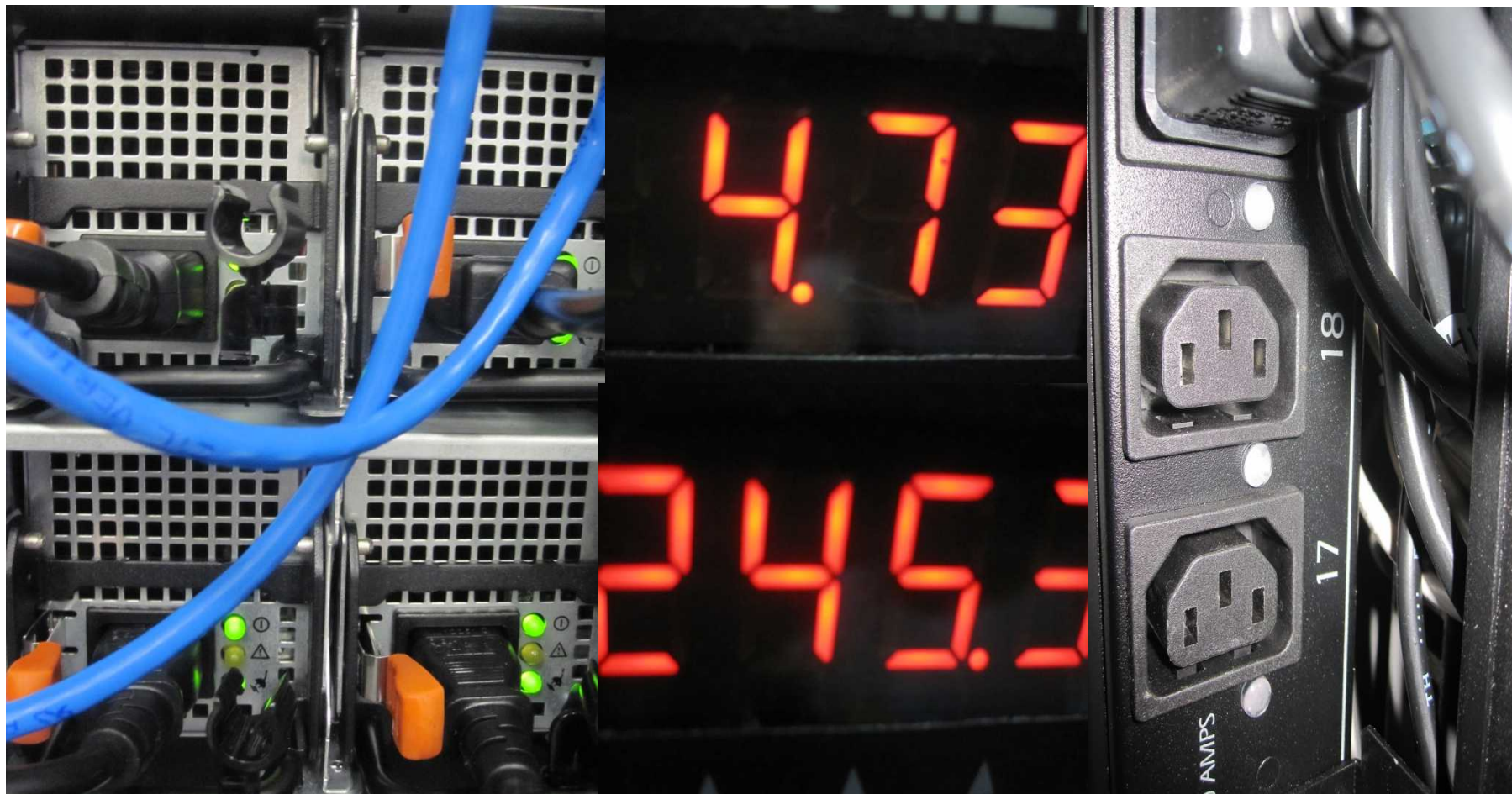
- **Real Estate/Wholesale Providers – sell leases**
 - Digital Realty, Sentrum, Infinity, Global Switch, e-shelter, Galileo

