



QUARTER ENDED MARCH 31, 2015

Earnings Release and Supplemental Information



©2015 CoreSite Realty Corporation,
All Rights Reserved.

Table of Contents

Overview

Earnings Release	3
Company Profile	8
Summary of Financial Data	10

Financial Statements

Consolidated Balance Sheets	11
Consolidated Statements of Operations	12
Reconciliations of Net Income to FFO, AFFO, EBITDA and Adjusted EBITDA	13

Operating Portfolio

Operating Properties	14
Leasing Statistics	15
Geographic and Vertical Diversification	17
10 Largest Customers	18

Development

Capital Expenditures and Completed Pre-Stabilized Projects	19
Development Summary	20

Capital Structure

Market Capitalization and Debt Summary	21
Interest Summary and Debt Covenants	22

Components of Net Asset Value	23
--------------------------------------	----

2015 Guidance	24
----------------------	----

Appendix	25
----------	----

CORESITE REPORTS FIRST-QUARTER REVENUE AND FFO PER SHARE GROWTH, EXCLUDING NON-RECURRING ITEMS IN THE YEAR-AGO PERIOD, OF 17% AND 26%, RESPECTIVELY

Data center revenue increased 18% year over year

DENVER, CO – APRIL 23, 2015

CoreSite Realty Corporation (NYSE:COR), a premier provider of secure, reliable, high-performance data center solutions across the US, today announced financial results for the first quarter ended March 31, 2015.

Quarterly and Subsequent Highlights

- Reported first-quarter funds from operations (“FFO”) of \$0.64 per diluted share and unit, representing 25.5% growth year over year, excluding non-recurring items in Q1 2014
- Reported first-quarter total operating revenues of \$74.8 million, representing a 17.3% increase year over year; total data center revenues increased 17.7% year over year
- Executed 54,385 net rentable square feet of new and expansion turn-key data center leases representing \$8.9 million of annualized GAAP rent at a rate of \$163 per square foot
- Commenced 60,797 net rentable square feet of new and expansion leases representing \$9.2 million of annualized GAAP rent at a rate of \$152 per square foot, increasing stabilized data center occupancy to 88.2%
- Realized rent growth on signed renewals of 5.3% on a cash basis and 11.4% on a GAAP basis and recorded rental churn of 2.2%
- Following the end of the first quarter, executed an agreement to construct a 136,580 square-foot powered shell on the Santa Clara campus 100% pre-leased to an existing strategic customer

Tom Ray, CoreSite’s Chief Executive Officer, commented, “We had a solid first quarter, both in financial results and operational performance, reflecting continued execution of our business plan.” Mr. Ray continued, “We believe that CoreSite remains well positioned within our industry and that the supply and demand dynamics in the markets we serve remain favorable. 2015 is off to a solid start and we remain optimistic about the internal growth opportunities inherent in our data center portfolio.”

Financial Results

CoreSite reported FFO attributable to shares and units of \$30.2 million for the three months ended March 31, 2015, a 26.9% increase year over year, excluding non-recurring items in the first quarter of 2014, and an increase of 4.2% on a sequential-quarter basis. FFO per diluted share and unit increased 25.5% to \$0.64 for the three months ended March 31, 2015, as compared to \$0.51 per diluted share and unit for the three months ended March 31, 2014, excluding non-recurring items. On a sequential-quarter basis, FFO per diluted share increased 4.9%.

Total operating revenues for the three months ended March 31, 2015, were \$74.8 million, a 17.3% increase year over year and an increase of 3.1% on a sequential-quarter basis. Total data center revenues for the three months ended March 31, 2015, were \$72.6 million, a 17.7% increase year over year and an increase of 2.8% on a sequential-quarter basis. CoreSite reported net income attributable to common shares of \$4.6 million, or \$0.21 per diluted share.

Quarter Ended March 31, 2015

OVERVIEW

FINANCIAL
STATEMENTS

OPERATING
PORTFOLIO

DEVELOPMENT

CAPITAL
STRUCTURE

COMPONENTS
OF NAV

2015
GUIDANCE

APPENDIX

3

Quarter Ended March 31, 2015

Sales Activity

CoreSite executed 100 new and expansion turn-key data center leases representing \$8.9 million of annualized GAAP rent during the first quarter, comprised of 54,385 NRSF at a weighted-average GAAP rental rate of \$163 per NRSF.

CoreSite's first-quarter data center lease commencements totaled 60,797 NRSF at a weighted average GAAP rental rate of \$152 per NRSF, which represents \$9.2 million of annualized GAAP rent.

CoreSite's renewal leases signed in the first quarter totaled \$7.2 million in annualized GAAP rent, comprised of 40,446 NRSF at a weighted-average GAAP rental rate of \$179 per NRSF, reflecting a 5.3% increase in rent on a cash basis and an 11.4% increase on a GAAP basis. The first-quarter rental churn rate was 2.2%.

Development Activity

Santa Clara – In April 2015, CoreSite began construction on a 136,580 square-foot powered shell data center on land CoreSite owns on its Santa Clara campus. The building, which will be known as SV6, is 100% pre-leased. As of March 31, 2015, CoreSite has incurred \$1.2 million of the estimated \$27.0 million required to complete the development project, and expects to deliver the build-to-suit to a strategic customer in the first half of 2016.

Virginia – During the first quarter, CoreSite placed into service 44,036 NRSF associated with Phase 1 at VA2 and the lease for 100% of the space commenced on April 1, 2015. As of March 31, 2015, CoreSite had 48,137 NRSF of data center space under construction at Phase 2 at VA2 and had incurred \$7.4 million of the estimated \$13.3 million required to complete Phase 2. CoreSite expects to complete construction in the second quarter of 2015.

New York – During the first quarter, CoreSite had 49,050 NRSF under construction at Phase 2 at NY2, which is expected to be completed in the second quarter of 2015. As of March 31, 2015, CoreSite had incurred \$7.9 million of the estimated \$21.3 million required to complete this project.

