CREATING VALUE by ADDING VALUE

Digital Realty 2012 AR

CREATING VALUE

by

ADDING VALUE

From the beginning, we've done more than just lease space. Our business is built on the belief that delivering more value to our customers will enable us to stand apart in the marketplace and, in turn, deliver more value to our shareholders. That's why we offer our customers more data center solutions. More global locations. Deeper expertise. Greater financial strength. And exceptional service.

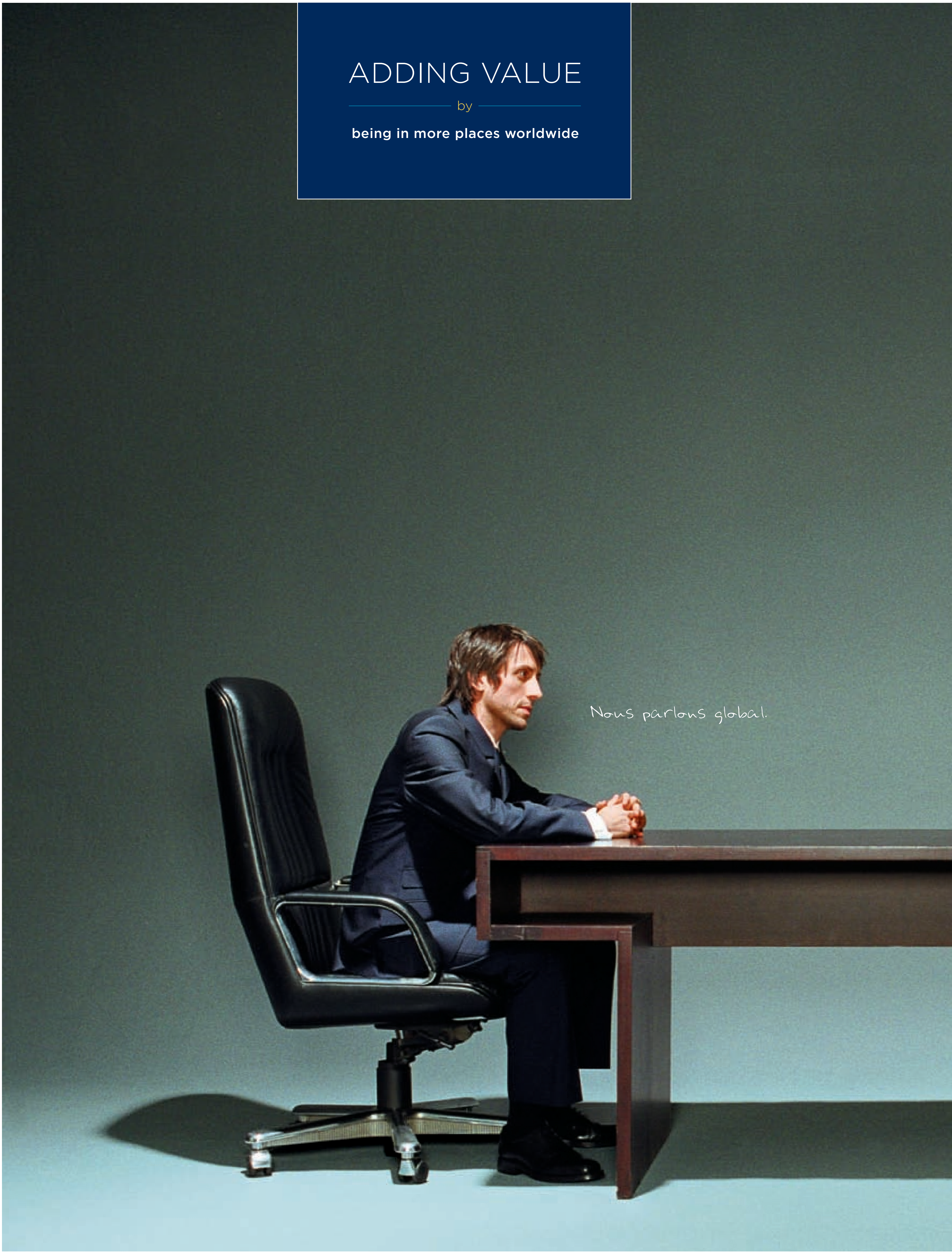
This approach has made us a leader in our industry. Through it, we have delivered clear, differentiated value to a growing number of high-value customers in diverse segments of the economy.

And eight consecutive years of increasing value to investors like you.

