



DIGITAL REALTY

| telx

February 25, 2016

# The Next Horizon

## Three-Year Guideposts



# Our Focus

Our philosophy is to deliver superior returns to our shareholders by capitalizing on our core competencies and tailoring them to meet the ever growing and evolving data center needs of our customers

- 1 SUPERIOR RETURNS**  
Deliver superior risk-adjusted total shareholder returns
- 2 CAPITAL ALLOCATION**  
Prudently allocate capital to opportunistically extend global campus footprint
- 3 PRODUCT OFFERINGS**  
Drive higher returns on the asset base by diversifying product offerings
- 4 OPERATING EFFICIENCIES**  
Achieve operating efficiencies to accelerate growth in cash flow and value per share

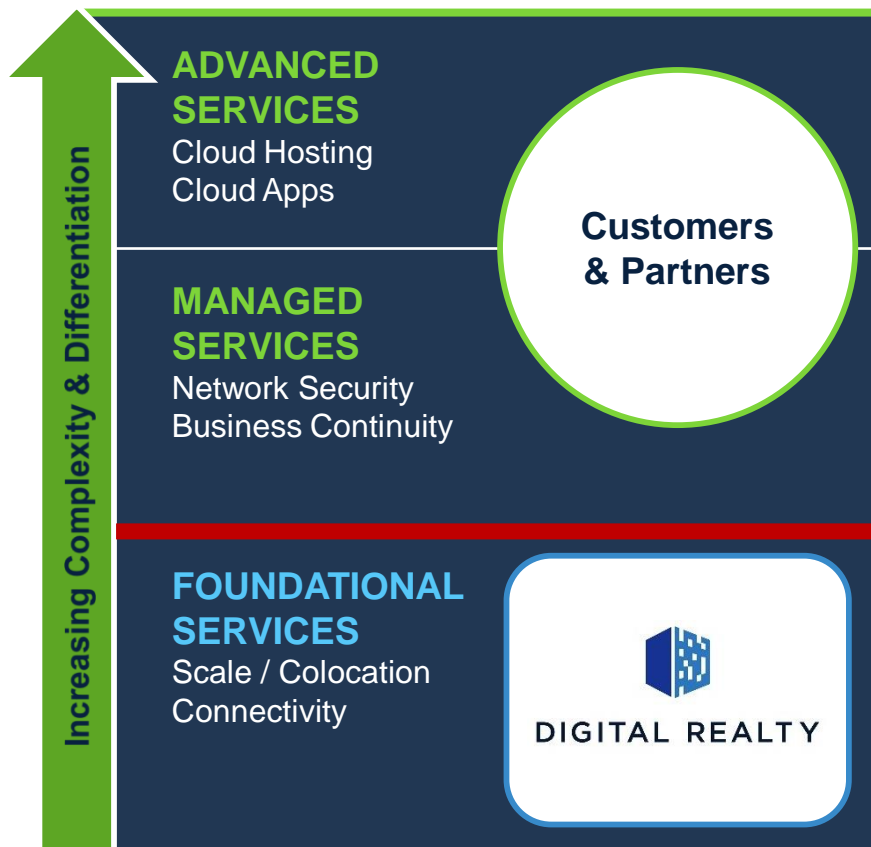


# Global Service Infrastructure Platform

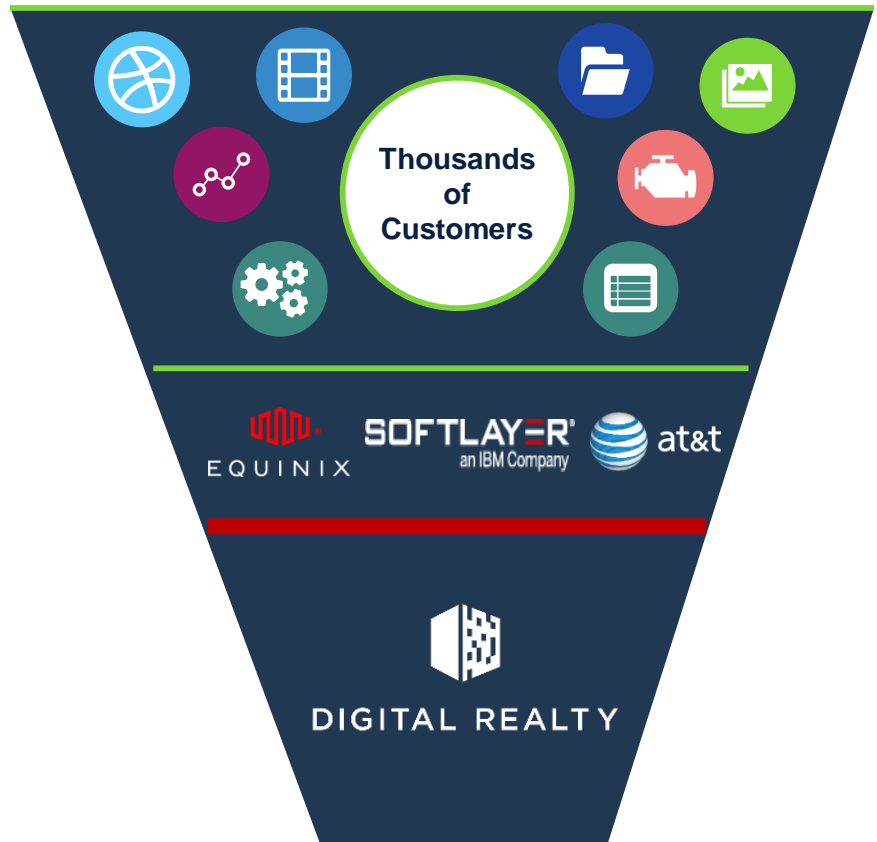
## Deliver Basic Services, Enable Partners

Digital Realty is focused on foundational services to enable customers and partners to service thousands of their customers

### FOCUSED ON FOUNDATIONAL SERVICES



### FUNNEL APPROACH TOWARDS CUSTOMERS



# Achieving Favorable Execution on Capital Recycling

## Redeploying Accretively, Enhancing Portfolio Quality

Property	650 Randolph / Somerset, NJ
Sales Price	\$9.1 million
Sales Price / s.f.	\$71 / s.f.
Gain (Loss) on Sale	(\$0.1 million)
Cap Rate	N/A
Closing Date	December 2015



Property	Kato & Page / Fremont, CA
Sales Price	\$37.5 million
Sales Price / s.f.	\$188 / s.f.
Gain (Loss) on Sale	\$1.2 million
Cap Rate	7.2%
Closing Date	January 2016

