CORESITE

EARNINGS RELEASE AND SUPPLEMENTAL INFORMATION

Quarter and Year Ended December 31, 2011

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CORESITE REPORTS FOURTH QUARTER AND FULL YEAR 2011 RESULTS

DENVER, CO – February 23, 2012 – CoreSite Realty Corporation (NYSE: COR), a national provider of powerful, network-rich data centers, today announced financial results for the fourth quarter 2011.

Quarterly Highlights:

- Reported fourth-quarter FFO of $0.34 per diluted share and unit, representing a 36.0% increase over the prior-year quarter
- Reported fourth-quarter revenue of $46.0 million, representing a 3.7% increase over the prior quarter and a 20.0% increase over the prior-year quarter
- Executed new and expansion data center leases representing $6.8 million of annualized GAAP rent with a weighted-average GAAP rental rate of $192 per net rentable square foot
- Amended the company's revolving credit facility, expanding capacity to $225 million
- Announced 2012 FFO guidance with a range of $1.36 to $1.50 per diluted share
- Increased quarterly dividend by 38% to $0.18 per share

Tom Ray, CoreSite's Chief Executive Officer, commented, "Our leasing results in the fourth quarter reflect our continued drive to further differentiate our network-centric data centers and deliver excellence in our customer experience. Our strongest leasing results in the quarter were in Virginia, Chicago and the Bay area. We signed 19 new customers in the quarter, with key network wins from both the carrier and cloud verticals. We also continued to expand our platform, delivering new space in two markets and remaining on schedule and on budget to complete construction in the first half of 2012 on three additional projects."

Mr. Ray concluded, "We are pleased to have generated solid growth for our investors in 2011 and to enter 2012 with a strong asset base to drive internal growth and support expansion. We believe that the investments we are making in our operating platform will enable us to continue to drive the profitability of our company. We remain focused upon serving our customers, strengthening our go-to-market platform, executing in our development program and generating returns for our investors."

Financial Results

Fourth Quarter 2011

CoreSite reported funds from operations ("FFO") of $15.8 million, or $0.34 per diluted share and unit, for the three months ended December 31, 2011, compared to $11.5 million, or $0.25 per diluted share and unit, for the three months ended December 31, 2010. Total operating revenue for the three months ended December 31, 2011, was $46.0 million, a 3.7% increase on a sequential quarter basis and a 20.0% increase over the same quarter of the prior year. The company reported net income for the three months ended December 31, 2011, of $462,000 and net income attributable to common shares of $179,000, or $0.01 per diluted share.

Full Year 2011

CoreSite reported FFO of $56.9 million, or $1.24 per diluted share and unit, for the year ended December 31, 2011. Total operating revenue for the year ended December 31, 2011, was $172.8 million. The company reported a net loss for the year ended December 31, 2011, of $10.8 million and a net loss attributable to common shares of $4.6 million, or $0.24 per share.

A reconciliation of GAAP net income to funds from operations can be found in the company's supplemental financial presentation available on its website at www.CoreSite.com.

Leasing Activity

The company executed new and expansion data center leases representing $6.8 million of annualized GAAP rent during the quarter, comprised of 35,461 NRSF at a weighted average GAAP rate of $192 per NRSF and a weighted average lease term of 3.6 years.

During the fourth quarter, data center lease commencements totaled 38,864 NRSF at a weighted average GAAP rental rate of $168 per NRSF which represents $6.5 million of annualized GAAP rent.

Renewal leases totaling 22,911 NRSF commenced in the fourth quarter at a weighted average GAAP rate of $133 per NRSF, reflecting a 2.8% decrease in rent on a cash basis and a 4.8% increase on a GAAP basis. The decrease in cash rent was materially attributable to the decrease in rent associated with the renewal of an 9,532 NRSF lease at the company's facility in Milpitas, California. Excluding this lease, renewal rent increased 7.3% on a cash basis and 13.9% on a GAAP basis. The company's rent retention ratio for the fourth quarter was 69.4% and, adjusted to exclude the termination of a 102,951 square-foot lease in the company's Los Angeles market, its rent retention ratio for the quarter was 90.7%. For the calendar year 2011, the company's rent retention ratio was 70.2% in total, and 78.9% adjusted to exclude the termination of the 102,951 square-foot lease. For the year, rents on renewed leases increased 17.1% on a cash basis and 27.5% on a GAAP basis.

Development and Redevelopment Activity

During the fourth quarter, the company completed construction on 27,649 NRSF of space in Boston and Los Angeles for a total cost of $11.6 million, or approximately $420 per NRSF. Additionally, during the first half of 2012, the company plans to complete 126,106 NRSF of data center space currently under construction across three development projects in Northern Virginia, Santa Clara and Chicago.

The total estimated cost to complete the 126,106 NRSF of data center space under construction at December 31, 2011 is $99.7 million, an average cost of $790 per NRSF. The company incurred approximately $69.9 million through December 31, 2011, including investments of $38.7 million in its Santa Clara project and $28.0 million in its Northern Virginia project.

Including the space currently under construction or in preconstruction at December 31, 2011, as well as currently operating space targeted for future redevelopment, CoreSite owns land and buildings sufficient to develop or redevelop 936,390 feet of data center space, comprised of (1) 126,106 NRSF of data center space currently under construction, (2) 465,034 NRSF of office and industrial space currently available for redevelopment, and (3) 345,250 NRSF of new data center space available for development on land that the company currently owns at its Coronado-Stender business park.

Balance Sheet and Liquidity

As of December 31, 2011, the company had $121.9 million of total long-term debt equal to 12.9% of total enterprise value and equal to 1.7x annualized adjusted EBITDA for the quarter ended December 31, 2011.

In December, CoreSite amended its revolving credit facility, extending the term to three years with an additional one-year extension, and increasing the size of its facility from $110 million to $225 million. The facility contains an accordion feature that can increase the facility by an additional $175 million with lender approval.

Subsequent to December 31, 2011, the company has drawn an additional $30.3 million on its revolving credit facility, primarily to repay a $25.0 million senior mortgage loan secured by the 427 S. LaSalle property. In conjunction with the repayment of the senior mortgage loan, 427 S. LaSalle was added as a co-borrower under the facility, with borrowings secured by a lien on the 427 S. LaSalle property on a senior secured basis. As a result of contributing this property to the borrowing base the company’s accessible capacity has increased to $202.5 million, of which $158.6 million is currently available.

