



## Earnings highlight

Figure 1: 3Q16 earnings recap

DLR	3Q15	2Q16	3Q16			2016			
	Actual	Actual	Actual	DBe	Cons	Pre 3Q Guide	Post 3Q Guide	DBe	Cons
<b>Income Statement</b>									
FFO/sh	\$1.28	\$1.36	\$1.31	\$1.37		\$5.50 - \$5.55	\$5.45 - \$5.50	\$5.53	
Core FFO/sh	\$1.32	\$1.42	\$1.44	\$1.49	\$1.44	\$5.65 - \$5.75	\$5.65 - \$5.75	\$5.73	\$5.70
<b>Operating Metrics</b>									
Signed \$ leasing volume (MM's)	\$33,000	\$23,000	\$55,452						
Rent/KW/Morth	\$259	\$247	\$578						
TKF new leasing volume (ksf signed)	159	39	250						
TKF new lease rent/sf (signed)	\$186	\$216	\$149						
TKF renewal rent spread (GAAP)	7.7%	9.5%	-6.8%						
Colo new leasing volume (ksf signed)	12	26	26						
Colo new lease rent/sf (signed)	\$239	\$229	\$300						
Colo renewal rent spread (GAAP)	9.1%	5.2%	3.8%						
Total occupancy (commenced)	93.00%	90.40%	89.90%	90.60%		+ / - 50bps	- 150-200bps	90.60%	
Same-capital NOI growth	2.20%	3.30%	0.90%			2.5% - 4.0%	2.5% - 4.0%		

Note: consensus estimates are based on Thomson compiled data as of 10/27/16

Signed \$ leasing volume excludes interconnection business in 3Q15, which DLR did not report prior to its Telx acquisition

DB estimates in this figure reflect our pre 3Q16 earnings estimates

Source: Deutsche Bank, company data, Thomson

Core FFO behind DBe and in-line with consensus

3Q Core FFO/sh of \$1.44 was 5c below our estimate and in-line with consensus. The miss was driven by higher financing costs (-5c), taxes (-1c), and non-RE D&A (-1c), partially offset by higher NOI (+1c) and lower G&A (+1c). NAREIT FFO/sh of \$1.31 was 6c lower than us as DLR reported transaction and preferred stock issuance costs that were 1c higher than we had modeled.

## 2016 guidance

### Guidance update

- Core FFO/sh guidance of \$5.65-\$5.75 (unchanged)
- FFO/sh guidance of \$5.45-\$5.50 (from \$5.50-\$5.55)
- Total revenue of \$2.0-\$2.2B (unchanged)
- Net non-cash rent adjustments of \$10-\$15MM (from \$10-\$20MM)
- EBITDA margin of 56.5-58% (from 56-58%)
- G&A margin 6.8-7.0% (from 6.5-7.0%)
- Cash renewal spreads slightly positive and GAAP renewal spreads up high single-digits (unchanged)
- Year end portfolio occupancy down 150-200bps (from +/- 50bps)
- Dispositions of \$326.5MM (from \$150-\$360MM) at a 7.1% cap rate (from 7-8%)
- Development capex of \$750MM-\$900MM with average stabilized yields of 10.5%-12.5% (unchanged)
- Enhancements and other non-recurring capex of \$5MM-\$10MM (unchanged) and recurring capex and capitalized leasing costs of \$95MM-\$105MM (from \$120MM-\$130MM)
- Debt issuance of \$1.25-\$1.75B at a 2.5-3.5% interest rate in early-to-mid 2016 (unchanged). Management noted that it could potentially