

## Digital Realty Reports Preliminary 4Q13 Leasing Results, Updates 2014 Guidance and Schedules 4Q13 Earnings Release & Conference Call

January 6, 2014

SAN FRANCISCO, Jan. 6, 2014 /PRNewswire/ -- **Digital Realty Trust, Inc.** (NYSE: DLR), a leading global provider of data center solutions, announced today preliminary leasing results for the fourth quarter of 2013, updated guidance for 2014, and details for its fourth quarter 2013 earnings release and conference call.

### Leasing Activity

Digital Realty signed new leases totaling over \$50 million of annualized GAAP rental revenue during the fourth quarter, bringing the full-year total for 2013 to over \$160 million. Both the fourth quarter and full-year signings volume represent the highest ever in the company's history. The weighted-average lag between leases signed during the fourth quarter and the contractual commencement date was a little over six months, based on preliminary leasing data.

### 2014 Outlook

On October 30, 2013, management provided its preliminary outlook for 2014 FFO per share growth in the mid-single digits, from a starting base of \$4.60. With improved visibility now that the fourth quarter is completed, Digital Realty is now in a position to specify a guidance range of \$4.75-\$4.90 for expected core FFO per share in 2014. The assumptions underlying this guidance are largely unchanged from the preliminary outlook detailed in the third quarter earnings release, and are summarized as follows in the table below.

	As of October 29, 2013	As of January 6, 2014
<b>Internal Growth</b>		
Rental Rates on Renewal Leases		
Cash Basis	Roughly flat	Roughly flat
GAAP Basis	Modestly positive	Modestly positive
Operating Margin	25-75 bps < historical run-rate	25-75 bps < historical run-rate
Incremental Revenue from Speculative Leasing	N/A	\$20-\$30 million
Overhead Load	75-85 bps on total assets	75-85 bps on total assets
<b>External Growth</b>		
Acquisitions		
Dollar Volume	\$0-\$400 million	\$0-\$400 million
Cap Rate	7.5%-8.5%	7.5%-8.5%
Joint Ventures		
Dollar Volume	\$0-\$400 million	\$0-\$400 million

Cap Rate	6.75%-7.25%	6.75%-7.25%
Development		
CapEx	\$600-\$800 million	\$600-\$800 million
Average Stabilized Yields	10%-12%	10%-12%
Other Non-recurring CapEx	N/A	\$85-\$90 million
Recurring CapEx + Capitalized Leasing Costs	\$75-\$80 million	\$75-\$80 million
<b>Balance Sheet</b>		
Preferred Equity		
Dollar Amount	\$100-\$250 million	\$100-\$250 million
Pricing	7.5%-8.0%	8.0%-8.5%
Timing	Late 2013 or early 2014	Early 2014
Long-Term Debt		
Dollar Amount	\$700-\$900 million	\$700-\$900 million
Pricing	4.75%-5.25%	4.75%-5.50%
Timing	Late 2013 or early 2014	Early 2014
<b>Core Funds From Operations</b>		
<b>\$ / Share</b>	<b>Mid-single-digit growth</b>	<b>\$4.75-\$4.90</b>

#### Fourth Quarter 2013 Earnings Release and Conference Call

Digital Realty plans to release its financial results for the fourth quarter and full-year 2013 after the market closes on Monday, February 24, 2014. The company will host a conference call at 1:00 p.m. EST / 10:00 a.m. PST on Tuesday, February 25, 2014 to discuss these results.

To participate in the live call, investors are invited to dial +1 (866) 843-0891 (for domestic callers) or +1 (412) 713-0795 (for international callers) and provide the conference ID # 10039028 at least five minutes prior to start time. A live webcast of the call will be available via the Investors section of Digital Realty's website at <http://investor.digitalrealty.com>.

Please go to the website at least 15 minutes early to register and download and install any necessary audio software. If you are unable to listen to the live conference call, telephone and webcast replays will be available until 9:00 a.m. EDT on Wednesday, March 5, 2014. The telephone replay can be accessed one hour after the call by dialing +1 (877) 344-7529 (for domestic callers) or +1 (412) 317-0088 (for international callers) and using the conference ID # 10039028. The webcast replay can be accessed on Digital Realty's website immediately after the live call has concluded.

## Non-GAAP Financial Measures

This press release contains non-GAAP financial measures, including Funds From Operations, or FFO, and core FFO. A reconciliation of the range of 2014 projected net income to projected FFO and core FFO follows:

Net income available to common stockholders per diluted share	Low - High \$1.05 – 1.20
Add:	
Real estate depreciation and amortization	\$3.69
Less:	
Dilutive impact of convertible stock	(\$0.04)
Projected FFO per diluted share	<b>\$4.70– 4.85</b>
Adjustments for items that do not represent core expenses and revenue streams	\$0.05
Projected core FFO per diluted share	<b>\$4.75– 4.90</b>

## About Digital Realty

Digital Realty Trust, Inc. focuses on delivering customer-driven data center solutions by providing secure, reliable and cost-effective facilities that meet each customer's unique data center needs. Digital Realty's customers include domestic and international companies across multiple industry verticals ranging from financial services, cloud and information technology services, to manufacturing, energy, health care and consumer products. Digital Realty's 130 properties, including twelve properties held as investments in unconsolidated joint ventures, comprised approximately 23.8 million square feet as of September 30, 2013, including 2.8 million square feet of space held for development. Digital Realty's portfolio is located in 33 markets throughout North America, Europe, Asia and Australia. Additional information about Digital Realty is included in the Company Overview, which is available on the Investors page of Digital Realty's website at <http://www.digitalrealty.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 rent from leases that have been signed but have not yet commenced and other contracted rent to be received in future periods; weighted-average lag between lease signings and commencements, and estimated lease commencements, which may be subject to construction delays or other events, including severe weather and other events outside of our control, that cause our estimated commencement dates to be delayed; expectations regarding the company's future growth, financial resources and success; and the company's 2014 net income, core FFO and FFO guidance and underlying assumptions. These risks and uncertainties include, among others, the following: the impact of the recent deterioration in global economic, credit and market conditions, including the downgrade of the U.S. government's credit rating; current local economic conditions in our geographic markets; 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; increased interest rates and operating costs; 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; 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 or increased vacancy rates; increased competition or available supply of data center space; our inability to successfully develop and lease new properties and space held for development; 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, 2012 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013. 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.

## Funds From Operations

Digital Realty calculates Funds from Operations, or FFO, in accordance with the standards established by the National Association

of Real Estate Investment Trusts, or NAREIT. FFO represents net income (loss) available to common stockholders and unitholders (computed in accordance with U.S. GAAP), excluding gains (or losses) from sales of property, impairment charges, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. Digital Realty also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our financial condition and results from operations, the utility of FFO as a measure of our performance is limited. Other REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance.

**Core Funds from Operations**

We present core funds from operations, or CFFO, as a supplemental operating measure because, in excluding certain items that do not reflect core revenue or expense streams, it provides a performance measure that, when compared year over year, captures trends in our core business operating performance. We calculate CFFO by adding to or subtracting from FFO (i) termination fees and other non-core revenues, (ii) significant transaction expenses, (iii) loss from early extinguishment of debt, (iv) costs on redemption of preferred stock, (v) significant property tax adjustments, net and (vi) other non-core expense adjustments. Because certain of these adjustments have a real economic impact on our financial condition and results from operations, the utility of CFFO as a measure of our performance is limited. Other REITs may not calculate CFFO in a consistent manner. Accordingly, our CFFO may not be comparable to other REITs' CFFO. CFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

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