Dividend

On December 7, 2011, the company’s board of directors declared a dividend of $0.18 per share of common stock and common stock equivalents for the fourth quarter of 2011. This represents a 38% increase from the previous quarterly dividend of $0.13 per share since the company’s initial public offering in September 2010. The dividend was paid on January 17, 2012 to shareholders of record on December 31, 2011.

2012 Guidance

The company is providing the following guidance predicated on current economic conditions, internal assumptions about its customer base, and the supply and demand dynamics of the markets in which it operates. The guidance does not include the impact of any acquisitions or capital markets transactions.

		Low		High
Net income (loss) per share	$	(0.02)	$	0.04
Real estate related depreciation and amortization per share	$	1.38	$	1.46
FFO per share	$	1.36	$	1.50

The company’s 2012 guidance provided in this press release incorporates projected operating results based upon significant drivers as follows:

- Total operating revenues of $195.0 million to $205.0 million based upon:
    - Rent retention on renewals of 65% to 70%
    - GAAP rent growth on renewals of 2% to 6%
- Total general and administrative expenses of $22.0 million to $24.0 million
- Adjusted EBITDA of $76.0 million to $84.0 million
- Development/redevelopment capital expenditures of $85.0 million to $110.0 million
- Recurring capital expenditures of $3.0 million to $5.0 million

Conference Call Details

The company will host a conference call on February 23, 2012 at 12:00 p.m. (Eastern 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 387074. The replay will be available until March 1, 2012.

Interested parties may also listen to a simultaneous webcast of the conference call by logging on to the company's website at www.CoreSite.com and clicking on the “Investors” tab. The on-line replay will be available for a limited time beginning immediately following the call.

About CoreSite

CoreSite Realty Corporation (NYSE: COR) is a national provider of data center products and interconnection services. More than 700 customers such as Global 1000 enterprises, communications providers, cloud and content companies, financial firms, media and entertainment, healthcare, and government agencies choose CoreSite for the confidence that comes with customer-focused data center products, service and support systems, and scalability. CoreSite data centers are business catalysts, featuring the Any2 Internet exchange and network ecosystems, which include access to 200+ carriers and service providers and a growing mesh of more than 15,000 interconnections. The company features a diverse colocation offering from individual cabinets to custom cages and private suites, with 12 data center locations in seven major U.S. markets. For more information, visit www.CoreSite.com.

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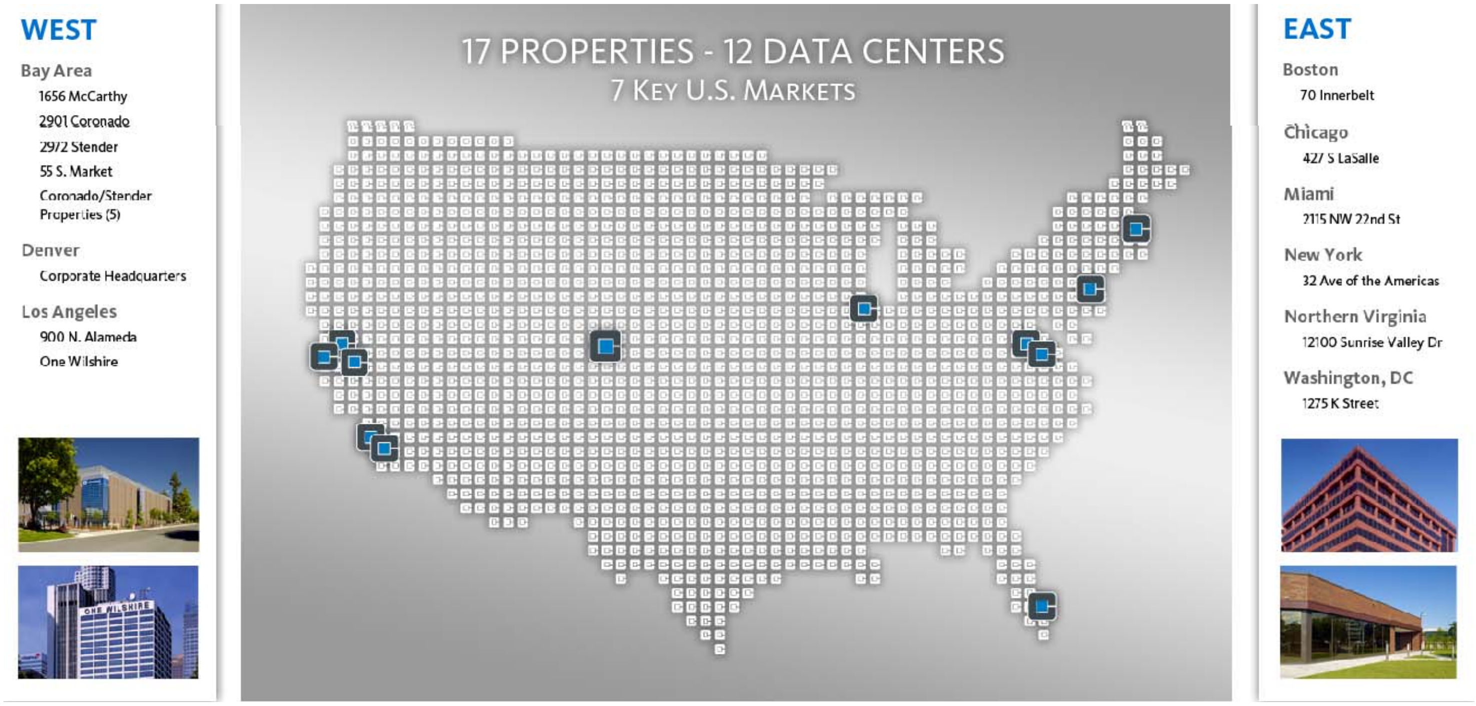
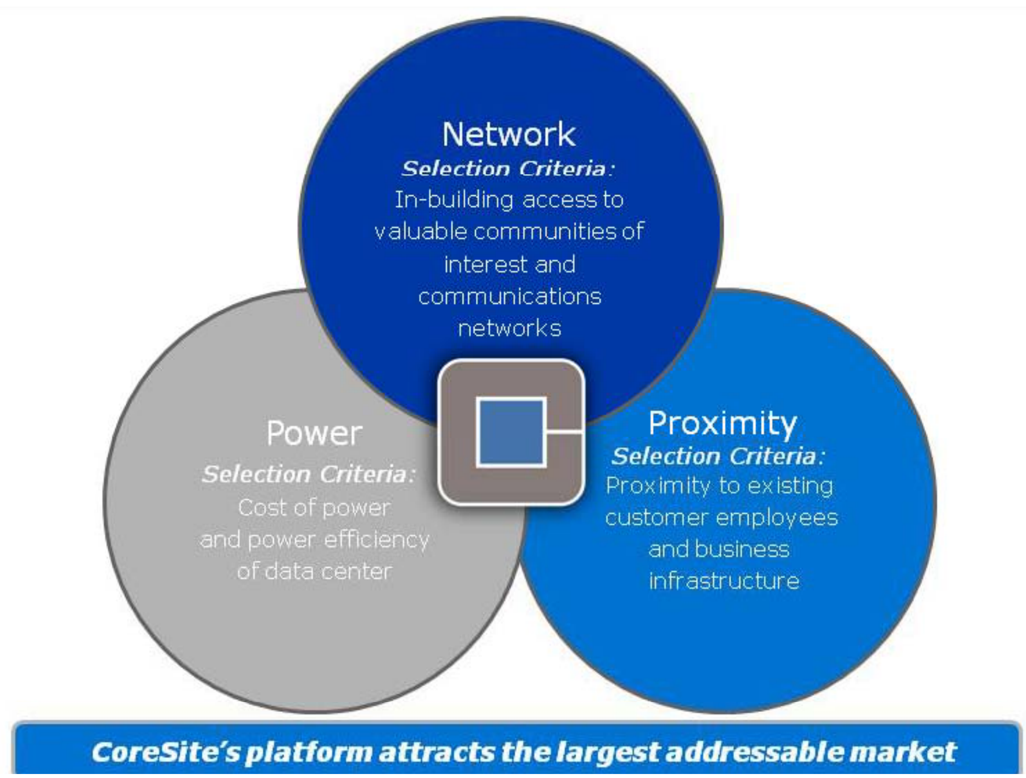
Forward Looking Statements

