UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 13, 2015

DIGITAL REALTY TRUST, INC.
DIGITAL REALTY TRUST, L.P.
(Exact name of registrant as specified in its charter)

Maryland	**001-32336**	**26-0081711**
Maryland	**000-54023**	**20-2402955**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Four Embarcadero Center, Suite 3200	
San Francisco, California	**94111**
(Address of principal executive offices)	**(Zip Code)**

(415) 738-6500
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Merger Agreement

On July 14, 2015, Digital Realty Trust, Inc., a Maryland corporation (the "Company," "we," "us," or "our"), issued a press release announcing that it has entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among the Company, Digital Delta, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub"), Telx Holdings, Inc., a Delaware corporation ("Telx"), and BSR LLC, as the sellers' representative. The Merger Agreement provides for the acquisition of Telx by the Company pursuant to the merger of Merger Sub with and into Telx, with Telx as the surviving corporation (the "Telx Acquisition").

The Company will pay aggregate cash consideration of approximately $1.886 billion in the Telx Acquisition, subject to certain adjustments contemplated by the Merger Agreement.

The Merger Agreement contains customary representations and warranties as well as covenants by each of the parties. However, the representations and warranties contained in the Merger Agreement will not survive the closing of the Telx Acquisition and the sellers are not obligated to indemnify us for any losses that we may incur in connection with the Merger Agreement. The Telx Acquisition is expected to close later this year, subject to the satisfaction of closing conditions, including but not limited to the continuing accuracy of representations and warranties and compliance with covenants and agreements in the Merger Agreement. There can be no assurance that the Telx Acquisition will be consummated on the anticipated schedule, pursuant to the foregoing terms or at all.

The foregoing is a summary description of certain terms of the Merger Agreement and does not purport to be complete, and it is qualified in its entirety by reference to the full text of the Merger Agreement, which will be subsequently filed with the Securities and Exchange Commission.

The Merger Agreement will be filed to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual, business or operational information about the parties thereto. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of such Merger Agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties, including, to the extent agreed by the parties, being qualified by disclosures: (i) exchanged between the parties in connection with the execution of the Merger Agreement and (ii) contained in the disclosure schedules to the Merger Agreement. The representations and warranties may have been made for the purpose of allocating contractual risk among the parties to the Merger Agreement based on the relative knowledge of the parties and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, investors and security holders should not rely on such representations and warranties as characterizations of the actual state of facts or circumstances. Moreover, information concerning the subject matter of such representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. We have entered into an insurance policy with a syndicate of insurers providing for coverage for breaches of certain representations and warranties contained in the Merger Agreement, subject to certain exclusions and a deductible.

Second Amendment to Thirteenth Amended and Restated Partnership Agreement

On July 13, 2015, the Company, as the sole general partner of Digital Realty Trust, L.P. (the "Operating Partnership"), executed a Second Amendment (the "Second Amendment") to the Thirteenth Amended and Restated Agreement of Limited Partnership, as amended. The purpose of the Second Amendment was to effect a technical amendment to facilitate the closing of the pending Telx Acquisition.

A copy of the Second Amendment is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference. The summary set forth above is qualified in its entirety by reference to Exhibit 3.1.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective July 13, 2015, the Company, as the sole general partner of the Operating Partnership, executed the Second Amendment. The information about the Second Amendment under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference. A copy of the Second Amendment is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On July 14, 2015, the Company issued a press release announcing the Telx Acquisition. A copy of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

On July 14, 2015, the Company issued a press release announcing that it has commenced an underwritten public offering of 10,500,000 shares of its common stock in connection with certain forward sales agreements. A copy of such press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information included in this Current Report on Form 8-K under this Item 7.01 (including Exhibit 99.1 and Exhibit 99.2 hereto) is being "furnished" and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

This Current Report on Form 8-K does not constitute an offer to sell or a solicitation of an offer to buy any securities.

Item 8.01. Other Events.

Financing the Telx Acquisition

The Company plans to fund the aggregate purchase price of the Telx Acquisition through a combination of the net proceeds expected to be received upon the settlement of forward sale agreements for the Company's common stock and, subject to market conditions and other factors, permanent equity and debt financing. The Company anticipates that the Telx Acquisition will be funded in a manner consistent with its long-term leverage targets. The consummation of the Telx Acquisition is not subject to a financing condition. The Company has therefore obtained a financing commitment to provide a senior unsecured bridge loan facility in the original principal amount of $1.850 billion (the "Bridge Facility") to fund the Telx Acquisition, as necessary, pursuant to a commitment letter (the "Commitment Letter") from Citigroup Global Markets Inc. ("CGMI") on behalf of CGMI, Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Inc. (collectively, "Citi") and/or any of their affiliates as Citi may determine, Bank of America, N.A. ("Bank of America") on behalf of Bank of America, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPFS") and/or any of their affiliates as MLPFS and Bank of America may determine, and Morgan Stanley Senior Funding, Inc. ("MSSF") on behalf of MSSF and/or any of its affiliates as MSSF may determine. Borrowings, if any, under the Bridge Facility will bear interest at a rate based, at the borrower's option, on LIBOR or a Base Rate (as defined in the Commitment Letter), in each case plus an applicable margin based on our credit rating, and the Bridge Facility will mature 364 days after the closing date of the Telx Acquisition. The funding of the Bridge Facility provided for in the Commitment Letter is contingent on the satisfaction of customary conditions, including but not limited to (i) the execution and delivery of definitive documentation with respect to the Bridge Facility in accordance with the terms set forth in the Commitment Letter and (ii) the consummation of the Telx Acquisition in accordance with the Merger Agreement. The actual documentation governing the Bridge Facility has not been finalized, and accordingly, the actual terms may differ from the description of such terms in the Commitment Letter.

Additional Information Regarding the Telx Acquisition

All of the information in this Item 8.01 regarding Telx is based on information provided by the sellers in connection with our due diligence related to the Telx Acquisition.

Telx is a leading national provider of data center colocation, interconnection and cloud enablement solutions within 13 strategic North American metropolitan statistical areas. Telx operates a total of 20 data center facilities, including six in the New York/New Jersey metropolitan area, two in Chicago, two in Dallas, four in California (one in each of Los Angeles and San Francisco and two in Santa Clara), two in the Pacific Northwest (one in each of Seattle and Portland) and one in each of Atlanta, Miami, Phoenix and Charlotte. As of March 31, 2015, Telx operated approximately 1.3 million gross square feet of data center space serving over 1,250 customers with over 52,000 interconnections. Telx's primary interconnection service is the cross connect, which is a direct, physical link between a data center tenant and another tenant or service provider creating a highly efficient, low latency and cost effective means to exchange data, access internet, telecom, cloud and information technology services, deliver digital media content or reach new customers and locations. For the three months ended March 31, 2015, approximately 50% of Telx's recurring revenue was derived from data center colocation services and approximately 50% was derived from interconnection services. Telx owns two of its facilities, leases 11 of its facilities from us, partially sub-leases one facility from us and an unrelated third party and leases its remaining six facilities from unrelated third parties. The average remaining lease term, assuming the exercise of all contractual renewal options, for properties Telx leases from third parties is approximately 18 years as of March 31, 2015.

We believe that Telx's business model produces significant recurring revenue with low churn, low customer concentration risk and a predictable cost structure. For the three months ended March 31, 2015, Telx's recurring revenues (comprised of monthly colocation and interconnection services fees) represented approximately 97% of its total revenues. Telx has a strong track record of customer retention and leveraging existing customer relationships to drive revenue growth. As of March 31, 2015, Telx's relationships with its top 25 customers averaged over nine years. More than 80% of Telx's revenues from new sales were derived from existing customers during the three months ended March 31, 2015. In addition, Telx's monthly recurring revenue per customer has increased at a compound annual growth rate of approximately 10% during the period from January 1, 2012 through March 31, 2015. Telx's monthly churn as a percentage of monthly recurring revenue averaged approximately 0.6% over the same period. Churn is defined as lost recurring revenues during a given month divided by the total recurring revenues from the immediately preceding month.

Rationale for the Telx Acquisition

We believe that the Telx Acquisition will provide a number of strategic and financial benefits, including the following:

- *Provides Us a Leading Colocation and Interconnection Platform.* We expect that the Telx Acquisition will establish us as a leading provider of colocation, interconnection and cloud-enablement services in the United States. We believe that Telx has a well-established colocation and interconnection sales, marketing and operations team that will be complementary to our existing wholesale business. Furthermore, Telx's differentiated, network-centric ecosystem is expected to enhance the overall attractiveness of our portfolio and product offering.
- *Acquisition Consistent with Our Stated Strategy*. We have a stated strategy of expanding our product mix and increasing our presence in the attractive colocation and interconnection space. We believe that executing on this strategy will broaden our target customer base and provide us an opportunity to participate in the strong underlying fundamentals and significant growth potential that currently exists in the colocation and interconnection business. On a pro forma basis, the Telx Acquisition increases the percentage of our revenue contributed by colocation from 7% to 14% and by interconnection from 0% to 9% for the three months ended March 31, 2015. We also believe that the Telx Acquisition will allow us to expand Telx's business model throughout our existing global footprint. We expect that the Telx Acquisition will be accretive to 2016 financial metrics.

- *Complementary Business.* We believe that the Telx Acquisition will be complementary to our business by expanding our product mix to appeal to a broader spectrum of data center customers**.** We believe that Telx's customer base will provide further tenant diversification and additional strategic revenue opportunities. As of March 31, 2015, Telx served over 1,250 customers across various industries, including telecommunications, cloud/information technology, digital media, financial services and other enterprises, which represented approximately 67%, 9%, 8%, 11% and 4% of its monthly recurring revenue, respectively, for the month ended March 31, 2015. We believe that the Telx Acquisition will significantly enhance our colocation and interconnection capabilities by providing an additional level of service to better address our customers' needs. We believe that the Telx Acquisition will provide us with an opportunity to strategically grow our smaller customers into wholesale tenants and, likewise, provide flexibility for our wholesale clients who seek to establish smaller footprints in select areas.

- *Enhanced Growth Potential in Attractive Locations*. We believe that the Telx Acquisition will enhance our presence in premium locations throughout the United States and provide significant opportunities for additional growth. Telx has achieved a greater growth profile, growing revenue at a 22% compounded annual growth rate between 2012 and the three months ended March 31, 2015, as compared to our 11% over the same period. Telx's revenues for the three months ended March 31, 2015 were approximately $83.5 million, nearly half of which is attributable to interconnection revenue derived from Telx's network of over 52,000 cross connects. Telx has demonstrated stable growth in average monthly recurring revenue per sold square foot, which increased from $95 for the year ended December 31, 2012 to $114 for the three months ended March 31, 2015, representing a compounded annual growth rate of 8%. Further, Telx enjoys revenue stability as evidenced by a low average monthly churn rate of approximately 0.6% over the same period. We believe Telx's track record of growth and stable and diversified revenue streams will provide significant upside opportunities for our company.

- *Premium Connectivity Infrastructure*. Telx's focus on network density, interconnection infrastructure and connection-centric customers has led to the formation of densely connected ecosystems within its datacenters that are difficult to replicate and valuable to customers. We believe that Telx has one of the highest cross connect densities in the data center industry, with an average of approximately 41 cross connects per customer as of March 31, 2015, which we believe will allow us to deliver innovative product offerings. Telx's interconnection revenue has grown at a 30% compounded annual growth rate between January 1, 2012 and March 31, 2015 and, for the three months ended March 31, 2015, represented approximately 50% of its total recurring revenue. We believe interconnection is an attractive line of business that would be difficult to build organically and increases the overall value proposition of our colocation and wholesale data center space product offerings.

- *Upside Opportunity Through Lease-up of Currently Available Space*. We believe that Telx's 20 data center facilities will provide significant opportunities for increased revenue through the lease-up of currently available space. Telx has increased its total sellable square feet by more than 40% between 2012 and March 31, 2015, which has contributed to the overall amount of available space for lease-up. As of March 31, 2015, Telx's overall utilization rate was 68% and 15 of its facilities had utilization rates below 77%. If those 15 facilities were to achieve a utilization rate of 80%, assuming the same total sellable square footage and monthly revenue per square foot achieved at such facilities during the three months ended March 31, 2015, we believe that such facilities could generate up to approximately $75 million of incremental revenue. Utilization rate is calculated as total square footage sold to Telx's customers divided by total sellable square footage of Telx's facilities.

- *Synergy Potential from Combination of Complementary Businesses*. We expect to realize certain synergies as a result of the Telx Acquisition, including economies of scale, cost sharing and strategic revenue growth opportunities. We believe the overlapping footprint of our existing businesses and complementary nature of our operations will provide us opportunities to capitalize on growth initiatives and other strategic opportunities.

- *Integration Advantages as Result of Existing Relationship*. Telx currently leases more than half of its facilities from us and has been our customer for over eight years. We believe our long-standing relationship and depth of organizational overlap will mitigate the overall integration risk associated with the Telx Acquisition.

The following table sets forth certain financial and operating information relating to Telx for the periods indicated (dollar amounts in thousands).

	Three Months Ended March 31,		Year Ended December 31,		
	2015	2014	2014	2013	2012
	(unaudited)				
Colocation revenue(1)	$40,520	$36,007	$151,688	$131,598	$116,023
Interconnection revenue(1)	40,333	33,245	144,906	114,483	89,377
Services revenue(1)	2,617	2,056	12,062	10,594	8,852
Revenue(2)	$83,470	$71,307	$308,656	$256,675	$214,252
Number of cross connects (as of period end)	52,359	47,817	51,354	46,546	40,402
Core EBITDA(3)	$30,407	$25,431	$110,111	$ 93,075	$ 81,854

(1) Colocation, interconnection and service revenues are non-GAAP financial metrics that Telx derives from the terms of its contracts. Telx uses colocation, interconnection and service revenues as supplemental measures of its operating performance. We believe that colocation, interconnection and service revenues are useful supplemental performance measures because they allow investors to view the respective contribution of these product offerings to Telx's revenues. Other companies, including the Company, may calculate colocation, interconnection and service revenues differently; accordingly, colocation, interconnection and service revenues presented herein may not be comparable to such other companies' colocation, interconnection and service revenues. Accordingly, colocation, interconnection and service revenues should be considered only as a supplement to revenues computed in accordance with GAAP as a measure of Telx's operating performance.

(2) Revenue for the three months ended March 31, 2015 does not reflect the full period pro forma impact of certain intraperiod events, including installations and upgrades that occurred during the period (approximately $1.2 million), booked contracts and confirmed addendums that were not provisioned during the period (approximately $3.5 million) and churn that was experienced during the period (approximately $(0.9) million). Telx experienced $0.3 million of leasing commission expense associated with the incremental revenue described in the preceding sentence.

(3) 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.

The following table reconciles Telx's net loss to its Core EBITDA for the periods indicated (dollar amounts in thousands).

	Three Months Ended March 31,		Year Ended December 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 expense (benefit)	390	(4,697)	(11,943)	(19,757)	(13,670)
Depreciation and amortization[a]	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 expenses	8,415	8,046	26,191	34,524	19,708
Stock-based compensation expense	130	152	709	772	873
Sponsor management fees[b]	250	276	1,036	1,425	1,000
Transaction costs[c]	—	(15)	3,606	878	1,280
Core EBITDA	$ 30,407	$25,431	$110,111	$ 93,075	$ 81,854

(a) Includes amortization of capitalized leasing commissions of $0.7 million, $0.5 million, $2.2 million, $1.3 million and $0.6 million 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.

The following table sets forth certain information relating to Telx's facilities as of and for the period indicated (dollar amounts in thousands).

Facility (Metro Area)	Sellable Square Feet(1)	Utilization(2)	MRR(3)	Total Revenue(4)
113 N. Myers St. (Charlotte)(5)	723	100%	$ 141	$ 444
111 8th Ave. (New York)(6)	33,290	91.5%	6,091	18,819
56 Marietta St. (Atlanta)(7)	56,827	89.4%	5,142	15,628
2 Peekay Dr. (New York)(8)	14,109	87.7%	559	1,582
8435 Stemmons (Dallas)(8)	11,722	86.7%	464	1,453
120 E. Van Buren St. (Phoenix)(5)	9,434	77.0%	646	1,992
300 Blvd. East (New York)(5)	344	76.4%	143	445
350 E. Cermak Rd. (Chicago)(5)	23,991	71.9%	3,120	9,571
2323 Bryan St.(Dallas)(5)	16,604	71.5%	1,283	3,957
600 S. Federal St. (Chicago)(5)	3,118	68.7%	1,227	894
200 Paul Ave. (San Francisco)(5)	23,010	69.2%	294	3,682
1100 Space Park Dr. (Santa Clara)(5)	1,206	67.9%	102	307
100 Delawanna Ave. (New York)(7)	32,085	64.4%	1,133	3,508
600 W. 7th St. (Los Angeles)(5)	9,621	63.8%	671	2,201
36 NE 2nd St. (Miami)(5)	5,392	59.3%	190	583
32 Avenue of the Americas (New York)(8)	26,264	56.7%	952	2,811
60 Hudson St. (New York)(8)	39,074	49.3%	4,561	14,118
3825 NW Aloclek Pl.(Portland)(5)	6,179	46.1%	102	327
2820 NW Pkwy. (Santa Clara)(8)	23,312	29.0%	328	920
3433 S. 120th Pl. (Seattle)(8)	8,724	21.8%	111	223
Total/Average	345,027	68.3%	$27,259	$ 83,465(9)

(1) Sellable square feet represents a facility's total square footage after accounting for power and cooling capacity limitations and excluding space occupied by infrastructure and equipment as of March 31, 2015.

(2) Utilization rate is calculated as total sellable square footage sold to Telx's customers divided by total sellable square footage of Telx's facilities as of March 31, 2015.

(3) Monthly recurring revenue ("MRR") represents colocation and interconnection revenue for the month of March 2015.

(4) Represents colocation, interconnection and service revenue for the three months ended March 31, 2015.

(5) Properties leased by Telx from the Company.

(6) Property is partially subleased by Telx from the Company and partially leased from an unrelated third party.

(7) Properties owned by Telx.

(8) Properties leased by Telx from third parties.

(9) Total revenue excluded approximately $5,420 of corporate revenue not associated with a particular facility.

Risks Related to the Proposed Telx Acquisition

There are a number of significant risks related to the Telx Acquisition, including the risk factors enumerated below.

We cannot assure you that the proposed Telx Acquisition will be completed on a timely basis or at all.

There are a number of risks and uncertainties relating to the Telx Acquisition. For example, the Telx Acquisition may not be completed, or may not be completed in the time frame, on the terms or in the manner currently anticipated, as a result of a number of factors, including the failure of the parties to satisfy one or more of the conditions to closing. There can be no assurance that the conditions to closing of the Telx Acquisition will be satisfied or waived or that other events will not intervene to delay or result in the failure to close the Telx Acquisition. The Merger Agreement may be terminated by the parties thereto under certain circumstances, including, without limitation, if the Telx Acquisition has not been completed by January 12, 2016 (subject to certain limited exceptions). Delays in closing the Telx Acquisition or the failure to close the Telx Acquisition at all may result in our incurring significant additional costs in connection with such delay or termination of the Merger Agreement and/or failing to achieve the anticipated benefits of the Telx Acquisition. Any delay in closing or a failure to close the Telx Acquisition could have a negative impact on our business and the trading price of our common stock.

In the event the Telx Acquisition is not consummated and we elect to physically settle the forward sale agreements, we may use the proceeds from such settlement(s) to repay outstanding indebtedness under our global revolving credit facility and for general corporate purposes. However, we would have broad authority to use such net proceeds for other purposes that may not be accretive to our earnings per share and funds from operations per share. Affiliates of certain of the underwriters are lenders under our global revolving credit facility and would receive a pro rata portion of the net proceeds from the physical settlement of the forward sale agreements to the extent that we use any such proceeds to reduce the outstanding balance under such facility.

If completed, the Telx Acquisition may not achieve its intended benefits or may disrupt our plans and operations.

There can be no assurance that we will be able to successfully integrate Telx with our business or otherwise realize the expected benefits of the Telx Acquisition. Our ability to realize the anticipated benefits of the Telx Acquisition will depend, to a large extent, on our ability to integrate Telx with our business. The combination of two independent businesses may be a complex, costly and time-consuming process. Our business may be negatively impacted following the Telx Acquisition if we are unable to effectively manage our expanded operations. The integration process will require significant time and focus from our management team following the Telx Acquisition and may divert attention from the day-to-day operations of the combined business. Additionally, consummation of the Telx Acquisition could disrupt our current plans and operations, which could delay the achievement of our strategic objectives.

