

## DIGITAL REALTY REPORTS SECOND QUARTER 2020 RESULTS

**San Francisco, CA — July 30, 2020 — Digital Realty (NYSE: DLR)**, a leading global provider of cloud- and carrier-neutral data center, colocation and interconnection solutions, announced today financial results for the second quarter of 2020. All per-share results are presented on a fully-diluted share and unit basis.

### Highlights

- Reported net income available to common stockholders of \$0.20 per share in 2Q20, compared to \$0.15 in 2Q19
- Reported FFO per share of \$1.49 in 2Q20, compared to \$1.53 in 2Q19
- Reported core FFO per share of \$1.54 in 2Q20, compared to \$1.64 in 2Q19
- Signed total bookings during 2Q20 expected to generate \$144 million of annualized GAAP rental revenue, including a \$12 million contribution from interconnection
- Raised 2020 core FFO per share outlook from \$5.90-\$6.10 to \$6.00-\$6.10

### Financial Results

Digital Realty reported revenues for the second quarter of 2020 of \$993 million, a 21% increase from the previous quarter and a 24% increase from the same quarter last year.

The company delivered second quarter of 2020 net income of \$76 million, and net income available to common stockholders of \$54 million, or \$0.20 per diluted share, compared to \$0.90 per diluted share in the previous quarter and \$0.15 per diluted share in the same quarter last year.

Digital Realty generated second quarter of 2020 adjusted EBITDA of \$559 million, a 16% increase from the previous quarter and a 17% increase over the same quarter last year.

The company reported second quarter of 2020 funds from operations of \$415 million, or \$1.49 per share, compared to \$0.91 per share in the previous quarter and \$1.53 per share in the same quarter last year.

Excluding certain items that do not represent core expenses or revenue streams, Digital Realty delivered second quarter of 2020 core FFO per share of \$1.54, a 1% increase from \$1.53 per share in the previous quarter, and a 6% decrease from \$1.64 per share in the same quarter last year.

### Leasing Activity

In the second quarter, Digital Realty signed total bookings expected to generate \$144 million of annualized GAAP rental revenue, including a \$12 million contribution from interconnection and an \$18 million contribution from the combination with Interxion, which was completed on March 12, 2020.

“I’m incredibly proud of the way the Digital Realty team has come together during the difficult circumstances of the past several months to maintain steadfast support for our customers around the world, prioritizing health and safety while maintaining service levels,” said Digital Realty Chief Executive Officer A. William Stein. “We continued to seed investments to support our customers’ future growth across the Americas, APAC and EMEA, while delivering record current-period bookings, demonstrating the power of our global platform as well as the resiliency of our business. Looking ahead, we are well positioned to continue to deliver sustainable growth for customers, shareholders and employees, into the second half of 2020 and beyond.”

The weighted-average lag between leases signed during the second quarter of 2020 and the contractual commencement date was seven months.

In addition to new leases signed, Digital Realty also signed renewal leases representing \$169 million of annualized GAAP rental revenue during the quarter. Rental rates on renewal leases signed during the second quarter of 2020 rolled down 2.8% on a cash basis and up 7.2% on a GAAP basis.

New leases signed during the second quarter of 2020 are summarized by region as follows:

The Americas	Annualized GAAP		GAAP Base Rent per Square Foot	Megawatts	GAAP Base Rent per Kilowatt
	Base Rent (in thousands)	Square Feet			
0-1 MW	\$11,645	59,770	\$195	4.5	\$214
> 1 MW	78,711	668,092	118	70.6	93
Other <sup>(1)</sup>	17,376	532,078	33	—	—
<b>Total</b>	<b>\$107,733</b>	<b>1,259,940</b>	<b>\$86</b>	<b>75.1</b>	<b>\$100</b>
<b>Europe <sup>(2)</sup></b>					
0-1 MW	\$9,898	40,469	\$245	3.2	\$260
> 1 MW	11,237	111,474	101	9.6	98
Other <sup>(1)</sup>	108	927	116	—	—
<b>Total</b>	<b>\$21,243</b>	<b>152,870</b>	<b>\$139</b>	<b>12.8</b>	<b>\$138</b>
<b>Asia Pacific <sup>(2)</sup></b>					
0-1 MW	\$617	2,891	\$213	0.2	\$266
> 1 MW	2,433	10,024	243	1.2	167
Other <sup>(1)</sup>	—	—	—	—	—
<b>Total</b>	<b>\$3,050</b>	<b>12,915</b>	<b>\$236</b>	<b>1.4</b>	<b>\$180</b>
<b>All Regions <sup>(2)</sup></b>					
0-1 MW	\$22,160	103,130	\$215	7.9	\$234
> 1 MW	92,382	789,590	117	81.4	95
Other <sup>(1)</sup>	17,484	533,005	33	—	—
<b>Total</b>	<b>\$132,026</b>	<b>1,425,725</b>	<b>\$93</b>	<b>89.3</b>	<b>\$107</b>
<b>Interconnection</b>	<b>\$11,775</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Grand Total</b>	<b>\$143,800</b>	<b>1,425,725</b>	<b>\$93</b>	<b>89.3</b>	<b>\$107</b>

Note: Totals may not foot due to rounding differences.

(1) Other includes Powered Base Building shell capacity as well as storage and office space within fully improved data center facilities.

(2) Based on quarterly average exchange rates during the three months ended June 30, 2020.

### Investment Activity

During the second quarter of 2020, Interxion, a leading European provider of carrier- and cloud-neutral colocation data center solutions and a Digital Realty company, acquired a 3.6-acre land parcel in Madrid, Spain for approximately €33 million, or \$37 million. The land parcel is less than one kilometer from Interxion's existing campus in Madrid. Upon completion, the new facility is expected to support up to 34 megawatts of critical IT capacity and will encompass more than 375,000 square feet. Commencement of development will be subject to market demand, and delivery will be phased to meet future customer growth requirements.

Subsequent to quarter-end, Interxion acquired the freehold to the land under its Hanauer Landstraße campus in Frankfurt for €185 million, or approximately \$209 million. The site includes nine Interxion data centers previously subject to leasehold agreements with approximately nine years of remaining lease term, along with Interxion's German headquarters office as well as several buildings currently leased to other customers. Interxion now owns the freehold to all 15 data centers on its Frankfurt campus.

Separately, Interxion reached an agreement to acquire an expansion parcel within approximately one kilometre of the Hanauer Landstraße campus for €177 million, or approximately \$200 million. The expansion parcel totals 107,000 square metres that will support the development of up to 180 megawatts of additional IT capacity and will be fully connected to the existing campus. The purchase is expected to close in two stages, with final transfer of ownership in early 2021.

Subsequent to quarter-end, Digital Realty closed on the sale of a property in Gronigen, the Netherlands for €20 million, or \$22 million. The property is expected to generate 2020 cash net operating income of approximately €1.3 million, or \$1.5 million, representing a 6.7% cap rate.