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 the company'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 our 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

The company serves over 700 customers across more than two million square feet, including space held for redevelopment and development, and provides access to over 200 network service providers.





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Summary of Financial Data

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

	Three Months Ended or As of:				
Summary of Results	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**	**December 31, 2010**
Operating revenues	$ 46,029	$ 44,367	$ 42,484	$ 39,966	$ 38,352
Net income (loss)	462	263	(3,588)	(7,916)	(7,447)
Net income (loss) attributable to common shares	179	112	(1,530)	(3,372)	(3,172)
Funds from operations (FFO)	15,769	16,001	13,803	11,321	11,489
Adjusted funds from operations (AFFO)	14,034	13,133	12,088	9,020	10,990
Earnings before interest, taxes, depreciation and amortization (EBITDA)	16,815	17,206	15,136	13,659	13,724
Adjusted EBITDA	17,508	18,287	15,759	14,156	14,241
Per share - diluted:					
Net income (loss) attributable to common shares	$ 0.01	$ 0.01	$ (0.08)	$ (0.17)	$ (0.16)
FFO per common share and OP unit	$ 0.34	$ 0.35	$ 0.30	$ 0.25	$ 0.25
Dividend Activity					
Dividends declared per common share and OP unit	$ 0.18	$ 0.13	$ 0.13	$ 0.13	$ 0.13
FFO payout ratio	53%	37%	43%	53%	52%
Operating Portfolio Statistics					
Operating data center properties	12	12	11	11	11
Operating data center NRSF	1,058,878	1,134,161	1,102,143	1,128,971	1,128,971
Data center NRSF leased	878,395	959,138	926,595	943,583	908,786
Data center % leased	83.0%	84.6%	84.1%	83.6%	80.5%
Office and light industrial NRSF	417,864	417,864	378,350	421,032	421,032
Office and light industrial NRSF leased	340,111	338,480	291,829	327,960	327,162
Office and light industrial % leased	81.4%	81.0%	77.1%	77.9%	77.7%
Market Capitalization and Debt					
Total enterprise value	$ 943,547	$ 772,049	$ 866,632	$ 856,148	$ 751,581
Total debt outstanding[1]	121,864	110,501	110,560	125,560	125,560
Debt to enterprise value	12.9%	14.3%	12.8%	14.7%	16.7%
Debt to annualized adjusted EBITDA	1.7x	1.5x	1.8x	2.2x	2.2x
Total debt / undepreciated book value of total assets	14.0%	12.8%	12.8%	14.4%	14.5%
Weighted Average Shares and Units					
Common shares - basic	19,988,150	19,494,703	19,473,219	19,458,605	19,458,605
Operating partnership units - basic	25,780,217	26,234,692	26,226,065	26,226,065	26,226,065
Total common shares and OP units - basic	45,768,367	45,729,395	45,699,284	45,684,670	45,684,670
Shares issued from assumed conversion of restricted shares/options	93,853	93,258	84,796	4,748	-
Total common shares and OP units - diluted	45,862,220	45,822,653	45,784,080	45,689,418	45,684,670

(1) Excludes fair market value adjustment of acquired loan.

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Consolidated Balance Sheets

(in thousands)

	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Assets:					
Investments in real estate:					
Land	$ 84,738	$ 84,738	$ 84,738	$ 84,738	$ 84,738
Building and building improvements	499,717	480,053	463,412	454,018	450,097
Leasehold improvements	81,057	80,760	77,452	76,803	75,800
	665,512	645,551	625,602	615,559	610,635
Less: Accumulated depreciation and amortization	(64,428)	(55,854)	(49,003)	(41,365)	(32,943)
Net investment in operating properties	601,084	589,697	576,599	574,194	577,692
Construction in progress	73,084	75,624	63,175	34,913	11,987
Net investments in real estate	674,168	665,321	639,774	609,107	589,679
Cash and cash equivalents	6,628	10,204	31,324	73,210	86,246
Restricted cash	9,291	10,598	16,120	14,967	14,968
Accounts and other receivables, net	6,562	7,045	6,394	6,185	5,332
Lease intangibles, net	36,643	43,449	50,973	60,880	71,704
Goodwill	41,191	41,191	41,191	41,191	41,191
Other assets	33,743	30,833	25,979	25,132	23,906
Total assets	**$ 808,226**	**$ 808,641**	**$ 811,755**	**$ 830,672**	**$ 833,026**
Liabilities and equity:					
Liabilities					
Revolving credit facility	$ 5,000	$ -	$ -	$ -	$ -
Mortgage loans payable	116,864	110,501	110,560	125,560	124,873
Accounts payable and accrued expenses	38,822	42,978	41,569	37,488	26,393
Deferred rent payable	3,535	3,284	2,998	2,643	2,277
Acquired below-market lease contracts, net	11,872	13,021	14,111	15,293	16,415
Prepaid rent and other liabilities	11,946	11,589	10,420	8,683	8,603
Total liabilities	188,039	181,373	179,658	189,667	178,561
Stockholders' equity					
Common stock, par value $0.01	204	195	194	194	194
Additional paid-in capital	256,183	241,700	240,822	239,933	239,453
Accumulated other comprehensive income (loss)	(34)	(43)	(53)	41	52
Accumulated deficit	(23,545)	(19,998)	(17,523)	(13,416)	(7,460)
Total stockholders' equity	232,808	221,854	223,440	226,752	232,239
Noncontrolling interests	387,379	405,414	408,657	414,253	422,226
Total equity	620,187	627,268	632,097	641,005	654,465
Total liabilities and equity	**$ 808,226**	**$ 808,641**	**$ 811,755**	**$ 830,672**	**$ 833,026**