- **Colocation Providers – service contracts**
 - Telehouse, Telecity, Interxion, Equinix, Blue Square

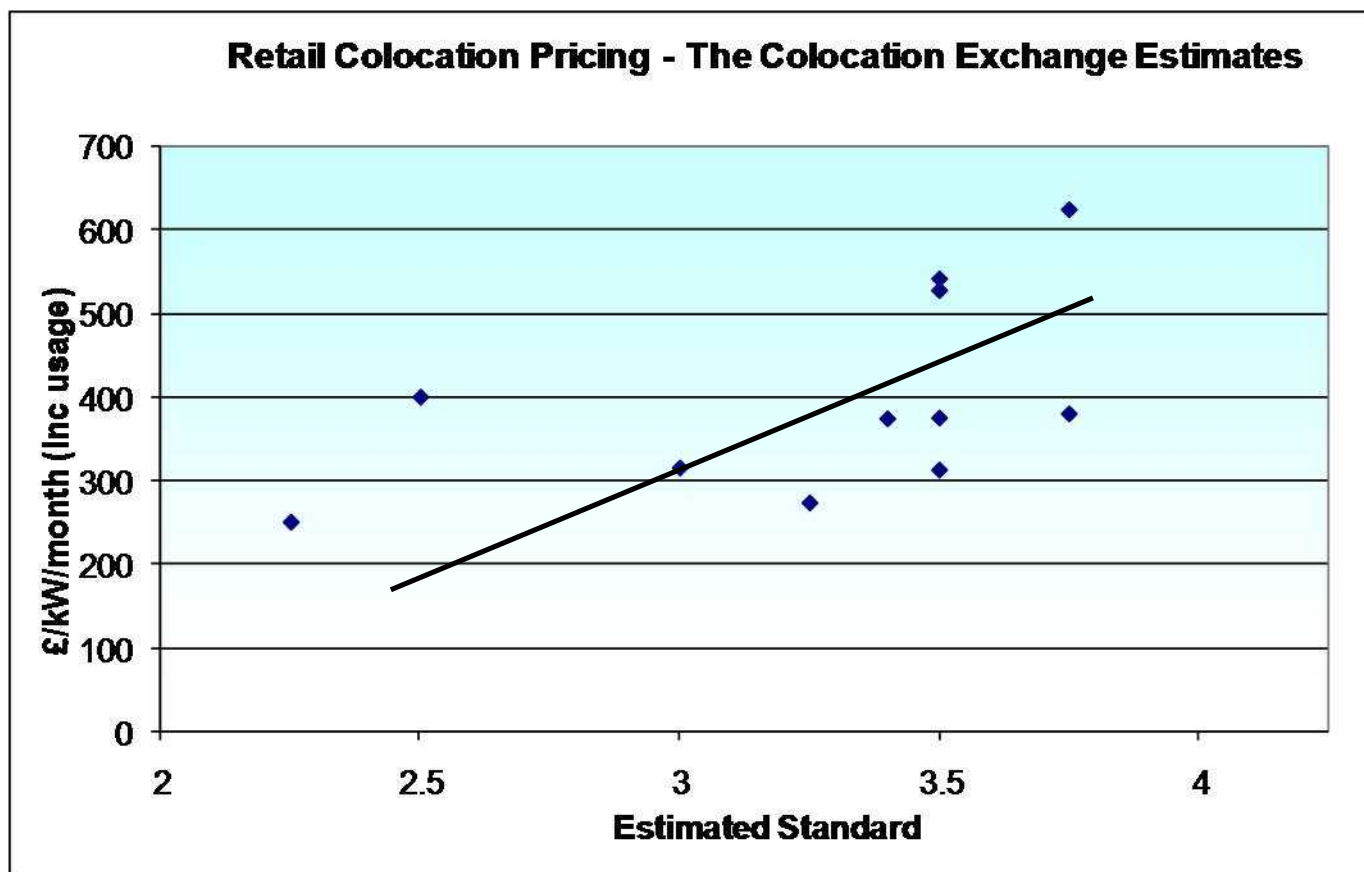
- **MSPs – service contracts**
 - Gyron, Dedipower, UK Solutions, Iomart, Node4, Network-i

Boundaries between categories are very grey!

