

# The Power of Connection



**DIGITAL REALTY**  
Data Center Solutions



**telx**

the interconnection &  
data center company



**DIGITAL REALTY**

**July 30, 2015**

The acquisition of Telx Holdings, Inc. is expected to close later this year, subject to the satisfaction of closing conditions. There can be no assurance that the Telx acquisition will be consummated on the anticipated schedule or at all. Please see the risks described under the heading "Risks Related to the Proposed Telx Acquisition" in the Current Report on Form 8-K filed by Digital Realty Trust, Inc. and Digital Realty Trust, L.P. on July 14, 2015.

# The Way Forward

## Top Priorities

### OPPORTUNITY

- Excess finished inventory
- Legacy non-data center assets, non-core markets and under-performers
- Unparalleled global footprint
- Swing producer with the ability to have a meaningful impact on sector fundamentals
- Deep reservoir of talent

### STRATEGIC DIRECTION

- **Lease-up existing inventory and improve ROIC**
  - Align our leasing efforts and sales incentive program to bring inventory back into equilibrium
- **Recycle capital to focus on the core**
  - Sell non-strategic assets to refine our portfolio focus, improve ROIC and fund future capital requirements
  - Explore additional joint venture opportunities
- **Improve asset utilization and deliver innovative product offerings**
  - Focus on mid-market and **colocation**, Open IX and **ecosystem** initiatives
- **Transition to Just-in-Time Inventory**
  - Know returns with certainty before building
  - Commit capital only for projects that meet return thresholds
- **Unleash the intellectual capital** and creative energies of the Digital Realty team



# Highly Complementary Business

## Market Leading Presence in Highly Attractive Businesses

### Colocation



Space



Power



Cooling



Security

- **Nationwide** colocation footprint and premium connectivity offering provide the necessary **scalability** for growing businesses
- Typically multi-year agreements with **credit-worthy tenants**
- Data center solutions for customers seeking **smaller footprint** and **interconnection**

1Q15  
Revenue  
Contribution

49%

2012-  
1Q15 (LQA)  
CAGR <sup>(1)</sup>

16%

### Interconnection



Cross Connect



Metro Connect



Internet Exchange Carrier Connect

- Facilitates the exchange of information between communications service providers, enterprises, content providers and other entities
- Company offers comprehensive set of interconnection services
  - **Low latency, highly diverse** connectivity to its customers nationwide
  - Interconnection allows customers to **easily connect to a dense global network** and deliver content or access public IP

48%

30%

### Services



Installation &  
Technical

- Timely and effective deployment of customer installations and ensures maximum uptime, performance and uninterrupted business
- 24/7 manned sites

3%

8%

**Highly complementary business anchored in key Digital Internet Gateway data center properties**



1) Past financial performance is not a guarantee of future financial performance. There can be no assurance that Digital will be able to continue to generate the growth rates shown above.

# Strategic Rationale

## Strengthens Product Mix and Growth Trajectory

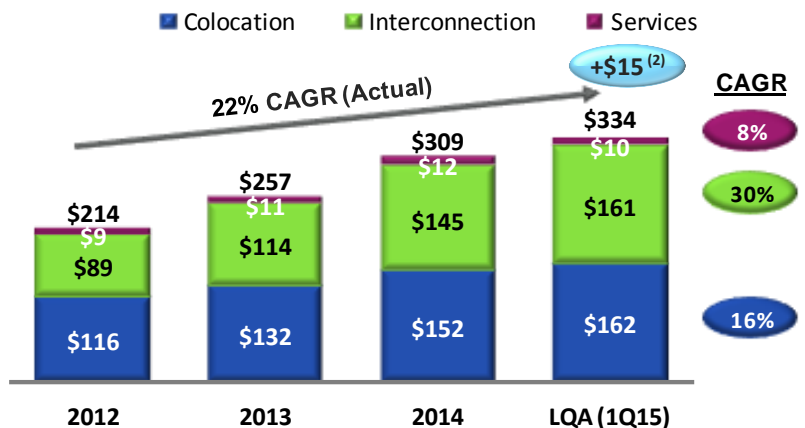


1) Telx operates in 11 Digital-owned facilities.

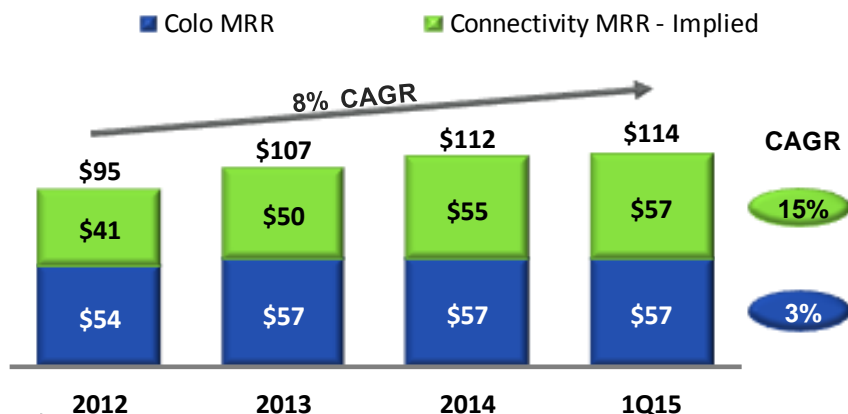
# Telx's Attractive Financial Profile

## Gaining Exposure to a High Growth Business

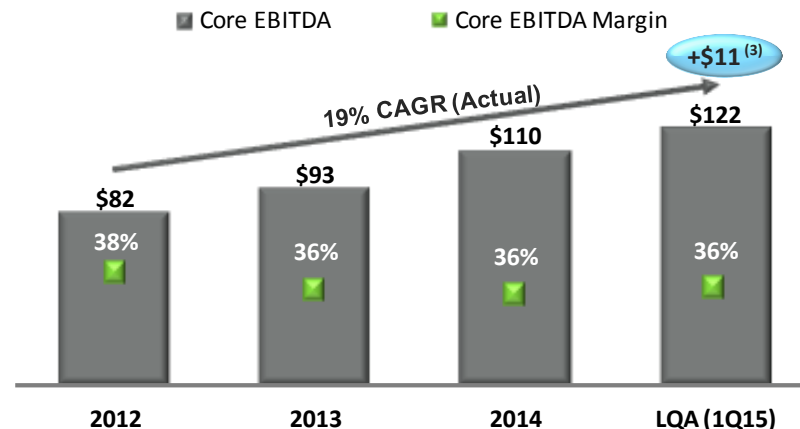
### Revenue



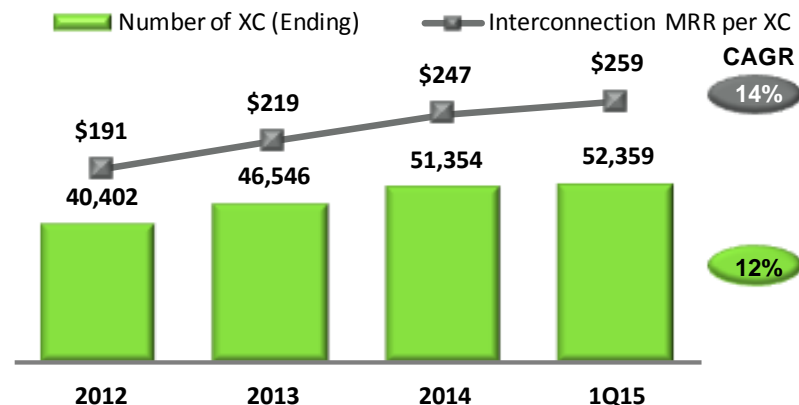
### Monthly Recurring Revenue per Sold Sq. Ft.



### Core EBITDA<sup>(1)</sup>



### Cross Connects & Interconnection MRR

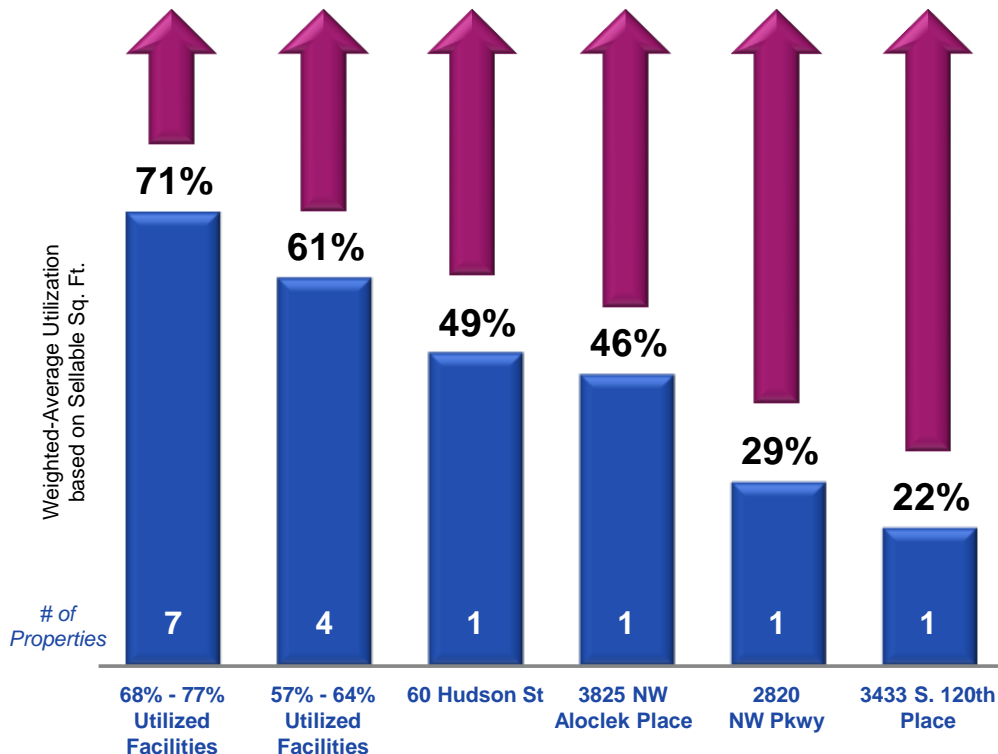


1) Represents EBITDA adjusted for sponsor management fees, transaction costs, deferred rent expense and stock-based compensation. Core EBITDA is a non-GAAP financial measure, see the appendix for a reconciliation to net loss.  
 2) Reflects \$4.8MM from inter period installations, \$14.0MM from booked but not billed, and \$(3.7)MM from other incremental items that are not reflected in the historical amounts.  
 3) Reflects potential annual run-rate Core EBITDA contribution of \$11MM, based on applying average gross profit margin from 2013 – 1Q15 of approximately 80% to potential incremental revenue referred to in footnote 2, above. Estimates \$1.1MM of incremental commission expenses.