## Balance Sheet

Digital Realty completed the following financing transactions during the second quarter of 2020.

- In mid-June, Digital Realty closed an offering of €500 million, or approximately \$565 million, of 1.250% Euro-denominated notes due 2031.
- Likewise in mid-June, Digital Realty liquidated a portion of its stake in Megaport with the sale of 7.7 million shares at a weighted average price of A\$13.36 generating gross proceeds of A\$103 million, or approximately \$70 million.
- During the second quarter of 2020, Digital Realty issued 4.5 million shares of common stock under the company's at-the-market equity offering program at a weighted average price of \$142.43 per share, generating gross proceeds of approximately \$645 million.
- Subsequent to quarter-end, Digital Realty announced its intent to redeem all \$300 million of its outstanding 3.625% notes due 2022 as well as all \$500 million of its outstanding 3.950% notes due 2022.

Digital Realty had approximately \$12.4 billion of total debt outstanding as of June 30, 2020, comprised of \$12.1 billion of unsecured debt and approximately \$0.2 billion of secured debt. At the end of the second quarter of 2020, net debt-to-adjusted EBITDA was 5.7x, debt plus-preferred-to-total enterprise value was 26.0% and fixed charge coverage was 4.6x. Pro forma for settlement of the \$1 billion forward equity offering, net debt-to-adjusted EBITDA was 5.2x and fixed charge coverage was 4.9x.

## COVID-19

Throughout the COVID-19 global pandemic, Digital Realty's data centers around the world have remained fully operational in accordance with business continuity and pandemic response plans, prioritizing the health and safety of employees, customers and partners while ensuring service levels are maintained. Digital Realty data centers have been deemed essential operations, allowing for critical personnel to remain in place and continue to provide services and support for customers. Construction activity has been somewhat delayed in a few markets due to government restrictions in certain locations and/or limited availability of labor. In some instances, these delays have impacted scheduled delivery dates. We are monitoring the situation closely and remain in frequent communication with customers, contractors and suppliers. We have proactively managed our supply chain, and we believe we have acquired the vast majority of the equipment needed to complete our 2020 development activities. We believe we have ample liquidity to fund our business needs, given the \$1 billion available upon physical settlement of the forward equity offering as well as the \$505 million of cash on the balance sheet and \$2.5 billion of availability under our global revolving credit facilities as of June 30, 2020. While we have not experienced any significant business disruptions from the COVID-19 pandemic to date, we cannot predict what impact the COVID-19 pandemic may have on our future financial condition, results of operations or cash flows due to numerous uncertainties.

## 2020 Outlook

Digital Realty raised its 2020 core FFO per share outlook from \$5.90-\$6.10 to \$6.00-\$6.10. The assumptions underlying the outlook are summarized in the following table.

	<b>As of May 7, 2020</b>	<b>As of July 30, 2020</b>
<b>Top-Line and Cost Structure</b>		
Total revenue	\$3.725 - \$3.825 billion	\$3.775 - \$3.825 billion
Net non-cash rent adjustments (1)	(\$20 - \$30 million)	(\$20 - \$30 million)
Adjusted EBITDA	\$2.075 - \$2.125 billion	\$2.100 - \$2.125 billion
G&A	\$320 - \$330 million	\$320 - \$330 million
<b>Internal Growth</b>		
Rental rates on renewal leases		
Cash basis	Down low single-digits	Down low single-digits
GAAP basis	Unchanged	Unchanged
Year-end portfolio occupancy (2)	85.0% - 86.0%	85.0% - 86.0%
"Same-capital" cash NOI growth (3)	(2.5%) - (3.5%)	(2.5%) - (3.5%)
<b>Foreign Exchange Rates</b>		
U.S. Dollar / Pound Sterling	\$1.20 - \$1.25	\$1.20 - \$1.25
U.S. Dollar / Euro	\$1.05 - \$1.10	\$1.05 - \$1.15
<b>External Growth</b>		
Dispositions		
Dollar volume	\$0.6 - \$1.0 billion	\$0.6 - \$1.0 billion
Cap rate	0.0% - 12.0%	0.0% - 12.0%
Development		
CapEx (4)	\$1.9 - \$2.2 billion	\$1.9 - \$2.2 billion
Average stabilized yields	9.0% - 15.0%	9.0% - 15.0%
Enhancements and other non-recurring CapEx (5)	\$5 - \$10 million	\$5 - \$10 million
Recurring CapEx + capitalized leasing costs (6)	\$220 - \$230 million	\$220 - \$230 million
<b>Balance Sheet</b>		
Long-term debt issuance		
Dollar amount	\$1.9 billion	\$2.5 billion
Pricing	1.00%	1.00% - 1.25%
Timing	Early 2020	Early-to-mid 2020
<b>Net income per diluted share</b>	<b>\$1.60 - \$1.75</b>	<b>\$1.20 - \$1.25</b>
Real estate depreciation and (gain) / loss on sale	\$3.50 - \$3.50	\$3.90 - \$3.90
<b>Funds From Operations / share (NAREIT-Defined)</b>	<b>\$5.10 - \$5.25</b>	<b>\$5.10 - \$5.15</b>
Non-core expenses and revenue streams	\$0.80 - \$0.85	\$0.90 - \$0.95
<b>Core Funds From Operations / share</b>	<b>\$5.90 - \$6.10</b>	<b>\$6.00 - \$6.10</b>
Foreign currency translation adjustments	\$0.05 - \$0.15	\$0.05 - \$0.15
<b>Constant-Currency Core FFO / share</b>	<b>\$5.95 - \$6.25</b>	<b>\$6.05 - \$6.25</b>

- (1) Net non-cash rent adjustments represent the sum of straight-line rental revenue and straight-line rent expense, as well as the amortization of above- and below-market leases (i.e., ASC 805 adjustments).
- (2) Reflects inclusion of the Interxion portfolio, which was approximately 75% occupied as of June 30, 2020.
- (3) The "same-capital" pool includes properties owned as of December 31, 2018 with less than 5% of total rentable square feet under development. It also excludes properties that were undergoing, or were expected to undergo, development activities in 2019-2020, properties classified as held for sale, and properties sold or contributed to joint ventures for all periods presented.
- (4) Includes land acquisitions.
- (5) Other non-recurring CapEx represents costs incurred to enhance the capacity or marketability of operating properties, such as network fiber initiatives and software development costs.
- (6) Recurring CapEx represents non-incremental improvements required to maintain current revenues, including second-generation tenant improvements and leasing commissions.