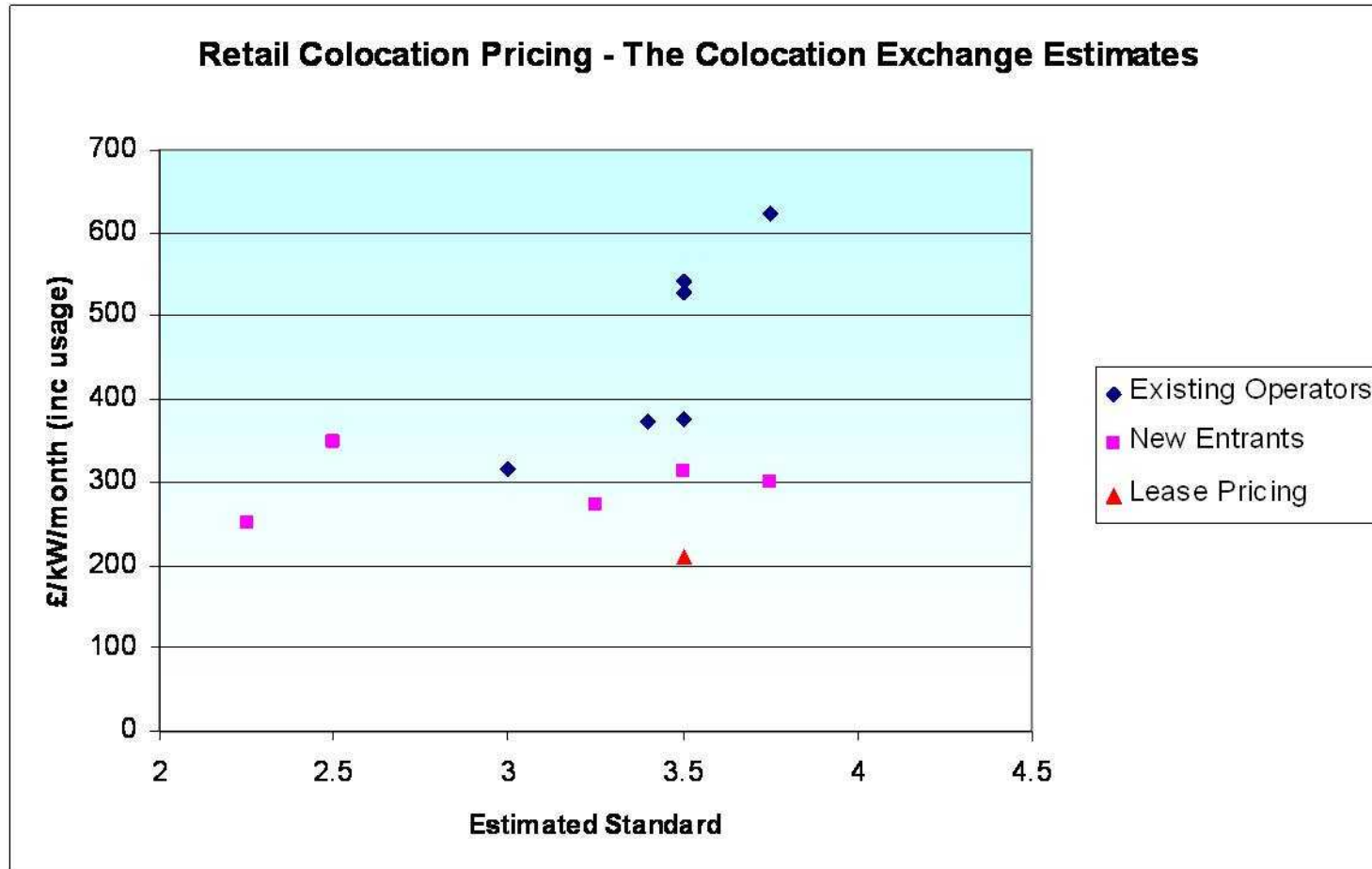
Pricing



Pricing



Pricing



Pricing – New Entrants



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The Analysts View

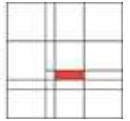
■ BroadGroup Forecasts:

