



AboveNet Communications (NYSE: ABVT) Ground Lease (a division of Zayo Group)

800-801 Main St - Woodbridge, NJ



AboveNet

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INVESTMENT GROUP

- ❖ 100% Critical Use fiber optic communications facility
- ❖ This facility serves as the hub for the datacenters for Goldman Sachs, Bloomberg, and Merrill Lynch
- ❖ 330,924 vehicles perday
- ❖ Located at intersection of I-95 & the Garden State Parkway
- ❖ Annual revenues of \$472 million for tenant
- ❖ \$4.16 billion in total assets for parent company

PROPERTY OVERVIEW:

100% critical use fiber optic communications facility that is operated by a subsidiary of Zayo Group with assets of 4.16 billion. This facility serves as the hub for the datacenters for Goldman Sachs, Bloomberg, and Merrill Lynch. The property is a ground lease on 0.5 acres. The property is located at an intersection of two major highways, I-95 & the Garden State Parkway, which receive average daily traffic counts of 176,674 & 154,250 respectively. The property is located at the nexus of several fiber optic networks and operates as a Zayo Hut providing high volume fiber optic services to major communication carriers. The two-level Woodbridge Center Mall is located within a mile from the subject property, and features J. C. Penney, Lord & Taylor, Macy's and Sears and over 200 retail establishments. Other retail tenants in the area include Wal-Mart, Home Depot, Marshalls, and Lowe's. The property has a variance for its current use.



TENANT OVERVIEW: AboveNet Communications, Inc. | NYSE: ABVT

AboveNet, Inc. provides high bandwidth connectivity primarily for large corporate enterprises and communications carriers in the United States, Canada, and Europe. AboveNet operates private metro area and long haul optical networks, and offers services including high bandwidth metro access to WDM, Metro Ethernet, VPN and IP networks, and managed services. The company is headquartered in White Plains, New York, with European operations based in London. AboveNet shareholders approved the company's purchase by Zayo Group in 2012.

Zayo Group | S&P: B

Zayo Group is a privately held company based in Boulder, Colorado. The company is a national provider of fiber-based Bandwidth Infrastructure and carrier-neutral colocation products. Zayo serves wireline and wireless carriers, data centers, Internet content and services companies, high bandwidth enterprises as well as federal, state and local government agencies. Zayo's network assets include over 74,300 route miles, connecting 283 markets across 7 countries and 45 states as well as, Washington D.C. Additionally, Zayo has over 11,740 buildings and 3,045 cell towers on-net, and over 141,000 square feet of colocation space. Zayo's primary customer segments include wireless, national carriers/ISPs and the public sector/enterprise. Zayo Group was established in 2007. Zayo Group is a global provider of bandwidth infrastructure services, including dark fiber, wavelengths, Ethernet, IP services, SONET, carrier-neutral colocation, and technical services.