Additional markets – CoreSite had 26,853 NRSF of turn-key data center capacity under construction as of March 31, 2015, across the Company's existing facilities at BO1 (Boston) and CH1 (Chicago). As of the end of the first quarter, CoreSite had incurred \$3.2 million of the estimated \$16.5 million required to complete these projects.

Quarter Ended March 31, 2015

Balance Sheet and Liquidity

As of March 31, 2015, CoreSite had \$333.8 million of total long-term debt outstanding, correlating to 2.2 times first-quarter annualized adjusted EBITDA, and \$448.8 million of long-term debt and preferred stock, correlating to 3.0 times first-quarter annualized adjusted EBITDA.

At quarter end, CoreSite had \$12.1 million of cash available on its balance sheet and \$163.9 million of capacity available under its revolving credit facility.

Dividend

On March 12, 2015, CoreSite announced a dividend of \$0.42 per share of common stock and common stock equivalents for the first quarter of 2015. The dividend was paid on April 15, 2015, to shareholders of record on March 31, 2015.

CoreSite also announced on March 12, 2015, a dividend of \$0.4531 per share of Series A preferred stock for the period January 15, 2015, to April 14, 2015. The preferred dividend was paid on April 15, 2015, to shareholders of record on March 31, 2015.

2015 Guidance

CoreSite is maintaining its 2015 guidance of FFO per diluted share and unit in the range of \$2.55 to \$2.65. In addition, CoreSite is maintaining its 2015 guidance for net income attributable to common shares in the range of \$0.75 to \$0.85 per diluted share, with the difference between FFO and net income being real estate depreciation and amortization.

CoreSite is increasing its guidance for 2015 total capital expenditures by \$30 million to a range of \$115 million to \$145 million to primarily reflect the development of the powered shell build-to-suit data center on its Santa Clara campus.

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 NAREIT's REITWeek conference from June 9, 2015, through June 10, 2015, at the New York Hilton in New York, NY.

Quarter Ended March 31, 2015

Conference Call Details

CoreSite will host a conference call on April 23, 2015, 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 13604923. The replay will be available until April 30, 2015.

Interested parties may also listen to a simultaneous webcast of the conference call by logging on to CoreSite's website at 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 solutions across eight key North American markets. More than 800 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.

CoreSite Investor Relations Contact

Greer Aviv | CoreSite Investor Relations Director
+1 303.405.1012 | +1 303.222.7276
Greer.Aviv@CoreSite.com

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



CoreSite delivers secure, reliable, high-performance data center solutions across eight key North American markets.



Quarter Ended March 31, 2015

Company Profile



Secure, Reliable and Compliant

- Six 9s uptime for four consecutive years
- Physical security standards enable regulatory compliance requirements
- Payment Card Industry certification
- Rigorous internal security training
- Operational excellence in security and environmental controls

Scalable

- Newest data centers, NY2 and VA2, located in Secaucus, NJ, and Reston, VA
- 17 operating data centers in eight of the US' largest commercial and data center markets
- 2.5+ million gross square feet
- Ability to nearly double occupied data center footprint on land and buildings currently owned

High-Performance

- Cloud-enabled, network-rich data center campuses
- Over 275 network service providers supported by robust IX services to key public clouds
- 15,000+ cross-connects
- Enabling enterprise with support ecosystems

Best-in-Class Customer Experience

- 350+ professionals with dedicated industry expertise
- Experienced and committed operations and facility personnel
- Dedicated implementation resources to ensure a seamless onboarding process
- 24/7 customer support and remote hands

Quarter Ended March 31, 2015

OVERVIEW

FINANCIAL
STATEMENTS

OPERATING
PORTFOLIO

DEVELOPMENT

CAPITAL
STRUCTURE

COMPONENTS
OF NAV

2015
GUIDANCE

APPENDIX

9

Summary of Financial Data

(in thousands, except per share and NRSF data)

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Summary of Results			
Operating revenues	\$ 74,757	\$ 72,492	\$ 63,731
Data center revenues	72,623	70,632	61,716
Net income	12,060	12,306	8,118
Net income attributable to common shares	4,568	4,664	2,733
Funds from operations (FFO) to shares and units	30,193	28,981	22,870
Adjusted funds from operations (AFFO)	25,154	23,143	19,356
EBITDA	36,188	36,107	27,191
Adjusted EBITDA	37,951	36,258	30,059
Per share - diluted:			
Net income attributable to common shares	\$ 0.21	\$ 0.21	\$ 0.13
FFO per common share and OP unit	\$ 0.64	\$ 0.61	\$ 0.49

	As of				
	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Dividend Activity					
Dividends declared per share and OP unit	\$ 0.42	\$ 0.42	\$ 0.35	\$ 0.35	\$ 0.35
AFFO payout ratio	79.1%	85.4%	86.2%	76.2%	84.4%

Operating Portfolio Statistics					
Operating data center properties	17	17	16	16	16
Stabilized operating data center NRSF	1,354,235	1,323,210	1,334,914	1,326,332	1,326,332
Stabilized data center NRSF occupied	1,194,994	1,156,486	1,153,345	1,132,894	1,101,305
Stabilized data center % occupied	88.2%	87.4%	86.4%	85.4%	83.0%

Turn-Key Data Center Same Store Statistics					
MRR per Cabinet Equivalent	\$ 1,408	\$ 1,413	\$ 1,390	\$ 1,364	\$ 1,340
Data center NRSF % occupied	83.1%	80.2%	78.4%	76.4%	71.6%

Market Capitalization, Debt & Preferred Stock					
Total enterprise value	\$ 2,755,403	\$ 2,273,458	\$ 1,967,868	\$ 1,945,279	\$ 1,831,690
Total debt outstanding	333,750	318,500	305,250	276,750	260,000
Total debt and preferred stock outstanding	448,750	433,500	420,250	391,750	375,000