- “DC space required in Europe will double by 2015, if not more”

■ T1R: (Coresite S-11)

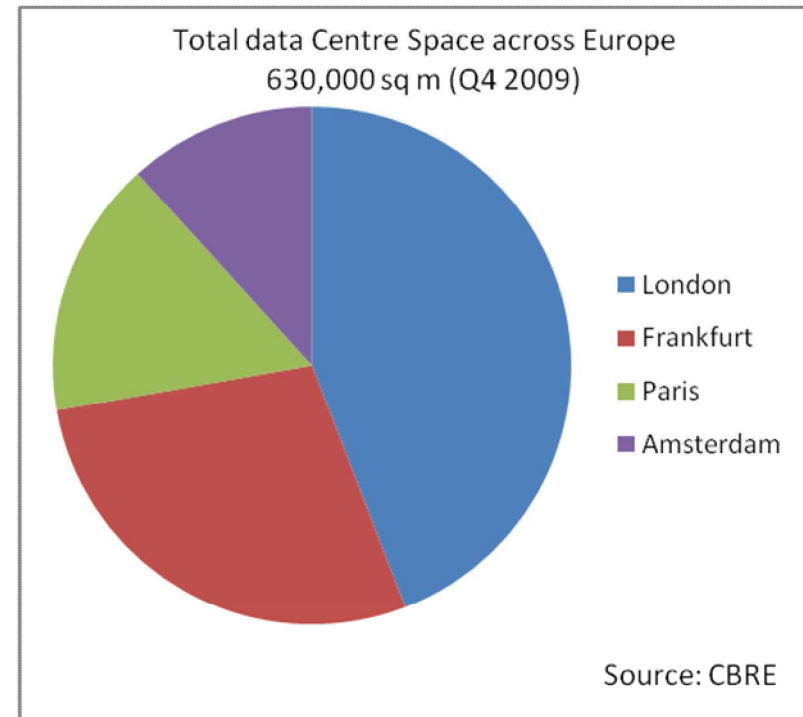
- Global Internet data centre market forecast to grow from \$9.2bn to \$18.5bn by 2012
 - By 2012 demand will outstrip new supply by 250%
 - Occupancy will rise to 96% from 73% y/e 09
-

The Wholesale Agent's View



■ CBRE Q4 09 Survey:

- **Lowest recorded demand since 2003**
- **Collapse in demand from corporate sector from 87,000 sq m in 08 to only 9000m in 09**
- **So far this year not been a single wholesale deal in or around the London/M25 market**
- **Emergence of “midi” market**