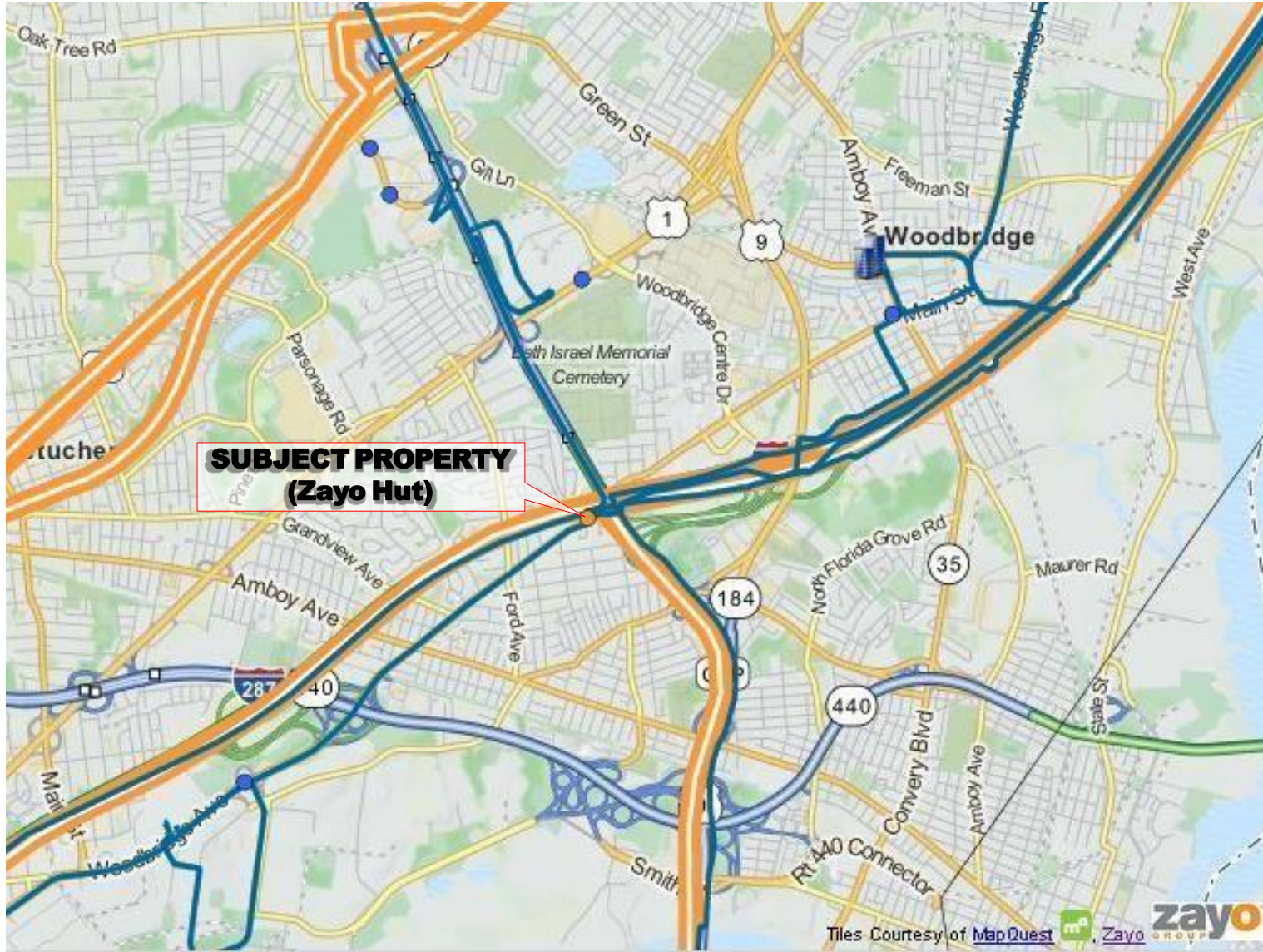
The Zayo Group's network footprint stretches over 75,950 route miles, providing fiber-based connectivity between major data centers, carrier PoPs, enterprise buildings, and more.