Debt to:					
Annualized Adjusted EBITDA	2.2x	2.2x	2.3x	2.0x	2.2x
Undepreciated book value of total assets	25.3%	24.7%	24.2%	22.3%	21.6%

Debt & Preferred Stock to:					
Annualized Adjusted EBITDA	3.0x	3.0x	3.2x	2.9x	3.1x
Undepreciated book value of total assets	34.0%	33.6%	33.3%	31.5%	31.1%

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX	10
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------	----

Consolidated Balance Sheets

(in thousands)

	March 31, 2015	December 31, 2014
Assets:		
Investments in real estate:		
Land	\$ 80,398	\$ 78,983
Buildings and improvements	928,562	888,966
	1,008,960	967,949
Less: Accumulated depreciation and amortization	(231,987)	(215,978)
Net investment in operating properties	776,973	751,971
Construction in progress	165,154	178,599
Net investments in real estate	942,127	930,570
Cash and cash equivalents	12,058	10,662
Accounts and other receivables, net	10,715	10,290
Lease intangibles, net	6,424	7,112
Goodwill	41,191	41,191
Other assets	73,772	75,600
Total assets	\$ 1,086,287	\$ 1,075,425
Liabilities and equity:		
Liabilities		
Revolving credit facility	\$ 233,750	\$ 218,500
Senior unsecured term loan	100,000	100,000
Accounts payable and accrued expenses	44,666	42,463
Accrued dividends and distributions	22,374	22,355
Deferred rent payable	8,751	8,985
Acquired below-market lease contracts, net	5,349	5,576
Unearned revenue, prepaid rent and other liabilities	21,800	19,205
Total liabilities	436,690	417,084
Stockholders' equity		
Series A cumulative preferred stock	115,000	115,000
Common stock, par value \$0.01	214	212
Additional paid-in capital	277,181	275,038
Accumulated other comprehensive loss	(574)	(125)
Distributions in excess of net income	(72,202)	(67,538)
Total stockholders' equity	319,619	322,587
Noncontrolling interests	329,978	335,754
Total equity	649,597	658,341
Total liabilities and equity	\$ 1,086,287	\$ 1,075,425

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

Consolidated Statements of Operations

(in thousands, except share and per share data)

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Operating revenues:			
Data center revenue:			
Rental revenue	\$ 41,323	\$ 39,142	\$ 34,899
Power revenue	19,669	19,963	16,002
Interconnection revenue	10,215	9,536	8,059
Tenant reimbursement and other	1,416	1,991	2,756
Total data center revenue	72,623	70,632	61,716
Office, light-industrial and other revenue	2,134	1,860	2,015
Total operating revenues	74,757	72,492	63,731
Operating expenses:			
Property operating and maintenance	19,780	20,253	16,289
Real estate taxes and insurance	1,935	2,519	2,966
Depreciation and amortization	22,816	22,422	17,882
Sales and marketing	3,782	3,413	3,588
General and administrative	7,865	6,260	7,705
Rent	5,243	5,148	5,066
Impairment of internal-use software	-	-	922
Transaction costs	-	-	4
Total operating expenses	61,421	60,015	54,422
Operating income	13,336	12,477	9,309
Gain on real estate disposal	36	1,208	-
Interest income	2	1	2
Interest expense	(1,265)	(1,362)	(1,173)
Income before income taxes	12,109	12,324	8,138
Income tax expense	(49)	(18)	(20)
Net income	12,060	12,306	8,118
Net income attributable to noncontrolling interests	5,408	5,557	3,301
Net income attributable to CoreSite Realty Corporation	6,652	6,749	4,817
Preferred stock dividends	(2,084)	(2,085)	(2,084)
Net income attributable to common shares	\$ 4,568	\$ 4,664	\$ 2,733
Net income per share attributable to common shares:			
Basic	\$ 0.21	\$ 0.22	\$ 0.13
Diluted	\$ 0.21	\$ 0.21	\$ 0.13
Weighted average common shares outstanding:			
Basic	21,372,157	21,303,795	20,992,758
Diluted	21,978,307	21,794,138	21,521,838

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

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		
	March 31, 2015	December 31, 2014	March 31, 2014
Net income	\$ 12,060	\$ 12,306	\$ 8,118
Real estate depreciation and amortization	20,253	19,968	16,836
Gain on real estate disposal	(36)	(1,208)	-
FFO	\$ 32,277	\$ 31,066	\$ 24,954
Preferred stock dividends	(2,084)	(2,085)	(2,084)
FFO available to common shareholders and OP unit holders	\$ 30,193	\$ 28,981	\$ 22,870
Weighted average common shares outstanding - diluted	21,978	21,794	21,522
Weighted average OP units outstanding - diluted	25,361	25,361	25,361
Total weighted average shares and units outstanding - diluted	47,339	47,155	46,883
FFO per common share and OP unit - diluted	\$ 0.64	\$ 0.61	\$ 0.49

Reconciliation of FFO to AFFO

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
FFO available to common shareholders and unit holders	\$ 30,193	\$ 28,981	\$ 22,870
Adjustments:			
Amortization of deferred financing costs	294	420	580
Non-cash compensation	1,569	1,359	1,716
Non-real estate depreciation	2,563	2,454	1,046
Straight-line rent adjustment	(1,064)	(1,390)	(436)
Amortization of above and below market leases	(128)	(118)	(70)
Impairment of internal-use software	-	-	922
Recurring capital expenditures	(1,981)	(254)	(1,673)
Tenant improvements	(2,197)	(1,059)	(1,208)
Capitalized leasing costs	(4,095)	(7,250)	(4,391)
AFFO available to common shareholders and OP unit holders	\$ 25,154	\$ 23,143	\$ 19,356

