

“Rising electricity prices and the shortage of attractive Data Centre space are the key trends affecting the IT sector” – Results of 12 months of the Data Centre Price Tracker

Submitted by: Tariff Consultancy Ltd

Thursday, 1 May 2008

London, 1st May 2008. The Data Centre Price Tracker quarterly published by Tariff Consultancy Ltd has tracked the changes in Data Centre per rack pricing for over more than 60 separate facilities in 13 European countries. The survey has also tracked changes in industrial electricity prices in eight of the main EU countries over the same period.

Industrial electricity prices have proved to be volatile but have increased over time. France, Sweden and Switzerland have consistently been at the lower range of electricity rates in Europe over the last 12 months. Meanwhile Germany, Italy and the UK' electricity rates feature among the highest in Europe.

“Industrial electricity prices are the clear and present danger to the Data Centre user and the IT community. It is now being presented as a separate cost item to the purchase of Data Centre space,” commented Margrit Sessions, Managing Director of Tariff Consultancy Ltd.

“But we are seeing price inflation for the Pan European Carrier Neutral Data Centre provider in particular,” she added. “Suppliers are taking advantage of rising space utilisation to raise their prices for new space, and boost their rate of return. Tariff structures are being modified in all markets. We predict that all of the major providers will seek to raise their revenue per square metre in the months ahead.”

Per Rack Data Centre pricing has also changed over time, with average European pricing as of April 2008 reaching almost 800 Euro per rack per month. Rates in individual countries can vary by up to 200 per cent (in Germany for example). Ireland, the UK and Switzerland have average per rack pricing that is close to 1,000 Euro per month, whilst Italy appears to have the lowest average per rack pricing in Europe.

Tariff Consultancy Ltd research over the last 12 months observes the following trends:

1. A continued investment boom in new Data Centre space - led by the Carrier Neutral Data Centre. Investment appears to be running at record levels with 50,000 metres of new space announced in the last quarter alone
2. Existing Data Centre “Hot Spots” continue to be important - Cities such as Paris, Amsterdam and London continue to attract new investment as a network effect continues to take hold. Users are attracted to cities which already possess a variety of networks and content providers, and which are physically close to their existing production sites.
3. Ecologically friendly IT is increasingly critical – Data Centre customers are attracted to those sites which can demonstrate their “green” credentials and which are carbon neutral, which is a key new factor determining vendor selection.
4. A multi-tiered Data Centre market has developed – Competition for Data Centre space is increasing, with sites with high power and network diversity able to charge a premium. New Pan-European Data Centre

facilities in general command premium pricing. Older facilities and local Carrier Neutral Data Centre providers charge at or below the market rate. Finally, the Carrier Based Data Centre provider has the lowest pricing. Telecoms providers do not charge the full economic rate, and are at least 7 per cent cheaper than their Carrier Neutral Data Centre counterpart.

About the Data Centre Price Tracker

The Data Centre Price Tracker is published every 3 months by Tariff Consultancy Ltd and is available on an annual subscription basis for 4 issues. Each issue provides a survey of Data Centre Per Rack pricing in 13 European Countries (including Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, and the UK) for both the Carrier Based and Carrier Neutral provider – based on average pricing. It highlights new developments and space expansion in each country. Each quarterly survey also contains a separate survey of industrial electricity pricing for eight countries which are also tracked over time using official sources. More countries will be added to the Data Centre Price Tracker in 2008 including the Czech Republic, Hungary & Poland. More information can be found at www.telecomspricing.com

About Tariff Consultancy Ltd

Tariff Consultancy Ltd provides research, consultancy and conference and training for telecoms and IT professionals. Services include a range of price tracker subscription services backed by in-depth research based on years of expertise and analysis. More information can be found at www.telecomspricing.com

Contact Margrit Sessions on +44 777 625 4827 any information.