INVESTMENT SUMMARY

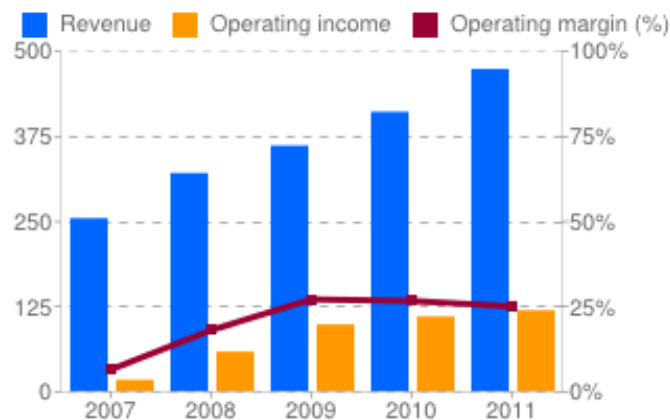
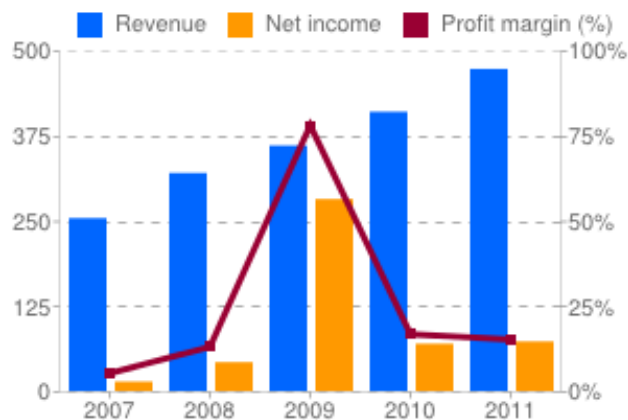
Land Size:	0.50 acres
Building Size:	Approximately 1,200 sq ft +/-
Lease Type:	Absolute TripleNet Ground Lease
Escalations:	2.5% annually
Lease Expiration:	4/31/2023

Subject Property

*Fiber optic network is highlighted in blue



In Millions of USD (except for per share items)	12 month sending			
	2011-12-31	2010-12-31	2009-12-31	2008-12-31
Revenue	472.5	409.7	360.1	319.9
Total Revenue	472.5	409.7	360.1	319.9
Cost of Revenue, Total	162.7	142.8	130.7	126
Gross Profit	309.8	266.9	229.4	193.9
Selling/General/Admin. Expenses, Total	116.4	96.6	82.5	90.5
Depreciation/Amortization	75.3	63.3	52	48.3
Unusual Expense (Income)	-0.5	-2.5	-2.9	-2.8
Total Operating Expense	353.9	300.2	262.3	262
Operating Income	118.6	109.5	97.8	57.9
Gain (Loss) on Sale of Assets	-0.2	-0.2	-1.3	0.9
Other, Net	0.7	0.3	0.1	0.4
Income Before Tax	112.7	103.9	94	50.6
Income After Tax	72.7	69.4	281.6	42.3
Net Income Before Extra. Items	72.7	69.4	281.6	42.3
Net Income	72.7	69.4	281.6	42.3
Income Available to Common Excl. Extra Items	72.7	69.4	281.6	42.3
Income Available to Common Incl. Extra Items	72.7	69.4	281.6	42.3
Diluted Weighted Average Shares	26.82	26.24	25.47	24.45
Diluted EPS Excluding Extraordinary Items	2.71	2.64	11.06	1.73

