



*Rendering of SV7 - Santa Clara, California*

QUARTER ENDED JUNE 30, 2016

# Earnings Release and Supplemental Information



SECURE, RELIABLE, HIGH-PERFORMANCE DATA CENTER SOLUTIONS

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# CoreSite Reports Second-Quarter Revenue and FFO per Share Growth of 18% and 31% Year over Year, Respectively

## Second-quarter net income per share of \$0.37 increased 68% year over year

### DENVER, CO – JULY 28, 2016

CoreSite Realty Corporation (NYSE:COR), a premier provider of secure, reliable, high-performance data center and interconnection solutions across the U.S., today announced financial results for the second quarter ended June 30, 2016.

### Quarterly Highlights

- Reported second-quarter net income per diluted share of \$0.37, representing 68.2% growth year over year
- Reported second-quarter funds from operations ("FFO") of \$0.89 per diluted share and unit, representing 30.9% growth year over year
- Reported second-quarter total operating revenues of \$96.1 million, representing an 18.1% increase year over year
- Executed a record 171 new and expansion data center leases comprising 48,147 net rentable square feet (NRSF), representing \$7.7 million of annualized GAAP rent at a rate of \$159 per square foot
- Commenced 157,642 net rentable square feet of new and expansion leases representing \$8.7 million of annualized GAAP rent at a rate of \$55 per square foot, including the 136,580 square foot powered-shell build-to-suit in Santa Clara
- Realized rent growth on signed renewals of 5.2% on a cash basis and 9.4% on a GAAP basis and recorded rental churn of 2.1%

Tom Ray, CoreSite's Chief Executive Officer, commented, "We are pleased that our focused efforts and consistent execution resulted in another quarter of solid financial and operational performance." Mr. Ray continued, "We made strong progress against our goal of increasing transaction volume, with a record 171 new and expansion leases signed in Q2, as well as further diversifying our customer base with 31 net new logos added across our platform. Our core colocation and interconnection-solutions business produced strong results and we believe we continue to drive differentiated value in our portfolio with the launch of new cloud on-ramps in our platform. We believe that CoreSite remains well-positioned to strengthen the value of its communities of interest within its network-rich, cloud-enabled data center platform."

### Financial Results

CoreSite reported FFO per diluted share and unit of \$0.89 for the three months ended June 30, 2016, an increase of 30.9% compared to \$0.68 per diluted share and unit for the three months ended June 30, 2015. On a sequential-quarter basis, FFO per diluted share and unit increased 3.5%.

Total operating revenues for the three months ended June 30, 2016, were \$96.1 million, an 18.1% increase year over year and an increase of 3.9% on a sequential-quarter basis. CoreSite reported second-quarter net income attributable to common shares of \$12.0 million, or \$0.37 per diluted share.

#### Quarter Ended June 30, 2016

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# Quarter Ended June 30, 2016

## Sales Activity

CoreSite executed 171 new and expansion data center leases representing \$7.7 million of annualized GAAP rent during the second quarter, comprised of 48,147 NRSF at a weighted-average GAAP rental rate of \$159 per NRSF.

CoreSite's second-quarter data center lease commencements totaled 157,642 NRSF at a weighted average GAAP rental rate of \$55 per NRSF, which represents \$8.7 million of annualized GAAP rent. CoreSite's second-quarter lease commencements include the 136,580 square foot powered-shell build-to-suit at SV6 in Santa Clara, which commenced on May 1, 2016.

CoreSite's renewal leases signed in the second quarter totaled \$8.5 million in annualized GAAP rent, comprised of 70,028 NRSF at a weighted-average GAAP rental rate of \$122 per NRSF, reflecting a 5.2% increase in rent on a cash basis and a 9.4% increase on a GAAP basis. The second-quarter rental churn rate was 2.1%, and included 100 basis points of churn related to CoreSite's original full-building customer at SV3, as previously disclosed.

## Development Activity

Denver – Subsequent to the end of the second quarter, CoreSite executed a lease providing for expansion at its DE1 facility. The 10-year lease – with renewal rights for four, 5-year extensions at fixed rental rates – is for 23,000 square feet of shell capacity to support CoreSite's build out of turn-key data center capacity in two or more phases. CoreSite expects to substantially complete construction of the initial phase of 8,000 square feet in the first quarter of 2017, at a cost of approximately \$14 million.

Santa Clara – During the second quarter, CoreSite placed into service 136,580 square feet at SV6, a powered-shell build-to-suit for a strategic customer; this capacity was 100% leased and occupied at June 30, 2016. Additionally, as of the end of the second quarter, CoreSite had 230,000 square feet of turn-key data center capacity under construction at SV7. As of June 30, 2016, CoreSite had incurred \$151.6 million of the estimated \$190.0 million required to complete this development and expects to substantially complete construction in the third quarter of 2016. SV7 was 58.5% pre-leased as of the end of the second quarter.

Northern Virginia – During the second quarter, CoreSite placed into service 48,137 square feet of turn-key data center space at Phase 4 at VA2. CoreSite's Reston campus is now fully built out and was 79.4% occupied as of June 30, 2016.

Los Angeles – During the second quarter, CoreSite placed into service 43,345 square feet of turn-key data center space at LA2. As of June 30, 2016, this space was 21.2% leased and 7.1% occupied.

# Quarter Ended June 30, 2016

## Balance Sheet and Liquidity

As of June 30, 2016, CoreSite had net principal debt of \$497.8 million, correlating to 2.4 times second-quarter annualized adjusted EBITDA, and net principal debt and preferred stock outstanding of \$612.8 million, correlating to 3.0 times second-quarter annualized adjusted EBITDA.

At quarter end, CoreSite had \$2.2 million of cash available on its balance sheet and \$345.5 million of capacity available under its revolving credit facility.

## Dividend

On May 20, 2016, CoreSite announced a dividend of \$0.53 per share of common stock and common stock equivalents for the second quarter of 2016. The dividend was paid on July 15, 2016, to shareholders of record on June 30, 2016.

CoreSite also announced on May 20, 2016, a dividend of \$0.4531 per share of Series A preferred stock for the period April 15, 2016, to July 14, 2016. The preferred dividend was paid on July 15, 2016, to shareholders of record on June 30, 2016.

## 2016 Guidance

CoreSite is increasing its 2016 guidance of FFO per diluted share and unit to a range of \$3.56 to \$3.64 from the previous range of \$3.52 to \$3.60. In addition, CoreSite is increasing its 2016 guidance for net income attributable to common shares to a range of \$1.41 to \$1.49 from the previous range of \$1.28 to \$1.36, with the difference between FFO and net income being real estate depreciation and amortization.

This outlook is predicated on current economic conditions, internal assumptions about CoreSite's customer base, and the supply and demand dynamics of the markets in which CoreSite operates. The guidance does not include the impact of any future financing, investment or disposition activities, beyond what has already been disclosed.

## Upcoming Conferences and Events

CoreSite will participate in the Cowen and Company Communications Infrastructure Summit on August 9<sup>th</sup> in Boulder, Colorado and the Bank of America Merrill Lynch 2016 Global Real Estate Conference on September 13<sup>th</sup> in New York, New York.

# Quarter Ended June 30, 2016

## Conference Call Details

CoreSite will host a conference call on July 28, 2016, at 12:00 p.m., Eastern Time (10:00 a.m., Mountain Time), to discuss its financial results, current business trends and market conditions.

The call can be accessed live over the phone by dialing 877-407-3982 for domestic callers or 201-493-6780 for international callers. A replay will be available shortly after the call and can be accessed by dialing 877-870-5176 for domestic callers or 858-384-5517 for international callers. The passcode for the replay is 13639460. The replay will be available until August 11, 2016.

Interested parties may also listen to a simultaneous webcast of the conference call by logging on to CoreSite's website at [www.CoreSite.com](http://www.CoreSite.com) and clicking on the "Investors" link. The on-line replay will be available for a limited time beginning immediately following the call.

## About CoreSite

CoreSite Realty Corporation (NYSE:COR) delivers secure, reliable, high-performance data center and interconnection solutions to a growing customer ecosystem 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. Our scalable, flexible solutions and 350+ dedicated employees consistently deliver unmatched data center options — all of which leads to a best-in-class customer experience and lasting relationships. For more information, visit [www.CoreSite.com](http://www.CoreSite.com).