The expected synergies and operating efficiencies of the Telx Acquisition may not be fully realized, which could result in increased costs and have a material adverse effect on our business, financial condition, results of operations, cash flows and/or the trading price of our common stock. In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships and diversion of management’s attention, among other potential adverse consequences.

The risks of combining our operations of the businesses include, among others:

- we may have underestimated the costs to make any necessary improvements to Telx’s properties;
- Telx’s properties may be subject to reassessment, which may result in higher than expected tax payments;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates;

- we may face difficulties in integrating Telx's employees and in attracting and retaining key personnel; and
- we may face challenges in keeping existing Telx customers, including key magnet customers, which could adversely impact interconnection revenue.

Many of these risks will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenue and diversion of our management's time and energy, which could have a material adverse effect on our business, financial condition, results of operations and/or cash flows. In addition, even if our operations are integrated successfully with Telx's, we may not realize the full benefits of the Telx Acquisition, including the synergies, operating efficiencies, or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame or at all. All of these factors could cause dilution to our earnings per share, decrease or delay the expected accretive effect of the Telx Acquisition, and/or negatively impact the price of our common stock.

We may be subject to unknown or contingent liabilities related to Telx for which we may have no or limited recourse against the sellers.

Telx may be subject to unknown or contingent liabilities for which we may have no or limited recourse against the sellers. Unknown or contingent liabilities might include liabilities for clean-up or remediation of environmental conditions, claims of customers, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise. We have entered into an insurance policy with a syndicate of insurers providing for coverage for breaches of certain representations and warranties contained in the Merger Agreement, subject to certain exclusions and a deductible. However, there can be no assurance that we will recover any amounts with respect to losses due to breaches of Telx's representations and warranties. In addition, the total amount of costs and expenses that we may incur with respect to liabilities associated with Telx may exceed our expectations, which may adversely affect our business, financial condition and results of operations. In addition, certain of Telx's leased property interests are subordinated to senior debt such as mortgages, which, if we fail to obtain a non-disturbance agreement, could foreclose on Telx's real property interests if the underlying property owner defaults on the mortgage. There can be no assurance that we will be able to obtain non-disturbance agreements from the lenders of Telx's third party landlords following the closing of the Telx Acquisition.

The unaudited pro forma condensed combined financial information incorporated by reference into this prospectus supplement is presented for illustrative purposes only and is not necessarily indicative of what our financial position, operating results and other data would have been if the Telx Acquisition and other events adjusted for therein had actually been completed on the dates indicated and is not intended to project such information for any future date or for any future period, as applicable.

The unaudited pro forma condensed combined financial information incorporated by reference into this prospectus supplement and the accompanying prospectus that give effect to the Notes Offering, the Notes Redemption, the Telx Acquisition, a partial draw of the Bridge Facility and the physical settlement of the forward sale agreements is based on numerous assumptions and estimates underlying the adjustments described in the accompanying notes, which are based on available information and assumptions that our management considers reasonable. In addition, such unaudited pro forma condensed combined financial information does not reflect adjustments for other developments with our business or Telx's business after March 31, 2015. As a result, the unaudited pro forma condensed combined financial information does not purport to represent what our financial condition actually would have been had the Notes Offering, the Notes Redemption, the Telx Acquisition, a partial draw of the Bridge Facility and the physical settlement of the forward sale agreements occurred on March 31, 2015, or represent what the results of our operations actually would have been had these events occurred on January 1, 2014 or project our financial position or results of operations as of any future date or for any future period, as applicable.

If we do not complete the Telx Acquisition, we will have incurred substantial expenses without our stockholders realizing the expected benefits.

If we are unable to complete the Telx Acquisition, we will have incurred significant due diligence, legal, accounting and other transaction costs in connection with the Telx Acquisition without our stockholders realizing the anticipated benefits. We cannot assure you that we will acquire Telx because the proposed Telx Acquisition is subject to a variety of factors, including the satisfaction of customary closing conditions.

Related Party Transaction

We lease data center space to Avaya Inc. pursuant to two 10-year leases that commenced in July 2014 and April 2015 at an aggregate rate of $1.4 million annualized GAAP rent per year. Each lease is renewable for one additional 5-year term, with customary fixed rent increases. Kevin J. Kennedy, a member of our board of directors, is the President and Chief Executive Office of Avaya Inc. and a member of its board of directors.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The unaudited condensed consolidated interim financial statements of Telx as of March 31, 2015 and for the three months ended March 31, 2015 and 2014 are filed as Exhibit 99.3 hereto. The audited financial statements of Telx as of and for the years ended December 31, 2014, 2013 and 2012 (as restated) are filed as Exhibit 99.4 hereto.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined balance sheet as of March 31, 2015 and the unaudited pro forma condensed combined income statements for the year ended December 31, 2014 and the three months ended March 31, 2015 are filed as Exhibit 99.5 hereto. Such unaudited pro forma condensed combined financial statements are not necessarily indicative of the financial position or operating results that actually would have been achieved if the adjustments set forth therein had been in effect as of the dates and for the periods indicated or that may be achieved in future periods and should be read in conjunction with the historical financial statements of the Company and Telx.

(d) Exhibits.

Exhibit No.	Description
3.1	Second Amendment to Thirteenth Amended and Restated Agreement of Limited Partnership of Digital Realty Trust, L.P.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants.
99.1	Press Release, dated July 14, 2015, announcing the Telx Acquisition.
99.2	Press Release, dated July 14, 2015, announcing underwritten public offering of common stock in connection with certain forward sale agreements.
99.3	Unaudited condensed consolidated interim financial statements of Telx Holdings, Inc. as of March 31, 2015 and for the three months ended March 31, 2015 and 2014.
99.4	Audited financial statements of Telx Holdings, Inc. as of and for the years ended December 31, 2014, 2013 and 2012.
99.5	Unaudited pro forma condensed combined financial information of Digital Realty Trust, Inc. as of March 31, 2015 and for the year ended December 31, 2014 and the three months ended March 31, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Digital Realty Trust, Inc.

By: /s/ JOSHUA A. MILLS
Joshua A. Mills
Senior Vice President, General Counsel and Secretary

Digital Realty Trust, L.P.

By: Digital Realty Trust, Inc.
Its general partner

By: /s/ JOSHUA A. MILLS
Joshua A. Mills
Senior Vice President, General Counsel and Secretary

Date: July 14, 2015

EXHIBIT INDEX

Exhibit No.	Description
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Exhibit 3.1

SECOND AMENDMENT
TO
THIRTEENTH AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
DIGITAL REALTY TRUST, L.P.

THIS SECOND AMENDMENT TO THIRTEENTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP of Digital Realty Trust, L.P., dated as of July 13, 2015 (this "Second Amendment"), is entered into by and among Digital Realty Trust, Inc., a Maryland corporation (the "Company"), as the General Partner and the Persons whose names are set forth on Exhibit A attached hereto, as the Limited Partners, together with any other Persons who become Partners in the Partnership as provided in the Partnership Agreement (as defined below).

WHEREAS, the General Partner and the Limited Partners have entered into that certain Thirteenth Amended and Restated Agreement of Limited Partnership of Digital Realty Trust, L.P., dated as of March 26, 2014, as amended by that certain First Amendment, dated as of April 7, 2014 (as so amended, the "Partnership Agreement");

WHEREAS, pursuant to Sections 7.3.C(4) thereof, the Partnership Agreement may be amended by the General Partner to reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect; and

WHEREAS, the General Partner believes it is desirable and in the best interest of the Partnership to amend the Partnership Agreement as set forth herein.

NOW, THEREFORE, pursuant to Sections 2.4 and 7.3.C(4) of the Partnership Agreement, the General Partner, on its own behalf and as attorney-in-fact for the Limited Partners, hereby amends the Partnership Agreement as follows:

SECTION 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Partnership Agreement.

SECTION 2. Amendment of the Partnership Agreement. The Partnership Agreement is hereby amended as follows:

(a) The fourth sentence in Section 7.5A of the Partnership Agreement is hereby amended and restated in its entirety as follows:

"Notwithstanding the foregoing, the General Partner may acquire Properties or other assets in exchange for REIT Shares or cash, to the extent such Properties or other assets are contributed by the General Partner to the Partnership promptly, but in no case more than six months following such acquisition, pursuant to the terms described in Section 4.3.D."

SECTION 3. Miscellaneous.

(a) Effect of Amendment. Except as specifically modified hereby, all terms and provisions of the Partnership Agreement shall continue to remain in full force and effect. Each reference in the Partnership Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Partnership Agreement as amended hereby, and this Second Amendment and the Partnership Agreement shall be read together and construed as a single instrument.

(b) Binding Effect. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

(c) Headings. The headings in this Second Amendment are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(d) Applicable Law. This Second Amendment shall be construed in accordance with and governed by the laws of the State of Maryland, without regard to the principles of conflicts of law.

(e) Invalidity of Provisions. If any provision of this Second Amendment is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Second Amendment to the Thirteenth Amended and Restated Agreement of Limited Partnership as of the date first written above.

DIGITAL REALTY TRUST, L.P.

By: Digital Realty Trust, Inc.,
a Maryland corporation
Its General Partner

By: /s/ Andrew Power
Andrew Power
Chief Financial Officer

Signature Page to Second Amendment to the Thirteenth Amended and Restated Agreement of Limited Partnership of Digital Realty Trust, L.P.

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (Nos. 333-203535 and 333-203535-01) of Digital Realty Trust, Inc. and Digital Realty Trust, L.P. of our report dated March 14, 2015, except with respect to the effects of the restatement described in Note 2 to the consolidated financial statements, as to which the date is July 10, 2015, relating to the financial statements of Telx Holdings Inc., which appears in the Current Report on Form 8-K of Digital Realty Trust, Inc. and Digital Realty Trust, L.P. filed on July 14, 2015.

/s/ PricewaterhouseCoopers LLP
New York, New York

July 14, 2015

Exhibit 99.1

DIGITAL REALTY
Data Center Solutions

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San Francisco, CA 94111 USA
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www.digitalrealty.com

DIGITAL REALTY TO ACQUIRE TELX

Significantly Increases Breadth of Digital Realty's Global
Data Center Platform and Provides Opportunities for Growth

Expected to Be Accretive in 2016

San Francisco, CA (July 14, 2015) – Digital Realty Trust, Inc. (NYSE: DLR), a leading global provider of data center and colocation solutions, and Telx, a national provider of data center colocation, interconnection and cloud enablement solutions, announced today they have entered into a definitive agreement under which Digital Realty will acquire Telx from private equity firms ABRY Partners and Berkshire Partners in a transaction valued at $1.886 billion.

The combination is expected to double Digital Realty's footprint in the rapidly-growing colocation business, as well as provide Digital Realty customers access to a leading interconnection platform. Telx's extensive interconnection ecosystem enables the exchange of information between communications service providers, enterprises, content providers and other entities with low latency and diverse connectivity across a global network and is expected to provide Digital Realty an opportunity for future growth. As of March 31, 2015, Telx managed 1.3 million square feet of data center space operating out of 20 facilities across the country, of which two are Telx-owned, 11 are leased from Digital Realty, one is partially sub-leased from Digital Realty and an unrelated third party, and six are leased from third parties.

"This transformative transaction is consistent with our strategy of sourcing strategic and complementary assets to strengthen and diversify Digital Realty's data center portfolio and expand our product mix and increase our presence in the attractive colocation and interconnection space," said A. William Stein, Digital Realty's Chief Executive Officer. "Telx's well-established colocation and interconnection businesses provide access to two rapidly-growing segments with long-standing customer relationships in top-tier metropolitan areas such as New York and Silicon Valley. The fact that more than half of Telx's 20 facilities are run out of Digital Realty properties further highlights the strategic fit as well as the potential incremental revenue opportunities we expect to be able to pursue as one company on a global basis. This transaction advances our objective of ensuring that Digital Realty's suite of products and services is able to best serve our customers' current and future data center needs."

"We are excited to join Digital Realty and become part of a much larger global data center services platform," said Chris Downie, Chief Executive Officer of Telx. "We look forward to working with the Digital Realty team to extend a broader, enhanced data center solution to our collective customers. The combination of Telx's colocation and interconnection capabilities with Digital Realty's expansive wholesale platform provides greater flexibility and optionality for our customers and creates a global, solutions provider covering wholesale customer applications and smaller performance-oriented deployments in select high growth urban submarkets across the U.S. As we open this new chapter, I am proud of our team who, with the support of our partners, ABRY and Berkshire, have significantly increased Telx's revenue and earning since 2011 and have positioned the company for long term growth."

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Closing Details and Financial Impact

In connection with the definitive agreement, Digital Realty received a commitment from a syndicate of lenders for a $1.850 billion unsecured term loan bridge facility, the proceeds of which will be available for use, if necessary, to fund a portion of the acquisition of Telx. Borrowings, if any, under the bridge facility will bear interest at a rate based, at the borrower's option, on LIBOR or a Base Rate (as defined in the commitment papers), in each case plus an applicable margin based on Digital Realty's credit rating, and the facility will mature 364 days after the closing date of the acquisition of Telx.

The transaction is expected to close later in the year and is subject to customary closing conditions. The transaction is expected to be accretive to 2016 financial metrics.

BofA Merrill Lynch and Morgan Stanley are serving as Digital Realty's financial advisors, and Latham & Watkins LLP is serving as Digital Realty's legal counsel in connection with the pending acquisition. Barclays and DH Capital are serving as financial advisors and Kirkland & Ellis LLP is serving as legal counsel to ABRY Partners, Berkshire Partners and Telx in connection with the pending acquisition.

Additional details about the transaction will be provided on Digital Realty's second quarter 2015 earnings call scheduled for Thursday, July 30, 2015.

For Additional Information:

Media Inquiries
John Christiansen / Lindsay Andrews / Reze Wong
Sard Verbinnen & Co
(415) 618-8750

Investor Relations
John J. Stewart
Senior Vice President
Investor Relations
Digital Realty Trust, Inc.
(415) 738-6500

About Digital Realty

Digital Realty supports the data center and colocation strategies of more than 600 firms across its secure, network-rich portfolio of data centers located throughout North America, Europe, Asia and Australia. Digital Realty's clients include domestic and international companies of all sizes, ranging from financial services, cloud and information technology services, to manufacturing, energy, gaming, life sciences and consumer products.

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About Telx

Telx is a data center solution provider fueling infrastructure, interconnection and business progress. A privately held company headquartered in New York with west coast operations out of San Francisco, Telx serves a broad range of industries from 20 data centers located across 13 U.S. metro areas: the New York/New Jersey metro area, Chicago, Dallas, Los Angeles, San Francisco, Santa Clara, Seattle, Portland, Atlanta, Miami, Phoenix and Charlotte, N.C. Telx manages 1.3 million square feet of data center space and more than 52,000 network connections.

About Berkshire Partners LLC

Berkshire Partners, the Boston-based investment firm, has invested in over 100 middle market companies since 1986 through eight investment funds with aggregate capital commitments of over $11 billion. Berkshire has developed specific industry experience in several areas, including communications, consumer products and retail, business services, industrial manufacturing and transportation. Within communications, the firm has particular expertise in infrastructure investments including Crown Castle International (NYSE:CCI) and Lightower Fiber Networks. Berkshire has a strong history of partnering with management teams to grow the companies in which it invests, with the goal of consistently achieving superior investment returns. The firm seeks to invest $50 million to $500 million of equity capital in each portfolio company.

About ABRY Partners

Founded in 1989, ABRY Partners is a media, communications, and business and information services focused private equity investment firm. Since its founding, ABRY has completed over $42 billion of transactions, representing investments in over 450 companies. The firm is currently managing over $4.3 billion of total capital and is investing out of a $1.9 billion private equity fund, $950 million senior equity fund, and a $1.5 billion senior debt fund.

Safe Harbor Statement

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially, including statements related to the acquisition of Telx, the expected benefits from the acquisition, expected timing for closing the acquisition and financing plans. These risks and uncertainties include, among others, the following: the impact of current global economic, credit and market conditions; current local economic conditions in our 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; the occurrence of any event, change or other circumstance that would compromise our ability to complete the acquisition of Telx within the expected timeframe or at all; our failure to successfully integrate and operate acquired or developed properties or businesses, including Telx; the suitability of our properties and data center infrastructure, delays or disruptions in connectivity, failure of our physical infrastructure or services or availability of power; risks related to joint venture investments, including as a result of our lack of control of such investments; delays or unexpected costs in development of properties; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; our inability to successfully develop and lease new properties and development space; difficulties in identifying properties to acquire and

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completing acquisitions; our inability to acquire off-market properties; our inability to comply with the rules and regulations applicable to reporting companies; our failure to maintain our status as a REIT; possible adverse changes to tax laws; restrictions on our ability to engage in certain business activities; environmental uncertainties and risks related to natural disasters; losses in excess of our insurance coverage; changes in foreign laws and regulations, including those related to taxation and real estate ownership and operation; and changes in local, state and federal regulatory requirements, including changes in real estate and zoning laws and increases in real property tax rates. For a further list and description of such risks and uncertainties, see the reports and other filings by the company with the U.S. Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2014 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2015. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Exhibit 99.2

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DIGITAL REALTY ANNOUNCES COMMON STOCK OFFERING

San Francisco, CA (July 14, 2015) – Digital Realty Trust, Inc. (NYSE: DLR), a leading global provider of data center and colocation solutions, announced today that it has commenced an underwritten registered public offering of 10,500,000 shares of its common stock in connection with the forward sales agreements described below.

BofA Merrill Lynch, Morgan Stanley and Citigroup are the joint book-running managers for the offering.

The company expects to enter into forward sale agreements with Bank of America, N.A., Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. (which are referred to as the forward purchasers) with respect to 10,500,000 shares of its common stock. In connection with the forward sale agreements, the forward purchasers or their affiliates are expected to borrow and sell to the underwriters an aggregate of 10,500,000 shares of the common stock that will be delivered in this offering. The company intends (subject to its right to elect cash or net share settlement subject to certain conditions) to deliver, upon physical settlement of such forward sale agreements on one or more dates specified by the company occurring no later than March 17, 2016, an aggregate of 10,500,000 shares of its common stock to the forward purchasers in exchange for cash proceeds per share equal to the applicable forward sale price, which will be the public offering price, less underwriting discounts and commissions, and will be subject to certain adjustments as provided in the forward sale agreements.

The company also expects to grant the underwriters a 30-day option to purchase from the company up to an additional 1,575,000 shares of its common stock to cover overallotments, if any.

The company will not initially receive any proceeds from the sale of shares of its common stock by the forward purchasers (although it will receive the proceeds from any shares purchased from it pursuant to the underwriters' over-allotment option). The company expects to use the net proceeds, if any, it receives upon the future settlement of the forward sale agreements to fund a portion of its previously-announced pending acquisition of Telx Holdings, Inc. Selling common stock through the forward sale agreements enables the company to set the price of such shares upon pricing the offering (subject to certain adjustments), while delaying the issuance of the shares and the receipt of the net proceeds by the company until the expected closing of the pending acquisition. If the underwriters' overallotment option is exercised, the company expects to use the net proceeds it receives to repay outstanding indebtedness under its global revolving credit facility.

The offering is being made pursuant to an effective shelf registration statement (containing a prospectus) that has

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been filed with the Securities and Exchange Commission (the SEC). A preliminary prospectus supplement relating to the offering will be filed with the SEC and will be available on the SEC's website at http://www.sec.gov. A copy of the prospectus supplement and accompanying prospectus relating to the offering may be obtained by contacting BofA Merrill Lynch, 222 Broadway, New York, NY 10038 (telephone: 1-800-294-1322 or email: dg.prospectus_requests@baml.com), Morgan Stanley, 180 Varick Street, 2nd Floor, New York, NY 10014, Attention: Prospectus Department, or Citigroup, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 (tel: 800-831-9146).

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such state or other jurisdiction.

For Additional Information:

Andrew P. Power
Chief Financial Officer
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About Digital Realty

Digital Realty Trust, Inc. supports the data center and colocation strategies of more than 600 firms across its secure, network-rich portfolio of data centers located throughout North America, Europe, Asia and Australia. Digital Realty's clients include domestic and international companies of all sizes, ranging from financial services, cloud and information technology services, to manufacturing, energy, gaming, life sciences and consumer products.

