



# Global. Connected. Sustainable.

PRIVATE CAPITAL INITIATIVE WITH MAPLETREE  
*Core Joint Venture Formation and Portfolio Sale*

SEPTEMBER 2019



DIGITAL REALTY

**Digital Realty the trusted foundation | powering your digital ambitions**

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# Navigating the Future Sustainable Growth for Customers, Shareholders and Employees



GLOBAL



Continuation of Capital Recycling  
Initiatives and Expansion of  
Access to Private Capital

Fuels Further Global  
Product Offering Expansion



CONNECTED

maple*i*ree

Establishes New, Long-Term  
Relationship with Mapletree, a  
Leading Real Estate Development,  
Investment, Capital and  
Property Management Company  
Headquartered in Singapore



SUSTAINABLE

\$1.4Bn

of Proceeds Generated to Fund  
Future Growth Initiatives<sup>(1)</sup>

+2% to +6%

Potential Long-Term Value Creation  
Upon Capital Redeployment<sup>(2)</sup>



1) Represents gross proceeds, excluding any potential special dividends related to gains on the joint venture contribution and asset sale or transaction expenses.  
2) For illustrative purposes only, actual results may differ. Assumes transaction proceeds are deployed at a stabilized yield of 9-12%, resulting in \$0.15/sh to \$0.40/sh Core FFO accretion based on 218 million shares outstanding. Growth rates based on 2Q19 annualized Core FFO. No assurance can be given that capital will be redeployed in a timely manner, at projected yields or at all. Core FFO is a non-GAAP financial measure. For a definition of Core FFO, see the Appendix.

# Transaction Overview

## Digital Realty Advances Private Capital Initiative with Mapletree

### Transaction and Timing Overview

- Entered into definitive agreements with affiliates of Mapletree Investments Pte Ltd and Mapletree Industrial Trust for the sale of a portfolio of 10 Powered Base Building® data centers and the establishment of a joint venture to be seeded with three existing Turn-Key Flex® hyper-scale data centers
- The transactions are expected to close in late 2019 and early 2020 and are subject to customary closing conditions
- Proceeds from the transactions will initially be used to pay down debt and will ultimately be used to fund future investment activity

#### Joint Venture

#### Portfolio Sale

#### Partners / Buyer



#### Assets

3 Turn-Key Flex® Data Centers

10 Powered Base Building® Data Centers

#### Valuation (Cap Rate<sup>(1)</sup>)

\$1,013 million (6.0%)

\$557 million (6.6%)

#### Ownership

Mapletree 80% / Digital Realty 20%

Mapletree 100%

#### Gross Proceeds to DLR<sup>(2)</sup>

\$811 million

\$557 million

#### Management

Digital Realty to serve as Managing Member and Property Manager

Digital Realty to serve as Transitional Property Manager

#### Fee Structure

Property & Asset Management

Property Management (one year post close)

(1) We calculate the cash capitalization rate on dispositions and joint venture contributions by dividing anticipated annual net operating income by the sale/contribution price, including assumed debt and related pre-payment penalties. Net operating income represents rental revenue and tenant reimbursement revenue from in-place leases, less rental property operating and maintenance expenses, property taxes and insurance expenses, and is not a financial measure calculated in accordance with GAAP. We caution you not to place undue reliance on our cash capitalization rates because they are calculated on a non-GAAP basis.

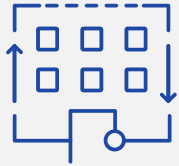
(2) Represents gross proceeds, excluding any potential special dividends related to gains on the joint venture contribution and asset sale or transaction expenses.