# Upside Opportunity of Currently Available Space

## Opportunity to Increase Revenue and Cash Flow via Lease-Up

### Target Utilization of 80%



~40% increase in sellable sq. ft. since 2012

### Illustrative Example

#### Potential Incremental Revenue <sup>(1)</sup>

(\$ in millions)	Target Utilization	
	70%	80%
68% - 77% Utilized Facilities	\$0	\$9
57% - 64% Utilized Facilities	5	11
60 Hudson St NYC1	23	35
3825 NW Aloclek Place PRT1	1	1
2820 NW Pkwy SCL2	5	7
3433 S. 120 <sup>th</sup> Place SEA1	2	2
<b>Potential Incremental Annual Revenue <sup>(2)</sup></b>	<b>\$37</b>	<b>\$65</b>

Note: Excludes five stabilized properties with utilization ranging between 87% to 100%. Utilization rate is calculated as total square footage occupied by Telx's customers divided by total sellable square footage of Telx's facilities (which takes into account power and cooling capacity limitations and excludes space occupied by infrastructure and equipment).

- The example is for illustrative purposes only. The potential incremental annual revenue is a hypothetical amount and does not represent the actual performance of the company. There can be no assurance that the company will experience the incremental revenue for the properties indicated. Investors should note that this illustration does not represent management's estimates or projections and should not be relied upon for any investment decision.
- Represents MRR per sold square foot multiplied by incremental leasable square feet based on hypothetical utilization rates of 70% and 80%. MRR per square foot reflective of quarter ended March 31, 2015.

# Strengthen National Footprint

Acquisition Expected to Enhance Operational Potential through Geographic Expertise

*Drive value through regional expertise with limited integration risk given that 29% of Telx SF is owned by Digital*

## 3433 S 120th Place - Seattle

- 1Q15 Annualized Revenue: \$0.9MM
- 1Q15 Utilization: 22%



*Tethered to the Westin Building downtown which serves as the primary connectivity exchange environment in Seattle*

## 3825 NW Aloclek Pl. - Oregon

- 1Q15 Annualized Revenue: \$1.3MM
- 1Q15 Utilization: 46%



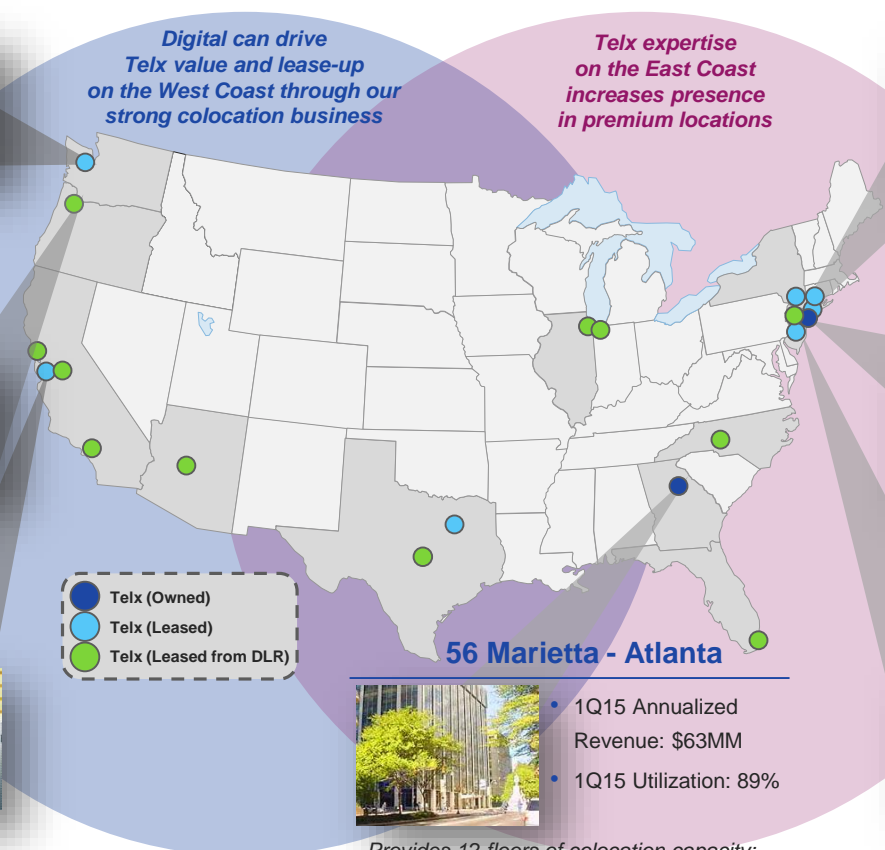
*Ideal location for clients to reach Asia and address the power consuming needs of media, gaming & other SaaS services*

## 2820 Northwestern Pkwy - CA

- 1Q15 Annualized Revenue: \$3.7MM
- 1Q15 Utilization: 29%



*Offers premium colocation and interconnection services capable of supporting up to 400W/sq.ft.*



*Digital can drive Telx value and lease-up on the West Coast through our strong colocation business*

*Telx expertise on the East Coast increases presence in premium locations*

## 60 Hudson Street - NYC

- 1Q15 Annualized Revenue: \$56MM
- 1Q15 Utilization: 49%



*Offers low-latency access to more than 400 carriers with just a single connection*

## 111 8th Avenue - NYC

- 1Q15 Annualized Revenue: \$75MM
- 1Q15 Utilization: 92%



*Digital is vacating its property management office, representing an additional 3,000 sq.ft. of sellable inventory*

## 32 Ave. of Americas - NYC

- 1Q15 Annualized Revenue: \$11MM
- 1Q15 Utilization: 57%



*Facility allows Telx to offer unparalleled levels of connectivity and service throughout the NY metro*

## 56 Marietta - Atlanta



- 1Q15 Annualized Revenue: \$63MM
- 1Q15 Utilization: 89%

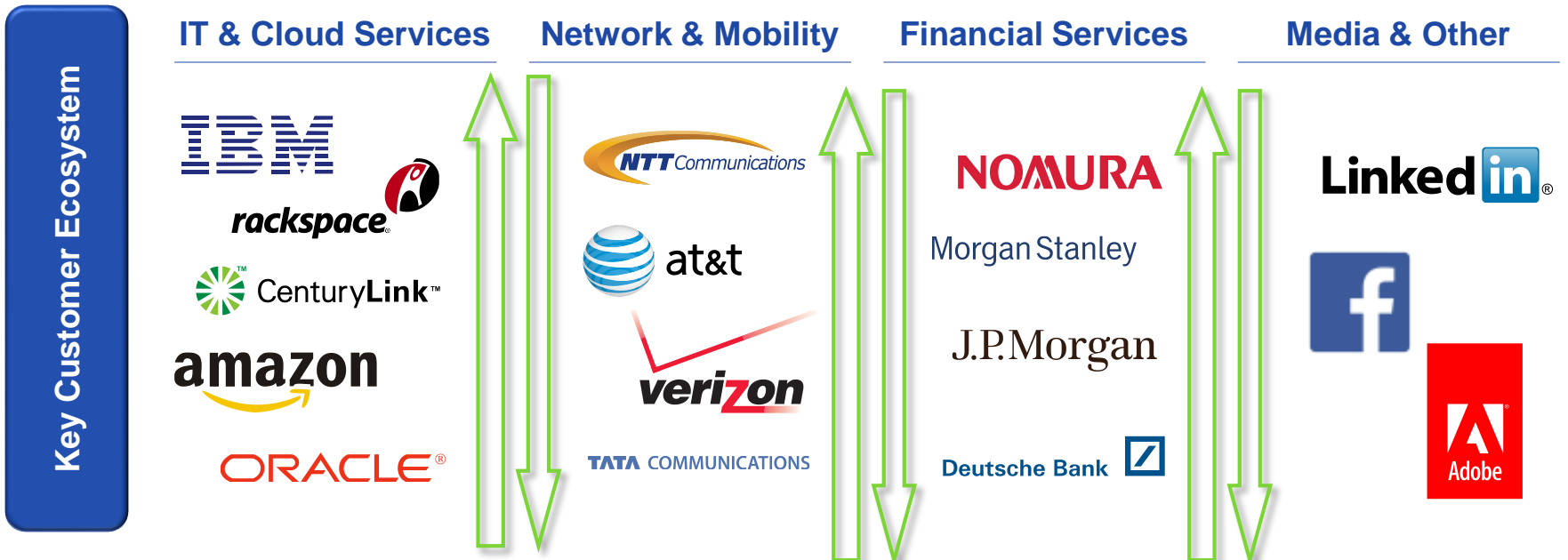
*Provides 12 floors of colocation capacity; gateway to the region and the Southeast*

**The West Coast accounts for over 40% of Digital's existing colocation business**



# Power of the Ecosystem

## Digital Realty's Campus Network



# Attractive Real Estate Transaction

## Overlapping Footprint Reduces Risks and Drives Value

### Telx-Owned Assets



56 Marietta, Atlanta, GA

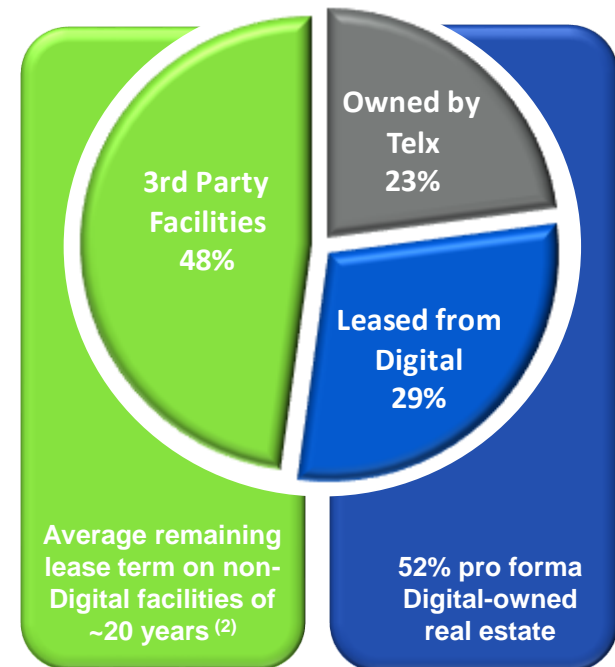


100 Delawanna, Clifton, NJ

- Telx owns 56 Marietta and 100 Delawanna and leases 11 other facilities from Digital
- 13 of Telx's 20 facilities will be owned outright by Digital rather than leased from third parties
- Attractive mix of owned vs. leased real estate for the colocation business
- Integration risk mitigated by the overlap of Telx's footprint within the envelope of Digital buildings
- Underwriting risk significantly reduced

### Telx Portfolio Profile

#### 1Q15 Revenue by Facility Type <sup>(1)</sup>



Note: Unless otherwise noted, figures as of, or for the quarter ended, March 31, 2015.