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## Forward Looking Statements

This earnings release and accompanying supplemental information may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, 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 that are predictions of or indicate future events or trends and that do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond CoreSite’s control, that may cause actual results to differ significantly from those expressed in any forward-looking statement. These risks include, without limitation: the geographic concentration of the company’s data centers in certain markets and any adverse developments in local economic conditions or the demand for data center space in these markets; fluctuations in interest rates and increased operating costs; difficulties in identifying properties to acquire and completing acquisitions; significant industry competition; the company’s failure to obtain necessary outside financing; the company’s failure to qualify or maintain its status as a REIT; financial market fluctuations; changes in real estate and zoning laws and increases in real property tax rates; and other factors affecting the real estate industry generally. All forward-looking statements reflect the company’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause the company’s future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in the company’s most recent annual report on Form 10-K, and other risks described in documents subsequently filed by the company from time to time with the Securities and Exchange Commission.

# Company Profile



VA2 - Reston, Virginia

CoreSite delivers secure, reliable, high-performance data center and interconnection solutions to a growing customer ecosystem across eight key North American markets.

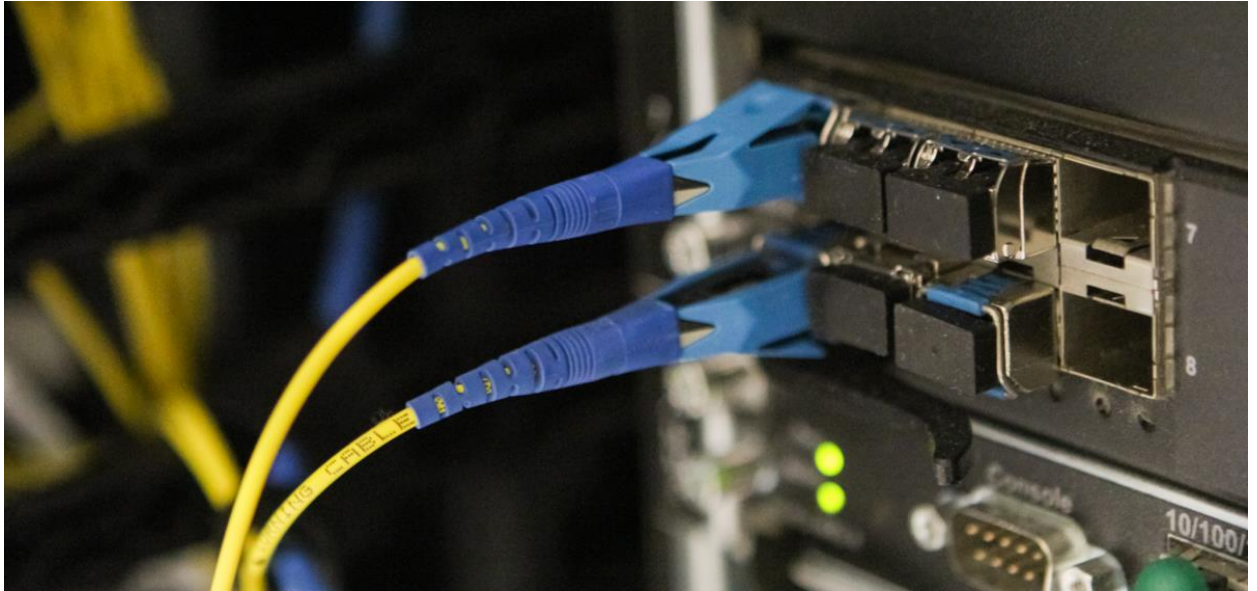


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# Company Profile



## Secure, Reliable and Compliant

- Six 9s uptime for five consecutive years
- Physical security standards and rigorous internal security training enable regulatory compliance requirements
- Operational excellence in security and environmental controls
- Consistent compliance across all properties
  - SOC 1 & SOC 2 Type 2 reviews
  - ISO 27001 certified
  - Payment Card Industry Data Security Standard compliant

## Scalable

- Serving customer requirements from half cabinet to full buildings
- 18 operating data centers in eight of the largest commercial and data center markets in the United States
- Delivering SV7 on the Santa Clara campus in the second half of 2016
- Ability to increase occupied data center footprint on land and buildings currently owned, including current space unoccupied, under construction and held for development by approximately 50%

## High-Performance

- Cloud-enabled, network-rich data center campuses
- Over 300 network service providers supported by robust IX services to key public clouds
- 20,000+ interconnections
- Enabling enterprise with support ecosystems

## Best-in-Class Customer Experience

- 350+ professionals with dedicated industry expertise supporting over 900 customers
- Experienced and committed operations, facilities and security personnel
- Dedicated implementation resources to ensure a seamless onboarding process
- 24/7 customer support and remote hands

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# Summary of Financial Data

(in thousands, except per share, NRSF and MRR data)

	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
<b>Summary of Results</b>					
Operating revenues	\$ 96,090	\$ 92,480	\$ 81,336	\$ 188,570	\$ 155,991
Net income	19,835	19,606	12,882	39,441	24,942
Net income attributable to common shares	12,035	11,261	5,538	23,296	10,106
Funds from operations (FFO) to shares and units	42,614	40,907	32,140	83,521	62,333
Adjusted funds from operations (AFFO)	40,299	35,581	26,116	75,880	51,270
EBITDA	48,785	46,391	38,722	95,176	74,910
Adjusted EBITDA	51,122	48,487	40,559	99,609	78,510
Per share - diluted:					
Net income attributable to common shares	\$ 0.37	\$ 0.37	\$ 0.22	\$ 0.74	\$ 0.43
FFO per common share and OP unit	\$ 0.89	\$ 0.86	\$ 0.68	\$ 1.75	\$ 1.32

	As of				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>Dividend Activity</b>					
Dividends declared per share and OP unit	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.42	\$ 0.42
AFFO payout ratio	62.8%	71.1%	82.8%	77.6%	76.1%

<b>Operating Portfolio Statistics</b>					
Operating data center properties	18	17	17	17	17
Stabilized data center NRSF	1,775,007	1,597,764	1,524,406	1,474,472	1,449,498
Stabilized data center NRSF occupied	1,633,450	1,447,764	1,409,332	1,337,015	1,303,274
Stabilized data center % occupied	92.0%	90.6%	92.5%	90.7%	89.9%

<b>Turn-Key Data Center ("TKD") Same Store Statistics</b>					
MRR per Cabinet Equivalent	\$ 1,478	\$ 1,461	\$ 1,422	\$ 1,412	\$ 1,387
TKD NRSF % occupied	88.9%	87.2%	88.6%	83.1%	81.9%

<b>Market Capitalization, Principal Debt &amp; Preferred Stock</b>					
Total enterprise value	\$ 4,852,439	\$ 3,920,378	\$ 3,201,961	\$ 2,918,547	\$ 2,620,743
Total principal debt outstanding	500,000	461,000	392,250	360,250	352,250
Total principal debt and preferred stock outstanding	615,000	576,000	507,250	475,250	467,250

<b>Net Principal Debt to:</b>					
Annualized Adjusted EBITDA	2.4x	2.4x	2.0x	2.0x	2.1x
Enterprise Value	10.3%	11.7%	12.0%	12.0%	13.2%

<b>Net Principal Debt &amp; Preferred Stock to:</b>					
Annualized Adjusted EBITDA	3.0x	3.0x	2.6x	2.7x	2.8x
Enterprise Value	12.6%	14.6%	15.6%	16.0%	17.5%

## Quarter Ended June 30, 2016

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# Consolidated Balance Sheets

(in thousands)

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
<b>Assets:</b>		
Investments in real estate:		
Land	\$ 82,463	\$ 74,819
Buildings and improvements	1,174,099	1,037,127
	1,256,562	1,111,946
Less: Accumulated depreciation and amortization	(323,919)	(284,219)
Net investment in operating properties	932,643	827,727
Construction in progress	210,415	183,189
<b>Net investments in real estate</b>	<b>1,143,058</b>	<b>1,010,916</b>
Cash and cash equivalents	2,243	6,854
Accounts and other receivables, net	13,802	12,235
Lease intangibles, net	3,707	4,714
Goodwill	41,191	41,191
Other assets, net	92,329	86,633
<b>Total assets</b>	<b>\$1,296,330</b>	<b>\$ 1,162,543</b>
<b>Liabilities and equity:</b>		
<b>Liabilities</b>		
Debt, net	\$ 496,199	\$ 391,007
Accounts payable and accrued expenses	115,533	75,783
Accrued dividends and distributions	28,326	28,104
Deferred rent payable	7,442	7,934
Acquired below-market lease contracts, net	4,267	4,693
Unearned revenue, prepaid rent and other liabilities	31,232	28,717
<b>Total liabilities</b>	<b>682,999</b>	<b>536,238</b>
<b>Stockholders' equity</b>		
Series A cumulative preferred stock	115,000	115,000
Common stock, par value \$0.01	334	301
Additional paid-in capital	433,637	390,200
Accumulated other comprehensive loss	(3,029)	(493)
Distributions in excess of net income	(99,942)	(88,891)
Total stockholders' equity	446,000	416,117
Noncontrolling interests	167,331	210,188
<b>Total equity</b>	<b>613,331</b>	<b>626,305</b>
<b>Total liabilities and equity</b>	<b>\$1,296,330</b>	<b>\$ 1,162,543</b>