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Consolidated Statements of Operations

(in thousands, except share and per share data)

	Three Months Ended:				
	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Operating revenues:					
Rental revenue	$ 29,064	$ 27,616	$ 26,707	$ 25,210	$ 24,428
Power revenue	11,411	11,450	10,760	9,781	9,403
Tenant reimbursement	1,767	1,432	1,425	1,720	1,501
Other revenue	3,787	3,869	3,592	3,255	3,020
Total operating revenues	46,029	44,367	42,484	39,966	38,352
Operating expenses:					
Property operating and maintenance	15,063	14,133	13,830	12,023	12,107
Real estate taxes and insurance	2,064	2,163	2,149	2,743	1,642
Depreciation and amortization	15,743	16,091	17,660	19,473	19,146
Sales and marketing	1,619	1,315	1,433	1,377	1,341
General and administrative	5,880	4,747	5,602	5,617	4,987
Transaction costs	-	192	683	-	-
Rent	4,588	4,601	4,600	4,547	4,551
Total operating expenses	44,957	43,242	45,957	45,780	43,774
Operating income (loss)	1,072	1,125	(3,473)	(5,814)	(5,422)
Gain on early extinguishment of debt	-	(10)	949	-	-
Interest income	2	9	40	66	77
Interest expense	(838)	(916)	(1,269)	(2,252)	(2,325)
Income (loss) before income taxes	236	208	(3,753)	(8,000)	(7,670)
Income tax benefits	226	55	165	84	223
Net income (loss)	462	263	(3,588)	(7,916)	(7,447)
Net income (loss) attributable to noncontrolling interests	283	151	(2,058)	(4,544)	(4,275)
Net income (loss) attributable to common shares	$ 179	$ 112	$ (1,530)	$ (3,372)	$ (3,172)
Net income (loss) per share attributable to common shares:					
Basic	$ 0.01	$ 0.01	$ (0.08)	$ (0.17)	$ (0.16)
Diluted	$ 0.01	$ 0.01	$ (0.08)	$ (0.17)	$ (0.16)
Weighted average common shares outstanding:					
Basic	19,988,150	19,494,703	19,473,219	19,458,605	19,458,605
Diluted	20,082,003	19,587,961	19,473,219	19,458,605	19,458,605

Reconciliations of Net Income (Loss) to FFO, AFFO and EBITDA

(in thousands, except share and per share data)

Reconciliation of Net Income (Loss) to FFO:

	Three Months Ended: December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Net income (loss)	$ 462	$ 263	$ (3,588)	$ (7,916)	$ (7,447)
Adjustments:					
Real estate depreciation and amortization	15,307	15,738	17,391	19,237	18,936
FFO available to common shareholders and OP unitholders	$ 15,769	$ 16,001	$ 13,803	$ 11,321	$ 11,489
Weighted average common shares and OP units outstanding - diluted	45,862,220	45,822,653	45,822,653	45,784,080	45,689,418
FFO per common share and OP unit - diluted	$ 0.34	$ 0.35	$ 0.30	$ 0.25	$ 0.25

Reconciliation of FFO to AFFO:

	Three Months Ended: December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
FFO available to common shareholders and unitholders	$ 15,769	$ 16,001	$ 13,803	$ 11,321	$ 11,489
Adjustments:					
Amortization of deferred financing costs	371	359	399	427	427
Non-cash compensation	693	879	889	497	517
Non-real estate depreciation	436	353	269	236	210
Amortization of fair market value of acquired loan	-	-	-	687	896
Straight-line rent adjustment	(1,055)	(1,126)	(1,054)	(493)	(457)
Amortization of above and below market leases	(511)	(375)	(374)	(390)	(390)
Maintenance capital investment	(42)	(608)	(59)	(725)	(847)
Tenant improvements	(1,058)	(1,579)	(955)	(495)	(398)
Capitalized leasing commissions	(569)	(771)	(830)	(2,045)	(457)
AFFO available to common shareholders and OP unitholders	$ 14,034	$ 13,133	$ 12,088	$ 9,020	$ 10,990

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA:

	Three Months Ended: December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Net income (loss)	$ 462	$ 263	$ (3,588)	$ (7,916)	$ (7,447)
Adjustments:					
Interest expense, net of interest income	836	907	1,229	2,186	2,248
Income taxes	(226)	(55)	(165)	(84)	(223)
Depreciation and amortization	15,743	16,091	17,660	19,473	19,146
EBITDA	$ 16,815	$ 17,206	$ 15,136	$ 13,659	$ 13,724
Non-cash compensation	693	879	889	497	517
Gain on early extinguishment of debt	-	10	(949)	-	-
Transaction costs	-	192	683	-	-
Adjusted EBITDA	$ 17,508	$ 18,287	$ 15,759	$ 14,156	$ 14,241

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Operating Properties

(in thousands, except NRSF data)

Set forth below is additional information for each of the operating properties as of December 31, 2011:

