

Data Center in Iceland

NATURAL DISASTER RISK

Seismic activity

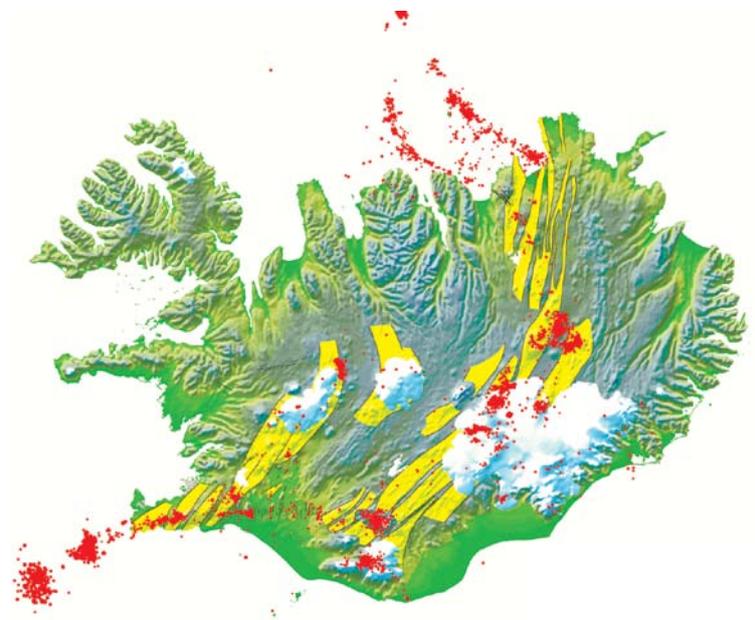
Even given its vulnerability to seismic activity, Iceland has in fact been ranked as one of the safest locations to build data centers in terms of overall vulnerability to natural disasters. This is primarily due to the country's lack of other disasters such as hurricanes and tornadoes. PWC, in a benchmarking study on Iceland as a location for data centers, ranked Iceland as the best of 4 possible locations in terms of Natural Disaster Risk.

Iceland's primary threats are outweighed by threats of earthquakes, hurricanes and tornadoes in the U.S. and threats of drought, flash floods and earthquakes in India. Iceland's ranking indicates that while perceived risk of natural disaster in Iceland may be high, the reality is substantially different.

A Data Center in Iceland is potentially at risk of being impacted by geological events such as earthquakes. But studies show that while specific regions in Iceland are vulnerable to earthquakes, Iceland is not affected by other impacts such as hurricanes and tornadoes.

Iceland is a super structural part of the Mid Atlantic Ridge, which marks the boundary between the North American and the Euro-Asian Plate and creates a belt of seismic activity from the Azores in the south. There are two major seismic fracture zones in Iceland, the South Iceland Seismic Zone (SISZ) in the South

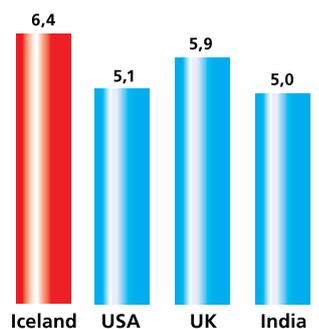
and the Tjornes Fracture Zone (North Iceland Seismic Zone) in the north. However, three things must be considered: the plates are moving apart from each other, making earthquakes smaller in size; the crust is very thin so that the vibration travels only a short distance; and Iceland is thoroughly mapped regarding seismic activity. As a consequence a secure location can easily be found outside the hazard zones.



■ Seismic zone ● Seismic activity

Potential disasters	
Iceland	Earthquake and volcano activity
USA	Tsunamis, volcanoes, earthquakes, hurricanes, tornadoes, mud slides, forest fires, flooding and permafrost
UK	Winter windstorms and floods
India	Drought, flash floods and earthquakes

