

SEE

Ahead of the Curve
Seeing the Future.

Digital Realty 2013 Annual Report

They
SEE

Some see data centers simply as specialized facilities filled with electrical and mechanical equipment designed to support today's computing and networking environments.

We
SEE

We see data centers as places where our clients grow their businesses by developing and delivering innovative products and services to enhance the lives of their customers.

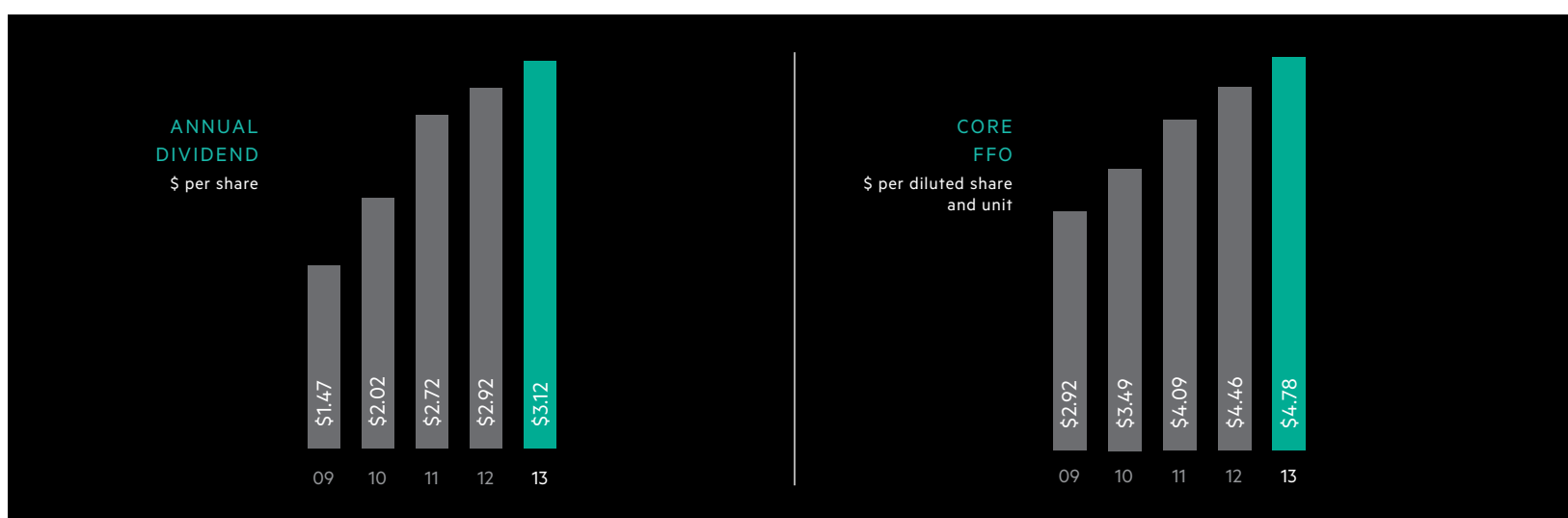
True success depends on the ability to see what competitors miss and create advantages where others fail to think beyond the status quo. So as businesses of all types are increasingly driven by data, our clients' data centers are more than an IT requirement—they have become critical parts of their overall business strategies.



