

DuPont Fabros Technology



**ACC9 Data Center
Investor Presentation**

June 2017



WWW.DFT.COM

FORWARD LOOKING STATEMENT

This presentation contains forward-looking statements. We caution investors that any forward-looking statements included in this presentation are based on management's beliefs and assumptions made by, and information currently available to, management.

Such forward-looking statements include statements relating to:

- projected financial information, including our expected future financial and operational results, and the assumptions underlying such results;
- the data center industry, including expected data center utilization, expected data, cloud and Internet utilization and spending rates;
- our ability to meet our liquidity and capital needs, including access to the capital markets and terms of capital and debt financings;
- our expected development plans, including entry into new markets and the benefits of new product designs; and
- our assumptions related to the leasing of available space to third-party customers, including expected rental rates, returns on invested capital and mark-to-market assumptions following lease expirations.

When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions, which do not relate solely to historical matters, are intended to identify forward-looking statements.

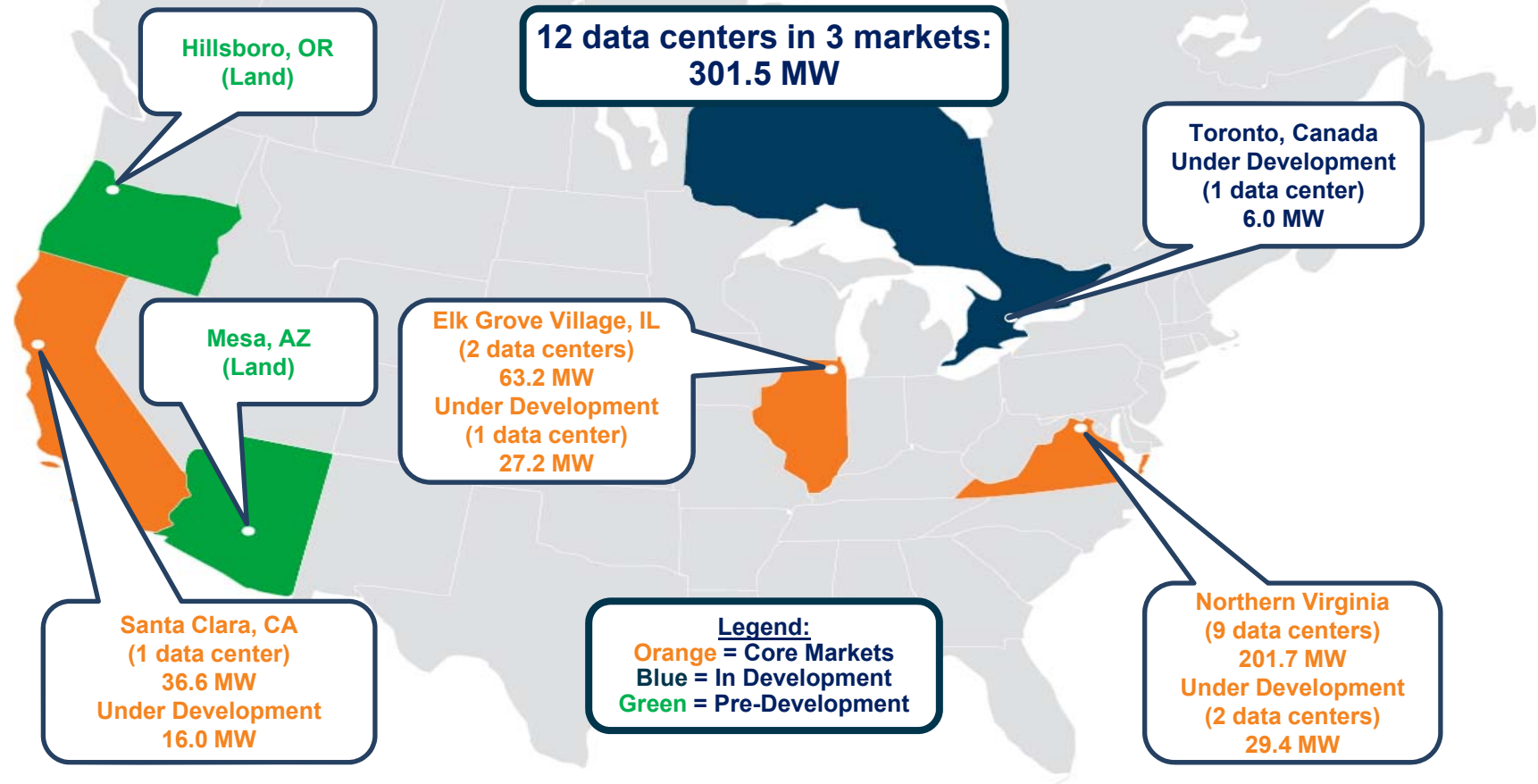
Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected.

We face many risks that could cause our actual performance to differ materially from the results contemplated by our forward-looking statements, including, without limitation, the risk that the assumptions underlying our full year and second quarter 2017 guidance are not realized, the risks related to the leasing of available space to third-party customers, including delays in executing new leases, failure to negotiate leases on terms that will enable us to achieve our expected returns and declines in rental rates at new and existing facilities, risks related to the collection of accounts and notes receivable, the risk that we may be unable to obtain new financing on favorable terms to facilitate, among other things, future development projects, the risks commonly associated with the acquisition of development sites, construction and development of new facilities (including delays and/or cost increases associated with the completion of new developments), risks relating to obtaining required permits and compliance with permitting, zoning, land-use and environmental requirements, the risk that we will not declare and pay dividends as anticipated for future periods and the risk that we may not be able to maintain our qualification as a REIT for federal tax purposes

The risks described above are not exhaustive, and additional factors could adversely affect our business and financial performance, including those discussed in DFT's annual report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission and DFT's quarterly report on Form 10-Q for the quarter ended March 31, 2017. We expressly disclaim any responsibility to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. Unless otherwise noted, all information in this presentation is as of March 31, 2017.

Who We Are

- ❑ **Mission:** We design and operate innovative data centers. We create solutions with our customers that free them to focus on their core business.
- ❑ **Vision:** To remain the wholesale data center provider of choice, while diversifying our customer base and expanding our geographic presence to attain a 10% profitability growth rate.
- ❑ **Focus:** We remain committed to the wholesale data center business – thus capitalizing on our exceptional skill in design and operations, and where the potential to lead is becoming even greater.



DFTs Differentiating Factors

DFT's Core Strengths that Drive Differentiation from its Peers

Only Pure Play Wholesale Provider:

- Primary focus on providing space and power at scale
- DFT enables the cloud as 85.6% of ABR comes from cloud and cloud-like customers

Only DC REIT with 100% Owned and Operated Portfolio

- DFT owns and operates all data centers in its operating portfolio
- All land underlying the data center operating portfolio is owned by DFT

Attractive Investment Grade Book of Revenue

- Enablement of the cloud results in 70.1% of ABR being investment grade quality
- Higher than any publicly traded REIT

Outstanding Facility Design and Facility Quality

- High Quality and well-designed facilities attract sticky instances: network nodes, test/dev, and production
- 99% portfolio occupancy

Low Overhead and High Profitability

- Industry Low G&A: 4.9% of sales as of 1Q17
- Industry High EBITDA Margins: 60.8% as of 1Q17

DFT Strategic Focus in 2017

□ Key Strategic Initiatives

- Moving our five-year strategic plan forward
- Build on strong leasing momentum in 2016
- Maintain industry leading occupancy rates
- Successfully extend leases with key customers
- Opportunistically replenish our land bank

□ DFT's Execution

- Operating Portfolio Occupancy
 - As of April 1, 2017, DFTs operating portfolio occupancy was 99%
- 2017 Year-to-Date Leasing Momentum
 - 2017-YTD: executed 34.42 MW of New Leases
 - 1Q17: Executed two new leases totaling 5.62 MW
 - 2Q17: Executed three pre-leases totaling 28.80 MW
- Current Development
 - 2017 CAPEX: \$725-\$775 million
 - Active development (78.60 MW) in Ashburn, Chicago, Santa Clara, and Toronto
 - ACC9 Phase I placed in service May 1, 2017
- Facebook Renewal
 - Begin renewal discussions as early as possible
 - Focus on renewing leases in ACC4, ACC5, and ACC6
 - Mid-year renewal results in \$0.02 reduction in FFO per share for 2017
- Land Bank
 - Purchased 56 acres in the Phoenix market

DFT VS. PEERS: 1Q17 Results



		Pure-Play Wholesale	Hybrid: Interconnect / Retail / Wholesale				Retail & Interconnect
Business Metrics	Product Offering	Wholesale	Wholesale Retail	Wholesale Retail	Wholesale Retail Cloud	Wholesale Retail Cloud	Wholesale Retail
	Asset Ownership ¹	Owned (100%)	Owned (93%) Leased (7%)	Owned (84%) Leased (16%)	Owned (73%) Leased (27%)	Owned (79%) Leased (21%)	Owned (35%) Leased (65%)
	# of DCs ²	11	142 ²	20	25	43	149
	Occupancy	99%	89%	95%	88%	88%	79%
	ABR of Leases Expiring (2017-18)	14%	25%	47%	56%	34%	N/A
	Top 20 Customer Cloud ABR (1Q17)	86%	20%	30%	13%	22%	29%
Debt	Net Debt to EBITDA ³	4.0x	5.0x	2.9x	5.3x	5.8x	2.6x
	Corporate Family Rating	Ba1/BB	Baa2/BBB	NR/NR	B2/BB-	B1/BB-	Ba3/BB+
Financial Metrics	Target ROI ⁴	11%-13%	10%-12%	12%-16%	15%	15%	N/A
	SG&A (1Q17) ⁵	5%	6%	11%	21%	14%	33%
	EBITDA Margin (1Q17)	61%	58%	57%	42%	51%	43%
	Dividend Yield (5/1/17)	4%	3%	3%	3%	3%	2%

(1) Based on 1Q17 company filings. DLR, COR, QTS, and CONE are based on annualized base rent as of 1Q17. EQIX based on recurring revenues in 1Q17

(2) Includes domestic, international and unconsolidated joint ventures, as of May 1, 2017, DFT has 12 data centers

(3) Includes capital leases and lease financing obligations

(4) Publicly disclosed targets

(5) Per 1Q17 company filings

Company Overview - Key Facts

Who Is DFT?

- A leading owner, developer, operator, and manager of enterprise-class, carrier-neutral, large, multi-tenant wholesale data centers
- 100% fee simple ownership; self-managed REIT
- Triple-Net Lease or Full Service Lease

Strategically Located Portfolio

- 12 carrier-neutral data centers located in three Tier 1 markets
- 3.5 million gross square feet with 302 MW of critical load
- **99% occupancy as of April 1, 2017**

High Quality Customer Base

- 70.1% of 1Q17 revenue is investment grade or investment grade equivalent
- Largest customers: MSFT, FB
- Avg. lease maturity – 5.1 years
- **Weighted average lease term in 2017 is 8.1 years**

DFT Key Stats at a Glance – 1Q17

Data Centers: 12

MW of Critical Load: 302 (May 2017)

Markets: Northern Virginia; Chicago, IL; Santa Clara, CA

ROI Target: 11%-13% (unlevered GAAP)