### Non-GAAP Financial Measures

This press release contains non-GAAP financial measures, including FFO, core FFO and Adjusted EBITDA. A reconciliation from U.S. GAAP net income available to common stockholders to FFO, a reconciliation from FFO to core FFO, and definitions of FFO and core FFO are included as an attachment to this document. A reconciliation from U.S. GAAP net income available to common stockholders to Adjusted EBITDA, a definition of Adjusted EBITDA and definitions of net debt-to-Adjusted EBITDA, debt-plus-preferred-to-total enterprise value, cash NOI, and fixed charge coverage ratio are included as an attachment to this document.

### Investor Conference Call

Prior to Digital Realty's investor conference call at 5:30 p.m. EDT / 2:30 p.m. PDT on July 30, 2020, a presentation will be posted to the Investors section of the company's website at <https://investor.digitalrealty.com/>. The presentation is designed to accompany the discussion of the company's second quarter 2020 financial results and operating performance. The conference call will feature Chief Executive Officer A. William Stein and Chief Financial Officer Andrew P. Power.

To participate in the live call, investors are invited to dial (888) 317-6003 (for domestic callers) or (412) 317-6061 (for international callers) and reference the conference ID# 0396071 at least five minutes prior to start time. A live webcast of the call will be available via the Investors section of Digital Realty's website at <https://investor.digitalrealty.com/>.

Telephone and webcast replays will be available after the call until August 30, 2020. The telephone replay can be accessed by dialing (877) 344-7529 (for domestic callers) or (412) 317-0088 (for international callers) and providing the conference ID# 10145667. The webcast replay can be accessed on Digital Realty's website.

### About Digital Realty

Digital Realty supports the data center, colocation and interconnection strategies of customers across the Americas, EMEA and APAC, ranging from cloud and information technology services, communications and social networking to financial services, manufacturing, energy, healthcare and consumer products. To learn more about Digital Realty, please visit [digitalrealty.com](https://digitalrealty.com) or follow us on LinkedIn and Twitter.

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	Three Months Ended					Six Months Ended	
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	30-Jun-20	30-Jun-19
Rental revenues	\$698,041	\$579,774	\$549,733	\$564,975	\$565,925	\$1,277,815	\$1,151,349
Tenant reimbursements - Utilities	141,576	113,520	107,518	114,719	106,409	255,096	208,978
Tenant reimbursements - Other	62,630	56,943	59,641	57,466	62,820	119,573	118,688
Interconnection & other	85,428	69,835	65,576	65,312	64,232	155,263	132,400
Fee income	4,353	2,452	4,814	3,994	925	6,805	2,845
Other	967	813	181	—	486	1,780	1,051
<b>Total Operating Revenues</b>	<b>\$992,995</b>	<b>\$823,337</b>	<b>\$787,463</b>	<b>\$806,466</b>	<b>\$800,797</b>	<b>\$1,816,332</b>	<b>\$1,615,311</b>
Utilities	\$160,173	\$129,526	\$125,127	\$132,565	\$123,398	\$289,698	\$247,732
Rental property operating	172,474	136,182	129,034	126,866	128,634	308,656	259,254
Property taxes	45,071	42,123	42,541	38,255	41,482	87,194	78,797
Insurance	3,370	3,547	3,055	3,103	3,441	6,917	6,432
Depreciation & amortization	349,165	291,457	275,008	286,718	290,562	640,622	602,048
General & administration	90,649	62,266	53,540	49,862	52,318	152,915	104,294
Severance, equity acceleration, and legal expenses	3,642	1,272	1,130	123	665	4,914	2,148
Transaction and integration expenses	15,618	56,801	17,106	4,115	4,210	72,419	6,704
Impairment of investments in real estate	—	—	—	—	—	—	5,351
Other expenses	22	114	1,989	92	7,115	136	12,037
<b>Total Operating Expenses</b>	<b>\$840,184</b>	<b>\$723,288</b>	<b>\$648,530</b>	<b>\$641,699</b>	<b>\$651,825</b>	<b>\$1,563,471</b>	<b>\$1,324,797</b>
<b>Operating Income</b>	<b>\$152,811</b>	<b>\$100,049</b>	<b>\$138,933</b>	<b>\$164,767</b>	<b>\$148,972</b>	<b>\$252,861</b>	<b>\$290,514</b>
Equity in (loss) earnings of unconsolidated joint ventures	(7,632)	(78,996)	11,157	(19,269)	6,962	(86,628)	16,180
Gain on sale / deconsolidation	—	304,801	267,651	—	—	304,801	67,497
Interest and other income (expense), net	22,163	(3,542)	10,734	16,842	16,980	18,621	38,424
Interest (expense)	(79,874)	(85,800)	(80,880)	(84,574)	(86,051)	(165,674)	(187,603)
Income tax benefit (expense)	(11,490)	(7,182)	1,731	(4,826)	(4,634)	(18,672)	(8,900)
Loss from early extinguishment of debt	—	(632)	—	(5,366)	(20,905)	(632)	(33,791)
<b>Net Income</b>	<b>\$75,978</b>	<b>\$228,698</b>	<b>\$349,326</b>	<b>\$67,574</b>	<b>\$61,324</b>	<b>\$304,677</b>	<b>\$182,321</b>
Net (income) loss attributable to noncontrolling interests	(1,147)	(4,684)	(13,042)	(1,077)	(1,156)	(5,831)	(5,341)
<b>Net Income Attributable to Digital Realty Trust, Inc.</b>	<b>\$74,831</b>	<b>\$224,014</b>	<b>\$336,284</b>	<b>\$66,497</b>	<b>\$60,168</b>	<b>\$298,846</b>	<b>\$176,980</b>
Preferred stock dividends, including undeclared dividends	(21,155)	(21,155)	(20,707)	(16,670)	(16,670)	(42,310)	(37,613)
Issuance costs associated with redeemed preferred stock	—	—	—	—	(11,760)	—	(11,760)
<b>Net Income Available to Common Stockholders</b>	<b>\$53,676</b>	<b>\$202,859</b>	<b>\$315,577</b>	<b>\$49,827</b>	<b>\$31,738</b>	<b>\$256,536</b>	<b>\$127,607</b>
Weighted-average shares outstanding - basic	267,569,823	222,163,324	208,776,355	208,421,470	208,284,407	244,866,574	208,048,207
Weighted-average shares outstanding - diluted	270,744,408	224,474,295	210,286,278	209,801,771	209,435,572	247,576,014	208,894,294
Weighted-average fully diluted shares and units	278,719,109	232,753,630	218,901,078	218,755,597	218,497,318	255,704,473	218,039,658
Net income per share - basic	\$0.20	\$0.91	\$1.51	\$0.24	\$0.15	\$1.05	\$0.61
Net income per share - diluted	\$0.20	\$0.90	\$1.50	\$0.24	\$0.15	\$1.04	\$0.61