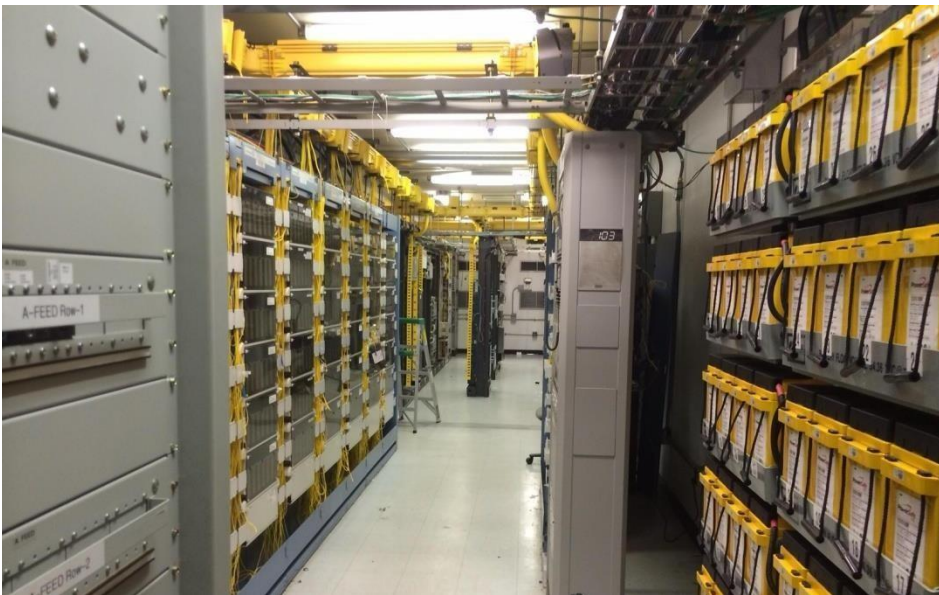


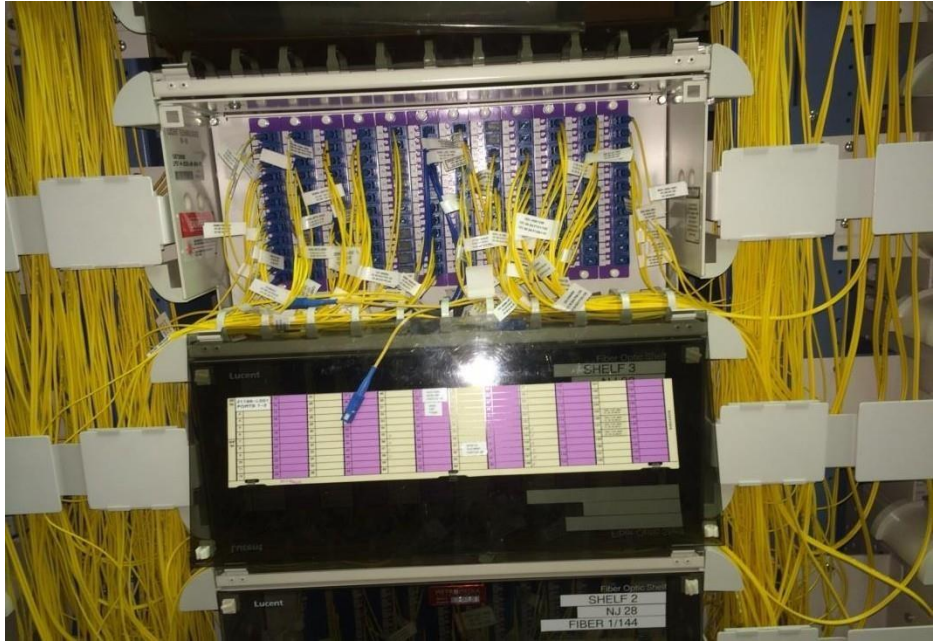
	September 30, 2013	June 30, 2013
Assets (in thousands)		
Current assets		
Cash and cash equivalents	\$ 92,433	\$ 88,148
Trade receivables, net	62,536	67,811
Due from related parties	533	622
Prepaid expenses	18,673	19,188
Deferred income taxes	30,600	30,600
Other assets	1,989	2,851
Total current assets	206,764	209,220
Property and equipment, net	2,448,764	2,411,220
Intangible assets, net	627,194	636,258
Goodwill	685,284	682,775
Debt issuance costs, net	95,901	99,098
Deferred tax assets, net	53,732	60,036
Other assets	28,860	29,284
Total assets	\$ 4,146,499	\$ 4,127,891