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Net income	\$ 12,060	\$ 12,306	\$ 8,118
Adjustments:			
Interest expense, net of interest income	1,263	1,361	1,171
Income tax expense	49	18	20
Depreciation and amortization	22,816	22,422	17,882
EBITDA	\$ 36,188	\$ 36,107	\$ 27,191
Non-cash compensation	1,569	1,359	1,716
Gain on real estate disposal	(36)	(1,208)	-
Transaction costs / litigation	230	-	230
Impairment of internal-use software	-	-	922
Adjusted EBITDA	\$ 37,951	\$ 36,258	\$ 30,059

Quarter Ended March 31, 2015

Operating Properties

Market/Facilities	Data Center Operating NRSF								NRSF Under Construction	Held for Development NRSF	Total NRSF
	Annualized Rent (\$000) ⁽¹⁾	Stabilized		Pre-Stabilized		Total					
		Total	Percent Occupied ⁽²⁾	Total ⁽³⁾	Percent Occupied	Total	Percent Occupied ⁽²⁾				
Los Angeles											
One Wilshire Campus											
LA1*	\$ 25,304	139,053	82.8 %	-	- %	139,053	82.8 %	-	-	139,053	
LA2	18,887	191,202	87.0	33,711	4.2	224,913	74.6	-	199,978	424,891	
Los Angeles Total	44,191	330,255	85.3	33,711	4.2	363,966	77.7	-	199,978	563,944	
San Francisco Bay											
SV1	6,814	84,045	83.5	-	-	84,045	83.5	-	-	84,045	
SV2	8,189	76,676	87.2	-	-	76,676	87.2	-	-	76,676	
Santa Clara Campus	26,822	237,316	91.6	14,857	74.4	252,173	90.5	136,580	166,000	554,753	
San Francisco Bay Total	41,825	398,037	89.0	14,857	74.4	412,894	88.5	136,580	166,000	715,474	
Northern Virginia											
VA1	25,583	201,719	87.6	-	-	201,719	87.6	-	-	201,719	
VA2	-	-	-	44,036	-	44,036	-	48,137	96,274	188,447	
DC1*	3,085	22,137	89.3	-	-	22,137	89.3	-	-	22,137	
Northern Virginia Total	28,668	223,856	87.7	44,036	-	267,892	73.3	48,137	96,274	412,303	
Boston											
BO1	14,269	166,026	99.4	-	-	166,026	99.4	15,149	72,501	253,676	
Chicago											
CH1	13,188	146,463	88.2	20,240	28.1	166,703	80.9	11,704	-	178,407	
New York											
NY1*	5,858	48,404	73.4	-	-	48,404	73.4	-	-	48,404	
NY2	3,172	-	-	52,692	66.7	52,692	66.7	49,050	134,508	236,250	
New York Total	9,030	48,404	73.4	52,692	66.7	101,096	69.9	49,050	134,508	284,654	
Miami											
MI1	1,817	30,176	80.9	-	-	30,176	80.9	-	13,154	43,330	
Denver											
DE1*	1,053	5,878	90.1	-	-	5,878	90.1	-	-	5,878	
DE2*	329	5,140	64.2	-	-	5,140	64.2	-	-	5,140	
Denver Total	1,382	11,018	78.0	-	-	11,018	78.0	-	-	11,018	
Total Data Center Facilities	\$ 154,370	1,354,235	88.2 %	165,536	32.2 %	1,519,771	82.1 %	260,620	682,415	2,462,806	
Office & Light-Industrial	7,014	358,648	74.9	-	-	358,648	74.9	-	-	358,648	
Total Portfolio	\$ 161,384	1,712,883	85.5 %	165,536	32.2 %	1,878,419	80.8 %	260,620	682,415	2,821,454	

* Indicates properties in which we hold a leasehold interest.

(1) On a gross basis, our total portfolio annualized rent was approximately \$165.6 million as of March 31, 2015, which reflects the addition of \$4.2 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 March 31, 2015. 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	90.6%	59.3%	87.2%
Total Portfolio	87.5%	59.3%	85.0%

(3) VA2 Phase 1, which consists of 44,036 NRSF and classified as pre-stabilized data center, is 100% leased to a single customer as of March 31, 2015. The customer lease commenced on April 1, 2015.

See Appendix for definitions.