Adjusted EBITDA Margin: 60.8%

SG&A as a % of Sales: 4.9%

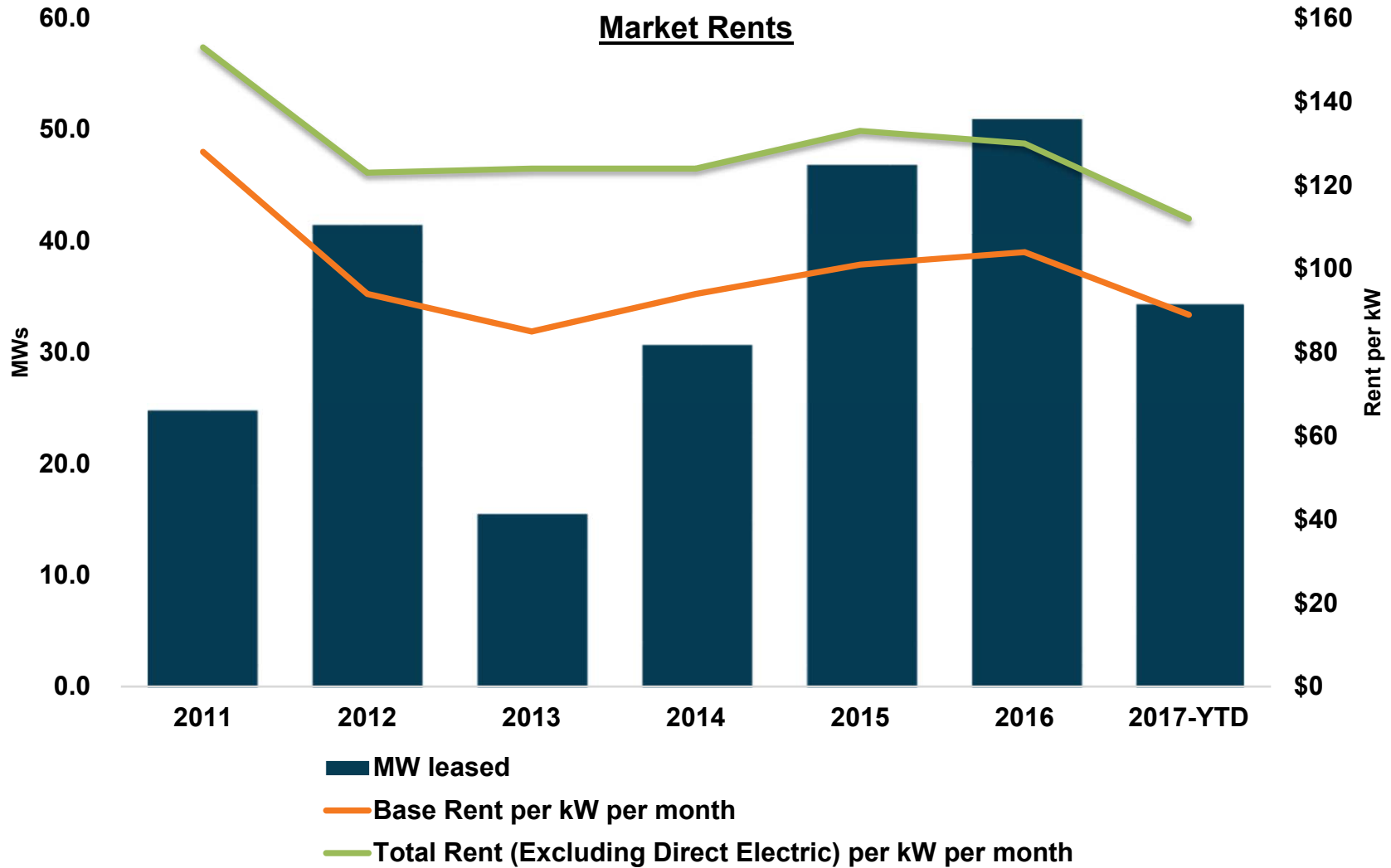
Occupancy (4/1/2017): 99%

ABR Lease Expiry (2017-18): 13.8%

Net Debt/Adj. EBITDA: 4.0x

Dividend Yield (5/1/17): 3.9%

Key Operating Metrics – Base Rents

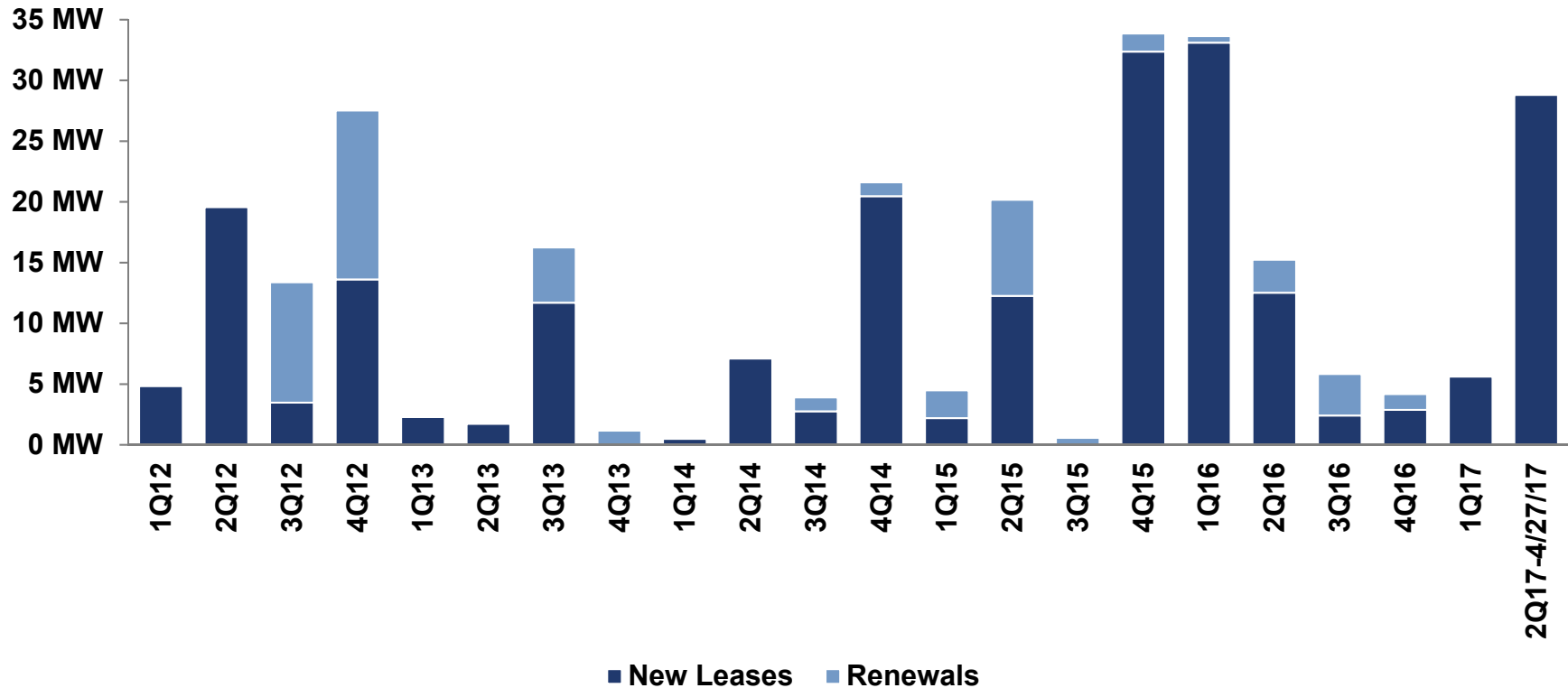


Key Operating Metrics – Leasing / Renewals

DFT Leasing / Renewal Trends

- Leased 5.6 MW in 1Q17
- Leased 28.8 MW in 2Q17-through April 27, 2017
- Leased 51.0 MW and Renewed 8.0 MW in 2016
- Historical Leasing Average (Prior to 2015) Is 30 MW per year

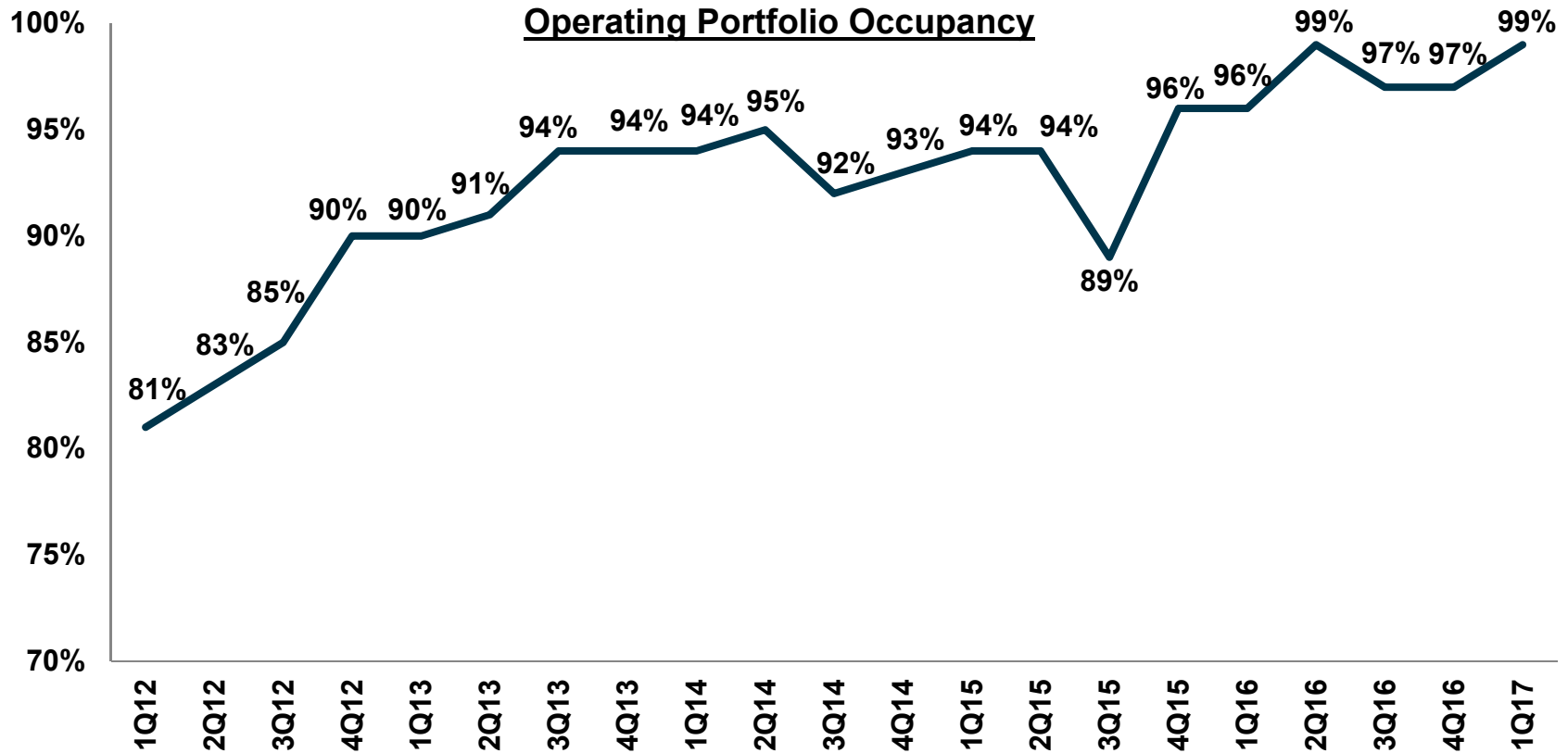
DFT Leasing/Renewal Activity 1Q12 to 2Q17-Through April 27, 2017



Key Operating Metrics - Occupancy

DFT Occupancy Trends

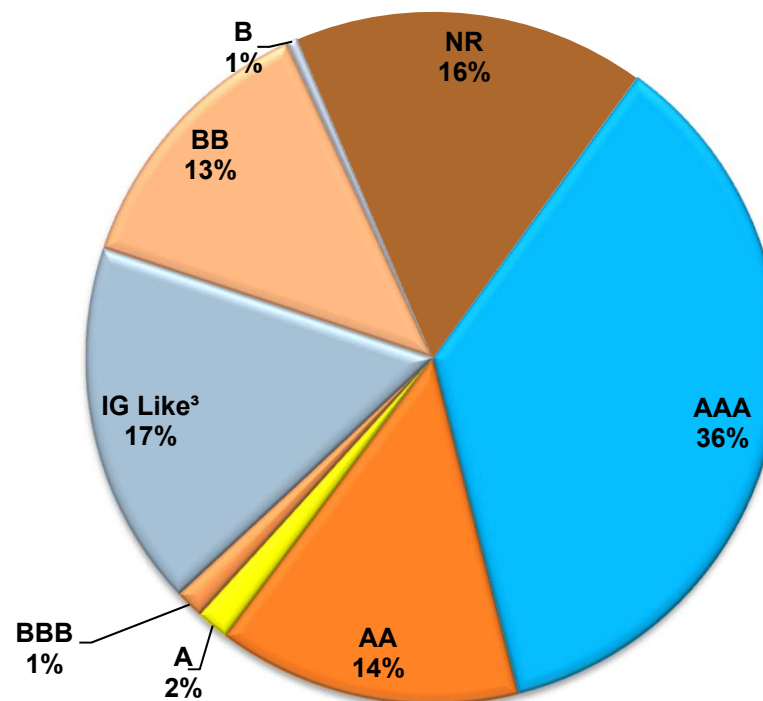
- 99% occupancy on a critical load basis as of April 1, 2017



Customer Concentration and Credit Quality Analysis

Customer	% of Annualized Base Rent (as of April 1, 2017)
1. Microsoft	24.9%
2. Facebook	21.0%
3. Fortune 25 IG Rated	10.9%
4. Rackspace	8.8%
5. Fortune 500 SaaS NR	8.4%
6. Yahoo ¹	5.9%
7. Server Central	2.4%
8. Fortune 50 IG Rated	1.9%
9. Dropbox	1.6%
10. IAC	1.5%
11. Symantec	1.3%
12. GoDaddy	1.1%
13. Anexio Data Centers	1.0%
14. UBS	1.0%
15. Sanofi Aventis	0.9%
Total	92.6%
Top Cloud/Cloud-Like Customers²	84.5%

Percentage of 1Q17 Revenue by S&P Credit Ratings^{1,2}



(1) As of March 31, 2017

(2) Based on sublessee credit rating where applicable

(3) Facebook

70.1% of revenue is from investment grade or equivalent customers

(1) Comprised of a lease at ACC4 which is 6.0% of ABR that has been fully subleased to another DFT customer.

(2) Top Cloud Service Provider/Cloud-Like Provider includes customers: 1, 2, 3, 4, 5, 6, 8, 9, and 12

Operating Portfolio: Tier 1 Markets

Property (As of April 1, 2017)	Property Location	Year Built/ Renovated	Gross Building Area ²	Computer Room Sq. Feet ² ("CRSF")	CRSF % Leased ³	Critical Load MW ⁴	Critical Load % Leased ³
Stabilized¹							
ACC2	Ashburn, VA	2001/2005	87,000	53,000	100%	10.4	100%
ACC3	Ashburn, VA	2001/2006	147,000	80,000	100%	13.9	100%
ACC4	Ashburn, VA	2007	347,000	172,000	100%	36.4	97%
ACC5	Ashburn, VA	2009-2010	360,000	176,000	99%	36.4	100%
ACC6	Ashburn, VA	2011-2013	262,000	130,000	100%	26.0	100%
ACC7	Ashburn, VA	2014-2016	446,000	238,000	100%	41.6	100%
CH1	Elk Grove Village, IL	2008-2012	485,000	231,000	100%	36.4	100%
CH2	Elk Grove Village, IL	2015-2016	328,000	158,000	100%	26.8	100%
SC1 Phases I-II	Santa Clara, CA	2011-2015	360,000	173,000	100%	36.6	100%
VA3	Reston, VA	2003	256,000	147,000	94%	13.0	95%
VA4	Bristow, VA	2005	<u>230,000</u>	<u>90,000</u>	<u>100%</u>	<u>9.6</u>	<u>100%</u>
Total Operating Properties⁵			3,308,000	1,648,000	99%	287.1	99%

(1) Stabilized operating properties are either 85% or more leased and commenced or have been in service for 24 months or greater.