Source: CIA Factbook 2006



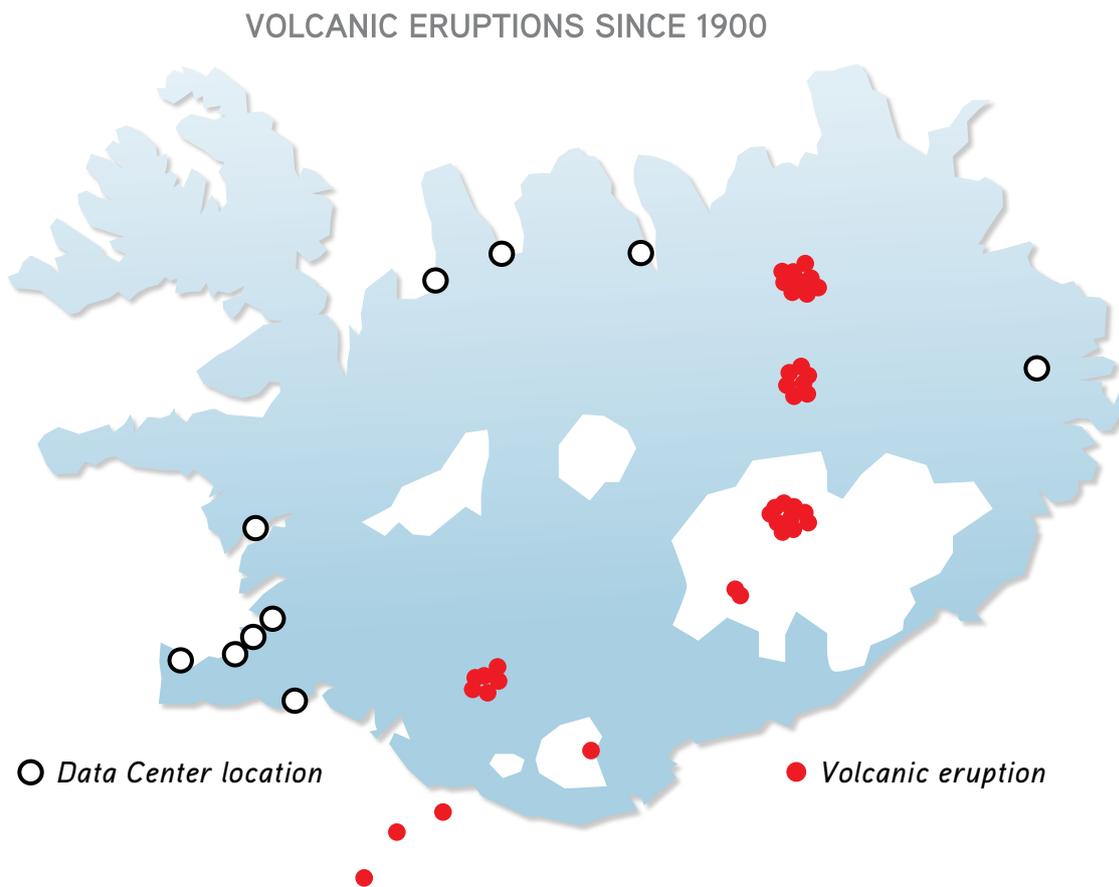
The incidence of environmental disasters such as floods, droughts or severe storms significantly impact companies operations on expanding local business activities (1 = strongly agree, 7 = strongly disagree)

The Global Competitiveness Report 2006-2007, WEF

Data Center in Iceland

NATURAL DISASTER RISK

Volcanic Activity



Even given its vulnerability to volcanic activity, Iceland has in fact been ranked as one of the safest locations to build data centers in terms of overall vulnerability to natural disasters. This is primarily due to the country's lack of other disasters such as hurricanes and tornadoes. PWC, in a benchmarking study on Iceland as a location for data centers, ranked Iceland as the best of 4 possible locations in terms of Natural Disaster Risk.

A Data Center in Iceland is potentially at risk of being impacted by volcanic activity. But studies show that while specific regions in Iceland are vulnerable to ecological impacts such as volcanic activity Iceland is not affected by other impacts such as hurricanes and tornadoes.

Iceland's major volcanoes are located in the central and southern regions of the country and most locations are far removed from these areas. Hekla, Iceland's most active volcano is 50 miles (or more) away from most Data Center sites and Iceland's most recent major volcanic eruption of Grimsvotn had no direct affect on homes or buildings. In the case of a volcanic eruption, a Data Center will not suffer interruptions to its power, network, or piping and water.

Reykjavik and surrounding towns are located close to the Reykjanes Peninsula which is a volcanic system. However, the large lava fields are primarily prehistoric and the majority of volcanic activity on the peninsula is numerous hot and sulfur springs.