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

Leasing Statistics

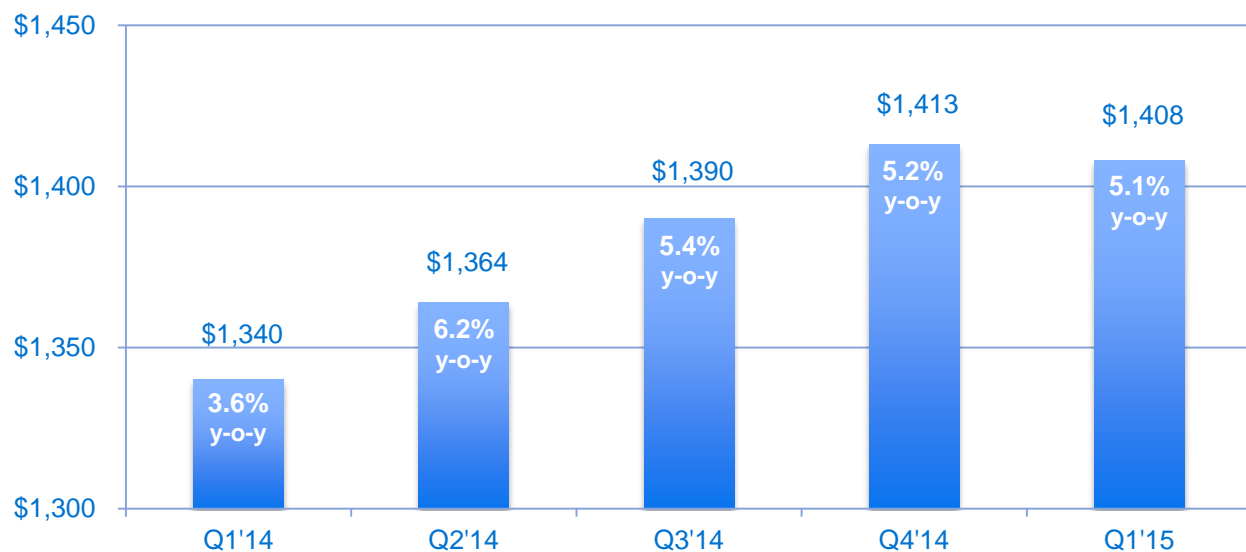
Data Center Leasing Activity

	Leasing Activity Period	Number of Leases ⁽¹⁾	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	Q1 2015	110	9,224	60,797	152			
	Q4 2014	106	4,943	34,009	145			
	Q3 2014	115	6,066	45,014	135			
	Q2 2014	126	8,152	60,587	135			
	Q1 2014	119	3,763	28,125	134			
New/expansion leases signed	Q1 2015	100	8,861	54,385	163			
	Q4 2014	96	11,075	91,662	121	(2)		
	Q3 2014	118	7,607	54,123	141			
	Q2 2014	121	9,368	58,909	159			
	Q1 2014	131	5,139	39,783	129			
Renewal leases signed	Q1 2015	122	7,222	40,446	179	2.2%	5.3%	11.4%
	Q4 2014	78	6,705	43,863	153	1.4%	2.6%	5.2%
	Q3 2014	123	12,078	55,262	219	1.2%	3.0%	10.6%
	Q2 2014	77	7,009	41,890	167	1.8%	2.1%	8.1%
	Q1 2014	74	3,535	22,291	159	1.2%	4.7%	9.4%

(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.

MRR per Cabinet Equivalent (Turn-key Data Center Same Store)⁽¹⁾



(1) During the first quarter 2015, CoreSite updated the same store turn-key data center pool to include all space available for lease that existed as turn-key data center space as of December 31, 2013. The MRR per Cabinet Equivalent for all periods reported was updated to include the new same store pool.

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

Leasing Statistics

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

	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
NRSF Under Lease						
Unoccupied data center	-	- %	271,469	14.5 %	\$ -	- %
Unoccupied OLI	-	-	89,875	4.8	-	-
Data center NRSF:						
5,000 or less	1,496	90.6	504,341	26.8	85,904	53.3
5,001 - 10,000	26	1.6	178,917	9.5	23,001	14.3
10,001 - 25,000	16	1.0	205,819	11.0	27,188	16.8
Greater than 25,000	2	0.1	63,545	3.4	7,946	4.9
Powered shell	13	0.8	295,680	15.7	10,331	6.4
OLI	97	5.9	268,773	14.3	7,014	4.3
Portfolio Total	1,650	100.0 %	1,878,419	100.0 %	\$ 161,384	100.0 %

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

Year of Lease Expiration	Number of Leases Expiring ⁽¹⁾	Total Operating NRSF of Expiring Leases	Percentage of Total Operating NRSF	Annualized Rent (\$000)	Percentage of Total Annualized Rent	Annualized Rent Per Leased NRSF	Annualized Rent at Expiration (\$000) ⁽²⁾	Annualized Rent Per Leased NRSF at Expiration
Unoccupied data center	-	271,469	14.5 %	\$ -	- %	\$ -	\$ -	\$ -
Unoccupied OLI	-	89,875	4.8	-	-	-	-	-
2015	490	201,372	10.7	30,692	19.0	152	30,749	153
2016	452	236,481	12.6	34,334	21.3	145	35,905	152
2017	353	204,592	10.9	35,225	21.8	172	37,532	184
2018	133	205,140	10.9	24,892	15.4	121	28,613	139
2019	72	163,614	8.7	12,512	7.8	76	18,745	115
2020-Thereafter	53	237,103	12.6	16,715	10.4	71	20,350	86
OLI ⁽³⁾	97	268,773	14.3	7,014	4.3	26	6,999	26
Portfolio Total / Weighted Average	1,650	1,878,419	100.0 %	\$ 161,384	100.0 %	\$ 106	\$ 178,893	\$ 118

(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) Represents the final monthly contractual rent under existing customer leases as of March 31, 2015, 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.

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

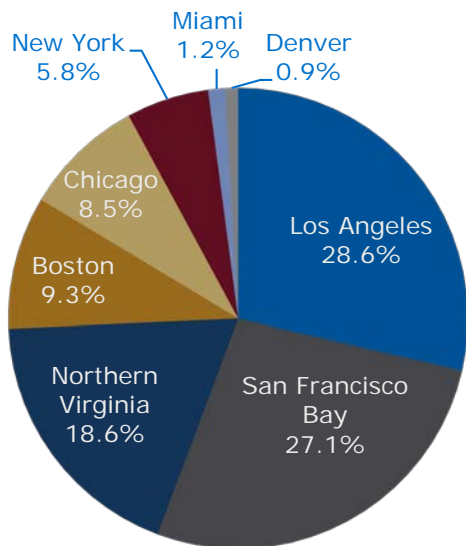
Year	NRSF of Expiring Leases	Annualized Rent (\$000)
2015	38,191	\$ 677
2016	61,330	1,466
2017	9,073	250
2018	5,046	137
2019	4,948	149
2020-Thereafter	150,185	4,335
Total OLI	268,773	\$ 7,014