Reconciliation of Net Income to Funds From Operations (FFO)	Three Months Ended					Six Months Ended	
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	30-Jun-20	30-Jun-19
<b>Net Income Available to Common Stockholders</b>	<b>\$53,676</b>	<b>\$202,859</b>	<b>\$315,577</b>	<b>\$49,827</b>	<b>\$31,738</b>	<b>\$256,535</b>	<b>\$127,607</b>
Adjustments:							
Non-controlling interest operating partnership	1,400	7,800	13,100	2,300	1,400	9,200	5,700
Real estate related depreciation & amortization (1)	342,334	286,517	271,371	283,090	286,915	628,851	594,779
Unconsolidated JV real estate related depreciation & amortization	17,123	19,923	21,631	13,612	13,623	37,046	17,474
(Gain) on real estate transactions	-	(304,801)	(267,651)	-	-	(304,801)	-
Impairment of investments in real estate	-	-	-	-	-	-	5,351
<b>Funds From Operations</b>	<b>\$414,533</b>	<b>\$212,298</b>	<b>\$354,028</b>	<b>\$348,829</b>	<b>\$333,676</b>	<b>\$626,831</b>	<b>\$750,911</b>
<b>Funds From Operations - diluted</b>	<b>\$414,533</b>	<b>\$212,298</b>	<b>\$354,028</b>	<b>\$348,829</b>	<b>\$333,676</b>	<b>\$626,831</b>	<b>\$750,911</b>
Weighted-average shares and units outstanding - basic	275,545	230,443	217,391	217,375	217,346	252,995	217,194
Weighted-average shares and units outstanding - diluted (2)	278,719	232,754	218,901	218,756	218,497	255,704	218,040
<b>Funds From Operations per share - basic</b>	<b>\$1.50</b>	<b>\$0.92</b>	<b>\$1.63</b>	<b>\$1.60</b>	<b>\$1.54</b>	<b>\$2.48</b>	<b>\$3.46</b>
<b>Funds From Operations per share - diluted (2)</b>	<b>\$1.49</b>	<b>\$0.91</b>	<b>\$1.62</b>	<b>\$1.59</b>	<b>\$1.53</b>	<b>\$2.45</b>	<b>\$3.44</b>

Reconciliation of FFO to Core FFO	Three Months Ended					Six Months Ended	
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	30-Jun-20	30-Jun-19
<b>Funds From Operations - diluted</b>	<b>\$414,533</b>	<b>\$212,298</b>	<b>\$354,028</b>	<b>\$348,829</b>	<b>\$333,676</b>	<b>\$626,831</b>	<b>\$750,911</b>
Termination fees and other non-core revenues (3)	(21,908)	(2,425)	(5,634)	(16,792)	(16,826)	(24,333)	(31,271)
Transaction and integration expenses	15,618	56,801	17,106	4,115	4,210	72,419	6,704
Loss from early extinguishment of debt	-	632	-	5,366	20,905	632	33,791
Issuance costs associated with redeemed preferred stock	-	-	-	-	11,760	-	11,760
Severance, equity acceleration, and legal expenses (4)	3,642	1,272	1,130	123	665	4,914	2,148
(Gain) / Loss on FX revaluation	17,526	81,288	(10,422)	23,136	(4,251)	98,814	5,353
(Gain) on contribution to unconsolidated JV, net of related tax	-	-	-	-	-	-	(58,497)
Other non-core expense adjustments	22	5,509	(1,511)	92	7,115	5,531	12,037
<b>Core Funds From Operations - diluted</b>	<b>\$429,433</b>	<b>\$355,375</b>	<b>\$354,697</b>	<b>\$364,869</b>	<b>\$357,254</b>	<b>\$784,808</b>	<b>\$732,936</b>
Weighted-average shares and units outstanding - diluted (2)	278,719	232,754	218,901	218,756	218,497	255,704	218,040
<b>Core Funds From Operations per share - diluted (2)</b>	<b>\$1.54</b>	<b>\$1.53</b>	<b>\$1.62</b>	<b>\$1.67</b>	<b>\$1.64</b>	<b>\$3.07</b>	<b>\$3.36</b>

(1) Real Estate Related Depreciation & Amortization	Three Months Ended					Six Months Ended	
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	30-Jun-20	30-Jun-19
Depreciation & amortization per income statement	\$349,165	\$291,457	\$275,008	\$286,718	\$290,562	640,622	602,048
Non-real estate depreciation	(6,831)	(4,940)	(3,637)	(3,628)	(3,647)	(11,771)	(7,269)
<b>Real Estate Related Depreciation &amp; Amortization</b>	<b>\$342,334</b>	<b>\$286,517</b>	<b>\$271,371</b>	<b>\$283,090</b>	<b>\$286,915</b>	<b>\$628,851</b>	<b>\$594,779</b>

(2) For all periods presented, we have excluded the effect of dilutive series C, series G, series H, series I, series J, series K and series L preferred stock, as applicable, that may be converted into common stock upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series C, series G, series H, series I, series J, series K and series L preferred stock, as applicable, which we consider highly improbable. See above for calculations of diluted FFO and the share count detail section that follows the reconciliation of core FFO to AFFO for calculations of weighted average common stock and units outstanding. For definitions and discussion of FFO and core FFO, see the definition section.

(3) Includes lease termination fees and certain other adjustments that are not core to our business.

(4) Relates to severance and other charges related to the departure of company executives and integration-related severance.

Reconciliation of Core FFO to AFFO	Three Months Ended					Six Months Ended	
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	30-Jun-20	30-Jun-19
<b>Core FFO available to common stockholders and unitholders</b>	<b>\$429,433</b>	<b>\$355,375</b>	<b>\$354,697</b>	<b>\$364,869</b>	<b>\$357,254</b>	<b>\$784,808</b>	<b>\$732,936</b>
Adjustments:							
Non-real estate depreciation	6,831	4,940	3,637	3,628	3,647	11,771	7,269
Amortization of deferred financing costs	3,661	4,260	3,064	2,900	2,905	7,921	7,398
Amortization of debt discount/premium	1,011	943	612	466	515	1,954	1,275
Non-cash stock-based compensation expense	15,060	12,153	8,937	8,906	9,468	27,213	17,060
Straight-line rental revenue	(10,928)	(15,404)	(13,994)	(12,764)	(13,033)	(26,332)	(29,013)
Straight-line rental expense	7,373	1,460	(342)	(209)	318	8,833	1,552
Above- and below-market rent amortization	3,794	3,294	4,109	2,824	3,954	7,088	10,163
Deferred tax expense	(150)	(792)	(998)	(1,418)	(979)	(942)	(16,376)
Leasing compensation & internal lease commissions (1)	1,739	2,793	3,646	3,254	4,025	4,532	7,606
Recurring capital expenditures (2)	(38,796)	(34,677)	(54,731)	(48,408)	(39,515)	(73,473)	(77,574)
<b>AFFO available to common stockholders and unitholders (3)</b>	<b>\$419,028</b>	<b>\$334,345</b>	<b>\$308,637</b>	<b>\$324,048</b>	<b>\$328,559</b>	<b>\$753,373</b>	<b>\$662,296</b>
Weighted-average shares and units outstanding - basic	275,545	230,443	217,391	217,375	217,346	252,995	217,194
Weighted-average shares and units outstanding - diluted (4)	278,719	232,754	218,901	218,756	218,497	255,704	218,040
<b>AFFO per share - diluted (4)</b>	<b>\$1.50</b>	<b>\$1.44</b>	<b>\$1.41</b>	<b>\$1.48</b>	<b>\$1.50</b>	<b>\$2.95</b>	<b>\$3.04</b>
Dividends per share and common unit	\$1.12	\$1.12	\$1.08	\$1.08	\$1.08	\$2.24	\$2.16
<b>Diluted AFFO Payout Ratio</b>	<b>74.5%</b>	<b>78.0%</b>	<b>76.6%</b>	<b>72.9%</b>	<b>71.8%</b>	<b>76.0%</b>	<b>71.1%</b>