ADDING VALUE

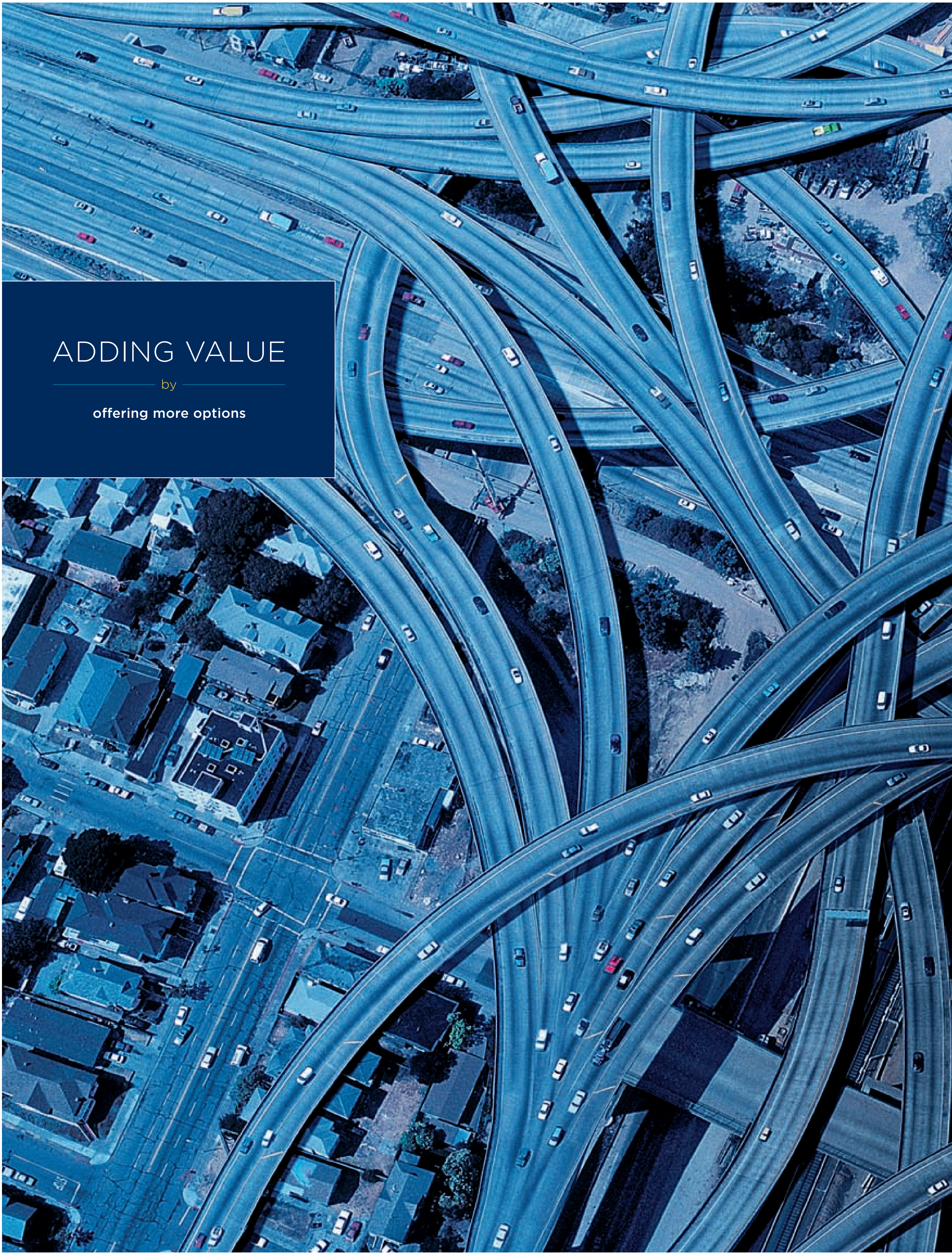
by

being in more places worldwide



We speak global. With data centers across 32 markets, 10 countries and four continents, plus personnel on the ground in every city we serve, we're present in the world's most vital economies. In addition to our existing facilities, we maintain a roster of future data center sites in key markets, so that, when a customer needs a facility, we can quickly arrange financing in the local currency and commence construction. In 2012, we expanded our presence in London, Paris, Sydney, Hong Kong, Dallas, New Jersey, Chicago, Denver and Austin.

Our ultimate aim? To be everywhere our customers want to be.