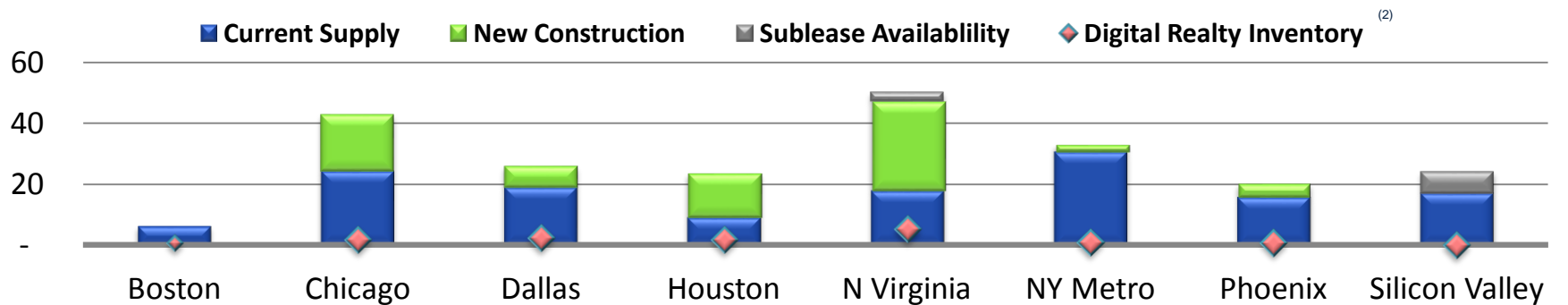


# U.S. Major Market Data Center Supply <sup>(1)</sup>

## Fundamentals Firming Across the Board

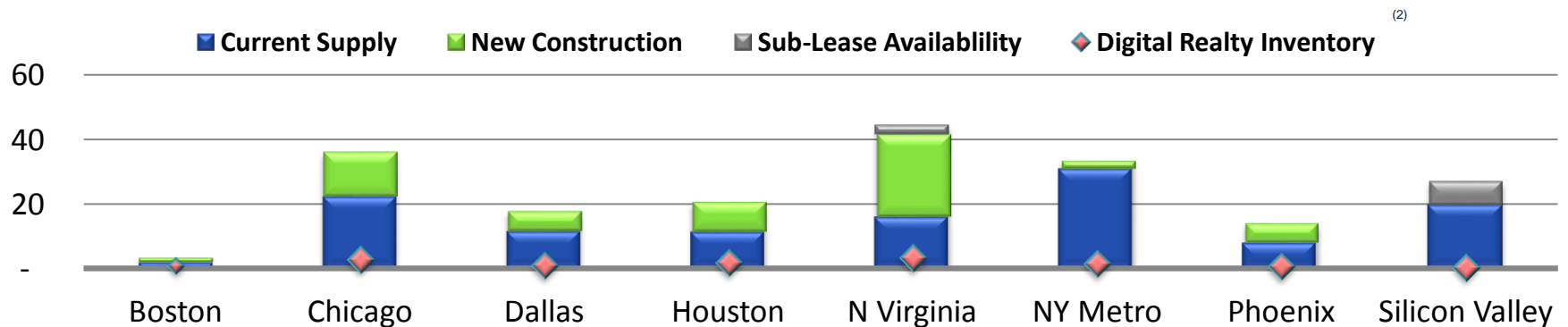
in megawatts

4Q15



in megawatts

3Q15



1) Based on Digital Realty internal estimates.

2) Represents Digital Realty's available finished data center space and available active data center construction.

# Decelerating Global Economic Growth Outlook

## Data Center Demand Drivers Are a Bright Spot

	<b>3Q15 CALL</b> <i>October 29, 2015</i>	<b>CURRENT</b> <i>February 19, 2016</i>	<b>2016E</b>	<b>2017E</b>	
<b>MACROECONOMIC</b>	Global GDP Growth Forecast <sup>(1)</sup>	2016E: 3.6%	2016E: 3.4%	3.4%	3.6%
	U.S. GDP Growth Forecast <sup>(1)</sup>	2016E: 2.8%	2016E: 2.6%	2.6%	2.6%
	U.S. Unemployment Rate <sup>(2)</sup>	5.2%	5.0%	4.8%	4.7%
	Inflation Rate – U.S. Annual CPI Index <sup>(2)</sup>	0.2%	0.7%	1.5%	2.2%
	Crude Oil (\$/barrel) <sup>(3)</sup>	\$49	\$32	\$36	\$41
<b>INTEREST RATES</b>	Control of White House, Senate and HoR <sup>(4)</sup>	D,R,R	D,R,R	D,R,R	D,R,R
	One-Month Libor (USD) <sup>(2)</sup>	0.2%	0.4%	0.6%	0.9%
<b>EQUITY MARKETS</b>	10-Yr U.S. Treasury Yield <sup>(2)</sup>	2.2%	1.7%	2.4%	n/a
	S&P 500 <sup>(2)</sup>	2,089 (YTD 1.5%); P/E: 18.7x	1,918 (YTD -6.2%); P/E: 17.3x	14.3x	12.8x
	NASDAQ <sup>(2)</sup>	5,075 (YTD 7.1%); P/E: 29.9x	4,504 (YTD -10.0%); P/E: 38.7x	16.2x	13.9x
	RMZ <sup>(2)</sup> Average FFO Multiple <sup>(5)</sup>	1,109 (YTD -0.8%) 16.4x	1,038 (YTD -5.7%) 14.6x	14.6x	n/a
<b>INDUSTRY</b>	IT Spending Growth Worldwide <sup>(6)</sup>	2016E: 1.8%	2016E: 1.7%	1.7%	2.6%
	Server Shipment Worldwide <sup>(7)</sup>	2016E: 2.9%	2016E: 6.1%	6.1%	2.9%
	Global Data Center to Data Center IP Traffic <sup>(8)</sup>	25% CAGR 2014 – 2019E	25% CAGR 2014 – 2019E	25% CAGR 2014 – 2019E	25% CAGR 2014 – 2019E
	Global Cloud IP Traffic <sup>(8)</sup>	33% CAGR 2014 – 2019E	33% CAGR 2014 – 2019E	33% CAGR 2014 – 2019E	33% CAGR 2014 – 2019E

1) IMF World Economic Outlook - January 2016.

2) Bloomberg - February 2016.

3) Bloomberg New York Mercantile WTI Crude Oil - February 2016.

4) Moody's Analytics Presidential Election Model – February 2016.

5) Citi – October 2015 and February 2016.

6) Gartner: IT Spending, Worldwide, 4Q15.

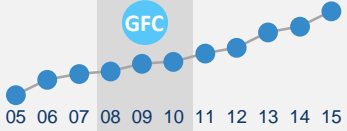

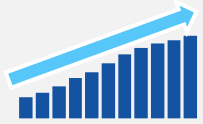
7) Gartner: Servers Forecast Worldwide, 3Q15 / October 2015 and 4Q15 / December 2015.

8) Cisco Global Cloud Index: Forecast and Methodology, 2014-2019 - October 2015.



# Graham's Golden Rules

## Defensive Requirements for the *Intelligent Investor* <sup>(1)</sup>

① Adequate Size of the Enterprise	<b>\$19 Bn</b> ENTERPRISE VALUE <sup>(2)</sup>
② Sufficiently Strong Financial Condition	<b>BBB / Baa2 / BBB</b> INVESTMENT GRADE BALANCE SHEET
③ Earnings Stability	 <b>+ GROWTH</b> IN CORE FFO / SH EACH AND EVERY YEAR
④ Dividend Record	 UNINTERRUPTED GROWTH IN DIVIDENDS PER SHARE
⑤ Earnings Growth	 <b>14% CAGR</b> IN CORE FFO PER SHARE SINCE 2005
⑥ Moderate Price / Earnings Ratio	<b>&lt; 15x</b> PRICE / 2016E FFO <sup>(2)</sup>
⑦ Moderate Price to Assets Ratio	<b>&lt; 15%</b> PREMIUM TO CONSENSUS NAV <sup>(2)</sup>

1) Graham, B. (1949). *The Intelligent Investor*. New York, NY: Harper & Brothers.

2) Based on consensus estimates. Pricing as of February 23, 2016.

