

2014 ANNUAL REPORT

Notice of the 2015 Annual Meeting and Proxy Statement



CyrusOne is trusted by nearly half of the Fortune 20, and more than 140 of the Fortune 1000, for their data center solutions.



Dear Fellow Stockholders:

I want to begin by saying thank you for choosing to invest in CyrusOne, and I appreciate the trust you have placed in the entire team. We followed up a strong first year as a public company with a momentous second year that included many noteworthy accomplishments. Since inception, the company has been generating profitable growth for stockholders, and 2014 was no different. Revenue and Adjusted EBITDA increased 26% and 22%, respectively, compared to 2013, while Normalized FFO grew even faster at a rate of 43% versus the prior year. These growth rates make us one of the fastest organically growing public REITs in the industry. We also recently increased our dividend by 50%, representing our continued focus on maximizing stockholder value as we grow our business. For more information on our financial results and reconciliation of our results to GAAP measures, see our presentations under the “Company—Investor Relations” tab of our website, cyrusone.com.

During 2014, we established an east coast presence and enhanced the geographic diversity of our portfolio by expanding into Northern Virginia and developing 185,000 square feet of colocation space in our key markets including Houston, Dallas and Phoenix, resulting in a 16% increase in the size of our portfolio. In addition, over the year we leased 236,000 square feet of colocation space. To put this amount of leasing into perspective, it took several years for the company to lease its first 50,000 square feet, while in 2014 we leased on average more than 50,000 square feet per quarter! This is in large part a testament to the hard work and efforts of our sales team as well as inroads we have made in developing our partner channel. We have built a robust network of more than 125 partners, including value added resellers, systems integrators, and hosting providers to complement our direct selling efforts, and we expect that as we further develop and expand these relationships the contributions from this channel will continue to grow. We also added nearly 60 new customers in 2014, including 15 Fortune 1000 customers, with the latter a reflection of our unique competency in selling to and servicing large enterprises.

Expanding on that last statistic, new logo acquisition is one of our top priorities as getting customers in the door is of paramount importance to creating long term sustainable growth for the company. It can take a long time to convince CIOs of the largest enterprises to entrust a third party provider with their mission-critical IT assets. Fortune 1000 companies often come to our facilities with small initial deployments representing just a portion of their application stack as they outsource for the first time. As these companies dip their toes into the water and experience firsthand the exceptional customer service that CyrusOne provides, they become more comfortable moving additional components of their IT stack into our facilities. As their requirements grow, they increase the size of their deployments and take down space in multiple locations. In fact, we estimate that approximately 40% of the NPV associated with a customer comes outside of the first order. This is an incredibly powerful financial incentive to make sure we do a good job, because if we do, we have the potential to double the value of that customer relationship. In 2014, 58% of new monthly recurring revenue signed was with existing customers. It's this unique phenomenon that underlies the vast majority of the business decisions we make at CyrusOne including pricing, capital investment, marketing, and customer service, all with the goal of maximizing long-term growth and enhancing stockholder value.

I am particularly pleased with our ability to continue to generate strong development yields on our real estate assets. From the first quarter of 2013 to the fourth quarter of 2014, our investment in real estate increased 46%, yet we consistently generated mid to upper teens unlevered development yields throughout the entire eight quarter period. This is while maintaining a relatively low leverage ratio in comparison to other REITs. We have consistently been able to generate these returns in part because of the low cost for which we can build these facilities as well as the speed at which we are able to deliver capacity. Once we have constructed a powered shell, the incremental cost to build it out into

data center space drops significantly. We estimate that the cost per megawatt for incremental builds is approximately 30% lower than our average cost to build due to up-front investments for the shell and land. Given that we are able to construct a data hall within 12 to 14 weeks, we can respond to demand on a just-in-time basis, which ensures that we minimize the amount of capital at risk. The vast majority of our capital spend is discretionary within existing markets, where we have a good line of sight into demand based on our late stage sales funnel. The other key input into the development yield equation is our flexible and robust product offering, from which customers can choose from a wide range of space, power density, and resiliency options as well as numerous high margin ancillary products and services such as interconnection, office space, and “smart hands” services. These all generate incremental revenue opportunities and allow us to maximize asset utilization and subsequently increase the return on the assets we deploy.

Speaking of interconnection, I am particularly pleased with the progress we have made in building out our internet interconnection platform. Our National IX was developed to replicate the data center architecture that Fortune 1000 enterprises previously created in-house. We are able to deliver interconnection across states and between metro-enabled sites, allowing customers to connect multiple sites together at a low cost. We recently lit up Chicago and Northern Virginia, adding to our platform which already consisted of locations in the Midwest, Texas and Phoenix. It is a key part of our growth strategy as it enables colocation opportunities and increases the stickiness of our customer base by providing a platform that is not easily replicated by competitors. Over 60% of our revenue is generated from customers with deployments in multiple locations, and over the past two years the National IX has helped win colocation leases representing over \$100 million in total contracted revenue.

As we continue to see strong demand from Fortune 1000 enterprises, we have also added more than 25 cloud providers in the past year. This is a group we had never aggressively targeted before but that is now attracted to our facilities and the ability to sell services to our customer base, which includes 144 of the largest enterprises in the world. As we’ve discussed before, our enablement platform for the cloud, which we refer to as “Sky for the Cloud”, provides a home for the cloud in our facility. As we continue to add cloud vendors and network and content providers to our core base of Fortune 1000 enterprises, we can create an ecosystem in which everyone is working together in mutually-beneficial relationships. Combined with the ability of the National IX to tie together multiple locations, this creates what we believe to be an attractive element to the overall value proposition that we offer to our customers.

As I look ahead to 2015 and beyond, I am excited about the outlook for CyrusOne. As I’ve mentioned before, there are two underlying secular trends creating opportunity for us and others in the industry. The first is an explosion in the growth of data. It is estimated that the amount of data created and copied is to grow at a compound annual rate of nearly 40% over the next seven years. One of my favorite ways to put this into context is that if the digital universe were represented by the memory in a stack of iPads, in 2013 the stack would have stretched two thirds of the way to the moon. Assuming this compound annual growth rate, by 2020 there would be more than 6 stacks from the earth to the moon. Of course, all of this data resides in a data center. The second trend is the increasing adoption of outsourcing driven by favorable economics and a greater willingness by CIOs to entrust third party providers with their mission critical gear. It is estimated that less than 20% of the enterprise data center market is outsourced today, creating a huge addressable market for us. We have a robust development pipeline, with capacity to add nearly an incremental 4 million colocation square feet within existing powered shells and undeveloped land, putting us in a good position to efficiently capture this future demand.

In closing, I am pleased with all that we were able to accomplish in 2014 and am excited about our path forward. As always, I want to thank the more than 300 team members at CyrusOne with whom I have the pleasure of working every day and whose unwavering focus on meeting the needs of our customers is critical to the company’s success. We are still in the very early innings of the enterprise

outsourcing ballgame, and I believe we are well positioned to capitalize on opportunities for growth and to continue to deliver value to our stockholders.