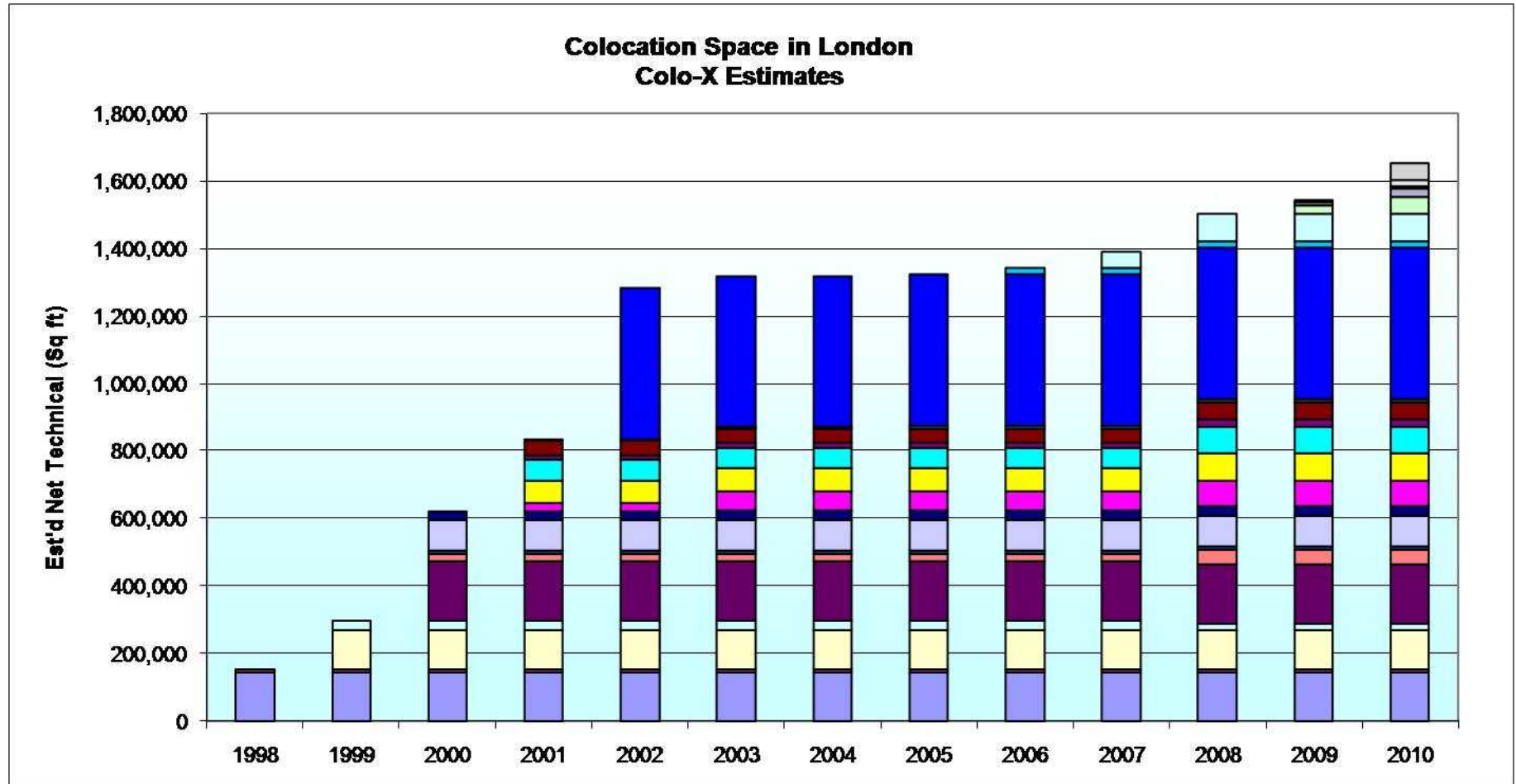
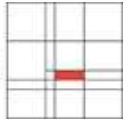


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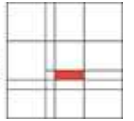
Our Perspective

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Our Perspective

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- **New capacity meeting technical requirements**
 - **All big operators have capacity today and a pipeline for near future**
 - **New entrants adding to this and a reasonable % of available space**
 - **Occupancy overall remains high**
 - **Amount of stock “at risk” is very low, especially compared with early 00’s**
 - **Pricing is stable**
-

Our Perspective



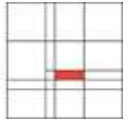
Colocation Decision Factors:

- Capacity
- Connectivity
- Location
- Service (people)
- Pricing

Pricing is 5th on our list of factors

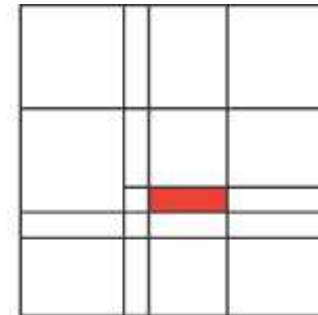
Future Issues

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-
- **Market Structure – squeeze on larger colocation deals?**
 - **Green – CRC – cost in the overall scheme of things, reporting concerns**
 - **M&A – more to come**
 - **Public Sector – consolidation costs**
 - **The one trillionth end point? - dynamic resource allocation**
-

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