Quarter Ended June 30, 2016

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# Consolidated Statements of Operations

(in thousands, except share and per share data)

	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
<b>Operating revenues:</b>					
Data center revenue:					
Rental revenue	\$ 52,364	\$ 50,371	\$ 44,824	\$ 102,735	\$ 86,147
Power revenue	26,401	25,574	21,672	51,975	41,239
Interconnection revenue	12,977	12,742	10,595	25,719	20,810
Tenant reimbursement and other	2,326	1,830	2,276	4,156	3,692
Total data center revenue	94,068	90,517	79,367	184,585	151,888
Office, light-industrial and other revenue	2,022	1,963	1,969	3,985	4,103
Total operating revenues	96,090	92,480	81,336	188,570	155,991
<b>Operating expenses:</b>					
Property operating and maintenance	25,576	24,663	22,084	50,239	41,762
Real estate taxes and insurance	3,070	3,065	3,270	6,135	5,205
Depreciation and amortization	26,227	24,770	24,046	50,997	46,862
Sales and marketing	4,501	4,221	4,256	8,722	8,038
General and administrative	8,818	8,720	7,952	17,538	15,817
Rent	5,334	5,417	5,007	10,751	10,250
Transaction costs	6	3	45	9	45
Total operating expenses	73,532	70,859	66,660	144,391	127,979
<b>Operating income</b>	22,558	21,621	14,676	44,179	28,012
Gain on real estate disposal	-	-	-	-	36
Interest income	-	1	2	1	4
Interest expense	(2,680)	(2,012)	(1,730)	(4,692)	(2,995)
Income before income taxes	19,878	19,610	12,948	39,488	25,057
Income tax expense	(43)	(4)	(66)	(47)	(115)
Net income	19,835	19,606	12,882	39,441	24,942
Net income attributable to noncontrolling interests	5,715	6,261	5,259	11,976	10,667
Net income attributable to CoreSite Realty Corporation	14,120	13,345	7,623	27,465	14,275
Preferred stock dividends	(2,085)	(2,084)	(2,085)	(4,169)	(4,169)
<b>Net income attributable to common shares</b>	<b>\$ 12,035</b>	<b>\$ 11,261</b>	<b>\$ 5,538</b>	<b>\$ 23,296</b>	<b>\$ 10,106</b>
<b>Net income per share attributable to common shares:</b>					
<b>Basic</b>	<b>\$ 0.38</b>	<b>\$ 0.37</b>	<b>\$ 0.23</b>	<b>\$ 0.75</b>	<b>\$ 0.44</b>
<b>Diluted</b>	<b>\$ 0.37</b>	<b>\$ 0.37</b>	<b>\$ 0.22</b>	<b>\$ 0.74</b>	<b>\$ 0.43</b>
Weighted average common shares outstanding:					
Basic	32,022,845	30,252,693	24,536,583	31,137,769	22,963,111
Diluted	32,435,606	30,694,747	25,055,195	31,554,157	23,525,316

Quarter Ended June 30, 2016

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# Reconciliations of Net Income to FFO, AFFO, EBITDA and Adjusted EBITDA

(in thousands, except per share data)

## Reconciliation of Net Income to FFO

	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Net income	\$ 19,835	\$ 19,606	\$ 12,882	\$ 39,441	\$ 24,942
Real estate depreciation and amortization	24,864	23,385	21,343	48,249	41,596
Gain on real estate disposal	-	-	-	-	(36)
FFO	\$ 44,699	\$ 42,991	\$ 34,225	\$ 87,690	\$ 66,502
Preferred stock dividends	(2,085)	(2,084)	(2,085)	(4,169)	(4,169)
<b>FFO available to common shareholders and OP unit holders</b>	<b>\$ 42,614</b>	<b>\$ 40,907</b>	<b>\$ 32,140</b>	<b>\$ 83,521</b>	<b>\$ 62,333</b>
Weighted average common shares outstanding - diluted	32,436	30,695	25,055	31,554	23,525
Weighted average OP units outstanding - diluted	15,239	16,856	22,344	16,047	23,844
Total weighted average shares and units outstanding - diluted	47,675	47,551	47,399	47,601	47,369
<b>FFO per common share and OP unit - diluted</b>	<b>\$ 0.89</b>	<b>\$ 0.86</b>	<b>\$ 0.68</b>	<b>\$ 1.75</b>	<b>\$ 1.32</b>

## Reconciliation of FFO to AFFO

	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
FFO available to common shareholders and unit holders	\$ 42,614	\$ 40,907	\$ 32,140	\$ 83,521	\$ 62,333
Adjustments:					
Amortization of deferred financing costs	311	283	292	594	586
Non-cash compensation	2,311	2,093	1,792	4,404	3,361
Non-real estate depreciation	1,363	1,385	2,703	2,748	5,266
Straight-line rent adjustment	(1,002)	(1,594)	(2,755)	(2,596)	(3,819)
Amortization of above and below market leases	(143)	(133)	(130)	(276)	(258)
Recurring capital expenditures	(1,217)	(1,700)	(852)	(2,917)	(2,833)
Tenant improvements	(901)	(1,289)	(2,282)	(2,190)	(4,479)
Capitalized leasing costs	(3,037)	(4,371)	(4,792)	(7,408)	(8,887)
<b>AFFO available to common shareholders and OP unit holders</b>	<b>\$ 40,299</b>	<b>\$ 35,581</b>	<b>\$ 26,116</b>	<b>\$ 75,880</b>	<b>\$ 51,270</b>

## Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Net income	\$ 19,835	\$ 19,606	\$ 12,882	\$ 39,441	\$ 24,942
Adjustments:					
Interest expense, net of interest income	2,680	2,011	1,728	4,691	2,991
Income taxes	43	4	66	47	115
Depreciation and amortization	26,227	24,770	24,046	50,997	46,862
<b>EBITDA</b>	<b>\$ 48,785</b>	<b>\$ 46,391</b>	<b>\$ 38,722</b>	<b>\$ 95,176</b>	<b>\$ 74,910</b>
Non-cash compensation	2,311	2,093	1,792	4,404	3,361
Gain on real estate disposal	-	-	-	-	(36)
Transaction costs / litigation	26	3	45	29	275
<b>Adjusted EBITDA</b>	<b>\$ 51,122</b>	<b>\$ 48,487</b>	<b>\$ 40,559</b>	<b>\$ 99,609</b>	<b>\$ 78,510</b>