# Core Joint Venture Summary

## Three Turn-Key Flex Data Centers in Northern Virginia

### TRANSACTION SUMMARY



**3**  
Turn-Key Flex®  
Data Centers

**704k**  
Net Rentable  
Square Feet



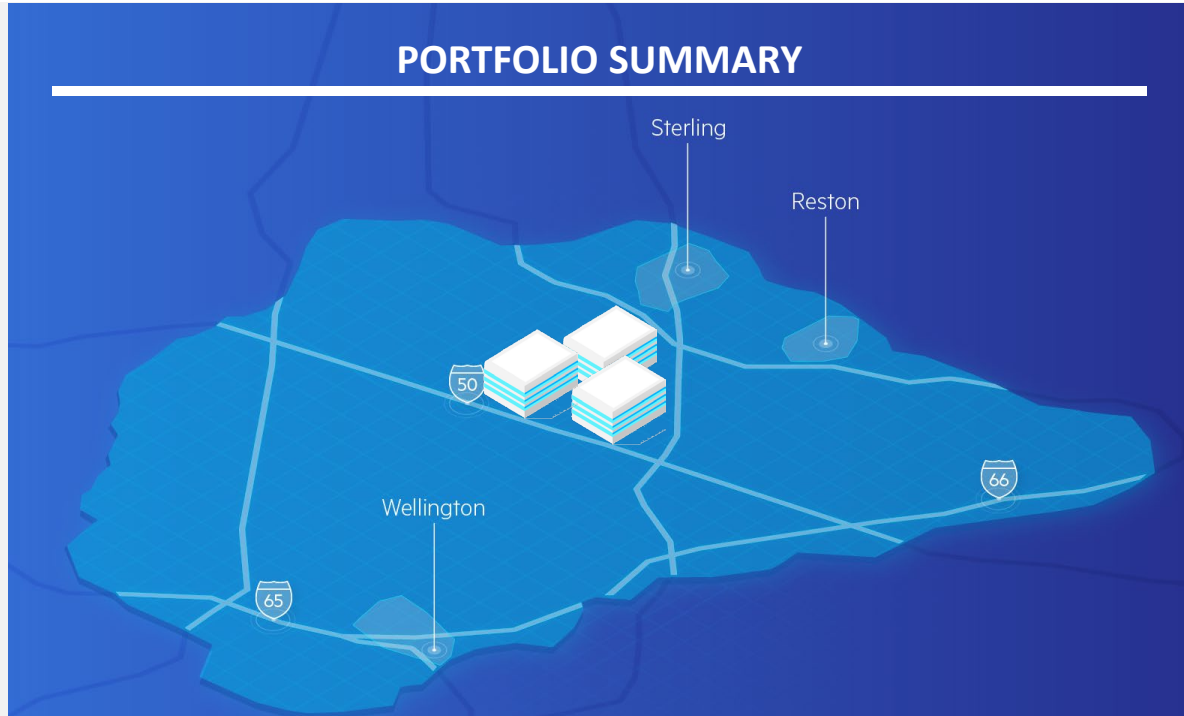
**\$1,013mm**  
Total Valuation

**\$61mm**  
2020E Cash NOI<sup>(1)</sup>

**6.0%**  
Cap Rate<sup>(2)</sup>

**80%**  
Ownership Sale

### PORTFOLIO SUMMARY



As of June 30, 2019

Location	NRSF <sup>(3)</sup>	ABR <sup>(4)</sup>	Occupancy
1 Ashburn, VA	87,000	\$8mm	100%
2 Ashburn, VA	327,847	\$30mm	100%
3 Ashburn, VA	289,000	\$25mm	100%
<b>Total</b>	<b>703,847</b>	<b>\$62mm</b>	<b>100%</b>

1) Represents 100% of Cash NOI for joint venture. Cash NOI is a non-GAAP financial measure. For a definition of Cash NOI, see the Appendix.

2) We calculate the cash capitalization rate on dispositions and joint venture contributions by dividing anticipated annual net operating income by the sale/contribution price, including assumed debt and related pre-payment penalties. Net operating income represents rental revenue and tenant reimbursement revenue from in-place leases, less rental property operating and maintenance expenses, property taxes and insurance expenses, and is not a financial measure calculated in accordance with GAAP. We caution you not to place undue reliance on our cash capitalization rates because they are calculated on a non-GAAP basis.

