Glossary

**Data Centres** - Is a facility used to house computer systems and associated components, such as data communications and storage systems. It generally includes redundant power supplies and environmental control systems (e.g., air conditioning, fire suppression).

For this study, data centres include End User data centres that are used by businesses to support internal operations, and data centres managed by Data Centre Operators (DCOs) that provide revenue generating data centre hosting services.

**End User Data Centres** – In-house data centres that are non-revenue generating entities.

**Data Centre Operators (DCOs)** – Typically System Integrators, Telecoms & Internet Service Providers, and pure-play data centre operators who own data centres that are revenue generating entities. These players provide data centre services to other businesses.

**Raised Floor Space (RFS)** – Built-up floor space available in data centres for provision of data centre services. Usually measured in square feet or square meters.

**Data Centre Tiers** – Uptime Institute has categorized data centres into 4 tiers depending on the availability of services. Tier I has lowest availability (99.671%), Tier II has 99.75% availability, Tier III has 99.98% availability and Tier IV has the highest availability (99.995%). Most of the data centres owned by DCOs are Tier III and above. Some data centres are classified as Tier III+ facilities as they are currently running at Tier III availability requirements but have the capability to upgrade to Tier IV requirements with nominal changes.

**Value Added** – Value Added is defined as sum of operating profits, remuneration to employees and interest payments. Operating Surplus is defined as receipts less operating expenditure plus depreciation. Thus, the overall value added for DCOs is calculated as:

\[
\text{Value Added}_{\text{DCO}} = \text{Receipts} - \text{OPEX} + \text{Depreciation} + \text{Manpower Costs} + \text{Interest Payments}
\]

For End User data centres, operating profits are assumed to be zero. Thus, the overall value added for End User data centres is calculated as:

\[
\text{Value Added}_{\text{End User}} = \text{Depreciation} + \text{Manpower Costs} + \text{Interest Payments}
\]