# Financial Results



# M&A Scorecard

## On Track to Meet Key 2016 Financial Targets



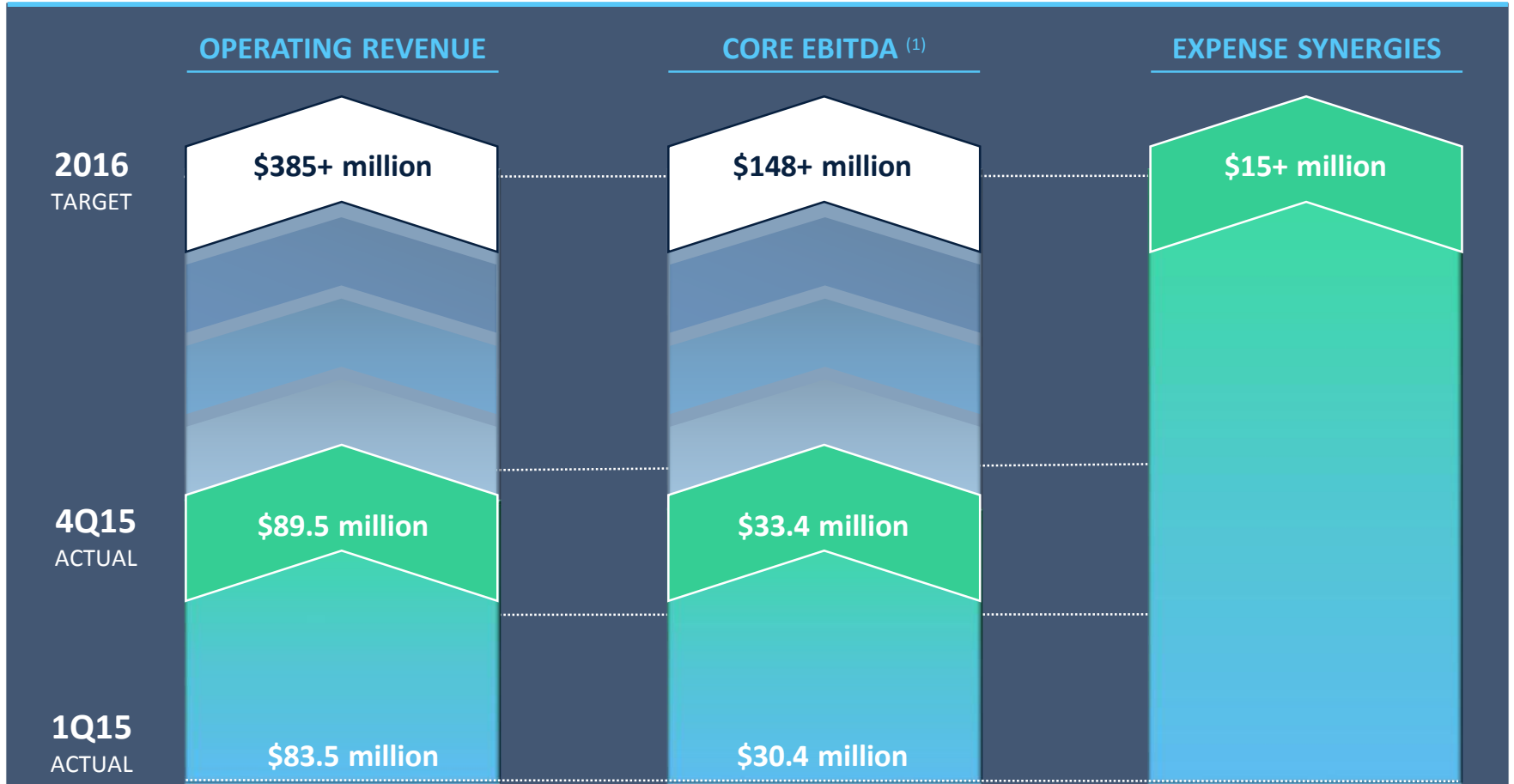
Completed / On-Track



Slightly Behind



Off-Track



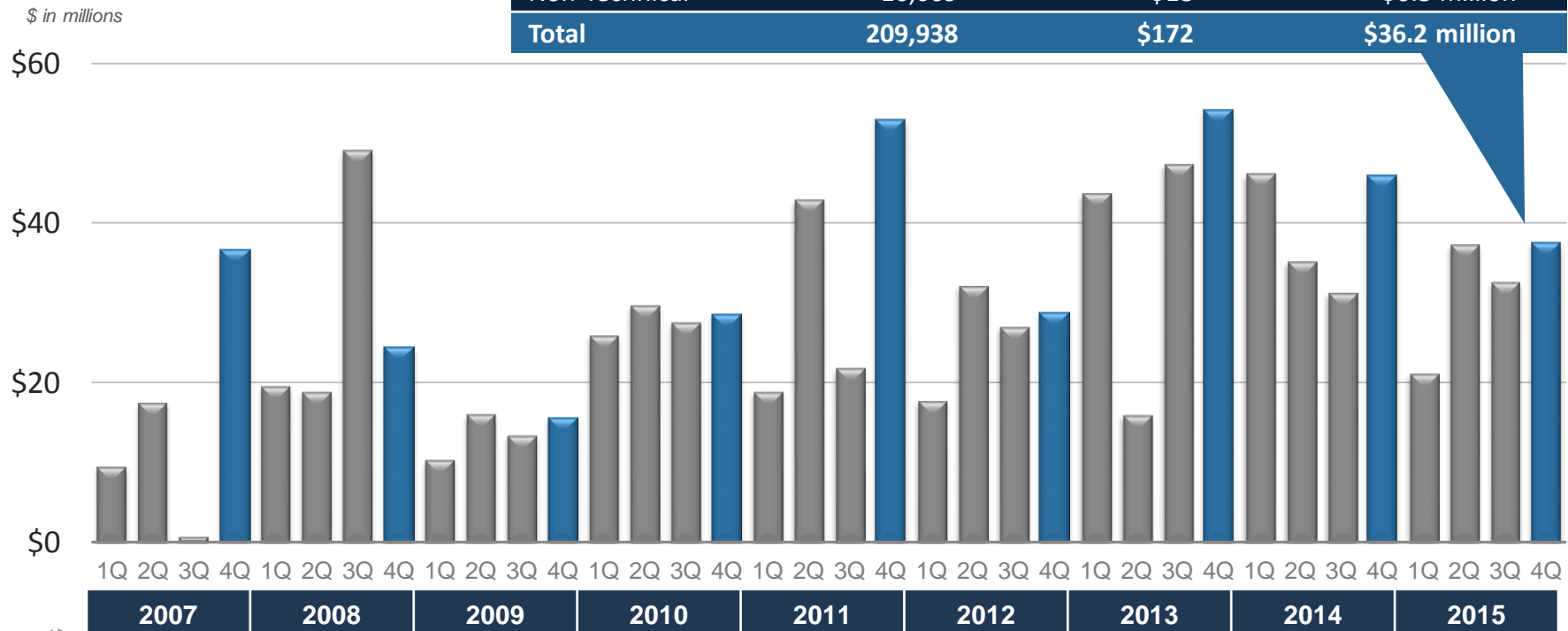
1) Represents EBITDA adjusted for deferred rent expense and excludes synergies.

# Sustained Leasing Momentum

## Hunting *and* Farming

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

Product Type	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 <sup>®</sup>	168,935	\$166	\$28.0 million
Powered Base Building <sup>®</sup>	–	\$0	\$1.0 million
Colocation <sup>(3)</sup>	24,304	\$285	\$6.9 million
Non-Technical	16,669	\$18	\$0.3 million
<b>Total</b>	<b>209,938</b>	<b>\$172</b>	<b>\$36.2 million</b>



Note: Leasing detail by product type represents leases signed in the fourth quarter of 2015.