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

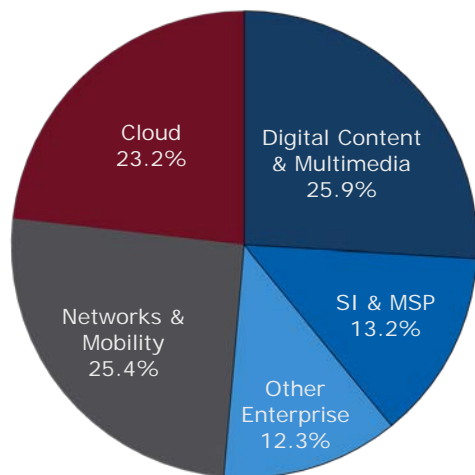
Geographic and Vertical Diversification

Geographic Diversification



<u>Metropolitan Market</u>	<u>Percentage of Total Data Center Annualized Rent</u>
Los Angeles	28.6 %
San Francisco Bay	27.1
Northern Virginia	18.6
Boston	9.3
Chicago	8.5
New York	5.8
Miami	1.2
Denver	0.9
Total	100.0 %

Vertical Diversification



<u>Vertical</u>	<u>Percentage of Total Data Center Annualized Rent</u>
Enterprise:	
Digital Content & Multimedia	25.9 %
SI & MSP	13.2
Other Enterprise	12.3
Total Enterprise	51.4
Networks & Mobility	25.4
Cloud	23.2
Total	100.0 %

Quarter Ended March 31, 2015

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 ⁽¹⁾	Annualized Rent (\$000)	Percentage of Total Annualized Rent ⁽²⁾	Weighted Average Remaining Lease Term in Months ⁽³⁾	
1	Technology	Cloud	8	142,671	7.6 %	\$ 10,099	6.3 %	52
2	Technology	Enterprise - SI & MSP	3	68,746	3.7	8,153	5.0	33
3	Technology	Enterprise - Digital Content	10	66,256	3.5	5,972	3.7	8
4	Technology	Enterprise - Digital Content	4	17,841	1.0	5,808	3.6	18
5	Technology	Cloud	1	28,923	1.5	4,118	2.5	43
6	Government*	Enterprise - Other	1	130,960	7.0	3,906	2.4	81
7	Technology	Enterprise - Digital Content	2	15,113	0.8	3,719	2.3	36
8	Financial ⁽⁴⁾	Enterprise - Other	2	12,188	0.6	3,230	2.0	113
9	Technology	Enterprise - SI & MSP	1	6,417	0.3	3,025	1.9	22
10	Technology	Network	12	12,321	0.7	2,638	1.7	35
Total/Weighted Average			501,436	26.7 %	\$ 50,668	31.4 %	41	

* 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 which, as of March 31, 2015, consisted of 1,878,419 NRSF.

(2) Represents the customer's total annualized rent divided by the total annualized rent in the portfolio as of March 31, 2015, which was approximately \$161.4 million.

(3) Weighted average based on percentage of total annualized rent expiring calculated as of March 31, 2015.

(4) Customer's lease term includes auto renewal provisions at the end of years four and six, which the customer may opt out of by paying termination fees of \$0.4 million and \$0.3 million, respectively.

Capital Expenditures and Completed Pre-Stabilized Projects

(in thousands, except NRSF data)

Capital Expenditures and Repairs and Maintenance

	Three Months Ended				
	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Data center expansion ⁽¹⁾	\$ 21,078	\$ 19,147	\$ 14,166	\$ 32,082	\$ 18,917
Non-recurring investments ⁽²⁾	3,872	1,838	2,304	2,671	5,714
Tenant improvements	2,197	1,059	666	1,579	1,208
Recurring capital expenditures ⁽³⁾	1,981	254	1,125	1,377	1,673
Total capital expenditures	\$ 29,128	\$ 22,298	\$ 18,261	\$ 37,709	\$ 27,512
Repairs and maintenance expense⁽⁴⁾	\$ 2,349	\$ 2,485	\$ 2,186	\$ 2,600	\$ 2,284

- (1) Data center expansion capital expenditures include new data center construction, development projects adding capacity to existing data centers and other revenue generating investments.
- (2) 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.
- (3) Recurring capital expenditures include required equipment upgrades within our operating portfolio, which have a future economic benefit.
- (4) 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 Area	Completion	NRSF	Cost	Percent Leased ⁽¹⁾	Percent Occupied
SV4	San Francisco Bay	Apr 2013	14,857	\$ 12,911	74.4 %	74.4 %
CH1	Chicago	Apr 2013	20,240	5,200	28.1	28.1
NY2	New York	Dec 2013	18,103	14,417	78.2	75.1
LA2	Los Angeles	Feb 2014	33,711	9,800	4.2	4.2
NY2	New York	Mar 2014	16,484	14,540	73.4	73.4
NY2	New York	Mar 2014	18,105	14,540	53.4	52.3
VA2	Northern Virginia	Mar 2015	44,036	32,298	100.0	-
Total completed pre-stabilized			165,536	\$ 103,706	59.3 %	32.2 %

- (1) Includes customer leases that have been signed as of March 31, 2015, but have not commenced. The percent leased is determined based on leased square feet as a proportion of total pre-stabilized NRSF. VA2 Phase 1 is 100% leased to a single customer as of December 31, 2014. The customer lease commenced April 1, 2015.

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

Development Summary

(in thousands, except NRSF data)

Data Center Projects Under Construction

Projects/Facilities	Metropolitan Area	Estimated Completion	NRSF	Costs	
				Incurred to-date	Estimated Total
VA2 Phase 2	Northern Virginia	Q2 2015	48,137	\$ 7,351	\$ 13,300
NY2 Phase 2	New York	Q2 2015	49,050	7,910	21,330
CH1	Chicago	Q3 2015	11,704	2,973	7,000
BO1	Boston	Q1 2016	15,149	203	9,500
SV6 ⁽¹⁾	San Francisco Bay	Q1 - Q2 2016	136,580	1,180	27,000
Total under construction			260,620	\$ 19,617	\$ 78,130

(1) Represents 136,580 NRSF of pre-sold dedicated build-to-suit space that was 100% leased in April 2015 and has an expected lease commencement date in the first half of 2016.