Safe Harbor Statement

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially, including statements related to the acquisition of Telx, completion and timing of the offering and the expected physical settlement of the forward sale agreements, and use of proceeds. These risks and uncertainties include, among others, the following: the impact of current global economic, credit and market conditions; current local economic conditions in our 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

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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; the occurrence of any event, change or other circumstance that would compromise our ability to complete the acquisition of Telx within the expected timeframe or at all; our failure to successfully integrate and operate acquired or developed properties or businesses, including Telx; the suitability of our properties and data center infrastructure, delays or disruptions in connectivity, failure of our physical infrastructure or services or availability of power; risks related to joint venture investments, including as a result of our lack of control of such investments; delays or unexpected costs in development of properties; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; our inability to successfully develop and lease new properties and development space; difficulties in identifying properties to acquire and completing acquisitions; our inability to acquire off-market properties; our inability to comply with the rules and regulations applicable to reporting companies; our failure to maintain our status as a REIT; possible adverse changes to tax laws; restrictions on our ability to engage in certain business activities; environmental uncertainties and risks related to natural disasters; losses in excess of our insurance coverage; changes in foreign laws and regulations, including those related to taxation and real estate ownership and operation; and changes in local, state and federal regulatory requirements, including changes in real estate and zoning laws and increases in real property tax rates. For a further list and description of such risks and uncertainties, see the reports and other filings by the company with the U.S. Securities and Exchange Commission, including the company’s Annual Report on Form 10-K for the year ended December 31, 2014 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2015. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# # #

Exhibit 99.3

Telx Holdings, Inc. and Subsidiaries
Condensed Consolidated Financial Statements
March 31, 2015
(Unaudited)

[PWC Letterhead]

Independent Auditor's Report

To the Management of Telx Holdings, Inc.

We have reviewed the accompanying condensed consolidated interim financial information of Telx Holdings, Inc. and its subsidiaries, which comprise the condensed consolidated balance sheet as of March 31, 2015, and the related condensed consolidated statements of operations and of cash flows for the three-month periods ended March 31, 2015 and 2014 and the condensed consolidated statement of stockholders' equity for the three-month period ended March 31, 2015.

Management's Responsibility for the Condensed Consolidated Interim Financial Information

The Company's management is responsible for the preparation and fair presentation of the condensed consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the condensed consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

[PWC Letterhead]

Other Matter

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Telx Holdings, Inc. and its subsidiaries as of December 31, 2014, and the related consolidated statement of operations, of stockholders' equity, and of cash flows, for the year then ended (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 14, 2015, except for the effects of the restatement discussed in Note 2, as to which the date is July 10, 2015, which contained an emphasis of matter paragraph with respect to the Company's restatement of its 2014 financial statements to correct an error. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet information as of March 31, 2015 is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

Restriction of Use

This report is intended solely for the information and use of the management of Telx Holdings, Inc. and is not intended to be and should not be used by anyone other than this specified party.

/s/ PricewaterhouseCoopers LLP

July 10, 2015

Telx Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
March 31, 2015 and December 31, 2014
(Unaudited)

(in thousands, except share and per share data)

	March 31, 2015	December 31, 2014 Restated
Assets		
Cash and cash equivalents	$ 3,561	$ 11,865
Accounts receivable, net of allowance for doubtful accounts of $693 and $677	14,984	14,709
Current deferred tax assets	1,832	2,219
Prepaid expenses	3,185	2,565
Other current assets	10,883	10,770
Total current assets	34,445	42,128
Property and equipment, net	370,606	375,348
Goodwill	339,013	339,013
Trademark	129,941	129,941
Customer relationships	133,687	138,408
Other intangible assets	5,910	6,032
Deferred financing costs, net	20,875	22,737
Cash - restricted	1,772	1,965
Other assets	8,970	8,617
Total assets	$1,045,219	$1,064,189
Liabilities and Stockholders' Equity		
Accounts payable	$ 4,656	$ 8,472
Accrued power	4,835	4,378
Accrued payroll and bonus	3,798	6,675
Other accrued expenses and other current liabilities	9,102	12,758
Customer security deposits	1,851	1,652
Deferred revenue	4,043	4,268
Current portion of capital leases and other financing obligations	5,140	5,084
Current portion of term loan and other loans payable	24,176	29,174
Total current liabilities	57,601	72,461
Customer security deposits, less current portion	568	729
Deferred rent	95,738	87,328
Deferred revenue, less current portion	6,308	6,325
Deferred tax liabilities	58,954	59,111
Capital leases and other financing obligations, less current portion	45,985	47,334
Term loan and other loans payable, less current portion	731,611	730,013
Total liabilities	996,765	1,003,301
Common stock, par value $0.001 per share; 400,000 shares authorized, 300,083 shares issued and outstanding		—
Additional paid–in capital	157,355	157,225
Accumulated deficit	(108,901)	(96,337)
Total stockholders' equity	48,454	60,888
Total liabilities and stockholders' equity	$1,045,219	$1,064,189

The accompanying notes are an integral part of these condensed consolidated financial statements.

Telx Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
Three Months Ended March 31, 2015 and 2014
(Unaudited)

(in thousands)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Revenues		
Revenues	$ 80,885	$ 68,833
Related party revenues	2,585	2,474
Total revenues	83,470	71,307
Expenses		
Cost of revenues	59,100	48,826
Sales and marketing	11,337	9,452
General and administrative	10,072	10,520
Total costs and operating expenses	80,509	68,798
Income from operations	2,961	2,509
Interest and other income	2	3
Interest expense	(15,137)	(12,762)
Loss before income taxes	(12,174)	(10,250)
Income tax (expense) benefit	(390)	4,697
Net loss	$ (12,564)	$ (5,553)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Telx Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2015 and 2014
(Unaudited)

(in thousands)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Cash flows from operating activities		
Net loss	$ (12,564)	$ (5,553)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	13,131	9,059
Amortization of intangibles assets	4,843	4,923
Amortization of deferred financing costs	974	1,100
Loss on early extinguishment of debt	1,057	—
Stock-based compensation	130	152
Provision for bad debts	61	—
Deferred tax expense (benefit)	230	(4,857)
Noncash interest expense	2,896	457
Changes in operating assets and liabilities		
Accounts receivable	(336)	(2,579)
Prepaid expenses and other current assets	(903)	203
Other assets	(353)	(299)
Accounts payable	(340)	62
Customer security deposits	37	34
Accrued expenses and other current liabilities	(4,268)	(3,121)
Deferred revenue	(242)	320
Deferred rent	8,409	8,121
Net cash provided by operating activities	12,762	8,022
Cash flows from investing activities		
Purchases of property and equipment	(13,672)	(19,561)
Change in restricted cash	193	—
Net cash used in investing activities	(13,479)	(19,561)
Cash flows from financing activities		
Payments on capital lease and other financial obligations	(1,293)	(1,125)
Repayment of term loan and other loans payable	(1,294)	(1,007)
Proceeds from revolving credit facility	—	6,000
Repayment of revolving credit facility	(5,000)	(6,000)
Net cash used in financing activities	(7,587)	(2,132)
Net decrease in cash and cash equivalents	(8,304)	(13,671)
Cash and cash equivalents		
Beginning of year	11,865	16,624
End of quarter	$ 3,561	$ 2,953
Supplemental disclosures of cash flow information		
Interest paid	$ 10,174	$ 8,387
Income taxes paid	$ —	$ —
Supplemental cash flow information for noncash activities		
Purchase of property and equipment included in accounts payable and accrued expenses	$ 2,804	$ 6,573
Assets acquired through capital leases	$ —	$ 1,895

The accompanying notes are an integral part of these condensed consolidated financial statements.

Telx Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
Three months ended March 31, 2015
(Unaudited)

(in thousands, except share data)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balances at December 31, 2014 Restated	300,083	$ —	$ 157,225	$ (96,337)	$ 60,888
Compensation expense for common stock options	—	—	130	—	130
Net loss for the three months ended March 31, 2015	—	—	—	(12,564)	(12,564)
Balances at March 31, 2015	300,083	$ —	$ 157,355	$ (108,901)	$ 48,454

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Organization and Nature of Operations

Telx Holdings, Inc. (the "Company") was incorporated under the laws of the State of Delaware for the initial purpose of acquiring The Telx Group, Inc. In September 2011, the holders of The Telx Group, Inc.'s common stock and Class A Preferred Stock approved and adopted an agreement and plan of merger by and among The Telx Group, Inc., Telx Holdings, Inc. and Telx Merger Sub, Inc., a wholly owned subsidiary of the Company, created specifically for the merger. On September 26, 2011, the wholly owned subsidiary of the Company merged into The Telx Group, Inc. and The Telx Group, Inc. was the surviving entity.

The Company is a leading provider in global interconnection, data center colocation and cloud enablement solutions. The Company operates secure, environmentally controlled facilities in which network providers and other customers place their equipment (Colocation Services) and converge their networks to conduct business with each other (Interconnection Services). As of March 31, 2015, the Company operated leased facilities throughout the United States of America and owned and operated buildings in Atlanta, Georgia and Clifton, New Jersey. The Company's customers include international and domestic telecommunication companies, internet service providers, enterprises and media companies.

2. Restatement of the Consolidated Financial Statements

As previously disclosed in the consolidated financial statements for the years ended December 31, 2014, 2013 and 2012, the Company has restated its previously issued consolidated financial statements to correct an error in the accounting for a build-to-suit lease agreement. During 2012, the Company entered into an agreement for the construction and subsequent leasing of a Datacenter in Clifton, New Jersey. As a result of the nature of the Company's involvement in the project, and certain provisions within the lease, the Company was deemed to be the owner of the construction project and subsequent building through December 31, 2034. The restated amounts as of December 31, 2014 are reflected in these condensed consolidated financial statements.

As a result of this error, the following adjustments have been made to the previously issued consolidated financial statements:

	December 31, 2014		
Consolidated Balance Sheet	**As Previously Reported**	**Adjustment**	**As Restated**
Property and equipment, net	$ 347,198	$ 28,150	$ 375,348
Total assets	$ 1,036,039	$ 28,150	$1,064,189
Deferred rent	$ 91,566	$ (4,238)	$ 87,328
Capital leases and other financing obligations, less current portion	$ 11,512	$ 35,822	$ 47,334
Total liabilities	$ 971,717	$ 31,584	$1,003,301
Accumulated deficit	$ (92,903)	$ (3,434)	$ (96,337)
Total stockholders' equity	$ 64,322	$ (3,434)	$ 60,888
Total liabilities and stockholders' equity	$ 1,036,039	$ 28,150	$1,064,189

3. Basis of Presentation and Summary of Significant Accounting Policies

These condensed consolidated financial statements reflect the condensed consolidated historical results of operations, financial position and cash flows of the Company in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying condensed consolidated financial statements of the Company as of March 31, 2015 and December 31, 2014 (restated) and for the three month periods ended March 31, 2015 and 2014 are unaudited and, in management's opinion, reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented. These condensed consolidated financial statements should be read in conjunction with the more detailed consolidated financial statements and notes thereto, included in the restated audited consolidated financial statements for the year ended December 31, 2014 issued on July 10, 2015. The year-end condensed balance sheet data was derived from the audited consolidated financial statements, but does not include all disclosures required by GAAP.

The Company has no elements of comprehensive loss other than net loss; therefore comprehensive loss equals net loss for all periods presented.

The following is a summary of significant accounting policies used in the preparation of the accompanying condensed consolidated financial statements.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment, goodwill and intangible assets, valuation allowances for receivables and deferred income taxes, stock based compensation and sale lease-back accounting. These estimates and assumptions are based on management's best estimate and judgment. Management evaluates its estimates and assumptions on an on-going basis using historical experience and other factors, including the current economic environment. The Company believes its estimates and assumptions are reasonable, and adjusts both as facts and circumstances dictate. As future events and their effects cannot be predicted with accuracy, actual results could differ significantly from these estimates. Changes in estimates resulting from changes in the economic environment will be reflected in the condensed consolidated financial statements in future periods.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less from date of purchase to be cash equivalents. Cash equivalents consist of money market instruments, which are classified as Level 1 instruments.

Restricted Cash

Restricted cash represents deposits maintained with financial institutions as collateral for open letters of credit issued on behalf of the Company for certain operating leases and a mortgage escrow. The availability of the funds in those accounts is subject to restrictions for specific use.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, and accounts receivable. The Company maintains cash and cash equivalents primarily with one financial institution, and such deposits may exceed federal deposit insurance limits.

The Company's customers are concentrated in the United States of America. The Company performs ongoing credit evaluations of its customers and requires collateral from some customers where considered appropriate. Collateral is in the form of customer deposits, payments for services are generally due on the first day of the month to which services relate, and standard customer contracts contain a right to retain customer equipment in case of nonpayment of an accounts receivable balance.

For the periods ended March 31, 2015 and 2014, the top five customers accounted for 19% and 18% of revenues, respectively. The Company has no customers that account for more than 10% of revenues for the three month periods ended March 31, 2015 or 2014.

Accounts Receivable and Allowance for Doubtful Accounts

Receivables are stated net of the allowance for doubtful accounts of $693 and $677 at March 31, 2015 and December 31, 2014, respectively. The Company extends credit to its customers in the normal course of business. The Company maintains an allowance for doubtful accounts to reserve for potentially uncollectible trade receivables. Management analyzes bankruptcy filings, historical bad debts, customer credit-worthiness, and changes in customer payment patterns when evaluating collectability and the adequacy of reserves. Actual results could differ from management estimates. Receivables are written-off against the allowance when determined uncollectible.

Customer Security Deposits

The Company collects security deposits from certain customers based on a credit review of the customer. Security deposits are classified as short term when the underlying customer contract is scheduled to renew within the next twelve months or the customer contract has a month-to-month term.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated when the asset is placed in service on the straight-line method over the estimated useful lives of the assets, as shown below. In the case of leasehold improvements, depreciation is calculated on the straight-line method over the shorter of the estimated useful life of the asset or the lease term. Maintenance and repairs are expensed as incurred. Gains and losses from sales and retirements of property and equipment are included in the operating results for the period in which they occur.

	Estimated Useful Life
Furniture and fixtures	5 years
Leasehold and building improvements	2–40 years
Buildings	25-40 years
Collocation and computer equipment	3–15 years

Capitalized Installation Costs

Capitalized installation costs include material and internal labor directly attributable to facility leasehold improvements and the internal cost of installation of equipment as part of the improvements. These capitalized costs are included in property and equipment on the condensed consolidated balance sheet and amortized over their useful life or the remaining term of the lease, whichever is less.

Impairment of Long-Lived Assets

Long-lived assets such as property and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company had no impairments of long-lived assets for the three month period ended March 31, 2015 or 2014.

Goodwill and Other Intangible Assets

The Company has one reportable operating unit. At March 31, 2015 and December 31, 2014, all goodwill was attributable to the Company’s one reporting unit. Goodwill represents the amount by which the purchase price exceeds the fair value of identifiable tangible and intangible assets acquired and liabilities assumed in an acquisition. The Company accounts for its goodwill and other intangible assets under Accounting Standards Codification (“ASC”) FASB ASC Topic 350-20, *Goodwill, Accounting Standard Update (“ASU” 2011-08, Testing Goodwill for Impairment, and* FASB ASC Topic 350-30, *General Intangibles Other than Goodwill*. Goodwill and intangible assets acquired in an acquisition and determined to have an indefinite useful life are not amortized, but instead are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value amount of these assets might not be fully recoverable. The Company elected to perform the two-step goodwill impairment test approach. The first step involves a comparison of the fair value of the reporting unit with its carrying amount. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step involves a comparison of the implied fair value and carrying value of the reporting unit's goodwill. To the extent that a reporting unit's goodwill carrying amount exceeds the implied fair value of its goodwill, an impairment loss is recognized. Trademark and goodwill are the only intangible assets with indefinite lives. Assembled workforce is included in goodwill. The Company completed its annual impairment review as of September 30, 2014 and determined that no impairment charge was required.

Intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Customer relationships are amortized over their useful lives on a basis consistent with the expected cash flows to be generated from the relationships. Other intangibles are amortized on a straight-line basis over their respective useful lives.

Fair Value Measurements

FASB ASC Topic 820 defines fair value and establishes guidelines for measuring fair value and disclosures regarding fair value measurements. The Company follows the guidelines of FASB ASC Topic 820 for all of its financial assets and liabilities that are disclosed at fair value on a recurring basis. FASB ASC Topic 820 establishes a fair value hierarchy based on the input used in valuation techniques. There are three levels to the hierarchy of inputs to fair value as follows:

Level 1	Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2	Inputs that reflect quoted prices for identical assets in markets that are not active; quoted prices for similar assets in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or collaborated by observable market data by correlation or other means.
Level 3	Unobservable inputs that reflect the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The Company endeavors to utilize the best available information in measuring fair value. Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement (Note 4).

Deferred Financing Costs

Deferred financing costs represent the direct costs related primarily to the issuance of the Company's Term Loan, Revolving Credit Facility and Senior Unsecured Notes (Note 4). Net deferred financing costs were approximately $24,668 and $26,699 as of March 31, 2015 and December 31, 2014.

Leases

The Company occupies all but two owned facilities and offices under various leases, which are accounted for as operating leases in accordance with FASB ASC Topic 840, Leases. Lease terms are determined to include renewal periods when the renewals are reasonably assured. The leases include scheduled base rent increases over the term of the leases. The Company recognizes rent expense from operating leases over the lease term on a straight-line basis. Rent expense includes adjustments for rent concessions, escalations and leasehold improvement allowances.

The Company leases certain equipment under capital lease agreements. The assets held under capital leases and the related obligations are recorded at the lesser of the present value of aggregate future minimum lease payments, including estimated bargain purchase options, or the fair value of the assets held under capital lease. The related assets are depreciated over the term of the lease or the estimated useful life in accordance with FASB ASC Topic 840, Leases.

The Company considers the nature of renovations and the Company's involvement during the construction period of newly leased space to determine if it is considered the owner of the construction project during the construction period. If the company determines that it is the owner of the construction project, it is required to capitalize all construction costs incurred on its consolidated balance sheet along with the corresponding financing liability ("build-to-suit accounting"). Upon completion of the project, the Company assesses whether the circumstances qualify for sales recognition under sale lease-back accounting guidance. If the lease meets the sale-leaseback criteria, the Company will remove the asset and related financial obligation from the balance sheet and treat the building lease as either an operating or capital lease. If upon completion of construction, the project does not meet sale-lease back criteria, the Company will record the building at its fair value and the related financial obligation for accounting purposes.

The Company capitalizes lease origination costs, and amortizes these costs on a straight-line basis over the respective lease terms.

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation*, which requires that all stock-based compensation be recognized as an expense in the condensed consolidated financial statements and that such cost be measured as the fair value of the award at the grant date and also requires that any excess tax benefits related to stock-based compensation exercises be reflected as cash flows from financing activities.

The Company recognizes compensation costs on a straight-line basis over the requisite service period for the entire award. The Company uses the Black-Scholes-Merton option-pricing model to determine the fair value of stock-based awards. The determination of the fair value of stock-based awards is based on a number of complex and subjective assumptions. These assumptions include the dividend yield of the underlying security, the expected volatility of the underlying security, a risk-free interest rate, the expected term of the option, and the forfeiture rate for the award class.

The Company engaged a third-party independent valuation specialist to assist in estimating the fair value of the underlying securities for all stock-based awards issued. The Company utilized a consistent methodology for estimating the fair value of the underlying securities for all stock-based awards issued through and outstanding as of March 31, 2015.

In the event of a change of control, all outstanding stock-based awards will be accelerated and become fully vested in accordance with the plan description.

Derivative Financial Instruments

Derivative instruments are recorded in the condensed consolidated balance sheet as either assets or liabilities and measured at fair value. As required by the Credit Agreement (Note 4), the Company entered into certain interest rate hedging agreements to reduce interest rate risks and to manage interest expense. The interest rate differentials to be paid or received under such derivatives and the changes in fair value of the instruments are recognized in interest expense.

The principle objectives of the derivative instruments were to minimize the risks and reduce the expenses associated with financing activities. The Company does not enter into derivative instruments for trading purposes.

Advertising Costs

Advertising costs are charged to expense in the period incurred. Advertising costs for the three month periods ended March 31, 2015 and 2014 were $496 and $517, respectively, and are included in sales and marketing expenses in the condensed consolidated statements of operations.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the condensed consolidated statement of operations in the period that includes the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amounts expected to be realized.

The Company accounts for uncertain tax positions in accordance with FASB ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial recognition and measurement of a tax position taken or expected to be taken on a tax return. It requires that the Company determine whether the benefits of its tax positions will more likely than not be sustained upon audit based on the technical merits of its tax position. Guidance is also provided on de-recognition, classification, interest and penalties, accounting in interim periods, and disclosure. The Company recognizes penalties and interest related to uncertain tax positions, if any, as a component of income tax expense. As of March 31, 2015 the Company had liabilities for uncertain tax positions.

Revenue Recognition

The Company generates recurring revenue from providing colocation and interconnection services. A substantial part of the Company's revenues are provided from these recurring revenues. The remaining revenues are nonrecurring and consist of installation services and technical support. All revenue is earned in the United States of America.