(2) Gross building area is the entire building area, including CRSF (the portion of gross building area where our customers' computer servers are located), common areas, areas controlled by us (such as the mechanical, telecommunications and utility rooms) and, in some facilities, individual office and storage space leased on an as available basis to our customers.

(3) Percentage commenced is expressed as a percentage of CRSF or critical load, as applicable, where the lease has commenced under GAAP.

(4) Critical load (also referred to as IT load or load used by customers' servers or related equipment) is the power available for exclusive use by customers expressed in terms of megawatt (MW), or kilowatt (kW) (One MW is equal to 1,000 kW).

(5) ACC9 Phase I totaling 14.4 MW and 90,000 CRSF is in service as of May 1, 2017 12

DFT Development Plan

DFT Current Development Projects

Data Center Phase	Site	Pre-Lease Capacity (MW)	Delivery	% Pre-Leased	Available Pre-Lease Capacity (MW)
ACC9 Phase II	Ashburn, VA	14.4	3Q17	50%	7.2
SC1 Phase III	Santa Clara, CA	16.0	3Q17	100%	-
TOR1 Phase IA	Vaughan, ON	6.0	4Q17	- %	6.0
CH3 Phase I	Elk Grove Village, IL	14.4	1Q18	100%	-
ACC10 Phase I	Ashburn, VA	15.0	2Q18	- %	15.0
CH3 Phase II	Elk Grove Village, IL	12.8	2Q18	- %	12.8
Total Current Development Projects:		78.6			41.0

DFT 2017-YTD Lease Activity

DFT 2017-YTD (Through April 27, 2017) Leasing Update

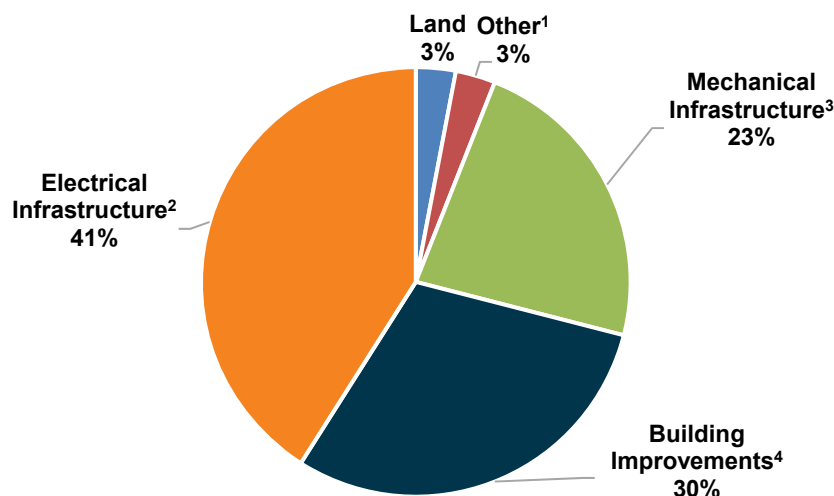
Data Center Phase	Site	MW	CRSF	Lease Commencement Date
ACC7 Phase IV	Ashburn, VA	4.2	25,686	1Q17
CH2 Phase II	Elk Grove Village, IL	1.4	8,950	1Q17
ACC7 Phase IV	Ashburn, VA	-	4,307	1Q17
CH3 Phase I	Elk Grove Village, IL	14.4	71,506	1Q18 (estimate)
ACC9 Phase I	Ashburn, VA	7.2	45,158	June 1, 2017
ACC9 Phase II	Ashburn, VA	7.2	45,158	October 1, 2017 (estimate)
Total Current Leasing 2017-YTD (Through April 27, 2017):		34.4	200,765	

Cost to Build Analysis

Our Cost per MW Varies Across Markets Driven by Labor, Commodity Costs, and Design

- Design 4.0 (Expansion Markets):** Allows customer to pick redundancy (N, N+1, N+2, 2N), as well as power density
- Design 3.0 (Core Markets):** ISO-parallel ring bus design provides low cost redundancy at N+2; switching to N+1 in new development projects in core markets
- Land:** Lowest cost component, but most valuable asset. Focused on adding parcels in Ashburn, Chicago, and Santa Clara

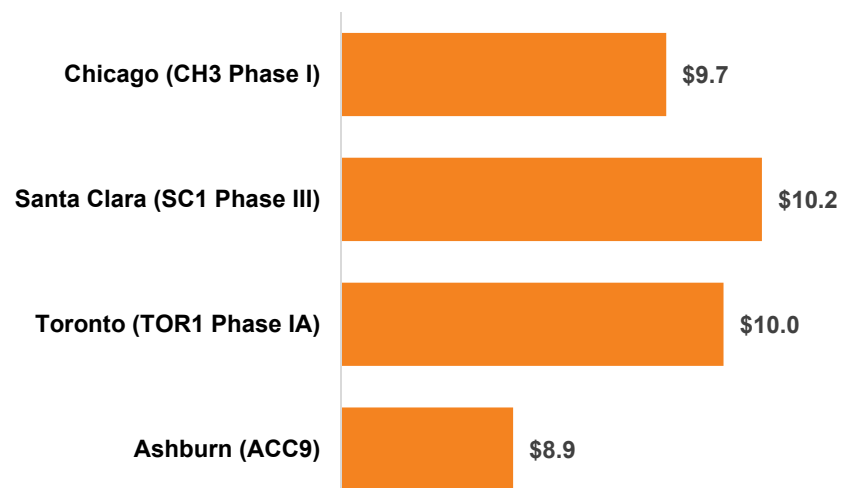
Cost to Build Components



Cost to Build Components – Footnotes:

- Other includes fire protection and security systems
- Electrical Infrastructure includes: power distribution units (PDUs), uninterrupted power supply (UPS), generators, and switchgear/transformers.
- Mechanical Infrastructure includes: HVAC, chiller pumps/building automation, chilled water storage and pipes
- In addition to the components of a power base shell, the following components are included in “Building Improvements:” communications infrastructure, electrical connection, conduit, plumbing, sound attenuators, and fuel oil systems

Estimated Average Cost Per MW



Expected Avg. Cost Per MW – Footnotes:

- Chicago: based on N+1 configuration and 27.2 MW of critical load at CH3
- Santa Clara: based on SC1 Phase III
- Toronto: based on 18 MW of critical load in Phase I
- Ashburn: Similar cost for ACC9 and ACC10

What Makes Wholesale Attractive?

- ❑ The public cloud / Internet lives in wholesale data centers
 - Space / power requirements for cloud continue to increase
 - Record cap ex forecasted for MSFT, AWS, FB, and GOOG in 2017
 - Customers are typically investment grade
 - Time to market, operational expertise, and expense stability / visibility

- ❑ Cloud is taking customers from retail data centers and corporate data centers (internal build it yourself). This trend is projected to accelerate.
 - Colocation churn remains volatile
 - More outsourcing from internal IT to the cloud
 - Key customers:
 - Cloud (MSFT, GOOGL, AMZN, CRM, BABA, ORCL, IBM)
 - Social Networking (FB)
 - Sophisticated Enterprise (Fortune 1000)

- ❑ Wholesale has lowest cost structure
 - DFT has lowest G&A as % of revenue (4.9% in 1Q17)
 - DFT has highest adjusted EBITDA margin (60.8% in 1Q17)
 - Concentrated high-quality assets in key Tier 1 markets

The DFT Wholesale Strategy

DFT is a leading owner, developer, operator, and manager of enterprise-class, carrier-neutral, large scale multi-tenant wholesale data centers focused on enabling the cloud

DFTs Core Markets Exhibit One or More of These Key Characteristics:

- **Connectivity:** Internet traffic hubs, interconnection points, fiber infrastructure
- **Power Costs:** Power must be available and relatively inexpensive
- **Taxes:** Sales tax exemption – Ashburn, VA; No sales tax – Portland, OR
- **Travel:** proximity to transportation for easy in and out of markets

The Cloud Service Provider Build Vs. Buy Question – Why DFT?

- **Speed-to-Build / Time Value:** Clients already have a viable business case for the space and power they seek
- **OPEX Efficiency / Visibility:** Wholesale data centers provide stable and reasonable operating costs that provide the visibility attractive to clients looking to manage to a margin target
- **Core Competency:** Building, maintaining, and operating a data center is not a CSP's/enterprise's core competency

DFTs Expansion Markets – How We Pick a New Market

- **Core Market Characteristics:** Connectivity, Power, Taxes, and Travel
- **Market Characteristics:** Land Scarcity, International - Data Sovereignty, Location (e.g., Undersea Cables, et al.)

DFTs Differentiating Factors

- **Core Markets – Design 3.0:** Service, Reliability, and Unique ISO Parallel Ring Bus Design; switch to N+1
- **Expansion Markets - Design 4.0:** Flexibility to Meet Redundancy Needs of Each Client
- **Power Density:** Flexibility to meet customer's needs
- **Campus Design:** shared resources, growth across multiple data centers on campus

Leases – Triple Net and Full Service

- **Triple-Net Leases** provides multiple streams of payments from customers
 - Base Rent
 - Operating Expenses
 - Direct Electric
 - Cooling
- Direct pass-through of costs minimizes DFT's financial risk
- Clients familiar with Triple-Net structure like the Triple-Net lease contract

Pass-Through
Of
Actual Costs

Illustrative Customer Invoice – Triple-Net (Ashburn Campus)	
Line Items on Invoice	<u>\$/kW/month</u>
Rent	\$102 + 2%-3% escalator
Recoveries from Customers	\$ 20
Direct Electric: 70% load (\$0.06 per kW hr.)	\$ 31
Cooling	\$ 7
Total	\$160

- **Full Service Leases** are key to attracting new customers
 - Simplicity – Triple-Net not well understood
 - Certainty – stable costs throughout budget term
- Operating expenses other than uncontrollable costs lumped into base rent
- Signed two full service leases in 2016
- DFT prices full service leases so that it will recover its operating costs over the lease term plus earn a risk premium

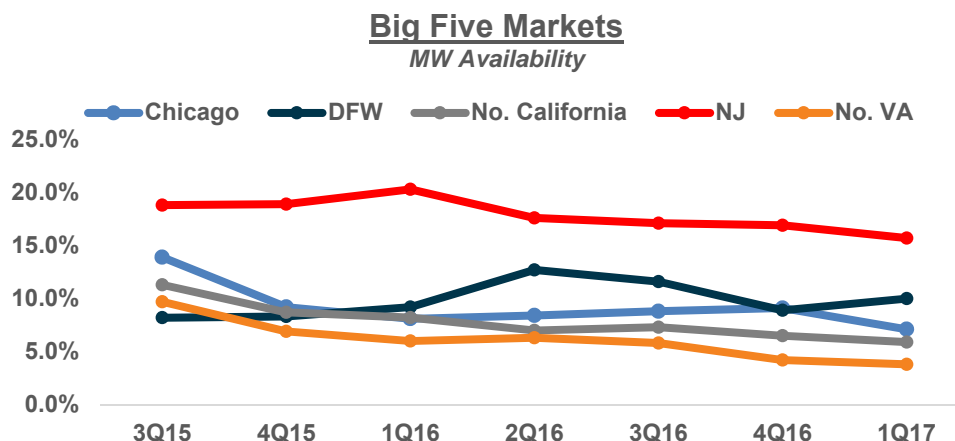
Illustrative Customer Invoice – Full Service (Ashburn Campus)	
Line Items on Invoice	<u>\$/kW/month</u>
Rent (Incl. recoveries under Triple-Net)	\$125 + 2-3% escalator
Direct Electric: 70% load (\$0.06 per kW hr.)	\$ 31
Cooling	\$ 7
Total	\$163

Data Center Market Trends Favor Wholesale

MW Availability Definition

- Available MW
- Divided by
- Commissioned MW
- Yields Availability

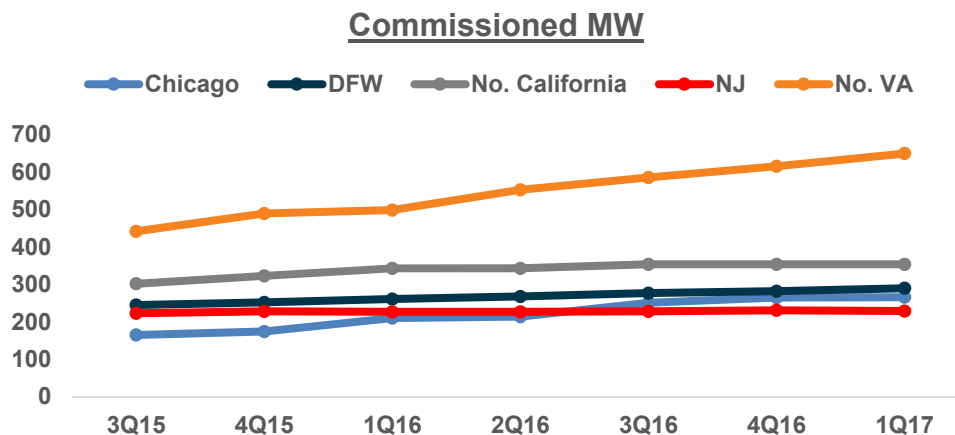
- Wholesale focused markets continue to show strong occupancy and declining availability
- Availability constraints in wholesale markets indicates strong development discipline
- DFT's core markets (NOVA, Chicago, and No. CA) all show strong occupancy; retail oriented markets (NJ) do not



