Data Centre Trends

Information Age – Future of the Data Centre

June 2010

Tim Anker, Founder, The Colocation Exchange

Agenda

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

Real Estate/Wholesale

Colocation Providers

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MSPs

Market Structure

- Real Estate/Wholesale Providers – <u>sell leases</u>
  - Digital Realty, Sentrum, Infinity, Global Switch, e-shelter, Galileo
- Colocation Providers – <u>service contracts</u>
  - Telehouse, Telecity, Interxion, Equinix, Blue Square
- MSPs – <u>service contracts</u>
  - Gyron, Dedipower, UK Solutions, Iomart, Node4, Network-i

Boundaries between categories are very grey!

Pricing

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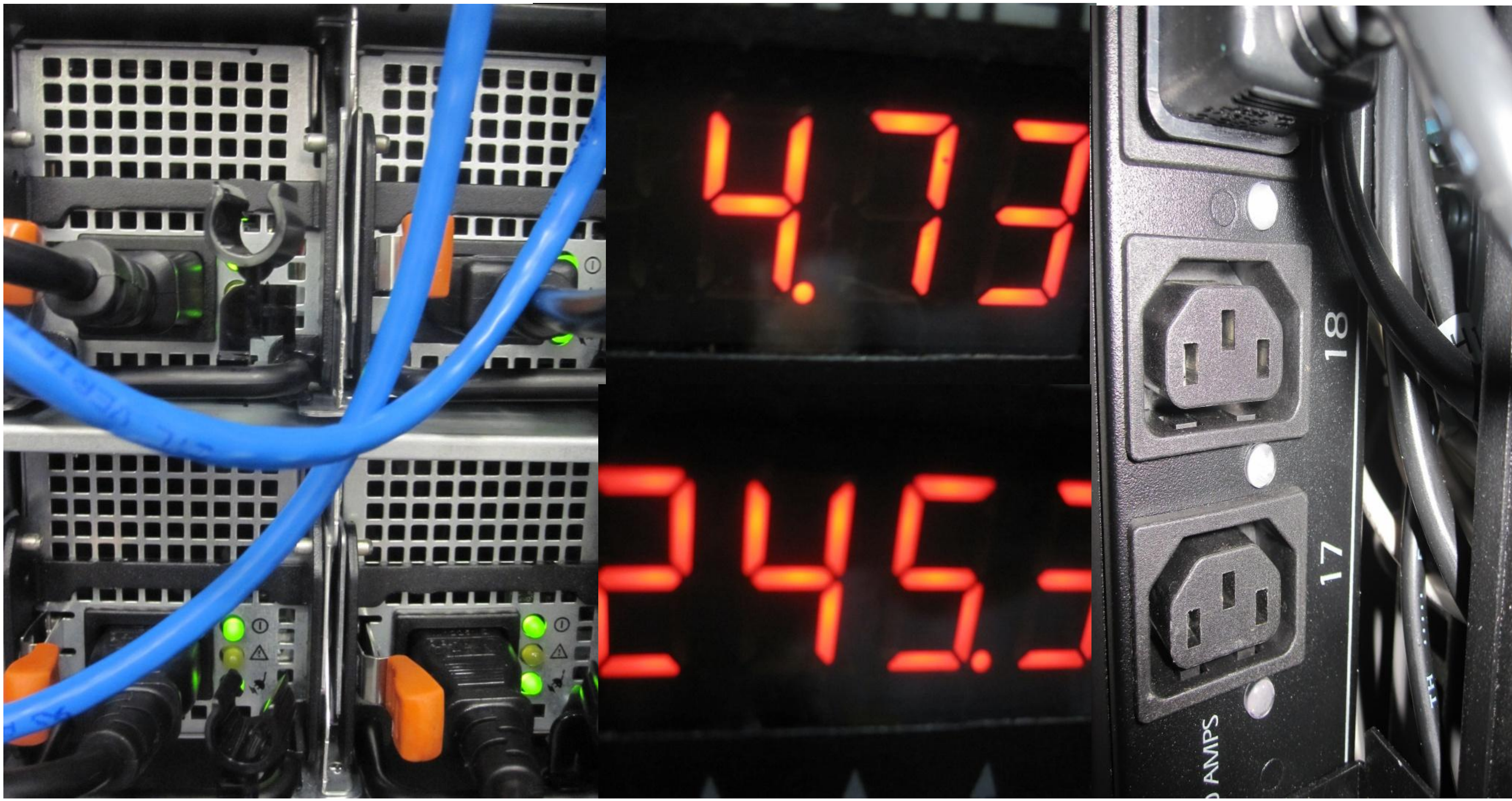
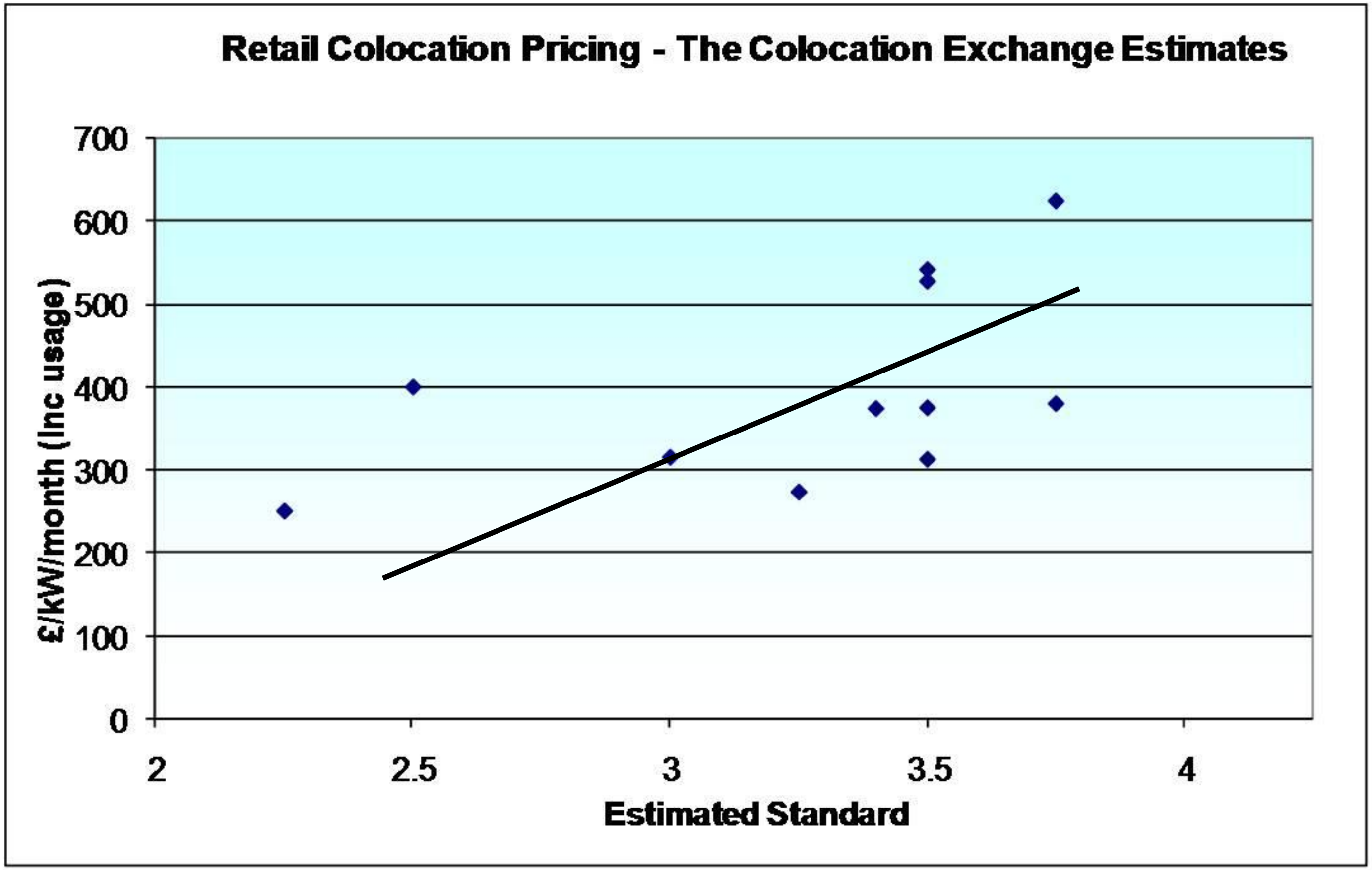
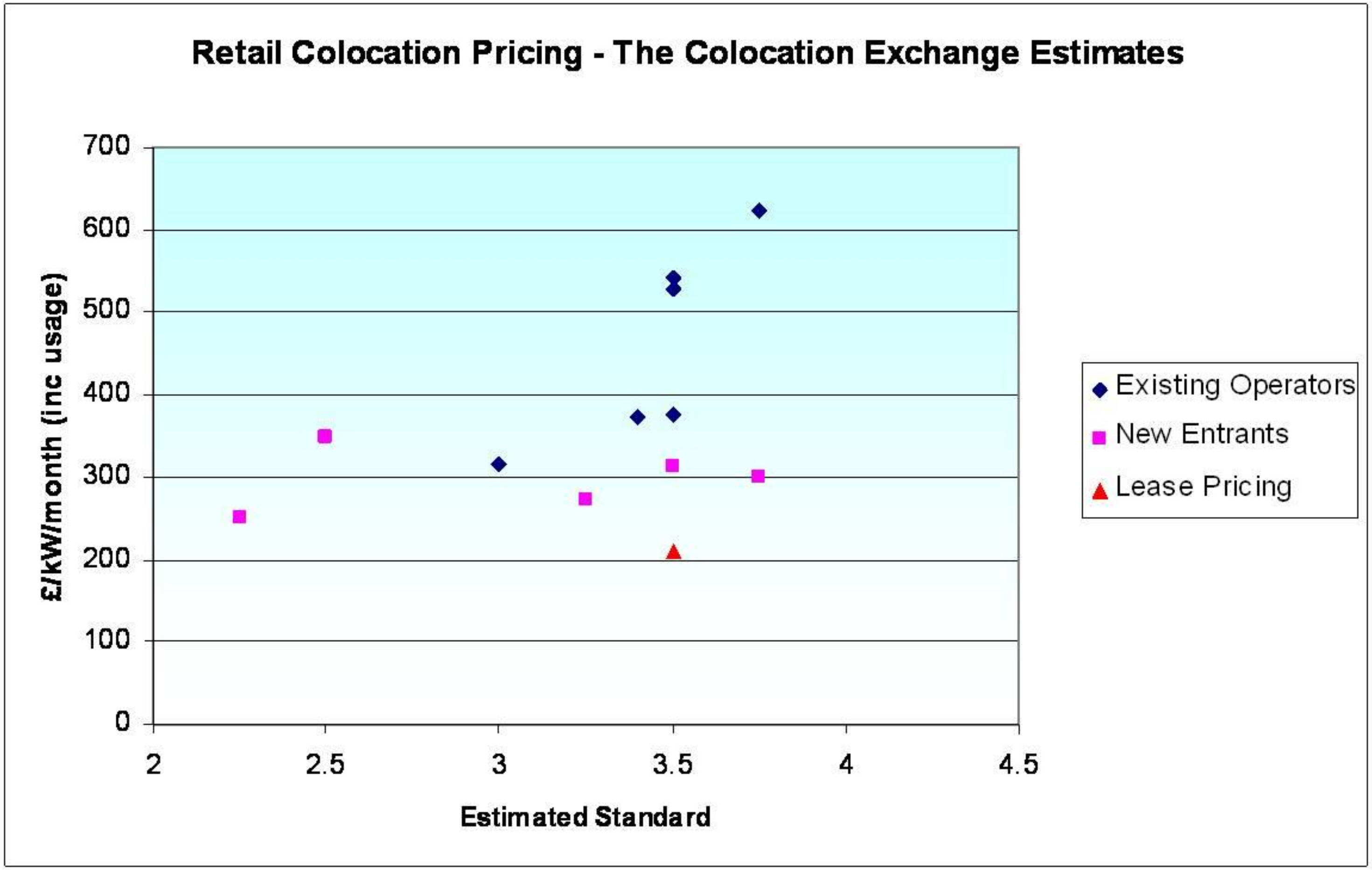