They
SEE

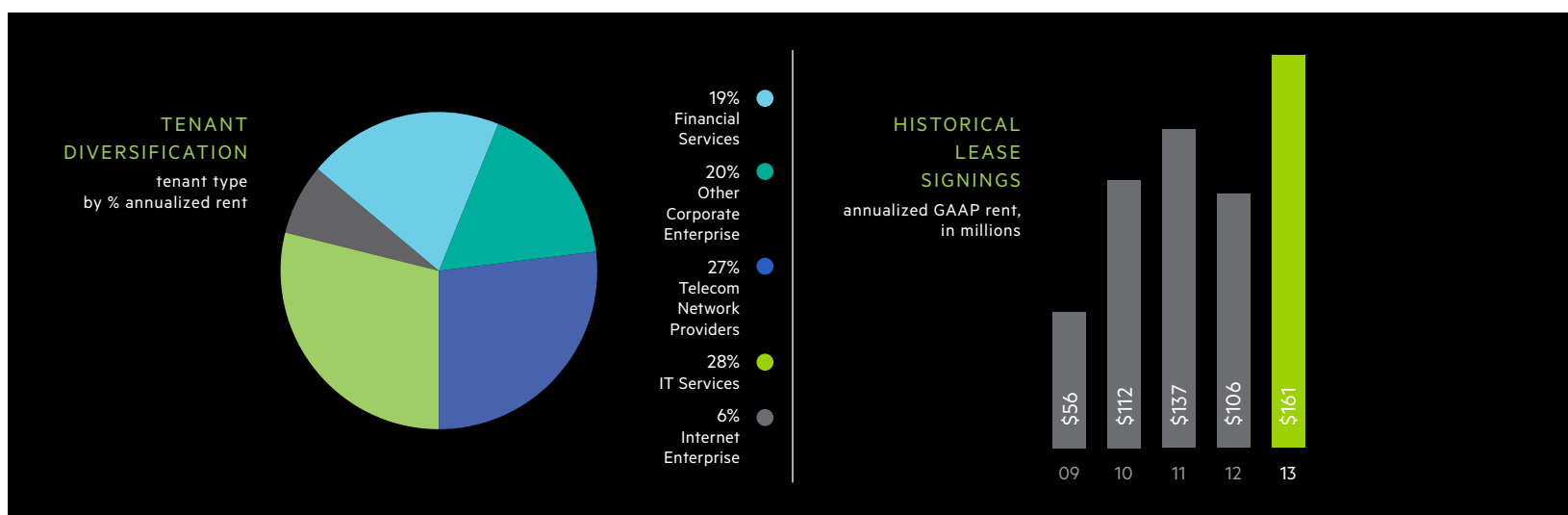


We
SEE



When nanoseconds count, [data center sovereignty ensures financial security.](#)

Given the sheer volume of data that is being generated by the financial services industry alone, accelerated by the global adoption of mobile applications, financial institutions are very selective about whom they partner with on their data center strategies. By providing leading-edge, adaptive solutions, we enable local and global financial institutions alike to deliver products and services to their business and retail customers across North America, Europe and the Asia Pacific region.