Share Count Detail	Three Months Ended					Six Months Ended	
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	30-Jun-20	30-Jun-19
<b>Weighted Average Common Stock and Units Outstanding</b>	<b>275,545</b>	<b>230,443</b>	<b>217,391</b>	<b>217,375</b>	<b>217,346</b>	<b>252,995</b>	<b>217,194</b>
Add: Effect of dilutive securities	3,174	2,311	1,510	1,381	1,151	2,709	846
<b>Weighted Avg. Common Stock and Units Outstanding - diluted</b>	<b>278,719</b>	<b>232,754</b>	<b>218,901</b>	<b>218,756</b>	<b>218,497</b>	<b>255,704</b>	<b>218,040</b>

- (1) The company adopted ASC 842 in the first quarter of 2019.
- (2) Recurring capital expenditures represent non-incremental building improvements required to maintain current revenues, including second-generation tenant improvements and external leasing commissions. Recurring capital expenditures do not include acquisition costs contemplated when underwriting the purchase of a building, costs which are incurred to bring a building up to Digital Realty's operating standards, or internal leasing commissions.
- (3) For a definition and discussion of AFFO, see the definitions section. For a reconciliation of net income available to common stockholders to FFO and core FFO, see above.
- (4) For all periods presented, we have excluded the effect of dilutive series C, series G, series H, series I, series J, series K and series L preferred stock, as applicable, that may be converted into common stock upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series C, series G, series H, series I, series J, series K and series L preferred stock, as applicable, which we consider highly improbable. See above for calculations of diluted FFO available to common stockholders and unitholders and for calculations of weighted average common stock and units outstanding.



	30-Jun-20	31-March-20	31-Dec-19	30-Sep-19	30-Jun-19
<b>Assets</b>					
Investments in real estate:					
Real estate	\$20,843,273	\$20,477,290	\$16,886,592	\$16,407,080	\$17,324,416
Construction in progress	2,514,324	2,204,869	1,732,555	1,647,130	1,685,056
Land held for future development	175,209	137,447	147,597	150,265	152,368
<b>Investments in real estate</b>	<b>\$23,532,806</b>	<b>\$22,819,606</b>	<b>\$18,766,744</b>	<b>\$18,204,475</b>	<b>\$19,161,840</b>
Accumulated depreciation and amortization	(4,945,534)	(4,694,713)	(4,536,169)	(4,298,629)	(4,312,357)
<b>Net Investments in Properties</b>	<b>\$18,587,272</b>	<b>\$18,124,893</b>	<b>\$14,230,575</b>	<b>\$13,905,846</b>	<b>\$14,849,483</b>
Investment in unconsolidated joint ventures	1,033,235	1,064,009	1,287,109	1,035,861	979,350
<b>Net Investments in Real Estate</b>	<b>\$19,620,507</b>	<b>\$19,188,902</b>	<b>\$15,517,684</b>	<b>\$14,941,707</b>	<b>\$15,828,833</b>
Cash and cash equivalents	\$505,174	\$246,480	\$89,817	\$7,190	\$33,536
Accounts and other receivables (1)	542,750	527,699	305,501	304,712	320,938
Deferred rent	496,684	484,179	478,744	471,516	491,486
Customer relationship value, deferred leasing costs & other intangibles, net	3,128,140	3,500,588	2,195,324	2,245,017	2,499,564
Acquired above-market leases, net	57,535	66,033	74,815	84,315	94,474
Goodwill	7,791,522	7,466,046	3,363,070	3,338,168	3,353,538
Assets associated with real estate held for sale	10,981	—	229,934	967,527	—
Operating lease right-of-use assets (2)	1,375,427	1,364,621	628,681	634,085	648,952
Other assets	333,916	268,752	184,561	178,528	158,770
<b>Total Assets</b>	<b>\$33,862,636</b>	<b>\$33,113,300</b>	<b>\$23,068,131</b>	<b>\$23,172,765</b>	<b>\$23,430,091</b>
<b>Liabilities and Equity</b>					
Global unsecured revolving credit facilities	\$64,492	\$603,101	\$234,105	\$1,833,512	\$1,417,675
Unsecured term loans	799,550	771,425	810,219	796,232	807,922
Unsecured senior notes, net of discount	11,268,753	10,637,006	8,973,190	8,189,138	8,511,656
Secured debt, net of premiums	238,826	239,800	104,934	105,153	105,325
Operating lease liabilities (2)	1,451,152	1,431,292	693,539	699,381	714,256
Accounts payable and other accrued liabilities	1,828,288	1,732,318	1,007,761	938,740	984,812
Accrued dividends and distributions	—	—	234,620	—	—
Acquired below-market leases	139,851	145,208	148,774	153,422	183,832
Security deposits and prepaid rent	348,253	336,583	208,724	203,708	213,549
Liabilities associated with assets held for sale	238	—	2,700	23,534	—
<b>Total Liabilities</b>	<b>\$16,139,403</b>	<b>\$15,896,733</b>	<b>\$12,418,566</b>	<b>\$12,942,820</b>	<b>\$12,939,027</b>
Redeemable non-controlling interests - operating partnership	40,584	40,027	41,465	19,090	17,344
<b>Equity</b>					
Preferred Stock: \$0.01 par value per share, 110,000,000 shares authorized:					
Series C Cumulative Redeemable Perpetual Preferred Stock <sup>(3)</sup>	\$219,250	\$219,250	\$219,250	\$219,250	\$219,250
Series G Cumulative Redeemable Preferred Stock <sup>(4)</sup>	241,468	241,468	241,468	241,468	241,468
Series I Cumulative Redeemable Preferred Stock <sup>(5)</sup>	242,012	242,012	242,012	242,012	242,012
Series J Cumulative Redeemable Preferred Stock <sup>(6)</sup>	193,540	193,540	193,540	193,540	193,540
Series K Cumulative Redeemable Preferred Stock <sup>(7)</sup>	203,264	203,264	203,264	203,264	203,264
Series L Cumulative Redeemable Preferred Stock <sup>(8)</sup>	334,886	334,886	334,886	—	—
Common Stock: \$0.01 par value per share, 392,000,000 shares authorized <sup>(9)</sup>	2,670	2,622	2,073	2,069	2,067
Additional paid-in capital	19,292,311	18,606,766	11,577,320	11,540,980	11,511,519
Dividends in excess of earnings	(3,386,525)	(3,139,350)	(3,046,579)	(3,136,668)	(2,961,307)
Accumulated other comprehensive (loss), net	(358,349)	(444,222)	(87,922)	(68,625)	(89,588)
<b>Total Stockholders' Equity</b>	<b>\$16,984,527</b>	<b>\$16,460,236</b>	<b>\$9,879,312</b>	<b>\$9,437,290</b>	<b>\$9,562,225</b>
<b>Noncontrolling Interests</b>					
Noncontrolling interest in operating partnership	\$633,831	\$656,266	\$708,163	\$732,314	\$756,050
Noncontrolling interest in consolidated joint ventures	64,291	60,038	20,625	41,251	155,445
<b>Total Noncontrolling Interests</b>	<b>\$698,122</b>	<b>\$716,304</b>	<b>\$728,788</b>	<b>\$773,565</b>	<b>\$911,495</b>
<b>Total Equity</b>	<b>\$17,682,649</b>	<b>\$17,176,540</b>	<b>\$10,608,100</b>	<b>\$10,210,855</b>	<b>\$10,473,720</b>
<b>Total Liabilities and Equity</b>	<b>\$33,862,636</b>	<b>\$33,113,300</b>	<b>\$23,068,131</b>	<b>\$23,172,765</b>	<b>\$23,430,091</b>