## Quarter Ended June 30, 2016

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# Operating Properties

Market/Facilities	Data Center Operating NRSF							NRSF Under Construction	Held for Development NRSF	Total NRSF
	Annualized Rent (\$000) <sup>(1)</sup>	Stabilized		Pre-Stabilized		Total				
		Total	Percent Occupied <sup>(2)</sup>	Total	Percent Occupied <sup>(2)</sup>	Total	Percent Occupied <sup>(2)</sup>			
<b>Los Angeles</b>										
One Wilshire campus										
LA1*	\$ 27,953	139,053	88.7 %	-	- %	139,053	88.7 %	-	10,352	149,405
LA2	27,157	254,343	87.5	43,345	3.6	297,688	75.3	-	127,202	424,890
<b>Los Angeles Total</b>	<b>55,110</b>	<b>393,396</b>	<b>87.9</b>	<b>43,345</b>	<b>3.6</b>	<b>436,741</b>	<b>79.6</b>	-	<b>137,554</b>	<b>574,295</b>
<b>San Francisco Bay</b>										
SV1	6,350	85,932	81.5	-	-	85,932	81.5	-	-	85,932
SV2	7,090	76,676	71.9	-	-	76,676	71.9	-	-	76,676
Santa Clara campus <sup>(3)</sup>	36,804	388,589	98.4	-	-	388,589	98.4	230,000	-	618,589
<b>San Francisco Bay Total</b>	<b>50,244</b>	<b>551,197</b>	<b>92.1</b>	-	-	<b>551,197</b>	<b>92.1</b>	<b>230,000</b>	-	<b>781,197</b>
<b>Northern Virginia</b>										
VA1	30,096	201,719	96.1	-	-	201,719	96.1	-	-	201,719
VA2	9,870	115,336	100.0	73,111	1.0	188,447	61.6	-	-	188,447
DC1*	3,277	22,137	88.3	-	-	22,137	88.3	-	-	22,137
<b>Northern Virginia Total</b>	<b>43,243</b>	<b>339,192</b>	<b>96.9</b>	<b>73,111</b>	<b>1.0</b>	<b>412,303</b>	<b>79.9</b>	-	-	<b>412,303</b>
<b>Chicago</b>										
CHI	18,051	166,776	92.1	11,631	80.2	178,407	91.3	-	-	178,407
<b>Boston</b>										
BO1	16,348	166,026	98.6	14,031	34.2	180,057	93.6	-	73,619	253,676
<b>New York</b>										
NY1*	5,009	48,404	70.7	-	-	48,404	70.7	-	-	48,404
NY2	8,588	68,822	94.1	32,920	27.8	101,742	72.6	-	134,508	236,250
<b>New York Total</b>	<b>13,597</b>	<b>117,226</b>	<b>84.4</b>	<b>32,920</b>	<b>27.8</b>	<b>150,146</b>	<b>72.0</b>	-	<b>134,508</b>	<b>284,654</b>
<b>Miami</b>										
MI1	1,843	30,176	81.6	-	-	30,176	81.6	-	13,154	43,330
<b>Denver</b>										
DE1*	1,333	5,878	100.0	-	-	5,878	100.0	-	-	5,878
DE2*	391	5,140	86.6	-	-	5,140	86.6	-	-	5,140
<b>Denver Total</b>	<b>1,724</b>	<b>11,018</b>	<b>93.8</b>	-	-	<b>11,018</b>	<b>93.8</b>	-	-	<b>11,018</b>
<b>Total Data Center Facilities</b>	<b>\$ 200,160</b>	<b>1,775,007</b>	<b>92.0 %</b>	<b>175,038</b>	<b>14.6 %</b>	<b>1,950,045</b>	<b>85.1 %</b>	<b>230,000</b>	<b>358,835</b>	<b>2,538,880</b>
Office & Light-Industrial	7,230	354,721	76.7	-	-	354,721	76.7	-	-	354,721
<b>Total Portfolio</b>	<b>\$ 207,390</b>	<b>2,129,728</b>	<b>89.5 %</b>	<b>175,038</b>	<b>14.6 %</b>	<b>2,304,766</b>	<b>83.8 %</b>	<b>230,000</b>	<b>358,835</b>	<b>2,893,601</b>

\* Indicates properties in which we hold a leasehold interest.

(1) On a gross basis, our total portfolio annualized rent was approximately \$213.1 million as of June 30, 2016, which reflects the addition of \$5.7 million in operating expense reimbursements to contractual net rent under modified gross and triple-net leases.

(2) Includes customer leases that have commenced and are occupied as of June 30, 2016. If all leases signed during the current and prior periods had commenced, the percent occupied would have been as follows:

Percent Leased	Stabilized	Pre-Stabilized	Total
Total Data Center Facilities	92.9%	21.2%	86.5%
Total Portfolio	90.2%	21.2%	85.0%

(3) The annualized rent for the Santa Clara campus includes amounts associated with a restructured lease agreement involving a customer that has vacated its leased space and is paying discounted rent payments that may be applied to new lease arrangements elsewhere in our portfolio on a dollar-for-dollar basis until the original lease term expires in Q2 2017.

*See Appendix for definitions.*

Quarter Ended June 30, 2016

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	GUIDANCE	APPENDIX
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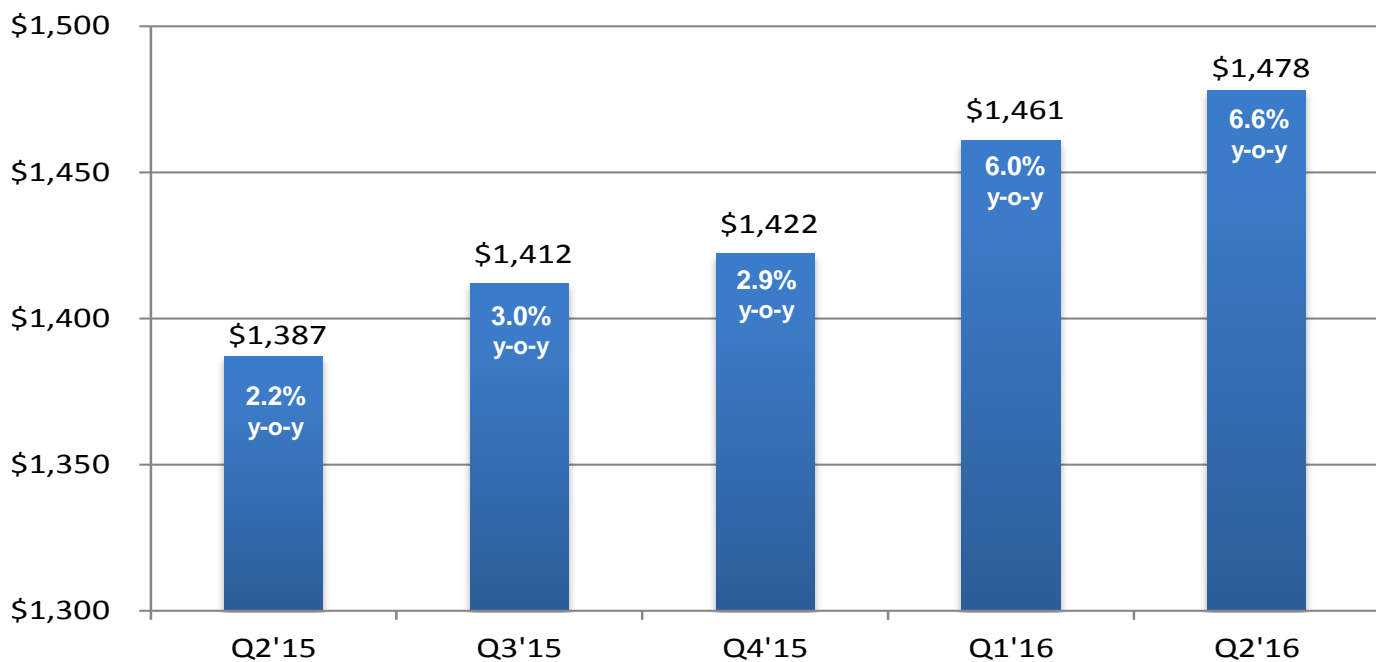
# Leasing Statistics

## Data Center Leasing Activity

	Leasing Activity Period	Number of Leases <sup>(1)</sup>	GAAP Annualized Rent (000's)	Total Leased NRSF	GAAP Annualized Rent per Leased NRSF	Rental Churn Rate	Cash Rent Growth	GAAP Rent Growth
New/expansion leases commenced	<b>YTD 2016</b>	<b>285</b>	<b>\$ 16,248</b>	<b>203,607</b>	<b>\$ 80</b> <sup>(3)</sup>			
	<b>Q2 2016</b>	<b>152</b>	<b>8,699</b>	<b>157,642</b>	<b>55</b> <sup>(3)</sup>			
	Q1 2016	133	7,549	45,965	164			
	Q4 2015	142	9,335	54,329	172			
	Q3 2015	150	9,250	66,330	139			
	Q2 2015	107	15,117	122,872	123			
New/expansion leases signed	<b>YTD 2016</b>	<b>290</b>	<b>\$ 30,134</b>	<b>150,825</b>	<b>\$ 200</b>			
	<b>Q2 2016</b>	<b>171</b>	<b>7,656</b>	<b>48,147</b>	<b>159</b>			
	Q1 2016	119	22,478	102,678	219			
	Q4 2015	155	8,901	42,089	211			
	Q3 2015	149	8,825	64,087	138			
	Q2 2015	122	19,624	243,477	81			
Renewal leases signed	<b>YTD 2016</b>	<b>344</b>	<b>\$ 18,244</b>	<b>126,361</b>	<b>\$ 144</b>	<b>3.8 %</b>	<b>4.4 %</b>	<b>9.3 %</b>
	<b>Q2 2016</b>	<b>173</b>	<b>8,512</b>	<b>70,028</b>	<b>122</b>	<b>2.1</b>	<b>5.2</b>	<b>9.4</b>
	Q1 2016	171	9,732	56,333	173	1.6	3.7	9.2
	Q4 2015	211	10,089	49,561	204	2.3	3.8	6.7
	Q3 2015	165	10,460	72,031	145	1.4	4.2	9.7
	Q2 2015	135	6,517	35,272	185	1.6	5.7	9.1

- (1) Number of leases represents each agreement with a customer; a lease agreement could include multiple spaces and a customer could have multiple leases.
- (2) During Q4 2014, we signed a 44,036 NRSF lease with a single customer for the entire VA2 Phase 1 facility. The lease commenced during Q2 2015.
- (3) During Q2 2015, we signed a 136,580 NRSF build-to-suit powered shell lease at our SV6 facility which was completed and commenced during Q2 2016.

