Interxion Holding N.V.

Interim report
for the three months ended
31 March 2010

Schiphol Rijk, June 2010

Highlights:

- Revenue increased by 18% to €47.8 million (Q1 2009: €40.4 million)
- Adjusted EBITDA increased by 24% to €17.4 million (Q1 2009: €14.1 million)
- Adjusted EBITDA margin improved to 36.5% (Q1 2009: 34.9%)
- Net loss of €4.7 million (Q1 2009: profit €5.9 million)
- Raised €260 million through senior secured notes and new revolving credit facility, which replaced an existing €180 million credit facility.

Financial Results

Total revenue in the first quarter was €47.8 million, an increase of 18% compared to the same quarter last year. There was no significant foreign currency impact on our results. Recurring revenue, consisting primarily of colocation and power services, was 94% of revenue in the period compared to 93% in the same quarter last year.

Cost of sales in the first quarter was €21.8 million, an increase of 17% compared to the same quarter last year. Gross profit margin in the first quarter was 54.5%, up from 53.9% for the same quarter last year. Utilisation rate, expressed as a percentage of Equipped Space, was 74% at the end of the first quarter, up from 72% at the end of the same quarter last year.

Sales and marketing costs in the first quarter were €3.3 million, an increase of 27% compared to the same quarter last year.

General and administrative costs, excluding depreciation, amortisation, exceptional general and administrative costs and share-based payments of €7.5 million, were €5.3 million, an increase of 4% compared to the same quarter last year. Depreciation and amortisation was €7.2 million, an increase of 55% compared to the same quarter last year.

We recorded a net loss in the first quarter of €4.7 million, compared to a profit of €5.9 million in the same quarter last year. The quarter was impacted by a one-time finance expense of €10.2 million, associated with February's fund raising which was highlighted at the time. This arose from the expensing of termination fees, the costs of unwinding interest rate hedges, and write off of deferred financing fees – all relating to our previous credit facilities. Net profits were further impacted by the increase in depreciation arising from increased data centre capacity and interest payments arising from the new senior secured notes.

Adjusted EBITDA in the first quarter, defined as operating profit before depreciation, amortisation, impairment of assets, share-based payments and exceptional items, was €17.4 million an increase of 24% compared to the same quarter last year.

Our cash and cash equivalents at the end of the period stood at €58.5 million up 82.7% from the end of last year. This cash balance increase was, in part, due to our €200 million senior secured notes offering, €160 million of which was used to pay outstanding amounts under our previous credit facility. At the same time as issuing the notes, we also completed a €60 million revolving credit facility, which remains undrawn.

Cash generated from operating activities in the first quarter was €23.4 million compared to €25.3 million in the same quarter last year. Net cash used in investing activities during the first quarter was €29.0 million compared to €38.3 million in the same quarter last year. Net cash generated from financing activities in the first quarter was €31.9 million attributable to the raising of the senior secured note, partly offset by repayment of the then existing debt and related costs and fees.

Capital expenditure in the first quarter, defined as net cash invested in property, plant and equipment, was €28.7 million, of which €27.7 million was attributed to expansion capital expenditures – the remainder being ongoing capital expenditures.

Equipped Space at the end of the quarter was just under 55,800 square metres, increasing from 54,800 at the end of the previous quarter with the opening of our second site in Dublin. Our new expansions in Frankfurt, Amsterdam and Zurich are progressing well and will come on line later this year.

About Interxion

We are a leading carrier-neutral colocation data centre services provider in Europe. Our core offering is carrier-neutral colocation services, which we sell to over 1,100 customers. Within our data centres, we enable our customers to connect to a broad range of telecommunications carriers, Internet service providers and other customers. Our data centres act as content and connectivity hubs that facilitate the processing, storage, sharing and distribution of data, content, applications and media among carriers and customers, creating an environment that we refer to as a community of interest.