(1) Net of allowance for doubtful accounts of \$18,264 and \$13,753 as of June 30, 2020 and December 31, 2019, respectively.

(2) Adoption of the new lease accounting standard required that we adjust the consolidated balance sheet to include the recognition of additional right-of-use assets and lease liabilities for operating leases. See our quarterly report on Form 10-Q filed on May 10, 2019 for additional information.

(3) Series C Cumulative Redeemable Perpetual Preferred Stock, 6.625%, \$201,250 and \$201,250 liquidation preference, respectively (\$25.00 per share), 8,050,000 and 8,050,000 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

(4) Series G Cumulative Redeemable Preferred Stock, 5.875%, \$250,000 and \$250,000 liquidation preference, respectively (\$25.00 per share), 10,000,000 and 10,000,000 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

(5) Series I Cumulative Redeemable Preferred Stock, 6.350%, \$250,000 and \$250,000 liquidation preference, respectively (\$25.00 per share), 10,000,000 and 10,000,000 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

(6) Series J Cumulative Redeemable Preferred Stock, 5.250%, \$200,000 and \$200,000 liquidation preference, respectively (\$25.00 per share), 8,000,000 and 8,000,000 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

(7) Series K Cumulative Redeemable Preferred Stock, 5.850%, \$210,000 and \$210,000 liquidation preference, respectively (\$25.00 per share), 8,400,000 and 8,400,000 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

(8) Series L Cumulative Redeemable Preferred Stock, 5.200%, \$345,000 and \$345,000 liquidation preference, respectively (\$25.00 per share), 13,800,000 and 13,800,000 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

(9) Common Stock: 268,399,073 and 208,900,758 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

Unaudited and Dollars in Thousands

Reconciliation of Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) <sup>(1)</sup>	Three Months Ended				
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
<b>Net Income Available to Common Stockholders</b>	<b>\$53,676</b>	<b>\$202,859</b>	<b>\$315,577</b>	<b>\$49,827</b>	<b>\$31,738</b>
Interest	79,874	85,800	80,880	84,574	86,051
Loss from early extinguishment of debt	—	632	—	5,366	20,905
Income tax (benefit) expense	11,490	7,182	(1,731)	4,826	4,634
Depreciation & amortization	349,165	291,457	275,008	286,718	290,562
<b>EBITDA</b>	<b>\$494,205</b>	<b>\$587,930</b>	<b>\$669,734</b>	<b>\$431,311</b>	<b>\$433,890</b>
Unconsolidated JV real estate related depreciation & amortization	17,123	19,923	21,631	13,612	13,623
Unconsolidated JV interest expense and tax expense	9,203	9,944	13,553	10,816	10,277
Severance, equity acceleration, and legal expenses	3,642	1,272	1,130	123	665
Transaction and integration expenses	15,618	56,801	17,106	4,115	4,210
(Gain) on sale / deconsolidation	—	(304,801)	(267,651)	—	—
Other non-core adjustments, net	(3,404)	85,185	(13,886)	6,436	(13,476)
Non-controlling interests	1,147	4,684	13,042	1,077	1,156
Preferred stock dividends, including undeclared dividends	21,155	21,155	20,707	16,670	16,670
Issuance costs associated with redeemed preferred stock	—	—	—	—	11,760
<b>Adjusted EBITDA</b>	<b>\$558,690</b>	<b>\$482,093</b>	<b>\$475,366</b>	<b>\$484,160</b>	<b>\$478,775</b>

(1) For definitions and discussion of EBITDA and Adjusted EBITDA, see the definitions section.

Financial Ratios	Three Months Ended				
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
Total GAAP interest expense	\$79,874	\$85,800	\$80,880	\$84,574	\$86,051
Capitalized interest	13,133	10,480	9,877	9,936	9,493
Change in accrued interest and other non-cash amounts	(38,478)	24,321	(30,564)	8,490	(20,656)
<b>Cash Interest Expense <sup>(2)</sup></b>	<b>\$54,529</b>	<b>\$120,601</b>	<b>\$60,193</b>	<b>\$103,000</b>	<b>\$74,888</b>
Scheduled debt principal payments	57	125	210	163	159
Preferred dividends	21,155	21,155	20,707	16,670	16,670
<b>Total Fixed Charges <sup>(3)</sup></b>	<b>\$114,219</b>	<b>\$117,560</b>	<b>\$111,674</b>	<b>\$111,343</b>	<b>\$112,373</b>
<b>Coverage</b>					
Interest coverage ratio <sup>(4)</sup>	5.6x	4.6x	4.7x	4.7x	4.6x
Cash interest coverage ratio <sup>(5)</sup>	9.1x	3.7x	6.7x	4.3x	5.8x
Fixed charge coverage ratio <sup>(6)</sup>	4.6x	3.8x	3.9x	4.0x	4.0x
Cash fixed charge coverage ratio <sup>(7)</sup>	6.8x	3.2x	5.2x	3.8x	4.8x
<b>Leverage</b>					
Debt to total enterprise value <sup>(8) (9)</sup>	23.3%	23.8%	26.9%	27.1%	28.8%
Debt plus preferred stock to total enterprise value <sup>(10)</sup>	26.0%	26.6%	30.8%	29.9%	31.8%
Pre-tax income to interest expense <sup>(11)</sup>	2.0x	3.7x	5.3x	1.8x	1.7x
Net Debt to Adjusted EBITDA <sup>(12)</sup>	5.7x	6.6x	5.7x	6.0x	6.0x

(2) Cash interest expense is interest expense less amortization of debt discount and deferred financing fees and includes interest that we capitalized. We consider cash interest expense to be a useful measure of interest as it excludes non cash-based interest expense.

