DIGITAL REALTY

Digital Realty Completes Refinancing of Global Revolving Credit Facility and Multi-Currency Term Loans

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Closes Additional ¥33.3 Billion Japanese Yen-Denominated Revolving Credit Facility

SAN FRANCISCO, Oct. 25, 2018 /PRNewswire/ -- Digital Realty (NYSE: DLR), a leading global provider of data center, colocation and interconnection solutions, announced today that it has completed the refinancing of its global credit facilities. The combined facilities total $3.3 billion, consisting of a $2.35 billion global revolving credit facility and approximately $916 million of multi-currency term loans. The refinancing provides funds for acquisitions, development, debt repayment, working capital and general corporate purposes. In conjunction with the refinancing, pricing for the global revolving credit facility was tightened by 10 basis points at the company's BBB / Baa2 senior unsecured debt rating, the maturity date was extended by three years and total availability was expanded by $350 million. The company also completed a five-year, ¥33.3 billion (approximately $300 million) Japanese yen-denominated revolving credit facility to fund capital requirements for the company's joint venture with Mitsubishi Corporation and for general corporate purposes.

The $2.35 billion global revolving credit facility matures in January 2023 and has two six-month extension options. Pricing for the facility is based on the company's BBB / Baa2 senior unsecured debt rating and was lowered from 100 to 90 basis points over the applicable index for floating rate advances. The annual facility fee is 20 basis points.

The $916 million term loans include a multi-currency unsecured term loan of approximately $512 million that matures in January 2023 with two six-month extension options; a $300 million unsecured term loan that matures in January 2023; and a $104 million secured term loan that matures in March 2023. In addition, we have the ability to increase the unsecured term loans and the global revolving credit facility, in any combination, by up to $1.25 billion. Pricing for the $512 million multi-currency term loan and the $104 million secured term loan is based on the company's BBB / Baa2 senior unsecured debt rating and was lowered from 110 to 100 basis points over the applicable index for floating rate advances. The duration of the $300 million term loan was reduced from seven years to five years, and pricing was lowered from 155 basis points to 100 basis points over the applicable index for floating rate advances.

The company also closed a five-year, ¥33.3 billion (approximately $300 million) revolving credit facility. The facility matures in January 2024 and can be increased up to an additional ¥60 billion (approximately $535 million). Pricing for the ¥33.3 billion facility is based on the company's BBB / Baa2 senior unsecured debt rating at 50 basis points over the applicable index for floating rate advances. The unused facility fee is 10 basis points.

"We were very pleased by the strong support we received from the international lending community for the refinancing of our existing facilities as well as our new Japanese Yen facility," said Andrew P. Power, Digital Realty's Chief Financial Officer. "The refinancing of our existing credit facilities was oversubscribed with commitments totaling over $6 billion from 28 financial institutions from around the world. With this strong support from our lending group, we were able to upsize the revolving credit facility by $350 million and extend the maturities of our global revolving credit facility and multi-currency term loan by three years. We believe the refinancing illustrates the institutional lender community's view on the strength of our balance sheet and underlying business, while providing us with greater financial flexibility as we continue to prudently fund the growth of our global portfolio."

Funds from the combined facilities may be drawn in U.S., Canadian, Singapore, Australian and Hong Kong dollars, as well as euro, pound sterling and Japanese yen denominations.

"We would like to acknowledge Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, The Bank of Nova Scotia, Sumitomo Mitsui Banking Corporation, TD Securities (USA) LLC and U.S. Bank National Association's efforts in their capacity as joint lead arrangers and joint book running managers, which led to the successful syndication of the global revolver and term loan facilities," added Michael P. Brown, Digital Realty's Vice President, Treasury. "We would also like to extend our gratitude to the entire bank group for their overwhelming support. In addition, we would like to acknowledge Sumitomo Mitsui Banking Corporation, MUFG Bank, LTD, and Mizuho Bank, LTD's efforts in their capacity as joint lead arrangers and joint book running managers of the Japanese Yen facility."

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/

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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 use of proceeds from the facilities, maturity dates, extension options and accordion options. 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 and June 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.