Sincerely,

A handwritten signature in black ink, appearing to be 'G. Wojtaszek', with a long horizontal flourish extending to the right.

Gary J. Wojtaszek
President and Chief Executive Officer



**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 4, 2015**

To our stockholders:

You are cordially invited to attend the 2015 annual meeting of the stockholders of CyrusOne Inc., a Maryland corporation (the “Company” or “CyrusOne”), which will be held at the Ritz Carlton Hotel Dallas, located at 2121 McKinney Ave., Dallas, TX 75201, on May 4, 2015 at 10:00 a.m., local time. The purposes of the Annual Meeting are as follows:

1. To elect seven directors, each to hold office until our 2016 annual meeting of stockholders and until his or her successor has been duly elected and qualifies;
2. To consider and vote upon, on an advisory basis, the compensation of the Company’s named executive officers as disclosed in this proxy statement (“*Say-on-Pay*”);
3. To consider and vote upon, on an advisory basis, whether the Say-on-Pay vote should occur every one, two or three years (“*Say-on-Frequency*”);
4. To consider and vote upon the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2015; and
5. To transact such other business as may properly come before the annual meeting, including any postponement or adjournment of the meeting.

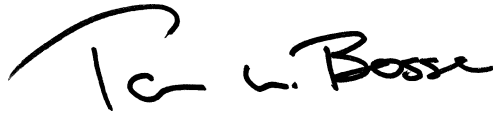
The foregoing items of business are more fully described in the attached proxy statement, which forms a part of this notice and is incorporated herein by reference. If you own shares of our common stock as of the close of business on March 5, 2015, you will be entitled to notice of and to vote at the annual meeting or any postponement or adjournment thereof.

Pursuant to rules promulgated by the Securities and Exchange Commission (the “SEC”), we are providing access to our proxy materials over the internet. On or about March 20, 2015, we mailed our stockholders either (i) a copy of this proxy statement, the accompanying proxy card, our annual report and the Notice of Internet Availability of Proxy Materials (the “Notice”) or (ii) the Notice only, each in connection with the solicitation of proxies by the Board of Directors for use at the annual meeting and any postponement or adjournment thereof. If you received only the Notice by mail, you will not receive a printed copy of the proxy materials other than as described herein. The Notice contains instructions for your use of this process, including how to access our proxy statement and annual report over the internet, how to authorize your proxy to vote online and how to request a paper copy of the proxy statement and annual report.

If you are unable to attend the meeting in person, it is very important that your shares be represented and voted at the annual meeting. You may authorize your proxy to vote your shares over the internet as described in the Notice. Alternatively, if you received a paper copy of the proxy card by mail, please complete, date, sign and promptly return the proxy card in the envelope provided. You also may authorize your proxy by telephone as described in your proxy card. If you authorize your

proxy over the internet, by mail or by telephone prior to the annual meeting, you may nevertheless revoke your proxy and cast your vote personally at the meeting.

By Order of the Board of Directors:

A handwritten signature in black ink, appearing to read "T. W. Bosse". The signature is fluid and cursive, with a large initial "T" and "W".

THOMAS W. BOSSE

Vice President, General Counsel and Secretary

1649 West Frankford Road
Carrollton, Texas 75007
March 20, 2015

CYRUSONE INC.
2015 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

QUESTIONS AND ANSWERS

Q: Why did I receive a Notice of Internet Availability of Proxy Materials?

A: The Board of Directors is soliciting proxies to be voted at our annual meeting. The annual meeting will be held at the Ritz Carlton Hotel Dallas, located at 2121 McKinney Ave, Dallas, Texas, 75201, on Monday, May 4, 2015, at 10:00 a.m., local time. Pursuant to rules promulgated by the Securities and Exchange Commission (the “SEC”), we are providing access to our proxy materials over the internet. On or about March 20, 2015, we are mailing to our stockholders of record as of the close of business on March 5, 2015 either (i) a copy of this proxy statement, the accompanying proxy card, our annual report and the Notice of Internet Availability of Proxy Materials (the “Notice”), or (ii) the Notice only. The Notice and this proxy statement summarize the information you need to know to vote by proxy or in person at the annual meeting. You do not need to attend the annual meeting in person in order to vote.

Q: When was the Notice mailed?

A: The Notice was mailed to stockholders on or about March 20, 2015.

Q: Who is entitled to vote?

A: All common stockholders of record as of the close of business on March 5, 2015, the record date, are entitled to notice of and to vote at the annual meeting.

Q: What is the quorum for the annual meeting?

A: A quorum at the annual meeting will consist of the presence, in person or by proxy, of stockholders entitled to cast a majority of all the votes entitled to be cast on any matter. No business may be conducted at the meeting if a quorum is not present. As of the record date, 39,062,638 shares of our common stock were issued and outstanding. If less than a majority of outstanding shares entitled to vote are represented at the annual meeting, the chairman of the meeting may adjourn the annual meeting to another date not more than 120 days after the original record date of March 5, 2015 without notice other than announcement at the meeting.

Q: How many votes do I have?

A: You are entitled to one vote for each whole share of common stock you held as of the record date. Our stockholders do not have the right to cumulate their votes for directors.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares are registered in your name with our transfer agent, Computershare Trust Company N.A., you are the “stockholder of record” of those shares.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the “beneficial owner” of those shares. Your broker, bank or other holder of record

will forward the Notice and proxy statement and any accompanying documents to you. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote your shares by using the voting instruction card your broker, bank or other holder of record provides you or by following their instructions for voting by telephone or on the internet.

Q: How do I vote?

A: Whether or not you plan to attend the annual meeting, we urge you to authorize your proxy to vote your shares over the internet as described in the Notice. Alternatively, if you received a paper copy of the proxy card by mail, please complete, date, sign and promptly return the proxy card in the self-addressed stamped envelope provided. You also may authorize your proxy to vote your shares by telephone as described in your proxy card. Authorizing your proxy over the internet, by mailing a proxy card or by telephone, will not limit your right to attend the annual meeting and vote your shares in person. Your proxy (one of the individuals named in your proxy card) will vote your shares per your instructions.

Q: How do I vote my shares that are held by my broker, bank or other holder of record?

A: If your shares are held by a broker, bank or other holder of record, you may instruct your broker to vote your shares by following the instructions that the broker provides to you. Most brokers, banks and other holders of record allow you to submit voting instructions by mail, telephone and on the internet.

Q: What am I voting on?