1) Chart based on 1Q15 revenue from respective facilities.

2) Remaining lease term at non-Digital facilities calculated using weighted average of gross square feet, assuming the exercise of all contractual extension options as of June 30, 2015.

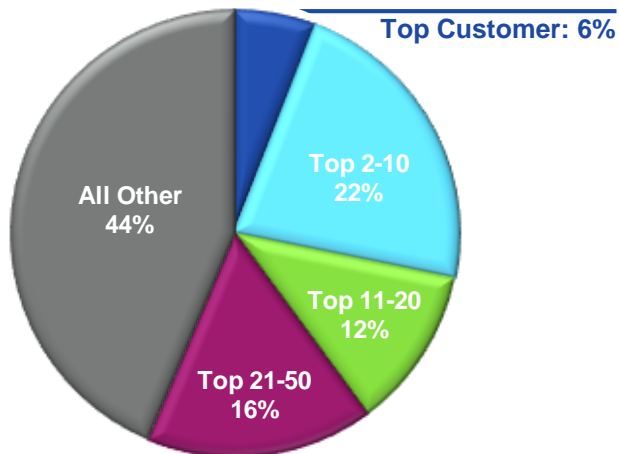
# Robust Interconnection Ecosystem

## Long-Standing Relationships with Premium, Credit-Worthy Tenants






### Large and Strategic Blue-Chip Customer Base

- Customer base consisting of 1,250+ customers as of March 31, 2015
- Over 80% of MRR generated from connectivity-centric customers (telecom, cloud & IT and digital media companies)
- Over 70% of MRR is generated from customers who are located in multiple Telx facilities

### Strong Customer Diversification by MRR <sup>(1)</sup>



### Customer Breakdown by Industry

	Customers	% MRR <sup>(2)</sup>
 Telecom	588	67%
 Cloud & IT	190	9%
 Digital Media	90	8%
 Financials	139	11%
 Enterprise	211	4%



Note: Telecom includes Telecoms, Networks & Mobility customers, System Integrators and Data Center Competitors. Enterprise includes Healthcare. Does not reflect Government and Education customers (~1% of MRR).

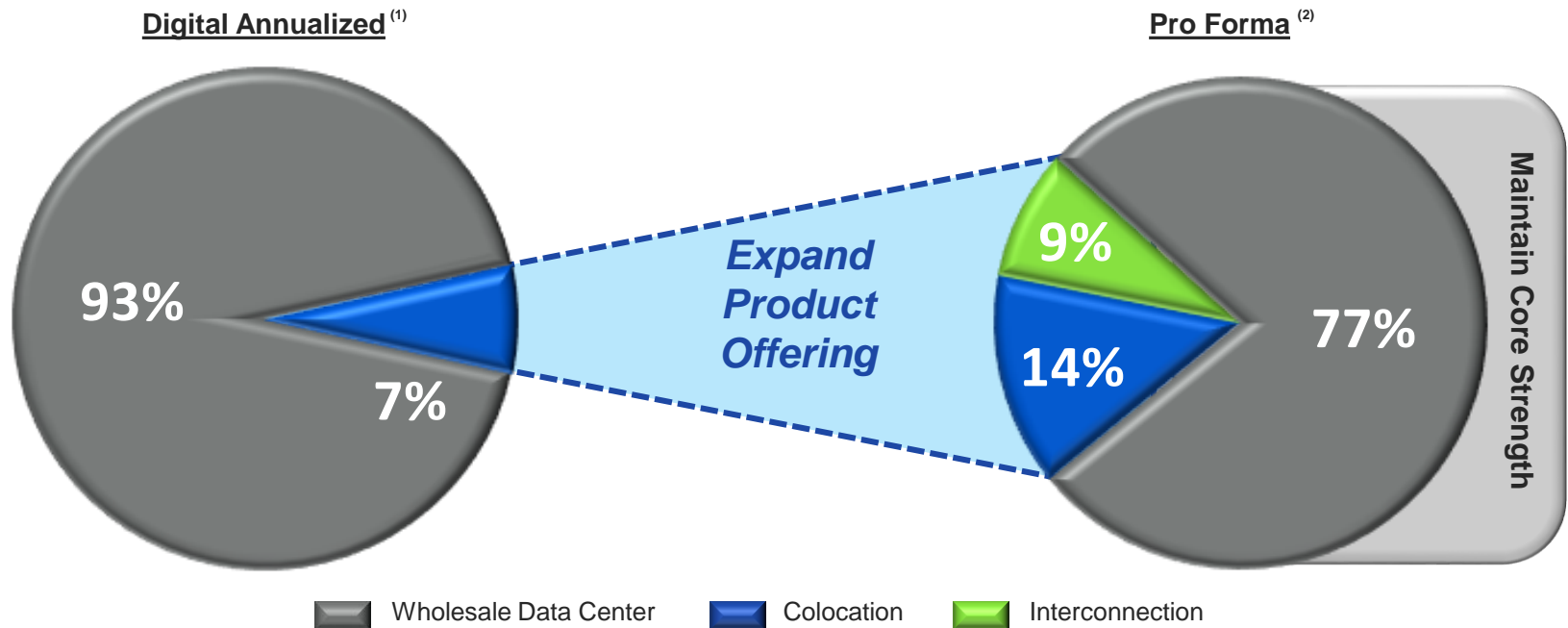
1) Reflects customer concentration mix based on March 2015 MRR.  
2) Reflects customer vertical concentration mix based on March 2015 MRR.

# Strategic Fit

## Immediate Transformation into Premium Colocation and Interconnection Provider

- Realizing the significant growth opportunity in the colocation and interconnection space has long been a goal for Digital, as emphasized to its investors over the past several years
- Combination with Telx is expected to enhance the overall attractiveness of our portfolio and product offering
- Ability to further grow Telx business model within Digital's global footprint

### Digital's Product Growth & Diversification

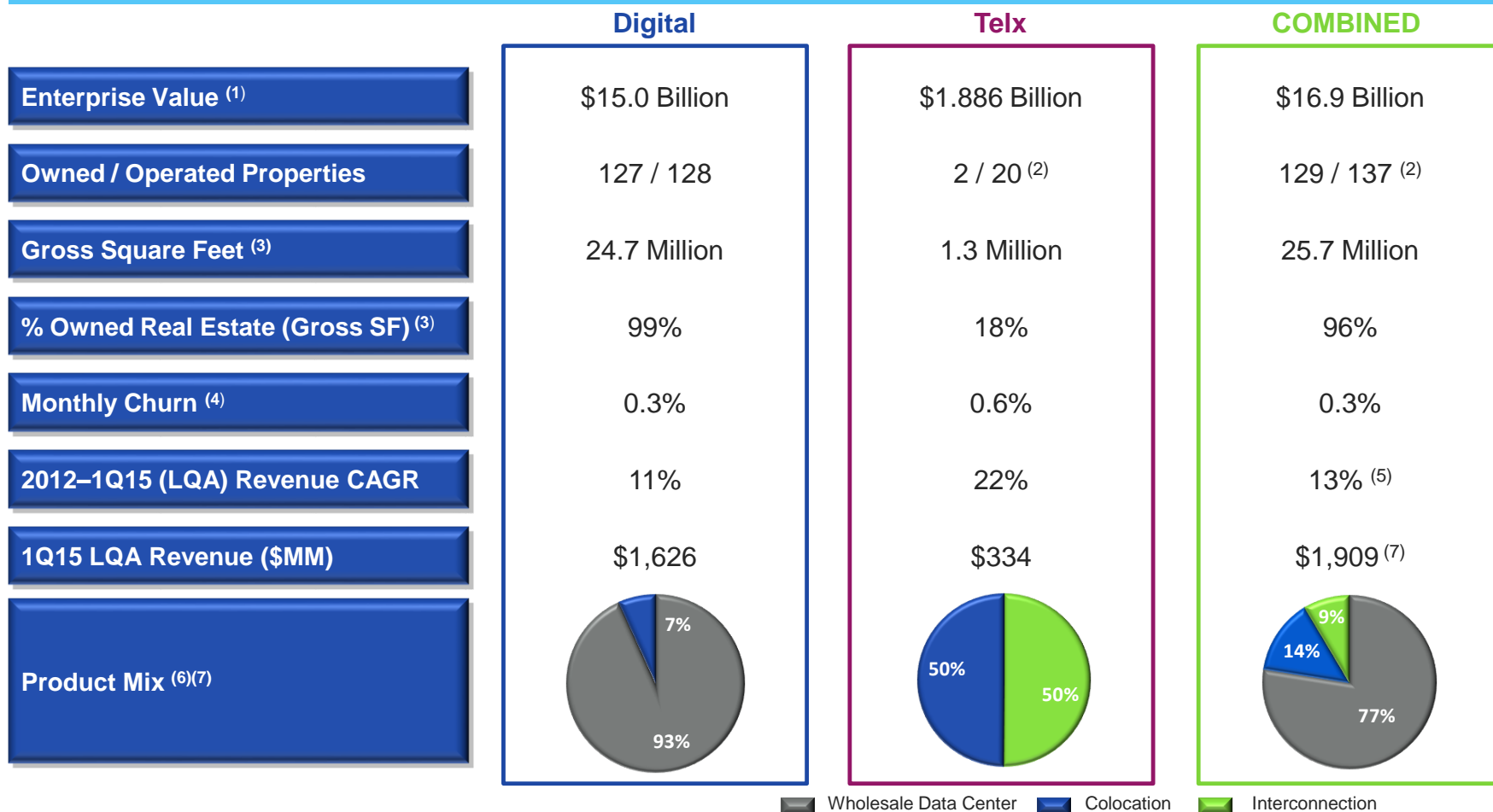


1) Rental revenue based on annualized rent as of March 31, 2015, which represents the monthly contractual base rent (defined as base rent before abatements) under existing leases as of March 31, 2015 multiplied by 12. Tenant improvements represent 1Q15 annualized. Wholesale data center revenue includes rent from Turn-Key Flex®, Power Base Building®, pro rata share of utility tenant improvements and other tenant reimbursements. Colocation revenue includes colocation remaining pro rata share of utility tenant reimbursements.

2) On a pro forma basis Telx would have contributed \$162.1 million and \$161.3 million of 1Q15 LQA colocation and interconnection revenue, respectively. The pro forma data is provided for illustrative purposes only and excludes \$51.5 million in annualized rent revenue based on 1Q15 LQA that was previously received by Digital from Telx.

# Transaction Impact

## Enhanced Scale, Product Mix and Growth Trajectory



Note: The combined data is provided for illustrative purposes only.