## MRR per Cabinet Equivalent (TKD Same Store)



Quarter Ended June 30, 2016

# Leasing Statistics

## Lease Distribution (total portfolio, including total data center and office and light-industrial "OLI")

NRSF Under Lease	Number of Leases	Percentage of All Leases	Total Operating NRSF of Leases	Percentage of Total Operating NRSF	Annualized Rent (\$'000)	Percentage of Total Annualized Rent
Unoccupied data center	-	- %	290,992	12.6 %	\$ -	- %
Unoccupied OLI	-	-	82,485	3.6	-	-
Data center NRSF:						
5,000 or less	1,775	91.1	631,592	27.4	102,465	49.4
5,001 - 10,000	32	1.6	215,375	9.4	32,369	15.6
10,001 - 25,000	18	0.9	272,294	11.8	33,183	16.0
Greater than 25,000	3	0.2	105,532	4.6	12,798	6.2
Powered shell and other <sup>(1)</sup>	16	0.8	434,260	18.8	19,345	9.3
OLI	105	5.4	272,236	11.8	7,230	3.5
<b>Portfolio Total</b>	<b>1,949</b>	<b>100.0 %</b>	<b>2,304,766</b>	<b>100.0 %</b>	<b>\$ 207,390</b>	<b>100.0 %</b>

(1) The annualized rent for powered shell and other includes \$4.2 million associated with a restructured lease agreement involving a customer at the Santa Clara campus that has vacated its leased space and is paying discounted rent payments that may be applied to new lease arrangements elsewhere in our portfolio on a dollar-for-dollar basis until the original lease term expires in Q2 2017.

## Lease Expirations (total portfolio, including total data center and office and light-industrial "OLI")

Year of Lease Expiration	Number of Leases Expiring <sup>(1)</sup>	Total Operating NRSF of Expiring Leases	Percentage of Total Operating NRSF	Annualized Rent (\$'000)	Percentage of Total Annualized Rent	Annualized Rent Per Leased NRSF <sup>(2)</sup>	Annualized Rent at Expiration (\$'000) <sup>(3)</sup>	Annualized Rent Per Leased NRSF at Expiration <sup>(2)</sup>
Unoccupied data center	-	290,992	12.6 %	\$ -	- %	\$ -	\$ -	\$ -
Unoccupied OLI	-	82,485	3.6	-	-	-	-	-
2016	363	170,827	7.4	26,651	12.9	156	26,716	156
2017	795	325,107	14.1	55,998	27.0	159	57,428	163
2018	402	328,349	14.2	49,020	23.6	149	51,904	158
2019	183	234,778	10.2	24,745	11.9	105	27,512	117
2020	39	100,474	4.4	9,994	4.8	99	12,788	127
2021-Thereafter	62	499,518	21.7	33,752	16.3	68	44,313	89
OLI <sup>(4)</sup>	105	272,236	11.8	7,230	3.5	27	7,581	28
<b>Portfolio Total / Weighted Average</b>	<b>1,949</b>	<b>2,304,766</b>	<b>100.0 %</b>	<b>\$ 207,390</b>	<b>100.0 %</b>	<b>\$ 105</b>	<b>\$ 228,242</b>	<b>\$ 116</b>

(1) Includes leases that upon expiration will automatically be renewed, primarily on a year-to-year basis. Number of leases represents each agreement with a customer; a lease agreement could include multiple spaces and a customer could have multiple leases.

(2) The annualized rent per leased NRSF and per leased NRSF at expiration does not include annualized rent of \$4.2 million associated with a restructured lease agreement involving a customer at the Santa Clara campus that has vacated its leased space and is paying discounted rent payments that may be applied to new lease arrangements elsewhere in our portfolio on a dollar-for-dollar basis until the original lease term expires in Q2 2017.

(3) Represents the final monthly contractual rent under existing customer leases as of June 30, 2016, multiplied by 12. This amount reflects total annualized base rent before any one-time or non-recurring rent abatements and excludes operating expense reimbursement, power revenue and interconnection revenue.

(4) The office and light-industrial leases are scheduled to expire as follows:

Year	NRSF of Expiring Leases	Annualized Rent (\$'000)
2016	27,046	\$ 645
2017	26,120	659
2018	19,386	535
2019	32,610	800
2020	3,523	107
2021-Thereafter	163,551	4,484
<b>Total OLI</b>	<b>272,236</b>	<b>\$ 7,230</b>

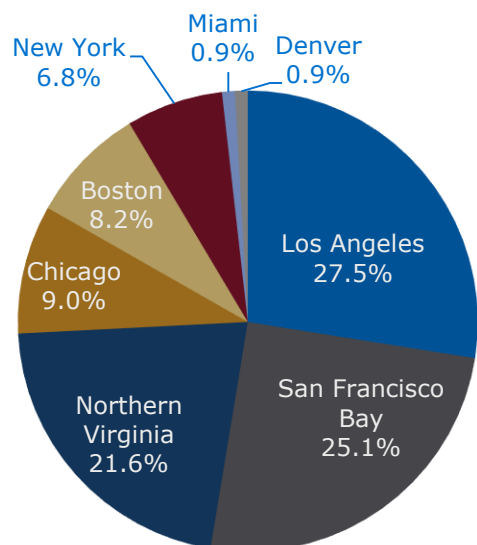
## Quarter Ended June 30, 2016

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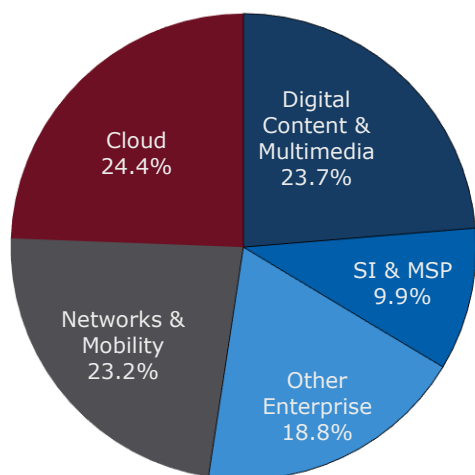
# Geographic and Vertical Diversification

## Geographic Diversification



<b>Metropolitan Market</b>	<b>Percentage of Total Data Center Annualized Rent</b>
Los Angeles	27.5 %
San Francisco Bay	25.1
Northern Virginia	21.6
Chicago	9.0
Boston	8.2
New York	6.8
Miami	0.9
Denver	0.9
<b>Total</b>	<b>100.0 %</b>

## Vertical Diversification



<b>Vertical</b>	<b>Percentage of Total Data Center Annualized Rent</b>
Enterprise:	
Digital Content & Multimedia	23.7 %
SI & MSP	9.9
Other Enterprise	18.8
Total Enterprise	52.4
Networks & Mobility	23.2
Cloud	24.4
<b>Total</b>	<b>100.0 %</b>

Quarter Ended June 30, 2016

# 10 Largest Customers

## 10 Largest Customers (total portfolio, including data center and office and light-industrial)

Customer Industry	CoreSite Vertical	Number of Locations	Total Occupied NRSF	Percentage of Total Operating NRSF <sup>(1)</sup>	Annualized Rent (\$'000)	Percentage of Total Annualized Rent <sup>(2)</sup>	Weighted Average Remaining Lease Term in Months <sup>(3)</sup>
1 Technology	Cloud	10	282,629	12.3 %	\$ 14,369	6.9 %	76
2 Technology	Enterprise - SI & MSP	3	63,859	2.8	8,597	4.2	32
3 Technology	Cloud	2	95,225	4.1	7,339	3.5	74
4 Technology <sup>(4)</sup>	Enterprise - Digital Content	10	68,492	3.0	6,493	3.1	12
5 Technology	Enterprise - Digital Content	2	31,848	1.4	5,669	2.7	22
6 Technology	Enterprise - Other	3	15,055	0.6	4,865	2.4	29
7 Technology	Network	5	27,935	1.2	4,848	2.3	34
8 Technology	Enterprise - Other	2	26,337	1.1	4,568	2.2	12
9 Technology	Cloud	1	31,283	1.4	4,230	2.1	28
10 Government*	Enterprise - Other	1	136,420	5.9	3,895	1.9	79
<b>Total/Weighted Average<sup>(5)</sup></b>			<b>779,083</b>	<b>33.8 %</b>	<b>\$ 64,873</b>	<b>31.3 %</b>	<b>45</b>

\* Denotes customer using space for general office purposes.

(1) Represents the customer's total occupied square feet divided by the total operating NRSF in the portfolio as of June 30, 2016.