When fresh ideas abound, **data dominance is the future of business.**

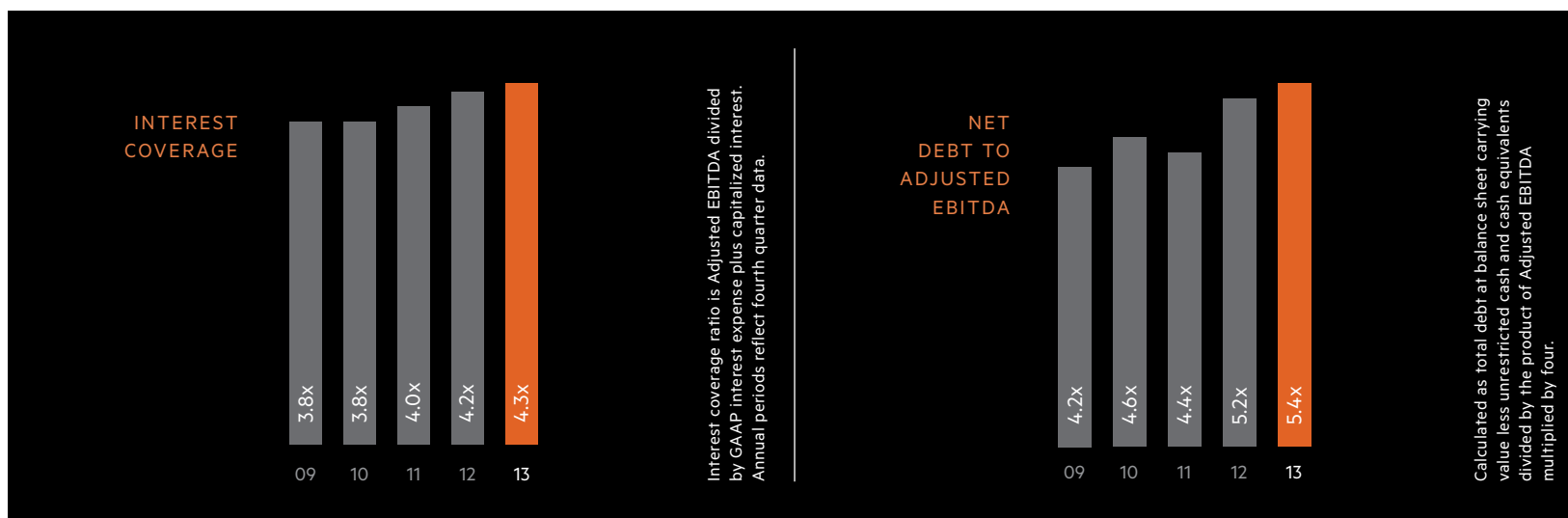
One of the common characteristics among Digital Realty clients is that they dream big. Since our IPO in 2004, we have enabled the growth of numerous start-ups, helping them become global brands that have changed the way we live. As we enter our 10th year as Digital Realty, we are continuing our tradition of seeing growth and opportunity through the eyes of our clients, from garages to boardrooms, to see the future and stay ahead of the curve.