Held for Development⁽¹⁾

Projects/Facilities	Metropolitan Area	Estimated NRSF	Estimated Sellable Power (Megawatts)	Estimated Incremental Costs	Estimated Incremental Cost per MW
New construction					
Santa Clara Campus ⁽²⁾	San Francisco Bay	200,000	12.0 - 18.0		
Secaucus, NJ	New York	47,211 - 147,211	3.0 - 9.0		
Incremental capacity in existing facilities					
VA2 (Phases 3-4)	Northern Virginia	96,274	6.0	\$ 35,000	\$ 5,833
NY2 (Phases 3-4)	New York	87,297	8.5	57,000	6,706
BO1	Boston	72,501	6.0	50,000	8,333
LA2	Los Angeles	199,978	14.0	75,000	5,357
MI 1	Miami	13,154	1.0	7,500	7,500
Total incremental capacity		469,204	35.5	\$ 224,500	\$ 6,324
Total new construction & incremental capacity		716,415 - 816,415	50.5 - 62.5		

(1) Represents data center space that may be constructed on entitled and unentitled land and incremental data center capacity that may be constructed in existing facilities. The data presented represents management's best estimate of incremental costs that may vary based on estimated NRSF and power and are subject to market conditions and build-out specifications.

(2) Includes 34,000 NRSF that is currently operating and classified as office and light-industrial space with the Operating Property table.

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

Market Capitalization and Debt Summary

(in thousands, except per share data)

Market Capitalization

	Shares or Equivalents Outstanding	Market Price / Liquidation Value as of March 31, 2015	Market Value Equivalents
Common shares	22,023	\$48.68	\$ 1,072,080
Operating partnership units	25,361	\$48.68	1,234,573
Liquidation value of preferred stock	4,600	\$25.00	115,000
Total equity			2,421,653
Total debt			333,750
Total enterprise value			\$ 2,755,403
Total debt to annualized adjusted EBITDA			2.2x
Total debt and preferred stock to annualized adjusted EBITDA			3.0x

Debt Summary ⁽¹⁾

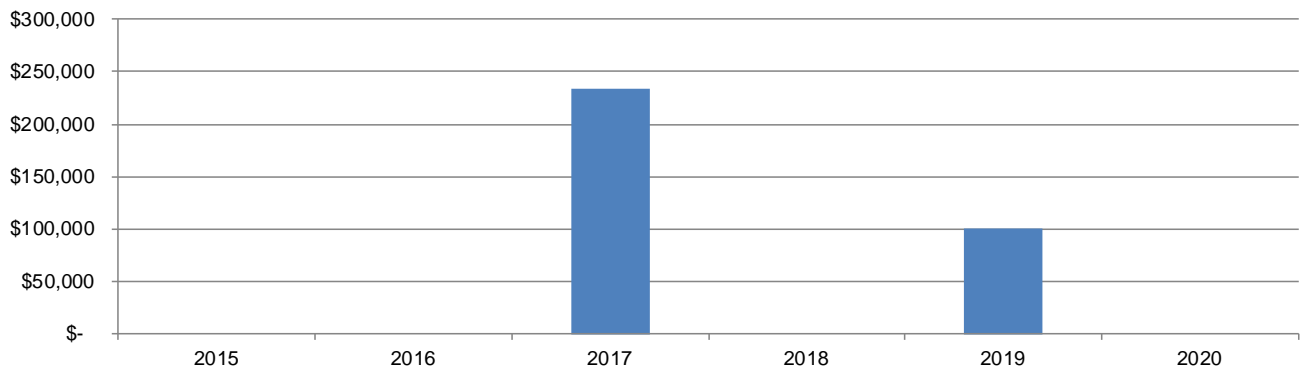
Instrument	Rate	Maturity Date	Maturity Date with Extension	Outstanding as of:	
				March 31, 2015	December 31, 2014
Revolving credit facility ⁽²⁾	2.18%	1/3/2017	1/3/2018	\$ 233,750	\$ 218,500
Senior unsecured term loan ⁽³⁾	3.23%	1/31/2019	1/31/2019	100,000	100,000
Total Debt				\$ 333,750	\$ 318,500
Weighted average debt rate	<u>2.49%</u>				
Preferred Stock	7.25%	N/A	N/A	115,000	115,000
Total Debt and Preferred Stock				\$ 448,750	\$ 433,500
Floating rate vs. fixed rate debt				70% / 30%	67% / 33%
Floating rate vs. fixed rate debt and preferred stock				52% / 48%	50% / 50%

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

(2) The revolving credit facility interest rate is based on LIBOR at March 31, 2015, plus applicable spread.

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

Debt Maturities



Quarter Ended March 31, 2015

Interest Summary and Debt Covenants

(in thousands)

Interest Expense Components

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Interest expense and fees	\$ 2,226	\$ 2,183	\$ 1,762
Amortization of deferred financing costs	294	420	580
Capitalized interest	(1,255)	(1,241)	(1,169)
Total interest expense	\$ 1,265	\$ 1,362	\$ 1,173
Percent capitalized	49.8%	47.7%	49.9%

Debt Covenants

Required Compliance	Revolving Credit Facility and Senior Unsecured Term Loan					
	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014	
Fixed charge coverage ratio	Greater than 1.75x	8.8x	8.4x	7.7x	7.5x	7.8x
Total indebtedness to gross asset value	Less than 60%	17.1%	17.2%	17.5%	16.4%	15.6%
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%	11.8%	11.6%	11.5%	10.2%	9.3%
Facility availability		\$405,000	\$405,000	\$405,000	\$405,000	\$405,000
Borrowings outstanding		(233,750)	(218,500)	(205,250)	(176,750)	(160,000)
Outstanding letters of credit		(7,330)	(7,330)	(7,330)	(7,330)	(8,390)
Current availability		\$163,920	\$179,170	\$192,420	\$220,920	\$236,610