1) For market capitalization purposes, fully diluted shares include shares, units, options using the treasury method and any convertible securities. Enterprise value defined as Market Value + Debt + Pro Rata Share of JV Debt + Preferred Stock + Minority Interest - Cash and Equivalents as of July 29, 2015. Market value contribution of Telx assumed to be agreed purchase price, before closing adjustments. Digital stock price quoted as \$64.78 as of July 29, 2015.

2) Telx operates in 11 Digital-owned facilities.

3) Represents total owned real estate based on gross square feet. Combined figure accounts for ~240,000 gross sq. ft. of Digital-owned real estate within the Telx portfolio.

4) Telx's monthly churn as adjusted excluding two one-time vacancies unrelated to normal course customer turnover is approximately 0.6%. Telx's average monthly churn from 2012-1Q15 is 0.7% when including these two one-time items.

5) Reflects the combined Digital and Telx revenue CAGR from 2012 to 1Q15 LQA and excludes rent revenue received by Digital from Telx.

6) Figures based on annualized rent as of March 31, 2015, which represents the monthly contractual base rent (defined as base rent before abatements) under existing leases as of March 31, 2015 multiplied by 12.

7) Combined figures are illustrative and exclude rent revenue that was previously received by Digital from Telx.



# Recent Results



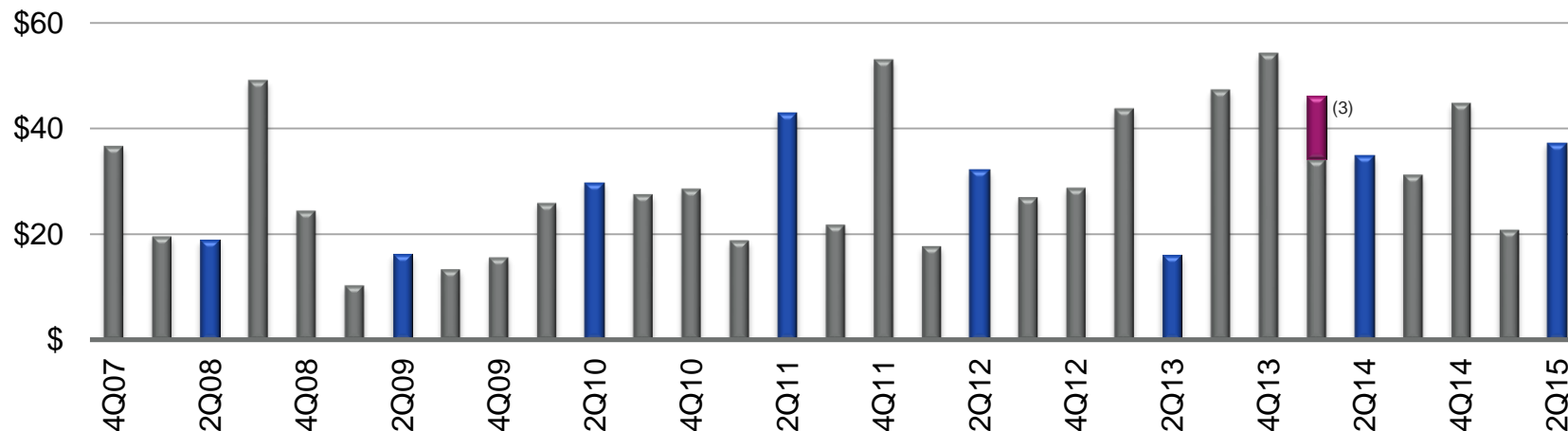
# Driving Greater Current-Year Contribution

## Solid Leasing Momentum

Type of Space	Total s.f. Signed <sup>(1)</sup>	Annualized GAAP Base Rent / s.f. <sup>(2)</sup>	Annualized GAAP Base Rent <sup>(2)</sup>
Turn-Key Flex®	245,649	\$135	\$33.3 million
Powered Base Building®	-	-	-
Custom Solutions	-	-	-
Colocation	16,230	\$228	\$3.7 million
Non-Technical	9,903	\$31	\$0.3 million
<b>Total</b>	<b>271,782</b>	<b>\$137</b>	<b>\$37.3 million</b>

### Historical Signings – Annualized GAAP Base Rent <sup>(2)</sup>

\$ in millions



Note: Represents leases signed in the second quarter of 2015.

1) Includes signings for new and re-leased space.

2) GAAP rental revenues include total rent for new leases and expansion.

3) Represents \$12 million direct lease with a former sub-tenant at a Powered Base Building in Santa Clara.

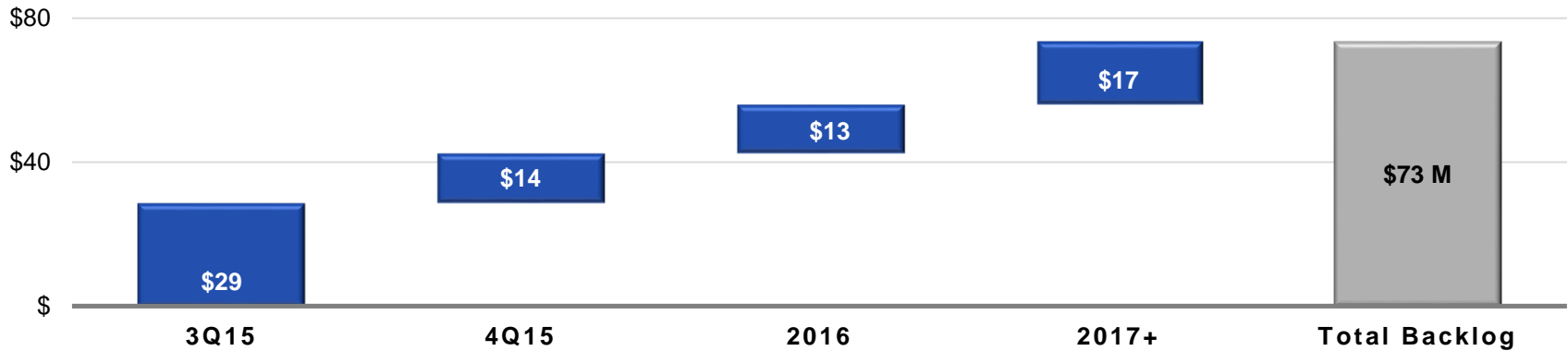


# Record-High Lease Commencements

## Shortest Lag in Company History

\$ in millions

**Backlog Commencement - Timing <sup>(1)</sup>**  
Annualized GAAP Base Rent



\$ in millions

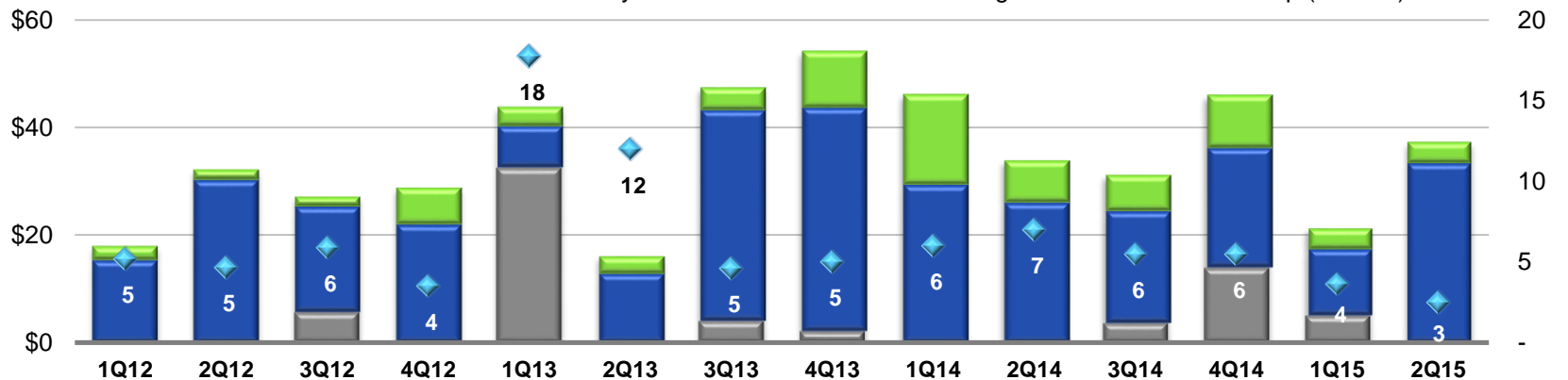
■ Custom Solutions

■ Turn-Key

■ Other

◆ Sign-to-Commencement Gap (Months)

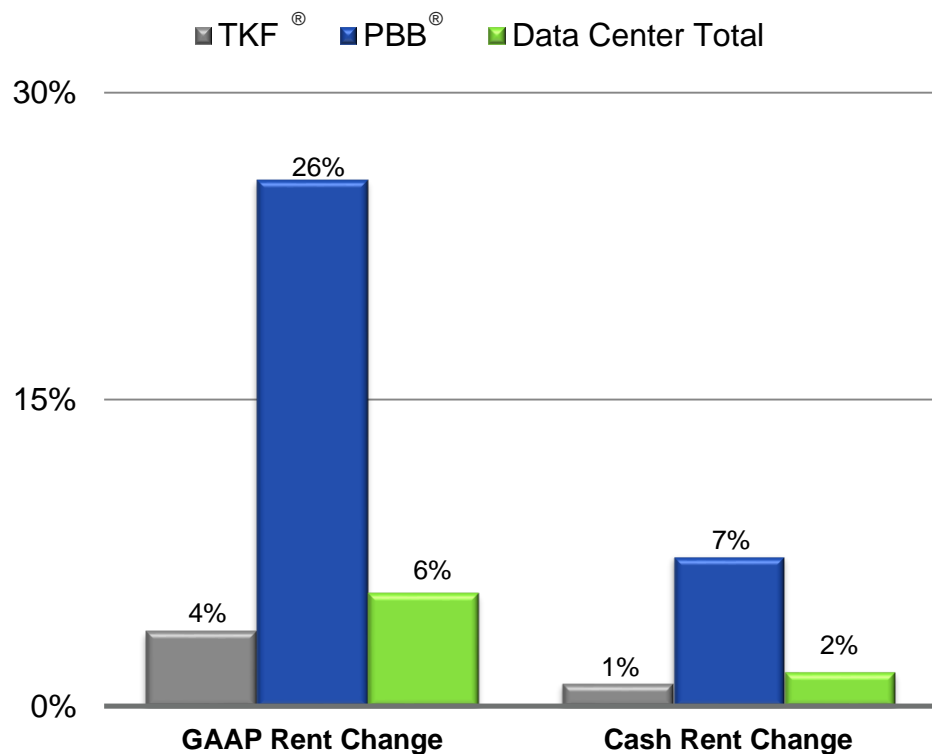
months



Note: Amounts shown represent GAAP annualized base rent from signed but not yet commenced leases and are based on current estimates of future lease commencement timing. Actual results may vary from current estimates. The timing between lease signing and lease commencement (and receipt of rents) may be significant.

