



Fellow Shareholders,

2011 marked another year of solid execution at CoreSite. While we are pleased with our operational success and financial growth in 2011, we are most encouraged by the meaningful enhancements we made to build upon our foundation for future success in 2012 and beyond.

We believe that differentiated success in our business requires four key ingredients – properties, people, capital and market opportunity.

- *Properties.* We entered 2012 with properties located at in-fill locations in many of the largest markets in the US and, importantly, with network access creating sustainably differentiated value. Additionally, our properties provide a built-in platform for substantial growth, enabling us to nearly double the size of our operating data center square footage on land and in buildings we currently own.
- *People.* Our 277 employees at March 31, 2012, are highly capable and deeply dedicated, bringing domain expertise in developing and operating data centers and providing services and support at a level matched only by the best in our industry. The work of our people resonates throughout our national service platform, from the trained and reliable technical teams in our data centers to our robust in-house sales team to our efficient and customer-friendly technology and customer-support systems.
- *Capital.* Our balance sheet at December 31, 2011, reflected debt equivalent to 1.7 times annualized Q4-11 adjusted EBITDA, providing significant capacity for us to expand our portfolio funded by attractively priced capital utilizing our existing line of credit.
- *Market opportunity.* As we look into 2012, we believe that we have an excellent market opportunity in front of us. We believe that, at the most fundamental level, demand for our business is driven by global growth in internet-centric applications, devices and networks. The number of each of these key demand drivers – applications, devices and networks – continues to increase, and from our perspective supports continued healthy demand for our properties and services. Further, we believe that the strength of our market opportunity is buttressed not only by the favorable macro outlook for demand but also by our positioning among competitors in our industry. To that effect, we believe that CoreSite is well positioned to capitalize upon a currently open window of opportunity in our industry. Specifically, we believe that our target customers seek an additional high-quality national provider of network-centric data center solutions in order to provide network-and-vendor diversity in key US markets where limited alternatives currently exist. We believe that CoreSite contains the strongest combination of the key ingredients required to meet the current market need – properties, people and capital – among the companies capable of enhancing network-and-vendor diversity in the US.

We're working hard and with discipline to capture the promise inherent in our strong position in our growing industry. In 2012, we'll continue to upgrade our peering and interconnection service set, such as the upgrade of our Any<sup>2</sup> network exchange to a dual-core architecture. We'll continue to bring all of our properties up to the rigorous specifications associated with the quality of our brand. We also plan to meaningfully advance our comprehensive upgrade to our information technology systems to ensure that

our customer experience is second to none in our industry. Further, we will continue to invest in our sales and marketing resources, all with the goal of moving decisively to seize the opportunity before us.

We entered 2012 with the right stuff – properties, people, capital and market opportunity – to continue to grow our company and to further cement our position as a company with a differentiated and enduring value proposition. We are focused on scaling our platform into new facilities and new markets and enhancing the value that we bring to our customers.

We are thankful for the trust our customers put in us, the capabilities and hard work of our colleagues and the continued support of our shareholders. We are moving forward with energy, commitment and discipline and we will continue to work hard to earn attractive returns for our investors.

A handwritten signature in black ink, appearing to read 'T. Ray', with a stylized flourish at the end.

Thomas M. Ray  
President and Chief Executive Officer