Source: Datacenter Hawk

Commissioned MW Trend

- Wholesale markets continue to show strong growth in commissioned MW
- The NOVA market remains the largest market in terms of MW footprint
- Growth in commissioned MW across DFTs core wholesale markets indicates strong demand from CSP clients
- Retail markets (NJ) show little to no growth in commissioned MW



Source: Datacenter Hawk

Northern Virginia (NOVA) Market Update

DFT NOVA at a Glance

Data Centers: 9

MW of Critical Load: 201.7

Supply:

0.7 MW Available in VA3

1.1 MW Available in ACC4

4.3 MW Available in ACC9 Phase I

Current Development Projects:

ACC9 Phase II – 14.4 MW; 7.2 MW Available

ACC10 Phase I – 15.0 MW; 15.0 MW Available

Land Held for Development:

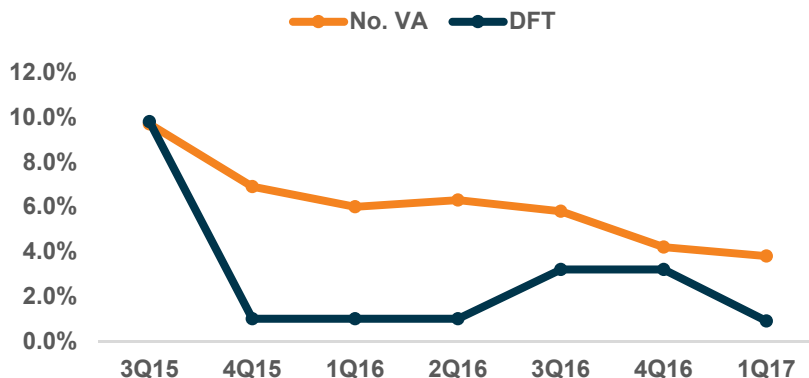
ACC8

ACC11

DFT ACC7 Data Center

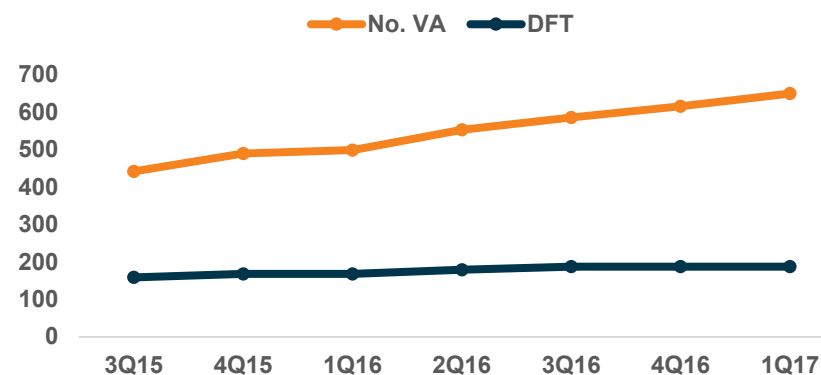


NOVA Market – MW Availability



Source: Datacenter Hawk, and DFT

NOVA Market – MW Commissioned



Source: Datacenter Hawk, and DFT

Chicago Market Update

DFT Chicago at a Glance

Data Centers: 2

MW of Critical Load: 63.2

Occupancy: 100%

Current Development Project:

CH3 Phase I – 14.4 MW; 0 MW Available

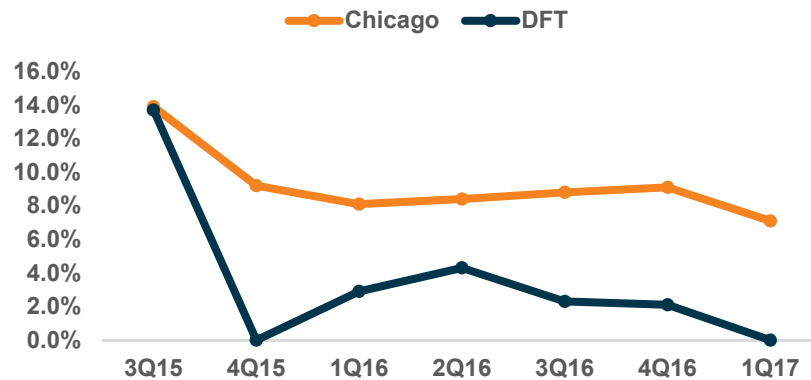
CH3 Phase II – 12.8 MW; 12.8 MW Available

Future Development Project:

DFT CH2 Data Center

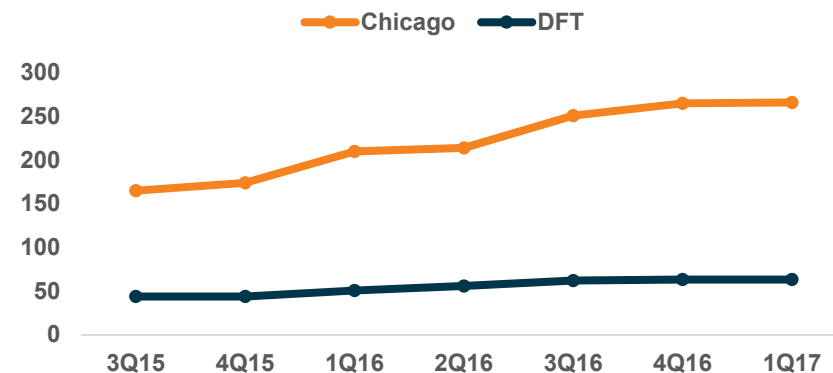


Chicago Market – MW Availability



Source: Datacenter Hawk, and DFT

Chicago Market – MW Commissioned



Source: Datacenter Hawk, and DFT

Santa Clara Market Update

DFT Santa Clara at a Glance

Data Centers: 1

MW of Critical Load: 36.6

Occupancy: 100%

Current Development Project:
SC1 Phase III – 16.0 MW; 0.0 MW Available

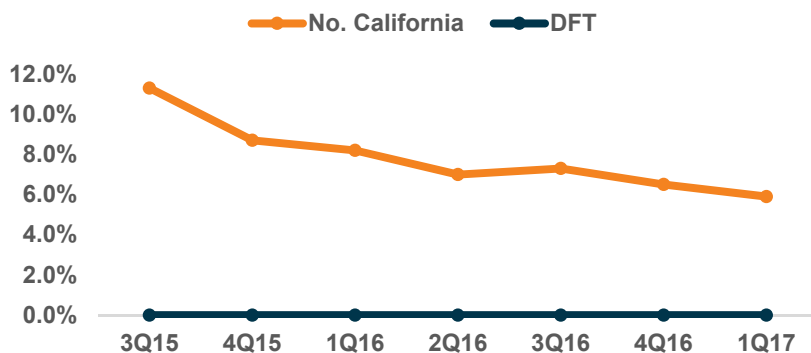
Land Held for Development:
None

DFT SC1 Data Center



Santa Clara Market – MW Availability

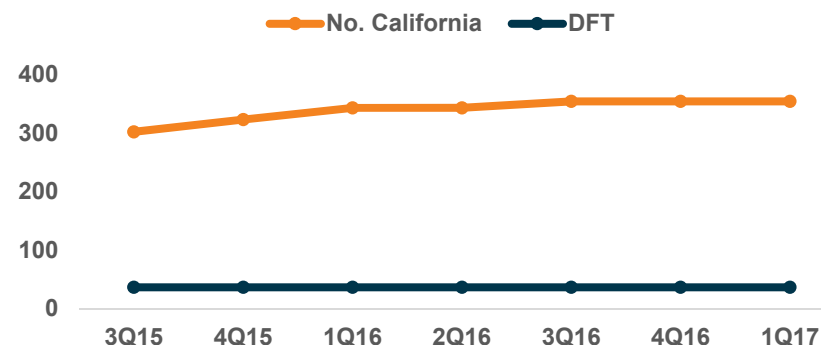
DFT Represents Santa Clara Only



Source: Datacenter Hawk, and DFT

Northern CA. Market – MW Commissioned

DFT Represents Santa Clara Only

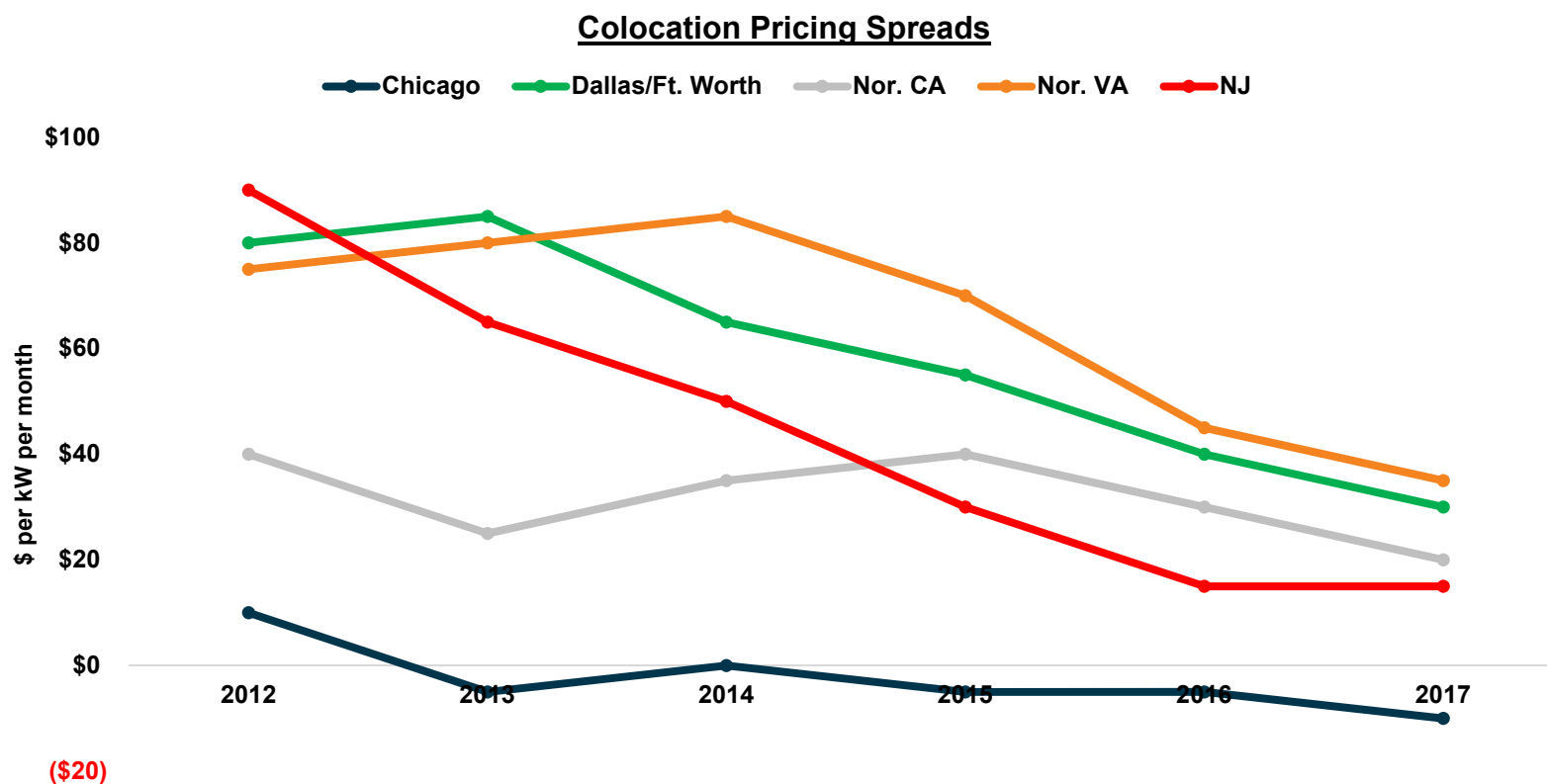


Source: Datacenter Hawk, and DFT

Colocation Pricing Spread

The Colocation Pricing Spread

- Declining spreads illustrate the blurring of the non-interconnection rich small colocation and non-cloud enterprise wholesale colocation markets
- Colocation Pricing Spread = the variance between 0-250kW (Retail-Low) pricing at the low end and 250kW-plus pricing at the high end.