1) Expected commencement quarter at time of signing.

# Cycling Through Peak Vintage Renewals Approaching Mark-to-Market Inflection Point



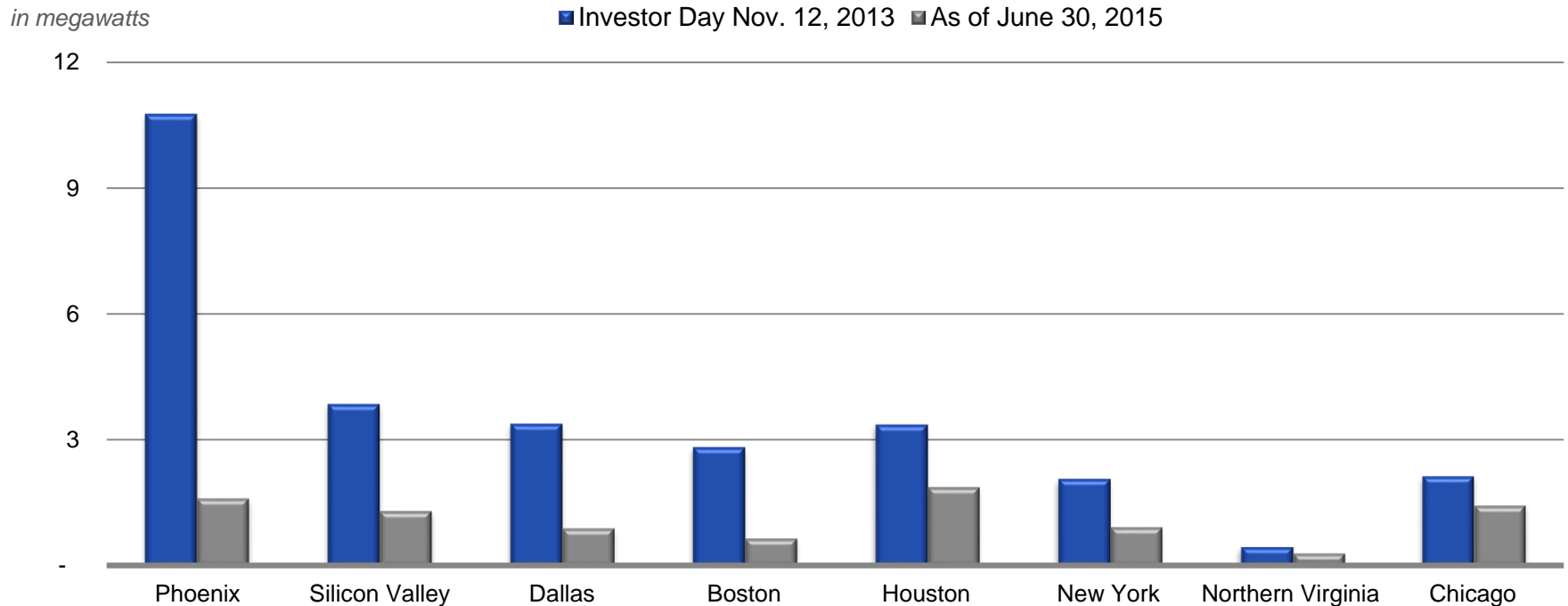
- Signed renewal leases representing \$17 million of annualized GAAP rental revenue
- Rental rates on renewals increased by 2% on a cash basis and increased by 6% on a GAAP basis for total data center space
- Renewed 80,000 square feet on Powered Base Building data centers at a rental rate increase of 7% on a cash basis and 26% on a GAAP basis
- Renewed 120,000 square feet of Turn-Key Flex data centers at a rental rate increase of 1% on a cash basis and 4% on a GAAP basis



Note: Represents Turn-Key Flex and Powered Base Building product types signed as of 6/30/15.

# Broad-Based Reduction in Finished Inventory Down by Almost Half Since November 2013 Investor Day <sup>(1)</sup>

## Finished Inventory – Major Markets



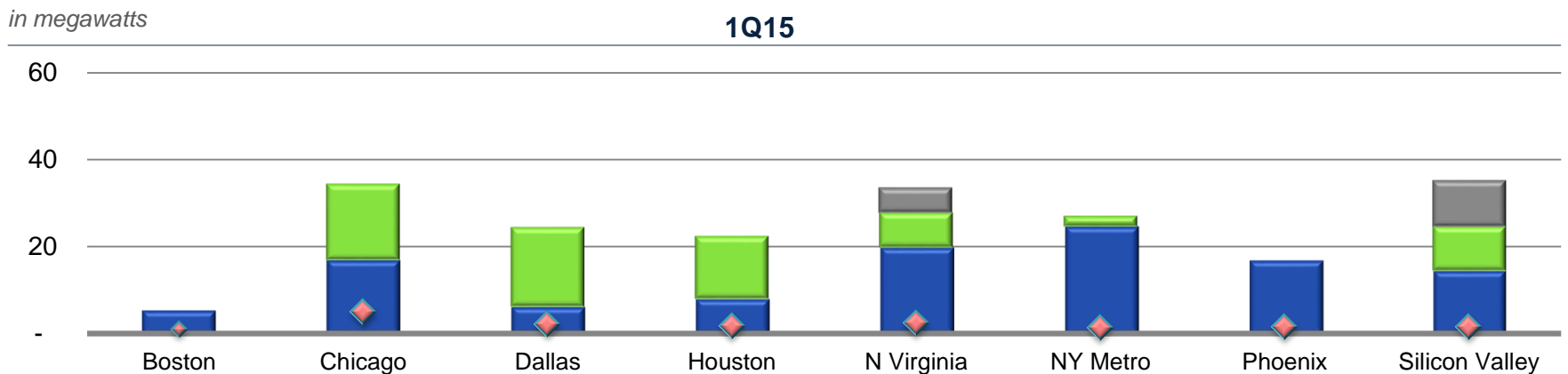
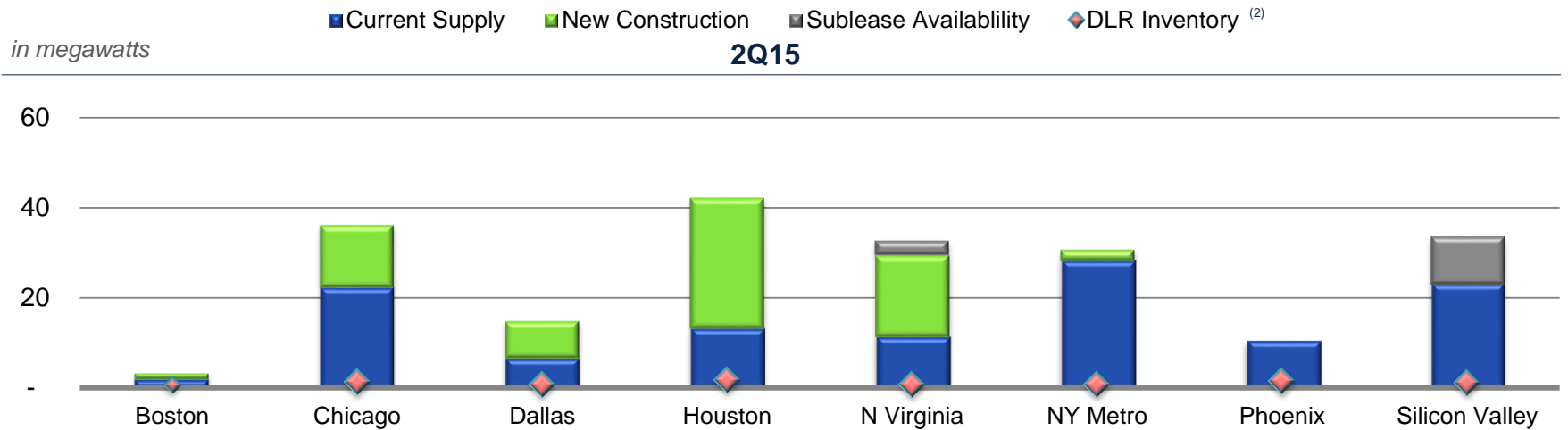
***Investments in Land Bank & Building Shells Enables Timely Response to Demand***



1) Reflects the reduction of finished inventory throughout the entire portfolio.

# U.S. Major Market Data Center Supply <sup>(1)</sup>

## Supply and Demand Roughly in Equilibrium

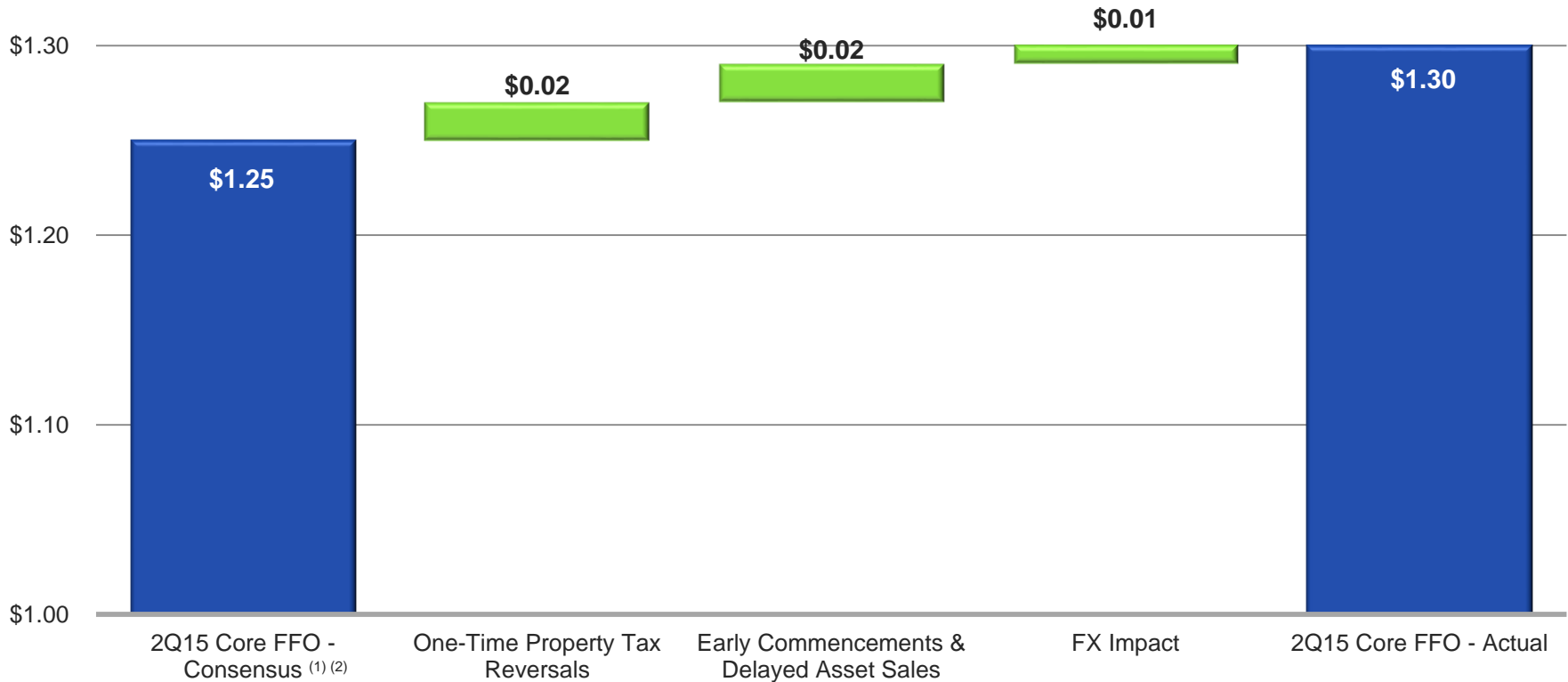


1) Based on Digital Realty internal estimates.  
 2) Represents Digital Realty's available finished data center space and available active data center construction.

