

Opportunity.

Opportunité.

机会.

Kans.



DIGITAL REALTY

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AR11

There is  
a word for  
opportunity  
in every  
language.

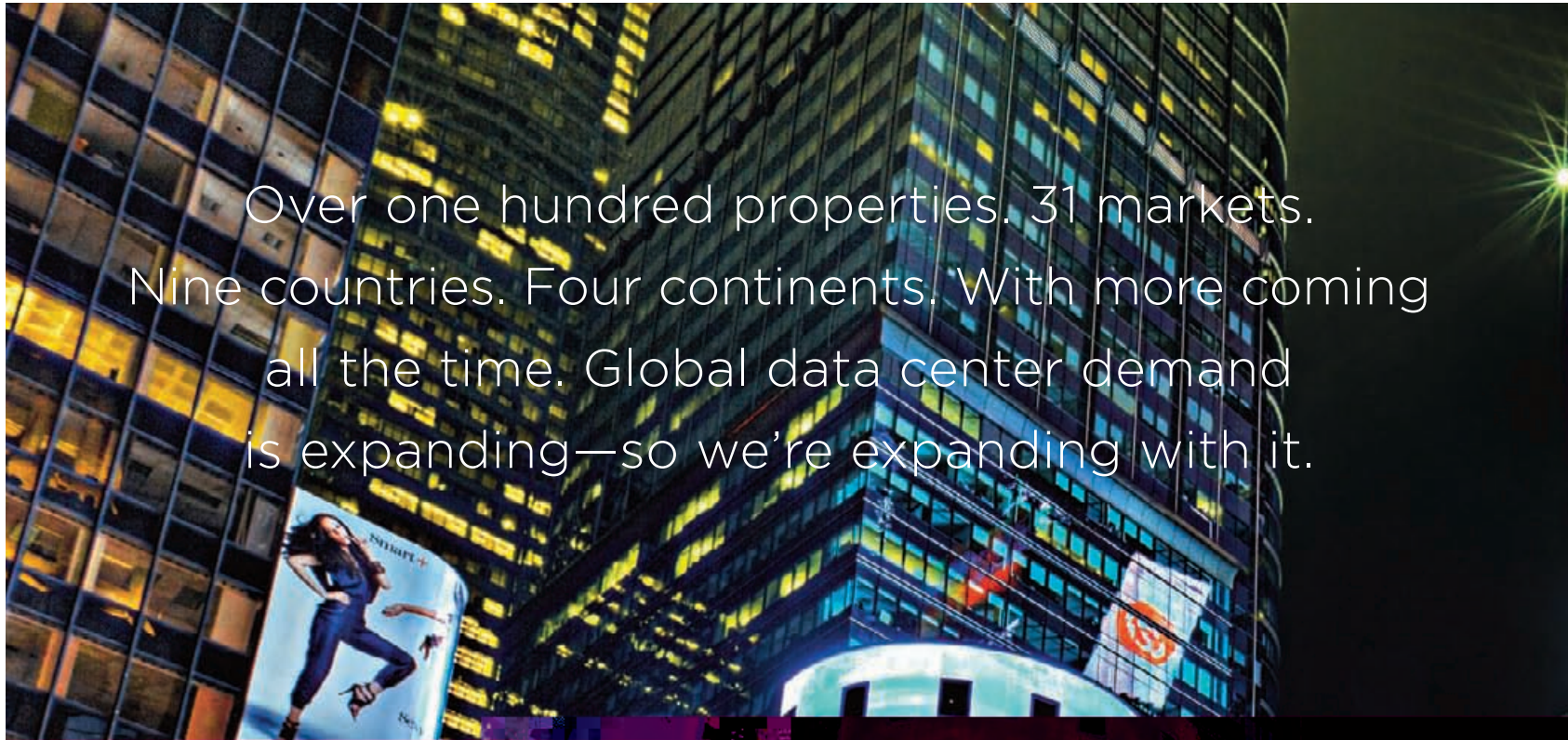
At Digital Realty, we are uniquely positioned to capture opportunity wherever it appears. In 2011, we continued to expand our reach in North America, Europe and the Asia Pacific region, solidifying our place as the **global leader** in data center development, acquisitions and management. We delivered strong financial results for the seventh consecutive year in large part because global diversification is a cornerstone of our business platform, as are global financial resources and global market expertise. **We view the world as our market because we can.** Because it makes our company stronger. And because a world of opportunity still awaits.