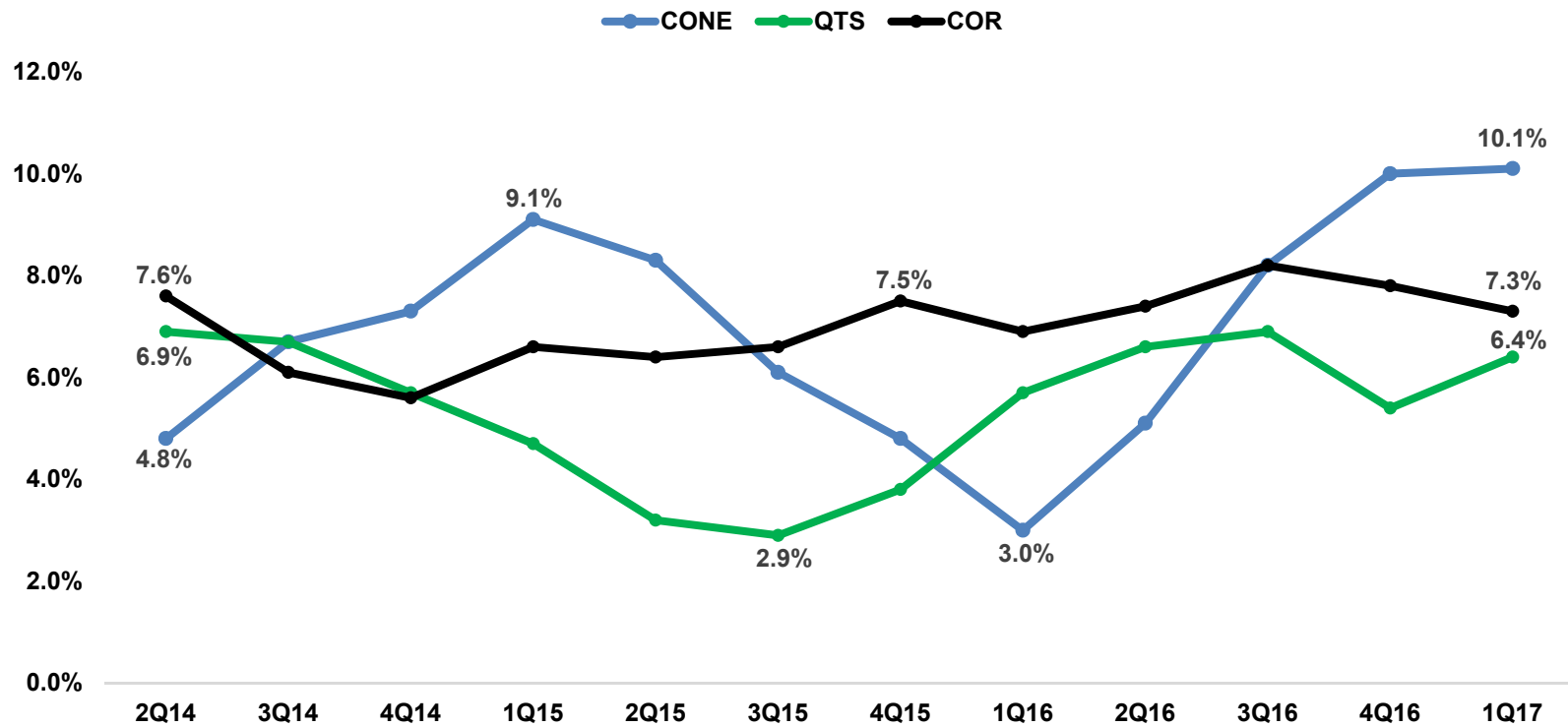


Source: Datacenter Hawk

Colocation Churn

Colocation Churn Trend

- Churn on a TTM basis remains somewhat elevated
- The shift to cloud represents a major driver of colocation churn



Source: CONE, COR, and QTS company documents

Public Cloud Adoption

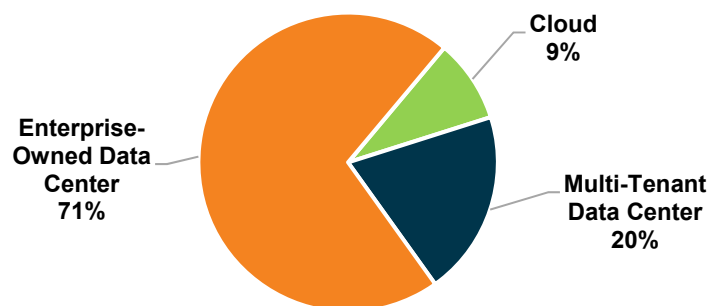
Public Cloud Adoption Drives Demand for Wholesale Data Centers

The Public Cloud Drives Wholesale Data Center Demand in Three Ways

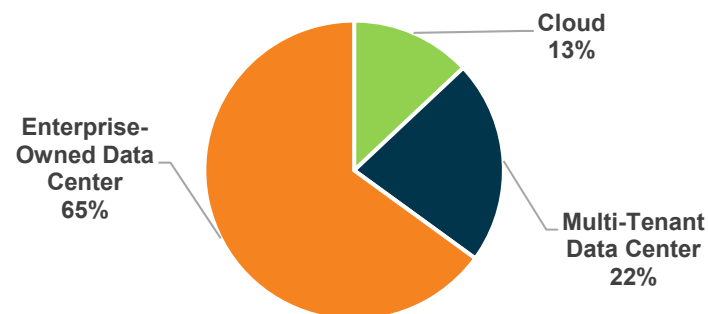
- **Data Growth:** Cisco forecasts data will grow at a 26.6% CAGR between 2015 and 2020. Total global data center IP traffic is forecast to grow from 4.7 zettabytes in 2015 to 15.3 zettabytes in 2020
- **Service Innovation:** As public cloud service pricing declines, growth is generated through increased volumes associated with new and innovative services. Continuous service innovation around public cloud services generates demand for wholesale data centers
- **Shift to the Public Cloud:** Adoption of public cloud remains below 20%, which represents a long-term secular tailwind driving wholesale data center demand

Public Cloud Penetration Represents a Secular Growth Tailwind

Uptime Institute IT Asset Survey (Summer 2016):



Uptime Institute IT Asset Survey (Summer 2017):



Public Cloud Adoption

Public Cloud Adoption Drives Demand for Wholesale Data Centers

Cisco Forecasts Hyper-Scale Data Center Growth

By 2020, Hyper-Scale Data Centers Will House:

- ❑ 47% of all data center servers vs. 21% today
- ❑ 68% of all data center processing power vs. 39% today
- ❑ 57% of all data stored in data centers vs. 49% today
- ❑ 53% of all data center traffic vs. 34% today

Public Cloud Represents a Long-Term Growth Driver

The Public Cloud TAM Is Quite Large

- ❑ Gartner estimates \$111 billion in IT spend will shift to the cloud, increasing to \$216 billion in 2020
- ❑ Alibaba estimates its China TAM opportunity is \$30 billion compared to \$200 billion in annual IT spend in China

Hyper-Scale Cloud Commentary

- ❑ 60% of F500 Companies use 3+ MSFT cloud offerings
- ❑ Over 75% of Azure customers use Premium services
- ❑ Mark Hurd, Oracle CEO, estimates that by 2025:
 - ❑ 80% of IT Budgets Will Be Spent on the Cloud
 - ❑ Total Corporate Owned Data Centers Will Decline 80%
- ❑ Intel believes “scale data centers” will represent:
 - ❑ 70%-80% of compute, network, and storage by 2025
- ❑ AliCloud may reach 10 million users in 5 years

Cloud Adoption Examples

- ❑ GE is moving a majority of IT assets to the cloud
- ❑ Johnson & Johnson to be 85% public cloud by 2018
- ❑ Boeing standardized its aviation analytics on Azure
- ❑ Kraft-Heinz: 20%-25% of workloads are cloud today
- ❑ Kraft-Heinz: expects 50%-55% to be cloud in 5-10 years
- ❑ Workday and Capital One are standardizing on AWS
- ❑ The CIA and FINRA utilize AWS

Public Cloud Performance Trends

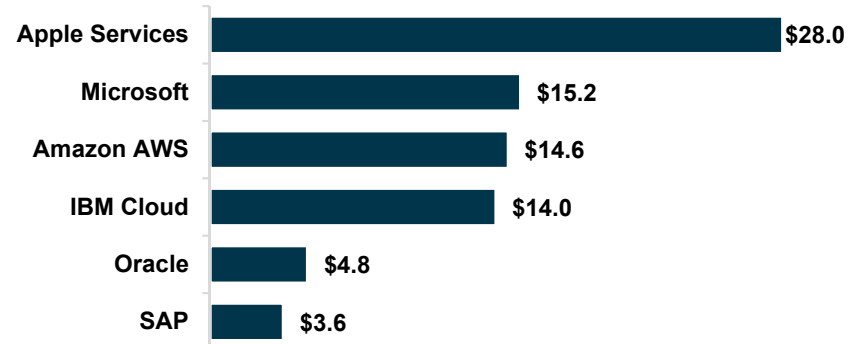
Understanding Public Cloud Performance

- We define hyper-scale cloud to include: Amazon AWS, Microsoft Azure, and Google Cloud Platform
- The spread between revenue growth and capital intensity fluctuates over time; the spread illustrates the system efficiency of CAPEX investment
- Revenue Growth + Swift Innovation = Significant CAPEX Spend
- Lower Redundancy (N+1) + Cloud Pricing = Higher Server Volume (More Services + Increased Volume) = More Data Center Opportunities

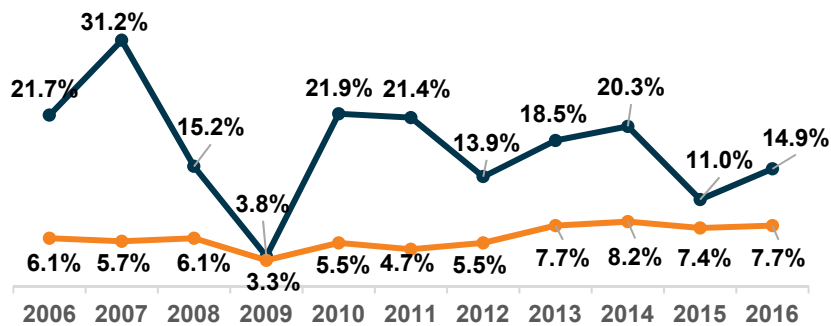
Hyper-Scale Cloud CAPEX Intensity (USD Billions)



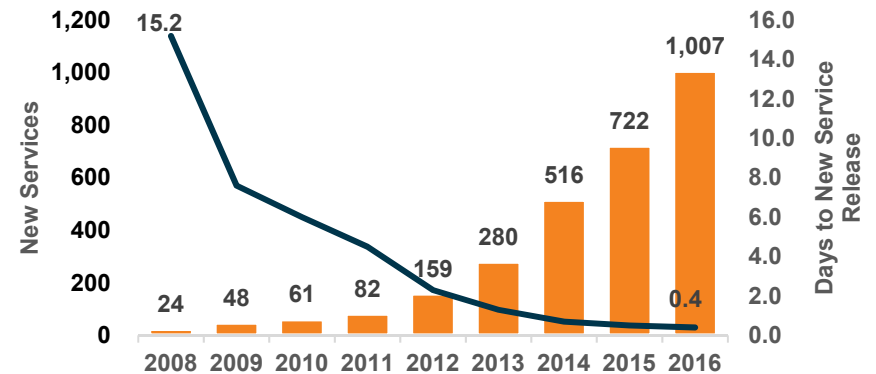
1Q17 Annualized Cloud Revenues (USD Billions)



The Spread: Total Sales Growth Vs. CAPEX Intensity



AWS: The Speed of Cloud Innovation

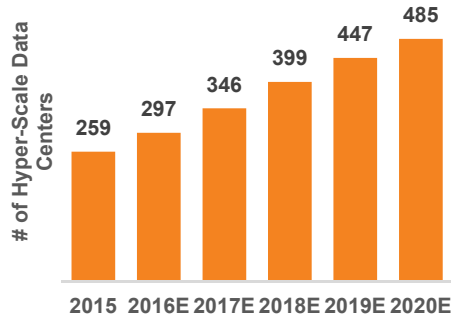


Source: AMZN, MSFT, GOOGL, IBM, ORCL, SAP, and BABA company documents

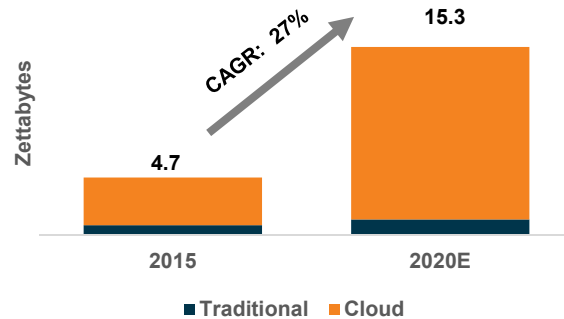
Data Center Cloud Macro Trends

Data center demand is growing significantly

Hyper-Scale Data Center Growth

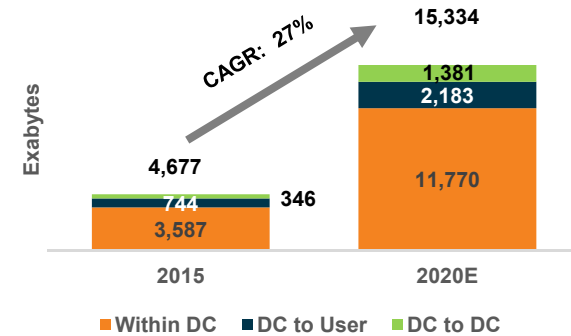


Emergence of Cloud Driving Demand

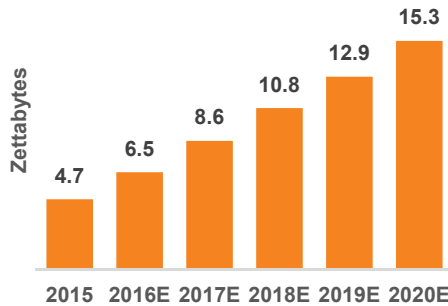


Increasing Importance of Data Center Ecosystems

Total Global IP Traffic

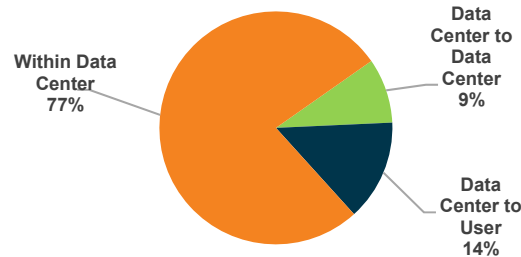


Global Data Center IP Traffic Growth



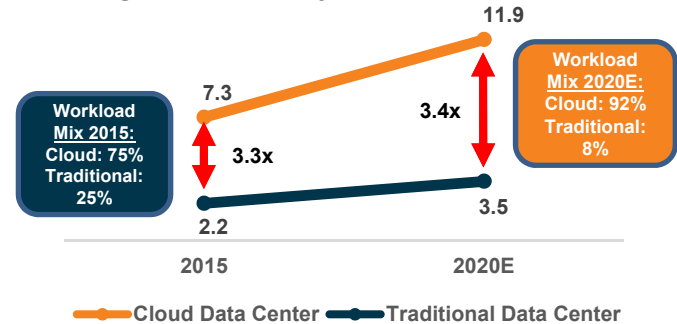
Big Data Will Drive Internal Data Center Traffic