A: The purpose of the annual meeting is to consider the following four proposals:

- Proposal 1: To elect seven directors, each to hold office until our 2016 annual meeting of stockholders and until his or her successor has been duly elected and qualifies;
- Proposal 2: To consider and vote upon, on an advisory basis, the compensation of the Company's named executive officers as disclosed in this proxy statement ("*Say-on-Pay*");
- Proposal 3: To consider and vote upon, on an advisory basis, whether the Say-on-Pay vote should occur every one, two or three years ("*Say-on-Frequency*"); and
- Proposal 4: To consider and vote upon the ratification of the appointment of Deloitte & Touche LLP ("*Deloitte*") as our independent registered public accounting firm for year ending December 31, 2015.

In addition, you will be voting on such other business as may properly come before the annual meeting, including any postponement or adjournment thereof.

Q: What vote is required to approve the proposals assuming that a quorum is present at the annual meeting?

- A: Proposal 1: Election of Directors The election of the director nominees must be approved by a plurality of the votes cast.
- Proposal 2: Say-on-Pay The approval, on a non-binding, advisory basis, of the compensation of the Company’s named executive officers requires the affirmative vote of a majority of the votes cast on the matter.
- Proposal 3: Say-on-Frequency The approval, on a non-binding, advisory basis, of holding the Say-on-Pay vote on a one-, two- or three-year basis requires the affirmative vote of a majority of the votes cast on the matter. In the event that no option receives a majority of the votes cast, we will consider the option that receives the most votes to be the option selected by stockholders.
- Proposal 4: Ratification of Independent Auditors Ratification of the appointment of auditors requires the affirmative vote of a majority of the votes cast on the matter.

Q: How are abstentions and broker non-votes treated?

- A: If you are a beneficial owner whose shares are held of record by a broker, bank or other nominee, your broker, bank or other nominee must vote your shares in accordance with your instructions. Under stock exchange rules, if you do not give specific voting instructions, your broker, bank or other nominee cannot vote your shares on “non-routine” items. A “broker non-vote” is a vote that is not cast on a non-routine matter because the shares entitled to cast the vote are held in street name, the broker, bank or other nominee holder of record lacks discretionary voting authority for that particular item, and the broker, bank or other nominee has not received voting instructions from the beneficial owner.

If you are a beneficial owner whose shares are held of record by a broker, bank or other nominee, your broker, bank or other nominee has discretionary voting authority to vote your shares on the ratification of Deloitte as our independent registered public accounting firm even if your broker, bank or other nominee does not receive voting instructions from you. However, your broker, bank or other nominee does not have discretionary authority to vote on the election of directors, or the approval on a non-binding, advisory basis of either the Say-on-Pay or Say-on-Frequency proposals. If you do not give voting instructions to your broker, bank or other nominee for these matters, a broker non-vote will occur and your shares will not be voted on these matters.

Pursuant to Maryland law, abstentions and broker non-votes are counted as present for purposes of determining the presence of a quorum. For purposes of the election of directors, the approval on a non-binding, advisory basis of either the Say-on-Pay or Say-on-Frequency proposals and the ratification of auditors, abstentions and broker non-votes, if any, will not be counted as votes cast and will have no effect on the result of the vote.

Important: Beneficial owners of shares held by brokers, banks and other nominees are advised that, if they do not timely provide instructions to their broker, bank or other nominee, their shares will not be voted in connection with the election of directors or the approval on a non-binding, advisory basis of either the Say-on-Pay or Say-on-Frequency proposals. Accordingly, it is particularly important that beneficial owners instruct their broker, bank or other nominee how they wish to vote their shares.

Q: Will there be any other items of business on the agenda?

A: As of the date of this proxy statement, the Board of Directors does not know of any other matters that may be brought before the annual meeting nor does it have reason to believe that proxy holders will have to vote for substitute or alternate nominees for election to the Board of Directors. If any other matter should come before the annual meeting or any nominee is unable to serve or declines to do so, the persons named in the enclosed proxy will have discretionary authority to vote all proxies with respect to such matters in accordance with their discretion.

Q: What happens if I submit my proxy without providing voting instructions on all proposals?

A: Proxies properly submitted via the internet, mail or telephone will be voted at the annual meeting in accordance with your directions. If the properly submitted proxy does not provide voting instructions on a proposal, the proxy will be voted as follows:

- **FOR** the election of the Board of Directors' nominees for director, or for a substitute or substitutes in the event a nominee or nominees are unable to serve or decline to do so;
- **FOR** the approval, on an advisory basis, of the compensation of the named executive officers as disclosed in this proxy statement;
- **FOR** the approval, on an advisory basis, of holding the Say-on-Pay vote on an annual basis; and
- **FOR** the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the year ending December 31, 2015.

Q: Will anyone contact me regarding this vote?

A: We have arranged for Georgeson Inc. to assist us in the solicitation of proxies. Solicitations may be made by mail, telephone, facsimile, e-mail or personal interviews.

Q: Who has paid for this proxy solicitation?

A: We have paid the entire expense of preparing, printing and mailing the Notice and, to the extent requested by our stockholders, the proxy statement and any additional materials furnished to stockholders. Our solicitation agent, directors, officers or employees may solicit proxies personally or by telephone. We will bear all expenses associated with our solicitation agent, and we will not pay any additional compensation to our directors, officers or employees who engage in any solicitation activities. We have hired Georgeson to solicit proxies for \$10,000 plus expenses, and Computershare to assist in proxy matters and act as our inspector of elections, for \$3,000 plus expenses. We also will request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send appropriate solicitation materials to such beneficial owners. We will reimburse such holders for their reasonable expenses.

Q: May stockholders ask questions at the annual meeting?

A: Yes. There will be time allotted at the end of the meeting when our representatives will answer appropriate questions from the floor.

Q: How many copies should I receive if I share an address with another stockholder?

The SEC has adopted rules that permit companies and intermediaries, such as a broker, bank or other nominee, to implement a delivery procedure called "householding." Under this procedure, multiple stockholders who reside at the same address may receive a single copy of our proxy

materials, unless the affected stockholder has provided us with contrary instructions. This procedure provides extra convenience for stockholders and cost savings for companies.

Our Company and some brokers, banks or other nominees may be householding our proxy materials. A single Notice and, if applicable, a single set of our proxy materials, including the proxy statement, our annual report and the Notice, will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Separate proxy cards will be included for each stockholder at the address. Once you have received notice from your broker, bank or other nominee that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If you did not respond that you did not want to participate in householding, you were deemed to have consented to the process. Stockholders of record may revoke their consent at any time by contacting Thomas W. Bosse, Vice President, General Counsel and Secretary, either by calling toll-free (855) 564-3198 or by writing to 1649 W. Frankford Rd., Carrollton, TX 75007, Attention: Corporate Secretary. If you hold your shares through a broker, bank or other nominee holder of record, you should contact your holder of record to revoke your consent.