Our core offering is carrier-neutral colocation services, which includes space, uninterrupted power and a secure environment in which to house our customers' computing, network, storage and IT infrastructure. Our carrier-neutral colocation services enable our customers to reduce operational and capital expenses while improving application performance and flexibility. We supplement our core colocation offering with a number of additional services, including network monitoring, remote monitoring of customer equipment, systems management, engineering support services, cross connects, data backup and storage.

We are headquartered near Amsterdam, The Netherlands, and deliver our services through 27 data centres in 11 countries strategically located in major metropolitan areas, including London, Frankfurt, Paris, Amsterdam and Madrid, which are the main data centre markets in Europe. Because our data centres are located in close proximity to the intersection of telecommunications fibre routes and power sources, we are able to provide our customers with high levels of connectivity and the requisite power to meet their needs.
Our data centres house connections to more than 350 carriers and Internet service providers and 18 European Internet exchanges, which allows our customers to lower their telecommunications costs and, by reducing latency, improve the response time of their applications. This connectivity to carriers and Internet service providers, and to other customers, fosters the development of value-added communities of interest, which are important to customers in each of our segments: network providers, managed services providers, enterprises, financial services and digital media. Development of our communities of interest generates network effects for our customers that enrich the value and attractiveness of the community to both existing and potential customers

Further information for Noteholders:

This Interim Report as of and for the fiscal quarter ended March 31, 2010, is published to comply with the reporting requirements in the indenture among Interxion Holding N.V., as Issuer, Interxion Nederland B.V., Interxion HeadQuarters B.V., Interxion Carrier Hotel (UK) Ltd. and Interxion Deutschland GmbH, as Initial Guarantors, The Bank of New York Mellon, London Branch as Trustee, Principal Paying Agent and Transfer Agent, The Bank of New York Mellon (Luxembourg) S.A. as Registrar and Luxembourg Paying Agent and Barclays Bank PLC as Security Trustee, dated February 12, 2010 (the "Indenture"). Section 4.16(1)(b) of the Indenture provides that the Issuer shall furnish to the Trustee within 90 days after the end of the fiscal quarter ended March 31, 2010, quarterly financial statements containing: (i) the unaudited condensed consolidated balance sheet of the Issuer as at the quarter ended March 31, 2010, and unaudited condensed statements of income and cash flow of the Issuer for the quarter ended March 31, 2010, and for the quarter ended March 31, 2009, together with condensed footnote disclosure and (ii) an operating and financial review of the unaudited financial statements of the Issuer, including a discussion of the results of operations, financial condition and material changes in liquidity and capital resources.

The information in this Interim Report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, the words "believes," "anticipates," "plans," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statements. All forward-looking statements in this document are based on information available to us as of the date of this Interim Report to Note Holders and we assume no obligation to update any such forward-looking statements.

Consolidated interim income statement

For the three months ended	Note	31 March 2010 €'000	31 March 2009 €'000
Revenue	*6*	**47,815**	40,395
Cost of sales	*6*	**(21,773)**	(18,639)
Gross profit		**26,042**	21,756
Other income	*6*	**108**	415
Sales and marketing costs	*6*	**(3,325)**	(2,616)
Total general and administrative costs	*6*	**(12,833)**	(10,434)
Operating profit		**9,992**	9,121
Net finance expense	*7*	**(13,479)**	(1,517)
Profit/(loss) before taxation		**(3,487)**	7,604
Income tax expense	*8*	**(1,247)**	(1,671)
Profit/(loss) for the period attributable to shareholders		**(4,734)**	5,933
Basic earnings per share: (€)		**(0.02)**	0.03
Diluted earnings per share: (€)		**(0.02)**	0.03

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated interim statement of comprehensive income

For the 3 months ended

	31 March 2010 €'000	31 March 2009 €'000
Profit/(loss) for the period attributable to shareholders	**(4,734)**	5,933
Foreign currency translation differences	**647**	62
Total comprehensive income recognised in the period	**(4,087)**	5,995