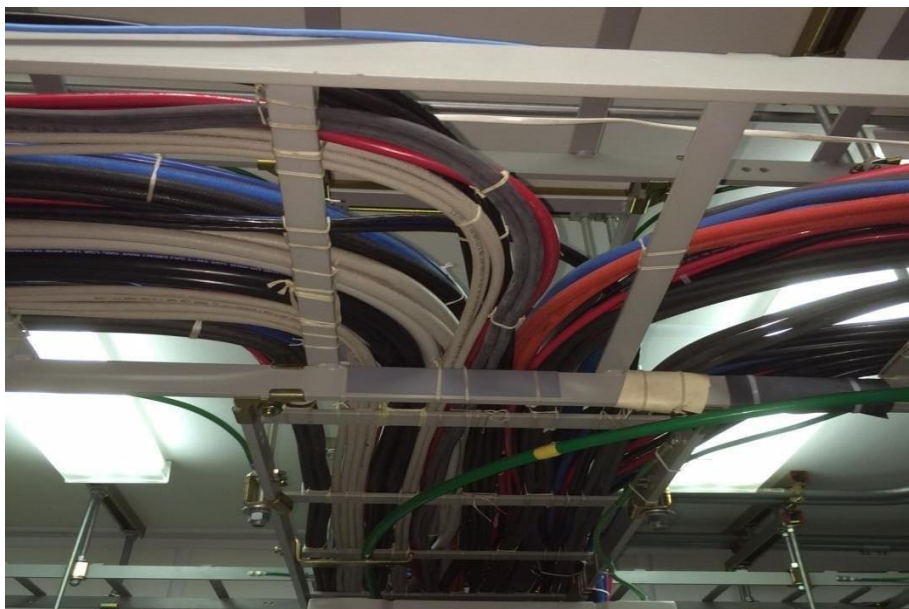
Liabilities and member's equity

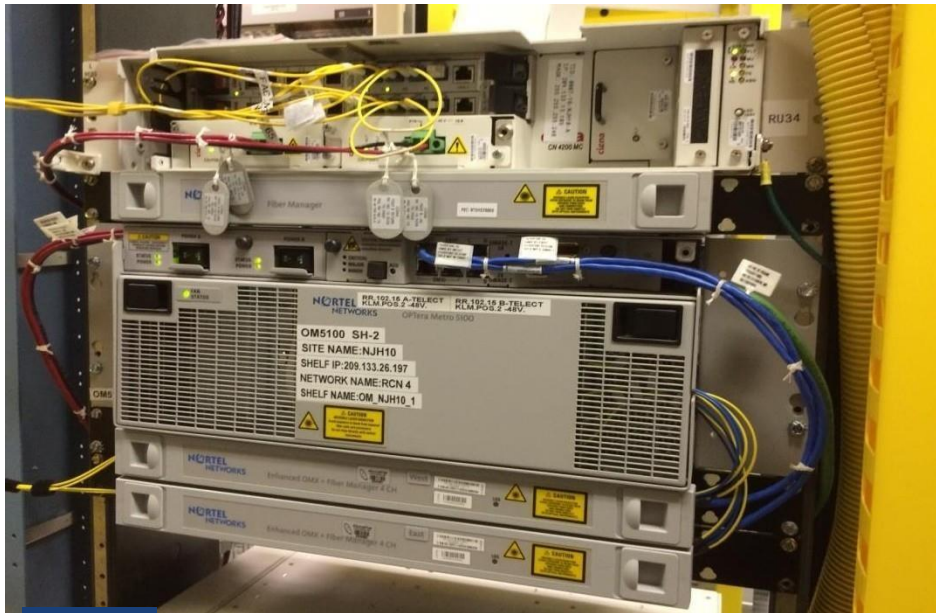
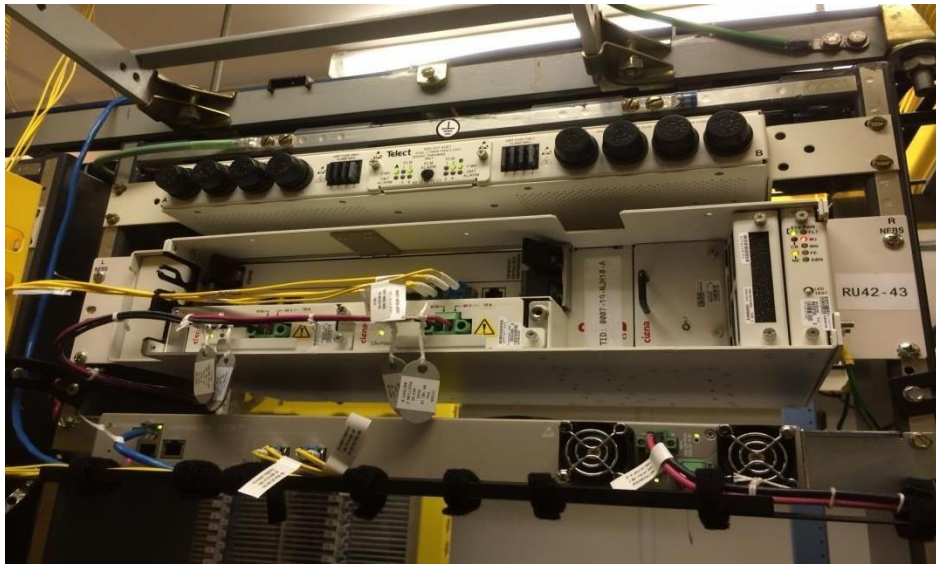
Current liabilities		
Current portion of long-term debt	\$ 16,200	\$ 16,200
Accounts payable	20,922	33,477
Accrued liabilities	112,440	115,932
Accrued interest	26,387	55,048
Capital lease obligations, current	7,612	6,600
Deferred revenue, current	54,613	35,977
Total current liabilities	238,174	263,234
Long-term debt, non-current	2,811,323	2,814,505
Capital lease obligations, non-current	15,685	6,567
Deferred revenue, non-current	334,386	326,180
Stock-based compensation liability	201,063	158,520
Deferred tax liabilities, net	7,374	5,560
Other long term liabilities	19,775	19,892
Total liabilities	3,627,780	3,594,458
Member's equity		
Member's interest	707,713	703,963
Accumulated other comprehensive income/(loss)	4,704	(4,755)
Accumulated deficit	(193,698)	(165,775)
Total member's equity	518,719	533,433
Total liabilities and member's equity	\$ 4,146,499	\$ 4,127,891