They
SEE



We
SEE

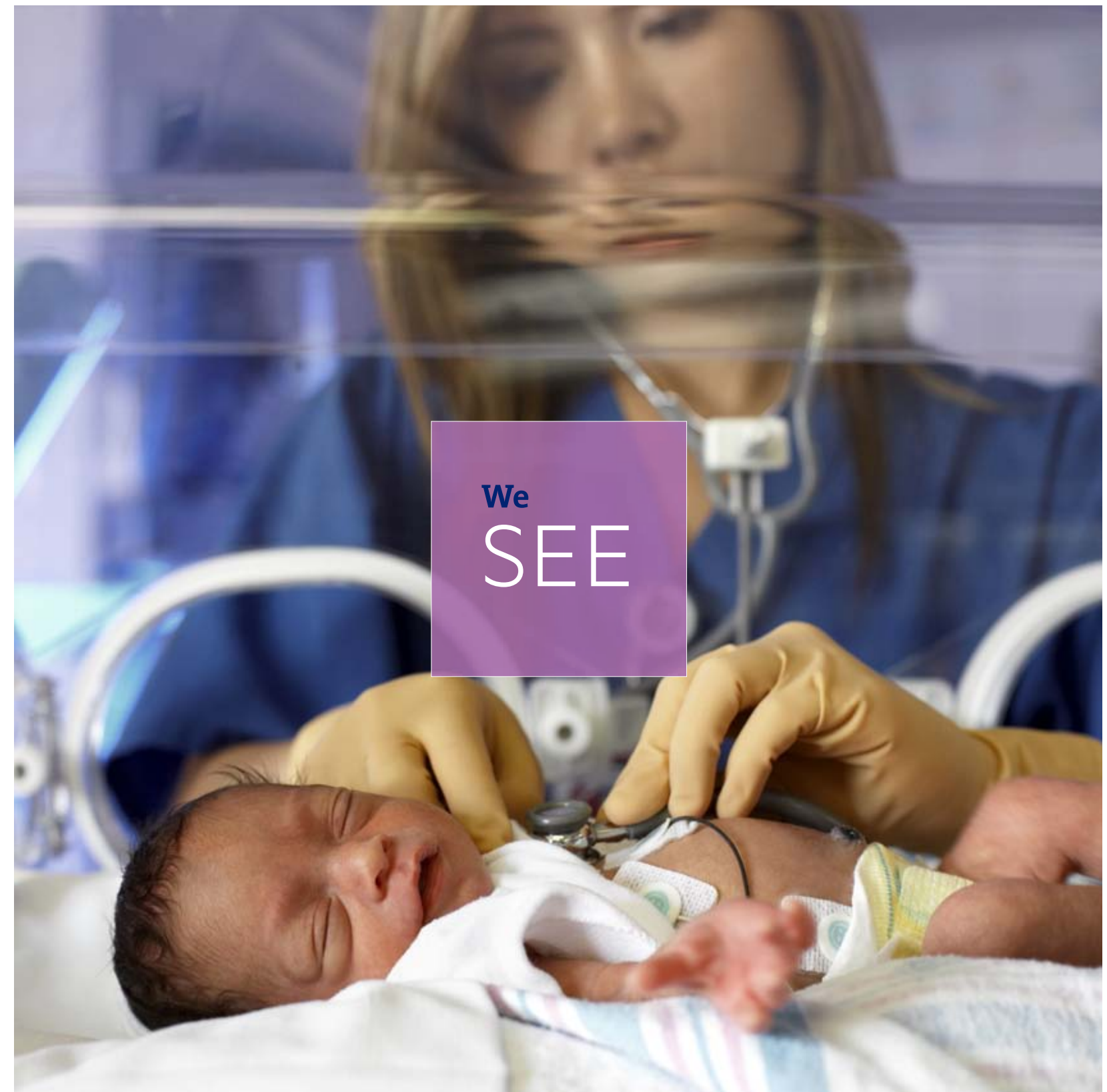


When the ability to connect is essential, **data keeps you moving.**

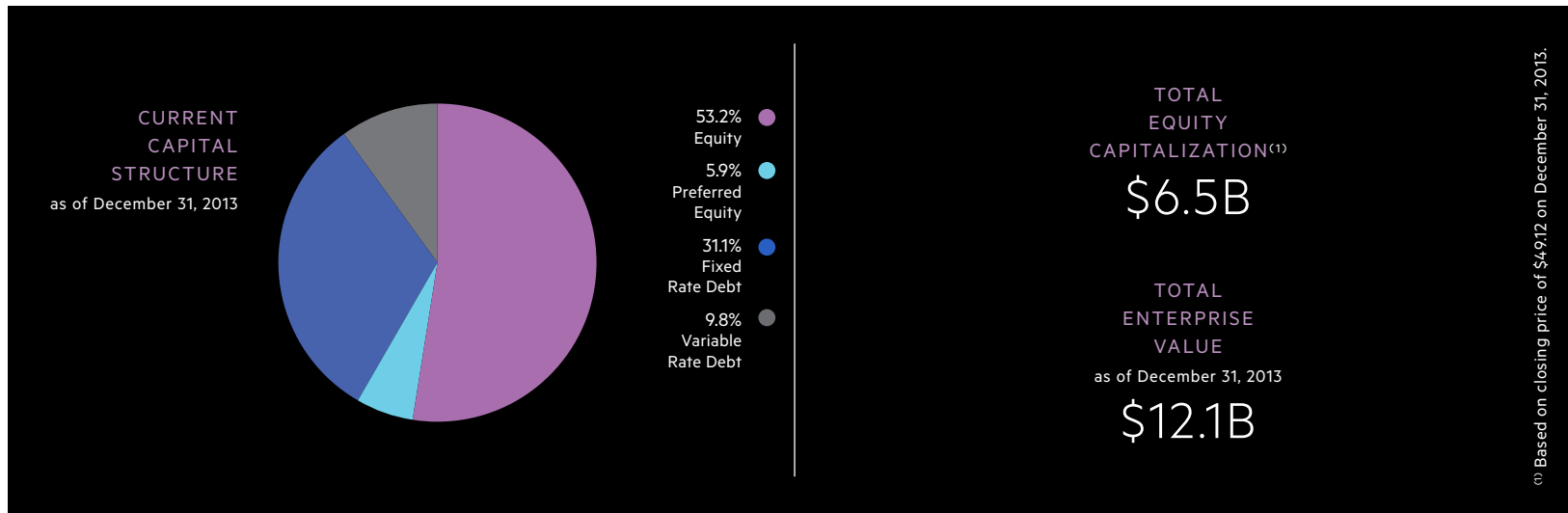
Cloud providers are in the business of providing their customers with increased IT capacity and/or added capabilities that can rapidly scale with the growth of their businesses. To help them scale along with their customers, cloud providers turn to Digital Realty. We support local and global cloud providers serving everyone from large enterprises to single proprietors. Our adaptive data center offerings, ranging from a single rack to an entire building, continue to make us the data center partner of choice for cloud services providers worldwide.