(2) Represents the customer's total annualized rent divided by the total annualized rent in the portfolio as of June 30, 2016.

(3) Weighted average based on percentage of total annualized rent expiring calculated as of June 30, 2016.

(4) During the second quarter of 2016 we successfully renewed and extended portions of the customer's deployments. We are currently negotiating renewal leases for the remaining locations. We anticipate that the lease negotiations will be finalized at some of the locations during 2016 and that other locations will be vacated.

(5) In addition to the ten largest customers, total annualized rent includes \$4.2 million associated with a restructured lease agreement involving a customer at the Santa Clara campus that has vacated its leased space and is paying discounted rent payments that may be applied to new lease arrangements elsewhere in our portfolio on a dollar-for-dollar basis until the original lease term expires in Q2 2017.

Quarter Ended June 30, 2016

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18

# Capital Expenditures and Completed Pre-Stabilized Projects

(in thousands, except NRSF and cost per NRSF data)

## Capital Expenditures and Repairs and Maintenance

	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Data center expansion <sup>(1)</sup>	\$ 100,990	\$ 64,088	\$ 64,816	\$ 25,762	\$ 21,130
Non-recurring investments <sup>(2)</sup>	3,091	3,765	1,968	1,263	2,868
Tenant improvements	901	1,289	1,866	1,692	2,282
Recurring capital expenditures <sup>(3)</sup>	1,217	1,700	2,328	667	852
<b>Total capital expenditures</b>	<b>\$ 106,199</b>	<b>\$ 70,842</b>	<b>\$ 70,978</b>	<b>\$ 29,384</b>	<b>\$ 27,132</b>
<b>Repairs and maintenance expense<sup>(4)</sup></b>	<b>\$ 3,042</b>	<b>\$ 3,073</b>	<b>\$ 2,715</b>	<b>\$ 3,011</b>	<b>\$ 2,485</b>

- Data center expansion capital expenditures include new data center construction, development projects adding capacity to existing data centers and other revenue generating investments. Data center expansion also includes investment of Deferred Expansion Capital, as defined in the Appendix.
- Non-recurring investments include upgrades to existing data center or office space and company-wide improvements that are ancillary to revenue generation such as internal system development and system-wide security upgrades, which have a future economic benefit.
- Recurring capital expenditures include required equipment upgrades within our operating portfolio, which have a future economic benefit.
- Repairs and maintenance expense is classified within property operating and maintenance expense in the consolidated statement of operations. These expenditures represent recurring maintenance contracts and repairs to operating equipment necessary to maintain current operations.

## Completed Pre-Stabilized Projects

Projects/Facilities	Metropolitan Market	Completion	NRSF	Cost <sup>(1)</sup>	Cost Per NRSF	Percent Leased <sup>(2)</sup>	Percent Occupied
NY2 Phase 2	New York	Q2 2015	32,920	\$ 29,476	\$ 895	44.5 %	27.8 %
CH1	Chicago	Q3 2015	11,631	5,551	477	86.5	80.2
BO1	Boston	Q1 2016	14,031	11,446	816	34.9	34.2
VA2 Phase 3 <sup>(3)</sup>	Northern Virginia	Q1 2016	24,974	12,286	492	11.4	3.0
LA2	Los Angeles	Q2 2016	43,345	15,434	356	21.2	7.1
VA2 Phase 4	Northern Virginia	Q2 2016	48,137	26,995	561	-	-
<b>Total completed pre-stabilized</b>			<b>175,038</b>	<b>\$ 101,188</b>	<b>\$ 578</b>	<b>21.2 %</b>	<b>14.6 %</b>

- Cost includes capital expenditures related to the specific project / phase and, for NY2 and VA2, also includes allocations of capital expenditures related to land and building shell that were incurred during the first phase of each overall project.
- Includes customer leases that have been signed as of June 30, 2016, but have not commenced. The percent leased is determined based on leased square feet as a proportion of total pre-stabilized NRSF.
- During Q1 2016, we completed development of VA2 Phase 3 which comprises two computer rooms which total 48,137 NRSF. One computer room is 100% leased and occupied and is included in our stabilized operating NRSF in the Operating Properties table and one computer room is pre-stabilized as of June 30, 2016.

## Quarter Ended June 30, 2016

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	GUIDANCE	APPENDIX
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# Development Summary

(in thousands, except NRSF and cost per NRSF data)

## Data Center Projects Under Construction

Projects/Facilities	Metropolitan Market	Estimated Completion	NRSF	Costs			Percent Leased
				Incurred to-date	Estimated Total	Per NRSF	
<b>TKD<sup>(1)</sup></b>							
SV7	San Francisco Bay	Q3 2016	230,000	\$ 151,558	\$ 190,000	\$ 826	58.5 %
<b>Total TKD</b>			<b>230,000</b>	<b>\$ 151,558</b>	<b>\$ 190,000</b>		<b>58.5 %</b>
<b>Deferred Expansion Capital<sup>(2)</sup></b>							
SV4	San Francisco Bay	Q3 2016	-	\$ 2,699	\$ 2,700		
NY2	New York	Q4 2016	-	3,341	6,100		
CH1	Chicago	Q1 2017	-	861	10,000		
<b>Total Deferred Expansion Capital</b>			<b>-</b>	<b>\$ 6,901</b>	<b>\$ 18,800</b>		
<b>Total</b>			<b>230,000</b>	<b>\$ 158,459</b>	<b>\$ 208,800</b>		

(1) TKD estimated development costs includes two components: 1) general construction to ready the NRSF as data center space and 2) power, cooling and other infrastructure to provide the designed amount of power capacity for the project. Following development completion, incremental capital, referred to as Deferred Expansion Capital, may be invested to support existing or anticipated future customer utilization of NRSF within our operating data centers.

(2) See Appendix for Deferred Expansion Capital definition.

Quarter Ended June 30, 2016

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	GUIDANCE	APPENDIX
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# Development Summary

(in thousands, except NRSF and power data)

## Held for Development

Project / Building	Metropolitan Market	Estimated NRSF	Estimated Incremental Costs	Estimated Sellable Power (Megawatts)	Estimated Incremental Cost per MW
<b>Incremental capacity in existing core and shell buildings<sup>(1)</sup></b>					
LA1	Los Angeles	10,352	\$ 1,250	0.5	\$ 2,500
LA2	Los Angeles	127,202	55,000	9.0	6,111
BO1	Boston	73,619	40,000	6.0	6,667
NY2 Phases 3-4	New York	87,297	57,000	8.5	6,706
NY2 Phase 5	New York	47,211	35,000	5.0	7,000
MI1	Miami	13,154	7,500	1.0	7,500
<b>Total incremental capacity</b>		<b>358,835</b>	<b>\$ 195,750</b>	<b>30.0</b>	<b>\$ 6,525</b>
Deferred Expansion Capital <sup>(2)</sup>		-	25,000		
<b>Total<sup>(3)</sup></b>		<b>358,835</b>	<b>\$ 220,750</b>		

- (1) Represents incremental data center capacity that may be constructed within existing facilities when the core and shell building have been developed and certain amounts of the existing space is not yet built out into data center space.
- (2) As we construct data center capacity, we work to optimize both the amount of the capital we deploy on power and cooling infrastructure and the timing of that capital deployment; as such, we generally construct our power and cooling infrastructure supporting our data center NRSF based on our estimate of customer utilization. This practice can result in our investment at a later time in Deferred Expansion Capital. We define Deferred Expansion Capital as our estimate of the incremental capital we may invest in the future to add power or cooling infrastructure to support existing or anticipated future customer utilization of NRSF within our operating data centers. From time to time, we may revise our estimate of Deferred Expansion Capital as well as the potential time period during which we may invest it. We estimate a range of \$20 - \$30 million of future capital investment.
- (3) In addition to new construction and incremental capacity in existing core and shell buildings, we have available acreage which represents entitled and unentitled land we own adjacent to our existing buildings, in the form of existing parking lots. By utilizing existing parking lots, we believe we can build approximately 100,000 NRSF and 200,000 NRSF buildings on our available acreage at NY2 and LA2, respectively.