Colocation services are generally governed by the terms and conditions of a master service agreement (MSA). Customers typically execute a MSA for one to three year terms. The Company bills customers on a monthly basis and recognizes the revenue as those services are performed over the term of the agreement. Revenues from installation services for colocation services are initially deferred and recognized on a straight-line basis over the average life of the customer relationship.

Interconnection services are generally provided on a month-to-month, one year or multi-year term under the MSA for colocation services. Interconnection services include port and cross connect services. Port services are typically sold on a one year or multi-year term and revenue is recognized on a recurring monthly basis similar to colocation services. The Company bills customers on a monthly basis and recognizes the revenue in the period the service is provided. Revenue for cross connect installations is generally recognized in the period the cross connect is installed.

Technical support services are provided on a time and materials basis and are billed and recognized in the period services are provided.

Revenue is recognized only when the service has been provided and when there is persuasive evidence of an arrangement, the fee is fixed or determinable, and collection of the receivable is reasonably assured. The Company regularly assesses collectability of accounts receivable from customers based on a number of factors, including prior history with the customer and the credit status of the customer. If the Company determines that collection of revenue from a customer is not reasonably assured, the Company does not recognize revenue until collection becomes reasonably assured, which is generally upon receipt of cash. Sales tax collected from customers on certain services and products are remitted to the applicable taxing authorities and accounted for on a net basis, with no impact on revenue.

Revenue from customer orders that include specific periodic contractual rate increases is generally recognized on a straight-line basis over the actual contract life.

4. Current and Long-Term Debt, Capital Leases, and Other Financing Obligations

Current and long-term debt consists of the following:

	March 31, 2015	December 31, 2014 Restated
Term loan (1)	$ 631,438	$ 632,625
Revolving credit facility (1)	19,000	24,000
Senior unsecured notes (1)	88,690	85,794
Mortgage (2)	16,660	16,767
Other financing obligations (3)	39,574	39,731
Capital leases (4)	11,550	12,688
	806,912	811,605
Less: Current portion	(29,316)	(34,258)
	$ 777,596	$ 777,347

(1) On September 26, 2011, the Company entered into a credit agreement with Morgan Stanley Senior Funding, Inc. consisting of a $255,000 term loan (“Term Loan”) and a $50,000 revolving credit facility (collectively, the “Credit Agreement”). On the same date, the Company entered into an Indenture Agreement for 12% Senior Unsecured Notes (“Notes”) in the aggregate amount of $180,000, with Wilmington Trust National Association.

The Term Loan had a maturity date of September 25, 2017 and required quarterly interest payments at a Eurodollar rate or 1.25%, whichever was higher, plus 6.5% applicable margin. Principal payments of 0.25% of the original principal amount were due quarterly, with the remaining principal outstanding due at maturity.

The revolving credit facility had a maturity date of September 25, 2016 and required quarterly interest payments at a Eurodollar rate or 1.25%, whichever was higher, plus 4.5% applicable margin.

The Notes were due at their maturity date of September 25, 2019 and payable quarterly at 12%. Interest was to be paid in cash, except that an amount equal to 2% per annum shall be capitalized and added to the principal amount of the Notes rather than paid in cash. The Company had the option to pay the entire amount of such interest due in cash by providing the Trustee notice in writing at least ten (10) business days prior to any interest payment, as defined, that it will pay the entire amount of interest due on such Interest Payment Date in cash.

On February 17, 2012, the Company obtained an additional $75,000 in funding under the Term Loan.

On October 9, 2012, the Company refinanced the $330,000 Term Loan and increased the size of the Term Loan by $35,000. The interest rate was changed to a Eurodollar rate or 1.25%, whichever is higher, plus a 5% applicable margin. The Company also increased the revolving credit facility by $15,000 to $65,000.

On October 10, 2013, the Company amended the terms of the Term Loan lowering the applicable margin to 4%. In addition, the applicable margin on the revolving credit facility was lowered to 4%. The Company also increased the revolving credit facility by $20,000 to $85,000.

On April 9, 2014 the Company entered into a new debt refinancing transaction replacing the September 2011 Credit Agreement, as amended, and the Notes with a $475,000 first lien term loan, a $110,000 revolving credit facility, a $160,000 second lien term loan (collectively, the “New Credit Agreement”), and a $78,000 Unsecured Senior Note.

At March 31, 2015 and December 31, 2014, the Company had $ 3,261 in outstanding letters of credit under the Credit Agreement relating to certain operating leases, which reduce, on a dollar for dollar basis, the amount of borrowing capacity under the Company’s revolving credit facility.

The first lien term loan is due at the maturity date of April 9, 2020, interest is payable quarterly at a rate of LIBO with a 1% floor, plus an applicable margin of 3.5% and principal is payable quarterly at 0.25% of the original principal amount. The second lien term loan is due at the maturity date of April 9, 2021. Interest is payable quarterly at a rate of LIBO with a 1% floor, plus an applicable margin of 6.5% and the principal is due at maturity. The Unsecured Senior Note is due at the maturity date of July 9, 2021. Interest on the Unsecured Senior Note is capitalized at 13.5% and added to the principal balance, which is due at maturity.

The revolving credit facility had a maturity date of April 9, 2020 and requires quarterly interest payments at an adjusted LIBOR with a 1% floor, plus an applicable margin of 3.25%.

The obligations under the New Credit Agreement are collateralized by substantially all of the Company’s assets.

The Term Loan contains restrictive covenants that are triggered if the Company has drawn down more than 30% of the revolving credit facility at the end of the reporting period. The covenants include one financial covenant requiring the Company to maintain a leverage ratio, as defined in the New Credit Agreement. These covenants have not been triggered during any of the periods presented.

(2) On January 25, 2013, the Company entered into a $17,500 Commercial Mortgage Loan ("Mortgage') with The Provident Bank. The Mortgage has a maturity date of January 1, 2020, an interest rate of 4.25% per annum, and requires monthly payments of principal and interest of $95 until the maturity date, upon which date the entire unpaid amount is due and payable. The Mortgage is collateralized by the Company's owned building in Clifton, NJ.

(3) The Company has a loan payable to Digital-Bryan Street Partnership, L.P. entered into under the provisions of the Third Amendment to the Master Meet-Me-Room agreement (MMR), exercised at the Company's option under the December 1, 2006 Operating Agreement between the Company and Digital Realty Trust, L.P., the Parent of Digital-Bryan Street Partnership, L.P., for the utilization of $2,400 of MMR Alteration Allowance. The Third Amendment was effective April 1, 2008. The assets purchased under the MMR Alteration Allowance were capitalized and the $2,400 was recognized as a liability, as the Company is obligated to repay this loan to Digital Realty Trust (who made payments to the contractors directly) over the term of the agreement of ten years. The loan carries an interest rate of 10% per annum and requires monthly payments of principal and interest of $32. The outstanding balance on this loan was $983 and $1,052 as of March 31, 2015 and December 31, 2014 respectively.

The Company has a lease for datacenter space in Chicago, Illinois. In connection with this lease, the Company received $1,000 in financing from the landlord for leasehold improvements that is included in other financing obligations in the condensed consolidated balance sheets. The loan carries an interest rate of 11% per annum and requires monthly payments of principal and interest of $14. At March 31, 2015 and December 31, 2014, $634 and $657, respectively, remain outstanding on this obligation.

During 2012, the Company entered into construction of a Datacenter in Clifton, New Jersey. As a result of the nature of the Company's involvement in the project, and certain provisions within the lease, the Company was deemed to be the owner of the construction project and subsequent building ("build-to-suit accounting") through December 31, 2034. The deemed loan carries an interest rate of 11%. At March 31, 2015 and December 31, 2014 $35,805 and $35,822, respectively, remain outstanding on this deemed financing obligation.

During 2013, the Company entered into a lease for datacenter space in Seattle, Washington. In connection with this lease, the Company received $2,399 in financing from the landlord for generator and chiller improvements that is included in other financing obligations in the condensed consolidated balance sheet. The loan carries an interest rate of 9% per annum and requires monthly payments of principal and interest of $32. At March 31, 2015 and December 31, 2014, $2,154 and $2,200 respectively remain outstanding on this obligation.

(4) The Company has several capital leases for financed equipment purchases, which are accounted for in accordance with ASC 840-30 *Leases – Capital Leases* (Note 7).

Future Principal Payments

The following table provides the schedule of future principal payments of the Company's debt obligations by year, excluding capital and built-to-suit lease obligations (Note 7), as of March 31, 2015:

Years Ending December 31,	
2015 (9 months remaining)	$ 23,316
2016	5,824
2017	5,911
2018	5,707
2019	5,674
Thereafter	713,126
	$759,558

Fair Value of Debt Facilities

The following table provides the estimated fair values of the Company's Term Loan, Notes, and other debt as of March 31, 2015 and December 31, 2014:

	March 31, 2015	December 31, 2014 Restated
Term loan (Level 1)	$ 629,059	$ 612,065
Senior unsecured notes (Level 2)	93,776	91,251
Revolver (Level 1)	19,000	24,000
Mortgage (Level 2)	15,988	15,891
Capital Leases (Level 2)	11,551	12,688
Other Financing Obligations (Level 2)	39,576	39,731
	$ 808,950	$ 795,626

Level 1 Fair value was determined based on quoted active market prices for our debt.

Level 2 Fair value was determined based on quoted prices for similar debt in active markets.

5. Stockholders' Equity

Common Stock

As of March 31, 2015, and December 31, 2014, the Company had 300,083 shares of common stock, outstanding, par value $0.001. Each share of common stock is entitled to one vote. For the three months ended March 31, 2015, and 2014 no dividends were declared or paid on the common stock.

6. Related Party Transactions

Management Fees

The Company has management agreements with its owners, ABRY Partners, LLC and Berkshire Partners, LLC (collectively, the "Managers"). The Company engaged the Managers for a term of 10 years, through September 2021, to provide consulting and management advisory services for an annual fee of $1,000, which is included in general and administrative expenses on the condensed consolidated statements of operations.

Datapipe

Datapipe is a vendor of the Company. ABRY has ownership in Datapipe. The Company expensed $19 and $18 for services provided by Datapipe for the three months ended March 31, 2015 and 2014, respectively.

RCN Cable

RNC Cable is a customer of the Company. ABRY has ownership in RNC Cable, who provided revenues to the Company of approximately $36 and $36 for services in the three months ended March 31, 2015 and 2014, respectively. The Company had receivables due from RCN Cable of $3 and $0 at March 31, 2015, and December 31, 2014, respectively.

One Source Networks

One Source Networks is a customer of the Company. ABRY has ownership in One Source Networks who provided revenues to the Company of approximately $31 and $22 for the three months ended March 31, 2015 and 2014 respectively. The Company had receivables due from One Source Networks of $0 and $1 at March 31, 2015 and December 31, 2014, respectively.

Securus

Securus is a customer of the Company. ABRY has ownership in Securus, who provided revenues to the Company of approximately $327 and $379 for services in the three months ended March 31, 2015 and 2014 respectively. The Company had receivables due from Securus of $0 and $116 at March 31, 2015 and December 31, 2014, respectively.

Lightower Fiber Networks

Lightower Fiber Networks is a customer of the Company. In April 2013, Lightower, a Berkshire owned Company, closed a merger with Sidera Networks, an ABRY owned entity, to form Lightower Fiber Networks. Berkshire and ABRY have ownership in Lightower Fiber Networks and the predecessor companies, who provided revenues to the Company of approximately $2,039 and $1,891 for services in the three months ended March 31, 2015 and 2014, respectively. The Company had $281 and $0 receivables due from Lightower Fiber Networks and the predecessor companies at March 31, 2015, and December 31, 2014, respectively.

Asurion Insurance Services Inc.

Asurion Insurance Services Inc. is a customer of the Company. Berkshire has ownership in Asurion, who provided revenues to the Company of approximately $ 151 and $145 for services in the three months ended March 31, 2015 and 2014, respectively. The Company had no receivables due from Asurion at March 31, 2015 and December 31, 2014, respectively.

7. Commitments and Contingencies

Operating Leases, Capital Leases and Build-to-Suit Lease.

The Company leases certain operating facilities, offices, and equipment under various lease agreements expiring during the years ending December 2015 through December 2037. Future minimum lease payments under operating and capital leases that have remaining non-cancelable lease terms at March 31, 2015 are as follows:

	Operating Leases	Capital Leases	Build-to-Suit Leases
Year Ending December 31,			
2015 (9 months remaining)	65,680	4,079	3,035
2016	93,579	5,438	4,046
2017	102,086	3,192	4,046
2018	106,798	236	4,100
2019	112,332	—	4,154
Thereafter	1,230,167	—	68,755
Total minimum payments required	$1,710,642	12,945	88,136
Less: Amount representing interest		(1,394)	(65,567)
Present value of net minimum lease payments		$11,551	$ 22,569

In December 2012, the Company entered into a 23 year lease agreement for a 216,000 square foot Datacenter in Clifton New Jersey. The Company incurred construction costs during 2012 related to the construction of this new facility, and therefore was deemed the accounting owner of the construction project. Due to a condemnation clause in the lease which allowed the Company to participate in property appreciation in the event of a condemnation award, we had continuing involvement in the deemed sale lease-back and were deemed to be the owner of the facility for accounting purposes. The Company recorded a $29,827 building and $30,663 deemed financing obligation at December 31, 2012 under the build-to-suit accounting model.

The operating leases for the Company's facilities at 60 Hudson Street in New York, New York require the Company to maintain a $1,450 letter of credit, issued for the benefit of 60 Hudson Owner, LLC, the Company's landlord at 60 Hudson Street. The letter of credit is collateralized by cash deposits of at least the amount of the letter of credit held in a restricted account and is reflected in Cash-restricted on the condensed consolidated balance sheet. An additional letter of credit for $113 is collateralized by the Company's revolving line of credit.

The operating lease for the Company's facilities at 32 Avenue of the Americas require the Company to maintain a $3,148 letter of credit, issued for the benefit of 32 Sixth Avenue Company, LLC, the Company's landlord at 32 Avenue of the Americas. $1,648 of this letter of credit is related to the build out of the leased space and is expected to be released upon meeting certain construction milestones. The letter of credit is collateralized by the company's revolving line of credit.

Rent expense for the three months ended March 31, 2015 and 2014 was $34,365 and $28,988 respectively. This amount is net of sublease income for the three months ended March 31, 2015 and 2014 of approximately $ 29 and $27, respectively.

Legal Matters

The Company and its subsidiaries are parties in various lawsuits arising in the ordinary course of business. In the opinion of management, with the advice of its legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the financial position and results of operations or of cash flows of the Company.

8. Subsequent Events

The Company's management has performed an evaluation of subsequent events as of July 10, 2015, the date the condensed consolidated financial statements were available to be issued, and has determined that there were no subsequent events or transactions required to be recognized or that would require disclosure within the condensed consolidated financial statements.

Exhibit 99.4

Telx Holdings, Inc. and Subsidiaries
Consolidated Financial Statements
December 31, 2014, 2013 and 2012

Telx Holdings, Inc. and Subsidiaries
Index
December 31, 2014, 2013 and 2012

Independent Auditor's Report

To the Management of Telx Holdings, Inc.

We have audited the accompanying consolidated financial statements of Telx Holdings, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014, 2013 and 2012, and the related consolidated statements of operations, cash flows and stockholders' equity for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Telx Holdings, Inc. and its subsidiaries at December 31, 2014, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Company has restated its 2014, 2013 and 2012 financial statements to correct an error. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP

March 14, 2015, except for the effects of the restatement described in Note 2, as to which the date is July 10, 2015

Telx Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2014, 2013 and 2012

(in thousands, except share and per share data)

	2014 Restated	2013 Restated	2012 Restated
Assets			
Cash and cash equivalents	$ 11,865	$ 16,624	$ 29,486
Accounts receivable, net of allowance for doubtful accounts of $677, $937 and $1,242	14,709	12,222	12,893
Current deferred tax assets	2,219	1,437	1,282
Prepaid expenses	2,565	2,551	1,838
Deferred sales commissions	2,713	1,765	943
Unbilled revenue	3,231	2,891	1,909
Deferred financing costs	3,963	4,428	4,242
Other current assets	863	1,865	745
Total current assets	42,128	43,783	53,338
Property and equipment, net	375,348	330,267	281,149
Goodwill	339,013	339,013	339,013
Intangible assets, net	274,381	293,905	313,036
Deferred financing costs, net	22,737	11,493	17,628
Cash - restricted	1,965	1,962	1,459
Other assets	8,617	7,167	4,586
Total assets	$1,064,189	$1,027,590	$1,010,209
Liabilities and Stockholders' Equity			
Accounts payable	$ 8,472	$ 9,267	$ 7,275
Accrued power	4,378	3,958	2,992
Accrued payroll and bonus	6,675	5,916	4,865
Other accrued expenses and other current liabilities	12,758	13,875	17,885
Customer security deposits	1,652	1,729	1,646
Deferred revenue	4,268	5,630	6,497
Current portion of capital leases and other financing obligations	5,084	4,402	3,914
Current portion of term loan and other loans payable	29,174	16,021	3,619
Total current liabilities	72,461	60,798	48,693
Customer security deposits, less current portion	729	523	410
Deferred rent	87,328	61,068	24,893
Deferred revenue, less current portion	6,325	5,248	4,750
Deferred tax liabilities	59,111	70,460	90,452
Capital leases and other financing obligations, less current portion	47,334	47,421	44,239
Term loan and other loans payable, less current portion	730,013	540,890	524,373
Total liabilities	1,003,301	786,408	737,810
Commitments and contingencies (Note 12)			
Common stock, par value $0.001 per share; 400,000 shares authorized, 300,083 shares issued and outstanding at December 31, 2014 and 299,583 shares issued and outstanding at December 31, 2013 and 2012	—	—	—
Additional paid-in capital	157,225	304,224	303,452
Accumulated deficit	(96,337)	(63,042)	(31,053)
Total stockholders' equity	60,888	241,182	272,399
Total liabilities and stockholders' equity	$1,064,189	$1,027,590	$1,010,209

The accompanying notes are an integral part of these consolidated financial statements.

Telx Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2014, 2013 and 2012

(in thousands)

	2014 Restated	2013 Restated	2012 Restated
Revenues			
Revenues	$299,207	$251,961	$210,161
Related Party Revenues	9,449	4,714	4,091
Total Revenues	$308,656	$256,675	$214,252
Operating Expenses			
Cost of revenues	206,232	170,571	129,734
Sales and marketing	44,030	44,254	35,381
General and administrative	38,691	36,068	25,005
Transaction costs	3,606	878	1,280
Total operating expenses	292,559	251,771	191,400
Income from operations	16,097	4,904	22,852
Interest and other income	32	128	176
Interest expense	(61,367)	(56,779)	(54,420)
Loss before income taxes	(45,238)	(51,747)	(31,392)
Income tax benefit	11,943	19,757	13,670
Net loss	$ (33,295)	$ (31,990)	$ (17,722)

The accompanying notes are an integral part of these consolidated financial statements.

Telx Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2014, 2013 and 2012

(in thousands)

	2014 Restated	2013 Restated	2012 Restated
Cash flows from operating activities			
Net loss	$ (33,295)	$(31,990)	(17,722)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	40,590	29,707	18,819
Amortization of intangibles assets	19,700	19,538	16,740
Amortization of deferred financing costs	4,327	3,352	4,038
Loss on early extinguishment of debt	6,240	5,244	2,818
Stock-based compensation	709	772	873
Provision for bad debts	649	1,091	2,174
Deferred tax benefit	(12,131)	(20,146)	(13,998)
Noncash interest expense	9,369	6,948	4,395
Changes in operating assets and liabilities			
Accounts receivable	(3,136)	(420)	(4,901)
Prepaid expenses and other current assets	(300)	(3,637)	(3,180)
Other assets	(1,626)	(2,988)	(2,461)
Accounts payable	324	(3,767)	534
Customer security deposits	129	196	203
Accrued expenses and other current liabilities	2,190	4,447	(395)
Deferred revenue	(285)	(369)	2,238
Deferred rent	26,260	36,175	19,879
Net cash provided by operating activities	59,714	44,153	30,054
Cash flows from investing activities			
Purchases of property and equipment	(84,785)	(75,386)	(73,395)
Payments for Telx Group (post acquisition)	—	—	(12,619)
Change in restricted cash	(3)	(503)	10,412
Net cash used in investing activities	(84,788)	(75,889)	(75,602)
Cash flows from financing activities			
Payments of financing costs	(21,345)	(2,647)	(3,952)
Payments on capital lease and other financial obligations	(5,113)	(4,033)	(2,016)
Proceeds from term loan and other loans payable	713,000	17,500	110,000
Repayment of term loan and other loans payable	(530,519)	(3,946)	(20,879)
Proceeds from revolving credit facility	42,000	19,500	—
Repayment of revolving credit facility	(30,000)	(7,500)	(19,650)
Payment of dividend	(148,000)	—	—
Issuance of commons shares	292	—	—
Net cash provided by financing activities	20,315	18,874	63,503
Net (decrease) increase in cash and cash equivalents	(4,759)	(12,862)	17,955
Cash and cash equivalents			
Beginning of year	16,624	29,486	11,531
End of year	$ 11,865	$ 16,624	$ 29,486
Supplemental disclosures of cash flow information			
Interest paid	$ 41,635	$ 41,596	$ 51,524
Income taxes paid	$ 342	$ 562	$ 568
Supplemental cash flow information for noncash activities			
Purchase of property and equipment included in accounts payable and accrued expenses	$ 8,087	$ 11,335	$ 12,016
Assets acquired through capital leases	$ 4,126	$ 1,721	$ 15,458
Noncash addition to property and equipment related to build-to-suit lease and financing obligation	$ —	$ —	$ 29,827

The accompanying notes are an integral part of these consolidated financial statements.

