

Digital Realty Completes the Acquisition of Telx

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Creating an open, connected global platform for powering business growth

SAN FRANCISCO, Oct. 12, 2015 /PRNewswire/ -- Digital Realty Trust, Inc. (NYSE: DLR), a leading global provider of data center solutions, announced today that it has completed the previously announced acquisition of Telx, a premier provider of data center colocation, interconnection and cloud enablement solutions, from private equity firms ABRY Partners and Berkshire Partners in a transaction valued at \$1.886 billion.

The acquisition approximately doubles Digital Realty's footprint in the rapidly-growing colocation business, in addition to providing a leading interconnection platform. It builds on Digital Realty's technical real estate expertise and expansive global reach, while satisfying customer demands for new products and services.

"The combination of Digital Realty's and Telx's portfolios of data centers and capabilities gives customers the platform they need to grow and compete in a data-driven world. Our focus on openness, agility, and exceptional service will provide a foundation for new business growth for our customers, and give them the ability to scale on a global basis," said A. William Stein, Digital Realty's Chief Executive Officer. "This transformative acquisition is a significant step forward for our strategy of delivering an unparalleled range of data center solutions, real estate acumen, and financial strength to create unrivaled choice and value, when and where our customers need it."

Digital Realty's customers worldwide can now access the broadest choice of service providers, levels of redundancy, power configurations, and connectivity options to support their constantly evolving business needs today, and in the unpredictable future. Organizations of every size – from startups to the Fortune 100 – can now achieve faster, more reliable, and more seamless connections to their customers, partners, and service providers through the combined company.

The acquisition also creates a unique global data center platform to support the extensive customer base, network of cloud and networking providers and rich e-commerce, retail, finance, mobile and media ecosystems of the combined company.

Telx will now operate as Digital Realty's colocation and connectivity line of business.

Financing Details

Digital Realty raised gross proceeds of approximately \$1.9 billion of debt and equity capital to fund the Telx acquisition, including the following:

- On October 8, 2015, Digital Realty settled its forward equity sale transactions with each of its forward counterparties, delivering an aggregate of 10.5 million shares and receiving gross proceeds of \$714 million.
- On October 1, 2015, Digital Delta Holdings, LLC, a wholly-owned subsidiary of Digital Realty Trust, Inc., issued \$500 million of 3.400% Notes due 2020 and \$450 million of 4.750% Notes due 2025.
- On August 24, 2015, Digital Realty closed its underwritten public offering of 10 million shares of 6.350% Series I Cumulative Redeemable Preferred Stock at a price of \$25.00 per share, generating gross proceeds of \$250 million.

"With the settlement of the forward equity agreements, we have now completed the entire financing for the Telx transaction," commented Andrew P. Power, Digital Realty's Chief Financial Officer. "I am proud of the finance and accounting teams at Digital Realty for achieving such favorable execution and either meeting or exceeding our initial expectations on all aspects of the financing plan."

About Digital Realty

Digital Realty Trust, Inc. supports the data center and colocation strategies of firms across its secure, network-rich portfolio of data centers located throughout North America, Europe, Asia, and Australia. Digital Realty's clients include global companies of all sizes, ranging from financial services, cloud and information technology services, to manufacturing, energy, gaming, life sciences and consumer products. 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 the acquisition and integration of Telx Holdings, Inc. These risks and uncertainties include, among others, the following: the impact of current global economic, credit and market conditions; current local economic conditions in our metropolitan areas; decreases in information technology spending, including as a result of economic slowdowns or recession; 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); our dependence upon significant tenants; bankruptcy or insolvency of a major tenant or a significant number of smaller tenants; defaults on or non-renewal of leases by tenants; our failure to obtain necessary debt and equity financing; 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; financial market fluctuations; changes in foreign currency exchange rates; our inability to manage our growth effectively; difficulty acquiring or operating properties in foreign jurisdictions; our failure to successfully integrate and operate acquired or developed properties or businesses, including Telx Holdings, Inc.; lower than expected demand for our product offerings; the suitability of our properties and data center infrastructure, delays or disruptions in connectivity, failure of our physical infrastructure or services or availability of power; risks related to joint venture investments, including as a result of our lack of control of such investments; delays or unexpected costs in development of properties; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; our inability to successfully develop and lease new properties and development space; difficulties in identifying properties to acquire and completing acquisitions; our inability to acquire off-market properties; our inability to comply with the rules and regulations applicable to reporting companies; our failure to maintain our status as a REIT; possible adverse changes to tax laws; restrictions on our ability to engage in certain business activities; environmental uncertainties and risks related to natural disasters; losses in excess of our insurance coverage; changes in foreign laws and regulations, including those related to taxation and real estate ownership and operation; and changes in local, state and federal regulatory requirements, including changes in 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, 2014 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015 and June 30, 2015. 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.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/digital-realty-completes-the-acquisition-of-telx-300157808.html>

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