3) We estimate the total net rentable square feet available for lease based on a number of factors in addition to contractually leased square feet, including available power, required support space and common areas.

4) Annualized base rent represents the monthly contractual base rent (defined as cash base rent before abatements) under existing leases as of June 30, 2019, multiplied by 12.

# Portfolio Sale Summary

## 10 Powered Base Buildings Across North America

### TRANSACTION SUMMARY



**10**  
Powered Base Building®  
Data Centers

**1.4mm**  
Net Rentable  
Square Feet



**\$557mm**  
Total Valuation

**\$37mm**  
2020E Cash NOI<sup>(1)</sup>

**6.6%**  
Cap Rate<sup>(2)</sup>

**100%**  
Ownership Sale

### PORTFOLIO SUMMARY



As of June 30, 2019

	Location	NRSF <sup>(3)</sup>	ABR <sup>(4)</sup>	Occupancy
1	Aurora, CO	285,840	\$7mm	100%
2	Lithia Springs, GA	250,191	\$6mm	100%
3	Sterling, VA	167,160	\$4mm	100%
4	Waltham, MA	66,730	\$3mm	100%
5	Sterling, VA	135,513	\$3mm	100%
6	Ashburn, VA	164,453	\$3mm	100%
7	Centennial, CO	85,660	\$3mm	100%
8	Tempe, AZ	76,350	\$3mm	100%
9	Mississauga, ON	83,758	\$2mm	100%
10	Dallas, TX	61,750	\$1mm	100%
<b>Total</b>		<b>1,377,405</b>	<b>\$36mm</b>	<b>100%</b>

1) Cash NOI is a non-GAAP financial measure. For a definition of Cash NOI, see the Appendix.

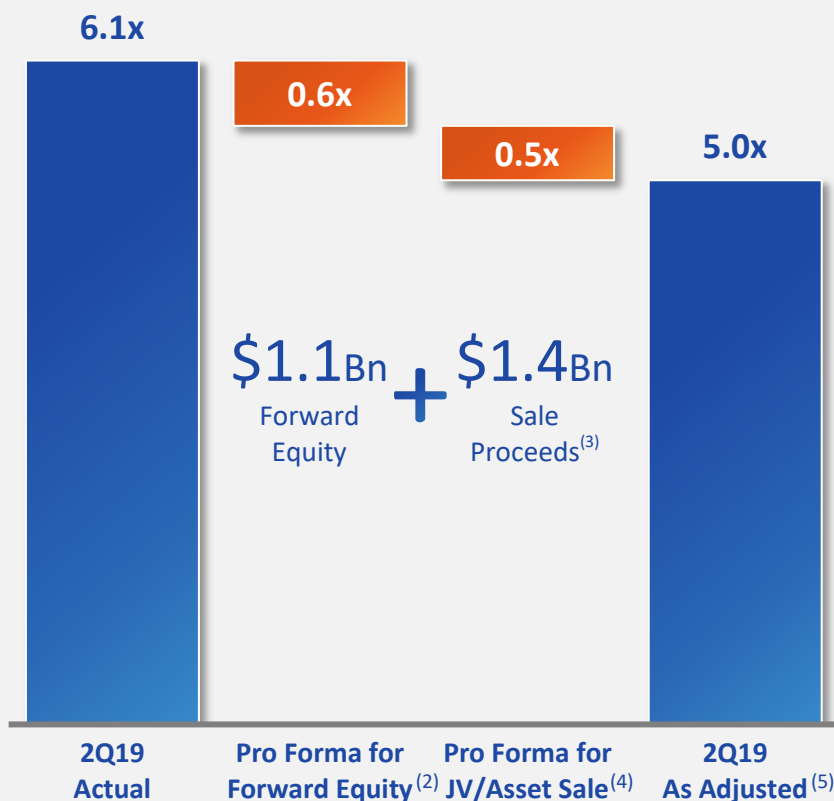
2) We calculate the cash capitalization rate on dispositions and joint venture contributions by dividing anticipated annual net operating income by the sale/contribution price, including assumed debt and related pre-payment penalties. Net operating income represents rental revenue and tenant reimbursement revenue from in-place leases, less rental property operating and maintenance expenses, property taxes and insurance expenses, and is not a financial measure calculated in accordance with GAAP. We caution you not to place undue reliance on our cash capitalization rates because they are calculated on a non-GAAP basis.