Telx Holdings, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2014, 2013 and 2012

(in thousands, except share data)

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-in Capital	Deficit	Total
Balances at January 1, 2012	299,583	$ —	$ 302,579	$ (13,330)	$ 289,249
Compensation expense for common stock options	—	—	873	—	873
Net loss for the year ended December 31, 2012 (restated)	—	—	—	(17,722)	(17,722)
Balances at December 31, 2012	299,583	—	303,452	(31,052)	272,400
Compensation expense for common stock options	—	—	772	—	772
Net loss for the year ended December 31, 2013 (restated)	—	—	—	(31,990)	(31,990)
Balances at December 31, 2013	299,583	—	304,224	(63,042)	241,182
Compensation expense for common stock options	—	—	709	—	709
Issuance of common shares	500	—	292	—	292
Dividend payment to common stockholders	—	—	(148,000)	—	(148,000)
Net loss for the year ended December 31, 2014 (restated)	—	—	—	(33,295)	(33,295)
Balances at December 31, 2014	300,083	$ —	$ 157,225	$ (96,337)	$ 60,888

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands, except share and per share data)

1. Organization and Nature of Operations

Telx Holdings, Inc. (the "Company") was incorporated under the laws of the State of Delaware for the initial purpose of acquiring The Telx Group, Inc. In September 2011, the holders of The Telx Group, Inc.'s common stock and Class A Preferred Stock approved and adopted an agreement and plan of merger by and among The Telx Group, Inc., Telx Holdings, Inc. and Telx Merger Sub, Inc., a wholly owned subsidiary of the Company, created specifically for the merger. On September 26, 2011, the wholly owned subsidiary of the Company merged into The Telx Group, Inc. and The Telx Group, Inc. was the surviving entity.

The Company is a leading provider in global interconnection, data center colocation and cloud enablement solutions. The Company operates secure, environmentally controlled facilities in which network providers and other customers place their equipment (Colocation Services) and converge their networks to conduct business with each other (Interconnection Services). As of December 31, 2014, the Company operated leased facilities throughout the United States of America and owned and operated buildings in Atlanta, Georgia and Clifton, New Jersey. The Company's customers include international and domestic telecommunication companies, internet service providers, enterprises and media companies.

2. Restatement of the Consolidated Financial Statements

The Company has restated its previously issued consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012 to correct an error in the accounting for a build-to-suit lease agreement. During 2012, the Company entered into an agreement for the construction and subsequent leasing of a Datacenter in Clifton, New Jersey. As a result of the nature of the Company's involvement in the project, and certain provisions within the lease, the Company was deemed to be the owner of the construction project and subsequent building through December 31, 2034. The restatements are reflected in these consolidated financial statements. See Note 12 for information related to the build-to-suit accounting.

Certain disclosures, including Notes 3, 6, 7, 8 and 12, have been restated consistent with the consolidated financial statements.

As a result of this error, the following adjustments have been made to the previously issued consolidated financial statements:

	December 31, 2014		
Consolidated Balance Sheet	**As Previously Reported**	**Adjustment**	**As Restated**
Property and equipment, net	$ 347,198	$ 28,150	$ 375,348
Total assets	$ 1,036,039	$ 28,150	$1,064,189
Deferred rent	$ 91,566	$ (4,238)	$ 87,328
Capital leases and other financing obligations, less current portion	$ 11,512	$ 35,822	$ 47,334
Total liabilities	$ 971,717	$ 31,584	$1,003,301
Accumulated deficit	$ (92,903)	$ (3,434)	$ (96,337)
Total stockholders' equity	$ 64,322	$ (3,434)	$ 60,888
Total liabilities and stockholders' equity	$ 1,036,039	$ 28,150	$1,064,189

(in thousands, except share and per share data)

Consolidated Balance Sheet	December 31, 2013 As Previously Reported	Adjustment	As Restated
Property and equipment, net	$ 301,372	$ 28,895	$ 330,267
Total assets	$ 998,695	$ 28,895	$1,027,590
Deferred rent	$ 63,375	$ (2,307)	$ 61,068
Deferred tax liabilities	$ 71,726	$ (1,266)	$ 70,460
Capital leases and other financing obligations, less current portion	$ 13,175	$ 34,246	$ 47,421
Total liabilities	$ 755,735	$ 30,673	$ 786,408
Accumulated deficit	$ (61,264)	$ (1,778)	$ (63,042)
Total stockholders' equity	$ 242,960	$ (1,778)	$ 241,182
Total liabilities and stockholders' equity	$ 998,695	$ 28,895	$1,027,590

Consolidated Balance Sheet	December 31, 2012 As Previously Reported	Adjustment	As Restated
Property and equipment, net	$ 251,508	$ 29,641	$ 281,149
Total assets	$ 980,568	$ 29,641	$1,010,209
Deferred rent	$ 24,784	$ 109	$ 24,893
Deferred tax liabilities	$ 90,918	$ (466)	$ 90,452
Capital leases and other financing obligations, less current portion	$ 13,576	$ 30,663	$ 44,239
Total liabilities	$ 707,504	$ 30,306	$ 737,810
Accumulated deficit	$ (30,388)	$ (665)	$ (31,053)
Total stockholders' equity	$ 273,064	$ (665)	$ 272,399
Total liabilities and stockholders' equity	$ 980,568	$ 29,641	$1,010,209

Consolidated Statement of Operations	For the Year Ended December 31, 2014 As Previously Reported	Adjustment	As Restated
Cost of revenues	$ 209,732	$ (3,500)	$ 206,232
Total operating expenses	$ 296,059	$ (3,500)	$ 292,559
Income from operations	$ 12,597	$ 3,500	$ 16,097
Interest expense	$ (57,477)	$ (3,890)	$ (61,367)
Loss before income taxes	$ (44,848)	$ (390)	$ (45,238)
Income tax benefit	$ 13,209	$ (1,266)	$ 11,943
Net loss	$ (31,639)	$ (1,656)	$ (33,295)

(in thousands, except share and per share data)

Consolidated Statement of Operations	For the Year Ended December 31, 2013		
	As Previously Reported	Adjustment	As Restated
Cost of revenues	$ 172,241	$ (1,670)	$ 170,571
Total operating expenses	$ 253,441	$ (1,670)	$ 251,771
Income from operations	$ 3,234	$ 1,670	$ 4,904
Interest expense	$ (53,196)	$ (3,583)	$ (56,779)
Loss before income taxes	$ (49,834)	$ (1,913)	$ (51,747)
Income tax benefit	$ 18,958	$ 799	$ 19,757
Net loss	$ (30,876)	$ (1,114)	$ (31,990)

Consolidated Statement of Operations	For the Year Ended December 31, 2012		
	As Previously Reported	Adjustment	As Restated
Cost of revenues	$ 129,439	$ 295	$ 129,734
Total operating expenses	$ 191,105	$ 295	$ 191,400
Income from operations	$ 23,147	$ (295)	$ 22,852
Interest expense	$ (53,584)	$ (836)	$ (54,420)
Loss before income taxes	$ (30,261)	$ (1,131)	$ (31,392)
Income tax benefit	$ 13,204	$ 466	$ 13,670
Net loss	$ (17,057)	$ (665)	$ (17,722)

Consolidated Statement of Cash Flows	For the Year Ended December 31, 2014		
	As Previously Reported	Adjustment	As Restated
Cash flows from operating activities			
Net loss	$ (31,639)	$ (1,656)	$ (33,295)
Depreciation and amortization	$ 39,844	$ 746	$ 40,590
Deferred tax benefit	$ (13,397)	$ 1,266	$ (12,131)
Noncash interest expense	$ 7,794	$ 1,575	$ 9,369
Deferred rent	$ 28,191	$ (1,931)	$ 26,260

(in thousands, except share and per share data)

Consolidated Statement of Cash Flows	For the Year Ended December 31, 2013 As Previously Reported	Adjustment	As Restated
Cash flows from operating activities			
Net loss	$ (30,876)	$ (1,114)	$ (31,990)
Depreciation and amortization	$ 28,961	$ 746	$ 29,707
Deferred tax benefit	$ (19,347)	$ (799)	$ (20,146)
Noncash interest expense	$ 3,365	$ 3,583	$ 6,948
Deferred rent	$ 38,591	$ (2,416)	$ 36,175

Consolidated Statement of Cash Flows	For the Year Ended December 31, 2012 As Previously Reported	Adjustment	As Restated
Cash flows from operating activities			
Net loss	$ (17,057)	$ (665)	$ (17,722)
Depreciation and amortization	$ 18,633	$ 186	$ 18,819
Deferred tax benefit	$ (13,532)	$ (466)	$ (13,998)
Noncash interest expense	$ 3,559	$ 836	$ 4,395
Deferred rent	$ 19,770	$ 109	$ 19,879

The noncash activity for additions to property and equipment related to a build-to-suit lease and financing obligation, was adjusted from $0, as previously reported to, $29,827 for the year ended December 31, 2012.

Consolidated Statement of Stockholders' Equity	For the Year Ended December 31, 2014 As Previously Reported	Adjustment	As Restated
Net loss for the year ended December 31, 2014	$ (31,639)	$ (1,656)	$ (33,295)
Total Accumulated Deficit	$ (92,903)	$ (3,434)	$ (96,337)
Total Stockholders' Equity	$ 64,322	$ (3,434)	$ 60,888

Consolidated Statement of Stockholders' Equity	For the Year Ended December 31, 2013 As Previously Reported	Adjustment	As Restated
Net loss for the year ended December 31, 2013	$ (30,876)	$ (1,114)	$ (31,990)
Total Accumulated Deficit	$ (61,264)	$ (1,778)	$ (63,042)
Total Stockholders' Equity	$ 242,960	$ (1,778)	$ 241,182

Consolidated Statement of Stockholders' Equity	For the Year Ended December 31, 2012 As Previously Reported	Adjustment	As Restated
Net loss for the year ended December 31, 2012	$ (17,057)	$ (665)	$ (17,722)
Total Accumulated Deficit	$ (30,388)	$ (665)	$ (31,052)
Total Stockholders' Equity	$ 273,064	$ (665)	$ 272,400

(in thousands, except share and per share data)

3. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

The following is a summary of significant accounting policies used in the preparation of the accompanying consolidated financial statements.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment, goodwill and intangible assets, valuation allowances for receivables and deferred income taxes, stock based compensation, and sale lease-back accounting. These estimates and assumptions are based on management's best estimate and judgment. Management evaluates its estimates and assumptions on an on-going basis using historical experience and other factors, including the current economic environment. The Company believes its estimates and assumptions are reasonable, and adjusts both as facts and circumstances dictate. As future events and their effects cannot be predicted with accuracy, actual results could differ significantly from these estimates. Changes in estimates resulting from changes in the economic environment will be reflected in the consolidated financial statements in future periods.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less from date of purchase to be cash equivalents. Cash equivalents consist of money market instruments.

Restricted Cash

Restricted cash represents deposits maintained with financial institutions as collateral for open letters of credit issued on behalf of the Company for certain operating leases and a mortgage escrow. The availability of the funds in those accounts is subject to restrictions for specific use.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, and accounts receivable. The Company maintains cash and cash equivalents primarily with one financial institution, and such deposits may exceed federal deposit insurance limits.

The Company's customers are concentrated in the United States of America. The Company performs ongoing credit evaluations of its customers and requires collateral from some customers where considered appropriate. Collateral is in the form of customer deposits, payments for services are generally due on the first day of the month to which services relate, and standard customer contracts contain a right to retain customer equipment in case of nonpayment of an accounts receivable balance.

(in thousands, except share and per share data)

For the years ended December 31, 2014, 2013 and 2012, the top five customers accounted for 18%, 12% and 15% of revenues, respectively. The Company has no customers that account for more than 10% of revenues for the years ended December 31, 2014 or 2013 or 2012. One customer accounted for approximately 10% of accounts receivable as of December 31, 2013.

Accounts Receivable and Allowance for Doubtful Accounts

Receivables are stated net of the allowance for doubtful accounts of $677, $937 and $1,242 at December 31, 2014, 2013 and 2012, respectively. The Company extends credit to its customers in the normal course of business. The Company maintains an allowance for doubtful accounts to reserve for potentially uncollectible trade receivables. Management analyzes bankruptcy filings, historical bad debts, customer credit-worthiness, and changes in customer payment patterns when evaluating collectability and the adequacy of reserves. Actual results could differ from management estimates. Receivables are written-off against the allowance when determined uncollectible.

Customer Security Deposits

The Company collects security deposits from certain customers based on a credit review of the customer. Security deposits are classified as short term when the underlying customer contract is scheduled to renew within the next twelve months or the customer contract has a month-to-month term.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated when the asset is placed in service on the straight-line method over the estimated useful lives of the assets, as shown below. In the case of leasehold improvements, depreciation is calculated on the straight-line method over the shorter of the estimated useful life of the asset or the lease term. Maintenance and repairs are expensed as incurred. Gains and losses from sales and retirements of property and equipment are included in the operating results for the period in which they occur.

	Estimated Useful Life
Furniture and fixtures	5 years
Leasehold and building improvements	2–40 years
Buildings	25-40 years
Collocation equipment	3–15 years

Capitalized Installation Costs

Capitalized installation costs include material and internal labor directly attributable to facility leasehold improvements and the internal cost of installation of equipment as part of the improvements. These capitalized costs are included in property and equipment on the consolidated balance sheet and amortized over their useful life or the remaining term of the lease, whichever is less.

(in thousands, except share and per share data)

Impairment of Long-Lived Assets

Long-lived assets such as property and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company had no impairments of long-lived assets for the years ended December 31, 2014 or 2013 or 2012.

Goodwill and Other Intangible Assets

The Company has one reportable operating unit. At December 31, 2014, all goodwill was attributable to the Company's one reporting unit. Goodwill represents the amount by which the purchase price exceeds the fair value of identifiable tangible and intangible assets acquired and liabilities assumed in an acquisition. The Company accounts for its goodwill and other intangible assets under Accounting Standards Codification ("ASC") FASB ASC Topic 350-20, *Goodwill, Accounting Standard Update 2011-08, Testing Goodwill for Impairment, and* FASB ASC Topic 350-30, *General Intangibles Other than Goodwill*. Goodwill and intangible assets acquired in an acquisition and determined to have an indefinite useful life are not amortized, but instead are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value amount of these assets might not be fully recoverable. The Company elected to perform the two-step goodwill impairment test approach. The first step involves a comparison of the fair value of the reporting unit with its carrying amount. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step involves a comparison of the implied fair value and carrying value of the reporting unit's goodwill. To the extent that a reporting unit's goodwill carrying amount exceeds the implied fair value of its goodwill, an impairment loss is recognized. Trademark and goodwill are the only intangible assets with indefinite lives. Assembled workforce is included in goodwill. The Company completed its annual impairment review as of September 30, 2014, 2013 and 2012 and determined that no impairment charge was required.

Intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Customer relationships are amortized over their useful lives on a basis consistent with the expected cash flows to be generated from the relationships. Other intangibles are amortized on a straight-line basis over their respective useful lives.

Fair Value Measurements

FASB ASC Topic 820 defines fair value and establishes guidelines for measuring fair value and disclosures regarding fair value measurements. The Company follows the guidelines of FASB ASC Topic 820 for all of its financial assets and liabilities that are disclosed at fair value on a recurring basis. FASB ASC Topic 820 establishes a fair value hierarchy based on the input used in valuation techniques. There are three levels to the hierarchy of inputs to fair value as follows:

Level 1 Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

(in thousands, except share and per share data)

Level 2	Inputs that reflect quoted prices for identical assets in markets that are not active; quoted prices for similar assets in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or collaborated by observable market data by correlation or other means.
Level 3	Unobservable inputs that reflect the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The Company endeavors to utilize the best available information in measuring fair value. Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement (Note 7).

Deferred Financing Costs

Deferred financing costs represent the direct costs related primarily to the issuance of the Company's Term Loan, Revolving Credit Facility and Senior Unsecured Notes (Note 7). Net deferred financing costs were approximately $26,699, $15,921 and $21,870 as of December 31, 2014, 2013 and 2012, respectively.

Leases

The Company occupies all but two owned facilities and offices under various leases, which are accounted for as operating leases in accordance with FASB ASC Topic 840, *Leases*. Lease terms are determined to include renewal periods when the renewals are reasonably assured. The leases include scheduled base rent increases over the term of the leases. The Company recognizes rent expense from operating leases over the lease term on a straight-line basis. Rent expense includes adjustments for rent concessions, escalations and leasehold improvement allowances.

The Company leases certain equipment under capital lease agreements. The assets held under capital leases and the related obligations are recorded at the lesser of the present value of aggregate future minimum lease payments, including estimated bargain purchase options, or the fair value of the assets held under capital lease. The related assets are depreciated over the term of the lease or the estimated useful life in accordance with FASB ASC Topic 840, *Leases*.

The Company considers the nature of renovations and the Company's involvement during the construction period of newly leased space to determine if it is considered the owner of the construction project during the construction period. If the company determines that it is the owner of the construction project, it is required to capitalize all construction costs incurred on its consolidated balance sheet along with the corresponding financing liability ("build-to-suit accounting"). Upon completion of the project, the Company assesses whether the circumstances qualify for sales recognition under sale lease-back accounting guidance. If the lease meets the sale-leaseback criteria, the Company will remove the asset and related financial obligation from the balance sheet and treat the building lease as either an operating or capital lease. If upon completion of construction, the project does not meet sale-lease back criteria, the Company will record the building at its fair value and the related financial obligation for accounting purposes.

The Company capitalizes lease origination costs, and amortizes these costs on a straight-line basis over the respective lease terms.

(in thousands, except share and per share data)

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation*, which requires that all stock-based compensation be recognized as an expense in the consolidated financial statements and that such cost be measured as the fair value of the award at the grant date and also requires that any excess tax benefits related to stock-based compensation exercises be reflected as cash flows from financing activities.

The Company recognizes compensation costs on a straight-line basis over the requisite service period for the entire award. The Company uses the Black-Scholes-Merton option-pricing model to determine the fair value of stock-based awards. The determination of the fair value of stock-based awards is based on a number of complex and subjective assumptions. These assumptions include the dividend yield of the underlying security, the expected volatility of the underlying security, a risk-free interest rate, the expected term of the option, and the forfeiture rate for the award class.

The Company engaged a third-party independent valuation specialist to assist in estimating the fair value of the underlying securities for all stock-based awards issued. The Company utilized a consistent methodology for estimating the fair value of the underlying securities for all stock-based awards issued through December 31, 2014.

In the event of a change of control, all outstanding stock-based awards will be accelerated and become fully vested in accordance with the plan description.

Derivative Financial Instruments

Derivative instruments are recorded in the consolidated balance sheet as either assets or liabilities and measured at fair value. As required by the Credit Agreement (Note 7), the Company entered into certain interest rate hedging agreements to reduce interest rate risks and to manage interest expense. The interest rate differentials to be paid or received under such derivatives and the changes in fair value of the instruments are recognized in interest expense. The principle objectives of the derivative instruments were to minimize the risks and reduce the expenses associated with financing activities. The Company does not enter into derivative instruments for trading purposes.

Advertising Costs

Advertising costs are charged to expense in the period incurred. Advertising costs for the years ended December 31, 2014, 2013 and 2012 were $2,387, $2,122 and $1,622, respectively, and are included in sales and marketing expenses in the consolidated statements of operations.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statement of operations in the period that includes the enactment date.

The Company accounts for uncertain tax positions in accordance with FASB ASC Topic 740, *Income Taxes* ("ASC 740"), which prescribes a recognition threshold and measurement attribute

(in thousands, except share and per share data)

for the financial recognition and measurement of a tax position taken or expected to be taken on a tax return. It requires that the Company determine whether the benefits of its tax positions will more likely than not be sustained upon audit based on the technical merits of its tax position. Guidance is also provided on de-recognition, classification, interest and penalties, accounting in interim periods, and disclosure. The Company recognizes penalties and interest related to uncertain tax positions, if any, as a component of income tax expense.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The Company records valuation allowances to reduce deferred tax assets to the amounts that are more likely than not to be realized.