*“In markets around the world, demand for data centers is outpacing supply. We’ve made it our business to be present in those locations with solutions that consistently win market share.”*

MICHAEL F. FOUST, CHIEF EXECUTIVE OFFICER



DLR



Over one hundred properties. 31 markets.  
Nine countries. Four continents. With more coming  
all the time. Global data center demand  
is expanding—so we're expanding with it.



**In 2011, we acquired income producing properties in San Francisco, Sacramento, and Atlanta; and development sites for our build-to-suit customers in Seattle, Portland, and N. Virginia.**

**Utilization rates in our top U.S. markets are expected to increase by as much as 10 percent or more by 2013.**  
Source: North American Multi-Tenant Datacenter Supply—Top Markets 2011, Tier 1 Research, Dec 2011.

**Outsourcing is growing, with 40 percent of customers saying they will expand their data centers in 2012.**  
Source: DLR/Campos Research and Analysis Feb 2011 Market Awareness Profile.

.....  
**N. AMER**

**Presence.** *Présence.* **存在.** *Aanwezigheid.*  
*Atlanta, Austin, Boston, Charlotte, Chicago, Dallas, Denver, Houston, Los Angeles, Miami, Minneapolis/St. Paul, NEW YORK METRO, Northern Virginia, Philadelphia, Phoenix, Portland, Sacramento, San Francisco, Seattle, Silicon Valley, St. Louis, Toronto.*

Strength. La force. 存在. Kracht.

Melbourne, AUSTRALIA, SINGAPORE, Sydney, AUSTRALIA.

.....  
APAC

In 2011, we acquired development sites in Sydney and Melbourne and signed our first lease with National Australia Bank for its new 50,000 square foot data center facility.

In Singapore, we signed eight leases for five megawatts of our build-out data center space and one lease for a full floor.

We ended the year with the Singapore building forty percent leased—eighteen months ahead of budget.

Our uncommonly strong balance sheet, investment-grade debt ratings and ability to borrow in multiple currencies provide a global footprint for our customers and risk-reducing diversification for us.





We've assembled some of the best minds in the industry  
in every time zone where we operate. Results?

An unparalleled customer experience  
that is consistent from market to market.

And plenty of experienced eyes watchful for the next opportunity.





Expertise. Expertise. 专业知识. Expertise.

*Amsterdam, NETHERLANDS, Dublin, IRELAND, Geneva, SWITZERLAND,*

*London, Manchester, UNITED KINGDOM, Paris, FRANCE.*

.....  
EUROPE

In 2011, we acquired new sites in London and Dublin to meet demand from local and U.S.-based companies.

Our stabilized portfolio in Europe was 92 percent leased at year end 2011, representing 11 percent of our total annualized rental revenue.

85 percent of European companies surveyed intend to expand data center resources in 2012. 59 percent intend to engage a partner.  
Source: Campos, Inc. 2012

“Ability is of little account without opportunity.”<sup>(1)</sup>

## DEAR SHAREHOLDERS:

We believe the opposite is also true; that opportunity is of little account without ability. Indeed, this combination of opportunity and ability is what sets Digital Realty apart in our industry.

The proliferation of data is generating tremendous opportunities across the data center industry. According to the independent research firm IDC<sup>(2)</sup>, the amount of digital information is more than doubling every two years. As the leading global data center solutions provider—with more than 100 properties totaling over 18 million square feet across 31 markets in nine countries and four continents—we are uniquely positioned to take advantage of the opportunities these trends offer.

Of course, it takes more than being big to be successful. That’s why we have spent the past seven-plus years investing in much more than growing our portfolio. We have also invested in our operating platform, in our professional staff and in managing our balance sheet to ensure that we can capitalize on opportunities as they emerge. We think our 2011 results continue to demonstrate the success of that approach.

**Total shareholder returns of more than 35 percent** Driven by our strong operating results and capital markets strategy, on a per diluted share and unit basis, we grew 2011 FFO by 19.8% to \$4.06 over 2010 FFO of \$3.39, and grew 2011 adjusted EBITDA by 21.6% to \$622.9 million over 2010 adjusted EBITDA of \$512.1 million. After increasing our 2011 common stock dividend by nearly 35% over 2010, this performance led to a total shareholder return of more than 35% for the year, ranking us among the top four REITs in 2011. As a result of our 2011 performance and positive outlook for continued growth in taxable income, we raised the 2012 quarterly dividend by 7%, our 10th dividend increase. In total, we have grown our dividend by a compounded annual growth rate of nearly 17% since our first full quarter of operations following our IPO in 2004.