3) We estimate the total net rentable square feet available for lease based on a number of factors in addition to contractually leased square feet, including available power, required support space and common areas.

4) Annualized base rent represents the monthly contractual base rent (defined as cash base rent before abatements) under existing leases as of June 30, 2019, multiplied by 12.

# Anticipated Financial Impact Strengthening Balance Sheet and Expanding Private Capital Access

## Net Debt to Adjusted EBITDA <sup>(1)</sup>



## Annualized Near-Term Core FFO/Sh Impact

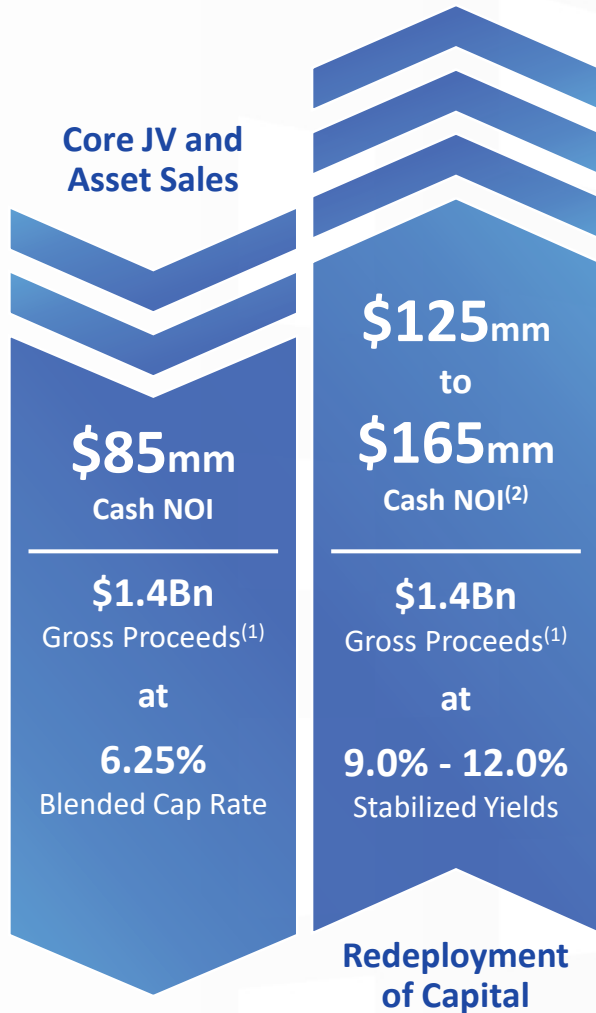


- 1) Calculated as total debt at balance sheet carrying value, plus capital lease obligations, plus our share of unconsolidated JV debt, less unrestricted cash and cash equivalents divided by the product of Adjusted EBITDA (including our share of joint venture EBITDA) multiplied by four. Adjusted EBITDA is a non-GAAP financial measure. For a description of Adjusted EBITDA, see the Appendix.
- 2) Pro Forma for assumed full physical settlement of forward equity.
- 3) Represents gross proceeds, excluding any potential special dividends related to gains on the joint venture contribution and asset sale or transaction expenses.
- 4) Pro Forma for assumed closing of joint venture contribution and asset sale.