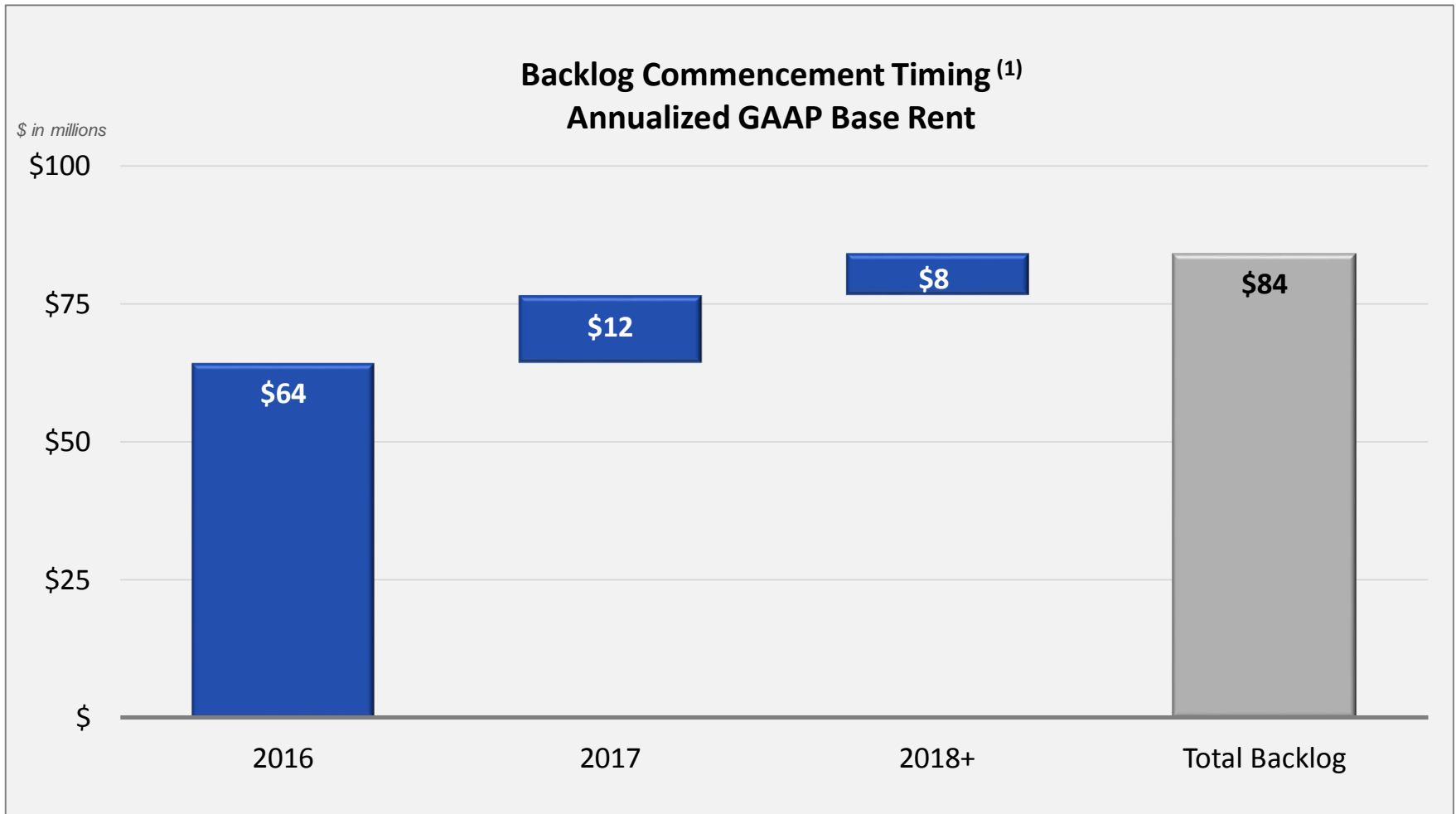
1) Includes signings for new and re-leased space.

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

3) Colocation includes Telx contribution of approximately \$6.3 million.

# Healthy Backlog Sets a Solid Foundation

## Front-End Loaded in 1H16



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 lag 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

### Total Data Center

- Signed renewal leases representing \$13 million of annualized GAAP rental revenue
- Rental rates on renewals increased by 15% on a cash basis and increased by 40% on a GAAP basis for total data center space

15%

Cash Rent Change

40%

GAAP Rent Change

### Turn-Key Flex<sup>®</sup>

- Renewed 12,000 square feet of Turn-Key Flex<sup>®</sup> data centers at a rental rate decrease of 2% on a cash basis but increase of 23% on a GAAP basis

(2%)

Cash Rent Change

23%

GAAP Rent Change

### Powered Base Building<sup>®</sup>

- Renewed 313,000 square feet of Powered Base Building<sup>®</sup> data centers at a rental rate increase of 20% on a cash basis and 46% on a GAAP basis

20%

Cash Rent Change

46%

GAAP Rent Change

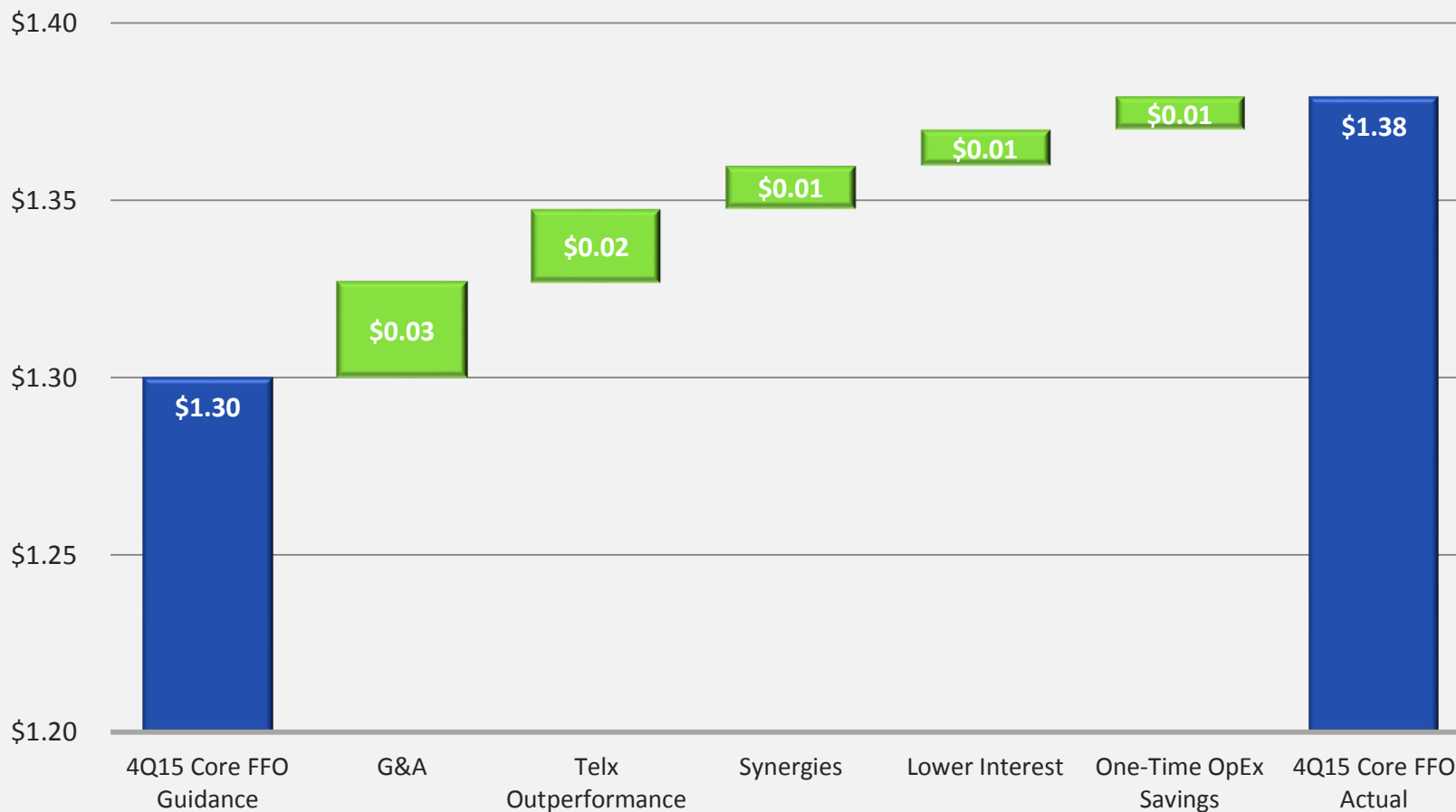


Note: Represents Turn-Key Flex<sup>®</sup> and Powered Base Building<sup>®</sup> leases signed during the quarter ended 12/31/15. Rental rate changes on renewals are calculated as the cash rent from new leases divided by the cash rent from expiring leases, minus one.