**A record-setting year for leasing** In 2011, we signed new leases totaling approximately 1.3 million square feet for over \$136.6 million of annual GAAP rental revenue—a 22% increase over 2010. Leveraging our global platform, we expanded relationships with several multinational customers, providing them with flexible, reliable and cost-effective solutions in markets ranging from Amsterdam to Dallas and Silicon Valley to Singapore. We also achieved excellent results serving the local customer base in markets such as Paris, Los Angeles, and Melbourne. We believe that the strength of our leasing program lies in a geographically diverse portfolio supported by local experts who deliver service and solutions that are consistently excellent, regardless of location. Our global portfolio enables us to provide data center solutions where our customers need them, while mitigating our exposure in any one geographic market.

**Continued expansion in our portfolio** As in past years, our acquisitions program in 2011 was characterized by expanding into new and existing markets both domestically and internationally—often on behalf of our customers. We invested \$242.3 million in new properties, bringing our total acquisitions closed since 2005 to \$3.4 billion. We focused on acquiring both income-producing and redevelopment assets, as well as sites for immediate and future development, including a number of build-to-suit facilities for customers. To address the growing build-to-suit market opportunity—a natural extension of our suite of customer-driven solutions—we committed new resources to expand this segment of business.

**Growth in Asia Pacific, prudence in Europe** We entered the Australia market during 2011 with the acquisition of development sites in Sydney and Melbourne. Immediately following the Melbourne acquisition, we pre-leased a 50,000 square-foot building planned for the site to National Australia Bank. First-phase construction is underway at both sites and we expect to deliver a building at each location within the next twelve months.

<sup>(1)</sup> Quotation attributed to Napoleon Bonaparte

<sup>(2)</sup> IDC Digital Universe Study, sponsored by EMC, June 2011

Meanwhile, leasing at our Singapore asset has significantly exceeded our initial expectations. During the year we signed eight leases for five megawatts of our Turn-Key Datacenter space and signed one full floor lease with a customer for Powered Base Building space. All told, we ended the year with 40% of our Singapore building leased and pre-leased, more than eighteen months ahead of budget. We have strong demand for the balance of the available space and are continuing construction on the remaining eleven megawatts of available IT capacity.

In Europe we took a cautious and measured approach by adding inventory for future development at very favorable pricing with the acquisition of a redevelopment property in suburban London and a development site in Dublin, where our portfolio is nearly 100% leased. Demand for space at our new London property is strong. We are pursuing several pre-leasing opportunities for the Dublin site before commencing construction there.

To keep up with overall demand, in 2011 we invested approximately \$509 million in our development program, and delivered approximately 990,000 square feet of new data center space to our portfolio—nearly double what we invested and delivered in 2010.

**Strong and strategic access to capital** Ours is a capital intensive business. This is why managing our balance sheet, maintaining our investment grade ratings, reducing our cost of debt and accessing attractively priced capital from a variety of sources have all played such a critical role in our ongoing success. 2011 was no exception. Because of the volatility in the capital markets, timing was more critical than ever. During the first quarter, we completed a \$400.0 million unsecured 10-year note offering with an interest rate of 5.250%. In September, we completed a 7.000% Series E Cumulative Redeemable Preferred Stock offering, which generated \$277.3 million in net proceeds.

Throughout the year, we prudently issued equity through our At-the-Market equity distribution program, raising approximately \$456.8 million of proceeds net of commissions at an average stock price of \$59.68 per share. Those proceeds were primarily used to pay down our revolving credit facility, which has been key to our growth strategy by providing us with attractively priced short-term financing for our development and acquisitions programs. Anticipating our future funding requirements, at the end of the year we closed a global revolving credit facility, which doubled the size of our previous revolving credit facility to \$1.5 billion, with 28 banks and five sub-facilities providing funding initially in nine currencies: U.S., Canadian, Singapore, Australia and Hong Kong dollars; Euros; British pound sterling; Swiss franc; and Japanese yen. The upsized facility enables us to maintain our current growth strategy while affording us greater flexibility when returning to the capital markets to raise debt or equity. At the same time, it allows us to take advantage of larger acquisition opportunities that may present themselves without the need for financing contingencies—a significant competitive advantage over other investors, public and private.

**Global momentum through global expertise** Capturing global opportunities—delivering reliable, secure, cost effective solutions for customers while simultaneously generating excellent results for shareholders—can be challenging. Doing so requires expertise, experience and resources. Our team of real estate, technical and financial professionals is unmatched in our industry. Their commitment to excellence, by any measure, truly sets us apart from the competition, and has been a crucial driver of our success to date.