Revenue Recognition

The Company generates recurring revenue from providing colocation and interconnection services. A substantial part of the Company's revenues are provided from these recurring revenues. The remaining revenues are nonrecurring and consist of installation services and technical support. All revenue is earned in the United States of America.

Colocation services are generally governed by the terms and conditions of a master service agreement (MSA). Customers typically execute a MSA for one to three year terms. The Company bills customers on a monthly basis and recognizes the revenue as those services are performed over the term of the agreement. Revenues from installation services for colocation services are initially deferred and recognized on a straight-line basis over the average life of customer contracts.

Interconnection services are generally provided on a month-to-month, one year or multi-year term under the MSA for colocation services. Interconnection services include port and cross connect services. Port services are typically sold on a one year or multi-year term and revenue is recognized on a recurring monthly basis similar to colocation services. The Company bills customers on a monthly basis and recognizes the revenue in the period the service is provided. Revenue for cross connect installations is generally recognized in the period the cross connect is installed.

(in thousands, except share and per share data)

Technical support services are provided on a time and materials basis and are billed and recognized in the period services are provided.

Revenue is recognized only when the service has been provided and when there is persuasive evidence of an arrangement, the fee is fixed or determinable, and collection of the receivable is reasonably assured. The Company regularly assesses collectability of accounts receivable from customers based on a number of factors, including prior history with the customer and the credit status of the customer. If the Company determines that collection of revenue from a customer is not reasonably assured, the Company does not recognize revenue until collection becomes reasonably assured, which is generally upon receipt of cash. Sales tax collected from customers on certain services and products are remitted to the applicable taxing authorities and accounted for on a net basis, with no impact on revenue.

Revenue from customer orders that include specific periodic contractual rate increases is generally recognized on a straight-line basis over the actual contract life.

4. Accounts Receivable

Accounts receivable, net, consists of the following:

	December 31, 2014	2013	2012
Accounts receivable	$15,386	$13,159	$14,135
Allowance for doubtful accounts	(677)	(937)	(1,242)
Accounts receivable, net	$14,709	$12,222	$12,893

5. Intangible Assets

The weighted average useful life, gross carrying value, accumulated amortization, and net carrying value of intangible assets as of December 31, 2014, 2013 and 2012 are as follows:

	2014 Weighted Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net
Goodwill	Indefinite	$339,013	$ —	$339,013
Trademark	Indefinite	$129,941	$ —	$129,941
Customer relationships	17.3	196,743	(58,335)	138,408
Other intangibles assets	15	7,931	(1,899)	6,032
		$334,615	$ (60,234)	$274,381

(in thousands, except share and per share data)

	2013			
	Weighted Average Useful Life	**Gross Carrying Amount**	**Accumulated Amortization**	**Net**
Goodwill	Indefinite	$339,013	$ —	$339,013
Trademark	Indefinite	$129,941	$ —	$129,941
Customer relationships	17.3	196,743	(39,117)	157,626
Other intangibles assets	15	7,755	(1,417)	6,338
		$334,439	$ (40,534)	$293,905

	2012			
	Weighted Average Useful Life	**Gross Carrying Amount**	**Accumulated Amortization**	**Net**
Goodwill	Indefinite	$339,013	$ —	$339,013
Trademark	Indefinite	$129,941	$ —	$129,941
Customer relationships	17.3	196,743	(20,048)	176,695
Other intangibles assets	15	7,348	(948)	6,400
		$334,032	$ (20,996)	$313,036

Aggregate amortization expense for identified intangible assets with definite useful lives for the years ended December 31, 2014, 2013 and 2012 was $19,700, $19,538 and $16,740, respectively. Estimated amortization expense for the next five years and thereafter as of December 31, 2014 is as follows:

Year Ending December 31,	
2015	$ 19,373
2016	18,326
2017	17,148
2018	14,897
2019	12,947
Thereafter	61,749
	$144,440

(in thousands, except share and per share data)

6. Property and Equipment

Property and equipment, net, consists of the following:

	December 31, Restated 2014	Restated 2013	Restated 2012
Land	$ 3,493	$ 3,493	$ 3,493
Building and building improvements	91,206	91,206	91,205
Equipment, furniture and fixtures	114,275	82,839	42,478
Equipment under capital leases	25,832	20,520	17,706
Leasehold improvements and other	226,290	173,941	117,689
Construction in progress	7,126	10,553	31,156
	468,222	382,552	303,727
Less: Accumulated depreciation and amortization	(92,874)	(52,285)	(22,578)
Property and equipment, net	$375,348	$330,267	$281,149

Total depreciation and amortization expense for property and equipment for the years ended December 31, 2014, 2013 and 2012 was $40,590, $29,707 and $18,819, respectively. Interest cost capitalized into leasehold improvements for the years ended December 31, 2014, 2013 and 2012 was $418, $494 and $409, respectively. Accumulated depreciation on equipment under capital leases was $8,070, $3,691 and $748 at December 31, 2014, 2013 and 2012, respectively.

7. Current and Long-Term Debt, Capital Leases, and Other Financing Obligations

Current and long-term debt consists of the following:

	December 31, Restated 2014	Restated 2013	Restated 2012
Term loan (1)	$632,625	$357,364	360,983
Revolving credit facility (1)	24,000	12,000	—
Senior unsecured notes (1)	85,794	170,374	167,009
Mortgage (2)	16,767	17,172	—
Other financing obligations (3)	39,731	38,676	33,036
Capital leases (4)	12,688	13,148	15,117
	811,605	608,734	576,145
Less: Current portion	(34,258)	(20,423)	(7,533)
	$777,347	$588,311	$568,612

(1) On September 26, 2011, the Company entered into a credit agreement with Morgan Stanley Senior Funding, Inc. consisting of a $255,000 term loan (“Term Loan”) and a $50,000 revolving credit facility (collectively, the “Credit Agreement”). On the same date, the Company entered into an Indenture Agreement for 12% Senior Unsecured Notes (“Notes”) in the aggregate amount of $180,000, with Wilmington Trust National Association.

(in thousands, except share and per share data)

The Term Loan had a maturity date of September 25, 2017 and required quarterly interest payments at a Eurodollar rate or 1.25%, whichever was higher, plus 6.5% applicable margin. Principal payments of 0.25% of the original principal amount were due quarterly, with the remaining principal outstanding due at maturity.

The revolving credit facility had a maturity date of September 25, 2016 and required quarterly interest payments at a Eurodollar rate or 1.25%, whichever was higher, plus 4.5% applicable margin.

The Notes were due at their maturity date of September 25, 2019 and interest was payable quarterly at 12%. Interest was to be paid in cash, except that an amount equal to 2% per annum shall be capitalized and added to the principal amount of the Notes rather than paid in cash. The Company had the option to pay the entire amount of such interest due in cash by providing the Trustee notice in writing at least ten (10) business days prior to any Interest Payment Date, as defined, that it will pay the entire amount of interest due on such Interest Payment Date in cash.

On February 17, 2012, the Company obtained an additional $75,000 in funding under the Term Loan. Under ASC 470-50-40 *Debt-Modifications and Extinguishment*, the Company recorded a loss on the extinguishment of debt of $1,160, which consisted of a write-off of deferred financing costs associated with certain lenders leaving the loan syndicate. The loss is included in interest expense on the consolidated statement of operations for the year ended December 31, 2012.

On October 9, 2012, the Company refinanced the $330,000 Term Loan and increased the size of the Term Loan by $35,000. The interest rate was changed to a Eurodollar rate or 1.25%, whichever is higher, plus a 5% applicable margin. The Company also increased the revolving credit facility by $15,000 to $65,000. Under ASC 470-50-40 *Debt-Modifications and Extinguishment*, the Company recorded a loss on the extinguishment of debt of $1,658, consisting of write-offs of deferred financing costs associated with certain lenders leaving the loan syndicate. The loss is included in interest expense on the consolidated statement of operations for the year ended December 31, 2012.

On October 10, 2013, the Company amended the terms of the Term Loan lowering the applicable margin to 4%. In addition, the applicable margin on the revolving credit facility was lowered to 4%. The Company also increased the revolving credit facility by $20,000 to $85,000. Under ASC 470-50-40 *Debt-Modifications and Extinguishment*, the Company recorded a loss on the extinguishment of debt of $5,244, consisting of write-offs of deferred financing costs associated with certain lenders leaving the loan syndicate. The loss is included in interest expense on the consolidated statement of operations for the year ended December 31, 2013.

On April 9, 2014 the Company entered into a new debt refinancing transaction replacing the September 2011 Credit Agreement, as amended, and the Notes with a $475,000 first lien term loan, a $110,000 revolving credit facility, a $160,000 second lien term loan (collectively the "New Credit Agreement"), and a $78,000 Unsecured Senior Note. Under ASC 470-50-40 *Debt-Modifications and Extinguishment*, the Company recorded a loss on the extinguishment of debt of $6,240, consisting of write-offs of deferred financing costs associated with certain lenders leaving the loan syndicate. The loss is included in interest expense on the consolidated statement of operations for the year ended December 31, 2014.

(in thousands, except share and per share data)

At December 31, 2014, the Company has $3,261 in outstanding letters of credit under the New Credit Agreement relating to certain operating leases, which reduce, on a dollar for dollar basis, the amount of borrowing capacity under the Company's revolving credit facility.

The first lien term loan is due at the maturity date of April 9, 2020, interest is payable quarterly at a rate of LIBO with a 1% floor, plus an applicable margin of 3.5% and principal is payable quarterly at 0.25% of the original principal amount. The second lien term loan is due at the maturity date of April 9, 2021. Interest is payable quarterly at a rate of LIBO with a 1% floor, plus an applicable margin of 6.5% and the principal is due at maturity. The Unsecured Senior Note is due at the maturity date of July 9, 2021. Interest on the Unsecured Senior Note is capitalized at 13.5% and added to the principal balance, which is due at maturity.

The revolving credit facility has a maturity date of April 9, 2020 and requires quarterly interest payments at a rate of LIBO with a 1% floor, plus an applicable margin of 3.25%.

The obligations under the New Credit Agreement are collateralized by substantially all of the Company's assets.

The Term Loan contains restrictive covenants that are triggered if the Company has drawn down more than 30% of the revolving credit facility at the end of the reporting period. The covenants include one financial covenant requiring the Company to maintain a leverage ratio, as defined in the New Credit Agreement.

(2) On January 25, 2013, the Company entered into a $17,500 Commercial Mortgage Loan ("Mortgage') with The Provident Bank. The Mortgage has a maturity date of January 1, 2020, an interest rate of 4.25% per annum, and requires monthly payments of principal and interest of $95 until the maturity date, upon which date the entire unpaid amount is due and payable. The Mortgage is collateralized by the Company's owned building in Clifton, NJ.

(3) The Company has a loan payable to Digital-Bryan Street Partnership, L.P. entered into under the provisions of the Third Amendment to the Master Meet-Me-Room agreement (MMR), exercised at the Company's option under the December 1, 2006 Operating Agreement between the Company and Digital Realty Trust, L.P., the Parent of Digital-Bryan Street Partnership, L.P., for the utilization of $2,400 of MMR Alteration Allowance. The Third Amendment was effective April 1, 2008. The assets purchased under the MMR Alteration Allowance were capitalized and the $2,400 was recognized as a liability, as the Company is obligated to repay this loan to Digital Realty Trust (who made payments to the contractors directly) over the term of the agreement of ten years. The loan carries an interest rate of 10% per annum and requires monthly payments of principal and interest of $32. The outstanding balance on this loan was $1,052, $1,313 and $1,549 as of December 31, 2014, 2013 and 2012, respectively.

The Company has a lease for datacenter space in Chicago, Illinois. In connection with this lease, the Company received $1,000 in financing from the landlord for leasehold improvements that is included in other financing obligations in the consolidated balance sheets. The loan carries an interest rate of 11% per annum and requires monthly payments of principal and interest of $14. At December 31, 2014, 2013 and 2012, $657, $745 and $824, respectively, remain outstanding on this obligation.

During 2012, the Company entered into construction of a Datacenter in Clifton, New Jersey. As a result of the nature of the Company's involvement in the project, and certain provisions within the lease, the Company was deemed to be the owner of the construction project and

(in thousands, except share and per share data)

subsequent building ("build-to-suit accounting") through December 31, 2034. The deemed loan carries an interest rate of 11%. At December 31, 2014, 2013 and 2012, $35,822, $34,246, $30,663, respectively, remain outstanding on this deemed financing obligation.

During 2013, the Company entered into a lease for datacenter space in Seattle, Washington. In connection with this lease, the Company received $2,399 in financing from the landlord for generator and chiller improvements that is included in other financing obligations in the consolidated balance sheet. The loan carries an interest rate of 9% per annum and requires monthly payments of principal and interest of $32. At December 31, 2014 and 2013, $2,200 and $2,372, respectively, remain outstanding on this obligation.

(4) The Company has several capital leases for financed equipment purchases, which are accounted for in accordance with ASC 840-30 *Leases – Capital Leases* (Note 12).

Interest Rate Cap Agreements

In October 2011, the Company entered into an interest rate cap agreement with Morgan Stanley Capital Services LLC, with a notional amount of $37,500. The term of the agreement was two years, beginning in October 2011 and ending in October 2013. The agreement called for a cap rate of 4.5% on a floating option of 3 Month US Dollar LIBOR interest rate. Under this arrangement, the Company would pay a maximum rate of 9.5% on the related notional amount.

In December 2012, the Company entered into an interest rate cap agreement with Morgan Stanley Capital Services LLC, with a notional amount of $60,500, as required by the Credit Agreement. The term of the agreement was two years, beginning in December 2012 and ending in December 2014. The agreement called for a cap rate of 4.5% on a floating option of 3 Month US Dollar LIBOR interest rate. Under this arrangement, the Company would pay a maximum rate of 9.5% on the related notional amount. The agreement was settled in April 2014 in connection with the refinancing of the Credit Agreement.

Future Principal Payments

The following table provides the schedule of future principal payments of the Company's debt obligations by year, excluding capital and build-to-suite leases (Note 12), as of December 31, 2014:

Years Ending December 31,	
2015	$ 29,749
2016	5,824
2017	5,911
2018	5,707
2019	5,674
Thereafter	710,230
	$763,095

(in thousands, except share and per share data)

Fair Value of Debt Facilities

The following table provides the estimated fair values of the Company's Term Loan, Notes, and other debt as of December 31, 2014, 2013 and 2012:

	2014 Restated	2013 Restated	2012 Restated
Term loan (Level 1)	$612,065	$357,364	$363,015
Senior unsecured notes (Level 2)	91,251	170,767	173,054
Revolver (Level 1)	24,000	12,000	—
Mortgage (Level 2)	15,891	16,620	—
Capital Leases (Level 2)	12,688	13,148	15,117
Other Financing Obligations (Level 2)	39,731	38,676	33,036
	$795,626	$608,575	$584,222

Level 1 Fair value was determined based on quoted active market prices for our debt.

Level 2 Fair value was determined based on quoted prices for similar debt in active markets

8. Income Taxes

Income tax (benefit) expense consists of the following for the years ended December 31, 2014, 2013 and 2012:

	2014 Restated	2013 Restated	2012 Restated
Current			
Federal	$ 51	$ 250	$ —
State	137	139	328
Total current	188	389	328
Deferred			
Federal	(7,241)	(16,582)	(9,088)
State	(4,890)	(3,564)	(4,910)
Total deferred	(12,131)	(20,146)	(13,998)
Income tax benefit	$(11,943)	$(19,757)	$(13,670)

The difference between income tax benefit and the amount resulting from applying the federal statutory rate of 34% to loss before income taxes is attributable to the following:

	December 31,		
	2014 Restated	2013 Restated	2012 Restated
Federal tax at statutory rate	$(15,381)	$(17,594)	$(10,673)
State taxes, net of federal benefit	(4,486)	(2,298)	(3,000)
Nondeductible expense	212	158	76
Valuation allowance	7,683	—	—
Other	29	(23)	(73)
Income tax benefit	$(11,943)	$(19,757)	$(13,670)

(in thousands, except share and per share data)

The components of the Company's deferred tax assets and liabilities as of December 31, 2014, 2013 and 2012 are as follows:

	2014 Restated	2013 Restated	2012 Restated
Current deferred tax assets (liabilities)			
Severance and other compensation	$ 153	$ —	$ 33
Deferred revenue	1,760	2,353	2,679
Deduction for repurchase premium	—	—	(193)
Deferred financing costs	—	(1,851)	(1,749)
Accrued bonus	202	543	—
Allowance for doubtful accounts	279	392	512
	2,394	1,437	1,282
Valuation Allowance	(175)	—	—
Current deferred tax assets	$ 2,219	$ 1,437	$ 1,282
Noncurrent deferred tax assets			
Net operating loss	$ 37,970	$ 37,247	$ 42,186
AMT credit	602	549	299
Deferred revenue	2,608	2,193	1,958
Stock-based compensation	929	688	361
Deferred rent	35,059	25,522	10,265
Interest Expense	3,427	1,842	345
Other	53	—	—
	80,648	68,041	55,414
Valuation Allowance	(7,508)	—	—
Noncurrent deferred tax assets	73,140	68,041	55,414
Noncurrent deferred tax liabilities			
Land	(293)	(297)	(289)
Goodwill and indefinite lived intangibles	(56,598)	(56,424)	(54,749)
Property and equipment	(19,239)	(21,403)	(21,305)
Intangible assets	(51,788)	(59,175)	(64,924)
Deduction for repurchase premium	—	—	(900)
Deferred financing costs	(4,333)	(1,202)	(3,699)
Noncurrent deferred tax liabilities	(132,251)	(138,501)	(145,866)
Net noncurrent deferred tax liabilities	$ (59,111)	$ (70,460)	$ (90,452)

Considering the four sources of future taxable income as described in ASC 740, the Company determined that as of December 31, 2014, it was not more likely than not that the Company would be able to realize the future tax benefits of approximately $7,683 of deferred tax assets. As a result, a valuation allowance for this amount was established as of December 31, 2014. The Company has recognized a deferred tax liability of $56,891 for those liabilities that cannot be relied upon as future sources of taxable income.

(in thousands, except share and per share data)

For the year ended December 31, 2014, the Company generated net federal operating loss carryforwards of approximately $1,979. For the year ended December 31, 2013, the Company realized the benefit of net operating loss carryforwards of approximately $12,489. At December 31, 2014 the Company had net operating loss carryforwards for federal and state income tax purposes of approximately $93,751 and $45,713, respectively, available to reduce future taxable income. The federal and state net operating loss carryforwards expire in various years from 2016 through 2034. However, the Internal Revenue Code of 1986 and applicable state tax laws impose substantial restrictions on the ability of a company to utilize net operating loss and tax credit carryforwards in the event of an ownership change as defined in section 382 of the Internal Revenue Code. The Company experienced ownership changes in 2003, 2006 and 2011, which triggered these limitations on its operating loss carryovers, which are reported net of any impact. The Company also has alternative minimum tax credit carryforwards of $602 that may be carried forward indefinitely.

The Company has concluded, based on its evaluation, that there were no significant uncertain tax positions requiring recognition as liabilities for unrecognized tax benefits at December 31, 2014, 2013 and 2012. However, there was $129 of liabilities for unrecognized tax benefits at December 31, 2012, which were released during 2013.

The Company conducts business in the U.S. and various state jurisdictions and, in the normal course of business, is subject to examination by taxing authorities. All income is generated in the United States of America. The Company's tax years open for examination are the years ended December 2011 and later for federal, and 2008 and later for state and local jurisdictions. Furthermore, the IRS can review the Company's net operating losses when utilized for tax years 2000 and subsequent.

9. Stockholders' Equity

Common Stock

As of December 31, 2014, 2013 and 2012, the Company had 300,083, 299,583 and 299,583, respectively, shares of common stock outstanding, par value $0.001. Each share of common stock is entitled to one vote. In 2014, a $148,000 dividend was declared and paid on the common stock. In 2013 and 2012, no dividends were declared or paid on the common stock.

10. Stock-Based Compensation

2011 Equity Incentive Plan

On September 26, 2011, the Company established the 2011 Equity Incentive Plan (the "2011 Plan") and the board of directors authorized the reservation of up to 30,864 shares of the Company's Common Stock to be issued pursuant to the 2011 Plan. The 2011 Plan provides for the granting of Incentive Stock Options (ISOs), Nonqualified Options (NQOs), Stock Grants and Stock-Based Awards to employees and directors of, and certain consultants to, the Company and its affiliates. The 2011 Plan is administered by the board of directors, and the board of directors may terminate or amend the plan, with approval of the stockholders, as may be required by applicable regulations, at any time. Options granted under the 2011 Plan generally vest over 4 years, with one fourth of the total number of shares subject to vesting on each anniversary of the grant date and the final installment on the fourth anniversary of the grant date. Options are exercisable subject to the achievement of performance conditions specified in the 2011 Plan, and generally expire ten years from the date of the grant.

