

Digital Realty Completes Acquisition Of Ascenty

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Strategic Transaction Establishes Digital Realty as Leading Data Center Provider in Latin America

SAN FRANCISCO, Dec. 20, 2018 /PRNewswire/ -- Digital Realty (NYSE: DLR), a leading global provider of data center, colocation and interconnection solutions, announced today its Brazilian subsidiary, Stellar Participações Ltda., has completed the previously announced acquisition of Ascenty, the leading data center provider in Brazil, from private equity firm Great Hill Partners in a transaction valued at approximately \$1.8 billion.

Digital Realty has separately entered into an independent bilateral equity commitment letter with Brookfield Infrastructure, an affiliate of Brookfield Asset Management, one of the largest owners and operators of infrastructure assets globally, under which Brookfield has committed to fund half of the equity investment, estimated at approximately \$613 million, excluding Brookfield's share of the transaction costs, in exchange for 49% of the total equity interests in a joint venture entity expected to ultimately own Ascenty. Digital Realty's agreement with Brookfield is subject to certain closing conditions and is expected to close in the first quarter of 2019.

"This landmark transaction immediately establishes Digital Realty as the premier data center provider in the rapidly growing Latin America region, and particularly in Brazil, the hub of Latin America's future technological transformation," said Digital Realty Chief Executive Officer A. William Stein. "This acquisition is a significant extension of our global platform and strengthens our position as the premier global data center solutions provider."

Financing Details

The transaction was initially funded with \$600 million of proceeds from a non-recourse, five-year secured term loan; the roll-forward of the substantial majority of Ascenty management's equity interests in exchange for \$300 million of Digital Realty Operating Partnership Units; and approximately \$1 billion of unsecured corporate borrowings. Digital Realty expects to finalize the permanent capital structure for Ascenty in the first quarter of 2019, in conjunction with closing the joint venture with Brookfield.

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About Digital Realty

Digital Realty supports the data center, colocation and interconnection strategies of more than 2,300 firms across its secure, network-rich portfolio of data centers located throughout North America, Europe, Asia and Australia. Digital Realty's clients include domestic and international companies of all sizes, ranging from cloud and information technology services, communications and social networking to financial services, manufacturing, energy, healthcare, and consumer products. <https://www.digitalrealty.com/>

About Ascenty

Ascenty is one of Latin America's largest data center providers with 14 data centers in operation and / or under construction. The company was founded in 2010 and has focused on the construction and operation of world class data centers, serving the largest technology companies in the world. The company's data centers are interconnected by proprietary fiber-optic networks, over 4,500 kilometers in length. For more information about Ascenty, visit www.ascenty.com.

Safe Harbor Statement

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially, including statements related to: our economic outlook; the proposed joint venture with Brookfield; the expected benefits and results of our acquisition of Ascenty and the proposed joint venture with Brookfield; and the achievement of results assumed in determining the stabilized EBITDA multiple for the Ascenty acquisition. These risks and uncertainties include, among others, the following: reduced demand for data

centers or decreases in information technology spending; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; the suitability of our data centers and data center infrastructure, delays or disruptions in connectivity or availability of power, or failures or breaches of our physical and information security infrastructure or services; our dependence upon significant customers, bankruptcy or insolvency of a major customer or a significant number of smaller customers, or defaults on or non-renewal of leases by customers; breaches of our obligations or restrictions under our contracts with our customers; our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties; the impact of current global and local economic, credit and market conditions; our inability to retain data center space that we lease or sublease from third parties; difficulty acquiring or operating properties in foreign jurisdictions; our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent acquisitions; our failure to successfully integrate and operate acquired or developed properties or businesses; difficulties in identifying properties to acquire and completing acquisitions; risks related to joint venture investments, including as a result of our lack of control of such investments; risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements; our failure to obtain necessary debt and equity financing, and our dependence on external sources of capital; financial market fluctuations and changes in foreign currency exchange rates; adverse economic or real estate developments in our industry or the industry sectors that we sell to, including risks relating to decreasing real estate valuations and impairment charges and goodwill and other intangible asset impairment charges; our inability to manage our growth effectively; losses in excess of our insurance coverage; environmental liabilities and risks related to natural disasters; our inability to comply with rules and regulations applicable to our company; our failure to maintain our status as a REIT for federal income tax purposes; our operating partnership's failure to qualify as a partnership for federal income tax purposes; restrictions on our ability to engage in certain business activities; and changes in local, state, federal and international laws and regulations, including related to taxation, real estate and zoning laws, and increases in real property tax rates. For a further list and description of such risks and uncertainties, see the reports and other filings by the company with the U.S. Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2017 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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