ADDING VALUE

by

offering more options

Business is fluid, and data center needs vary—even within a single company. That's why we offer our customers multiple options—from move-in ready data centers to facilities in which every detail has been custom-developed to their specifications. In 2012, we introduced our Turn-Key Flex℠ data center solution. An evolution of our popular Turn-Key data centers, Turn-Key Flex provides clients with even more options for configuring their space and making it their own. Flexible solutions like Turn-Key Flex are just one reason we draw customers from diverse sectors, including financial services, telecom, IT services and more. In fact, no single tenant accounts for more than 9.1 percent of our annualized rent.

We learned early that the best way to make sure our options are never limited is to make sure our clients' aren't, either.

ADDING VALUE

through

our expertise

To you, we're a REIT. To our customers, we're a provider of data center solutions. To win consistently in our sector, we need to be the leading experts in both real estate as well as data center design, construction and operations. That's why, from day one, we've built a team that combines some of the best minds from all of those disciplines. Our senior management averages 30 years of experience, and nearly a third of our employees are technical professionals.

In 2012, perhaps the most dramatic demonstration of our expertise occurred during Hurricane Sandy: because of our insight, planning and preparedness, not one Turn-Key data center in buildings we own and operate went down during the storm.


RESERVE BANK
NEW ZEALAND
FIVE
DOLLARS
£20
100 EURO
20 EURO
500
100
50000
BANCO CENTRAL DO BRASIL
REAL
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA
Zwanzig
20

ADDING VALUE

through

exceptional financial strength

A strong balance sheet isn't only attractive to investors. For our customers, it's a signal that we're a serious partner who will be with them for the long-term. It means we have the wherewithal to maintain and upgrade their facilities. To acquire properties on favorable terms. And to assume the risk of developing new data centers on their behalf, with attractive financing options that let us build or buy on short notice virtually anywhere in the world. In 2012, our financial resources enabled us to quickly and smoothly acquire a $1.1 billion, three-property data center portfolio in the greater London market.

In all, our customers know that our financial strength is their strength, enabling them to minimize risk and grow their businesses worldwide.

ADDING VALUE

through

our exceptional service

As more companies outsource data center development, operations and deployment, we're there to help.

In 2012, we expanded many of the services offered as part of our colocation business and extended them to our other solutions as well—services that include managing and maintaining facilities, coordinating deployment, installing cabinets and cables, facilitating network connectivity, and even handling shipping and receiving.

Such services distinguish us from much of our competition and make us a valued solutions provider to clients, earning their loyalty and giving us a continued competitive advantage.

Dear Shareholders:

The theme of this year's annual report, *Creating Value by Adding Value*, is a strategy we have remained committed to since forming Digital Realty. Now as then, we continually seek to add value to our portfolio on behalf of our shareholders and our customers through our asset management activities—including expanded customer services—and through accretive acquisitions, our development program and our proven financial strategy. We believe this approach has created a sustainable business model that can adapt to the dynamic market conditions associated with the rapid growth and widespread adoption of new technology.

As a leader in the data center industry and the largest public data center REIT, we have much to be proud of. In addition to having a best-in-class acquisitions platform, we have a global operations and asset management program that is committed to providing the highest level of customer service while continuing to add value to our portfolio of properties. Our design and construction team, along with our scale, enables us to deliver a wide variety of data center solutions driven by the needs of our customers and developed at competitively low costs. Our financial strength and investment-grade ratings provide us with attractively priced capital that has enabled us to generate consistent and strong returns. Finally, our global portfolio and supply chain mean we can meet our customers' requirements in more markets around the world; from Dallas to London to Singapore, we are delivering the same commitment to excellence in design and construction, operations and customer service.

Solid Year-Over-Year Earnings Growth Driven by our solid operating results and capital markets strategy, on a per diluted share and unit basis, we grew FFO per share by 9.4% to $4.44 over 2011 FFO per share of $4.06, and grew Adjusted EBITDA by 21.8% to $758.7 million over 2011 Adjusted EBITDA of $622.9 million. We increased our 2012 common stock dividend by 7.4% over 2011. And, as a result of our 2012 performance and positive outlook for continued growth in taxable income, we raised our quarterly dividend by 6.8% in the first quarter of 2013—our eleventh dividend increase. In total, we have grown our dividend by a compounded annual growth rate of nearly 15% since our first full quarter of operations following our IPO in 2004.