Pricing



Retail Colocation Pricing - The Colocation Exchange Estimates
700
600
500
400
300
200
100
0
£/kW/month (Inc usage)
2
2.5
3
3.5
4
Estimated Standard

Pricing



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Existing Operators
New Entrants
Lease 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

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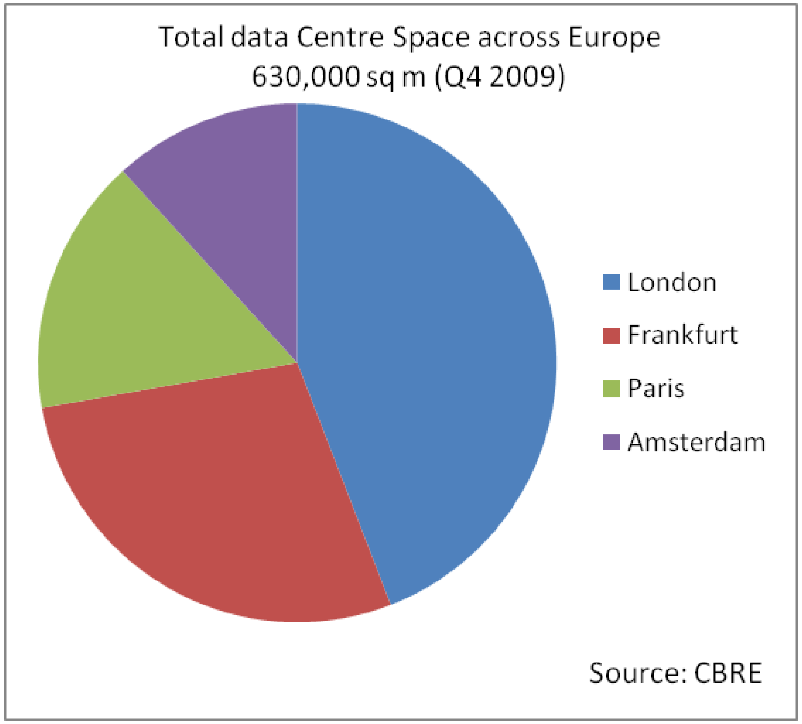
- **CBRE Q4 09 Survey:**
  - **Lowest recorded demand since 2003**
  - **Collapse in demand from corporate sector from 87,000 sq m in 08 to only 9000m in 09**
  - **So far this year not been a single wholesale deal in or around the London/M25 market**
  - **Emergence of “midi” market**