Upon written or oral request, we will promptly deliver a separate copy of the Notice and, if applicable, a single set of our proxy materials, to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of the Notice and, if applicable, our proxy materials, you may either call (855) 564-3198 or send a written request to CyrusOne Inc., 1649 West Frankford Road, Carrollton, Texas 75007, Attention: Thomas W. Bosse, Corporate Secretary. In addition, if you are receiving multiple copies of the Notice and, if applicable, our proxy materials, you can request householding by contacting our corporate secretary in the same manner.

Q: What does it mean if I receive more than one Notice?

A: It means that you have multiple accounts with our transfer agent or with brokers. Please submit all of your proxies over the internet, following the instructions provided in the Notice, by mail or by telephone to ensure that all of your shares are voted.

Q: Can I change my vote after I have voted?

A: Yes. The proper submission of proxies over the internet, by mail or by telephone does not preclude a stockholder from voting in person at the meeting. A stockholder may revoke a proxy at any time prior to its exercise by filing with our corporate secretary a duly executed revocation of proxy, by properly submitting, either by internet, mail or telephone, a proxy to our corporate secretary bearing a later date or by appearing at the meeting and voting in person. Attendance at the meeting will not by itself constitute revocation of a proxy.

Q: Can I find additional information on the Company's website?

A: Yes. Our website is located at www.cyrusone.com. Although the information contained on our website is not part of this proxy statement, you can view additional information on the website, such as our corporate governance guidelines, our code of business conduct and ethics, charters of our Board committees and reports that we file with the SEC. A copy of our corporate governance guidelines, our code of business conduct and ethics and each of the charters of our Board committees may be obtained free of charge by writing to CyrusOne Inc., 1649 West Frankford Road, Carrollton, Texas 75007, Attention: Thomas W. Bosse, Corporate Secretary.

PROPOSAL 1: ELECTION OF DIRECTORS

Our Board of Directors currently consists of eight members. The Board of Directors has approved a decrease in the size of the Board of Directors to seven members, effective at the beginning of the annual meeting. Accordingly, at the 2015 annual meeting, pursuant to our charter and Bylaws, seven directors will be elected to serve until the 2016 annual meeting and until their successors are duly elected and qualified.

The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated the following current directors to serve as directors: Gary J. Wojtaszek, Alex Shumate, William E. Sullivan, T. Tod Nielsen, Lynn Wentworth, John W. Gamble and David H. Ferdman (the “Nominees”). Melissa E. Hathaway, a current director, has decided to retire from our Board of Directors and will not stand for re-election at the annual meeting. The Board of Directors wishes to publicly thank her for her service on the Board and for her valuable contributions to the Company during its first years of existence as a public company. The Board of Directors anticipates that each of the Nominees will serve, if elected, as a director. However, if any Nominee is unable to serve or declines to do so, the discretionary authority provided in the proxy will be exercised by the proxy holders to vote for a substitute or substitutes nominated by the Board of Directors, or the Board of Directors, on the recommendation of the Nominating and Corporate Governance Committee, may reduce the size of the Board and number of nominees.

The Board of Directors recommends a vote FOR each Nominee.

The Board of Directors

Nominees for Election to Term Expiring 2016

The biographical descriptions below set forth certain information with respect to each Nominee for election as a director at the annual meeting. The Board has identified specific attributes of each Nominee that the Board has determined qualify that person for service on the Board.

Gary J. Wojtaszek, Age 48

Director Since: July 2012

Board Committees: None

Qualifications: Mr. Wojtaszek is our Chief Executive Officer and brings to our Board of Directors critical knowledge and understanding of our data center colocation business coupled with an in-depth understanding of the Company’s capital structure.

Gary J. Wojtaszek is our President and Chief Executive Officer and has served as a member of our Board of Directors since July 2012. Mr. Wojtaszek was appointed to the Board of Directors of Cincinnati Bell Inc. (“CBI”) on July 29, 2011 and was named President of CyrusOne effective August 5, 2011. Upon consummation of our initial public offering, Mr. Wojtaszek resigned as a member of the Board of Directors of CBI. Prior to becoming the President of CyrusOne in August 2011, Mr. Wojtaszek served as Chief Financial Officer of CBI beginning July 2008 and as Senior Vice President, Treasurer and Chief Accounting Officer for the Laureate Education Corporation in Baltimore, Maryland from 2006 to 2008. Prior to that, Mr. Wojtaszek worked from 2001 to 2008 at Agere Systems, the semiconductor and optical electronics communications division of Lucent Technologies, which was subsequently spun-off through an initial public offering. While at Agere Systems, Mr. Wojtaszek worked in a number of finance positions, ultimately serving as the Vice President of Corporate Finance, overseeing all Controllershship, Tax and Treasury functions. Mr. Wojtaszek started his career in General Motors Company’s New York treasury group and joined Delphi Automotive Systems as the regional European treasurer in connection with the initial public offering and spin-off of Delphi Automotive Systems from General Motors.

Alex Shumate, Age 64

Independent Director Since:
January 2013

Board Committees: *Chairman of the Board and Lead Independent Director, Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee*

Qualifications: *Mr. Shumate brings to our Board of Directors demonstrated managerial ability and a thorough understanding of the principles of good corporate governance.*

William E. Sullivan, Age 60

Independent Director Since:
January 2013

Board Committees: *Nominating and Corporate Governance Committee (Chair), and Audit Committee*

Qualifications: *Mr. Sullivan brings to our Board of Directors a comprehensive understanding of the commercial real estate industry coupled with extensive real estate investment trust (“REIT”) management experience.*

Alex Shumate has served as a member of our Board of Directors since January 2013. Mr. Shumate has served as the Chair of the Board of Directors and Lead Independent Director since June 2014. Mr. Shumate also serves as a member of our Audit, Compensation and Nominating and Corporate Governance Committees. Mr. Shumate is currently the Managing Partner, North America, of Squire Patton Boggs (US) LLP, an international law firm (“Squire Patton Boggs”), since 2009. Prior to that, he served as the Managing Partner of the Columbus, Ohio office of Squire Patton Boggs since 1991. He is a current director of The J.M. Smucker Company. He also served as a director of the Wm. Wrigley Jr. Company from 1998 until its acquisition in 2008, as well as Nationwide Financial Services from 2002 until its acquisition in 2009. He served as a director of CBI from 2005 to January 2013. Mr. Shumate resigned as a member of CBI’s Board of Directors upon consummation of our initial public offering.