# 4Q15 Core FFO / Share Out-Performance

## Lower G&A + Telx Results Drive Upside to Forecast

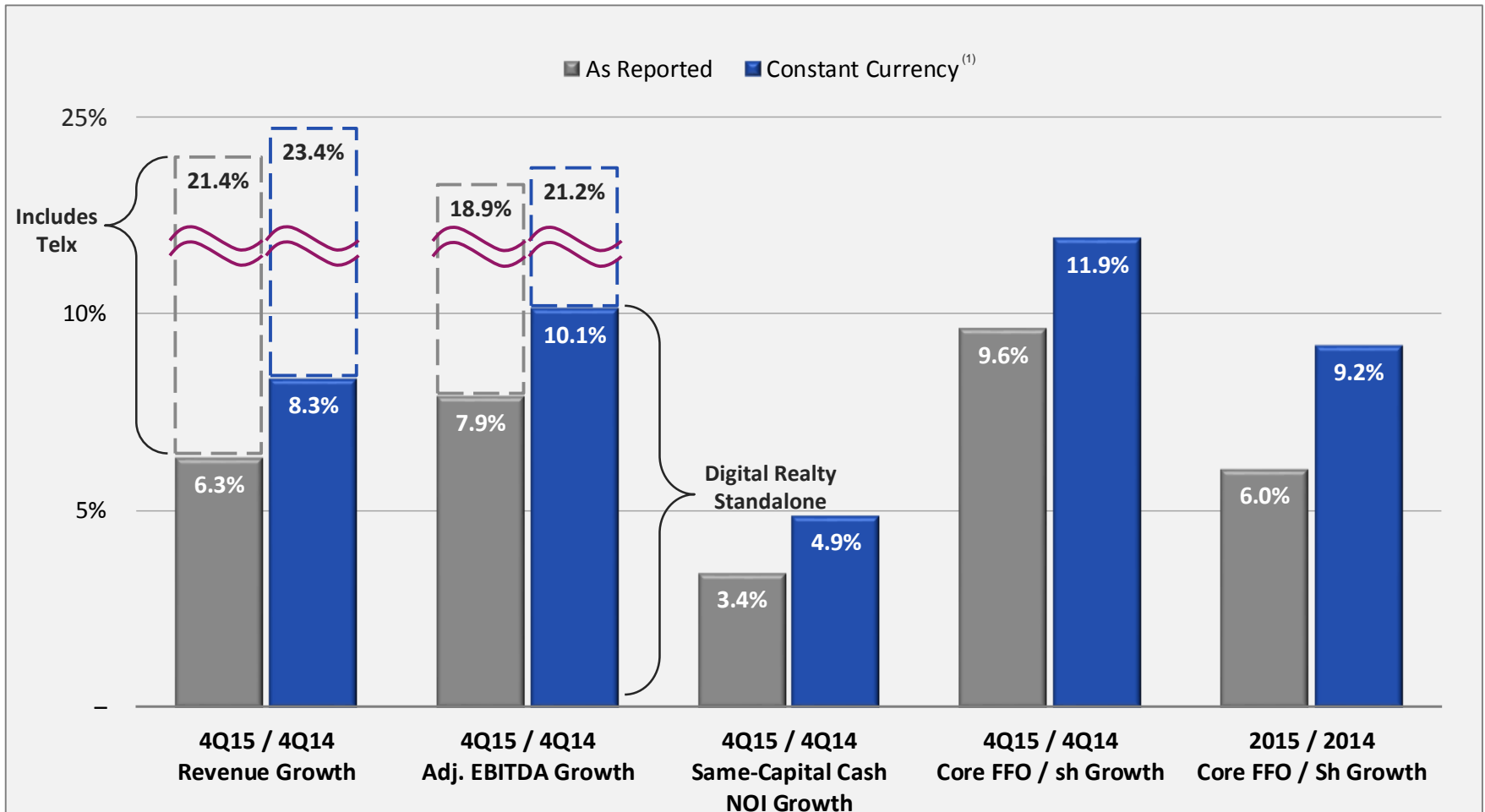
4Q15 Core FFO / Share Reconciliation



Note: 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 ~ 150-200 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.