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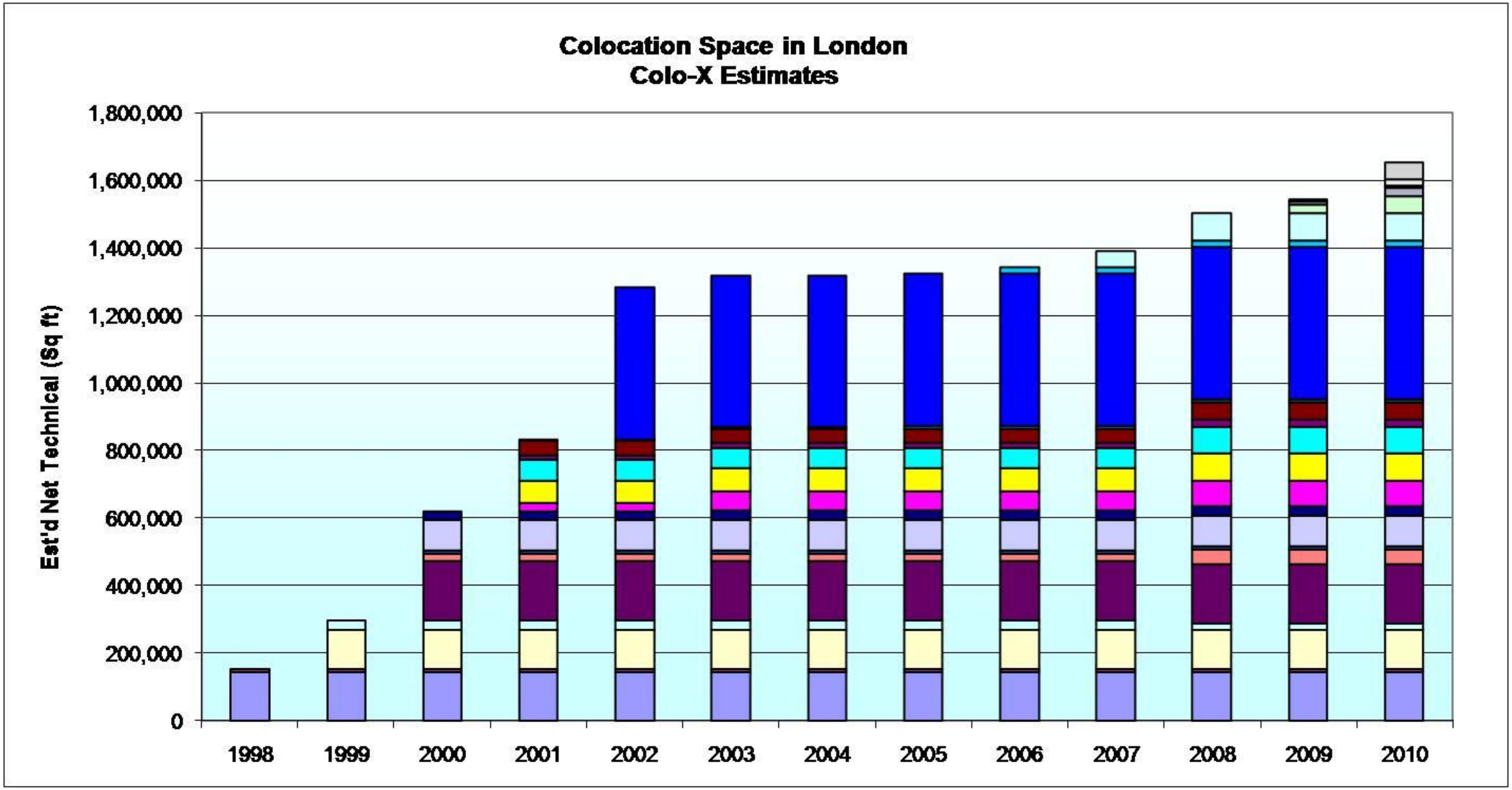
Our Perspective



Our Perspective

- 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

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Colocation Decision Factors:

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

Pricing is 5th on our list of factors

Future Issues

- 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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