- 5) Adjusted to reflect pro forma full physical settlement of the \$1.1 billion forward equity offering executed on September 24, 2018 and \$1.4 billion in gross proceeds from joint venture contribution and asset sale. Assumes proceeds are used to repay borrowings under the global unsecured revolving credit facility.
- 6) Based on 2Q19 AFFO of \$1.50 per share less per share cash impact and 2Q19 dividend of \$1.08 per share. AFFO is a non-GAAP financial measure. For a definition of AFFO and a reconciliation to net income, see the Appendix.
- 7) Represents \$61 million of 2020E Cash NOI at 80% for the joint venture and \$37 million of 2020E Cash NOI at 100% for the asset sale.
- 8) Assumes \$1.4 billion of gross proceeds are used to repay revolver borrowings at a 2% interest rate.

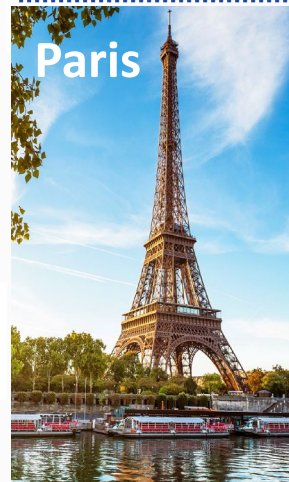


# Targeting Superior Risk-Adjusted Returns Potential Long-Term Value Creation



## Hypothetical Long-Term Cash Flow Accretion<sup>(2)</sup>

Incremental Cash Flow Generation	Incremental Core FFO/Sh <sup>(3)</sup>	Core FFO/Sh Growth <sup>(3)</sup>
<b>+\$80mm</b> Cash NOI	<b>+\$0.40</b> Per Share	<b>+6%</b> Growth
<b>+\$40mm</b> Cash NOI	<b>+\$0.15</b> Per Share	<b>+2%</b> Growth



1) Represents gross proceeds, excluding any potential special dividends related to gains on the joint venture contribution and asset sale or transaction expenses.  
 2) For illustrative purposes only, actual results may differ. Represents incremental cash flow generation divided by 218 million shares. Growth rates based on 2Q19 annualized Core FFO. No assurance can be given that capital will be redeployed in a timely manner, at projected yields, or at all.  
 3) Core FFO is a non-GAAP financial measure. For a definition of Core FFO, see the Appendix.

# Creating Sustainable Growth for Customers and Shareholders



- Continuation of Capital Recycling Program with Focus on Core Market and Assets
- Expansion of Private Capital Initiatives with Core Real Estate Joint Venture Partner
- Establishes Long-Term Relationship with Mapletree, Leading Real Estate Investment Firm based in Singapore
- Harvest Value Creation from Fully Stabilized Assets to be Redeployed in Attractive Development Opportunities
- Strengthens Balance Sheet Positioned to Support Customers' Global Growth