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated interim balance sheet

As at:	Note	31 March 2010 €'000	31 December 2009 €'000
Non-current assets			
Property, plant and equipment	*9*	**297,464**	275,960
Intangible assets		**4,127**	3,642
Deferred tax assets		**38,868**	39,585
Trade and other receivables		**2,836**	1,220
		343,295	320,407
Current assets			
Trade and other receivables		**50,486**	55,610
Cash and cash equivalents		**58,479**	32,003
		108,965	87,613
Total assets		**452,260**	408,020
Shareholders' equity			
Share capital		**4,434**	4,434
Share premium		**319,653**	319,388
Foreign currency translation reserve		**1,060**	413
Accumulated deficit		**(194,592)**	(189,858)
		130,555	134,377
Non-current liabilities			
Trade and other payables		**7,991**	8,227
Provision for onerous lease contracts		**15,098**	15,844
Borrowings	*10*	**196,646**	128,678
		219,735	152,749
Current liabilities			
Trade and other payables		**96,722**	91,029
Current tax liabilities		**735**	376
Provision for onerous lease contracts		**3,152**	3,068
Borrowings	*10*	**1,361**	26,421
		101,970	120,894
Total liabilities		**321,705**	273,643
Total liabilities and shareholders' equity		**452,260**	408,020

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated statement of changes in shareholders' equity

	Share capital	Share premium	Foreign currency trans-lation reserve	Accumu-lated deficit	Total equity
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2010	4,434	319,388	413	(189,858)	134,377
Total comprehensive income	–	–	647	(4,734)	(4,087)
Share-based payments	–	265	–	–	265
Balance at 31 March 2010	**4,434**	**319,653**	**1,060**	**(194,592)**	**130,555**

	Share Capital	Share premium	Foreign currency translation reserve	Accumu-lated deficit	Total equity
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2009	4,364	317,806	(934)	(216,310)	104,926
Total comprehensive income	–	–	62	5,933	5,995
Share-based payments	–	240	–	–	240
Balance at 31 March 2009	**4,364**	**318,046**	**(872)**	**(210,377)**	**111,161**

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated statement of cash flows
For the 3 months ended 31 March

	Note	2010	2009
		€ '000	**€ '000**
Profit/(loss) for the period		**(4,734)**	5,933
Depreciation and amortisation		**7,187**	4,649
Provision for onerous lease contracts		**(583)**	(493)
Share-based payments		**265**	240
Net finance expense		**13,479**	1,517
Income tax expense		**1,247**	1,671
Interest paid		**(721)**	(364)
Interest received		**85**	218
Income tax paid		**(76)**	(41)
Net cash flows from operating activities before changes in working capital		**16,149**	13,330
Movements in trade and other current assets		**4,935**	4,362
Movements in trade and other payables		**2,331**	7,572
Net cash flows from changes in working capital		**7,266**	11,934
Net cash flows from operating activities		**23,415**	25,264
Cash flow from investing activities			
Purchase of property, plant and equipment	*6*	**(28,650)**	(37,919)
Purchase of intangible assets		**(357)**	(349)
Net cash flows from investing activities		**(29,007)**	(38,268)
Cash flow from financing activities			
Proceeds/(repayment) bank facilities		**(159,046)**	3,900
Proceeds from Senior Security Notes		**192,015**	–
Other borrowings		**(1,046)**	(701)
Net cash flows from financing activities		**31,923**	3,199
Effect of exchange rate changes on cash		**145**	(102)
Net movement in cash and cash equivalents		**26,476**	(9,907)
Cash and cash equivalents, beginning of period		**32,003**	61,775
Cash and cash equivalents, end of period		**58,479**	51,868

The accompanying notes form an integral part of these consolidated interim financial statements.