			Operating NRSF[1]					
			Data Center[2]		Office and Light-Industrial[3]		Total	
Market / Facilities	Acquisition Date[4]	Annualized Rent ($000)[5]	Total	Percent Leased[6]	Total	Percent Leased[6]	Total[7]	Percent Leased[6]
Los Angeles								
One Wilshire*	Aug. 2007	$ 22,180	157,588	68.1 %	7,500	57.5 %	165,088	67.6 %
900 N. Alameda	Oct. 2006	10,765	156,366	77.4	8,360	26.2	164,726	74.8
Los Angeles Total		**32,945**	**313,954**	**72.7**	**15,860**	**39.6**	**329,814**	**71.1**
San Francisco Bay								
55 S. Market	Feb. 2000	12,052	84,045	92.1	206,255	90.2	290,300	90.8
2901 Coronado	Feb. 2007	9,085	50,000	100.0	-	-	50,000	100.0
1656 McCarthy	Dec. 2006	7,761	76,676	90.1	-	-	76,676	90.1
Coronado-Stender Properties[8]	Feb. 2007	939	-	-	115,560	82.5	115,560	82.5
2972 Stender[9]	Feb. 2007	928	18,116	56.1	-	-	18,116	56.1
San Francisco Bay Total		**30,765**	**228,837**	**90.3**	**321,815**	**87.5**	**550,652**	**88.6**
Northern Virginia								
12100 Sunrise Valley	Dec. 2007	15,149	137,669	93.8	60,539	71.4	198,208	87.0
1275 K Street*	June 2006	1,770	22,137	71.5	-	-	22,137	71.5
Northern Virginia Total		**16,919**	**159,806**	**90.7**	**60,539**	**71.4**	**220,345**	**85.4**
Boston								
70 Innerbelt	Apr. 2007	8,781	148,795	87.3	13,063	34.2	161,858	83.0
Chicago								
427 S. LaSalle	Feb. 2007	7,724	128,906	92.8	4,946	56.9	133,852	91.5
New York								
32 Avenue of the Americas*	June 2007	4,942	48,404	64.7	-	-	48,404	64.7
Miami								
2115 NW 22nd Street	June 2006	1,753	30,176	58.7	1,641	100.0	31,817	60.8
Total Facilities		**$ 103,829**	**1,058,878**	**83.0** %	**417,864**	**81.4** %	**1,476,742**	**82.5** %

* Indicates properties in which we hold a leasehold interest.

(1) Represents the square feet at each building under lease as specified in existing customer lease agreements plus management's estimate of space available for lease to customers based on engineers' drawings and other factors, including required data center support space (such as the mechanical, telecommunications and utility rooms) and building common areas. Total NRSF at a given facility includes the total operating NRSF and total redevelopment and development NRSF, but excludes our office space at a facility and our corporate headquarters.

(2) Represents the NRSF at each operating facility that is currently leased or readily available for lease as data center space. Both leased and available data center NRSF includes a factor to account for a customer's proportionate share of the 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.

(3) Represents the NRSF at each operating facility that is currently leased or readily available for lease as space other than data center space, which is typically space offered for office or light-industrial uses.

(4) Reflects date property was acquired by certain real estate funds affiliated with the Carlyle Group and not the date of our acquisition upon consummation of our initial public offering. In the case of a leased property, indicates the date the initial lease commenced.

(5) Represents the monthly contractual rent paid under existing customer leases as of December 31, 2011, multiplied by 12. This amount reflects total annualized base rent before any one-time or non-recurring rent abatements and, for any customer under a modified gross or triple-net lease, it excludes the operating expense reimbursement attributable to such lease. On a gross basis, our annualized rent was approximately $110,073,000 as of December 31 2011, which reflects the addition of $6,244,383 in operating expense reimbursements to contractual net rent under modified gross and triple-net leases.

(6) Includes customer leases that have commenced as of December 31, 2011. The percent leased is determined based on leased square feet as a proportion of total operating NRSF. The percent leased for data center space, office and light industrial space, and space in total would have been 85.3%, 81.5%, and 84.3%, respectively, if all leases signed in current and prior periods had commenced.

(7) Represents the NRSF at an operating facility currently leased or readily available for lease. This excludes existing vacant space held for redevelopment or development.

(8) The Coronado-Stender Business Park became entitled for our proposed data center development upon receipt of the mitigated negative declaration from the city of Santa Clara in the first quarter of 2011. We have the ability to develop 345,250 NRSF of data center space at this property, which is in addition to the 50,400 NRSF of data center space and 50,600 NRSF of unconditioned core and shell space completed or under construction at 2972 Stender.

(9) We have completed construction on 18,116 NRSF of data center space at this property, and are under construction on an additional 32,284 NRSF of data center space. We have also developed an incremental 50,600 NRSF of unconditioned core and shell space to be held for potential future development into data center space, subject to our assessment of market demand and alternative uses of our capital.

CORESITE

Leasing Statistics

Data Center Leasing Activity

	Leasing Activity Period	Number of Leases[1]	Total Leased NRSF[2]	GAAP Annualized Rent per Leased NRSF	GAAP Annualized Rent (000's)	Rent-Retention Rate[3]	Cash Rent Growth[4]	GAAP Rent Growth[4]
New / expansion leases commenced	**YTD 2011**	**328**	**142,734**	**$ 153**	**$ 21,881**			
	Q4 2011	**72**	**38,864**	**168**	**6,530**			
	Q3 2011	101	38,658	166	6,427			
	Q2 2011	77	23,400	135	3,167			
	Q1 2011	78	41,812	138	5,757			
	Q4 2010	59	17,203	137	2,359			
New / expansion leases signed	**YTD 2011**	**328**	**138,061**	**$ 163**	**$ 22,526**			
	Q4 2011	**64**	**35,461**	**192**	**6,802**			
	Q3 2011	105	28,553	183	5,224			
	Q2 2011	69	31,464	148	4,657			
	Q1 2011	90	42,583	137	5,843			
	Q4 2010	64	33,135	119	3,929			
Renewal leases commenced	**YTD 2011**	**264**	**108,239**	**$ 148**	**$ 15,976**	**70.2%**	**17.1%**	**27.5%**
	Q4 2011	**42**	**22,911**	**133**	**3,047**	**69.4%**	**-2.8%** [5]	**4.8%** [5]
	Q3 2011	82	21,353	175	3,731	88.4%	13.9%	21.5%
	Q2 2011	68	41,523	136	5,641	71.8%	35.3%	53.8%
	Q1 2011	72	22,452	158	3,557	92.9%	16.7%	23.3%
	Q4 2010	45	27,725	124	3,442	89.0%	11.8%	18.6%

(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) Total leased NRSF is determined based on contractually leased square feet for leases that have commenced on or before December 31, 2011. We calculate occupancy based on factors in addition to contractually leased square feet, including required data center support space (such as the mechanical, telecommunications and utility rooms) and building common areas.

(3) Rent-retention is calculated based on a customer's contractual obligation to lease space. If the customer's contractual obligation expires during the period or expired in a prior period and the customer was still leasing space at the end of the current period, that rent is considered retained for retention calculation purposes. We calculate rent as lost when a customer vacates a facility due to (1) non-renewal of an expiring lease or early termination for cause, or (2) the relinquishment of space targeted for redevelopment.