(in thousands, except share and per share data)

For the years ended December 31, 2014, 2013 and 2012, the Company recognized $709, $772 and $873, respectively, of stock-based compensation expense associated with NQOs issued under this plan.

The following table summarizes the activity for NQOs for the years ended December 31, 2014, 2013 and 2012:

	Shares	Weighted Average Exercise Price
Outstanding as of January 1, 2012	—	$ —
Granted	27,129	1,989
Exercised	—	—
Forfeited	(303)	1,993
Outstanding as of December 31, 2012	26,826	1,989
Granted	3,226	1,998
Exercised	—	—
Forfeited	(6,877)	1,998
Outstanding as of December 31, 2013	23,175	1,987
Granted	8,707	1,523
Exercised	—	—
Forfeited	(1,341)	1,497
Outstanding as of December 31, 2014	30,541	$ 1,501

For the years ended December 31, 2014, 2013 and 2012, the Company determined the fair value of NQOs granted by using the Black Scholes option pricing model with the following assumptions:

	December 31, 2014	2013	2012
Expected term (years)	3.5	2.1	4.0
Risk free rate	1.1%	0.35%	0.66%
Estimated volatility	32%	34%	60%
Dividend yield	0%	0%	0%
Forfeiture rate	9%	9%	9%

As of December 31, 2014, 2013 and 2012, the unrecognized compensation cost for nonvested shares was $820, $1,014 and $2,209, respectively, over a weighted average period of 2.2, 2.3 and 3 years, respectively. No NQOs were exercisable as of December 31, 2014, 2013 and 2012.

(in thousands, except share and per share data)

The following table summarizes information about stock options outstanding as of December 31, 2014:

Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
$ 506	7,520	7.24	$ 506
583	3,789	9.20	583
1,506	6,939	7.24	1,506
1,583	2,685	9.27	1,583
2,506	6,923	7.24	2,506
2,583	2,685	9.27	2,583
	30,541		$ 1,501

Warrants

At December 31, 2014, 2013 and 2012, the Company had 12,483 warrants outstanding, for the purchase of common stock, with an exercise price of $1,000 per share. The fair value of these warrants of $2,996 when issued in 2011 was accounted for as additional paid in capital. The warrants expire in 2031.

11. Related Party Transactions

Management Fees

The Company has management agreements with its owners, ABRY Partners, LLC and Berkshire Partners, LLC (collectively, the “Managers”). The Company engaged the Managers for a term of 10 years, through September 2021, to provide consulting and management advisory services for an annual fee of $1,000, which is included in general and administrative expenses on the consolidated statements of operations.

RCN Cable

RCN Cable is a vendor of the Company. ABRY has ownership in RCN Cable. The Company expensed $0, $67 and $8 for services provided by RCN Cable for the years ended December 31, 2014, 2013 and 2012, respectively.

Datapipe

Datapipe is a vendor of the Company. ABRY has ownership in Datapipe. The Company expensed $74, $78 and $61 for services provided by Datapipe for the years ended December 31, 2014, 2013 and 2012, respectively.

One Source Networks

One Source Networks is a vendor of the Company. ABRY has ownership in One Source Networks. The Company expensed $0, $53 and $0 for services provided by One Source Networks for the years ended December 31, 2014, 2013 and 2012, respectively.

(in thousands, except share and per share data)

RCN Cable

RCN Cable is a customer of the Company. ABRY has ownership in RCN Cable, who provided revenues to the Company of approximately $138, $93 and $0 for services in the year ended December 31, 2014, 2013 and 2012, respectively.

Airband

Airband is a customer of the Company. ABRY has ownership in Airband, who provided revenues to the Company of approximately $131, $228 and $197 for services in the years ended December 31, 2014, 2013 and 2012, respectively. The Company had receivables due from Airband of $23, $11 and $0 at December 31, 2014, 2013 and 2012, respectively.

Xand Corporation

Xand Corporation is a customer of the Company. ABRY had an ownership in Xand, who provided revenues to the Company of approximately $125, $143 and $139 for services in the years ended December 31, 2014, 2013 and 2012, respectively. The Company had receivables due from Xand of $1, $6 and $0 at December 31, 2014, 2013 and 2012, respectively.

One Source Networks

One Source Networks is a customer of the Company. ABRY has ownership in One Source Networks who provided revenues to the Company of approximately $111, $85 and $0 for the years ended December 31, 2014, 2013 and 2012 respectively. The Company had receivables due from One Source Networks of $1, $0 and $0 at December 31, 2014, 2013 and 2012, respectively.

Securus

Securus is a customer of the Company. ABRY has ownership in Securus, who provided revenues to the Company of approximately $1,388, $1,680 and $0 for services in the years ended December 31, 2014, 2013, and 2012 respectively. The Company had receivables due from Securus of $116, $0 and $0 at December 31, 2014, 2013 and 2012, respectively.

Lightower Fiber Networks

Lightower Fiber Networks is a customer of the Company. In April 2013, Lightower, a Berkshire owned Company, closed a merger with Sidera Networks, an ABRY owned entity, to form Lightower Fiber Networks. Berkshire and ABRY have ownership in Lightower Fiber Networks and the predecessor companies, who provided revenues to the Company of approximately $6,974, $1,929 and $3,379 for services in the years ended December 31, 2014, 2013 and 2012, respectively. The Company had receivables due from Lightower Fiber Networks and the predecessor companies of $0, $396 and $80 at December 31, 2014, 2013 and 2012, respectively.

Asurion Insurance Services Inc.

Asurion Insurance Services Inc. is a customer of the Company. Berkshire has ownership in Asurion, who provided revenues to the Company of approximately $582, $556 and $376 for services in the years ended December 31, 2014, 2013 and 2012 respectively. The Company had a receivable due from Asurion of $0, $0 and $51 at December 31, 2014, 2013 and 2012, respectively.

(in thousands, except share and per share data)

12. Commitments and Contingencies

Operating Leases, Capital Leases, and Build-to-Suit Lease.

The Company leases certain operating facilities, offices, and equipment under various lease agreements expiring during the years ending December 2015 through December 2037. Future minimum lease payments under operating leases, including a build-to-suit lease, and capital leases that have remaining noncancelable lease terms at December 31, 2014, are as follows:

	Operating Leases Restated	Capital Leases	Build-to-Suit Lease Restated
Year Ending December 31,			
2015	$ 86,515	$ 5,503	$ 4,046
2016	93,579	5,438	4,046
2017	102,086	3,192	4,046
2018	106,798	237	4,100
2019	112,332	—	4,154
Thereafter	1,228,684	—	68,755
Total minimum payments required	$1,729,994	14,370	89,147
Less: Amount representing interest		(1,682)	(66,561)
Present value of net minimum lease payments		$12,688	$ 22,586

In December 2012, the Company entered into a 23 year lease agreement for a 216,000 square foot Datacenter in Clifton New Jersey. The Company incurred construction costs during 2012 related to the construction of this new facility, and therefore was deemed the accounting owner of the construction project. Due to a condemnation clause in the lease which allowed the Company to participate in property appreciation in the event of a condemnation award, the Company had continuing involvement in the deemed sale lease-back and was deemed to be the owner of the facility for accounting purposes.

The operating leases for the Company's facilities at 60 Hudson Street in New York, New York require the Company to maintain a $1,450 letter of credit, issued for the benefit of 60 Hudson Owner, LLC, the Company's landlord at 60 Hudson Street. The letter of credit is collateralized by cash deposits of at least the amount of the letter of credit held in a restricted account and is reflected in Cash-restricted on the condensed consolidated balance sheet. An additional letter of credit for $113 is collateralized by the Company's revolving line of credit.

The operating lease for the Company's facilities at 32 Avenue of the Americas requires the Company to maintain a $3,148 letter of credit, issued for the benefit of 32 Sixth Avenue Company, LLC, the Company's landlord at 32 Avenue of the Americas. $1,648 of this letter of credit is related to the build out of the leased space and is expected to be released upon meeting certain construction milestones. The letter of credit is collateralized by the company's revolving line of credit.

Rent expense for the years ended December 31, 2014, 2013 and 2012 was $116,322, $103,710 and $79,805 respectively. This amount is net of sublease income for the years ended December 31, 2014, 2013 and 2012 of approximately $106, $104 and $85, respectively.

(in thousands, except share and per share data)

Legal Matters

The Company and its subsidiaries are parties in various lawsuits arising in the ordinary course of business. In the opinion of management, with the advice of its legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the financial position and results of operations of the Company.

13. Employee Benefits Plan

The Company has a 401(k) plan whereby employees may elect to make contributions to the Plan through pretax deductions from their compensation up to the annual limit established by the Internal Revenue Service. All employees are eligible to participate in the plan as of their date of hire. In April 2013, the Company began a matching contribution of 50% on every dollar on the first 3% of the employees' compensation. The Company contribution for the years ended December 31, 2014, 2013 and 2012 respectively was $531, $309 and $0.

14. Subsequent Events

The Company's management has performed an evaluation of subsequent events as of July 10, 2015, the date the consolidated financial statements were available to be issued, and has determined that there were no subsequent events or transactions required to be recognized or disclosed within the consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

During May, June and July of 2015, Digital Realty Trust, Inc. (together with its consolidated subsidiaries, the "Company") entered into the following transactions, which have been included in the accompanying Unaudited Pro Forma Condensed Combined Financial Information as discussed more fully below.

Offering of 3.950% Notes due 2022

On June 23, 2015, Digital Realty Trust, L.P., a Maryland limited partnership, of which the Company is the sole general partner (the "Operating Partnership"), issued $500.0 million aggregate principal amount of its 3.950% notes due 2022 in an underwritten public offering (the "Notes Offering"). The Operating Partnership intends to use the net proceeds from the Notes Offering to fund certain eligible green projects, including the development and redevelopment of such projects. Pending such uses, the Operating Partnership temporarily repaid borrowings under its global revolving credit facility.

Redemption of 4.50% Notes due 2015

On May 26, 2015, the Operating Partnership redeemed the entire outstanding principal amount of its 4.50% notes due 2015 at a redemption price of 100% of the principal amount of the notes plus accrued and unpaid interest thereon up to, but excluding, the redemption date (the "Notes Redemption").

Pending Telx Acquisition

On July 13, 2015, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Telx Holdings, Inc. ("Telx"), and BSR LLC, as representative of the sellers, pursuant to which the Company agreed to acquire Telx for approximately $1.886 billion in cash, excluding transaction related expenses, subject to customary closing adjustments (the "Telx Acquisition"). The Merger Agreement contains customary representations and warranties as well as covenants by each of the parties. The Telx Acquisition is expected to close in the third quarter of 2015, subject to the satisfaction of closing conditions, including among others the continuing accuracy of representations and warranties and compliance with covenants and agreements in the Merger Agreement.

On July 13, 2015, in connection with the execution of the Merger Agreement, the Company entered into a commitment letter, pursuant to which the initial commitment parties agreed to provide a senior unsecured bridge loan facility (the "Bridge Facility") in the original principal amount of $1.85 billion to fund the Telx Acquisition.

Forward Equity Sale

On July 14, 2015, the Company commenced an underwritten public offering of 10,500,000 shares of its common stock, all of which are being offered in connection with forward sale agreements the Company intends to enter into with certain financial institutions acting as forward purchasers (the "Forward Equity Sale"). The forward purchasers are each expected to borrow and sell approximately 3,500,000 shares of the Company's common stock. Pursuant to the terms of the forward sale agreements, and subject to its right to elect cash or net share settlement, the Company intends to sell, upon physical settlement of such forward sale agreements, an aggregate of 10,500,000 shares of its common stock to the forward purchasers. In addition, the Company expects to grant the underwriters an option to purchase an additional 1,575,000 shares of its common stock to cover overallotments, if any. The accompanying Unaudited Pro Forma Condensed Combined Financial Information assumes that the underwriters do not exercise this overallotment option.

The Company will not initially receive any proceeds from the sale of its common stock by the forward purchasers. Assuming full physical settlement of the forward sale agreements (by the delivery of shares of the Company's common stock) at an initial forward sale price of $68.42 per share (based upon an assumed initial forward sale price of $68.42 per share, which was the last reported sale price of the Company's common stock on the New York Stock Exchange on July 13, 2015) and that the underwriters have not exercised their option to purchase additional shares, the Company expect to receive net proceeds of approximately $690.0 million (after deducting fees and estimated expenses related to the forward sale agreements), subject to certain adjustments pursuant to the forward sale agreements, upon settlement of the forward sale agreements, which settlement the Company expects will occur prior to or concurrently with the consummation of the Telx Acquisition. The Company intends to use the net proceeds from the Forward Equity Sale to fund a portion of the Telx Acquisition.

The Notes Offering, the Notes Redemption, the Telx Acquisition, a draw on the Bridge Facility and the Forward Equity Sale are collectively referred to in the Unaudited Pro Forma Condensed Combined Financial Information as the "Transactions."

The following Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2015 and the Unaudited Pro Forma Condensed Combined Income Statement for the three months ended March 31, 2015 and for the year ended December 31, 2014 have been derived from the historical consolidated financial statements of the Company and Telx, as adjusted to give effect to the Transactions, and are intended to reflect the impact of the Transactions on the Company on a pro forma basis as of and for the periods indicated. The Unaudited Pro Forma Condensed Combined Financial Information does not give effect to any potential additional permanent financing of the Telx Acquisition.

The Unaudited Pro Forma Condensed Combined Financial Information has been prepared by the Company using the acquisition method of accounting in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 805, Business Combinations. The fair value of identifiable tangible and intangible assets acquired and liabilities assumed from the Telx Acquisition are based on a preliminary estimate of fair value using assumptions described in the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information that the Company believes are reasonable.

The final purchase price allocation for the Transactions will be performed as soon as practicable after the closing of the Telx Acquisition and will depend on the final purchase price, which may be impacted by working capital adjustments, and final asset and liability valuations, which may depend in part on prevailing market rates and conditions. Final asset and liability valuations will be based on the actual net tangible and intangible assets that exist as of the closing of the Telx Acquisition. Any final adjustments may change the allocations of the purchase price, which could affect the fair value assigned to the assets acquired and liabilities assumed and could result in a change to the Unaudited Pro Forma Condensed Combined Financial Information, including the amount of goodwill and depreciation and amortization. Therefore, the result of the final purchase price allocation could be materially different from the preliminary allocation set forth herein.

Certain of the facilities acquired in the Telx Acquisition may be reassessed for property tax purposes after the consummation of the acquisition. Therefore, the amount of property taxes the Company pays in the future may change from what the Telx has paid in the past. Given the uncertainty of the amounts involved, any property tax changes have not been reflected in the Unaudited Pro Forma Condensed Combined Financial Information. In addition, the Company plans to treat certain of Telx's assets as real property (rather than personal property) for federal income tax purposes. This change will require the Company to recognize additional income over the following four years. While the Company has net operating losses that may shield this income through 2016, the Company currently estimate that it may be required to pay up to $20.0 million in federal income taxes, in the aggregate, as a result of this income recognition with respect to the 2017 to 2018 period.

The Unaudited Pro Forma Condensed Combined Balance Sheet reflects the Transactions as if they had been consummated on March 31, 2015, and the Unaudited Pro Forma Condensed Combined Statements of Operations gives effect to the Transactions as if they had been consummated on January 1, 2014. The following Unaudited Pro Forma Condensed Combined Financial Information is based on, and should be read in conjunction with:

- The historical audited consolidated and combined financial statements of the Company and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed with the Securities and Exchange Commission ("SEC") on March 2, 2015;
- The historical unaudited condensed consolidated interim financial statements of the Company and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in its quarterly report on Form 10-Q for the three months ended March 31, 2015, as filed with the SEC on May 8, 2015;

- The historical audited consolidated balance sheet of Telx as of December 31, 2014 and the consolidated statements of operations, cash flows and statements of stockholders' equity for the year ended December 31, 2014 (included as Exhibit 99.4 to the Current Report on Form 8-K of which this financial information forms an exhibit); and
- The historical unaudited consolidated balance sheet of Telx as of March 31, 2015 and the consolidated statements of operations, cash flows and statements of stockholders' equity for the three months ended March 31, 2015 (included as Exhibit 99.3 to the Current Report on Form 8-K of which this financial information forms an exhibit).

The Unaudited Pro Forma Condensed Combined Financial Information included herein has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. The Unaudited Pro Forma Condensed Combined Financial Information has been prepared to reflect adjustments to the Company's historical consolidated financial information that are (i) directly attributable to the Transactions, (ii) factually supportable and (iii) with respect to the Unaudited Pro Forma Condensed Combined Income Statement, expected to have a continuing impact on the combined results. Certain information and certain note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading.

The Unaudited Pro Forma Condensed Combined Financial Information is presented for informational purposes only and is not necessarily indicative of the operating results or financial position that actually would have been achieved if the Transactions had occurred on the dates indicated or that may be achieved in future periods. The Unaudited Pro Forma Condensed Combined Financial Information should be read in conjunction with the financial statements of the Company and Telx. It also does not reflect any cost savings, operating synergies or revenue enhancements that the Company may achieve with respect to combining the companies or costs to integrate the business or the impact of any non-recurring activity and any one-time transaction related costs. Synergies and integration costs have been excluded from consideration because they do not meet the criteria for unaudited pro forma adjustments.