# Putting Exposure in Perspective

## Benefits of Diversification and Scale on Display

### HOT BUTTON EXPOSURE BY ABR



1.6% ENERGY TENANTS

1.4% UNICORNS

1.3% HOUSTON <sup>(2)</sup>

### 2016 CORE FFO EXPOSURE (% OF GUIDANCE) <sup>(1)</sup>

#### CURRENCY / COMMODITY EXPOSURE

LESS THAN  
**3%**

1.3%  
GBP +/- 10%

0.7%  
LIBOR  
+/- 100 bps

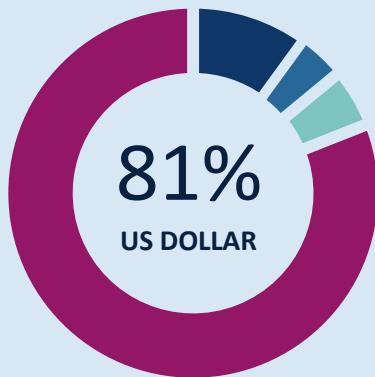
0.4%  
EUR +/- 10%

0.1%

Midpoint of  
Guidance  
\$5.45 – \$5.60

WTI +/- \$10  
per barrel

### FFO CURRENCY EXPOSURE



10% BRITISH POUND

4% EURO

5% OTHER

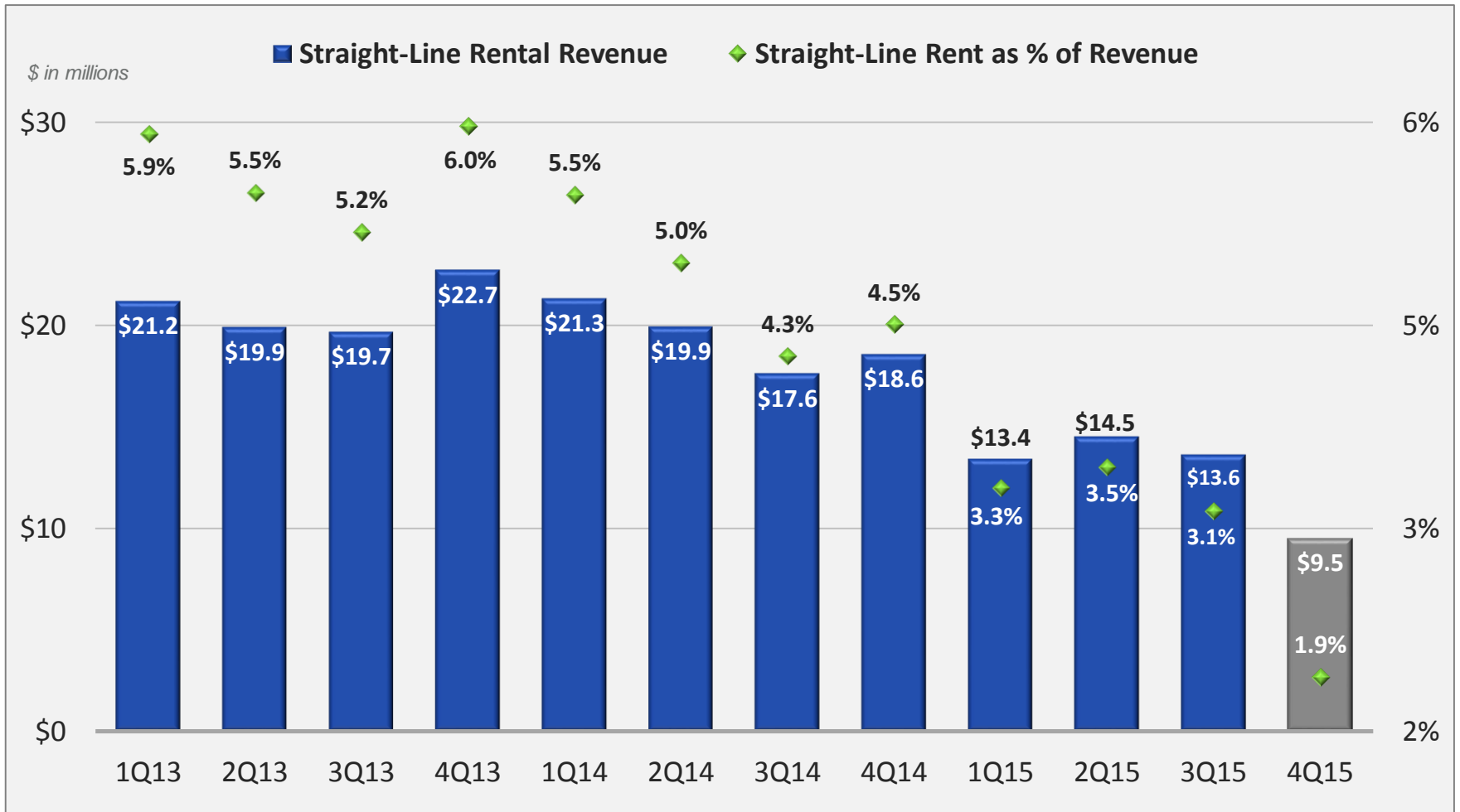


1) Based on midpoint of 2016 Core FFO per share guidance of \$5.45 – \$5.60.

2) Includes 0.7% related to energy tenants.

# Closing the GAAP on Straight-Line Rent

## Consistently Improving Quality of Earnings



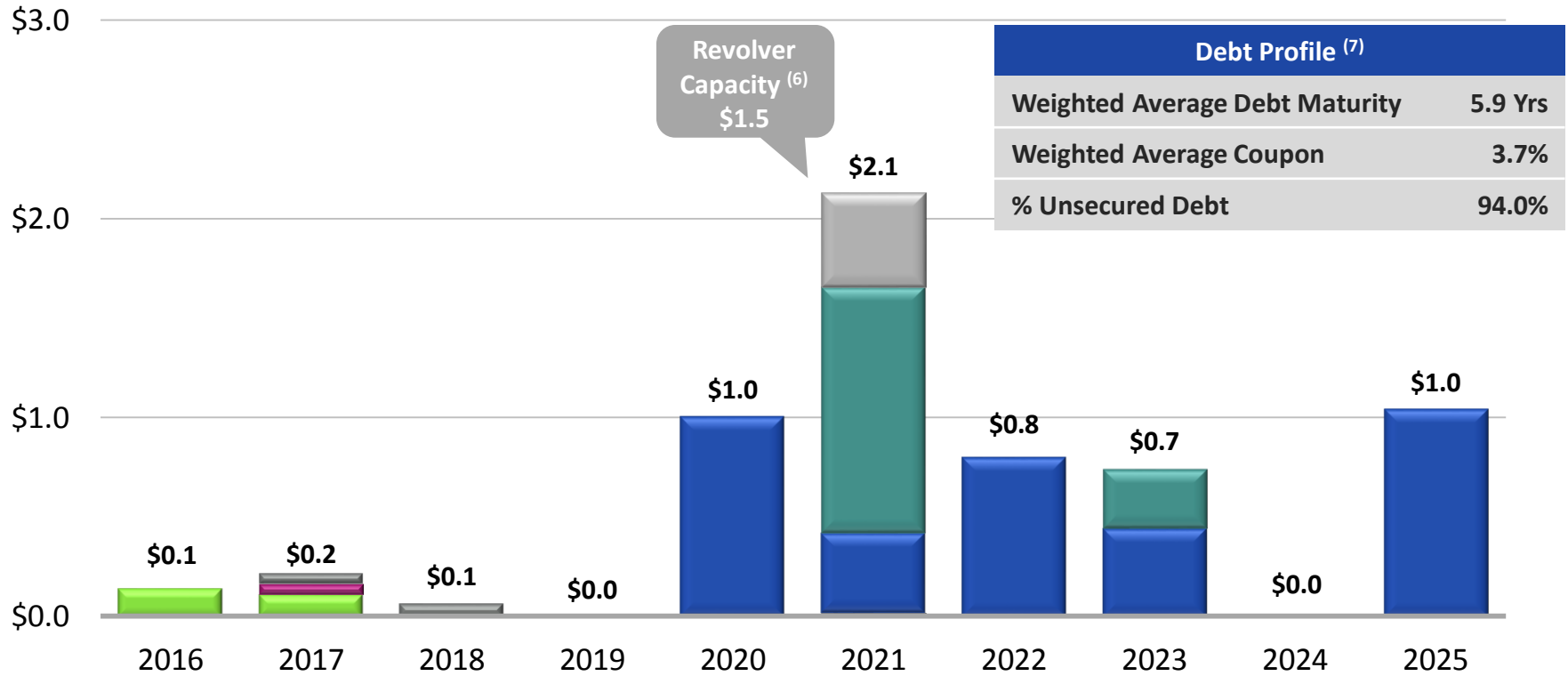
# Back-End Loaded Debt Maturity Schedule

## No Bar Too Tall; Nominal Near-Term Maturities

### Extended Global Unsecured Revolving Credit Facility and Term Loan Maturities to 2021 and 2023

- Secured Mortgage Debt <sup>(1)</sup>
- Unsecured Notes
- Unsecured Prudential Shelf Facility <sup>(2)</sup>
- Unsecured Term Loan <sup>(4)</sup>
- Pro Rata Share of JV Debt <sup>(3)</sup>
- Unsecured Global Facility <sup>(5)</sup>

(\$ in billions)



Note: Assumes extension options are exercised.

1) Total excludes \$439,000 of net loan premiums. Balances and exchange rates as of December 31, 2015. Pro forma for the payoff of the mortgage loans for 8025 North Interstate 35 and 600 West Seventh St.

2) Pro forma for the payoff of the Series C Pru Shelf Notes.

3) Represents Digital Realty's pro rata share of four unconsolidated joint venture loans.

4) Term loan balance was \$1.5 billion as of January 28, 2016.

5) Global Revolving Credit Facility balance was \$473.5 million as of January 28, 2016. The unrestricted cash balance was \$56.0 million as of January 28, 2016.

6) Reflects Global Revolving Credit Facility capacity of \$2.0 billion less \$473.5 million outstanding as of January 28, 2016.

7) As of January 28, 2016.

# Consistent Execution on Strategic Vision

## Steady Per-Share Growth in FFO, AFFO and Dividends

### Successful 4Q15 Initiatives

#### Closed Telx Acquisition

Truly transformational transaction – strategic, accretive in year one, and prudently financed



#### Results Surpass Expectations

Reported 4Q15 Core FFO / share of \$1.38, above the high end of the forecast range



#### Set the Stage for Double-Digit AFFO / Share Growth

Quality of earnings improving, growth in cash flow accelerating



#### Secured Supply Chain

Provided significant expansion capacity in Ashburn and entered new target market with Frankfurt land acquisition



#### Raised the Dividend

Eleventh consecutive year of dividend per-share growth



# 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 stock-based compensation, (v) non-cash stock-based compensation 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 (Core FFO)**

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 utilities, rental property operating expenses, repair 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.