William E. Sullivan has served as a member of our Board of Directors since January 2013. Mr. Sullivan serves as the chair of our Nominating and Corporate Governance Committee and serves as a member of our Audit Committee. In June 2014, Mr. Sullivan began serving as Chief Financial Officer and Treasurer for Purdue University in Indiana. From March 2007 to May 2012, Mr. Sullivan served as the Chief Financial Officer of ProLogis Inc. (“ProLogis”), a REIT operating as an owner, manager and developer of distribution facilities. Prior to joining ProLogis, Mr. Sullivan was the founder and President of Greenwood Advisors, Inc., a private financial consulting and advisory firm, from 2005 to 2007. Prior to that, Mr. Sullivan served as the Chairman (2001 to 2007) and Chief Executive Officer (2001 to 2005) of SiteStuff, Inc., a procurement solutions company specializing in real estate property and facility management. Mr. Sullivan worked for Jones Lang LaSalle Incorporated (“Jones Lang LaSalle”), and its predecessor, LaSalle Partners, in a variety of positions from 1984 to 2001, including as Chief Financial Officer from 1997 to 2001 and as a member of the Board of Directors from 1997 to 1999. Prior to joining Jones Lang LaSalle, he was a member of the Communications Lending Group of the First National Bank of Chicago and also served as a member of the tax division of Ernst & Ernst LLP, a predecessor to Ernst & Young LLP (“Ernst & Young”). Mr. Sullivan has also served as a director and audit committee chairman of Jones Lang LaSalle Income Property Trust, Inc. since September 2012, and as a director and audit committee chairman of Club Corp., since August 2013.

T. Tod Nielsen, Age 49

Independent Director Since:
January 2013

Board Committees: *Compensation Committee (Chair), and Nominating and Corporate Governance Committee*

Qualifications: *Mr. Nielsen brings to our Board of Directors a strong technical background in software development, coupled with extensive management experience and knowledge of the information technology market.*

T. Tod Nielsen has served as a member of our Board of Directors since January 2013. Mr. Nielsen serves as chair of our Compensation Committee and serves as a member of our Nominating and Corporate Governance Committee. Since June 2013, Mr. Nielsen has been the Chief Executive Officer of Heroku, a cloud application development company. Prior to that, Mr. Nielsen was Co-President, Applications Platform of VMware, Inc. (“VMware”). Mr. Nielsen served as VMware’s Chief Operating Officer from January 2009 to January 2011. Prior to that, he served as President and Chief Executive Officer of Borland Software Corporation from November 2005 to December 2008. From June 2005 to November 2005, Mr. Nielsen served as Senior Vice President, Marketing and Global Sales Support for Oracle Corporation, an enterprise software company. From August 2001 to August 2004, he served in various positions at BEA Systems, Inc., a provider of application infrastructure software, including Chief Marketing Officer and Executive Vice President, Engineering. Mr. Nielsen also spent 12 years with Microsoft Corporation (“Microsoft”) in various roles, including General Manager of Database and Developer Tools, Vice President of Developer Tools, and at the time of his departure, Vice President of Microsoft’s platform group. Mr. Nielsen is a current director of Club Holdings LLC and BTI Systems, and former director of MyEdu Corp.

Lynn A. Wentworth, Age 56

Independent Director Since:
October 2014

Board Committees: *none*

Qualifications: *Ms. Wentworth brings to our Board of Directors extensive knowledge regarding complex financial, accounting and corporate governance matters affecting large corporations.*

Lynn A. Wentworth has served as a member of our Board of Directors since election by the Company’s stockholders in May 2014. Prior to retirement, she was Senior Vice President, Chief Financial Officer and Treasurer of BlueLinx Holdings Inc. (a building products distributor) from 2007 to 2008. Prior to joining BlueLinx, she served as Vice President and Chief Financial Officer for BellSouth Corporation’s Communications Group and held various other positions at BellSouth from 1985 to 2007. She began her career at Coopers & Lybrand, where she served in both the audit and tax divisions. She is a certified public accountant licensed in the state of Georgia. She is a director and chair of the Audit and Finance Committee of CBI, and is also a director and chair of the Audit Committee of Graphic Packaging Holding Company.

John W. Gamble, Jr., Age 52

Independent Director Since: May 2014

Board Committees: Audit Committee (Chair); and Compensation Committee

Qualifications: Mr. Gamble brings to our Board of Directors extensive knowledge regarding financial management, and the information technology market.

John W. Gamble Jr. has served as a member of our Board of Directors since May 2014. Mr. Gamble is currently Corporate Vice President and Chief Financial Officer of Equifax Inc., where he is responsible for corporate finance, accounting, treasury, tax and investor relations. From September 2005 to May 2014, Mr. Gamble was Executive Vice President and Chief Financial Officer for Lexmark International, Inc. In addition to corporate finance functions, he was responsible for Lexmark's investor relations, information technology, strategy and development, and internal audit and security functions. Prior to joining Lexmark, he was executive vice president and chief financial officer of Agere Systems, Inc. Mr. Gamble also served in finance leadership roles with AlliedSignal, Inc., and then Honeywell International, Inc., following the merger of the two entities. Earlier, Mr. Gamble served in a variety of finance capacities with General Motors. He began his career as an electrical engineer with Bethlehem Steel Corporation.

David H. Ferdman, Age 47

Director Since: January 2013

Board Committees: None

Qualifications: Mr. Ferdman brings to our Board of Directors a comprehensive understanding of our business coupled with extensive experience in the data center industry.

David H. Ferdman has served as a member of our Board of Directors since January 2013. Mr. Ferdman was the founder of Cyrus Networks, where he served as President and Chief Executive Officer from 2000 until its acquisition by CBI in June 2010. Mr. Ferdman served as the President of Cyrus Networks until August 2011 and served as the Chief Strategy Officer of CyrusOne, LLC ("Cyrus Networks") until January 2013. Upon consummation of our initial public offering, Mr. Ferdman resigned from his employment with the Company. Prior to founding Cyrus Networks, Mr. Ferdman was the Chief Operating Officer and co-founder of UWI Association Programs (d/b/a Eclipse Telecommunications), a facilities-based telecommunications service provider ("UWI"). As Chief Operating Officer of UWI, Mr. Ferdman was instrumental in the company's rapid growth, which culminated in its acquisition by IXC Communications (now part of Level 3 Communications Inc.) in 1998. Mr. Ferdman is also a director of Xand Holdings, Serendipity Wire, LLC, Circuit of the Americas, and Quality Uptime Services.

Biographical Information Regarding Executive Officers Who Are Not Directors

Kimberly H. Sheehy, Age 50

Chief Financial Officer and Administrative Officer

Kimberly H. Sheehy has served as our Chief Financial Officer since 2011. Prior to that, she held various roles between 1996 and 2011 at CBI, including Treasurer and Vice President of Investor Relations from March 2011 through November 2011, Vice President of Finance and Treasurer from 2007 to 2011, and prior to 2007 she held positions including Vice President of Financial Planning and Analysis, and Managing Director of Corporate Tax. Prior to joining CBI, Ms. Sheehy held accounting and tax positions at Ernst & Young.

Patricia M. McBratney, Age 40
Vice President and Controller

Patricia M. McBratney has served as our Vice President and Controller since January 2013. Prior to joining CyrusOne, Ms. McBratney held various accounting positions at Deloitte from 1996 to 2013. Ms. McBratney is a Certified Public Accountant with prior experience in both the consumer products and real estate industry. Ms. McBratney has also been involved in various initial public offerings, spin-offs, acquisitions, reverse acquisitions, and debt and equity offerings while employed by Deloitte.

