



**CYRUSONE / GDS STRATEGIC PARTNERSHIP**

October 18, 2017

## Safe Harbor

This presentation contains forward-looking statements regarding future events and our future results that are subject to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "predicts," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "endeavors," "strives," "may," variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned these forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially and adversely from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this release and those discussed in other documents we file with the Securities and Exchange Commission (SEC). More information on potential risks and uncertainties is available in CyrusOne and GDS Holdings' recent filings with the SEC, including CyrusOne's Form 10-K report, Form 10-Q reports, and Form 8-K reports and GDS Holdings' registration statement on Form F-1, as amended, and Form 20-F. Actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

## Presenters



**Gary Wojtaszek**  
*President and CEO, CyrusOne*



**William Huang**  
*Founder, Chairman and  
CEO, GDS*



**Jonathan Schildkraut**  
*Chief Strategy Officer, CyrusOne*

# Partnership Between Two Leading Data Center Companies



<p>Owner, operator and developer of data centers for more than 17 years with LQA<sup>(1)</sup> revenue of ~\$668MM</p>	<p><b>Company</b></p>	<p>Owner, operator and developer of data centers for more than 16 years with LQA<sup>(1)</sup> revenue of ~\$200MM and holding #1 market position in China</p>
<p>Austin, Chicago, Cincinnati, Dallas, Houston, London, New York Metro, Northern Virginia, Phoenix, Quincy (Washington), Raleigh-Durham, San Antonio, Singapore</p>	<p><b>Markets</b></p>	<p>Beijing, Shanghai, Shenzhen, Guangzhou, and Chengdu</p>
<p>40 data centers totaling 2.6MM colocation square feet<sup>(2)</sup> as of June 30, 2017</p>	<p><b>Data Centers</b></p>	<p>17 self-developed data centers in service and under construction, totaling 1.2MM colocation square feet as of June 30, 2017</p>
<p>Nearly 1,000 customers, including 190 Fortune 1000 customers and almost every leading cloud company in the U.S.; cloud customers account for 26% of revenue<sup>(3)</sup></p>	<p><b>Customers</b></p>	<p>More than 450 customers with every leading large internet and cloud company in China, including Alibaba Group, Tencent and Baidu; cloud customers account for 51% of total area committed as of June 30, 2017</p>
<p>Revenue: 28% Adjusted EBITDA: 30%</p>	<p><b>Growth<sup>(4)</sup></b></p>	<p>Revenue: 42% Adjusted EBITDA: 112%</p>

**Notes:**

1. 2Q'17 annualized.
2. Colocation square feet (CSF) represents NRSF currently leased or available for lease as colocation space, where customers locate their servers and other IT equipment. Net rentable square feet (NRSF) represents the total square feet of a building currently leased or available for lease, based on engineers' drawings and estimates but does not include space held for development or space used by CyrusOne.
3. Based on June 2017 annualized rent. Annualized rent represents cash rent, including metered power reimbursements, for the month of June, multiplied by 12.
4. 2Q'17 vs. 2Q'16.

# Overview of Key Transaction Terms

## Commercial Agreement

- **Collaborative sales and marketing efforts**
  - Exclusive referral arrangement
  - Target home market clients for international expansion
  - Facilitate on-boarding and management of inbound customer demand
- **Sharing of best practices**
  - Design and construction techniques and processes
  - Back-end customer / client interfacing systems
  - Operations policies and procedures

## Strategic Investment

- **\$100MM investment in GDS common shares**
  - Purchase price equivalent to \$12.45 per ADS, 4% discount to most recent closing price
  - Represents ~8% ownership in GDS issued share capital
  - CyrusOne will not increase its relative ownership position for a period of 18 months or sell its shares for a period of 12 months
- **CyrusOne to receive Board representation**
  - Gary Wojtaszek to join GDS Board

## Strategic Rationale

**1**  
**Enhanced Ability to  
Serve Customers**

Well-positioned to meet resource needs on a global basis in world's two largest markets resulting in compelling value creation for both customer bases

**2**  
**Global Reach and  
Local Expertise**

Provides access to largest markets in U.S. and Asia with ability to address local challenges and reduce complexity of customer deployments in these markets

**3**  
**Leverage  
Combined  
Knowledge Base**

Companies will share knowledge developed over more than 30 years of combined experience in building and operating data centers