Data Center Traffic by Destination 2020



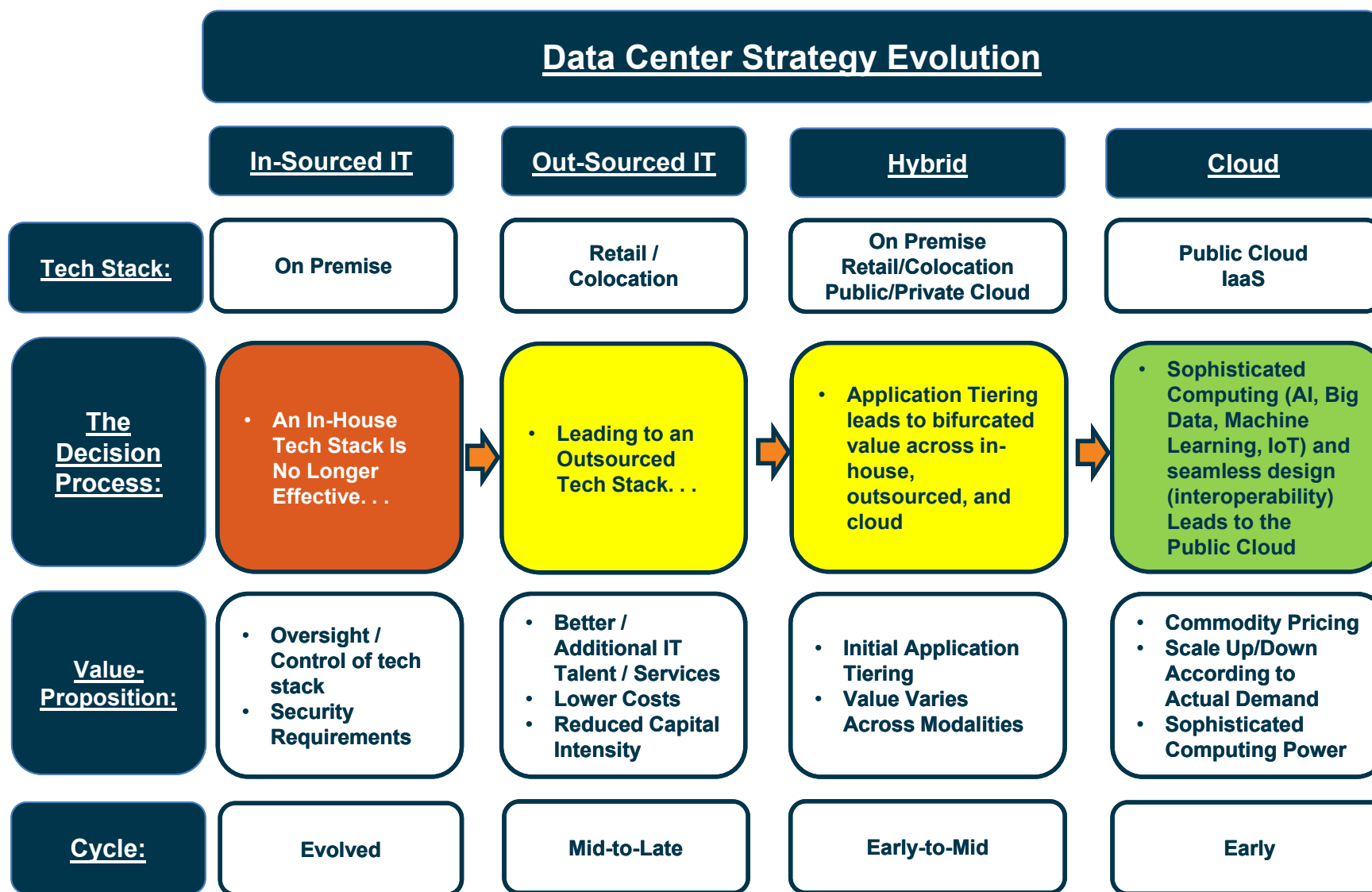
Workload Shift: Traditional to Cloud Data Centers

Average Workload Density



Source: Cisco Visual Networking Index (VNI), Ericson Mobility Report and Go-Globe.com
 (1) Reflects % of data center square feet outsourced to service providers. Providers include hosting, colocation, outsourcing, cloud as well as providers' own business service offerings.

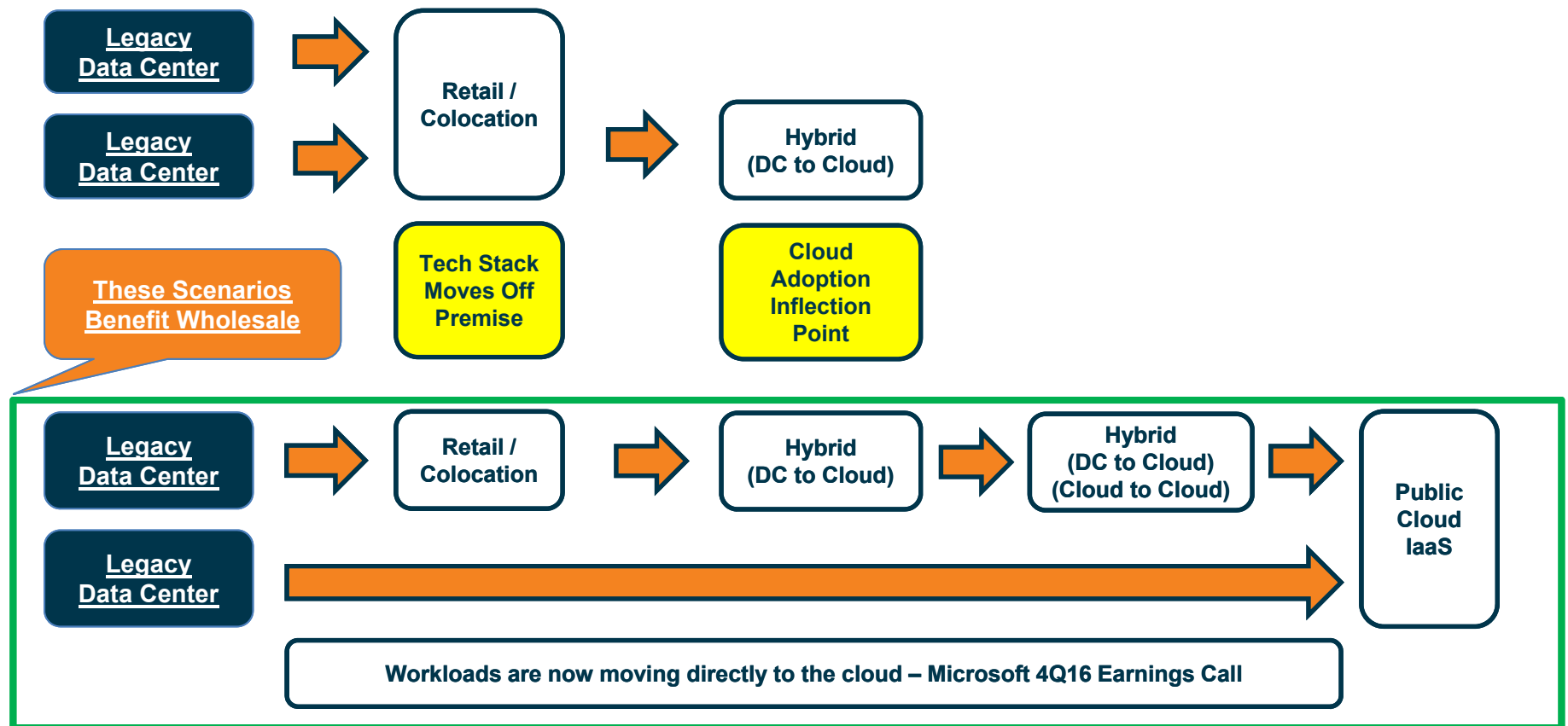
The Evolution of Data Center Strategy



Pathways Out of the Enterprise Data Center

Pathways to the Public Cloud

- Oracle highlights five pathways an enterprise can take to the cloud
- We see four simplified pathways
- Cloud Network Effects: cloud adoption leads to more cloud adoption
- Cloud Network Effects benefit wholesale data centers





Financials

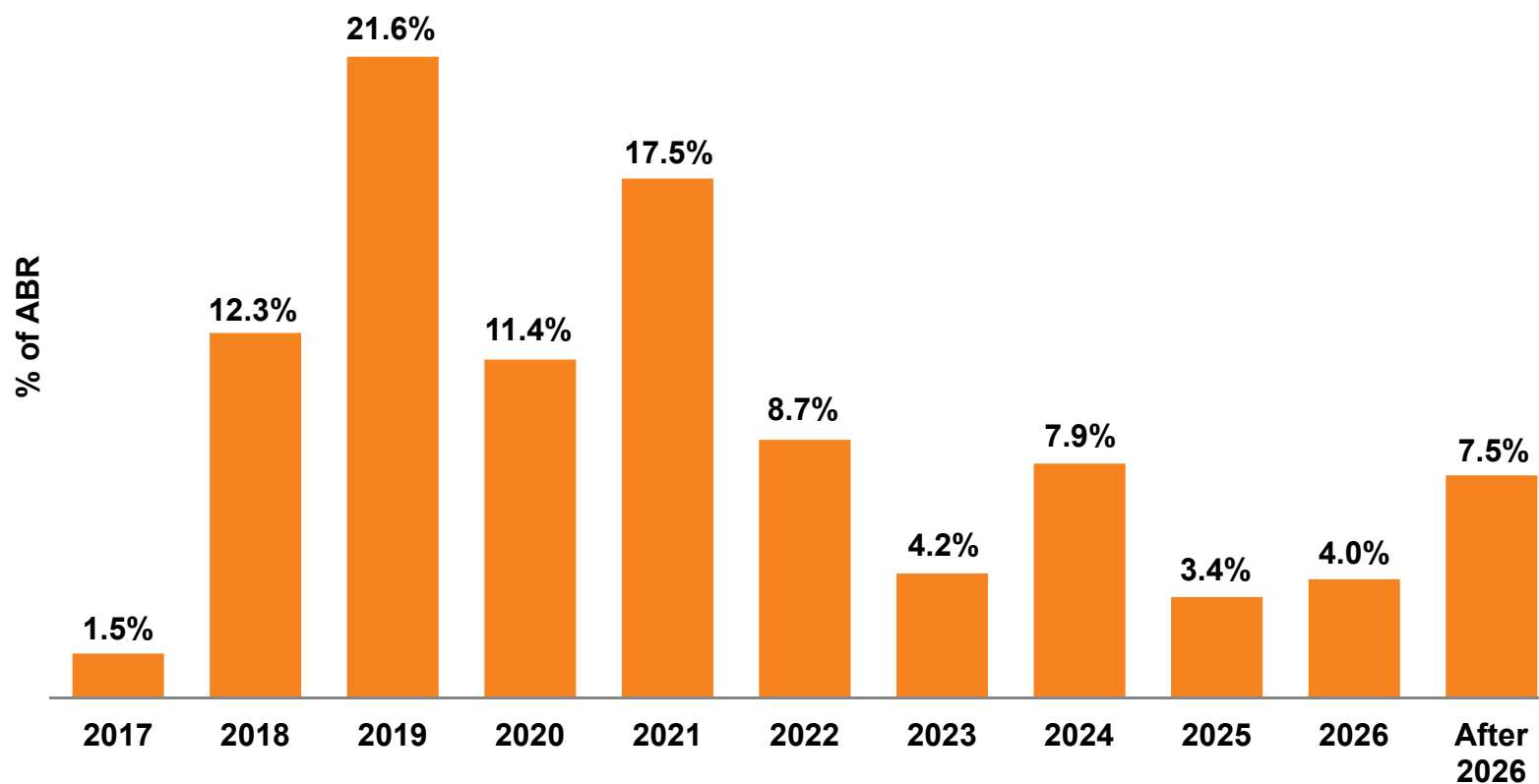


DFT – Guidance

	2017E Guidance	2017E Growth	5-YR Plan Targets 2020E
Revenues	\$570-\$585 Million	+7.8% to 10.6%	10.0% to 12.0%
G&A as % of Revenue	4.6%	+24 bps	3.7% to 3.9%
Normalized FFO per share	\$3.01 to \$3.13	+7.5% to +11.8%	9.5% to 10.5%