Thomas W. Bosse, Age 53
*Vice President, General Counsel
and Secretary*

Thomas W. Bosse has served as our Vice President, General Counsel and Secretary since March 2013. Prior to joining CyrusOne, beginning in 2003, he was a principal in The Law Offices of Thomas W. Bosse, PLLC, where he represented numerous companies in the communications and technology sectors, including CyrusOne, in financing, corporate governance, real estate, mergers and acquisitions and commercial transactions. From 1999 to 2003, he was Associate General Counsel for Broadwing Inc. Mr. Bosse is a graduate of the University of Notre Dame School of Law.

Kevin L. Timmons, Age 50
Chief Technology Officer

Kevin L. Timmons has served as our Chief Technology Officer since October 2011. Prior to joining CyrusOne, he led Microsoft's global data center team as General Manager, Data Center Services beginning in 2009. Prior to that, Mr. Timmons held several positions between 1999 and 2009 within the operations team at Yahoo! Inc. ("Yahoo!"). Mr. Timmons originally joined Yahoo! via the GeoCities acquisition in 1999 as Director of Operations. He was then promoted to Senior Director in 2000, and assumed the role of Vice President, Operations in 2006.

Venkatesh S. Durvasula, Age 48
Chief Commercial Officer

Venkatesh S. Durvasula has served as our Chief Commercial Officer, overseeing strategy, marketing and sales since October 2012. Mr. Durvasula joined CyrusOne in October 2012. Prior to joining CyrusOne, Mr. Durvasula served as the Chief Marketing and Business Officer of Quality Technology Services ("QTS") from March 2010 through April 2012. Prior to QTS, he was a co-founder and Chief Operating Officer of NYC-Connect, a privately-held interconnection business that was sold to Digital Realty Trust, Inc. and Telx in 2007. Following that sale, Mr. Durvasula served as the Chief Marketing Officer at Telx until August 2009. Prior to NYC-Connect, Mr. Durvasula served as Vice President of Sales at AboveNet, Inc.

Corporate Governance Profile

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure include the following:

- the Board of Directors is not classified; instead, each of our directors is subject to re-election annually;

- the Board of Directors has determined that a majority of the seven persons who currently serve on the Board of Directors are independent within the meaning of the NASDAQ listing standards;
- each of the members of the Audit, Compensation and Nominating and Corporate Governance Committees is independent within the meaning of the NASDAQ listing standards;
- each of the members of the Audit Committee and the Compensation Committee meet the heightened independence standards within the meaning of the NASDAQ listing standards for service on those committees;
- at least one of our Audit Committee members qualifies as an “Audit Committee financial expert” as defined by the SEC; and
- we have opted out of the control share acquisition statute of the Maryland General Corporation Law.

Our directors stay informed about our business by attending meetings of the Board of Directors and its standing committees and through supplemental reports and communications. Our independent directors meet regularly in executive sessions without the presence of our corporate officers or non-independent directors.

Board of Directors

Our business and affairs are managed under the direction of the Board of Directors. A majority of the members of the Board of Directors is “independent,” as determined by the Board of Directors, consistent with the listing standards of the NASDAQ.

Board Leadership

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. The Board understands that there is no single, generally accepted approach to providing Board leadership and the right Board leadership structure may vary as circumstances warrant. Consistent with this understanding, the Board of Directors considers its leadership structure on an annual basis.

The Board of Directors may designate a chairman of the Board, who may or may not be an executive chairman. Since June 2014, Alex Shumate has served as our Chairman of the Board of Directors. Based on its most recent review of our leadership structure and the needs of the Company, the Board continues to believe that having Mr. Shumate serving in this position is optimal because it provides our Company with strong, effective and consistent leadership. Furthermore, our corporate governance guidelines provide that it is the Board’s general policy that the positions of Chairman of the Board and Chief Executive Officer should be separate persons as an aid to the Board’s oversight of management. The corporate governance guidelines also require a lead independent director, which since June 2014 has been Mr. Shumate.

In considering its leadership structure, the Board has taken a number of factors into account. The Board, which consists of a majority of independent directors, exercises a strong, independent oversight function. The Audit, Compensation and Nominating and Corporate Governance Committees being comprised entirely of independent directors enhances this oversight function. A number of Board and committee processes and procedures, including regular executive sessions of independent directors and a regular review of our executive officers’ performance, provide substantial independent oversight of our management’s performance. Finally, under our Bylaws and corporate governance guidelines, the Board has the ability to change its structure, should it deem doing so to be appropriate and in the best interests of our Company. The Board believes that these factors provide the appropriate balance between the authority of those who oversee our Company and those who manage it on a day-to-day basis.

The Chairman of the Board presides at all meetings of the Board of Directors, unless otherwise prescribed. The Chairman performs such other duties, and exercises such powers, as from time to time shall be prescribed in our Bylaws or by the Board of Directors.

Director Independence

In accordance with corporate governance listing standards of the NASDAQ and our corporate governance guidelines, the Board, upon the recommendation of the Nominating and Corporate Governance Committee that is comprised solely of independent members, affirmatively evaluates and determines the independence of each director and each nominee for election. Based on an analysis of information supplied by the directors, and other information including the matters set forth in this proxy document under the caption “Certain Relationships and Related Transactions,” the Board evaluates whether any director has any material relationship with CyrusOne, either directly or as a partner, stockholder or officer of an organization that has a relationship with CyrusOne, that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Based on these standards, the Board, including a majority of the current independent members, determined that each of the following persons who is serving as a non-employee director has no relationship with CyrusOne, except as a director and stockholder, and is independent: Alex Shumate, William E. Sullivan, T. Tod Nielsen, Lynn A. Wentworth and John W. Gamble, Jr.

The Board determined that Gary J. Wojtaszek is not independent because he is the President and Chief Executive Officer of CyrusOne. In addition, the Board determined that David H. Ferdman is not independent, as he founded a predecessor company that was sold to the Company and briefly served as Chief Strategy Officer while the predecessor company was being integrated into CBI.

Board Meetings

In 2014, the Board of Directors held eleven meetings, the Audit Committee held eight meetings, the Compensation Committee held six meetings and the Nominating and Corporate Governance Committee held four meetings. Each director attended over 75% of the Board meetings and each director’s respective committee meetings in 2014.

Although we do not have a policy requiring directors’ attendance at annual meetings of stockholders, they are expected to do so. Each of our then-serving directors attended our 2014 annual meeting of stockholders.

The Board of Directors regularly meets in executive session, without management present. Generally, these executive sessions follow after each quarterly meeting of the Board and each committee. In addition, the independent directors of the Board and the committees meet regularly in independent sessions without management or non-independent directors present. Alex Shumate, our Chairman and lead independent director, presides over such independent, non-management sessions of the Board. In 2014, the independent directors met at least twice in such independent sessions. As deemed necessary, directors also discuss matters informally between board and committee meetings.