Also critical, of course, is the confidence that shareholders like you have demonstrated through your investment in our company. We are grateful for your ongoing commitment, and we are pleased to share this summary of our strong 2011 results with you.

With thanks,



Michael Foust  
Chief Executive OFFICER



Richard Magnuson  
CHAIRMAN

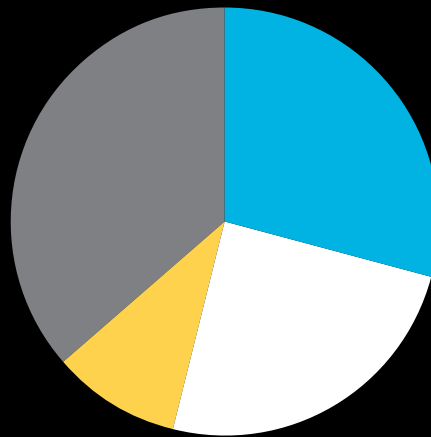
Year of opportunity, year of growth.

一年的机会，一年的发展。

Année d'opportunité, année de croissance.

Jaar van de kansen, jaar van groei.

TENANT  
DIVERSIFICATION  
tenant type by % of annualized rent<sup>(1)</sup>

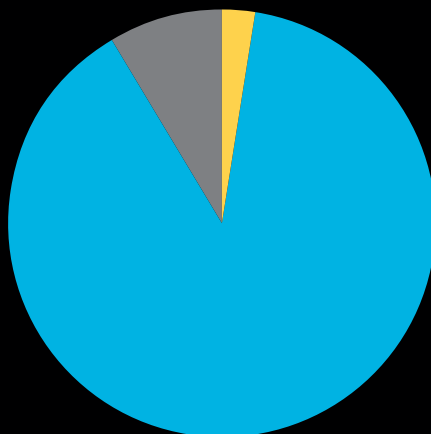


- Corporate Enterprise 29%
- Telecom Network Providers 25%
- IT Services 36%
- Internet Enterprise<sup>(2)</sup> 10%

<sup>(1)</sup> Calculation based on annualized rents as of December 31, 2011.

<sup>(2)</sup> DLR's Internet Enterprise tenants include Amazon, Facebook, Google, Microsoft, Salesforce and Yahoo occupying approximately 1.5 million square feet.

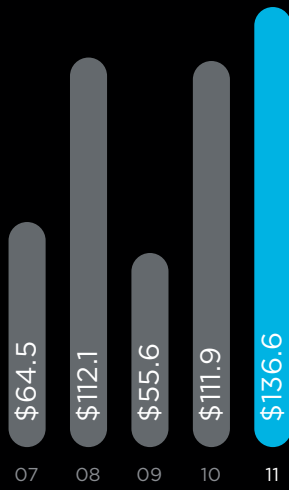
SQUARE FEET  
BY REGION  
as of December 31, 2011



- North America 90%
- Europe 8%
- Asia Pacific 2%

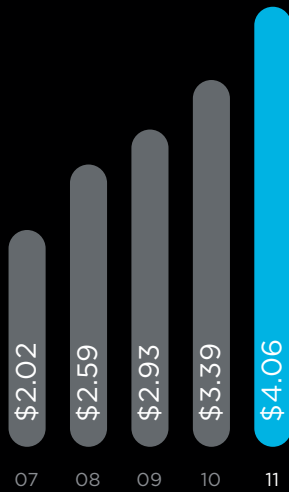
## HISTORICAL LEASING PERFORMANCE

annualized GAAP rent, in millions



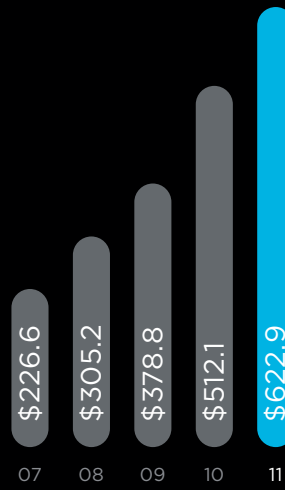
## STRONG AND CONSISTENT FFO GROWTH

\$ per diluted share and unit



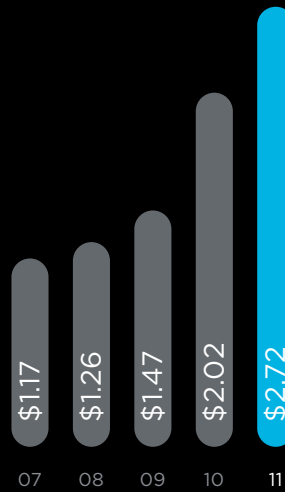
## STRONG AND CONSISTENT EBITDA GROWTH

in millions



## WELL-SUPPORTED AND GROWING DIVIDEND

\$ per share



Adjusted EBITDA for the year ended December 31, 2007 excludes a gain on sale for 100 Technology Center Drive and 4055 Valley View Lane of approximately \$18.0M. Including this gain, Adjusted EBITDA was \$244.7M for the year ended December 31, 2007.