They
SEE



We
SEE



When information is critical, data saves lives.

From the computerization of patient records to handheld devices that scan for melanoma and 3D mammography, healthcare technology breakthroughs can dramatically improve the delivery and quality of patient care. The common denominator across all of these innovations is vast amounts of data – and the science of extracting knowledge from that data. Understanding these challenges and opportunities is an imperative for success. At Digital Realty, we are committed to helping healthcare professionals develop the right data center strategy to provide an environment where data and science can continue to innovate and thrive.

Dear Fellow Shareholders,

In many ways, the past year was a transitional one for our organization.

Digital Realty continued to benefit from the increased reliance of enterprises on the Cloud as a strategic business tool, as well as from the growing trend among enterprises toward outsourcing the development and management of these mission-critical facilities. However, we also faced challenges from external forces as well as growing pains within the organization, as evidenced by our disappointing stock price performance in 2013.

In order to take advantage of the significant opportunities and to overcome the challenges, we spent considerable time looking at our strengths and weaknesses. We also evaluated the competitive marketplace and refined and executed our strategic plan that positions our company for growth as we continue to enable Digital Realty clients to achieve their critical business objectives.

FORTIFYING THE COMPANY'S FINANCIAL POSITION As always, we remained focused on fortifying the company's financial position. With an integrated financing program that supports our growth across 11 countries and 33 markets, it is imperative that we source and deploy capital on favorable terms worldwide to also support the growth of our client base.

To that end, we completed the refinancing of the company's global revolving credit facility and term loan. The refinancing allowed Digital Realty to reduce pricing, extend loan maturities and increase our aggregate commitments by \$450 million. The combined facilities total \$3 billion, representing the fifth largest unsecured credit facilities among U.S. REITs, and provide funds for acquisitions, development, redevelopment, debt repayment, working capital and global expansion.

MAXIMIZING THE MENU OF AVAILABLE CAPITAL SOURCES In September, the company formed a \$369 million joint venture with an investment fund managed by Prudential Real Estate Investors (PREI®), the real estate investment management and advisory business of Prudential Financial, Inc. This joint venture is a significant milestone for Digital Realty, as it furthers our objective of maximizing the menu of available capital sources. The transaction also has the ancillary benefits of lowering leverage while reducing our client concentration and establishing an attractive private market valuation benchmark for our Powered Base Building® solution. We also believe this transaction represents an important validation of the appeal of data centers as an asset class to sophisticated, core real estate investors such as PREI®.

The joint venture was seeded with nine data centers that as a group generated cash net operating income of approximately \$25.2 million in 2013, representing a 6.8 percent cap rate on the fair value of the properties contributed. The properties are 100 percent leased, with an average remaining lease term of approximately nine years. The fund has an 80 percent interest in the joint venture and Digital Realty has retained a 20 percent interest. The joint venture is structured to provide a current annual preferred return from cash flow, first to the fund, then to Digital Realty. In addition, Digital Realty will receive fees and a promote participation for managing the properties.