# Definitions of Non-GAAP Financial Measures (cont.)

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.

## **SAME-CAPITAL CASH NOI**

Same-capital Cash NOI is Cash NOI (as defined above) calculated for "Same-capital" properties. "Same-capital" properties are defined as properties owned as of December 31, 2013 with less than 5% of total rentable square feet under development and excludes properties that were undergoing, or were expected to undergo, development activities in 2014-2015, properties classified as held for sale, and properties sold or contributed to joint ventures for all periods presented.

## **EBITDA AND ADJUSTED EBITDA**

We believe that earnings before interest expense, loss from extinguishment of debt, income taxes, depreciation and amortization, and impairment of investments in real estate, or EBITDA, and Adjusted EBITDA (as defined below), are useful supplemental performance measures because they allow investors to view our performance without the impact of non-cash depreciation and amortization or the cost of debt and, with respect to Adjusted EBITDA, change in fair value of contingent consideration, severance related accrual, equity acceleration, and legal expenses, transaction expenses, gain (loss) on sale of property, gain on sale of investment, gain on settlement of pre-existing relationship with Telx, other non-core expense adjustments, noncontrolling interests, and preferred stock dividends. Adjusted EBITDA is EBITDA excluding change in fair value of contingent consideration, severance related accrual, equity acceleration, and legal expenses, transaction expenses, gain (loss) on sale of property, gain on sale of investment, gain on settlement of pre-existing relationship with Telx, other non-core expense adjustments, noncontrolling interests, and preferred stock dividends. In addition, we believe EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. Because EBITDA and Adjusted EBITDA are calculated before recurring cash charges including interest expense and income taxes, exclude capitalized costs, such as leasing commissions, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utility as a measure of our performance is limited. Other REITs may calculate EBITDA and Adjusted EBITDA differently than we do; accordingly, our EBITDA and Adjusted EBITDA may not be comparable to such other REITs' EBITDA and Adjusted EBITDA. Accordingly, EBITDA and Adjusted EBITDA should be considered only as supplements to net income computed in accordance with GAAP as a measure of our financial performance.

## **CORE EBITDA**

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. Core EBITDA is calculated as EBITDA (earnings before interest expenses, interest and other income, income taxes, depreciation and amortization), excluding deferred rent expense, stock based compensation expense, sponsor management fees and transaction costs. Other companies may calculate Core EBITDA or similar metrics differently; accordingly, the Core EBITDA presented herein may not be comparable to other companies' Core EBITDA or similar metrics. Accordingly, Core EBITDA should be considered only as a supplement to net come (loss) computed in accordance with GAAP as a measure of Telx's operating performance.



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

**Digital Realty Trust, Inc. and Subsidiaries**  
Condensed Consolidated Income Statements  
(in thousands, except share and per share data)  
(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Operating Revenues:</b>				
Rental	\$ 366,814	\$ 319,816	\$ 1,354,986	\$ 1,256,086
Tenant reimbursements	90,990	88,717	359,875	350,234
Interconnection	40,759	-	40,759	-
Fee income	1,880	1,871	6,638	7,268
Other	-	1,812	1,078	2,850
Total operating revenues	<u>500,443</u>	<u>412,216</u>	<u>1,763,336</u>	<u>1,616,438</u>
<b>Operating Expenses:</b>				
Rental property operating and maintenance	155,384	127,554	549,885	503,140
Property taxes	28,472	23,053	92,588	91,538
Insurance	2,360	2,180	8,809	8,643
Construction management	-	-	-	-
Change in fair value of contingent consideration	-	(3,991)	(44,276)	(8,093)
Depreciation and amortization	172,956	133,327	570,527	538,513
General and administrative	35,987	21,480	105,549	93,188
Transactions	3,099	323	17,400	1,303
Impairment of investments in real estate	-	113,970	-	126,470
Other	60,914	486	60,943	3,070
Total operating expenses	<u>459,172</u>	<u>418,382</u>	<u>1,361,425</u>	<u>1,357,772</u>
Operating income	41,271	(6,166)	401,911	258,666
<b>Other Income (Expenses):</b>				
Equity in earnings of unconsolidated joint ventures	3,321	3,776	15,491	13,289
Gain on sale of property	322	-	94,604	15,945
Gain on contribution of properties to unconsolidated joint ventures	-	-	-	95,404
Interest and other income	498	641	(2,381)	2,663
Interest expense	(61,717)	(46,396)	(201,435)	(191,085)
Tax expense	(268)	(1,201)	(6,451)	(5,238)
Loss from early extinguishment of debt	-	-	(148)	(780)
Net Income	<u>(16,573)</u>	<u>(34,795)</u>	<u>301,591</u>	<u>203,415</u>
Net income attributable to noncontrolling interests	590	961	(4,902)	(3,229)
Net Income Attributable to Digital Realty Trust, Inc.	<u>(15,983)</u>	<u>(33,834)</u>	<u>296,689</u>	<u>200,186</u>
Preferred stock dividends	(24,056)	(18,455)	(79,423)	(67,465)
Net Income Available to Common Stockholders	<u>\$ (40,039)</u>	<u>\$ (52,289)</u>	<u>\$ 217,266</u>	<u>\$ 132,721</u>
Net income per share available to common stockholders:				
Basic	\$ (0.28)	\$ (0.39)	\$ 1.57	\$ 1.00
Diluted	\$ (0.28)	\$ (0.39)	\$ 1.56	\$ 1.00
Weighted average shares outstanding:				
Basic	145,561,559	135,544,597	138,247,606	132,635,894
Diluted	145,561,559	135,544,597	138,865,421	132,852,966

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

**Digital Realty Trust, Inc. and Subsidiaries**  
Condensed Consolidated Balance Sheets  
(in thousands)

<b>ASSETS</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
	<b>(unaudited)</b>	
Investments in real estate		
Properties:		
Land	\$ 689,573	\$ 671,602
Acquired ground leases	12,639	12,196
Buildings and improvements	9,676,427	8,823,814
Tenant improvements	536,734	475,000
Total investments in properties	10,915,373	9,982,612
Accumulated depreciation and amortization	(2,251,268)	(1,874,054)
Net investments in properties	8,664,105	8,108,558
Investment in unconsolidated joint ventures	106,107	94,729
Net investments in real estate	8,770,212	8,203,287
Cash and cash equivalents	57,053	34,814
Accounts and other receivables, net	177,398	135,931
Deferred rent	403,327	447,643
Acquired above-market leases, net	32,698	38,605
Acquired in-place lease value and deferred leasing costs, net	-	456,962
Goodwill	330,664	-
Intangibles, net	1,391,659	-
Deferred financing costs, net	35,204	30,821
Restricted cash	18,009	18,062
Assets held for sale	180,139	120,471
Other assets	54,904	40,188
<b>Total Assets</b>	<b>\$ 11,451,267</b>	<b>\$ 9,526,784</b>



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

## Digital Realty Trust, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets  
(in thousands)

	<u>December 31, 2015</u> (unaudited)	<u>December 31, 2014</u>
<b>LIABILITIES AND EQUITY</b>		
Global revolving credit facility	\$ 967,884	\$ 525,951
Unsecured term loan	924,568	976,600
Unsecured senior notes, net of discount	3,738,606	2,791,758
Mortgage loans, net of premiums	303,183	378,818
Accounts payable and other accrued liabilities	608,343	605,923
Accrued dividends and distributions	126,925	115,019
Acquired below-market leases, net	101,114	104,235
Security deposits and prepaid rents	138,347	108,478
Obligations associated with assets held for sale	5,795	5,764
<b>Total Liabilities</b>	<u>6,914,765</u>	<u>5,612,546</u>
Equity:		
Stockholders' equity	4,500,132	3,878,256
Noncontrolling interests	36,370	35,982
<b>Total Equity</b>	<u>4,536,502</u>	<u>3,914,238</u>
<b>Total Liabilities and Equity</b>	<u>\$ 11,451,267</u>	<u>\$ 9,526,784</u>