A Record-Setting Year for Lease Commencements In 2012 we commenced new leases totaling more than one million square feet representing over $134.9 million of annualized GAAP rental revenue—a 35% increase over 2011. Leveraging our global platform, we expanded relationships with several multinational customers, providing them with data center solutions in markets such as Singapore, London, Sydney and Hong Kong. We also achieved excellent results serving local customers in markets such as Houston, Chicago, Silicon Valley and Paris. These results reflect the strength of our geographically diverse portfolio, which is supported by local experts who deliver service and solutions that are consistently excellent, regardless of location.

Expanding our Global Footprint Our acquisitions program in 2012 totaled approximately $1.6 billion, another record for the company. This brings our total acquisitions closed since 2005 to nearly $4.9 billion. We remained focused on our strategy of acquiring both income-producing assets and value-add opportunities, as well as sites for immediate and future development. In July, we completed our $1.1 billion acquisition of the Sentrum portfolio in London. As a result, we doubled our footprint in this important global market and are now a leading provider of data center space in the greater London area. In addition, we entered the Hong Kong market with the acquisition of a development site in a joint venture with Savvis and expect to complete the first phase of development with the delivery of two 1440 kilowatt Turn-Key Flex℠ PODs by the fourth quarter of 2013. The balance of our international expansion in 2012 included the acquisition of additional fully-leased data center facilities: one in Sydney, Australia, leased to a leading provider of IT products and services, and three properties near Paris, acquired on a sale and long-term leaseback basis with Bouygues Telecom, France's third largest telecommunications operator.

Domestically, we acquired a large campus in Dallas that provides current income as well as inventory for future data center development; our first development site in suburban Chicago, where we have already experienced strong leasing activity; a new development site in New Jersey to meet the ongoing demand in this key financial services market; and finally, two additional stabilized, single-tenant data center facilities in Texas, and one in Denver.

To complement our acquisitions growth strategy, we invested approximately $747 million in our development program and delivered nearly 907,000 square feet of new data center space in select growth markets across our portfolio, of which 63.7% was pre-leased.

Financial Strength Continues to Drive Global Growth Our strong balance sheet is an important reason our customers consider us a stable, well-funded partner that can support their long-term data center requirements virtually anywhere in the world. Therefore, managing our balance sheet, maintaining our investment grade ratings, reducing our cost of debt and raising over $2.4 billion of attractively priced capital from a variety of sources all played a critical role in growing our business in 2012.

Our balance sheet strength and excellent lender and investor relationships continue to provide us with access to multiple capital sources globally to fund our domestic and international expansion. Early in 2012, we accessed the bank term loan markets to take advantage of attractive five-year borrowing interest rates and to place debt on foreign subsidiaries, which allowed us to naturally hedge our growing international balance sheet. The resulting $750 million, multi-currency term loan has a $100 million accordion feature and a current, all-in weighted average interest rate of 2.27%. In the second quarter, we completed a $182.5 million Series F Cumulative Redeemable Preferred Stock issuance at a dividend rate of 6.625%. For the full year 2012, we sold approximately 957,000 shares of common stock through our At-The-Market equity distribution program for net proceeds totaling $62.7 million at an average price of $66.19 per share. We currently have approximately $54 million of availability remaining on the ATM program. And, in conjunction with our Sentrum portfolio acquisition in July we completed an $830.9 million common stock issuance at a stock price of $72.25 per share.

We also successfully accessed the unsecured bond markets in 2012, with the issuance of $300 million unsecured notes due 2022 with a coupon of 3.625%. Additionally, in January 2013, we were the first U.S. REIT to access the Sterling bond market with a £400 million 12-year unsecured notes offering with a coupon of 4.250%.

Maintaining our Leadership Position Over eight years as a REIT, we have become a leading global provider of data center solutions. Our best-in-class data center platform continues to benefit from growing worldwide demand for data center space from a diversified customer base. Our ability to be the industry consolidator and expand our high-quality portfolio through both acquisitions and development continues to provide substantial cash flow growth from a strong leasing pipeline. All of this is made possible by our experienced management team, which features a unique combination of technical expertise and disciplined investment management grounded in a commitment to maintaining a strong balance sheet.

The foundation of our leadership position begins with the support of shareholders like you. We greatly value your confidence and are pleased to share our 2012 results with you.