(3) Fixed charges consist of GAAP interest expense, capitalized interest, scheduled debt principal payments and preferred dividends.

(4) Adjusted EBITDA divided by GAAP interest expense plus capitalized interest (including our pro rata share of unconsolidated joint venture interest expense).

(5) Adjusted EBITDA divided by cash interest expense (including our pro rata share of unconsolidated joint venture interest expense).

(6) Adjusted EBITDA divided by fixed charges (including our pro rata share of unconsolidated joint venture fixed charges).

(7) Adjusted EBITDA divided by the sum of cash interest expense, scheduled debt principal payments and preferred dividends (including our pro rata share of unconsolidated joint venture fixed charges).

(8) Mortgage debt and other loans divided by market value of equity plus debt plus preferred stock.

(9) Total enterprise value defined as market value of common equity plus debt plus preferred stock. See page **Error! Bookmark not defined.** for definition of market value of common equity.

(10) Same as (8), except numerator includes preferred stock.

(11) Calculated as net income plus interest expense divided by GAAP interest expense.

(12) Calculated as total debt at balance sheet carrying value (see page **Error! Bookmark not defined.**), plus capital lease obligations, plus Digital Realty's share of joint venture debt, less cash and cash equivalents divided by the product of Adjusted EBITDA (inclusive of our share of joint venture EBITDA), multiplied by four.

## Definitions

### **Funds From Operations (FFO):**

We calculate funds from operations, or FFO, in accordance with the standards established by the National Association of Real Estate Investment Trusts, or Nareit, in the Nareit Funds From Operations White Paper - 2018 Restatement. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from real estate transactions, impairment of investment in real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs), unconsolidated JV real estate related depreciation & amortization, non-controlling interests in operating partnership and after adjustments for unconsolidated partnerships and joint ventures. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions and after adjustments for unconsolidated partnerships and joint ventures, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, 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 data centers 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 data centers, 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. Other REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to other REITs' FFO. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

### **Core Funds from Operations (Core FFO):**

We present core funds from operations, or core FFO, as a supplemental operating measure because, in excluding certain items that do not reflect core revenue or expense streams, it provides a performance measure that, when compared year over year, captures trends in our core business operating performance. We calculate core FFO by adding to or subtracting from FFO (i) termination fees and other non-core revenues, (ii) transaction and integration expenses, (iii) loss from early extinguishment of debt, (iv) issuance costs associated with redeemed preferred stock, (v) severance, equity acceleration, and legal expenses, (vi) gain/loss on FX revaluation, (vii) gain on contribution to unconsolidated joint venture, net of related tax, and (viii) other non-core expense adjustments. Because certain of these adjustments have a real economic impact on our financial condition and results from operations, the utility of core FFO as a measure of our performance is limited. Other REITs may calculate core FFO differently than we do and accordingly, our core FFO may not be comparable to other REITs' core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

### **Adjusted Funds from Operations (AFFO):**

We present adjusted funds from operations, or AFFO, as a supplemental operating measure because, when compared year over year, it assesses our ability to fund dividend and distribution requirements from our operating activities. We also believe that, as a widely recognized measure of the operations of REITs, AFFO will be used by investors as a basis to assess our ability to fund dividend payments in comparison to other REITs, including on a per share and unit basis. We calculate AFFO by adding to or subtracting from core FFO (i) non-real estate depreciation, (ii) amortization of deferred financing costs, (iii) amortization of debt discount/premium, (iv) non-cash stock-based compensation expense, (v) straight-line rental revenue, (vi) straight-line rental expense, (vii) above- and below-market rent amortization, (viii) deferred tax expense, (ix) leasing compensation and internal lease commissions, and (x) recurring capital expenditures. Other REITs may calculate AFFO differently than we do and accordingly, our AFFO may not be comparable to other REITs' AFFO. AFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

### **EBITDA and Adjusted EBITDA:**

We believe that earnings before interest, loss from early extinguishment of debt, income taxes, and depreciation and amortization, or EBITDA, and Adjusted EBITDA (as defined below), are useful supplemental performance measures because they allow investors to view our performance without the impact of non-cash depreciation and amortization or the cost of debt and, with respect to Adjusted EBITDA, unconsolidated joint venture real estate related depreciation & amortization, unconsolidated joint venture interest expense and tax, severance, equity acceleration, and legal expenses, transaction and integration expenses, gain on sale / deconsolidation, other non-core adjustments, net, non-controlling interests, preferred stock dividends, including undeclared dividends, and issuance costs associated with redeemed preferred stock. Adjusted EBITDA is EBITDA excluding unconsolidated joint venture real estate related depreciation & amortization, unconsolidated joint venture interest expense and tax, severance, equity acceleration, and legal expenses, transaction and integration expenses, gain on sale / deconsolidation, other non-core adjustments, net, non-controlling interests, preferred stock dividends, including undeclared dividends, and issuance costs associated with redeemed preferred stock. In addition, we believe EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. Because EBITDA and Adjusted EBITDA are calculated before recurring cash charges including interest expense and income taxes, exclude capitalized costs, such as leasing commissions, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utility as a measure of our performance is limited. Other REITs may calculate EBITDA and Adjusted EBITDA differently than we do and, accordingly, our EBITDA and Adjusted EBITDA may not be comparable to other REITs' EBITDA and Adjusted EBITDA. Accordingly, EBITDA and Adjusted EBITDA should be considered only as supplements to net income computed in accordance with GAAP as a measure of our financial performance.

**Net Operating Income (NOI) and Cash NOI:**

Net operating income, or NOI, represents rental revenue, tenant reimbursement revenue and interconnection revenue less utilities expense, rental property operating expenses, property taxes and insurance expenses (as reflected in the statement of operations). NOI is commonly used by stockholders, company management and industry analysts as a measurement of operating performance of the company's rental portfolio. Cash NOI is NOI less straight-line rents and above- and below-market rent amortization. Cash NOI is commonly used by stockholders, company management and industry analysts as a measure of property operating performance on a cash basis. However, because NOI and cash NOI exclude depreciation and amortization and capture neither the changes in the value of our data centers 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 data centers, all of which have real economic effect and could materially impact our results from operations, the utility of NOI and cash NOI as measures of our performance is limited. Other REITs may calculate NOI and cash NOI differently than we do and, accordingly, our NOI and cash NOI may not be comparable to other REITs' NOI and cash NOI. NOI and cash NOI should be considered only as supplements to net income computed in accordance with GAAP as measures of our performance.