# 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)

	Three Months Ended		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Net income (loss) available to common stockholders	\$ (40,039)	\$ (52,289)	\$ 217,266	\$ 132,721
Adjustments:				
Noncontrolling interests in operating partnership	(708)	(1,074)	4,442	2,764
Real estate related depreciation and amortization (1)	170,095	132,100	563,729	533,823
Real estate related depreciation and amortization related to investment in unconsolidated joint ventures	2,867	2,173	11,418	7,537
Impairment of investments in real estate	-	113,970	-	126,470
Gain on sale of properties	(322)	-	(94,604)	(15,945)
Gain on pre-existing relationship	(14,355)	-	(14,355)	(95,404)
FFO available to common stockholders and unitholders	\$ 117,538	\$ 194,880	\$ 687,896	\$ 691,966
Basic FFO per share and unit	\$ 0.79	\$ 1.41	\$ 4.87	\$ 5.08
Diluted FFO per share and unit	\$ 0.79	\$ 1.40	\$ 4.85	\$ 5.04
Weighted average common stock and units outstanding				
Basic	148,388	138,327	141,108	136,124
Diluted	149,100	138,757	141,726	138,364
(1) Real estate related depreciation and amortization was computed as follows:				
Depreciation and amortization per income statement	172,956	133,327	570,527	538,513
Non-real estate depreciation	(2,861)	(1,227)	(6,798)	(4,690)
	\$ 170,095	\$ 132,100	\$ 563,729	\$ 533,823

	Three Months Ended		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
FFO available to common stockholders and unitholders	\$ 117,538	\$ 194,880	\$ 687,896	\$ 691,966
Add: 5.50% exchangeable senior debentures interest expense	-	-	-	4,725
FFO available to common stockholders and unitholders -- diluted	\$ 117,538	\$ 194,880	\$ 687,896	\$ 696,691
Weighted average common stock and units outstanding	148,388	138,327	141,108	136,124
Add: Effect of dilutive securities (excluding 5.50% exchangeable senior debentures)	712	430	618	282
Add: Effect of dilutive 5.50% exchangeable senior debentures	-	-	-	1,958
Weighted average common stock and units outstanding -- diluted	149,100	138,757	141,726	138,364



# 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		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Net income (loss) available to common stockholders	\$ (40,039)	\$ (52,289)	\$ 217,266	\$ 132,721
Interest	61,717	46,396	201,435	191,085
Loss from early extinguishment of debt	-	-	148	780
Taxes	268	1,201	6,451	5,238
Depreciation and amortization	172,956	133,327	570,527	538,513
Impairment of investments in real estate	-	113,970	-	126,470
EBITDA	194,902	242,605	995,827	994,807
Change in fair value of contingent consideration	-	(3,991)	(44,276)	(8,093)
Severance accrual and equity acceleration	6,125	-	5,146	12,690
Transactions	3,099	323	17,400	1,303
Gain on sale of properties	(322)	-	(94,604)	(15,945)
Gain on sale of investment	-	(14,551)	-	(14,551)
Gain on contribution of properties to unconsolidated joint ventures	(14,355)	-	(14,355)	(95,404)
Other non-core expense adjustments	75,269	453	75,261	2,692
Noncontrolling interests	(590)	(961)	4,902	3,229
Preferred stock dividends	24,056	18,455	79,423	67,465
Adjusted EBITDA	\$ 288,184	\$ 242,333	\$ 1,024,724	\$ 948,193



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

## 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		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
FFO available to common stockholders and unitholders -- diluted	\$ 117,538	\$ 194,880	\$ 687,896	\$ 696,691
Termination fees and other non-core revenues <sup>(3)</sup>	-	(2,584)	680	(5,668)
Gain on sale of equity investment	-	(14,551)	-	(14,551)
Significant transaction expenses	3,099	323	17,400	1,303
Loss from early extinguishment of debt	-	-	148	780
Change in fair value of contingent consideration <sup>(4)</sup>	-	(3,991)	(44,276)	(8,093)
Equity in earnings adjustment for non-core items	-	-	-	843
Severance accrual and equity acceleration <sup>(5)</sup>	6,125	-	5,146	12,690
Other non-core expense adjustments <sup>(6)</sup>	79,172	453	79,164	2,692
CFFO available to common stockholders and unitholders -- diluted	\$ 205,934	\$ 174,530	\$ 746,158	\$ 686,687
Diluted CFFO per share and unit	\$ 1.38	\$ 1.26	\$ 5.26	\$ 4.96

(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 Range of 2016 Projected Net Income to Projected FFO (NAREIT-Defined), Core FFO and Constant-Currency Core FFO

	Low	High
Net income available to common stockholders per diluted share	\$0.35	\$0.45
Add: Real estate depreciation and amortization and (gain)/loss on sale		\$5.00
<b>Projected Funds from Operations per diluted share (NAREIT-Defined)</b>	\$5.35	\$5.45
Add: Adjustments for items that do not represent core expenses and revenue streams	\$0.10	\$0.15
<b>Projected Core Funds from Operations per diluted share</b>	\$5.45	\$5.60
Add: Foreign currency translation adjustments	\$0.05	\$0.10
<b>Projected Constant - Currency Core Funds from Operations per diluted share</b>	\$5.50	\$5.70



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

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. Other companies may calculate Core EBITDA or similar metrics differently; accordingly, the Core EBITDA presented herein may not be comparable to other companies' Core EBITDA or similar metrics.

## Reconciliation of Core EBITDA (unaudited) (in thousands)

Net loss	\$ (6,185)
Income tax benefit	(2,254)
Interest expense, net	283
Depreciation & Amortization	<u>32,429</u>
<b>EBITDA</b>	<b><u>\$ 24,273</u></b>
Non-Cash Rent	8,642
Non-Cash Compensation	<u>532</u>
<b>Core EBITDA</b>	<b><u>\$ 33,447</u></b>

Note: Results are for the entire quarter ending December 31, 2015



# 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		Twelve Months Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Rental revenues	\$ 198,704	\$ 197,950	\$ 784,946	\$ 790,245
Tenant reimbursements - Utilities	34,293	36,242	145,998	151,437
Tenant reimbursements - Other	20,989	19,080	71,486	70,368
<b>Total Revenue</b>	<b>\$ 253,986</b>	<b>\$ 253,272</b>	<b>\$ 1,002,430</b>	<b>\$ 1,012,050</b>
Utilities	\$ 35,572	\$ 37,735	\$ 151,383	\$ 157,804
Rental property operating	20,892	20,103	84,699	78,533
Repairs & maintenance	15,463	17,016	59,670	62,862
Property taxes	16,159	13,537	53,947	56,897
Insurance	1,437	1,466	5,765	5,831
<b>Total Expenses</b>	<b>\$ 89,523</b>	<b>\$ 89,857</b>	<b>\$ 355,464</b>	<b>\$ 361,927</b>
<b>Net Operating Income</b>	<b>\$ 164,463</b>	<b>\$ 163,415</b>	<b>\$ 646,966</b>	<b>\$ 650,123</b>
Less:				
Stabilized straight-line rent	\$ 2,414	\$ 6,344	\$ 10,611	\$ 26,682
Above and below market rent	3,050	3,326	12,910	14,023
<b>Cash Net Operating Income</b>	<b>\$ 158,999</b>	<b>\$ 153,745</b>	<b>\$ 623,445</b>	<b>\$ 609,418</b>



# 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; our expected benefits from the acquisition of Telx Holdings, Inc.; 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 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 exposure to tenants in certain industries; our characterization as a defensive stock; 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.