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

Components of Net Asset Value (NAV)

(in thousands)

Cash Net Operating Income

Reconciliation of Net Operating Income (NOI)

	<u>Q1 2015</u>	<u>Annualized</u>
Operating Income	\$ 13,336	\$ 53,344
Adjustments:		
Depreciation and amortization	22,816	91,264
General and administrative	7,865	31,460
Transaction costs / litigation	230	920
Net Operating Income	<u>\$ 44,247</u>	<u>\$ 176,988</u>

Cash Net Operating Income (Cash NOI)

Net Operating Income	\$ 44,247	\$ 176,988
Adjustments:		
Straight-line rent	(1,064)	(4,256)
Amortization of above and below-market leases	(128)	(512)
Cash NOI	<u>\$ 43,055</u>	<u>\$ 172,220</u>
Cash NOI with backlog (85.0% leased) ⁽¹⁾	\$ 45,890	\$ 183,560
Cash stabilized NOI (93% leased)	\$ 50,209	\$ 200,836

Development Projects

Data Center Projects Under Construction

Construction in progress ⁽²⁾	\$ 19,617
Remaining spend ⁽²⁾	58,513
Total	<u>\$ 78,130</u>
Targeted annual yields	12% - 16%
Annualized pro forma NOI range	\$9,400 - \$12,500

Other Assets and Liabilities

Other Assets

Remaining construction in progress ⁽³⁾	\$ 145,537
Cash and cash equivalents	12,058
Accounts and other receivables	10,715
Other tangible assets	21,381
Total other assets	<u>\$ 189,691</u>

Liabilities

Debt	\$ 333,750
Accounts payable, accrued and other liabilities	88,840
Preferred equity	115,000
Total liabilities	<u>\$ 537,590</u>

Weighted average common shares and units - diluted 47,339

(1) Cash NOI with backlog is adjusted to include one quarter of the cash backlog as of March 31, 2015, 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) Represents the book value of in progress capital projects, including land and shell building, of future NY2 and VA2 phases and other data center expansion, non-recurring investments, tenant improvements and recurring capital expenditures.

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

2015 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. Further, the guidance does not include the impact of any future financing, investment or disposition activities. Please refer to the press release for additional information on forward-looking statements.

Projected per share and OP unit information:

	2015			2014	Implied Growth ⁽¹⁾
	Low	High	Mid		
Net income attributable to common shares	\$ 0.75	\$ 0.85	\$ 0.80	\$ 0.66	21%
Real estate depreciation and amortization	1.80		1.80	1.58	
Gain on land disposal	-		-	(0.02)	
FFO	\$ 2.55	\$ 2.65	\$ 2.60	\$ 2.22	
Non-recurring items:					
Q2 benefit from real estate tax accrual true-up	-	-	-	(0.08)	
Q1 and Q2 charges for software impairment	-	-	-	0.04	
FFO - excluding non-recurring items⁽²⁾	\$ 2.55	\$ 2.65	\$ 2.60	\$ 2.18	19%
Projected operating results:					
Total operating revenues	\$ 313,000	\$ 323,000	\$ 318,000	\$ 272,420	17%
Data center revenue	305,000	315,000	310,000	264,578	17%
General and administrative expenses	30,000	32,000	31,000	27,842	11%
Adjusted EBITDA ⁽³⁾	153,000	158,000	155,500	129,634	20%
Guidance drivers:					
Annual rental churn rate	6.0%	8.0%	7.0%	5.6%	
Cash rent growth on data center renewals	2.0%	5.0%	3.5%	2.9%	
Capital expenditures:					
Data center expansion	\$ 95,000	\$ 110,000	\$ 102,500	\$ 84,312	
Non-recurring investments	10,000	15,000	12,500	12,527	
Tenant improvements	5,000	10,000	7,500	4,512	
Recurring capital expenditures	5,000	10,000	7,500	4,429	
Total capital expenditures	\$ 115,000	\$ 145,000	\$ 130,000	\$ 105,780	

(1) Implied growth is based on the midpoint of 2015 guidance.

(2) 2014 FFO was adjusted to exclude non-recurring items, including a benefit from real estate tax accrual true-up and charges for software impairment.

(3) 2014 Adjusted EBITDA was reported as \$133,281 and was also adjusted to exclude a \$3,647 benefit from a real estate tax accrual true-up.

Quarter Ended March 31, 2015

OVERVIEW	FINANCIAL STATEMENTS	OPERATING PORTFOLIO	DEVELOPMENT	CAPITAL STRUCTURE	COMPONENTS OF NAV	2015 GUIDANCE	APPENDIX
----------	----------------------	---------------------	-------------	-------------------	-------------------	---------------	----------

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.

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 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 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, the utility of FFO as a measure of our performance is limited. 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.

Appendix

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. AFFO is used by us as a basis to address our ability to fund our dividend payments. We calculate adjusted funds from operations 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

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. AFFO is a widely reported measure by other REITs, however, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not be comparable to other REITs.

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

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.

Data Center Net Rentable Square Feet (“NRSF”)

Both occupied and available data center NRSF includes a factor 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.

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.

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.

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.

Appendix

NRSF Held for Development

Represents incremental data center capacity that may be constructed in existing facilities and entitled land in our portfolio that requires significant capital investment in order to develop new data center facilities. In addition to entitled land, we may develop an additional 100,000 NRSF at NY2 upon our receipt of the necessary entitlements.

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, 2013, 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, 2013. The turn-key same store space as of December 31, 2013, is 1,067,665 NRSF. We track same store on a computer room basis within each data center facility.

Monthly Recurring Revenue per Cabinet Equivalent

Represents the turn-key monthly recurring colocation revenue ("MRR") per cabinet equivalent billed. MRR is defined 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.

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 GAAP annualized rent of data center expired leases terminated in the period, compared with total GAAP 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.