# Appendix



# Appendix

## Forward-Looking Statements

The information included in this presentation contains forward-looking statements. Such statements are based on management's beliefs and assumptions made based on information currently available to management. Such forward-looking statements include statements relating to: the expected timing and benefits of the transactions related to the PBB portfolio sale and the TKF portfolio core joint venture, our proposed joint venture with Mapletree, and our ability to consummate the transactions with Mapletree and to realize the anticipated financial benefits, value creation, growth opportunities and other benefits of such transactions; our economic outlook; public cloud services spending; the expected timing, locations, benefits and product offerings for IBM Cloud and Service Exchange; our corporate governance; our sustainability initiatives; the expected effect of foreign currency translation adjustments on our financials; demand drivers and economic growth outlook; business drivers; sources and uses; our expected development plans and completions, including timing, total square footage, IT capacity and raised floor space upon completion; expected availability for leasing efforts and colocation initiatives; organizational initiatives; our expected product offerings; our expected Go-to-Market strategy; joint venture opportunities; occupancy and total investment; our expected investment in our properties; our estimated time to stabilization and targeted returns at stabilization of our properties; our expected future acquisitions; acquisitions strategy; available inventory and development strategy; the signing and commencement of leases, and related rental revenue; lag between signing and commencement of leases; future rents; our expected same store portfolio growth; our expected growth and stabilization of development completions and acquisitions; our expected mark-to-market rates on lease expirations, lease rollovers and expected rental rate changes; our expected yields on investments; our expectations with respect to capital investments at lease expiration on existing data center or colocation space; barriers to entry; competition; debt maturities; lease maturities; our expected returns on invested capital; estimated absorption rates; our other expected future financial and other results, and the assumptions underlying such results; our top investment geographies and market opportunities; our expected colocation expansions; our ability to access the capital markets; expected time and cost savings to our customers; our customers' capital investments; our plans and intentions; future data center utilization, utilization rates, growth rates, trends, supply and demand; datacenter outsourcing trends; datacenter expansion plans; estimated kW/MW requirements; growth in the overall Internet infrastructure sector and segments thereof; the replacement cost of our assets; the development costs of our buildings, and lead times; estimated costs for customers to deploy or migrate to a new data center; capital expenditures; the effect new leases and increases in rental rates will have on our rental revenues and results of operations; lease expiration rates; our ability to borrow funds under our credit facilities; estimates of the value of our development portfolio; our ability to meet our liquidity needs, including the ability to raise additional capital; the settlement of our forward sales agreements; credit ratings; capitalization rates, or cap rates; market forecasts; potential new locations; the expected impact of our global expansion; dividend payments and our dividend policy; projected financial information and covenant metrics; annualized; core FFO run-rate and NOI Growth; other forward-looking financial data; leasing expectations; our exposure to tenants in certain industries; our expectations and underlying assumptions regarding our sensitivity to fluctuations in foreign exchange rates and energy prices; and the sufficiency of our capital to fund future requirements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and discussions which do not relate solely to historical matters. Such statements are subject to risks, uncertainties and assumptions, are not guarantees of future performance and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control that may cause actual results to vary materially. Some of the risks and uncertainties include, among others, the following: the competitive environment in which we operate reduced demand for data centers or decreases in information technology spending; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; the suitability of our data centers and data center infrastructure, delays or disruptions in connectivity or availability of power, or failures or breaches of our physical and information security infrastructure or services; our dependence upon significant customers, bankruptcy or insolvency of a major customer or a significant number of smaller customers, or defaults on or non-renewal of leases by customers; breaches of our obligations or restrictions under our contracts with our customers; our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties; the impact of current global and local economic, credit and market conditions; our inability to retain data center space that we lease or sublease from third parties; difficulty acquiring or operating properties in foreign jurisdictions; our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent acquisitions; our failure to successfully integrate and operate acquired or developed properties or businesses; difficulties in identifying properties to acquire and completing acquisitions; risks related to joint venture investments, including as a result of our lack of control of such investments; risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements; our failure to obtain necessary debt and equity financing, and our dependence on external sources of capital; financial market fluctuations and changes in foreign currency exchange rates; adverse economic or real estate developments in our industry or the industry sectors that we sell to, including risks relating to decreasing real estate valuations and impairment charges and goodwill and other intangible asset impairment charges; our inability to manage our growth effectively; losses in excess of our insurance coverage; environmental liabilities and risks related to natural disasters; our inability to comply with rules and regulations applicable to our company; our failure to maintain our status as a REIT for federal income tax purposes; our operating partnership's failure to qualify as a partnership for federal income tax purposes; restrictions on our ability to engage in certain business activities; and changes in local, state, federal and international laws and regulations, including related to taxation, real estate and zoning laws, and increases in real property tax rates, changes in the business or financial condition of us or our business; our ability to deliver high-quality properties and services, to attract and retain qualified personnel and to attract and retain customers; and the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us. The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance. We discussed a number of additional material risks in our annual report on Form 10-K for the year ended December 31, 2018 and other filings with the Securities and Exchange Commission. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise.