Lease Expirations

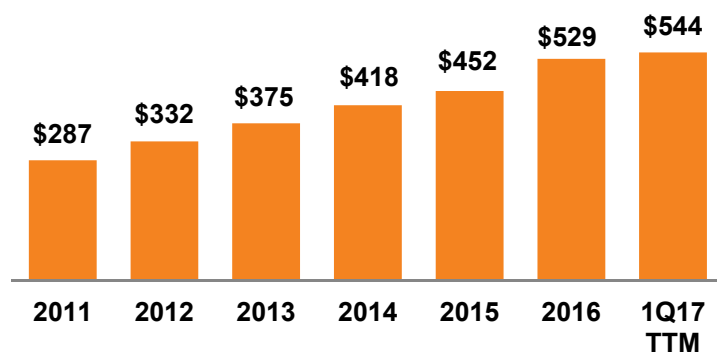
DFT Lease Expirations



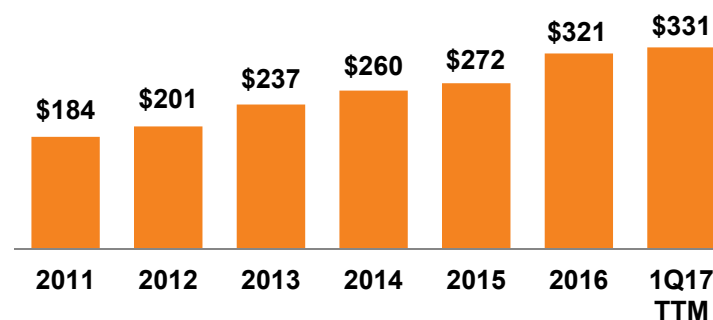
➤ Average remaining lease term is 5.1 years

Historical Financial Performance (USD Millions)

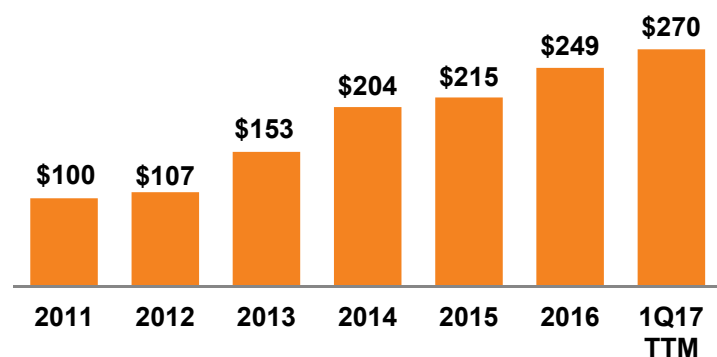
Revenue



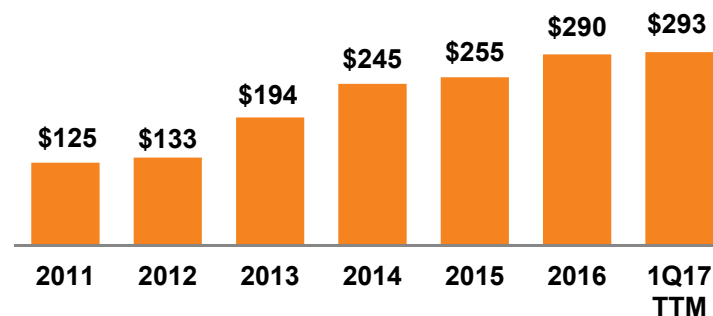
Adjusted EBITDA¹



AFFO²



Cash From Operations

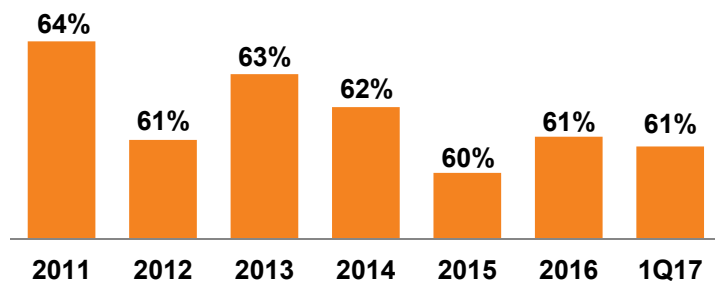


(1) For reconciliation of Adjusted EBITDA to Net Income, please see "Appendix"

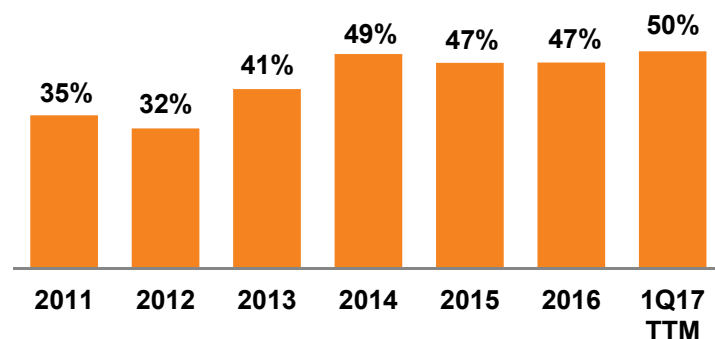
(2) For reconciliation of AFFO to Net Income, please see "Appendix"

Significant Operational Flow Through

Adjusted EBITDA Margin¹



AFFO Margin²



- Low G&A
 - 4.9% of revenue for 1Q17
 - 125 total employees; majority reimbursed under triple net lease model

- High recoveries from customers
 - Triple net lease model

- Limited maintenance Cap Ex
 - New Assets
 - Long useful life
 - Recoveries and extended warranties

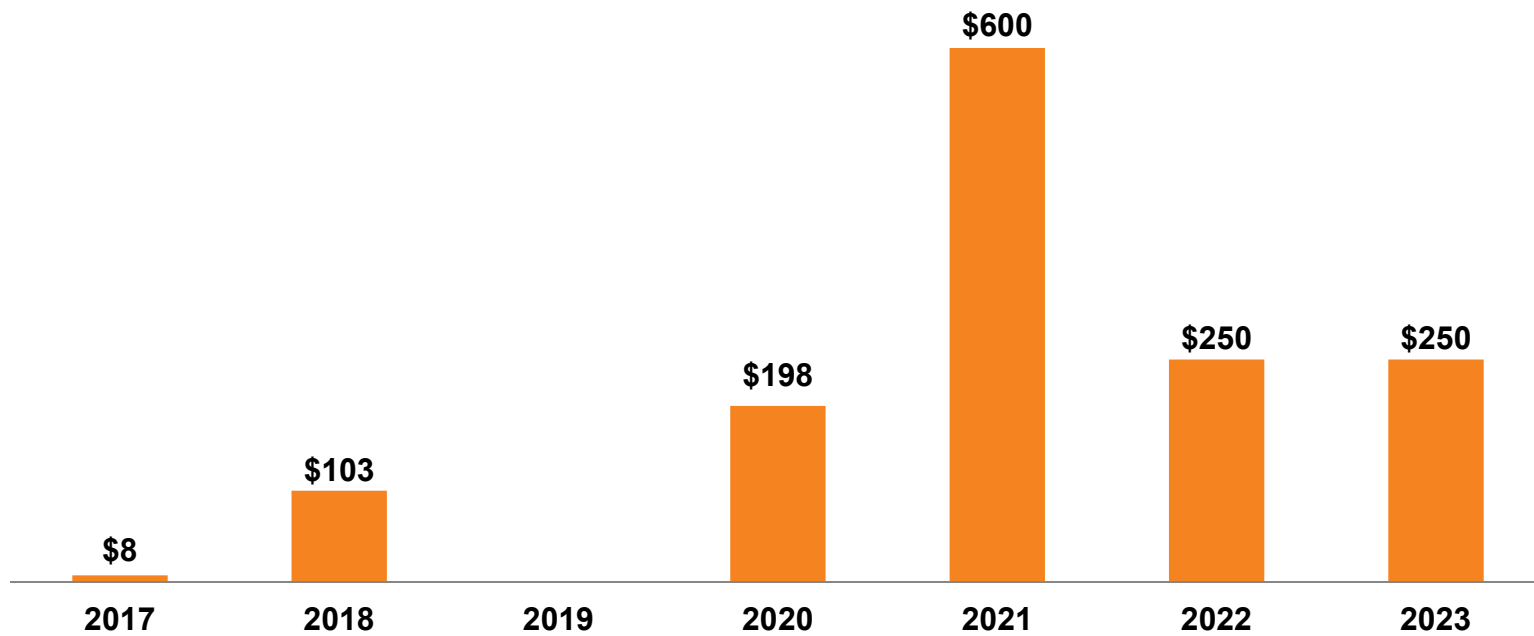
- Low leverage

(1) For reconciliation of Adjusted EBITDA Margin to Net Income, please see "Appendix"

(2) For reconciliation of AFFO Margin to Net Income, please see "Appendix"

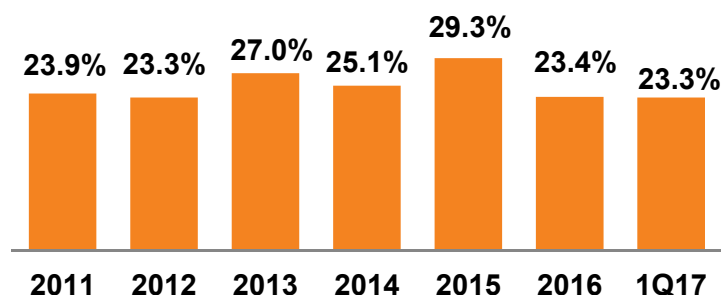
Limited Near Term Principal Payments as of March 31, 2017

Total Debt: \$1,408 million

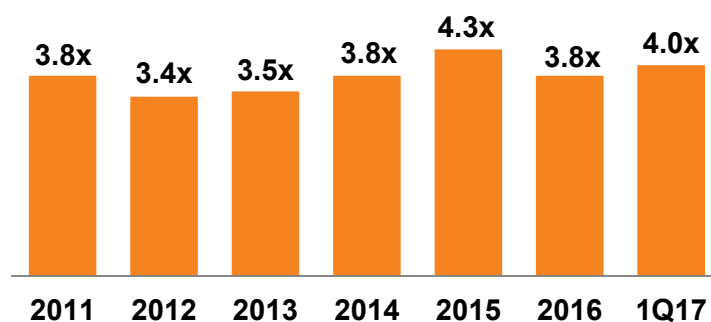


Conservative Coverage and Strong Balance Sheet

Debt / Enterprise Value¹



Net Debt / Adjusted EBITDA²



- ▣ \$1.36 billion net debt
 - \$110 million is secured
 - 23.3% debt / EV

- ▣ Ample liquidity to execute strategic plan
 - \$45.0 million in cash as of 3/31/17
 - Approximately \$552M of LOC available as of 3/31/17

- ▣ Access to multiple sources of capital

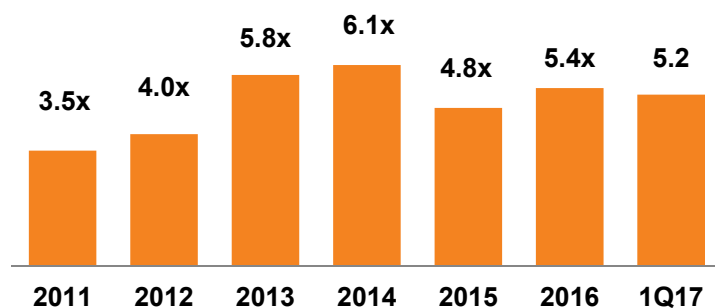
- ▣ Prudent financial management

(1) Calculated as the sum of secured and unsecured debt divided by the sum of secured and unsecured debt plus the liquidation value of preferred stock and the market value of outstanding common stock and operating partnership units, assuming the redemption of operating partnership units for shares of our common stock

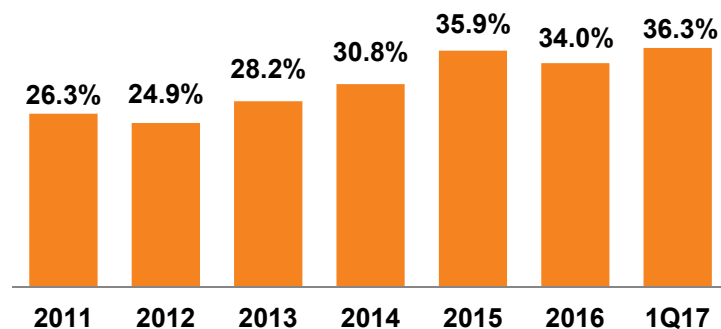
(2) Calculated as total debt at balance sheet carrying value less unrestricted cash and cash equivalents divided by 1Q17 LQA Adjusted EBITDA on an annualized basis. For reconciliation of Adjusted EBITDA to Net Income, please see "Appendix"

