

## Digital Realty Collaborates With Mapletree Investments And Mapletree Industrial Trust On \$1.4 Billion North American Data Center Portfolio

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SAN FRANCISCO, Sept. 16, 2019 /PRNewswire/ -- [Digital Realty](#) (NYSE: DLR), a leading global provider of data center, colocation and interconnection solutions, announced today it has entered into definitive agreements with affiliates of Mapletree Investments Pte Ltd and Mapletree Industrial Trust for the sale of a portfolio of 10 Powered Base Building® data centers and the establishment of a joint venture on three existing Turn-Key Flex® hyper-scale data centers. The total consideration for both transactions will be approximately \$1.4 billion.

Under the terms of the agreements, Mapletree Investments and Mapletree Industrial Trust will acquire the Powered Base Building® portfolio from Digital Realty for a total purchase price of approximately \$557 million. These 10 properties are fully leased and are expected to generate 2020 cash net operating income of approximately \$37 million, representing a 6.6% cap rate. Digital Realty will provide transitional property management services for the Powered Base Building® portfolio for one year from the closing date at a customary market rate.

Separately, an entity jointly owned by Mapletree Investments and Mapletree Industrial Trust will purchase an 80% interest, and Digital Realty will retain a 20% interest, in a joint venture on three fully stabilized hyper-scale facilities located in Ashburn, Virginia. Mapletree Investments and Mapletree Industrial Trust will acquire its 80% stake for approximately \$811 million, valuing these three assets at approximately \$1.0 billion. These three facilities are fully leased and are expected to generate 2020 cash net operating income of approximately \$61 million, representing a 6.0% cap rate. Digital Realty will continue to operate and manage these facilities, and the transaction will be completely seamless from a customer perspective.

Mr Hiew Yoon Khong, Group Chief Executive Officer of Mapletree Investments, said, "We have deepened our presence in the fast-growing data center sector with our second portfolio acquisition in North America. These transactions add high-quality properties in key data center markets underpinned by global cloud and colocation players. Our strategic collaboration with a leading global provider of data center solutions like Digital Realty will enable us to scale up meaningfully in developed economies for this resilient asset class."

Mr Tham Kuo Wei, Chief Executive Officer of the manager of Mapletree Industrial Trust added, "The proposed transactions will enhance the sustainability of our returns to Unitholders with the increased freehold land component and long leases with embedded rental growth. This transaction and partnership with Digital Realty mark another significant milestone in expanding our presence in a sector with strong growth prospects."

"These transactions represent an important step towards our goal of self-funding our growth and diversifying our sources of equity capital while shrinking our asset base and setting the stage for accelerating growth as the proceeds are redeployed into accretive investment opportunities," said Digital Realty Chief Executive Officer A. William Stein. "We are pleased to partner with the high-caliber team at Mapletree to effect a transaction that meets both companies' objectives, and we look forward to collaborating with Mapletree as joint venture partners and exploring additional opportunities together worldwide."

The transactions are expected to close in late 2019 or early 2020 and are subject to customary closing conditions. Proceeds from the transactions will initially be used to pay down debt and will ultimately be used to fund future investment activity. Digital Realty plans to revisit 2019 guidance to reflect the impact of these transactions on its third-quarter earnings call, scheduled for Tuesday, October 29, 2019.

Citigroup is serving as lead financial advisor to Digital Realty, along with CBRE and Park Hill who are serving as co-advisors. Latham & Watkins and Mayer Brown are serving as Digital Realty's legal advisors on the transaction.

### About Digital Realty

Digital Realty supports the data center, colocation and interconnection strategies of more than 2,000 firms across its secure, network-rich portfolio of data centers located throughout North America, Europe, Latin America, 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. [www.digitalrealty.com](http://www.digitalrealty.com). Follow Digital Realty on social media: [LinkedIn](#), [Twitter](#), [Facebook](#), [Instagram](#) and [YouTube](#).

### About Mapletree Investments Pte Ltd

Mapletree Investments Pte Ltd ("MIPL") is a leading real estate development, investment, capital and property management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

MIPL currently manages four Singapore-listed REIT and six private equity real estate funds, which hold a diverse portfolio of

assets in Asia Pacific, Europe, the United Kingdom and the United States.

As at 31 March 2019, MIPL owns and manages S\$55.7 billion of office, retail, logistics, industrial, residential and lodging properties.

MIPL's assets are located across 12 markets globally, namely Singapore, Australia, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.

#### **About Mapletree Industrial Trust**

Mapletree Industrial Trust is a real estate investment trust ("REIT") listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

MIT's property portfolio comprises 87 industrial properties in Singapore and 14 data centres in the United States (40% interest through the joint venture with Mapletree Investments Pte Ltd). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 30 June 2019, MIT's total assets under management was S\$4.8 billion.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

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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 expected timing and benefits of the transactions related to the Powered Shell Portfolio and the Turnkey Portfolio, our proposed joint venture with Mapletree, and our ability to consummate the transactions with Mapletree and to realize the anticipated financial benefits, value creation, growth opportunities and other benefits of such transactions. 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; difficulties managing an international business and acquiring or operating properties

in foreign jurisdictions and unfamiliar metropolitan areas; 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, 2018 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 2019. 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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