With thanks,

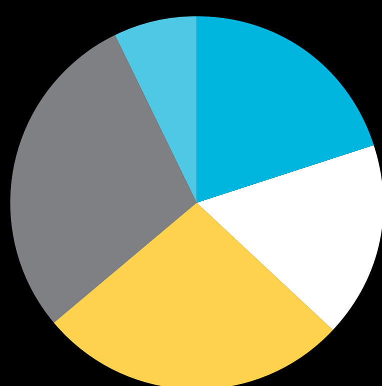
Michael Foust
Chief Executive Officer

Dennis Singleton
Chairman

Now that you've seen how we create value for our customers, here's how we create value for *you.*

TENANT DIVERSIFICATION

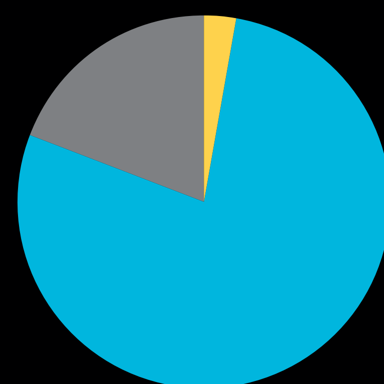
tenant type by % annualized rent[1]



- Financial Services 20%
- Other Corporate Enterprise 17%
- Telecom Network Providers 27%
- IT Services 29%
- Internet Enterprise[2] 7%

ANNUALIZED RENT BY REGION

as of December 31, 2012[1]



- North America 79%
- Europe 19%
- Asia Pacific 2%

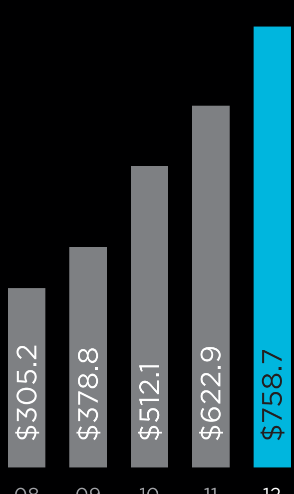
(1) Calculation based on annualized base rents (monthly contractual cash base rent before abatements) under existing leases as of December 31, 2012 multiplied by 12.

(2) DLR's Internet Enterprise tenants include Amazon, Facebook, Google, Microsoft, Salesforce and Yahoo occupying approximately 1.5M s.f.

STRONG AND CONSISTENT GROWTH

ADJUSTED EBITDA

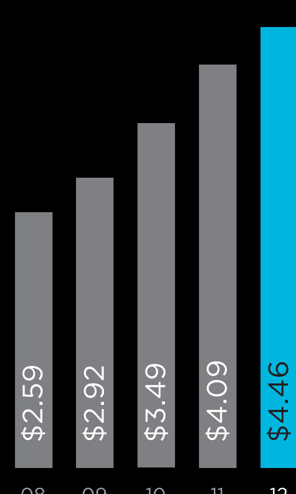
in millions



Adjusted EBITDA is a non-GAAP financial measure.

CORE FFO

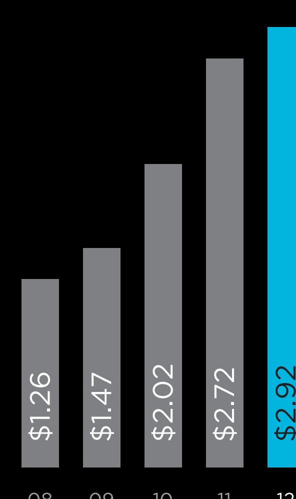
$ per diluted share and unit



Core FFO results are shown for 2009 – 2012. 2008 reflects reported FFO.

DIVIDEND

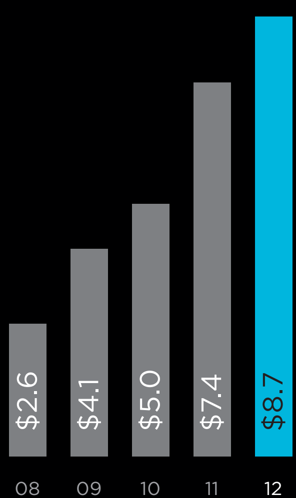
$ per share



STRENGTHENING CREDIT METRICS

EQUITY MARKET CAPITALIZATION

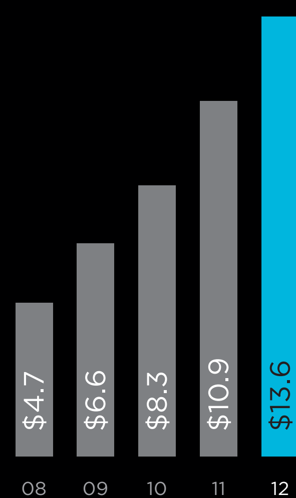
$ in billions



Based on closing stock price and shares and units outstanding at end of period.