Board Committees

Under our corporate governance guidelines, the composition of each of our committees, including the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee must comply with the rules of the SEC and listing standards and other rules and regulations of the NASDAQ, as amended or modified from time to time. Our corporate governance guidelines define “independent director” by reference to the rules of the SEC and rules, regulations and listing standards of the NASDAQ, which generally deem a director to be independent if the director has no relationship that may interfere with the exercise of the director’s independent judgment, and which

further impose heightened requirements of independence for members of the Audit and Compensation Committees. Our Board of Directors may from time to time establish other committees to facilitate the management of our Company. The operating partnership agreement (the “Partnership Agreement”) of our operating partnership CyrusOne LP (the “Operating Partnership”) currently requires that, so long as CBI has the right to nominate at least one director, at least one of its nominees will serve on each Board committee (if the nominee is qualified as independent under the applicable rules, regulations and listing standards of the NASDAQ) other than any committee whose purpose is to evaluate or negotiate any transaction with CBI.

Audit Committee. The Audit Committee helps ensure the integrity of our financial statements, the qualifications and independence of our independent auditor and the performance of our internal audit function and independent auditors. The Audit Committee selects, assists and meets with the independent auditor, oversees each annual audit and quarterly review, discussed with management disclosures relating to our internal controls over financial reporting and prepares the report that federal securities laws require be included in our annual proxy statement. Mr. Gamble is the chair of the Audit Committee. Mr. Shumate and Mr. Sullivan also serve as members of our Audit Committee. The Board has determined each of Mr. Gamble and Mr. Sullivan to be an audit committee financial expert. Each member of the Audit Committee has been determined to be independent in accordance with the NASDAQ listing standards applicable to service on audit committees. The Audit Committee operates pursuant to a written charter.

Compensation Committee. The Compensation Committee reviews and makes recommendations to our Board of Directors regarding the compensation and benefits of our executive officers, administers and makes recommendations to our Board of Directors regarding our compensation and stock incentive plans, and produces an annual report on executive compensation for inclusion in our proxy statement. Mr. Nielsen is the chair of the Compensation Committee. Mr. Gamble and Mr. Shumate also serve as members of our Compensation Committee. Each member of the Compensation Committee has been determined to be independent in accordance with the NASDAQ listing standards applicable to service on compensation committees. The Compensation Committee operates pursuant to a written charter. In 2014, the Compensation Committee engaged Christenson Advisors to assist it in the performance of its duties and to make recommendations to the Compensation Committee with respect to director and executive compensation. In engaging the compensation consultant, the Compensation Committee considered the consultant’s independence and actual or potential conflicts of interest. In connection with this review, the Compensation Committee solicited information regarding work for the Company, fees paid, relationships with members of the Board or management, ownership of Company stock and other information. The Compensation Committee is not aware of any conflicts of interest or other matters that affected the consultant’s independence.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee develops and recommends to our Board of Directors a set of corporate governance guidelines, a code of business conduct and ethics and related Company policies and periodically reviews and recommends updates and changes to such guidelines, code and policies to the Board of Directors, monitors our compliance with corporate governance requirements of state and federal law and the rules and regulations of the NASDAQ, establishes criteria for prospective members of our Board of Directors and conducts candidate searches and interviews. Mr. Sullivan is the chair of the Nominating and Corporate Governance Committee. Messrs. Nielsen and Shumate also serve as members of our Nominating and Corporate Governance Committee. Each of the Committee members has been determined to be independent in accordance with the applicable NASDAQ listing standards. The Nominating and Corporate Governance Committee operates pursuant to a written charter.

Role of the Board in Risk Oversight

One of the key functions of the Board of Directors is informed oversight of our risk management process. The Board of Directors administers this oversight function directly, with support from the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, each of which addresses risks specific to their respective areas of oversight. In particular, among other things, the Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. The Audit Committee also monitors compliance with the Company's policy on related party transactions, and our executives' compliance with the Company's code of business conduct and ethics. The Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. The Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines.

Nomination of Directors

Before each annual meeting of stockholders, the Nominating and Corporate Governance Committee considers the nomination of all directors whose terms expire at the next annual meeting of stockholders, and also considers new candidates whenever there is a vacancy on the Board or whenever a vacancy is anticipated due to a change in the size or composition of the Board, a retirement of a director or for any other reason. In addition to considering incumbent directors, the Nominating and Corporate Governance Committee may identify director candidates based on recommendations from any qualified individual or group, including, but not limited to, stockholders, the incumbent directors and members of management. The Committee may in the future engage the services of third-party search firms to assist in identifying or evaluating director candidates. No such firm was engaged in 2014.

The Nominating and Corporate Governance Committee evaluates annually the effectiveness of the Board as a whole, its committees, and of each individual director and identifies any areas in which the Board would be better served by adding new members with different skills, backgrounds or areas of experience. The Board of Directors considers director candidates based on a number of attributes including:

- Established leadership reputation in his/her field;
- Reputation for good business judgment;
- Active in business;
- Knowledge of business on a national/global basis;
- Meets high ethical standards;
- Commitment to regular Board/committee meeting attendance;
- The candidate's familiarity with data center facilities and operations; and
- Whether the candidate would contribute to the gender, racial and/or geographical diversity of the Board.

Candidates also are evaluated based on their understanding of our business and willingness to devote adequate time to carrying out their duties. The Nominating and Corporate Governance Committee also monitors the mix of skills, experience and background to assure that the Board has the necessary composition to effectively perform its oversight function. As noted immediately above,

diversity characteristics of a candidate are just one of several factors considered by the committee when evaluating director candidates. A candidate will neither be included nor excluded from consideration solely based on his or her diversity traits. The Nominating and Corporate Governance Committee conducts regular reviews of current directors in light of the considerations described above and their past contributions to the Board of Directors.

The Nominating and Corporate Governance Committee also takes into consideration the nominations submitted by CBI. Pursuant to the Partnership Agreement, CBI has the right to designate one nominee for this annual meeting. Pursuant to such right, CBI has designated Lynn A. Wentworth as its nominee for election to the Board of Directors. In June 2014, CBI began its previously announced reduction of its ownership stake, and our Operating Partnership redeemed 15,985,000 partnership units owned by CBI in exchange for the proceeds of the sale of the same amount of shares of CyrusOne common stock in a primary offering. As a result, CBI's nomination rights for three Board seats were reduced to one. In making the determination that Ms. Wentworth was independent, among other factors the Board of Directors considered CBI's reduced Board roles, the fact that Ms. Wentworth was a director but not an officer of CBI, and her independent contributions to the Board since election by the Company's stockholders.