# 2Q15 Well Ahead of Consensus

## Beat Partially Due to Timing & One-Time Items

Core FFO per share

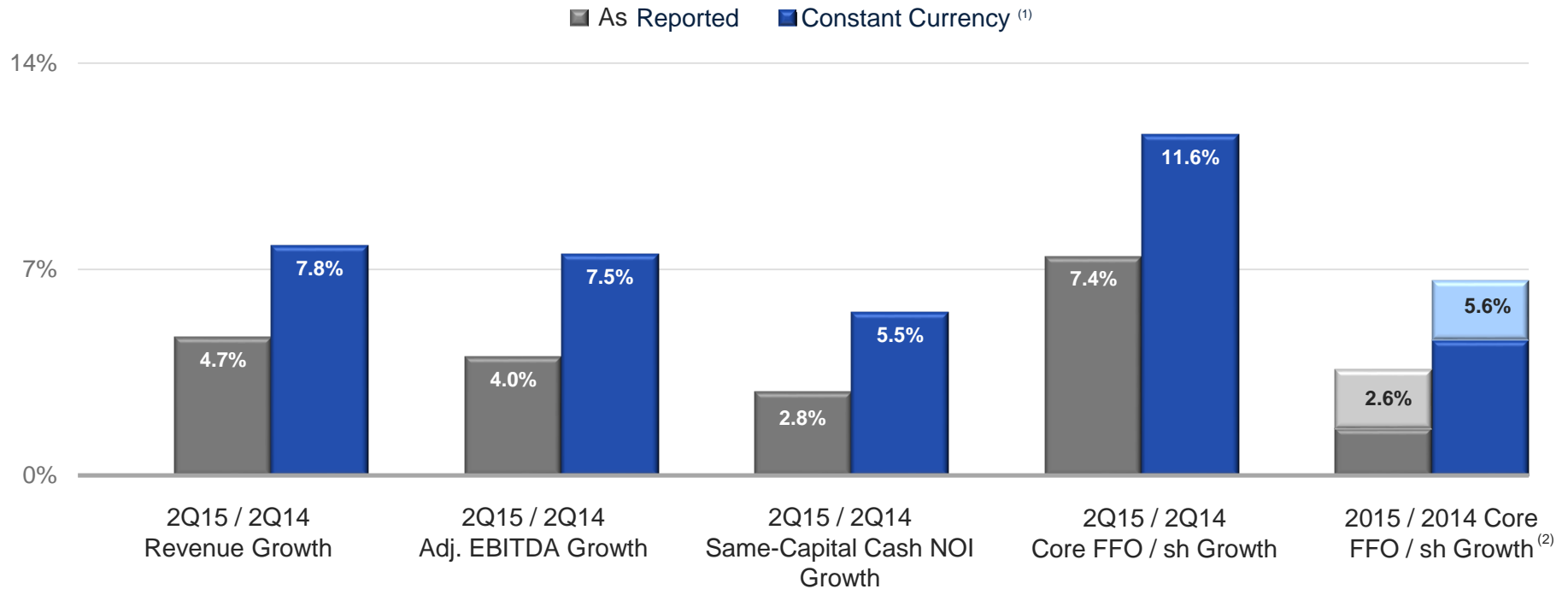


1) Based on FactSet consensus estimate as of June 30, 2015.

2) Core FFO is a non-GAAP financial measure. For a description of Core FFO and a reconciliation to net income, see the Appendix.

# Constant-Currency Growth

## FX Represents ~300 bps Drag on Reported Results



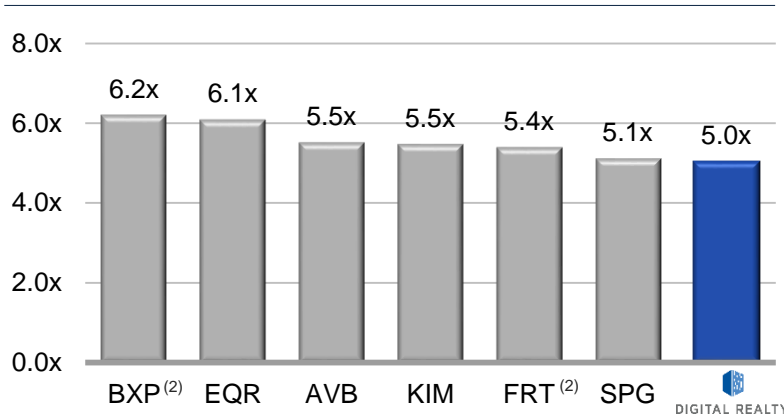
1) Constant currency, Adjusted EBITDA, Same-Capital Cash NOI and Core FFO are non-GAAP financial measures. For a description of these measures see the Appendix.

2) The lighter shaded sections represent the 2015 Core FFO and constant-currency Core FFO per share guidance ranges. The midpoints of 2015 Core FFO and 2015 constant currency Core FFO per share guidance ranges reflect 2.6% and 5.6% growth over 2014 results, respectively.

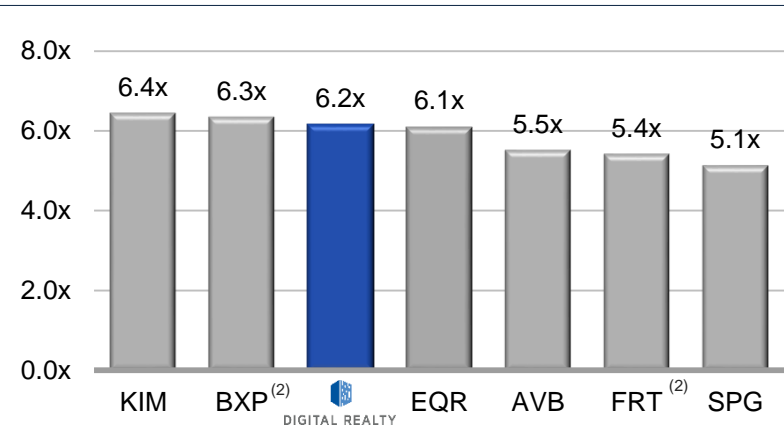
# Credit Metrics Compare Favorably to Blue Chip REITs

## Committed to a Conservative Capital Structure

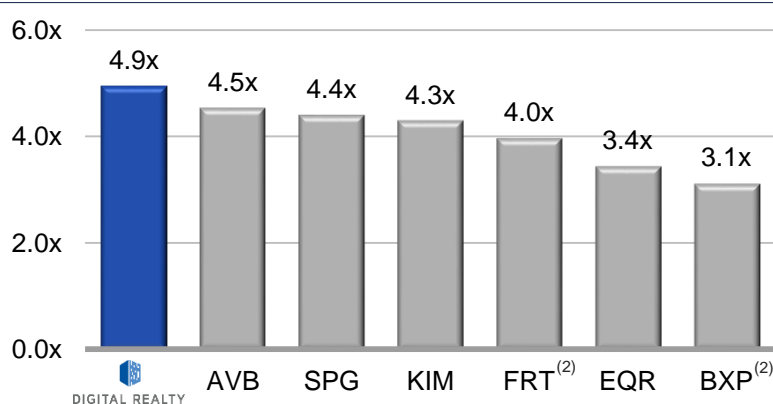
**Net Debt / LQA Adjusted EBITDA <sup>(1)</sup>**



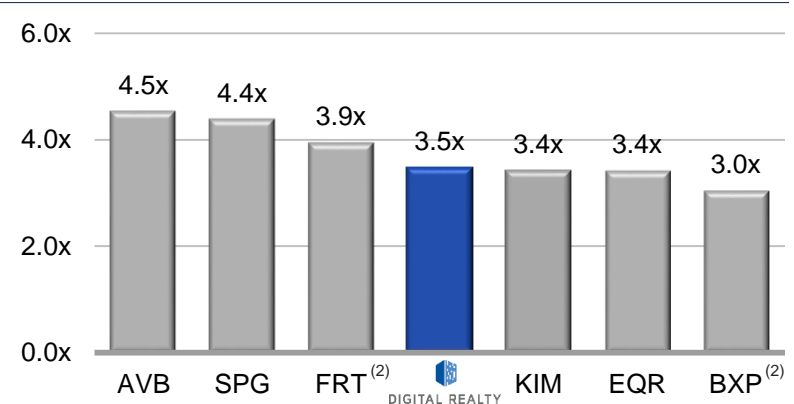
**Net Debt + Preferred / LQA Adjusted EBITDA <sup>(1)</sup>**



**Interest Coverage <sup>(3)</sup>**



**Fixed Charge Coverage <sup>(3)</sup>**



Source: Company calculation based on 2Q15 data, unless otherwise indicated, derived from public filings by FactSet and SNL Financial Data. Peers may calculate these or similar metrics differently.

- 1) Adjusted EBITDA is a non-GAAP financial measure. For a description of Adjusted EBITDA, see the Appendix.
- 2) For these companies, the data is based on 1Q15 numbers which are the most current results available at this time.
- 3) Based on GAAP interest expense plus capitalized interest.