Notes to the consolidated interim financial statements

1 The Company

Interxion Holding N.V. (the "Company") is domiciled in the Netherlands. The address of the Company's registered office is Tupolevlaan 24, 1119 NX, Schiphol-Rijk, The Netherlands. The consolidated interim financial statements of the Company as at and for the three months ended 31 March 2010 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a leading pan-European operator of carrier neutral Internet data centres.

2 Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 31 December 2009 which are contained in the 2009 Annual Report which is publicly available on the company's website – www.interxion.com.

3 Significant accounting policies

The accounting policies applied by the Group in these consolidated Interim Financial Statements are the same as those applied by the Group in its consolidated Financial Statements as at and for the year ended 31 December 2009, except for the new Standards and Interpretations as of 1 January 2010. Compared with the accounting principles as applied in the 2009 financial statements, the main change was the adoption of the revised IFRS 3 "Business Combinations". This did not have an impact on the financial position or performance of the Group.

4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2009 within the 2009 Annual Report.

5 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements within the 2009 Annual Report.

6 Information by segment

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Management monitors the operating results of its operating segments separately for the purpose of making decisions about performance assessments.

The performance of the operating segments is primarily based on the measures of revenue, EBITDA and Adjusted EBITDA. Other information provided to the Managing Director is measured in a manner consistent with that in the financial statements.

For the 3 months ended 31 March 2010

	FR, DE, NL and UK €'000	Rest of Europe €'000	Subtotal €'000	Corporate and other €'000	Total €'000
Revenue	*28,520*	*19,295*	***47,815***	*–*	***47,815***
Cost of sales	*(13,005)*	*(7,674)*	***(20,679)***	*(1,094)*	***(21,773)***
Gross profit/(loss)	*15,515*	*11,621*	***27,136***	*(1,094)*	***26,042***
Other income	*108*	*–*	***108***	*–*	***108***
Sales and marketing costs	*(958)*	*(800)*	***(1,758)***	*(1,567)*	***(3,325)***
Total general and administrative costs	*(6,490)*	*(3,414)*	***(9,904)***	*(2,929)*	***(12,833)***
Operating profit/(loss)	*8,175*	*7,407*	***15,582***	*(5,590)*	**9,992**
Net finance expense					**(13,479)**
Profit/(loss) before tax					**(3,487)**
Total Assets	*241,947*	*136,455*	***378,402***	*73,858*	***452,260***
Total Liabilities	*108,078*	*50,749*	***158,827***	*162,878*	***321,705***
Capital Expenditures (PPE) paid	*15,639*	*12,213*	***27,852***	*798*	***28,650***
Depreciation, amortisation, impairments	*(4,511)*	*(2,368)*	***(6,879)***	*(308)*	***(7,187)***
Adjusted EBITDA	***12,687***	***9,768***	***22,455***	***(5,011)***	***17,444***

For the 3 months ended 31 March 2009

	FR, DE, NL and UK €'000	Rest of Europe €'000	Subtotal €'000	Corporate and other €'000	Total €'000
Revenue	*23,361*	*17,034*	***40,395***	*–*	***40,395***
Cost of sales	*(10,824)*	*(6,913)*	***(17,737)***	*(902)*	***(18,639)***
Gross profit/(loss)	*12,537*	*10,121*	***22,658***	*(902)*	***21,756***
Other income	*140*	*275*	***415***	*–*	***415***
Sales and marketing costs	*(776)*	*(510)*	***(1,286)***	*(1,330)*	***(2,616)***
Total general and administrative costs	*(4,276)*	*(2,726)*	***(7,002)***	*(3,432)*	***(10,434)***
Operating profit/(loss)	*7,625*	*7,160*	***14,785***	*(5,664)*	**9,121**
Net finance expense					**(1,517)**
Profit before tax					**7,604**
Total Assets	*185,097*	*108,164*	***293,261***	*72,127*	***365,388***
Total Liabilities	*91,129*	*51,259*	***142,388***	*111,839*	***254,227***
Capital Expenditures (PPE) paid	*18,289*	*18,590*	***36,879***	*1,040*	***37,919***
Depreciation, amortisation, impairments	*(2,797)*	*(1,593)*	***(4,390)***	*(259)*	***(4,649)***
Adjusted EBITDA	***10,422***	***8,478***	***18,900***	***(4,815)***	***14,085***