“Our balance sheet and global credit capacity give us strength and resources uncommon in our industry. We are building a business to match what we believe to be a substantial opportunity in the global data center market—opportunity we expect will continue for some time to come.”

A. WILLIAM STEIN, CHIEF FINANCIAL OFFICER

2011

## CORPORATE AND SHAREHOLDER INFORMATION

### Senior Management

Michael F. Foust  
Chief Executive Officer

A. William Stein  
Chief Financial Officer  
and Chief Investment Officer

Scott E. Peterson  
Chief Acquisitions Officer

David J. Caron  
Senior Vice President, Portfolio Management

James M. Smith  
Chief Technology Officer

### Board of Directors

Richard A. Magnuson  
Chairman of the Board

Laurence A. Chapman <sup>(1)</sup> <sup>(3)</sup>  
Audit Committee Chairman

Kathleen Earley <sup>(2)</sup> <sup>(3)</sup>  
Nominating & Corporate Governance  
Committee Chairman

Ruann F. Ernst <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>

Dennis E. Singleton <sup>(1)</sup> <sup>(2)</sup>  
Compensation Committee Chairman

Robert H. Zerbst <sup>(2)</sup> <sup>(3)</sup>

Michael F. Foust  
Chief Executive Officer

- <sup>(1)</sup> Audit Committee Member  
<sup>(2)</sup> Compensation Committee Member  
<sup>(3)</sup> Nominating & Corporate Governance Committee Member

### Corporate Information

#### *Corporate Headquarters*

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San Francisco, CA 94105  
T. +1 415 738 6500  
F. +1 415 738 6501  
[www.digitalrealty.com](http://www.digitalrealty.com)

#### *NYSE Ticker Symbol*

Common Stock: DLR

#### *Stock Transfer Agent*

American Stock Transfer & Trust Company  
59 Maiden Lane  
Plaza Level  
New York, NY 10038  
Toll Free T. +1 800 937 5449  
[www.amstock.com](http://www.amstock.com)

#### *Investor Relations*

Investors seeking additional information about Digital Realty can visit the Company's website at [www.digitalrealty.com](http://www.digitalrealty.com) (click on "Investors") or contact us at:

Investor Relations  
560 Mission Street, Suite 2900  
San Francisco, CA 94105  
T. +1 415 738 6500

#### *Annual Meeting*

The Company's annual meeting will be held at 10:30AM Pacific time on Monday, April 23, 2012 at:

560 Mission Street  
Conference Center, 20th Floor  
San Francisco, CA 94105

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#### *New Corporate Headquarters Address*

*As of May 14, 2012*  
Four Embarcadero Center  
Suite 3200  
San Francisco, CA 94111

## DIGITAL REALTY WORLDWIDE LOCATIONS

### Corporate Headquarters

*San Francisco*  
New address as of May 14, 2012  
Four Embarcadero Center  
Suite 3200  
San Francisco, CA 94111  
T. +1 415 738 6500  
www.digitalrealty.com

### Regional Offices - U.S.

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*Chicago*  
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Chicago, IL 60616  
T. +1 312 604 1909

*Dallas*  
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Dallas, TX 75301  
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Los Angeles, CA 90017  
T. +1 213 808 6000

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111 8th Avenue, Suite 209  
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43791 Devin Shafron Drive  
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Ashburn, VA 20147  
T. +1 703 964 4770

*Phoenix*  
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Suite 100  
Phoenix, AZ 85004  
T. +1 602 682 2200

### Regional Offices - Europe

*Dublin*  
Unit 9  
Blanchardstown Corporate Park  
Blanchardstown  
Dublin 15  
Ireland  
T. +353 1 245 0600

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London, EC3M4BS  
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Malesherbes, 75008  
Paris, France  
T. +33 155 27 3645

### Regional Offices - APAC

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50 Raffles Place  
26-04 Singapore Land Tower  
Singapore 048623  
T. +65 6505 3900

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North Sydney NSW 2060  
Australia  
T. +61 2 9119 16458



**DIGITAL REALTY**  
Data Center Solutions