# Forward Sale of Equity Transaction Overview

*Forward-sale structure allowed Digital to lock in equity financing for the Telx acquisition*

## Description

- Allowed Digital to capitalize on market conditions and lock in future equity capital raise when required to fund a portion of the Telx acquisition
- Sale of borrowed shares was executed via a marketed offering
  - No incremental shares will be issued to the public market at settlement
- Forward sale agreement to sell a fixed number of shares at the forward sale price to BofAML, Morgan Stanley and Citigroup
- Able to settle and receive proceeds at any time based on Digital's discretion
- Forward may be cash, physically, or net share settled at Digital's election

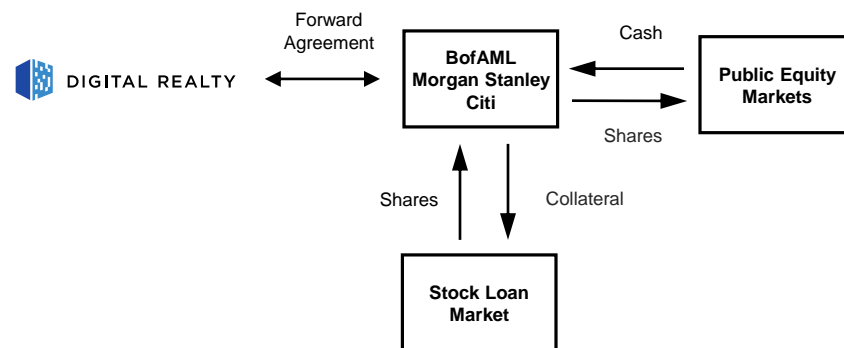
## Benefits

- Digital locked in a value for the future issuance of equity
- Capital facility that may be drawn at any time prior to the Maturity Date (March 17, 2016)

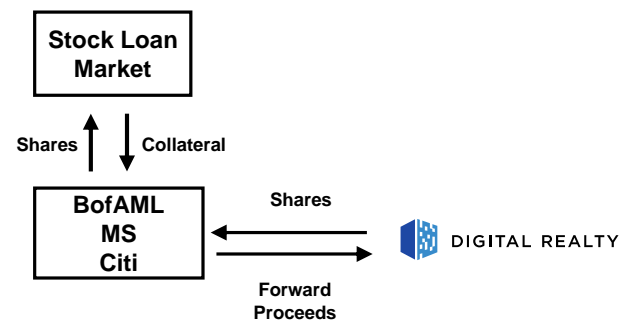
## Considerations

- Digital will not participate in stock price appreciation prior to settlement
- BofAML, MS and Citi hedged the transaction by selling borrowed shares
- If cash or net share settled, the banks will purchase shares in the open market pursuant to Rule 10b-18 to cover the aggregate short position

## Transaction Mechanics (Inception)



## Settlement at Maturity (Physical Settlement) <sup>(1)</sup>



*Banks close their outstanding short positions via physical settlement with DLR*

**At settlement, no incremental shares will be issued / sold to the public equity markets – there is no equity overhang from the forward sale structure**



(1) Digital could elect a Cash or Net Share settlement in which case the banks will purchase shares in the open market pursuant to Rule 10b-18 to cover the aggregate short position.

# Consistent Execution on Strategic Vision

## Powerful Connection Shifts Focus to Future Growth

- Achieved 20 bps sequential improvement in ROIC
- Tightened commencement lag to 2.5 months
- Beat 2Q15 consensus estimates by \$0.05
- Raised 2015 core FFO/sh guidance from \$5.03 - \$5.13 to \$5.05 - \$5.15
- Entered into agreement to acquire Telx, a leading provider of colocation, interconnection and cloud-enablement services



# Appendix



# Definitions of Non-GAAP Financial Measures

The information included in this presentation contains certain non-GAAP financial measures that management believes are helpful in understanding our business, as further described below. Our definition and calculation of non-GAAP financial measures may differ from those of other REITs, and, therefore, may not be comparable. The non-GAAP financial measures should not be considered an alternative to net income or any other GAAP measurement of performance and should not be considered an alternative to cash flows from operating, investing or financing activities as a measure of liquidity.

## FUNDS FROM OPERATIONS (FFO)

We calculate 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) (computed in accordance with 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. We also believe 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 capitalized 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 computed in accordance with GAAP as a measure of our performance.

## ADJUSTED FUNDS FROM OPERATIONS (AFFO)

We present adjusted funds from operations, or AFFO, as a supplemental operating measure because, when compared year over year, it assesses our ability to fund dividend and distribution requirements from our operating activities. We also believe that, as a widely recognized measure of the operations of REITs, AFFO will be used by investors as a basis to assess our ability to fund dividend payments in comparison to other REITs, including on a per share and unit basis. We calculate AFFO by adding to or subtracting from FFO (i) non-real estate depreciation, (ii) amortization of deferred financing costs, (iii) amortization of debt discount/premium, (iv) non-cash compensation, (v) deferred compensation related to equity acceleration, (vi) loss from early extinguishment of debt, (vii) straight line rents, net, (viii) above-and below-market rent amortization, (ix) change in fair value of contingent consideration, (x) gain on sale of investment, (xi) non-cash tax expense/(benefit), (xii) capitalized leasing compensation, (xiii) recurring capital expenditures and (xiv) capitalized internal leasing commissions. Other REITs may not calculate AFFO in a consistent manner. Accordingly, our AFFO may not be comparable to other REITs' AFFO. AFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

## CORE FUNDS FROM OPERATIONS

We present core funds from operations, or core FFO, 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 core FFO by adding to or subtracting from FFO (i) termination fees and other non-core revenues, (ii) gain on sale of investment, (iii) significant transaction expenses, (iv) loss from early extinguishment of debt, (v) change in fair value of contingent consideration, (vi) equity in earnings adjustment for non-core items, (vii) severance accrual, equity acceleration, and legal expenses and (viii) 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 core FFO as a measure of our performance is limited. Other REITs may not calculate core FFO in a consistent manner. Accordingly, our core FFO may not be comparable to other REITs' core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

## CONSTANT CURRENCY CORE FUNDS FROM OPERATIONS:

We calculate "constant currency" core funds from operations by adjusting the core funds from operations for foreign currency translations.

## NET OPERATING INCOME (NOI) AND CASH NOI

NOI represents rental revenue and tenant reimbursement revenue less rental property operating and maintenance expenses, property taxes and insurance expenses (as reflected in statement of operations). NOI is commonly used by stockholders, company management and industry analysts as a measurement of operating performance of the company's rental portfolio. Cash NOI is NOI less straight-line rents and above and below market rent amortization. Cash NOI is commonly used by stockholders, company management and industry analysts as a measure of property operating performance on a cash basis. However, because NOI and cash NOI exclude depreciation and amortization and capture neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations, the utility of NOI and cash NOI as measures of our performance is limited. Other REITs may not calculate NOI and cash NOI in the same manner we do and, accordingly, our NOI and cash NOI may not be comparable to such other REITs' NOI and cash NOI. Accordingly, NOI and cash NOI should be considered only as supplements to net income computed in accordance with GAAP as measures of our performance.



# Appendix – Non-GAAP Financial Measures

## Telx's Core EBITDA Reconciliation

The information included in this presentation contains certain non-GAAP financial measures that management believes are helpful in understanding Telx's business, as further described below. Our definition and calculation of non-GAAP financial measures may differ from those of other companies, and, therefore, may not be comparable. The non-GAAP financial measures should not be considered an alternative to net income or any other GAAP measurement of performance and should not be considered an alternative to cash flows from operating, investing or financing activities as a measure of liquidity.

Core EBITDA is a non-GAAP financial metric that Telx uses as a supplemental measure of its operating performance that adjusts net loss to eliminate the impact of certain items that it does not consider indicative of its core operating performance. We believe that Core EBITDA is a useful supplemental performance measure because it allows investors to view Telx's performance without the impact of non-cash depreciation and amortization, the cost of debt, deferred rent expenses, stock-based compensation expenses, sponsor management fees and transaction costs. In addition, we analyzed Telx's Core EBITDA as part of our diligence process in connection with the Telx Acquisition. Core EBITDA is calculated as EBITDA (earnings before interest expense, interest and other income, income taxes, depreciation and amortization), excluding deferred rent expenses, stock-based compensation expense, sponsor management fees and transaction costs. Other companies, including the company, may calculate Core EBITDA or similar metrics differently; accordingly, the Core EBITDA presented herein may not be comparable to such other companies' Core EBITDA or similar metrics. Accordingly, Core EBITDA should be considered only as a supplement to net income (loss) computed in accordance with GAAP as a measure of Telx's operating performance.

	Three Months Ended		Year Ended December 31,		
	March 31,				
	2015	2014	2014	2013	2012
	(unaudited)		(as restated)		
Net loss .....	(\$12,564)	(\$5,553)	(\$33,295)	(\$31,990)	(\$17,722)
Interest expense .....	15,137	12,762	61,367	56,779	54,420
Interest and other income .....	(2)	(3)	(32)	(128)	(176)
Income tax benefit .....	390	(4,697)	(11,943)	(19,757)	(13,670)
Depreciation and amortization <sup>(a)</sup> .....	13,808	9,540	42,772	31,034	19,402
Amortization of intangible assets .....	4,843	4,923	19,700	19,538	16,740
EBITDA .....	\$21,612	\$16,972	\$78,569	\$55,476	\$58,994
Deferred Rent Expense.....	8,415	8,046	26,191	34,524	19,708
Stock-based compensation expense ....	130	152	709	772	873
Sponsor management fees <sup>(b)</sup> .....	250	276	1,036	1,425	1,000
Transaction costs <sup>(c)</sup> .....	-	(15)	3,606	878	1,280
Core EBITDA .....	\$30,407	\$25,431	\$110,111	\$93,075	\$81,854

Note: Differences between Digital pro forma Adjusted EBITDA and combined Digital historical Adjusted EBITDA and Telx historical Core EBITDA is primarily attributable to the pro forma elimination of previously recorded Digital revenue and Telx rental expense at Digital facilities, as well as the adjustments for the straight-lining effect of leases and non-cash compensation expense that are included in the definition of Telx historical Core EBITDA. The aggregate amount of such items was approximately \$7.3MM for the three months ended March 31, 2015.

- (a) Includes amortization of capitalized leasing commissions of \$0.7MM, \$0.5MM, \$2.2MM, \$1.3MM and \$0.6MM for the three months ended March 31, 2015 and 2014 and the years ended December 31, 2014, 2013 and 2012, respectively.
- (b) Represents fees paid by Telx for consulting and management services.
- (c) Represents fees related to debt refinancing and transaction related costs.