***Creates growth opportunities for both CyrusOne and GDS.***

## Enhanced Ability to Serve Customers

### World's Two Largest Economies



- 2016 GDP<sup>(1)</sup>: \$18.6 Trillion
  - 2016-2022 Projected GDP CAGR<sup>(1)</sup>: 4.0%
- 
- 2016 GDP<sup>(1)</sup>: \$11.2 Trillion
  - 2016-2022 Projected GDP CAGR<sup>(1)</sup>: 8.6%

### Customer Base With Growing Demand

- Hyperscale companies aggregating demand and expanding internationally
- Enterprises across verticals with increasingly global demands growing within two largest markets

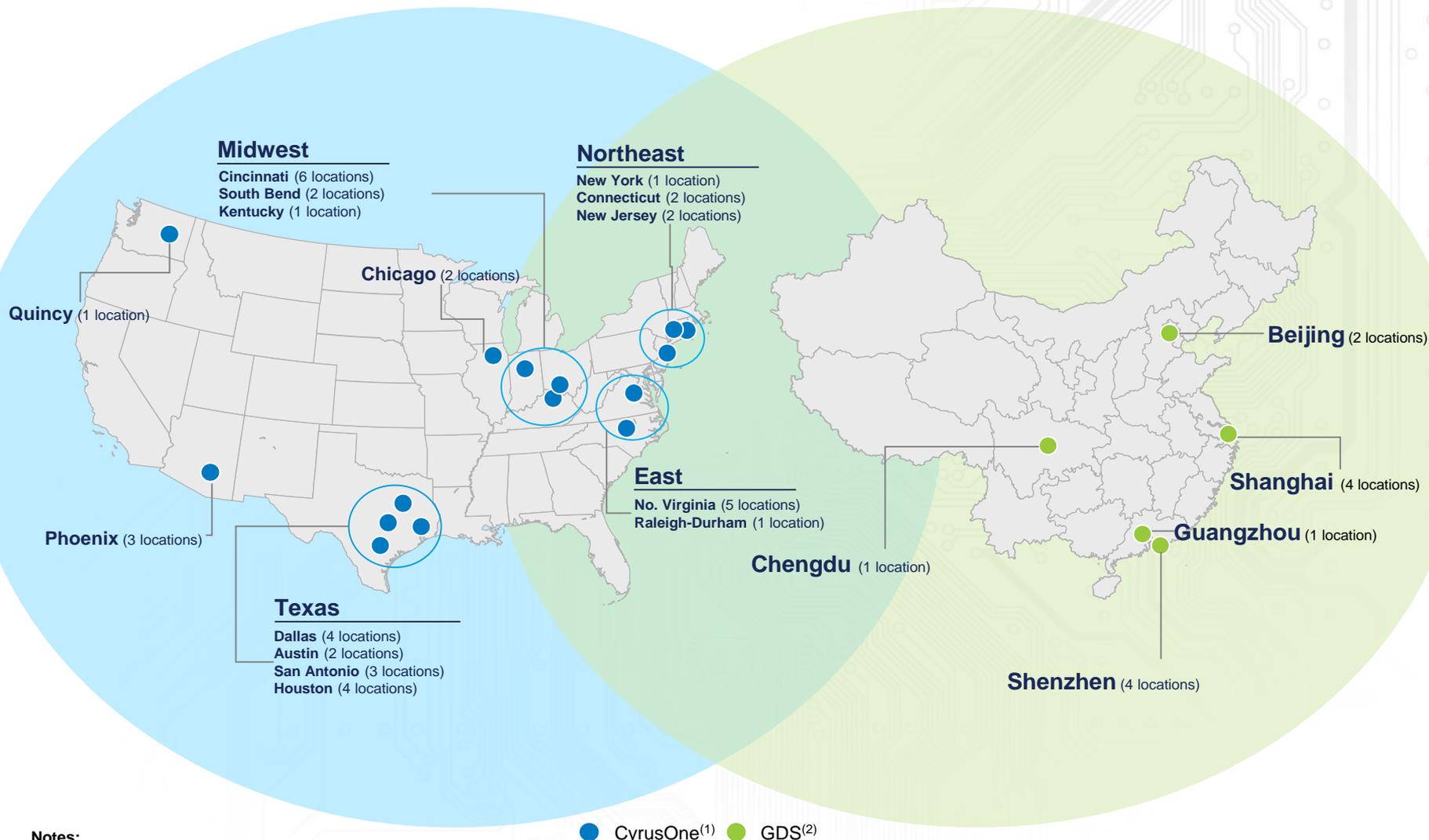
### Compelling Value Proposition

- Account management consistency across diverse markets with a trusted partner
- Local expertise to navigate regulatory and resource challenges for customers