(4) Rent growth represents the increase in rental rates on renewed leases commencing during the period, as compared with the previous rental rates for the same space.

(5) Excluding a Milpitas, California lease renewal of 9,532 NRSF, cash basis rent increased 7.3% and GAAP basis rent increased 13.9%.

CORESITE

Leasing Statistics

Lease Expirations (total operating properties)

The following table sets forth a summary schedule of the expirations for leases in place as of December 31, 2011, plus available space, for each of the ten full calendar years beginning January 1, 2012 at the properties in our portfolio. Unless otherwise stated in the footnotes, the information set forth in the table assumes that customers exercise no renewal options and all early termination rights.

Year of Lease Expiration	Number of Leases Expiring[1]	Total Operating NRSF of Expiring Leases	Percentage of Total Operating NRSF	Annualized Rent ($000)[2]	Percentage of Annualized Rent	Annualized Rent Per Leased NRSF[3]	Annualized Rent at Expiration ($000)[4]	Annualized Rent Per Leased NRSF at Expiration[5]
Available as of December 31, 2011[6]	-	258,236	17.5 %	$ -	- %	$ -	$ -	$ -
2012[7]	498	412,529	27.9	33,888	32.6	82.15	34,083	82.62
2013	231	179,164	12.1	18,089	17.4	100.97	18,917	105.59
2014	210	118,825	8.1	15,337	14.8	129.07	18,592	156.47
2015	42	83,014	5.6	4,701	4.5	56.63	7,035	84.74
2016[8]	85	161,852	11.0	11,108	10.7	68.63	13,296	82.15
2017	26	47,725	3.2	7,472	7.2	156.56	9,164	192.01
2018	9	79,341	5.4	8,100	7.8	102.09	10,146	127.89
2019	3	80,466	5.5	2,174	2.1	27.01	2,469	30.69
2020	3	2,174	0.1	381	0.4	174.94	509	234.00
2021	6	13,773	0.9	726	0.7	52.71	1,357	98.51
2022-Thereafter	7	39,643	2.7	1,853	1.8	46.75	2,461	62.08
Portfolio Total / Weighted Average	**1,120**	**1,476,742**	**100.0 %**	**$ 103,829**	**100.0 %**	**$ 85.21**	**$ 118,029**	**$ 96.86**

(1) Includes leases that upon expiration will be automatically renewed, primarily on a month-to-month 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 monthly contractual rent paid under existing customer leases as of December 31, 2011, multiplied by 12. This amount reflects total annualized base rent before any one-time or non-recurring rent abatements and, for any customer under a modified gross or triple-net lease, it excludes the operating expense reimbursement attributable to those leases.

(3) Annualized rent as defined above, divided by the square footage of leases expiring in the given year.

(4) Represents the final monthly contractual rent under existing customer leases as of December 31, 2011, multiplied by 12. This amount reflects total annualized base rent before any one-time or non-recurring rent abatements and, for any customer under a modified gross or triple-net lease, it excludes the operating expense reimbursement attributable to those leases.

(5) Annualized rent at expiration as defined above, divided by the square footage of leases expiring in the given year. This metric reflects the rent growth inherent in the existing base of lease agreements.

(6) Excludes approximately 604,780 vacant NRSF held for redevelopment or under construction at December 31, 2011.

(7) Includes an office lease with General Services Administration - IRS, which is an interim lease in place that expires on May 31, 2012. Upon the expiration of the interim lease and the substantial completion of tenant improvements by us, a new lease that has already been executed by both parties will commence. The new lease includes 119,729 NRSF with a ten-year term and a termination option at the end of year eight.

(8) Total operating NRSF of expiring leases in 2016 reflects the expiration of half of a 50,000 NRSF lease, the other half of which expires in 2017.

Lease Distribution

The following table sets forth information relating to the distribution of leases in the properties in our portfolio, based on NRSF (excluding space held for redevelopment) under lease as of December 31, 2011.

Square Feet Under Lease[1]	Number of Leases[2]	Percentage of All Leases	Total Operating NRSF of Leases[3]	Percentage of Total Operating NRSF	Annualized Rent ($000)[4]	Percentage of Annualized Rent
Available[5]		- %	258,236	17.5 %	$ -	- %
1,000 or less	960	85.7	161,888	11.0	28,535	27.5
1,001 - 2,000	54	4.8	77,735	5.3	8,921	8.6
2,001 - 5,000	65	5.8	193,795	13.0	18,919	18.2
5,001 - 10,000	18	1.6	124,348	8.4	10,448	10.1
10,001 - 25,000	17	1.5	309,873	21.0	26,190	25.2
Greater than 25,000	6	0.6	350,867	23.8	10,816	10.4
Portfolio Total	**1,120**	**100.0 %**	**1,476,742**	**100.0 %**	**$ 103,829**	**100.0 %**

(1) Represents all leases in our portfolio, including data center and office and light-industrial leases.

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

(3) Represents the square feet at a building under lease as specified in the lease agreements plus management's estimate of space available for lease to third parties based on engineer's drawings and other factors, including required data center support space (such as the mechanical, telecommunications and utility rooms) and building common areas.

(4) Represents the monthly contractual rent paid under existing customer leases as of December 31, 2011, multiplied by 12. This amount reflects total annualized base rent before any one-time or non-recurring rent abatements and, for any customer under a modified gross or triple-net lease, it excludes the operating expense reimbursement attributable to those leases.

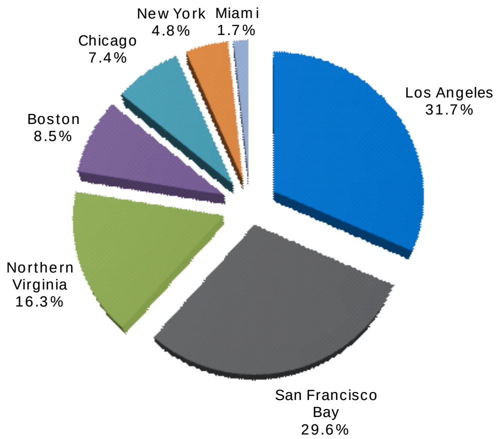
(5) Excludes approximately 604,780 vacant NRSF held for redevelopment or under construction at December 31, 2011.