Reconciliation of Adjusted EBITDA
For the 3 months ended

	31 March 2010 € ’000	31 March 2009 € ’000
Adjusted EBITDA	**17,444**	14,085
Income from subleases on unused data centre sites	**108**	140
Net insurance compensation benefit	**–**	275
Exceptional income	**108**	415
Increase in provision onerous lease contracts[1]	**(108)**	(490)
Share based payments	**(265)**	(240)
Exceptional general and administrative costs and share based payments	**(373)**	(730)
EBITDA[2]	**17,179**	13,770
Depreciation and amortisation	**(7,187)**	(4,649)
Operating profit	**9,992**	9,121

(1) Before deduction of income from subleases on unused data centre sites.
(2) Operating profit plus depreciation, amortisation and impairment of assets.

The net insurance compensation benefit received from our insurance company, as a result of fire damage incurred in 2008, represents the difference between the net book value and the replacement value of the equipment damaged. Exceptional income is recorded as “Other income” in the consolidated income statement. The increase in the provision for onerous lease contracts relates to an unused data centre in Germany and an office property in The Netherlands.

7 Finance income and expense

For the 3 months ended

	31 March 2010 € '000	31 March 2009 € '000
Bank and other interest	**79**	218
Foreign currency exchange gains	**–**	–
Finance income	**79**	218
Interest expense on bank and other loans	**(3,228)**	(1,513)
Interest expense on finance leases	**(27)**	(31)
Interest expense on provision for onerous lease contracts		
Other financial expense	**(128)**	(191)
	(10,170)	–
Fair value loss interest rate swap	–	–
Foreign currency exchanges losses	**(5)**	–
Finance expense	**(13,558)**	(1,735)
Net finance expense	**(13,479)**	(1,517)

The 'Interest expense on provision for onerous lease contracts' relates to the unwinding of the discount rate used to calculate the 'Provision for onerous lease contracts'.

Other financial expenses are cash and non-cash costs related to the repayment of the Company's bank borrowings.

8 Income tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the three months ended 31 March 2010 was 36% (for the three months ended 31 March 2009: 22%).

9 Property, plant and equipment

Acquisitions and disposals

During the three months ended 31 March 2010 the Group acquired data-centre-related assets with a cost of €28,606,000 (during the three months ended 31 March 2009: €23,023,000).

During the three months ended 31 March 2010 the Group capitalised interest relating to borrowing costs during construction work of new build assets of €436,000 (during the three months ended 31 March 2009: €708,000).

Capital commitments

At 31 March 2010, the Group had outstanding capital commitments totalling €25,041,000. These commitments are expected to be substantially settled in 2010.

10 Borrowings

On 12 February 2010, the Company issued, at par, € 200,000,000 of 9.5% Senior Secured Notes due 2017. The Notes are listed on the Luxembourg Stock Exchange's Euro MTF Market. The proceeds were used to repay in full the Company's bank borrowings and pay transaction fees and expenses. Excess cash will be used for capital expenditures and other general corporate purposes.

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On 12 February 2010, the Company entered into a new € 60,000,000 Revolving Credit Facility, which remained undrawn.

On 18 February 2010, the Group closed out its interest rate swap contracts.

11 Share-based payments

The terms and conditions of the share option program are disclosed in the consolidated financial statements as at and for the year ended 31 December 2009. As at 31 March 2010 the number of outstanding share options amounts to 23,017,000 (31 December 2009: 23,831,000). In the three months ended 31 March 2010 a number of 1,190,000 options have been granted.