**Note:**

1. Source: International Monetary Fund.

## Global Reach and Local Expertise



### Notes:

1. CyrusOne's data center portfolio also includes one data center in London and one data center in Singapore (not shown).
2. GDS's data center portfolio also includes third party data centers in mainland China and Hong Kong (not shown).

## Leverage Combined Knowledge Base

### Sales and Marketing

- Exclusive referral agreement for respective home countries
- Identify customers' international requirements and match to partner solutions
- Develop joint marketing plans
- Attend each other's key industry events and conferences
- Website updates with click-through access
- Develop products and solutions for our mutual customer bases

### Design and Construction Expertise

- Review of designs leveraging hyperscale and enterprise experiences
- Construction management
- Supply chain optimization
- Collaborate on design and construction tools and systems

### Operations

- Share data center operations structure and staffing models
- Best practices on maintenance costs and optimal equipment life cycles
- Training programs for operations technicians

### Systems

- Peer review of Building Management Systems (BMS) and customer facing systems
- Collaboration on future designs based on prior operating experience

# Public Market Overview



(\$MM)

Share / ADS price (as of 10/17/2017)	\$61.29	\$12.97
Shares / ADS outstanding <sup>(1)</sup>	91.3	95.1
<b>Market capitalization (\$MM)</b>	<b>\$5,595</b>	<b>\$1,234</b>
Net debt <sup>(1)</sup>	1,829	593
<b>Enterprise Value (\$MM)</b>	<b>\$7,425</b>	<b>\$1,827</b>

<i>Valuation<sup>(2)</sup></i>	<i>Multiple</i>	<i>Multiple<sup>(3)</sup></i>
EV / 2017 Consensus Adjusted EBITDA	20.1x	25.7x
EV / 2018 Consensus Adjusted EBITDA	17.2x	14.5x
EV / 2019 Consensus Adjusted EBITDA	15.5x	10.3x

**Notes:**

1. Balance sheet metrics as of 6/30/2017. Exchange rate of 0.1475 RMB/USD for GDS balance sheet items.
2. Source: Public filings, Wall Street estimates, and FactSet as of 10/17/2017.
3. Income statement metrics based on forward average year FX rates from Bloomberg.

## APPENDIX (NON-GAAP RECONCILIATIONS)

## Non-GAAP Reconciliations<sup>(1)</sup>



(\$MM)

Quarter ended  
June 30, 2017

Quarter ended  
June 30, 2016

<b>Net (loss) income</b>	<b>(\$0.8)</b>	<b>\$9.1</b>
Interest expense	16.5	11.5
Income tax expense	0.7	0.5
Depreciation and amortization	63.7	44.7
Transaction and acquisition integration costs	1.7	0.4
Legal claim costs	0.6	0.3
Stock-based compensation	4.0	3.2
Loss on extinguishment of debt	0.3	—
New accounting standards and system implementation costs	0.5	—
Asset impairments and loss on disposals	3.6	—
<b>Adjusted EBITDA</b>	<b>\$90.8</b>	<b>\$69.7</b>

**Note:**

1. Unaudited reconciliations of net income (loss) to Adjusted EBITDA.

## Non-GAAP Reconciliations<sup>(1)</sup>



GDS 万国数据

(figures in thousands of Renminbi "RMB")

Quarter ended  
June 30, 2017

Quarter ended  
June 30, 2016

<b>Net loss</b>	<b>(75,723)</b>	<b>(115,419)</b>
Net interest expenses	85,755	57,329
Income tax benefit	(1,334)	(1,543)
Depreciation and amortization	78,692	49,518
Accretion expenses for asset retirement costs	203	135
Share-based compensation expenses	12,294	57,187
<b>Adjusted EBITDA</b>	<b>99,887</b>	<b>47,207</b>

**Note:**

1. Unaudited reconciliations of net income (loss) to Adjusted EBITDA.