THINKING LIKE INVESTORS, BEING A RESPONSIBLE STEWARD We recognize that our investors want assurance that Digital Realty is a responsible steward of shareholder capital, that the capital we are allocating to development will deliver a set of world-class data centers, that the company will achieve an attractive return on investment in new projects once they have been leased, and that shareholders will ultimately be rewarded in the form of a sustainable and growing dividend.

In 2013, Digital Realty made a significant investment in developing additional inventory to meet growing demand for data centers around the world. We expect that most of the new inventory in our active major markets will be absorbed by corporate enterprise and cloud services demand over the next 12 to 24 months.

To meet these objectives, the two top priorities across our organization in 2014 are to: 1) lease-up existing inventory; and 2) drive improvement in return on invested capital. Over the next several quarters, we plan to take a measured approach to new development starts, and the lease-up of existing inventory will likewise be our primary source of near-term organic growth.

MOVING OUR CLIENTS TOWARD DATA DOMINANCE Over the past year, we made significant progress on several key initiatives that we believe illustrate our commitment to helping our clients around the world become data-dominant, which we define as creating a data center strategy for businesses that are increasingly driven by data, such that they can achieve a data advantage and dominate the competition.

For example, in 2013 we began introducing the Digital Realty Ecosystem across our global portfolio. The ecosystem is designed to provide an underlying infrastructure for network carriers and service providers to deliver their entire portfolio of products and services to our clients, enabling them to connect to any carrier, anywhere within our global portfolio. The ecosystem is largely complete in the U.S. and London, and by mid-2014, we expect to have run high-count dark fiber between Digital Realty data centers in New York Metro, Boston, Northern Virginia, Chicago, Dallas, Silicon Valley, and across Europe and the Asia Pacific region.

During the third quarter, we introduced Digital Open Internet Exchange, under the auspices of the OPEN-IX initiative spearheaded by the Internet community in North America. Importantly, we are seeing leasing opportunities with specific network requirements that our ecosystem and OPEN-IX accommodate.

In our first deployment, we partnered with Amsterdam Internet Exchange (AMS-IX), the world's leading Internet exchange operator, to deploy AMS-IX in a Digital Realty data center in New York. AMS-IX plans to establish a distributed exchange in several Digital Realty locations across the U.S. with its initial New York presence in our data center.

BREAKING LEASE-SIGNING RECORDS, EXECUTING A MID-MARKET STRATEGY In 2013, we formalized a focus on the mid-market segment as an area that holds great promise in terms of shortening our sales cycle, maintaining our pricing advantage, compressing the average time to commencement, and broadening the installed-base across Digital Realty's global platform. Furthermore, we began to address the small- and medium-sized business segment with a lower cost-of-sale model that will allow us to leverage a more aggressive demand-generation program and a scalable new sales force.

While we increased our focus on these two segments in the past year, demand for Digital Realty data center solutions from large enterprises remained strong and in fact, drove healthy lease-signings volume in 2013, including multiple signings by one of the largest financial services firms in the world—now in multiple countries with us. We also continued to see large expansions from global cloud services providers and enterprises including major international financial institutions and manufacturers, and we welcomed several large enterprises new to our portfolio, as well.

In terms of lease-signings, Digital Realty finished the year on a strong note, signing new leases in the fourth quarter totaling approximately \$54 million of annualized GAAP rent, which brought the full-year total for 2013 to approximately \$161 million. The fourth quarter and full-year signings volume represent the highest ever in the company's history.

EMPOWERING TALENTED PEOPLE TO MAKE A DIFFERENCE Digital Realty's ongoing success hinges on the persistence and dedication of its talented employees around the world, 784 employees in nine countries as of December 31, 2013. Whenever we visit any of our global offices, from New York to Singapore, or from Boston to London to Sydney, we are impressed not only by the great work our employees are doing, but also by how they support the communities where they live and work.