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# Appendix

## Management Statements on Non-GAAP Measures

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

### **Funds From Operations (FFO):**

We calculate funds from operations, or FFO, in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT, in the NAREIT Funds From Operations White Paper - 2018 Restatement. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from real estate transactions, impairment of investment in real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs), unconsolidated JV real estate related depreciation & amortization, non-controlling interests in operating partnership and after adjustments for unconsolidated partnerships and joint ventures. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions and after adjustments for unconsolidated partnerships and joint ventures, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our data centers that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our data centers, all of which have real economic effect and could materially impact our financial condition and results from operations, the utility of FFO as a measure of our performance is limited. Other REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to other REITs' FFO. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

### **Core Funds from Operations (Core FFO):**

We present core funds from operations, or core FFO, as a supplemental operating measure because, in excluding certain items that do not reflect core revenue or expense streams, it provides a performance measure that, when compared year over year, captures trends in our core business operating performance. We calculate core FFO by adding to or subtracting from FFO (i) termination fees and other non-core revenues, (ii) transaction and integration expenses, (iii) loss from early extinguishment of debt, (iv) issuance costs associated with redeemed preferred stock, (v) severance, equity acceleration, and legal expenses, (vi) gain/loss on FX revaluation, (vii) gain on contribution to unconsolidated joint venture, net of related tax, and (viii) other non-core expense adjustments. Because certain of these adjustments have a real economic impact on our financial condition and results from operations, the utility of core FFO as a measure of our performance is limited. Other REITs may calculate core FFO differently than we do and accordingly, our core FFO may not be comparable to other REITs' core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

### **Adjusted Funds from Operations (AFFO):**

We present adjusted funds from operations, or AFFO, as a supplemental operating measure because, when compared year over year, it assesses our ability to fund dividend and distribution requirements from our operating activities. We also believe that, as a widely recognized measure of the operations of REITs, AFFO will be used by investors as a basis to assess our ability to fund dividend payments in comparison to other REITs, including on a per share and unit basis. We calculate AFFO by adding to or subtracting from core FFO (i) non-real estate depreciation, (ii) amortization of deferred financing costs, (iii) amortization of debt discount/premium, (iv) non-cash stock-based compensation expense, (v) straight-line rental revenue, (vi) straight-line rental expense, (vii) above- and below-market rent amortization, (viii) deferred tax expense, (ix) leasing compensation and internal lease commissions, and (x) recurring capital expenditures. Other REITs may calculate AFFO differently than we do and accordingly, our AFFO may not be comparable to other REITs' AFFO. AFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.



# Appendix

## Management Statements on Non-GAAP Measures

### **EBITDA and Adjusted EBITDA:**

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

### **Net Operating Income (NOI) and Cash NOI:**

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



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

## Digital Realty Trust, Inc. and Subsidiaries

Reconciliation of Net Income Available to Common Stockholders to Funds From Operations (FFO)  
(in thousands, except per share and unit data)  
(unaudited)

	Three Months Ended	
	June 30, 2019	June 30, 2018
Net (loss) income available to common stockholders	\$ 31,738	\$ 65,134
Adjustments:		
Noncontrolling interests in operating partnership	1,400	2,700
Real estate related depreciation and amortization (1)	286,915	295,750
Real estate related depreciation and amortization related to investment in unconsolidated joint ventures	13,623	3,722
Impairment of investments in real estate	-	-
(Gain) loss on sale of properties	-	(14,192)
FFO available to common stockholders and unitholders	<u>\$ 333,676</u>	<u>\$ 353,114</u>
Basic FFO per share and unit	\$ 1.54	\$ 1.65
Diluted FFO per share and unit	\$ 1.53	\$ 1.64
Weighted average common stock and units outstanding		
Basic	217,346	214,288
Diluted	218,497	214,895

(1) Real estate related depreciation and amortization was computed as follows:

Depreciation and amortization per income statement	290,562	298,788
Non-real estate depreciation	(3,647)	(3,038)
	<u>\$ 286,915</u>	<u>\$ 295,750</u>

## Digital Realty Trust, Inc. and Subsidiaries

Reconciliation of Funds From Operations (FFO) to Core Funds From Operations (CFFO)  
(in thousands, except per share and unit data)  
(unaudited)

	Three Months Ended	
	June 30, 2019	June 30, 2018
FFO available to common stockholders and unitholders -- diluted	\$ 333,676	\$ 353,114
Termination fees and other non-core revenues <sup>(1)</sup>	(16,826)	(3,663)
Transaction and integration expenses	4,210	5,606
Loss from early extinguishment of debt	20,905	-
Loss on FX revaluation	(4,251)	-
Severance accrual and equity acceleration <sup>(2)</sup>	665	1,822
Issuance costs associated with redeemed preferred stock	11,760	-
Other non-core expense adjustments	7,115	152
CFFO available to common stockholders and unitholders -- diluted	<u>\$ 357,254</u>	<u>\$ 357,031</u>
Diluted CFFO per share and unit	\$ 1.64	\$ 1.66

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

(2) Relates to severance and other charges related to the departure of company executives and integration-related severance.

## Digital Realty Trust, Inc. and Subsidiaries

Reconciliation of Core Funds From Operations (CFFO) to Adjusted Funds From Operations (AFFO)  
(in thousands, except per share and unit data)  
(unaudited)

	Three Months Ended	
	June 30, 2019	June 30, 2018
CFFO available to common stockholders and unitholders -- diluted	\$ 357,254	\$ 357,031
Non-real estate depreciation	3,647	3,038
Amortization of deferred financing costs	2,905	2,953
Amortization of debt discount/premium	515	882
Non-cash stock-based compensation expense	9,468	8,419
Straight-line rental revenue	(13,033)	(8,489)
Straight-line rental expense	318	2,669
Above- and below-market rent amortization	3,954	6,794
Deferred tax expense	(979)	(1,137)
Leasing compensation & internal lease commissions <sup>(1)</sup>	4,025	(5,647)
Recurring capital expenditures <sup>(2)</sup>	(39,515)	(34,447)
AFFO available to common stockholders and unitholders -- diluted	<u>\$ 328,559</u>	<u>\$ 332,066</u>
Diluted AFFO per share and unit	\$ 1.50	\$ 1.55

(1) The company adopted ASC 842 in the first quarter of 2019.

(2) Recurring capital expenditures represent non-incremental building improvements required to maintain current revenues, including second-generation tenant improvements and external leasing commissions. Recurring capital expenditures do not include acquisition costs contemplated when underwriting the purchase of a building, costs which are incurred to bring a building up to Digital Realty's operating standards, or internal leasing commissions.

## Digital Realty Trust, Inc. and Subsidiaries

Reconciliation of Net Income Available to Common Stockholders to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA  
(in thousands)  
(unaudited)

	Three Months Ended	
	June 30, 2019	June 30, 2018
Net (loss) income available to common stockholders	\$ 31,738	\$ 65,134
Interest	86,051	78,810
(Gain) loss from early extinguishment of debt	20,905	-
Tax expense	4,634	2,121
Depreciation and amortization	290,562	298,788
EBITDA	433,890	444,853
Unconsolidated JV real estate related depreciation & amortization	13,623	3,722
Severance accrual and equity acceleration	665	1,822
Transaction and integration expenses	4,210	5,606
(Gain) on sale / deconsolidation	-	(14,192)
Impairment of investments in real estate	-	-
Other non-core adjustments, net	(13,476)	(2,984)
Noncontrolling interests	1,156	2,696
Preferred stock dividends, including undeclared dividends	16,670	20,329
Issuance costs associated with redeemed preferred stock	11,760	-
Adjusted EBITDA	<u>\$ 468,498</u>	<u>\$ 461,852</u>