**Additional Definitions**

Net debt-to-Adjusted EBITDA ratio is calculated using total debt at balance sheet carrying value, plus capital lease obligations, plus our share of JV debt, less unrestricted cash and cash equivalents divided by the product of Adjusted EBITDA (inclusive of our share of JV EBITDA) multiplied by four.

Debt-plus-preferred-to-total enterprise value is mortgage debt and other loans plus preferred stock divided by mortgage debt and other loans plus the liquidation value of preferred stock and the market value of outstanding Digital Realty Trust, Inc. common stock and Digital Realty Trust, L.P. units, assuming the redemption of Digital Realty Trust, L.P. units for shares of Digital Realty Trust, Inc. common stock.

Fixed charge coverage ratio is Adjusted EBITDA divided by the sum of GAAP interest expense, capitalized interest, scheduled debt principal payments and preferred dividends. For the Quarter Ended June 30, 2020, GAAP interest expense was \$80 million, capitalized interest was \$13 million and scheduled debt principal payments and preferred dividends was \$21 million.

Reconciliation of Net Operating Income (NOI) (in thousands)	Three Months Ended			Six Months Ended	
	30-Jun-20	31-Mar-20	30-Jun-19	30-Jun-20	30-Jun-19
<b>Operating income</b>	<b>\$152,811</b>	<b>\$100,049</b>	<b>\$148,972</b>	<b>\$252,861</b>	<b>\$290,514</b>
Fee income	(4,353)	(2,452)	(925)	(6,805)	(2,845)
Other income	(967)	(813)	(486)	(1,780)	(1,051)
Depreciation and amortization	349,165	291,457	290,562	640,622	602,048
General and administrative	90,649	62,266	52,318	152,915	104,294
Severance, equity acceleration, and legal expenses	3,642	1,272	665	4,914	2,148
Transaction expenses	15,618	56,801	4,210	72,419	6,704
Impairment in investments in real estate	—	—	—	—	5,351
Other expenses	22	114	7,115	136	12,037
<b>Net Operating Income</b>	<b>\$606,587</b>	<b>\$508,694</b>	<b>\$502,431</b>	<b>\$1,115,282</b>	<b>\$1,019,200</b>
<b>Cash Net Operating Income (Cash NOI)</b>					
<b>Net Operating Income</b>	<b>\$606,587</b>	<b>\$508,694</b>	<b>\$502,431</b>	<b>\$1,115,282</b>	<b>\$1,019,200</b>
Straight-line rental revenue	(10,713)	(13,392)	(14,978)	(24,105)	(29,536)
Straight-line rental expense	7,296	1,496	397	8,791	1,573
Above- and below-market rent amortization	3,794	3,294	3,954	7,087	10,163
<b>Cash Net Operating Income</b>	<b>\$606,964</b>	<b>\$500,092</b>	<b>\$491,804</b>	<b>\$1,107,055</b>	<b>\$1,001,400</b>

This document contains forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Such forward-looking statements include statements relating to: expected physical settlement of the forward sale agreements and use of proceeds from any such settlement, our expected investment and expansion activity, our joint ventures, supply and demand for data center and colocation space, our acquisition and disposition activity, pricing and net effective leasing economics, market dynamics and data center fundamentals, our strategic priorities, rent from leases that have been signed but have not yet commenced and other contracted rent to be received in future periods, rental rates on future leases, lag between signing and commencement, cap rates and yields, investment activity, the company's FFO, core FFO and net income, 2020 outlook and underlying assumptions, information related to trends, our strategy and plans, leasing expectations, weighted average lease terms, the exercise of lease extensions, lease expirations, debt maturities, annualized rent at expiration of leases, the effect new leases and increases in rental rates will have on our rental revenue, our credit ratings, construction and development activity and plans, projected construction costs, estimated yields on investment, expected occupancy, expected square footage and IT load capacity upon completion of development projects, 2020 backlog NOI, NAV components, and other forward-looking financial data. Such statements are based on management's beliefs and assumptions made based on information currently available to management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- reduced demand for data centers or decreases in information technology spending;
- increased competition or available supply of data center space;
- decreased rental rates, increased operating costs or increased vacancy rates;
- the suitability of our data centers and data center infrastructure, delays or disruptions in connectivity or availability of power, or failures or breaches of our physical and information security infrastructure or services;
- our dependence upon significant customers, bankruptcy or insolvency of a major customer or a significant number of smaller customers, or defaults on or non-renewal of leases by customers;
- our ability to attract and retain customers;
- breaches of our obligations or restrictions under our contracts with our customers;
- our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties;
- the impact of current global and local economic, credit and market conditions;
- our inability to retain data center space that we lease or sublease from third parties;
- information security and data privacy breaches;
- difficulty managing an international business and acquiring or operating properties in foreign jurisdictions and unfamiliar metropolitan areas;
- our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent acquisitions;
- our failure to successfully integrate and operate acquired or developed properties or businesses;
- difficulties in identifying properties to acquire and completing acquisitions;
- risks related to joint venture investments, including as a result of our lack of control of such investments;
- risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements;
- our failure to obtain necessary debt and equity financing, and our dependence on external sources of capital;
- financial market fluctuations and changes in foreign currency exchange rates;
- adverse economic or real estate developments in our industry or the industry sectors that we sell to, including risks relating to decreasing real estate valuations and impairment charges and goodwill and other intangible asset impairment charges;
- our inability to manage our growth effectively;
- losses in excess of our insurance coverage;
- our inability to attract and retain talent;
- impact on our operations and on the operations of our customers, suppliers and business partners during a pandemic, such as COVID-19;
- environmental liabilities, risks related to natural disasters and our inability to achieve our sustainability goals;
- our inability to comply with rules and regulations applicable to our company;
- Digital Realty Trust, Inc.'s failure to maintain its status as a REIT for federal income tax purposes;
- Digital Realty Trust, L.P.'s failure to qualify as a partnership for federal income tax purposes;
- restrictions on our ability to engage in certain business activities;
- changes in local, state, federal and international laws and regulations, including related to taxation, real estate and zoning laws, and increases in real property tax rates; and
- the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us.

The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance. Several additional material risks are discussed in our annual report on Form 10-K for the year ended December 31, 2019, our quarterly report on Form 10-Q for the quarter ended March 31, 2020 and other filings with the Securities and Exchange Commission. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Digital Realty, Digital Realty Trust, the Digital Realty logo, Turn-Key Flex and Powered Base Building are registered trademarks and service marks of Digital Realty Trust, Inc. in the United States and/or other countries.