



Fellow Shareholders,

Now in our 16th year following our first activities, CoreSite continues to grow as we deliver secure, reliable, high-performance data center and interconnection solutions supported by best-in-class customer service. Across eight key North American markets, more than 900 of the world's leading enterprises, network operators, cloud providers, and supporting service providers choose CoreSite to connect, protect and optimize their performance-sensitive data, applications and computing workloads. CoreSite currently has 17 operational data centers with two additional data centers under construction in the Bay Area; and planned expansion in a number of our markets in 2016 as we continue to execute on our organic growth plans.

2015 was another solid year for CoreSite, highlighted by focused execution across the organization, resulting in strong financial and operational achievements. Throughout the year, we continued to focus on simplifying our company and empowering our employees to be more efficient and productive with a streamlined organizational structure. We believe these efforts produced meaningful outcomes in terms of record sales and leasing results in 2015 and ongoing leasing momentum as we entered 2016.

We would like to share with you an overview of what we accomplished over the past year and how we believe those accomplishments position us for accelerating success in 2016 and beyond.

1. *Delivered strong financial results*—Reflecting our continued focus to deliver superior return on investment for our shareholders, in 2015 we increased funds from operations attributable to common shares and units by 30.0% over 2014, exceeding our revenue growth rate of 22.3% for the full year. We executed against our strategy of increasing the profitability of our new and expansion sales by targeting smaller, more interconnect-rich deployments, contributing to 26.7% growth in EBITDA over 2014. Our continued strong earnings growth allowed us to increase our fourth-quarter dividend by 26.2% over that of the prior-year quarter. This represents the fifth consecutive year of double-digit growth in the quarterly dividend rate.
2. *Produced record new and expansion leasing results*—In 2015 we executed 526 new and expansion leases totaling \$46.2 million in annualized GAAP rent, representing an increase of 39.2% relative to annualized GAAP rent signed in 2014, and the highest level of rent signed in our history. This strong leasing helped us increase occupancy in our total data center operating portfolio, as of December 31, 2015, by 710 basis points to 89.7% over the preceding twelve-month-period.
3. *Further strengthened the network and cloud density of our data centers*—Throughout 2015 we continued to see strong leasing momentum across both our network and cloud verticals, as defined by transaction volume as well as the type of deployments we have been able to attract, increasing the value of our network-dense and cloud-enabled data centers. Specifically, in 2015 we executed more than 250 new and expansion leases in our network and cloud verticals, representing 47.5% of leases signed. We ended the year with more than 300 network service providers and more than 275 cloud and IT service providers, across our platform, including key on-ramps to major public cloud providers. Related to the growth in network and cloud deployments across our portfolio, interconnection revenue growth was strong again in 2015, increasing 25.1% over 2014. More specifically, we continued to see a positive shift in mix, with strong growth in interconnections made over

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**SECURE, RELIABLE, HIGH-PERFORMANCE DATA CENTER SOLUTIONS**

our logical-interconnection product set, comprised predominantly of our Any2Exchange® for Internet peering, Blended IP, and the CoreSite Open Cloud Exchange.

4. *Continued to drive operational excellence across the organization*—In 2015, our company successfully executed upon several key operational objectives. First, 2015 marked the fifth consecutive year that we achieved six-9s in portfolio-wide uptime, providing our customers with the performance and reliability they need to run their mission-critical applications and support performance-sensitive workloads. Second, we obtained ISO 27001 certification for our data center colocation services across all of our operating data centers. This certification underscores our focus around our information security controls and our commitment to providing our customers with secure, reliable, and high-performance data center colocation solutions. Finally, we delivered the first operational phase of our investment in technology systems, designed to simplify our company for our customers and employees. With the implementation of the first phase behind us, we successfully laid the building blocks to support further technology improvements across our company, many of which are currently in flight and targeted to become operational in 2016.
5. *Continued to invest in expansion to support ongoing organic growth*—2015 marked another year of significant capital investment for CoreSite. Specifically, we invested \$133 million in expansion capital during the year, completing construction of 185,000 net rentable square feet across four of our markets. Entering 2016 we had a number of additional projects underway, which will increase our footprint by 450,000 square feet, including two new buildings in the Bay Area, additional capacity at VA2 in Northern Virginia, further build out of LA2 in Los Angeles, and expansion at BO1 in Boston. The largest among our investments currently under way, and the largest ground-up data center development in our history, is our 230,000-square foot SV7 project in Santa Clara. We are currently under construction on the first two phases of SV7, comprising 160,000 square feet of turn-key data center space, and have already pre-leased 73.8% of this capacity.

We remain focused on continued execution of our business plan during 2016. We believe that we are making important investments to support the future growth and continued evolution of our company and that our national platform continues to grow in its ability to demonstrate added value to our customers. We entered 2016 with solid momentum, high morale and high energy, and we will work hard to further strengthen CoreSite's position in nourishing key communities of interest and bringing differentiated value to the market.

Sincerely,



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