DIGITAL REALTY TRUST, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF MARCH 31, 2015

	Historical				
	Digital Realty Trust, Inc.	Telx Holdings, Inc.	Pro Forma Adjustments	Note Reference	Pro Forma Combined Company
ASSETS					
Investments in real estate:					
Properties:					
Land	$ 657,770	$ 3,493	$ 3,745	2(b)	$ 665,008
Acquired ground leases	12,630	—	—		12,630
Buildings and improvements	8,833,712	471,254	125,383	2(b)	9,430,349
Tenant improvements	513,379	—	—		513,379
Total investments in properties	10,017,491	474,747	129,128		10,621,366
Accumulated depreciation and amortization	(1,962,966)	(104,141)	104,141		(1,962,966)
Net investments in properties	8,054,525	370,606	233,269		8,658,400
Investment in unconsolidated joint ventures	103,475	—	—		103,475
Net investments in real estate	8,158,000	370,606	233,269		8,761,875
Cash and cash equivalents	37,329	3,561	—		40,890
Accounts and other receivables, net of allowance for doubtful accounts	112,995	14,984	—		127,979
Deferred rent	455,834	—	(72,493)	2(e)	383,341
Acquired above-market leases, net	34,757	—	—		34,757
Acquired in-place lease value and deferred leasing costs, net	434,917	—	259,004	2(b)	693,921
Customer relationships	—	133,687	607,765	2(b)	741,452
Trademark	—	129,941	(121,785)	2(b)	8,156
Other intangible assets	—	5,910	(5,910)	2(b)	—
Goodwill	—	339,013	(54,592)	2(b)	284,421
Deferred financing costs, net	28,243	20,875	(8,500)	2(a), 2(c)	40,618
Restricted cash	11,934	1,772	—		13,706
Assets held for sale	81,667	—	—		81,667
Other assets	52,750	24,870	—		77,620
Total assets	$ 9,408,426	$ 1,045,219	$ 836,758		$11,290,403
LIABILITIES AND EQUITY					
Global revolving credit facility	$ 826,906	$ —	$ (116,805)	2(c)	$ 710,101
Unsecured term loan	942,006	—	—		942,006
Senior unsecured bridge loan facility	—	—	1,173,000	2(a)	1,173,000
Unsecured senior notes, net of discount	2,672,472	—	121,180	2(c)	2,793,652
Mortgage loans, net of premiums	376,527	—	—		376,527
Term loan and other loans payable	—	755,787	(755,787)	2(a)	—
Accounts payable and other accrued liabilities	523,948	187,434	(76,677)	2(f)	634,705
Capital leases and other financing obligations	—	51,125	—		51,125
Accrued dividends and distributions	—	—	—		—
Acquired below-market leases, net	97,234	—	10,908	2(b)	108,142
Deferred rent	—	—	—		—
Security deposits and prepaid rents	108,244	2,419	—		110,663
Obligations associated with assets held for sale	3,228	—	—		3,228
Total liabilities	5,550,565	996,765	355,819		6,903,149
Commitments and contingencies					
Equity:					
Stockholders' Equity:					
Preferred Stock	1,048,121	—	—		1,048,121
Common Stock	1,350	—	105	2(d)	1,455
Additional paid-in capital	3,967,846	157,355	689,895	2(d)	4,815,096
Accumulated dividends in excess of earnings	(1,110,298)	(108,901)	(209,061)		(1,428,260)
Accumulated other comprehensive loss, net	(91,562)	—	—		(91,562)
Total stockholders' equity	3,815,457	48,454	480,939		4,344,850
Noncontrolling Interests:					
Noncontrolling interests in operating partnership	35,596	—	—		35,596
Noncontrolling interests in consolidated joint ventures	6,808	—	—		6,808
Total noncontrolling interests	42,404	—	—		42,404
Total equity	3,857,861	48,454	480,939		4,387,254
Total liabilities and equity	$ 9,408,426	$ 1,045,219	$ 836,758		$11,290,403

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2015

	Historical				
	Digital Realty Trust, Inc.	Telx Holdings, Inc. (See Note 1)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Company
Operating Revenues:					
Rental	$ 319,166	$ 83,470	$ (15,023)	3(a)	$ 387,613
Tenant reimbursements	85,829	—	—		85,829
Fee income	1,614	—	—		1,614
Total operating revenues	406,609	83,470	(15,023)		475,056
Operating Expenses:					
Rental property operating and maintenance	124,563	53,358	(16,253)	3(b)	161,668
Property taxes	23,263	—	—		23,263
Insurance	2,155	—	—		2,155
Change in fair value of contingent consideration	(43,034)	—	—		(43,034)
Depreciation and amortization	129,073	18,651	33,354	3(c)	181,078
General and administrative	21,194	8,500	(250)	3(d)	29,444
Transactions	93	—	—		93
Other	(16)	—	—		(16)
Total operating expenses	257,291	80,509	16,851		354,651
Operating income	149,318	2,961	(31,874)		120,405
Other Income (Expenses):					
Equity in earnings of unconsolidated joint ventures	4,618	—	—		4,618
Gain on sale of property	17,820	—	—		17,820
Interest and other income (expense)	(2,290)	2	—		(2,288)
Interest expense	(45,466)	(15,137)	7,864	3(e)	(52,739)
Tax (expense) / benefit	(1,675)	(390)	—		(2,065)
Loss from early extinguishment of debt	—	—	—		—
Net income	122,325	(12,564)	(24,010)		85,751
Net income attributable to noncontrolling interests	(2,142)	—	731	3(f)	(1,411)
Net income attributable to Digital Realty Trust, Inc.	120,183	(12,564)	(23,279)		84,340
Preferred stock dividends	(18,455)	—	—		(18,455)
Net income available to common stockholders	$ 101,728	$ (12,564)	$ (23,279)		$ 65,885
Net income per share available to common stockholders:					
Basic	$ 0.75				$ 0.45
Diluted	$ 0.75				$ 0.45
Weighted average common shares outstanding:					
Basic	135,704,525		10,500,000	2(d)	146,204,525
Diluted	136,128,800		10,500,000	2(d)	146,628,800

DIGITAL REALTY TRUST, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014

	Historical				
	Digital Realty Trust, Inc.	**Telx Holdings, Inc. (See Note 1)**	**Pro Forma Adjustments**	**Note Reference**	**Pro Forma Combined Company**
Operating Revenues:					
Rental	$ 1,256,086	$ 308,656	$ (51,568)	3(a)	$ 1,513,174
Tenant reimbursements	350,234	—	—		350,234
Fee income	7,268	—	—		7,268
Other	2,850	—	—		2,850
Total operating revenues	1,616,438	308,656	(51,568)		1,873,526
Operating Expenses:					
Rental property operating and maintenance	503,140	193,165	(65,450)	3(b)	630,855
Property taxes	91,538	—	—		91,538
Insurance	8,643	—	—		8,643
Change in fair value of contingent consideration	(8,093)	—	—		(8,093)
Depreciation and amortization	538,513	62,472	145,540	3(c)	746,525
General and administrative	93,188	33,316	(1,036)	3(d)	125,468
Transactions	1,303	3,606	—		4,909
Impairment of investments in real estate	126,470	—	—		126,470
Other	3,070	—	—		3,070
Total operating expenses	1,357,772	292,559	79,054		1,729,385
Operating income	258,666	16,097	(130,622)		144,141
Other Income (Expenses):					
Equity in earnings of unconsolidated joint ventures	13,289	—	—		13,289
Gain on sale of property	15,945	—	—		15,945
Gain on contribution of properties to unconsolidated joint ventures	95,404	—	—		95,404
Gain on sale of investment	14,551	—	—		14,551
Interest and other income (expense)	2,663	32	—		2,695
Interest expense	(191,085)	(61,367)	30,350	3(e)	(222,102)
Tax (expense) benefit	(5,238)	11,943	—		6,705
Loss from early extinguishment of debt	(780)	—	—		(780)
Net income	203,415	(33,295)	(100,272)		69,848
Net income attributable to noncontrolling interests	(3,232)	—	2,671	3(f)	(561)
Net income attributable to Digital Realty Trust, Inc.	200,183	(33,295)	(97,601)		69,287
Preferred stock dividends	(67,465)	—	—		(67,465)
Net income available to common stockholders	$ 132,718	$ (33,295)	$ (97,601)		$ 1,822
Net income (loss) per share available to common stockholders:					
Basic	$ 1.00				$ 0.01
Diluted	$ 0.99				$ 0.01
Weighted average common shares outstanding:					
Basic	133,369,047		10,500,000	2(d)	143,869,047
Diluted	133,637,235		10,500,000	2(d)	144,137,235

1. **Reclassifications of Historical Telx**

Financial information presented in the “Historical Telx” columns in the Unaudited Pro Forma Condensed Combined Balance Sheet and Statement of Operations represents the historical balance sheet of Telx as of March 31, 2015 and the historical statement of operations of Telx for the year ended December 31, 2014 and for the three months ended March 31, 2015, respectively. Such financial information has been reclassified or classified to conform to the historical presentation in the Company’s consolidated financial statements as set forth below. Unless otherwise indicated, defined line items included in the footnotes have the meanings given to them in the historical financial statements of Telx.

	Before Reclassification	Reclassification Amount		After Reclassification
Balance Sheet				
Current deferred tax assets	$ 1,832	$ (1,832)	(1)	$ —
Prepaid expenses	3,185	(3,185)	(1)	—
Other current assets	10,883	(10,883)	(1)	—
Property and equipment, net	370,606	(370,606)	(2)	—
Land	—	3,493	(2)	3,493
Building and improvements	—	471,254	(2)	471,254
Accumulated depreciation and amortization	—	(104,141)	(2)	(104,141)
Other assets	8,970	15,900	(1)	24,870
Accounts payable	4,656	(4,656)	(3)	—
Accrued expenses and other current liabilities	17,735	(17,735)	(3)	—
Accounts payable and other accrued liabilities	—	187,434	(3)	187,434
Customer security deposits	1,851	(1,851)	(5)	—
Security deposits and prepaid rents	—	2,419	(5)	2,419
Deferred revenue	4,043	(4,043)	(3)	—
Capital leases and other financing obligations	—	51,125	(4)	51,125
Current portion of capital leases and other financing obligations	5,140	(5,140)	(4)	—
Current portion of term loan and other loans payable	24,176	(24,176)	(6)	—
Term loan and other loans payable	—	755,788	(6)	755,788
Customer security deposits, less current portion	568	(568)	(5)	—
Deferred rent	95,738	(95,738)	(3)	—
Deferred revenue, less current portion	6,308	(6,308)	(3)	—
Deferred tax liabilities	58,954	(58,954)	(3)	—
Capital leases and other financing obligations, less current portion	45,985	(45,985)	(4)	—
Term loan and other loans payable, less current portion	731,612	(731,612)	(6)	—
Statement of Operations - For the Three Months Ended March 31, 2015				
Cost of revenues	$ 59,100	$ (59,100)	(1)	$ —
Sales and marketing	11,337	(11,337)	(2)	—
General and administrative	10,072	(1,572)	(3)	8,500
Rental property operating and maintenance	—	53,358	(1)(2)	53,358
Depreciation and amortization	—	18,651	(1)(2)(3)	18,651
Statement of Operations - For the Year Ended December 31, 2014				
Cost of revenues	$ 206,232	$ (206,232)	(1)	$ —
Sales and marketing	44,030	(44,030)	(2)	—
General and administrative	38,691	(5,375)	(3)	33,316
Rental property operating and maintenance	—	193,165	(1)(2)	193,165
Depreciation and amortization	—	62,472	(1)(2)(3)	62,472

Reclassification and classification of the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2015:

(1) Represents reclassification of “Current deferred tax assets” of $1.8 million, “Prepaid expenses” of $3.2 million and “Other current assets” of $10.9 million to “Other assets” of $15.9 million.

(2) Represents disaggregation and reclassification of “Property and equipment, net” of $342.6 million into “Land” of $3.5 million, “Buildings and improvements” of $471.3 million and “Accumulated depreciation and amortization” of $104.1 million.

(3) Represents reclassification of “Accounts payable” of $4.7 million, “Accrued expenses and other current liabilities” of $17.7 million, “Deferred revenue” of $4.0 million, “Deferred rent” of $95.7 million, “Deferred revenue, less current portion” of $6.3 million and “Deferred tax liabilities” of $59.0 million to “Accounts payable and other accrued liabilities” of $187.4 million.

(4) Represents reclassification of “Current portion of capital leases and other financing obligations” of $5.1 million and “Capital leases and other financing obligations, less current portion” of $46.0 million to “Capital leases and other financing obligations” of $51.1 million.

(5) Represents reclassification of “Customer security deposits” of $1.9 million and “Customer security deposits, less current portion” of $0.6 million to “Security deposits and prepaid rents” of $2.4 million.

(6) Represents reclassification of “Current portion of term loan and other loans payable” of $24.2 million and “Term loan and other loans payable, less current portion” of $731.6 million to “Term loan and other loans payable” of $755.8 million.

Reclassification and classification of the Unaudited Pro Forma Condensed Combined Income Statement for the three months ended March 31, 2015:

(1) Represents reclassification of “Cost of revenues” of $47.6 million to “Rental property operating and maintenance” and $11.5 million to “Depreciation and amortization.”

(2) Represents reclassification of “Sales and marketing” of $5.9 million to “Rental property operating and maintenance” and $5.4 million to “Depreciation and amortization.”

(3) Represents reclassification of “General and administrative” of $1.6 million to “Depreciation and amortization.”

Reclassification and classification of the Unaudited Pro Forma Condensed Combined Income Statement for the year ended December 31, 2014:

(1) Represents reclassification of “Cost of revenues” of $170.6 million to “Rental property operating and maintenance” and $35.7 million to “Depreciation and amortization.”

(2) Represents reclassification of “Sales and marketing” of $22.6 million to “Rental property operating and maintenance” and $21.4 million to “Depreciation and amortization.”

(3) Represents reclassification of “General and administrative” of $5.4 million to “Depreciation and amortization.”

2. Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments

The Unaudited Pro Forma Condensed Combined Balance Sheet reflects the effect of the following adjustments:

(a) Summary of sources and uses for the Telx Acquisition:

Sources of funds:	
Borrowings under Bridge Facility (1)	$1,173,000
Net proceeds from Forward Equity Sale (2)	690,000
Total sources of funds	$1,863,000
Uses of funds:	
Purchase price	$1,886,000
Assumed capital lease obligations	(46,000)
Cash paid to sellers at closing (3)	1,840,000
Deferred financing costs associated with Bridge Facility	8,000
Transaction costs (4)	15,000
Total uses of funds	$1,863,000

(1) Reflects a $1.2 billion draw under the Bridge Facility to consummate the Telx Acquisition.

(2) See Note 2(d) for additional information on the net proceeds from the Forward Equity Sale.

(3) Includes the payoff of Telx's term loan and other loans payable of $755.8 million. These loans and the associated deferred financing costs of $20.9 million have been eliminated from the Unaudited Pro Forma Condensed Combined Balance Sheet, with a corresponding decrease to accumulated deficit.

(4) The Company estimates that the transaction costs will be approximately $15 million, excluding estimated costs associated with the Forward Equity Sale and advisory costs in the aggregate of approximately $40 million. The actual amount may vary. The Company also expects to incur other financing costs and integration costs associate with the Telx Acquisition. Given the uncertainty of the amounts involved, such financing costs and integration costs are not reasonably estimable.

(b) Adjustment reflects the excess of purchase price over the estimated fair value of the net assets acquired. Under the acquisition method of accounting, the total estimated purchase price is allocated to Telx's net tangible and intangible assets based on their estimated fair values at the date of the completion of the Telx Acquisition. Below is a preliminary estimate of the purchase consideration for Telx and the adjustments to Telx's book values to reflect the preliminary allocation of that purchase consideration to acquired identifiable assets and assumed liabilities (in thousands):

	Preliminary estimate for allocation of the purchase price	Historical Telx Holdings, Inc.	Pro forma adjustment
Land	$ 7,238	$ 3,493	$ 3,745
Buildings and improvements (1)	596,637	471,254	125,383
Acquired in-place lease value and deferred leasing costs, net	259,004	—	259,004
Customer relationships	741,452	133,687	607,765
Trademark	8,156	129,941	(121,785)
Other intangible assets	—	5,910	(5,910)
Goodwill	284,421	339,013	(54,592)
Unfavorable leases	(10,908)	—	(10,908)
Total	$ 1,886,000	$ 1,083,298	$ 802,702

(1) Consists of building and improvements, equipment and construction in process.

Upon closing, the purchase consideration will be adjusted for working capital levels and other adjustments as stipulated in the Merger Agreement.

Upon completion of the fair value assessment, the final purchase price allocation may differ from the preliminary allocation provided above. Any changes to the initial estimates of the fair value of the assets and liabilities will be recorded as adjustments to those assets and liabilities and the residual amounts will be allocated as an increase or decrease to goodwill. The goodwill recorded is due primarily to the synergies expected to be realized between the two companies and the assembled workforce acquired in connection with the Telx Acquisition.

The fair value of investment in real estate acquired of $603.9 million consists of land with an estimated fair value of $7.2 million, building and improvements with an estimated fair value of $272.1 million, equipment with an estimated fair value of $311.8 million and construction in process with an estimated fair value of $12.7 million. Investment in real estate is expected to be amortized on a straight-line basis over estimated useful lives of 3 - 39 years.

The components of investment in real estate have been valued using a combination of the income approach, the market approach and the cost approach, which is based on current replacement and/or reproduction cost of the asset as new, less depreciation attributable to physical, functional and economic factors.

The fair value of intangible assets acquired of $997.7 million consist of in-place leases with an estimated fair value of $259.0 million, customer relationships with an estimated fair value of $741.5 million and the Telx trade name with an estimated fair value of $8.2 million and unfavorable leases of $(10.9) million. The in-place lease value is expected to be amortized on a straight-line basis over an estimated useful life of two years, the customer relationship intangible assets are expected to be amortized on a straight-line basis over an estimated useful life of 18 years and the Telx trade name is expected to be amortized on a straight-line basis over an estimated useful life of five years and the unfavorable leases are expected to be amortized on a straight-line basis over an estimated useful life of five years.

The fair value of intangible assets is determined primarily using the “income approach,” which is a valuation technique that provides an estimate of the fair value of an asset based on market participants’ expectations of the cash flows an asset would generate over its remaining useful life. Some of the more significant assumptions inherent in the development of the valuations include the estimated annual net cash flows for each indefinite lived or definite lived intangible asset (including net revenues, operating expenses, selling and marketing costs and working capital asset/contributory asset charges), the appropriate discount rate that appropriately reflects the risk inherent in each future cash flow stream, the assessment of each asset’s life cycle, competitive trends as well as other factors.

(c) Adjustment reflects the Notes Offering (and related financing costs), the use of proceeds therefrom and the Notes Redemption (in thousands):

	Principal balance used in pro forma adjustment	Pro forma financing costs	Discount on debt	Net proceeds / payments
Offering of 3.950% Notes due 2022	$ 500,000	$ (4,375)	$ (3,820)	$ 491,805
Redemption of 4.50% Notes due 2015	(375,000)	—	—	(375,000)
Repayments under our global revolving credit facility	(116,805)	—		(116,805)
Total	$ 8,195	$ (4,375)	$ (3,820)	$ —

(d) Adjustment reflects the full physical settlement of the forward sale agreements by the delivery of 10,500,000 shares of the Company's common stock at an initial forward sale price of $68.42 per share (based upon an assumed initial forward sale price of $68.42 per share, which was the last reported sale price of the Company's common stock on the New York Stock Exchange on July 13, 2015) (in thousands, except share and per share amounts):

	Stock Offering
Proceeds from Forward Equity Sale	$ 718,410
Less costs of the offering:	
Fees and estimated expenses related to forward sales agreement	(26,940)
Other offering costs	(1,470)
Net proceeds from Forward Equity Sale	$ 690,000
Common stock, 10,500,000 shares, $.01 per share	$ 105
Additional paid in capital	689,895
Net proceeds from Forward Equity Sale	$ 690,000

(e) Adjustment removes the deferred rent receivable as the lessor from leases with Telx, resulting in a decrease in deferred rent of $72.5 million.

(f) Adjustment removes the deferred rent payable as the lessee from leases with the Company, resulting in a decrease in accounts payable and other accrued liabilities of $76.7 million.

3. **Unaudited Pro Forma Condensed Combined Income Statement Adjustments**

The Unaudited Pro Forma Condensed Combined Income Statements reflect the effect of the following pro forma adjustments:

(a) Adjustment removes the rental revenue and percentage rent earned as the lessor from leases with Telx, resulting in a decrease in rental revenue of $15.0 million and $51.6 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

(b) Adjustment removes the rent and percentage rent expense recorded as the lessee from leases with the Company, resulting in a decrease in rental property operating and maintenance expense of $16.5 million and $67.3 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively. In addition, a straight-line rent expense adjustment was made for leases with third parties, assuming the Telx Acquisition occurred on January 1, 2014, resulting in an increase of $0.3 million and $1.8 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

(c) Reflects the net impact on depreciation and amortization expense of the following adjustments:

- A decrease to depreciation and amortization expense of $4.3 million and $4.9 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, as a result of fair value accounting for investment in real estate and other fixed assets acquired in the Telx Acquisition.
- An increase to depreciation and amortization expense of $37.7 million and $150.4 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, as a result of fair value accounting for definite-lived intangible assets acquired in the Telx Acquisition.

For the three months ended March 31, 2015, real estate depreciation expense for Telx would have been $50.8 million and non-real estate depreciation expense would have been $1.2 million. For the year ended December 31, 2014, total real estate depreciation expense for Telx would have been $203.3 million and non-real estate depreciation expense would have been $4.8 million.

(d) Adjustment reflects a reduction of general and administrative expense of $0.3 million and $1.0 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, as a result of the elimination of an internal management fee. The Company expects to incur additional general and administrative costs as a result of the Telx Acquisition that will include, but are not limited to, incremental salaries and benefits, audit, tax and legal fees and other administrative costs. As the Company has not yet entered into contracts with third-parties to provide the services included within this estimate, these expenses do not appear in the Unaudited Pro Forma Condensed Combined Income Statements.

(e) Reflects the net impact on interest expense of the following adjustments:

- An increase in interest expense of $4.9 million and $19.6 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, due to a $1.2 billion draw under the Bridge Facility, which will bear interest at LIBOR plus 1.45% (estimated to be 1.67%), to consummate the Telx Acquisition. In addition, amortization of deferred loan fees related to the Bridge Facility would total $2.0 million and $6.0 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively. A hypothetical 0.125% increase or decrease in the expected weighted average interest rate would increase or decrease interest expense associated with this additional debt by $0.4 million and $1.5 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

- A reduction in interest expense of $12.1 million and $46.9 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, due to the payoff of Telx debt in connection with the Acquisition, and elimination of the associated deferred financing cost amortization of $2.0 million and $10.6 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

- An increase in interest expense of $5.1 million and $20.2 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, due to the issuance of $500.0 million aggregate principal amount of the Operating Partnership’s 3.950% notes due 2022 in the Notes Offering, and an increase in associated deferred financing cost amortization of $0.2 million and $0.6 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, net of a reduction in interest expense of $0.5 million and $1.9 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, due to the pay down of the Operating Partnership’s revolving credit facility with a portion of the net proceeds therefrom.

- A reduction in interest expense of $4.2 million and $16.9 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively, due to the redemption of $375.0 million aggregate principal amount of the Operating Partnership’s 4.50% notes due 2015 in connection with the Notes Redemption, and elimination of the associated deferred financing cost amortization of $0.2 million and $0.6 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

(f) Adjustment reflects the noncontrolling interest portion of the adjustments to the Unaudited Pro Forma Condensed Combined Income Statements.