Quarter Ended June 30, 2016

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	GUIDANCE	APPENDIX
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# Market Capitalization and Debt Summary

(in thousands, except per share data)

## Market Capitalization

	Shares or Equivalents Outstanding	Market Price / Liquidation Value as of June 30, 2016	Market Value Equivalents
Common shares	33,927	\$88.69	\$ 3,008,963
Operating partnership units	13,851	\$88.69	1,228,476
Liquidation value of preferred stock	4,600	\$25.00	115,000
Total equity			4,352,439
Total principal debt outstanding			500,000
<b>Total enterprise value</b>			<b>\$ 4,852,439</b>
Net principal debt to enterprise value			10.3%
Net principal debt and preferred stock to enterprise value			12.6%

## Debt Summary <sup>(1)</sup>

Instrument	Rate	Maturity Date	Maturity Date with Extension	Outstanding as of:	
				June 30, 2016	December 31, 2015
Revolving credit facility <sup>(2)</sup>	2.02 %	6/24/2019	6/24/2020	\$ -	\$ 142,250
2019 Senior unsecured term loan <sup>(3)</sup>	3.23	1/31/2019	1/31/2019	100,000	100,000
2020 Senior unsecured term loan <sup>(4)</sup>	2.45	6/24/2020	6/24/2020	150,000	150,000
2021 Senior unsecured term loan <sup>(2)</sup>	1.97	2/2/2021	2/2/2021	100,000	-
2023 Senior unsecured notes	4.19	6/15/2023	6/15/2023	150,000	-
<b>Total principal debt outstanding</b>				500,000	392,250
Unamortized deferred financing costs				(3,801)	(1,243)
<b>Total debt</b>				<b>\$ 496,199</b>	<b>\$ 391,007</b>
<b>Weighted average interest rate</b>	<b>3.03 %</b>				
Preferred stock	7.25 %	N/A	N/A	\$ 115,000	\$ 115,000
<b>Total debt and preferred stock</b>				<b>\$ 611,199</b>	<b>\$ 506,007</b>
Floating rate vs. fixed rate debt				35% / 65%	55% / 45%
Floating rate vs. fixed rate debt and preferred stock				28% / 72%	43% / 57%

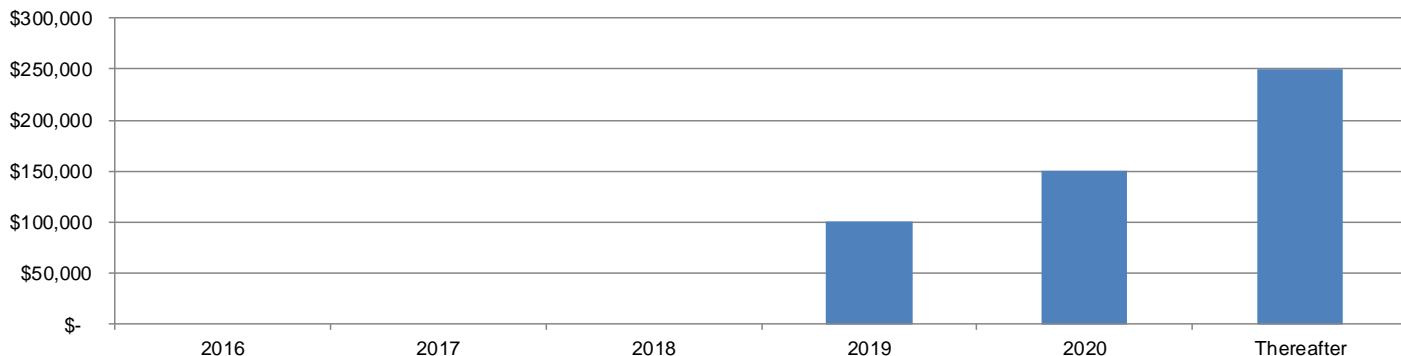
(1) See the most recently filed Form 10-K and 10-Q for information on specific debt instruments.

(2) The revolving credit facility and 2021 senior unsecured term loan interest rates are based on 1-month LIBOR at June 30, 2016, plus applicable spread.

(3) Represents the effective interest rate as a result of the interest rate swap associated with \$100 million in 1-month LIBOR variable rate debt.

(4) Represents the effective interest rate as a result of the interest rate swap associated with \$75 million in 1-month LIBOR variable rate debt and \$75 million unhedged debt based on 1-month LIBOR plus applicable spread.

## Debt Maturities



## Quarter Ended June 30, 2016

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	GUIDANCE	APPENDIX
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# Interest Summary and Debt Covenants

(in thousands)

## Interest Expense Components

	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Interest expense and fees	\$ 3,245	\$ 2,814	\$ 2,466	\$ 6,059	\$ 4,692
Amortization of deferred financing costs	311	283	292	594	586
Capitalized interest	(876)	(1,085)	(1,028)	(1,961)	(2,283)
<b>Total interest expense</b>	<b>\$ 2,680</b>	<b>\$ 2,012</b>	<b>\$ 1,730</b>	<b>\$ 4,692</b>	<b>\$ 2,995</b>
Percent capitalized	24.6%	35.0%	37.3%	29.5%	43.3%

## Debt Covenants

Revolving Credit Facility and Senior Unsecured Term Loans						
Required Compliance	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	
Fixed charge coverage ratio	Greater than 1.70x	9.7x	9.8x	10.1x	9.3x	8.4x
Total indebtedness to gross asset value	Less than 60%	18.2%	20.3%	16.7%	17.5%	17.9%
Secured debt to gross asset value	Less than 40%	0.0%	0.0%	0.0%	0.0%	0.0%
Unhedged variable rate debt to gross asset value	Less than 30%	6.3%	11.1%	8.9%	8.4%	8.3%
Revolving credit facility availability	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	
Borrowings outstanding	-	(111,000)	(142,250)	(110,250)	(102,250)	
Outstanding letters of credit	(4,480)	(5,480)	(6,330)	(6,330)	(6,330)	
<b>Current availability</b>	<b>\$ 345,520</b>	<b>\$ 233,520</b>	<b>\$ 201,420</b>	<b>\$ 233,420</b>	<b>\$ 241,420</b>	

Quarter Ended June 30, 2016

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# Components of Net Asset Value (NAV)

(in thousands)

## Cash Net Operating Income

Reconciliation of Net Operating Income (NOI)	Q2 2016	Annualized
Operating Income	\$ 22,558	\$ 90,232
Adjustments:		
Depreciation and amortization	26,227	104,908
General and administrative (includes litigation)	8,818	35,272
<b>Net Operating Income</b>	<b>\$ 57,603</b>	<b>\$ 230,412</b>
<b>Cash Net Operating Income (Cash NOI)</b>		
Net Operating Income	\$ 57,603	\$ 230,412
Adjustments:		
Straight-line rent	(1,002)	(4,008)
Amortization of above and below-market leases	(143)	(572)
<b>Cash NOI</b>	<b>\$ 56,458</b>	<b>\$ 225,832</b>
Cash NOI with backlog (85.0% leased) <sup>(1)</sup>	\$ 59,059	\$ 236,236
Cash stabilized NOI (93% leased)	\$ 64,617	\$ 258,468

## Development Projects

### Data Center Projects Under Construction

TKD construction in progress <sup>(2)</sup>	\$ 151,558
Remaining spend <sup>(2)</sup>	38,442
<b>Total</b>	<b>\$ 190,000</b>
Targeted annual yields	12% - 16%
Annualized pro forma NOI range	\$22,800 - \$30,400
Deferred Expansion Capital in progress	\$ 6,901
Remaining spend <sup>(3)</sup>	11,899
<b>Total</b>	<b>\$ 18,800</b>

## Other Assets and Liabilities

### Other Assets

Remaining construction in progress <sup>(4)</sup>	\$ 51,956
Cash and cash equivalents	2,243
Accounts and other receivables	13,802
Other tangible assets	24,579
<b>Total other assets</b>	<b>\$ 92,580</b>

### Liabilities

Principal debt	\$ 500,000
Accounts payable, accrued and other liabilities	146,765
Accrued dividends and distributions	28,326
Preferred equity	115,000
<b>Total liabilities</b>	<b>\$ 790,091</b>

### Weighted average common shares and units - diluted

47,675

- (1) Cash NOI with backlog is adjusted to include one quarter of the cash backlog as of June 30, 2016, less any leasing of currently occupied NRSF and data center projects under development.
- (2) Does not include spend associated with leasing commissions. See page 20 for further breakdown of data center projects under construction.
- (3) Does not include spend associated with future Deferred Expansion Capital.
- (4) Represents the book value of in progress capital projects, including land and shell building, of future data center expansion, non-recurring investments, tenant improvements and recurring capital expenditures.

## Quarter Ended June 30, 2016

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# 2016 Guidance

(in thousands, except per share amounts)

The annual guidance provided below represents forward-looking projections, which are based on current economic conditions, internal assumptions about our existing customer base and the supply and demand dynamics of the markets in which we operate. Please refer to the press release for additional information on forward-looking statements.