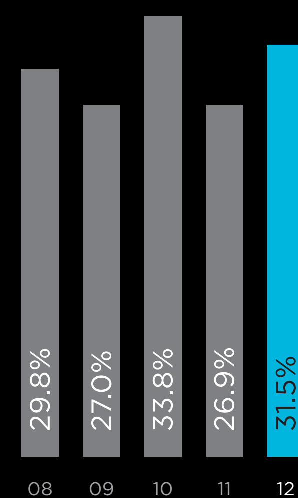
TOTAL ENTERPRISE VALUE

$ in billions



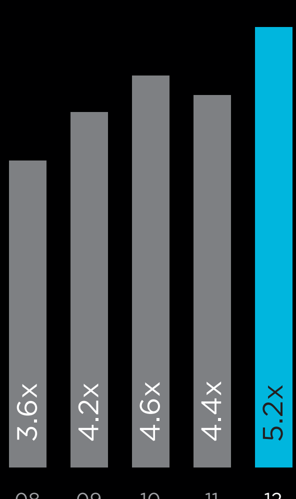
Debt plus the liquidation value of preferred stock and the market value of outstanding common stock and operating partnership units, assuming the redemption of operating partnership units for shares of our common stock at end of period.

DEBT / ENTERPRISE VALUE



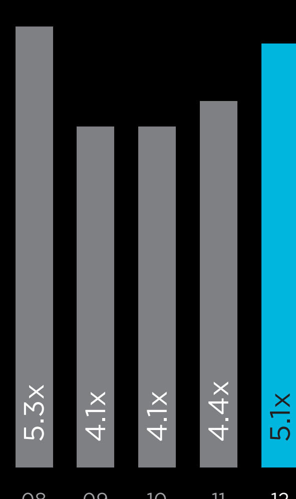
Secured and unsecured debt divided by secured and unsecured debt plus the liquidation value of preferred stock and the market value of outstanding common stock and operating partnership units, assuming the redemption of operating partnership units for shares of our common stock.

NET DEBT / ADJUSTED EBITDA



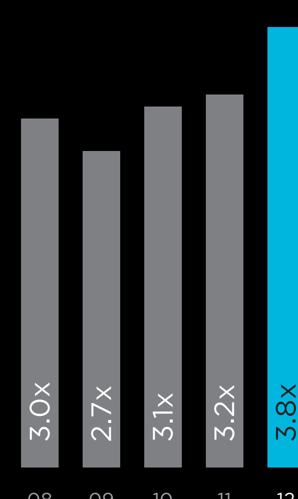
Calculated as total debt at balance sheet carrying value less unrestricted cash and cash equivalents divided by Adjusted EBITDA multiplied by four.

DEBT SERVICE COVERAGE



Adjusted EBITDA divided by GAAP interest expense. Annual periods reflect fourth quarter data.

FIXED CHARGE COVERAGE



Adjusted EBITDA divided by fixed charges. Fixed charges include GAAP interest expense and scheduled debt principal payments and preferred dividends. Annual periods reflect fourth quarter data.

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

Dennis E. Singleton [2]
Chairman of the Board

Laurence A. Chapman [1] [3]
Audit Committee Chairman

Kathleen Earley [1] [2] [3]
Nominating & Corporate Governance
Committee Chairman

Ruann F. Ernst [1] [2] [3]

Kevin J. Kennedy

William G. LaPerch

Robert H. Zerbst [2] [3]
Compensation Committee Chairman

Michael F. Foust
Chief Executive Officer

[1] Audit Committee Member
[2] Compensation Committee Member
[3] Nominating & Corporate Governance Committee Member

Corporate Information

Corporate Headquarters

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NYSE Ticker Symbol

Common Stock: DLR
Preferred Stock: DLRPRE
DLRPRF

Stock Transfer Agent

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Plaza Level
New York, NY 10038
Toll Free T. +1 800 937 5449
www.amstock.com

Investor Relations

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

Investor Relations
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T. +1 415 738 6500

Annual Meeting

The Company's annual meeting will be held at 11:00AM Pacific time on Wednesday, May 1, 2013 at:

Four Embarcadero Center
Third Floor, Promenade Level
Conference Center (Stanford Room)
San Francisco, CA 94111

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Digital Realty Worldwide Locations

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