CORESITE

Geographic Diversification and 10 Largest Customers

(in thousands, except NRSF data)

Geographic Diversification



Metropolitan Market	Percentage of Total Annualized Rent
Los Angeles	31.7 %
San Francisco Bay	29.6
Northern Virginia	16.3
Boston	8.5
Chicago	7.4
New York	4.8
Miami	1.7
Total	100.0 %

10 Largest Customers

As of December 31, 2011, our portfolio was leased to over 700 companies, many of which are nationally recognized firms. The following table sets forth information regarding the ten largest customers in our portfolio based on annualized rent as of December 31, 2011:

	Customer	Number of Locations	Total Leased NRSF(1)	Percentage of Total Operating NRSF(2)	Annualized Rent(3)	Percentage of Annualized Rent(4)	Weighted Average Remaining Lease Term in Months(5)
1	Facebook, Inc.	3	74,091	5.0 %	$ 11,902	11.5 %	45
2	Computer Sciences Corporation	2	45,077	3.1	4,486	4.3	70
3	General Services Admin - IRS* (6)	1	141,774	9.5	3,770	3.6	16
4	Akamai Technologies	5	31,950	2.2	3,762	3.6	13
5	Nuance Communications	1	25,404	1.7	3,233	3.1	78
6	Verizon Communications	7	74,048	5.0	2,535	2.4	41
7	Gov't of District of Columbia	2	16,646	1.1	2,201	2.1	33
8	Tata Communications	2	18,476	1.3	1,867	1.8	94
9	NBC Universal	1	11,294	0.8	1,718	1.7	7
10	Telmex USA	1	2,500	0.2	1,530	1.5	15
	Total / Weighted Average		441,260	29.9 %	$ 37,004	35.6 %	41

* Denotes customer using space for general office purposes.

(1) Total leased NRSF is determined based on contractually leased square feet for leases that have commenced on or before December 31, 2011. We calculate occupancy based on factors in addition to contractually leased square feet, including required data center support space (such as the mechanical, telecommunications and utility rooms) and building common areas.

(2) Represents the customer's total leased square feet divided by the total operating NRSF in the portfolio which, as of December 31, 2011, consisted of 1,476,742 NRSF.

(3) Represents the monthly contractual rent paid under existing customer leases as of December 31, 2011, multiplied by 12. This amount reflects total annualized base rent before any one-time or non-recurring rent abatements and, for any customer under a modified gross or triple-net lease, it excludes the operating expense reimbursement attributable to those leases.

(4) Represents the customer's total annualized rent divided by the total annualized rent in the portfolio as of December 31, 2011, which was approximately $103,829,000.

(5) Weighted average based on percentage of total annualized rent expiring and is as of December 31, 2011.

(6) The data presented represents an interim lease in place that expires in May 2012. Upon expiration of the interim lease and the substantial completion of tenant improvements by us, a new lease that has already been executed by both parties will commence. That lease includes 119,729 NRSF with a ten-year term and a termination option at the end of year eight.

CORESITE

Development Summary and Capital Expenditures

(in thousands, except NRSF data)

Completed Pre-Stabilized Data Center Projects as of December 31, 2011

Projects / Facilities	Metropolitan Area	Development / Redevelopment	Completion	NRSF	Cost	Percent Leased[(1)]
12100 Sunrise Valley	Northern Virginia	Redevelopment	Apr 2011	7,266	$ 3,000	79.9%
12100 Sunrise Valley	Northern Virginia	Redevelopment	Aug 2011	11,975	4,900	76.2%
2972 Stender	San Francisco Bay	Development	July 2011	18,116	12,700	56.1%
70 Innerbelt	Boston	Redevelopment	Nov 2011	15,149	5,600	60.1%
900 N. Alameda	Los Angeles	Redevelopment	Dec 2011	12,500	6,000	46.1%
Total completed pre-stabilized				65,006	$ 32,200	

(1) These projects/facilities are included in the operating NRSF information in the Operating Properties table on page 11.

Data Center Projects Under Construction as of December 31, 2011

Projects / Facilities	Metropolitan Area	Development / Redevelopment	Completion / Estimated Completion	NRSF	Costs: Incurred to-date	Costs: Estimated Total [(1)]
427 S. LaSalle	Chicago	Redevelopment	Q2 2012	29,261	$ 3,300	$ 9,700
12100 Sunrise Valley	Northern Virginia	Redevelopment	Q1 2012	64,561	27,950	35,650
2972 Stender[(2)]	San Francisco Bay	Development	Q2 2012	32,284	38,650	54,300
Total under construction				126,106	$ 69,900	$ 99,650
Planned near-term future construction[(4)]						
900 N. Alameda	Los Angeles	Redevelopment	Q4 2012	12,500	$ -	$ 1,000
70 Innerbelt[(3)]	Boston	Redevelopment	Q4 2012	15,000	-	10,500
Total planned near-term future construction				27,500	$ -	$ 11,500

(1) Reflects management's estimate of cost of completion based upon the actual cost as of December 31, 2011, plus management's estimate of the cost to complete construction.

(2) As of December 31, 2011, we completed the first of three data centers on the second floor. We also developed an incremental 50,600 NRSF of unconditioned core and shell space that we intend to hold for potential future development into data center space, subject to our assessment of market demand and alternative uses of our capital. Management's estimate of the cost to construct the core and shell space is included in the estimated total.

(3) NRSF reflects management's estimate based on engineering drawings and required support space and is subject to change based on final demising of the space.

(4) Planned near-term future construction is management's best estimate of current planned projects. Projects may be added or deleted from this list at any time based upon management's evaluation of current market demands and economic performance.

Capital Expenditures – Quarter Ended

	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Recurring capital expenditures	$ 42	$ 608	$ 59	$ 725	$ 847
Development/redevelopment capital expenditures	18,582	34,527	38,342	27,521	11,852
Total	**$ 18,624**	**$ 35,135**	**$ 38,401**	**$ 28,246**	**$ 12,699**

CORESITE

Market Capitalization and Debt Summary

(in thousands, except per share data)

Market Capitalization

	Shares or Equivalents Outstanding	Market Price as of December 31, 2011	Market Value Equivalents
Common shares	20,748	$17.82	$ 369,726
Operating partnership units	25,362	$17.82	451,957
Total equity			821,683
Total debt			121,864
Total enterprise value			$ 943,547
Total debt to total enterprise value			12.9%

Debt Summary (1) — Outstanding as of:

Instrument	Interest Rate(2)	Maturity Date	Maturity Date with Extension	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
427 S. LaSalle mortgage loan A (3)	L+0.6%	3/9/2012	3/9/2012	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
427 S. LaSalle mortgage loan B(4)	L+2.95%			-	-	-	5,000	5,000
427 S. LaSalle mezzanine loan(4)	L+4.83%			-	-	-	10,000	10,000
12100 Sunrise Valley mortgage loan	L+2.75%	6/1/2013	6/1/2014	31,864	25,501	25,560	25,560	25,560
55 S. Market mortgage loan(5)	4.01%	10/9/2012	10/9/2014	60,000	60,000	60,000	60,000	60,000
Senior secured credit facility (3)	L+2.25%	12/15/2014	12/15/2015	5,000	-	-	-	-
FMV adjustment of acquired loan, net(6)				-	-	-	-	(687)
Total Consolidated Debt				**$ 121,864**	**$ 110,501**	**$ 110,560**	**$ 125,560**	**$ 124,873**
Weighted average interest rate	2.95%							
Floating rate vs. fixed rate debt				51% / 49%	46% / 54%	46% / 54%	52% / 48%	52% / 48%

(1) See the 10-K for information on specific debt instruments.