## Projected per share and OP unit information:

	2016			2015	Implied Growth <sup>(1)</sup>
	Low	High	Mid		
Net income attributable to common shares	\$ 1.41	\$ 1.49	\$ 1.45	\$ 1.03	40.8%
Real estate depreciation and amortization	2.15	2.15	2.15	1.83	
<b>FFO</b>	<b>\$ 3.56</b>	<b>\$ 3.64</b>	<b>\$ 3.60</b>	<b>\$ 2.86</b>	25.9%
<b>Projected operating results:</b>					
Total operating revenues	\$ 392,500	\$ 402,500	\$ 397,500	\$ 333,292	19.3%
General and administrative expenses	35,000	37,000	36,000	34,179	5.3%
Adjusted EBITDA	205,000	213,000	209,000	169,903	23.0%
<b>Guidance drivers:</b>					
Annual rental churn rate	6.0%	8.0%	7.0%	7.5%	
Cash rent growth on data center renewals	3.0%	5.0%	4.0%	4.6%	
<b>Capital expenditures:</b>					
Data center expansion	\$ 225,000	\$ 240,000	\$ 232,500	\$ 132,786	
Non-recurring investments	15,000	20,000	17,500	9,971	
Tenant improvements	5,000	10,000	7,500	8,037	
Recurring capital expenditures	5,000	10,000	7,500	5,828	
<b>Total capital expenditures</b>	<b>\$ 250,000</b>	<b>\$ 280,000</b>	<b>\$ 265,000</b>	<b>\$ 156,622</b>	

(1) Implied growth is based on the midpoint of 2016 guidance.

Quarter Ended June 30, 2016

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	<b>GUIDANCE</b>	APPENDIX
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# Appendix

## Definitions

This document includes 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 measures should not be considered an alternative to net income as an indicator of our performance and should be considered only a supplement to net income, cash flows from operating, investing or financing activities as a measure of profitability and/or liquidity, computed in accordance with GAAP.

**Adjusted Funds From Operations "AFFO"** is a non-GAAP measure that is used as a supplemental operating measure specifically for comparing year over year ability to fund dividend distribution from operating activities. We use AFFO as a basis to address our ability to fund our dividend payments. AFFO is calculated by adding to or subtracting from FFO:

1. Plus: Amortization of deferred financing costs
2. Plus: Non-cash compensation
3. Plus: Non-real estate depreciation
4. Plus: Impairment charges
5. Plus: Below market debt amortization
6. Less: Straight line rents adjustment
7. Less: Amortization of above and below market leases
8. Less: Recurring capital expenditures
9. Less: Tenant improvements
10. Less: Capitalized leasing costs

Capitalized leasing costs consist of commissions payable to third parties, including brokers, leasing agents, referral agents, and internal sales commissions payable to employees. Capitalized leasing costs are accrued and deducted from AFFO generally in the period the lease is executed. Leasing costs are generally paid a) to third party brokers and internal sales employees 50% at customer lease signing and 50% at lease commencement and b) to referral and leasing agents monthly over the lease term as and to the extent we receive payment from the end customer.

AFFO is not intended to represent cash flow from operations for the period, and is only intended to provide an additional measure of performance by adjusting the effect of certain items noted above included in FFO. Other REITs widely report AFFO, however, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not be comparable to other REITs.

## Annualized Rent

Monthly contractual rent under existing commenced customer leases as of quarter-end, multiplied by 12. This amount reflects total annualized base rent before any one-time or non-recurring rent abatements and excludes power revenue, interconnection revenue and operating expense reimbursement.

# Appendix

## Data Center Leasing Metrics

- **Rental Churn Rate** – represents data center leases which are not renewed or are terminated during the period. Rental churn is calculated based on the annualized rent of data center expired leases terminated in the period, compared with total portfolio annualized rent at the beginning of the period.
- **Cash and GAAP Rent Growth** – represents the increase in rental rates on renewed data center leases signed during the period, as compared with the previous rental rates for the same space. Cash and GAAP rent growth is calculated based on annualized rent from the renewed data center license compared to annualized rent from the expired data center license.

## Data Center Net Rentable Square Feet (“NRSF”)

Both occupied and available data center NRSF includes a factor based on management’s estimate of space to account for a customer’s proportionate share of required data center support space (such as the mechanical, telecommunications and utility rooms) and building common areas, which may be updated on a periodic basis to reflect the most current build-out of our properties.

## Deferred Expansion Capital

As we construct data center capacity, we work to optimize both the amount of the capital we deploy on power and cooling infrastructure and the timing of that capital deployment; as such, we generally construct our power and cooling infrastructure supporting our data center NRSF based on our estimate of customer utilization. This practice can result in our investment at a later time in Deferred Expansion Capital. We define Deferred Expansion Capital as our estimate of the incremental capital we may invest in the future to add power or cooling infrastructure to support existing or anticipated future customer utilization of NRSF within our operating data centers. From time to time, we may revise our estimate of Deferred Expansion Capital as well as the potential time period during which we may invest it. See the Data Center Projects Under Construction and Held for Development tables on pages 20 and 21, respectively, for more detail.

## Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA -

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We calculate adjusted EBITDA by adding our non-cash compensation expense, transaction costs and litigation expense to EBITDA as well as adjusting for the impact of impairment charges, gains or losses from sales of property and undepreciated land and gains or losses on early extinguishment of debt. Management uses EBITDA and adjusted EBITDA as indicators of our ability to incur and service debt. In addition, we consider EBITDA and adjusted EBITDA to be appropriate supplemental measures of our performance because they eliminate depreciation and interest, which permits investors to view income from operations without the impact of non-cash depreciation or the cost of debt. However, because EBITDA and adjusted EBITDA are calculated before recurring cash charges including interest expense and taxes, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utilization as a cash flow measurement is limited.

# Appendix

**Funds From Operations (“FFO”)** is a supplemental measure of our performance which should be considered along with, but not as an alternative to, net income and cash provided by operating activities as a measure of operating performance and liquidity. We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of property and undepreciated land and impairment write-downs of depreciable real estate, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. FFO attributable to common shares and units represents FFO less preferred stock dividends declared during the period.

Our management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs.

We offer this measure because we recognize that investors use FFO as a basis to compare our operating performance with that of other REITs. However, the utility of FFO as a measure of our performance is limited because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our financial condition and results from operations. FFO is a non-GAAP measure and should not be considered a measure of liquidity, an alternative to net income, cash provided by operating activities or any other performance measure determined in accordance with GAAP, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions. In addition, our calculations of FFO are not necessarily comparable to FFO as calculated by other REITs that do not use the same definition or implementation guidelines or interpret the standards differently from us. Investors in our securities should not rely on these measures as a substitute for any GAAP measure, including net income.

## **Monthly Recurring Revenue per Cabinet Equivalent**

Represents the turn-key monthly recurring colocation revenue (“MRR”) per cabinet equivalent billed. We define MRR as recurring contractual revenue under existing commenced customer leases. MRR per cabinet equivalent is calculated as (current quarter MRR/3) divided by ((quarter-end cabinet equivalents billed plus prior quarter-end cabinet equivalents billed)/2). Cabinet equivalents are calculated as cage-usable square feet (turn-key leased NRSF/NRSF factor) divided by 25.

# Appendix

**Net Operating Income (“NOI”) and Cash NOI** – NOI, and cash NOI are supplemental measures for the operating performance of the company’s portfolio. NOI is operating revenues less operating expenses and adjusted for items such as depreciation and amortization, general and administrative expenses, transaction costs and litigation expenses. Cash NOI is NOI less straight-line rents and above and below market rent amortization.

## **NRSF Held for Development**

Represents incremental data center capacity that may be constructed in existing facilities that requires significant capital investment in order to develop new data center facilities. The data represents management's best estimate of incremental costs based on estimated NRSF and power design and are subject to market conditions and build-out specifications and may vary.

## **NRSF Under Construction**

Represents NRSF for which substantial activities are ongoing to prepare the property for its intended use following development. The NRSF reflects managements estimate of engineering drawings and required support space and is subject to change based on final demising of space. Estimated costs of completion are based on actual costs at quarter-end and management’s estimate of remaining projects costs.

## **Turn-Key Same Store**

Includes turn-key data center space that was leased or available to be leased to our colocation customers as of December 31, 2014, at each of our properties, and excludes powered shell data center space, SV3 data center space, office and light-industrial space and space for which development was completed and became available to be leased after December 31, 2014. The turn-key same store space as of December 31, 2014, is 1,149,119 NRSF. We track same store on a computer room basis within each data center facility.

## **Stabilized and Pre-Stabilized NRSF**

Data center projects and facilities that recently have been developed and are in the initial lease-up phase are classified as pre-stabilized NRSF until they reach 85% occupancy or have been in service for 24 months. Pre-stabilized projects and facilities become stabilized operating properties at the earlier of achievement of 85% occupancy or 24 months after development completion and are included in the stabilized operating NRSF.