CELEBRATING 10 YEARS OF BUILDING RELATIONSHIPS This new year marks Digital Realty's 10th as a publicly traded company, and we look forward to celebrating this milestone with you in 2014. We have grown from a handful of dedicated employees in a small office located in one of our facilities in San Francisco to a global provider of data center solutions. Clearly, we are a different organization today, but our core values remain the same. And just as those original employees endeavored to put clients first and build enduring relationships, our current employees embrace those same essential values—seeing beyond the server cabinets and building infrastructure to a future where we support our clients as they manage the vast amount of data that is generated by technology, and that can help their businesses grow and enhance the lives of their customers.

We are pleased to be entering 2014 in a strong financial position and excited about the company's opportunities for strategic growth. Over the course of the coming year, our aim at Digital Realty is to continue to lead the market as the data center solution provider of choice to key industry verticals, including IT and cloud service providers, financial services, retail, healthcare, energy and the public sector.

On behalf of the Digital Realty employees worldwide, thank you for your ongoing support and confidence.



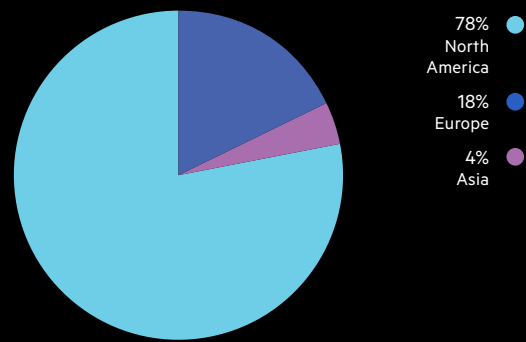
MICHAEL FOUST
Chief Executive Officer



DENNIS SINGLETON
Chairman



ANNUALIZED
RENT BY REGION
as of December 31, 2013



131
PROPERTIES

11
COUNTRIES

4
CONTINENTS

Located where our clients are today and where they will be tomorrow.

Our clients are going places. With more than 130 locations across four continents, we give them greater reach and more room to grow. Wherever in the world they do business, our expert teams can help them navigate local challenges with on-the-ground experience. Digital Realty's global footprint means we can grow with our clients at their pace.



TOP
TENANTS
10

=

OF
LOCATIONS
WORLDWIDE
137

=

% OF
OVERALL
ABR⁽¹⁾
34%

⁽¹⁾ Calculation based on annualized base rents (monthly contractual cash base rent before abatements) under existing leases as of December 31, 2013 multiplied by 12.

Where convenience meets commerce, data plays a significant role.

Nowhere is the convergence of physical and digital commerce more apparent than with the retail customer. The combination of cloud computing and mobile technology enables retailers to capture and analyze customer data, and to make personalized offers, including using new beacon technology to enhance the customer's in-store experience. Key to this success is understanding consumers' demand for convenience as well as a quality product and customer experience. Our ability to partner with our retail clients to deliver a data center strategy that is designed to support the future of retailing enables them to focus on achieving their advantage in a highly competitive, rapidly evolving marketplace.

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

Matthew J. Miszewski
Senior Vice President, Sales and Marketing

BOARD OF DIRECTORS

Dennis E. Singleton ⁽¹⁾ ⁽³⁾
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⁾
Strategy Committee Chairman

Kevin J. Kennedy ⁽²⁾

William G. LaPerch ⁽¹⁾

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

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NYSE Ticker Symbol

Common Stock: DLR
Preferred Stock: DLRPRF
DLRPRF
DLRPRG

Stock Transfer Agent

American Stock Transfer & Trust Company
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Brooklyn, NY 11219
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:

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Annual Meeting

The Company's annual meeting will be held at 10:30AM Pacific time on Monday, April 28, 2014 at:

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

Digital Realty Worldwide Locations

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