(2) The 30 day LIBOR rate was 0.28% as of December 31, 2011.

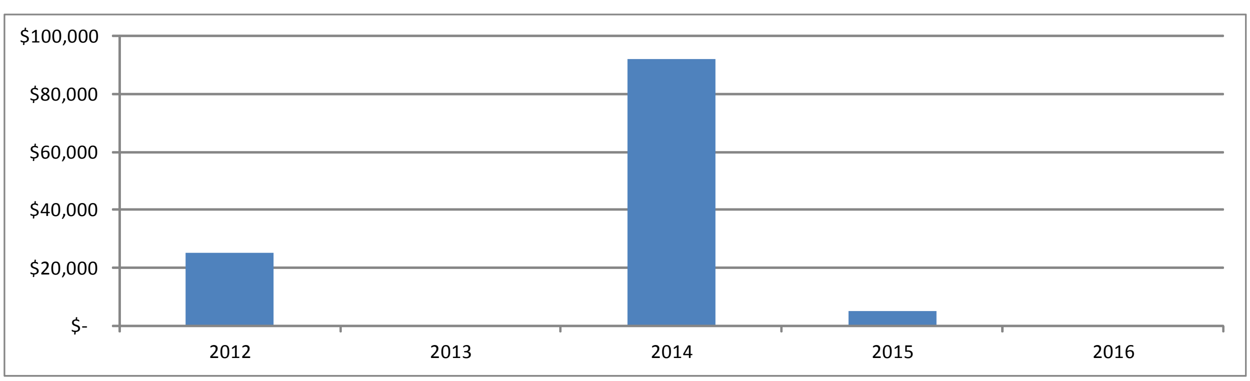
(3) Subsequent to December 31, 2011, we completed additional draws totaling $30.3 million on the senior secured credit facility and repaid the senior mortgage loan of $25.0 million secured by the 427 S. LaSalle property which was scheduled to mature on March 9, 2012.

(4) On April 29, 2011, we repaid the $10.0 million mezzanine loan on the 427 S. LaSalle property which was scheduled to mature on March 9, 2012. On June 3, 2011, we repaid the $5.0 million subordinate loan on the 427 S. LaSalle property which was scheduled to mature on March 9, 2012.

(5) Represents the effective interest rate for secured debt at 55 S. Market. See 10-K for additional information on the interest rate swap agreement for the secured debt at 55 S. Market.

(6) Represents the unamortized acquired below-market debt adjustment on the 427 S. LaSalle mortgage loans.

Debt Maturities(1)(2)



(1) Assumes all extensions are available and exercised.

(2) Subsequent to December 31, 2011, we completed additional draws totaling $30.3 million on the senior secured credit facility and repaid the senior mortgage loan of $25.0 million secured by the 427 S. LaSalle property which was scheduled to mature on March 9, 2012.

CORESITE

Interest Summary and Debt Covenants

(in thousands)

Interest Expense Components

	Three Months Ended:				
	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Interest expense and fees	$ 1,120	$ 1,069	$ 1,170	$ 1,265	$ 1,028
Amortization of deferred financing costs	371	359	399	427	427
Amortization of fair market value of acquired loan	-	-	-	687	896
Capitalized interest	(653)	(512)	(300)	(127)	(26)
Total interest expense	**$ 838**	**$ 916**	**$ 1,269**	**$ 2,252**	**$ 2,325**

Debt Covenants

		Revolving Credit Facility				
	Required Compliance	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Minimum tangible net worth	Greater than $468.8M	$824,000	$826,000	$771,000	$758,000	$686,000
Fixed charge coverage ratio	Greater than 1.75x	15.9x	18.0x	15.5x	13.2x	13.1x
Total indebtedness to gross asset value	Less than 60%	13.7%	12.6%	13.4%	15.1%	16.4%
Unhedged variable rate debt to gross asset value	Less than 30%	3.1%	5.3%	5.7%	7.3%	8.0%
Consolidated recourse indebtedness to gross asset value	Less than 30%	0.2%	0.2%	0.2%	0.2%	0.2%
Total borrowing base		$158,100 (1)	$110,000	$110,000	$110,000	$110,000
Borrowings outstanding		(5,000)	-	-	-	-
Outstanding letters of credit		(8,600)	(8,700)	(8,950)	(9,200)	(9,200)
Current availability		$144,500	$101,300	$101,050	$100,800	$100,800

(1) Subsequent to December 31, 2011, our borrowing capacity increased to $202,500 and current availability increased to $158,600 due to the payoff of the mortgage at 427 S. LaSalle and addition of this asset to our borrowing base under our credit facility.

CORESITE

2012 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 or investment activities beyond what is described in the assumptions. Please refer to the press release for additional information on forward-looking statements.

	Low	High
Projected per share information:		
Net income (loss) attributable to common shares	($0.02)	$0.04
Real Estate depreciation and amortization	1.38	1.46
FFO	**$1.36**	**$1.50**
Projected operating results:		
Total operating revenues	$ 195,000	$ 205,000
General and administrative expenses	$ 22,000	$ 24,000
Adjusted EBITDA	$ 76,000	$ 84,000
Significant guidance drivers:		
Rent retention on renewals	65%	70%
GAAP rent growth on renewals	2%	6%
Development/redevelopment capital expenditures	$ 85,000	$ 110,000
Recurring capital expenditures	$ 3,000	$ 5,000

Appendix

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.

Definitions

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 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.

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.

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: Below market debt amortization
5. Less: Straight line rents adjustments
6. Less: Above and below market leases
7. Less: Maintenance capital investment
8. Less: Tenant improvement capital investment
9. Less: Capitalized leasing commissions

Appendix

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 and transaction costs to EBITDA as well as adjusting for the impact of 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.