Unsecured Notes Metrics

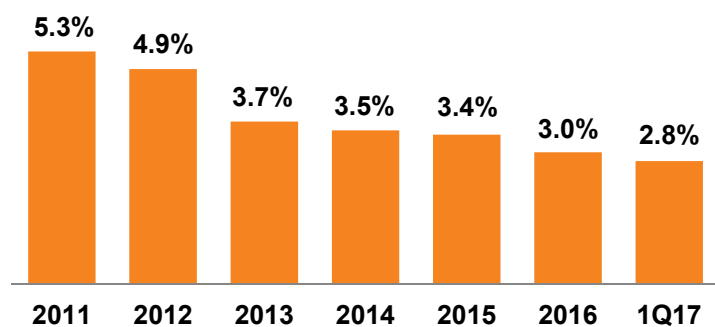
Interest Coverage Ratio



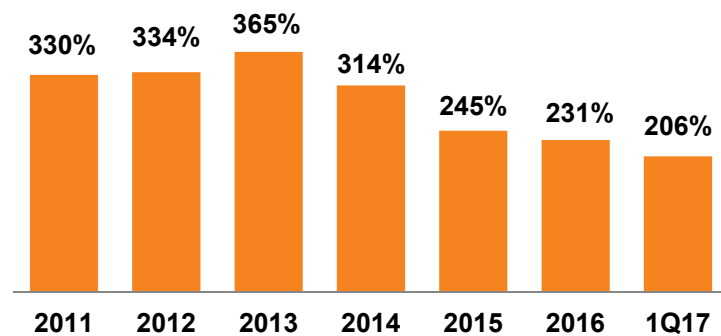
Total Debt to Total Assets



Secured Debt to Total Assets

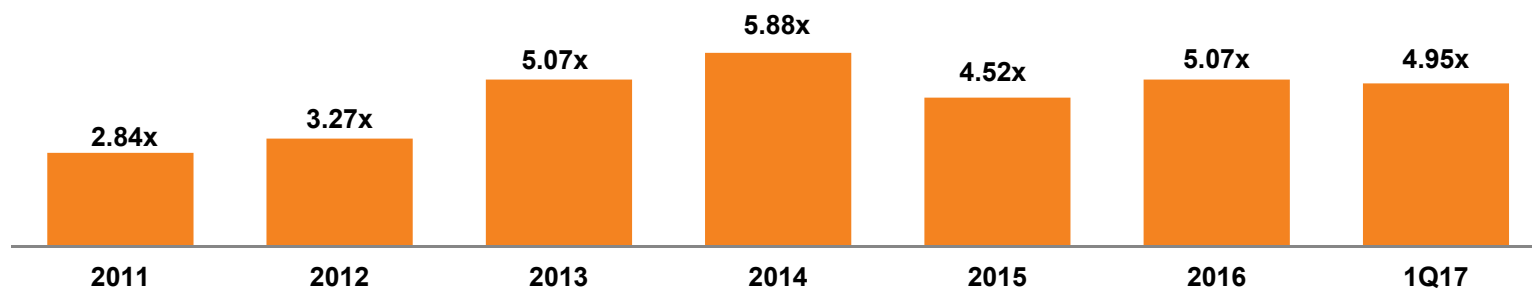


Unencumbered Assets to Unsecured Debt

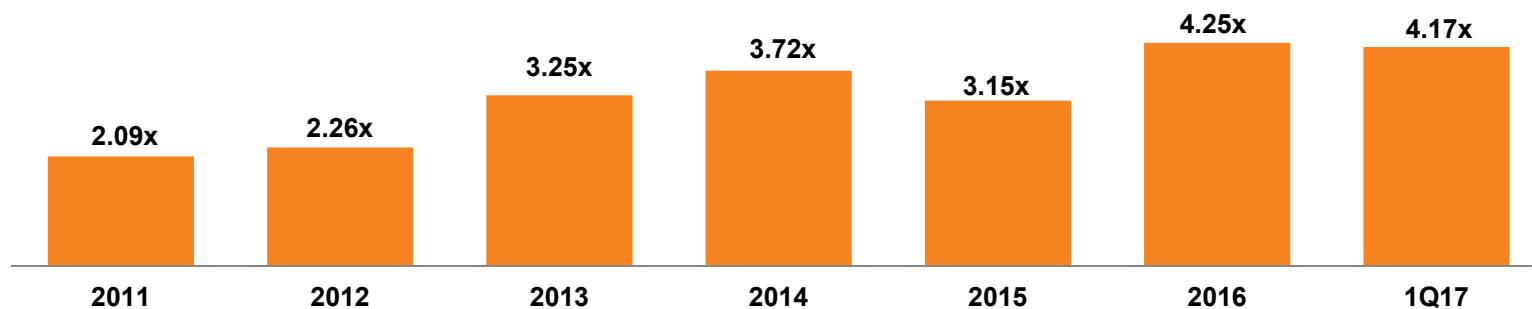


Other Key Metrics

Debt Service Including Principal Paydowns



Fixed Charge Ratio Including Preferred Dividends





Appendix



Appendix – Non-GAAP Definitions

- Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, impairment on real estate and severance expense and equity acceleration.
 - Adjusted EBITDA margin is Adjusted EBITDA divided by total revenue

- EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We use EBITDA as an indicator of our ability to incur and service debt. In addition, we consider EBITDA to be an appropriate supplemental measure of our performance because it eliminates 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 is calculated before recurring cash charges including interest expense and taxes, and is not adjusted for capital expenditures or other recurring cash requirements of our business, its utilization as a cash flow measurement is limited.

- Funds from operations, or FFO, is used by industry analysts and investors as a supplemental operating performance measure for REITs. We calculate FFO in accordance with the definition that was adopted by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT. FFO, as defined by NAREIT, represents net income determined in accordance with GAAP, excluding extraordinary items as defined under GAAP, impairment charges on depreciable real estate assets and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

- We use 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 period over period, captures trends in occupancy rates, rental rates and operating expenses. We also believe that, as a widely recognized measure of the performance of equity REITs, FFO may be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes real estate related 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 leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited.

- While FFO is a relevant and widely used measure of operating performance of equity REITs, other equity REITs may use different methodologies for calculating FFO and, accordingly, FFO as disclosed by such other REITs may not be comparable to our FFO. Therefore, we believe that in order to facilitate a clear understanding of our historical operating results, FFO should be examined in conjunction with net income as presented in the consolidated statements of operations. FFO should not be considered as an alternative to net income or to cash flow from operating activities (each as computed in accordance with GAAP) or as an indicator of our liquidity, nor is it indicative of funds available to meet our cash needs, including our ability to pay dividends or make distributions.
acceleration.
 - FFO margin is FFO divided by total revenue

- We present FFO with adjustments to arrive at Normalized FFO. Normalized FFO is FFO attributable to common shares and units excluding severance expense and equity accelerations, gain or loss on early extinguishment of debt and gain or loss on derivative instruments. We also present FFO with supplemental adjustments to arrive at Adjusted FFO (“AFFO”). AFFO is Normalized FFO excluding straight-line revenue, compensation paid with Company common shares, below market lease amortization net of above market lease amortization, non real estate depreciation and amortization, amortization of deferred financing costs, improvements to real estate and capitalized leasing commissions. AFFO does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income as an indicator of our operating performance or as an alternative to cash flow provided by operations as a measure of liquidity and is not necessarily indicative of funds available to fund our cash needs including our ability to pay dividends. In addition, AFFO may not be comparable to similarly titled measurements employed by other companies. We use AFFO in management reports to provide a measure of REIT operating performance that can be compared to other companies using AFFO.
 - AFFO margin is AFFO divided by total revenue

Reconciliations and Calculations of Non-GAAP Financial Measures

Reconciliations of net income (loss) to EBITDA and Adjusted EBITDA (\$ in thousands, except per share data)	2011	2012	2013	2014	2015	2016	1Q16	1Q17	1Q17 TTM
Net (loss) income	\$ 79,480	\$ 60,833	\$ 53,605	\$ 124,611	\$ (4,086)	\$ 181,447	\$ 36,697	\$ 44,275	\$ 189,025
Interest expense incurred	27,096	47,765	46,443	33,699	40,570	48,294	11,569	11,459	48,184
Amortization of deferred financing costs	2,446	3,496	3,349	2,980	3,151	3,712	845	825	3,692
Loss on early extinguishment of debt	-	-	40,978	1,701	-	1,232	-	-	1,232
Gain on sale of real estate	-	-	-	-	-	(22,833)	-	-	(22,833)
Depreciation and amortization	75,070	89,241	93,058	96,780	104,044	107,781	25,843	28,207	110,145
EBITDA	\$ 184,092	\$ 201,335	\$ 237,433	\$ 259,771	\$ 143,679	\$ 319,633	\$ 74,954	\$ 84,766	\$ 329,445
Impairment on investment in real estate	-	-	-	-	122,472	-	-	-	-
Severance expense and equity acceleration	-	-	-	-	6,124	891	-	532	1,423
Adjusted EBITDA	\$ 184,092	\$ 201,335	\$ 237,433	\$ 259,771	\$ 272,275	\$ 320,524	\$ 74,954	\$ 85,298	\$ 330,868
Total revenues	\$ 287,441	\$ 332,445	\$ 375,109	\$ 417,592	\$ 452,400	\$ 528,701	\$ 124,149	\$ 139,484	\$ 544,036
Adjusted EBITDA margin (Adjusted EBITDA divided by Total revenues)	64%	61%	63%	62%	60%	61%			60.8%
Net debt (total debt less cash and cash equivalents)	\$ 700,398	\$ 684,022	\$ 830,267	\$ 999,402	\$ 1,183,770	\$ 1,223,552		\$ 1,362,839	
Net debt to Adjusted EBITDA calculation - (1Q17 is annualized)	3.8	3.4	3.5	3.8	4.3	3.8		4.0	
Reconciliations of net income (loss) to NAREIT FFO, NAREIT FFO attributable to common shares and common units, Normalized FFO attributable to common shares and units and AFFO attributable to common shares and common units (\$ in thousands, except per share data)									
	2011	2012	2013	2014	2015	2016	1Q16	1Q17	1Q17 TTM
Net (loss) income	\$ 79,480	\$ 60,833	\$ 53,605	\$ 124,611	\$ (4,086)	\$ 181,447	\$ 36,697	\$ 44,275	\$ 189,025
Depreciation and amortization	75,070	89,241	93,058	96,780	104,044	107,781	25,843	28,207	110,145
Less: Non real estate depreciation and amortization	(862)	(1,023)	(875)	(707)	(700)	(798)	(194)	(204)	(808)
Impairment on investment in real estate	-	-	-	-	122,472	-	-	-	-
Gain on sale of real estate	-	-	-	-	-	(22,833)	-	-	(22,833)
NAREIT FFO	\$ 153,688	\$ 149,051	\$ 145,788	\$ 220,684	\$ 221,730	\$ 265,597	\$ 62,346	\$ 72,278	\$ 275,529
Preferred stock dividends	(20,874)	(27,053)	(27,245)	(27,245)	(27,245)	(20,739)	(6,811)	(3,333)	(17,261)
Issuance costs associated with redeemed preferred shares	-	-	-	-	-	(12,495)	-	-	(12,495)
NAREIT FFO attributable to common shares and common units	\$ 132,814	\$ 121,998	\$ 118,543	\$ 193,439	\$ 194,485	\$ 232,363	\$ 55,535	\$ 68,945	\$ 245,773
Severance expense and equity acceleration	-	-	-	-	6,124	891	-	532	1,423
Issuance costs associated with redeemed preferred shares	-	-	-	-	-	12,495	-	-	12,495
Loss on early extinguishment of debt	-	-	40,978	1,701	-	1,232	-	-	1,232
Normalized FFO attributable to common shares and common units	\$ 132,814	\$ 121,998	\$ 159,521	\$ 195,140	\$ 200,609	\$ 246,981	\$ 55,535	\$ 69,477	\$ 260,923
Straight-line revenues, net of reserve	(34,095)	(17,967)	(6,920)	7,673	13,424	(93)	(1,737)	1,718	3,362
Amortization and write-off of lease contracts above and below market value	(2,874)	(3,194)	(2,391)	(2,393)	(880)	(411)	(116)	(271)	(566)
Compensation paid with Company common shares	5,950	6,980	6,088	6,191	5,268	6,597	1,769	2,372	7,200
Non real estate depreciation and amortization	862	1,023	875	707	798	798	194	204	808
Amortization of deferred financing costs	2,446	3,496	3,349	2,980	3,151	3,712	845	825	3,692
Improvements to real estate	(3,821)	(4,426)	(5,757)	(1,916)	(3,459)	(4,843)	(2,099)	(186)	(2,930)
Capitalized leasing commissions	(1,713)	(1,143)	(2,134)	(4,149)	(4,200)	(3,877)	(1,611)	(276)	(2,542)
AFFO attributable to common shares and common units	\$ 99,569	\$ 106,767	\$ 152,631	\$ 204,233	\$ 214,613	\$ 248,864	\$ 52,780	\$ 73,863	\$ 269,947
Total revenues	\$ 287,441	\$ 332,445	\$ 375,109	\$ 417,592	\$ 452,400	\$ 528,701			\$ 544,036
AFFO margin (AFFO divided by Total revenues)	35%	32%	41%	49%	47%	47%			50%