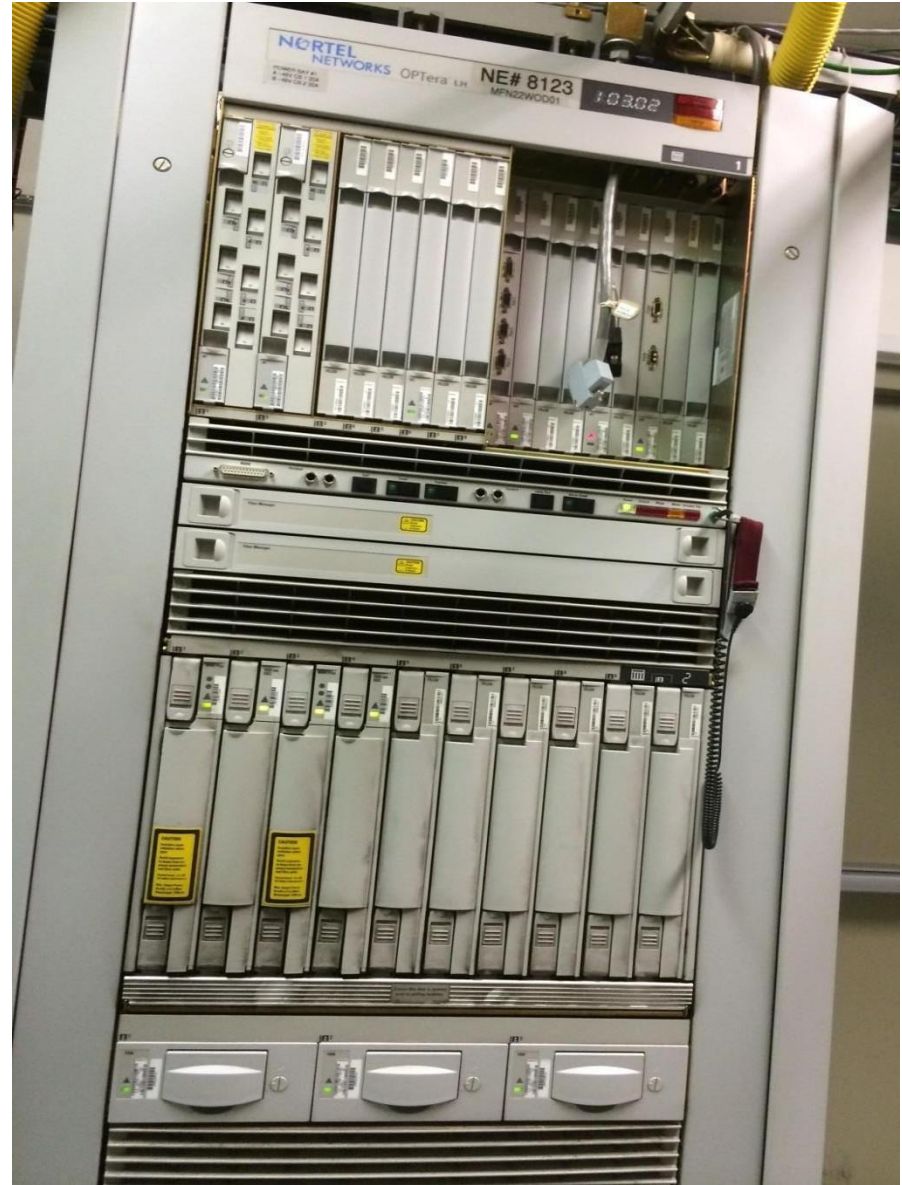












Radius	1 Mile	3 Mile	5 Mile
Population:			
2017 Projection	16,835	138,156	312,893
2012 Estimate	16,859	136,353	307,456
2010 Census	16,981	135,881	305,514
Growth 2012-2017	-0.10%	1.30%	1.80%
Growth 2010-2012	-0.70%	0.30%	0.60%
2012 Population By Hispanic Origin	2,873	45,275	75,348
2012 Population by Race:			
White	9,228	72,395	175,232
Black or African American	1,625	11,799	29,619
American Indian and Alaska Native	50	728	1,224
Asian	4,458	29,058	63,796
Native Hawaiian and Pacific Islander	12	63	128
Other Race	1,021	17,040	27,144
Two or More Races	464	5,271	10,314
Households:			
2017 Projection	6,114	47,597	107,825
2012 Estimate	6,182	47,421	106,726
2010 Census	6,209	47,130	105,641
Growth 2012-2017	-1.10%	0.40%	1.00%
Growth 2010-2012	-0.40%	0.60%	1.00%
Owner Occupied	3,783	26,433	66,781
Renter Occupied	2,399	20,988	39,945
2012 Avg Household Income	\$93,696	\$86,405	\$92,165
2012 Med Household Income	\$78,547	\$66,585	\$72,925
2012 Per Capita Income	\$34,530	\$30,473	\$32,625
2012 Households by Household Inc:			
Income Less than \$15,000	405	4,822	9,173
Income \$15,000-\$24,999	382	3,597	7,347
Income \$25,000-\$34,999	451	3,695	7,544
Income \$35,000-\$49,999	653	5,387	11,393
Income \$50,000-\$74,999	1,029	8,393	19,038
Income \$75,000-\$99,999	929	6,285	15,055
Income \$100,000-\$149,999	1,360	9,018	21,062
Income \$150,000-\$199,999	654	3,464	8,793
Income \$200,000+	319	2,759	7,314



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