# Reconciliation of Non-GAAP Items To Their Closest GAAP Equivalent

**Digital Realty Trust, Inc. and Subsidiaries**  
Reconciliation of Net Income Available to Common Stockholders to Funds From Operations (FFO)  
(in thousands, except per share and unit data)  
(unaudited)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Net income (loss) available to common stockholders	\$ 117,055	\$ 41,510	\$ 218,783	\$ 75,696
Adjustments:				
Noncontrolling interests in operating partnership	2,377	873	4,403	1,566
Real estate related depreciation and amortization (1)	130,198	135,939	258,021	265,435
Real estate related depreciation and amortization related to investment in unconsolidated joint ventures	3,187	1,802	5,790	3,430
Impairment of investments in real estate	-	-	-	-
Gain on sale of properties	(76,669)	(15,945)	(94,489)	(15,945)
Gain on contribution of property to unconsolidated joint venture	-	-	-	(1,906)
FFO available to common stockholders and unitholders (2)	<u>\$ 176,148</u>	<u>\$ 164,179</u>	<u>\$ 392,508</u>	<u>\$ 328,276</u>
Basic FFO per share and unit	\$ 1.27	\$ 1.20	\$ 2.83	\$ 2.45
Diluted FFO per share and unit (2)	\$ 1.26	\$ 1.20	\$ 2.82	\$ 2.41
Weighted average common stock and units outstanding				
Basic	138,568	136,615	138,488	133,894
Diluted (2)	139,759	137,912	139,243	137,979
(1) Real estate related depreciation and amortization was computed as follows:				
Depreciation and amortization per income statement	131,524	137,092	260,597	267,712
Non-real estate depreciation	(1,326)	(1,153)	(2,576)	(2,277)
	<u>\$ 130,198</u>	<u>\$ 135,939</u>	<u>\$ 258,021</u>	<u>\$ 265,435</u>

(2) For all periods presented, we have excluded the effect of dilutive series E, series F, series G and series H preferred stock, as applicable, that may be converted upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series E, series F, series G and series H preferred stock, as applicable, which we consider highly improbable. In addition, the 5.50% exchangeable senior debentures due 2029 were exchangeable for 0, 0 and 1,122 common shares on a weighted average basis for the three months ended June 30, 2015, March 31, 2015 and June 30, 2014, respectively, and 0 and 3,948 for the six months ended June 30, 2015 and June 30, 2014, respectively. See below for calculations of diluted FFO available to common stockholders and unitholders and weighted average common stock and units outstanding.



# Reconciliation of Non-GAAP Items To Their Closest GAAP Equivalent

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
FFO available to common stockholders and unitholders	\$ 176,148	\$ 164,179	\$ 392,508	\$ 328,276
Add: 5.50% exchangeable senior debentures interest expense	-	675	-	4,725
FFO available to common stockholders and unitholders -- diluted	\$ 176,148	\$ 164,854	\$ 392,508	\$ 333,001
Weighted average common stock and units outstanding	138,568	136,615	138,488	133,894
Add: Effect of dilutive securities (excluding 5.50% exchangeable senior debentures)	1,191	175	755	137
Add: Effect of dilutive 5.50% exchangeable senior debentures	-	1,122	-	3,948
Weighted average common stock and units outstanding -- diluted	139,759	137,912	139,243	137,979

**Digital Realty Trust, Inc. and Subsidiaries**  
Reconciliation of Funds From Operations (FFO) to Core Funds From Operations (CFFO)  
(in thousands, except per share and unit data)  
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
FFO available to common stockholders and unitholders -- diluted	\$ 176,148	\$ 164,854	\$ 392,508	\$ 333,001
Termination fees and other non-core revenues <sup>(3)</sup>	(313)	(873)	1,260	(2,920)
Significant transaction expenses	3,166	755	3,259	836
Loss from early extinguishment of debt	148	293	148	585
Change in fair value of contingent consideration <sup>(4)</sup>	352	766	(42,682)	(2,637)
Equity in earnings adjustment for non-core items	-	-	-	843
Severance accrual and equity acceleration <sup>(5)</sup>	1,301	260	2,697	12,690
Other non-core expense adjustments <sup>(6)</sup>	(29)	651	(59)	651
CFFO available to common stockholders and unitholders -- diluted	\$ 180,773	\$ 166,706	\$ 357,131	\$ 343,049
Diluted CFFO per share and unit	\$ 1.29	\$ 1.21	\$ 2.56	\$ 2.49

(3) Includes one-time fees, proceeds and certain other adjustments that are not core to our business.

(4) Relates to earn-out contingency in connection with Sentrum Portfolio acquisition.

(5) Relates to severance charges related to the departure of company executives.

(6) Includes reversal of accruals and certain other adjustments that are not core to our business.



# Reconciliation of Non-GAAP Items To Their Closest GAAP Equivalent

**Digital Realty Trust, Inc. and Subsidiaries**  
Reconciliation of Net Income Available to Common Stockholders to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA

(in thousands)  
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net income (loss) available to common stockholders	\$ 117,055	\$ 41,510	\$ 218,783	\$ 75,696
Interest	46,114	49,146	91,580	96,520
Loss from early extinguishment of debt	148	293	148	585
Taxes	2,615	1,021	4,290	2,859
Depreciation and amortization	131,524	137,092	260,597	267,712
Impairment of investments in real estate	-	-	-	-
<b>EBITDA</b>	<b>297,456</b>	<b>229,062</b>	<b>575,398</b>	<b>443,372</b>
Change in fair value of contingent consideration	352	766	(42,682)	(2,637)
Severance accrual and equity acceleration	1,301	260	2,697	12,690
Gain on sale of properties	(76,669)	(15,945)	(94,489)	(15,945)
Gain on contribution of property to unconsolidated joint venture	-	-	-	(1,906)
Gain on sale of investment	-	-	-	-
Noncontrolling interests	2,486	993	4,628	1,798
Preferred stock dividends	18,456	18,829	36,911	30,555
<b>Adjusted EBITDA</b>	<b>\$ 243,382</b>	<b>\$ 233,965</b>	<b>\$ 482,463</b>	<b>\$ 467,927</b>

A reconciliation of the range of 2015 projected net income to projected FFO and core FFO follows:

	Low - High
Net income available to common stockholders per diluted share	\$1.28 – 1.38
Add:	
Real estate depreciation and amortization	\$4.05
<b>Projected FFO per diluted share</b>	<b>\$5.33 – 5.43</b>
Adjustments for items that do not represent core expenses and revenue streams	(\$0.28)
<b>Projected core FFO per diluted share</b>	<b>\$5.05 – \$5.15</b>
Foreign currency translation adjustments	\$0.15
<b>Projected Constant – Currency Core FFO per diluted share</b>	<b>\$5.20 – \$5.30</b>



# Reconciliation of Non-GAAP Items To Their Closest GAAP Equivalent

**Digital Realty Trust, Inc. and Subsidiaries**  
Reconciliation of Same Capital Cash Net Operating Income  
(in thousands)  
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Rental revenues	\$ 196,637	\$ 197,836	\$ 390,617	\$ 394,476
Tenant reimbursements - Utilities	36,893	38,337	72,108	75,975
Tenant reimbursements - Other	16,618	16,291	33,686	33,526
Total Revenue	250,148	252,464	496,411	503,977
Utilities	37,896	39,931	74,189	79,109
Rental property operating	21,488	20,731	41,901	39,746
Repairs & maintenance	14,682	15,775	28,575	29,845
Property taxes	12,399	13,677	27,077	27,750
Insurance	1,464	1,196	2,894	2,913
Total Expenses	87,929	91,310	174,636	179,363
Net Operating Income	\$ 162,219	\$ 161,154	\$ 321,775	\$ 324,614
Less:				
Stabilized straight-line rent	\$ 2,903	\$ 5,933	\$ 6,880	\$ 14,357
Above and below market rent	3,360	3,563	6,678	7,312
Cash Net Operating Income	\$ 155,956	\$ 151,658	\$ 308,217	\$ 302,945



# Forward-Looking Statements

The information included in this presentation contains forward-looking statements. Such statements are based on management's beliefs and assumptions made based on information currently available to management. Such forward-looking statements include statements relating to: our economic outlook; the acquisition of Telx Holdings, Inc. and our expected benefits from the acquisition; opportunities and strategies, including ROIC, recycling assets and capital, and sources of growth; the expected effect of foreign currency translation adjustments on our financials; business drivers; sources and uses; our expected development plans and completions, including timing, total square footage, IT capacity and raised floor space upon completion; expected availability for leasing efforts, sales incentive program, mid-market and colocation initiatives; organizational initiatives; joint venture opportunities; occupancy and total investment; our expected investment in our properties; our estimated time to stabilization and targeted returns at stabilization of our properties; our expected future acquisitions; acquisitions strategy; available inventory and development strategy; the signing and commencement of leases, and related rental revenue; lag between signing and commencement of leases; our expected same store portfolio growth; our expected growth and stabilization of development completions and acquisitions; our expected mark-to-market rates on lease expirations, lease rollovers and expected rental rate changes; our expected yields on investments; our expectations with respect to capital investments at lease expiration on existing Turn-Key Flex space; barriers to entry; competition; debt maturities; lease maturities; our expected returns on invested capital; estimated absorption rates; our other expected future financial and other results, and the assumptions underlying such results; our top investment markets and market opportunities; our ability to access the capital markets; expected time and cost savings to our customers; our customers' capital investments; our plans and intentions; future data center utilization, utilization rates, growth rates, trends, supply and demand, and demand drivers; datacenter outsourcing trends; datacenter expansion plans; estimated kW/MW requirements; growth in the overall Internet infrastructure sector and segments thereof; the market effects of regulatory requirements; the replacement cost of our assets; the development costs of our buildings, and lead times; estimated costs for customers to deploy or migrate to a new data center; capital expenditures; the effect new leases and increases in rental rates will have on our rental revenues and results of operations; lease expiration rates; our ability to borrow funds under our credit facilities; estimates of the value of our development portfolio; our ability to meet our liquidity needs, including the ability to raise additional capital; credit ratings; capitalization rates, or cap rates, potential new markets; dividend payments and our dividend policy; projected financial information and covenant metrics; annualized, projected and run-rate NOI; other forward-looking financial data; leasing expectations; Digital Realty Ecosystem, our connectivity initiative; Digital Open Internet Exchange; our expectations and underlying assumptions regarding our sensitivity to fluctuations in foreign exchange rates and energy prices; and the sufficiency of our capital to fund future requirements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and discussions which do not relate solely to historical matters. Such statements are subject to risks, uncertainties and assumptions, are not guarantees of future performance and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control that may cause actual results to vary materially. Some of the risks and uncertainties include, among others, the following: the impact of current global economic, credit and market conditions; 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; 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 for 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. The risks described above are not exhaustive, and additional factors could adversely affect our business and financial performance, including those discussed under the heading "Risks Related to the Proposed Telx Acquisition" in our Current Report on Form 8-K filed on July 14, 2015, in our annual report on Form 10-K for the year ended December 31, 2014, and subsequent filings with the Securities and Exchange Commission. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise.