The Nominating and Corporate Governance Committee will consider appropriate candidates for directors recommended by a stockholder of our Company. The Nominating and Corporate Governance Committee will evaluate director candidates submitted by our stockholders on the same basis as any other director candidates. Other than Ms. Wentworth, we did not receive any recommendations of director candidates or director nominations by stockholders for the 2015 annual meeting.

Recommendations for nominations should be addressed to CyrusOne Inc., 1649 West Frankford Road, Carrollton, Texas 75007, Attention: Thomas W. Bosse, Corporate Secretary, indicating the candidate's qualifications and other relevant biographical information and providing confirmation of the candidate's consent to serve as a director, if elected. Stockholders may also nominate qualified individuals for election to the Board of Directors by complying with the advance notice and other requirements of our Bylaws regarding director nominations. These requirements are also described under the caption "Stockholder Proposals."

Compensation Committee Interlocks and Insider Participation

There are no Compensation Committee interlocks and none of our employees participate on the Compensation Committee.

Board Compensation for 2014

In 2014, each of our directors who is not an employee of our Company or our subsidiaries received as compensation for the director's service: (i) grants of restricted stock with a grant-date fair value of \$110,000 pursuant to our 2012 Long Term Incentive Plan, and (ii) a cash retainer (as described below). With respect to the equity grants, equity awards with a grant-date fair value of \$100,000 were granted on February 7, 2014 for the then-serving directors (other than Mr. Staubach) and on May 5, 2014 for new Board members who joined the Board of Directors at the 2014 Annual Meeting of Stockholders. Additional equity awards with a grant-date fair value of \$10,000 were granted to the then-serving directors on August 4, 2014. These awards all vest in February or May 2015. For the cash retainer, effective July 2014 each director receives an annual retainer of \$60,000, except for our non-executive chair (Mr. Shumate), who receives an annual cash retainer of \$120,000. The director who serves as chair of the Audit Committee (Mr. Gamble) receives an additional annual retainer of \$20,000, and the directors who serve as chairs of the Compensation Committee (Mr. Nielsen) and the Nominating and Corporate Governance Committee (Mr. Sullivan) each receive an additional annual retainer of \$15,000. Non-chair directors serving as members of the Audit, Compensation and

Nominating and Corporate Governance Committees each also receive an additional retainer of \$7,500 per committee served. We did not provide any per-meeting compensation to any of our directors. Directors who are employees of our Company or our subsidiaries do not receive compensation for their services as directors.

The following table summarizes the compensation that we paid to our non-management directors in 2014:

2014 Director Compensation Table

<u>Name</u>	<u>Fees Earned (\$)</u>	<u>Stock Awards (\$)⁽¹⁾</u>	<u>Total (\$)</u>
Alex Shumate	137,500	110,000	247,500
William E. Sullivan	105,417	110,000	215,417
Lynn A. Wentworth	52,500	110,000	162,500
T. Tod Nielsen	84,167	110,000	194,167
John F. Cassidy	50,000	100,000 ⁽²⁾	150,000
Melissa E. Hathaway	75,000	110,000	185,000
John W. Gamble, Jr.	70,833	110,000	180,833
David H. Ferdman	85,300	110,000	195,300
Roger Staubach	25,000	—	25,000

- (1) Reflects the aggregate grant date fair value of the restricted stock awards granted on February 7, 2014, May 5, 2014 and August 5, 2014, determined in accordance with Financial Accounting Standards Board ASC Topic 718 Stock Compensation (FASB ASC 718). The grant date fair value of the restricted stock awards was determined by reference to the closing price of the shares on the grant date and excludes the impact of estimated forfeitures. The assumptions used in the calculation of the grant date fair value are incorporated by reference to Note 15 to the financial statements in our annual report on Form 10-K filed with the SEC on February 27, 2015.
- (2) In connection with Mr. Cassidy's retirement from service to the Company and resignation as the chairman and a member of the Board of Directors, in June 2014, the Board approved vesting for any remaining shares of restricted stock that had not previously vested.

As of December 31, 2014, our non-employee directors held no stock options, and the following aggregate number of shares of restricted stock:

<u>Name</u>	<u>Stock Awards (#)</u>
Mr. Shumate	16,038
Mr. Sullivan	16,038
Ms. Wentworth	5,390
Mr. Nielsen	16,038
Ms. Hathaway	16,038
Mr. Gamble	5,390
Mr. Ferdman	53,729

Corporate Governance Matters

We have adopted corporate governance guidelines and a code of business conduct and ethics that applies to all of our executive officers and employees, and each member of the Board of Directors. We anticipate that any waivers of our code of business conduct and ethics will be posted on our website. The following documents are available at our website at www.cyrusone.com in the "Corporate Governance" area of the "Company—Investor Relations" tab:

- Corporate Governance Guidelines;

- Code of Business Conduct and Ethics;
- Audit Committee Charter;
- Compensation Committee Charter; and
- Nominating and Corporate Governance Committee Charter.

Each committee reviews its written charter annually. Copies of the documents listed above are available in print to any stockholder who requests them. Requests should be sent to CyrusOne Inc., 1649 West Frankford Road, Carrollton, Texas 75007, Attention: Thomas W. Bosse, Corporate Secretary.

Communication with the Board of Directors, Independent Directors and the Audit Committee

Any party may contact the Board of Directors via mail at the address listed below.

Board of Directors
CyrusOne Inc.
1649 West Frankford Road
Carrollton, Texas 75007

Any party may contact the Board of Directors via e-mail at the address listed below.

boardofdirectors@cyrusone.com

The Audit Committee has adopted a process for anyone to send communications to the Audit Committee with concerns or complaints concerning our Company's regulatory compliance, accounting, audit or internal controls issues. Any party may contact the Audit Committee via mail at the address listed below:

Chair
Audit Committee
CyrusOne Inc.
1649 West Frankford Road
Carrollton, Texas 75007

Any party may contact the Audit Committee via e-mail at the address listed below:

auditcommittee@cyrusone.com

Alternatively, anyone may call our toll-free whistleblower hotline at 1-866-822-4720.

Relevant communications are distributed to the Board, or to any individual director or directors, as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board of Directors has requested that certain items unrelated to the duties and responsibilities of the Board should be excluded or redirected, as appropriate, such as: business solicitations or advertisements; junk mail and mass mailings; resumes and other forms of job inquiries; spam; and surveys.

In addition, material that is unduly hostile, threatening, potentially illegal or similarly unsuitable will be excluded; however, any communication that is excluded will be made available to any outside director upon request.

PROPOSAL 2: SAY-ON-PAY

To consider and vote upon, on an advisory basis, the compensation of the Company's named executive officers as disclosed in this proxy statement ("Say-on-Pay")

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") requires the Board of Directors to provide our stockholders with the opportunity to vote on a non-binding, advisory basis, on the compensation of our named executive officers as set forth in this proxy statement. This proposal is also referred to as the "Say-on-Pay" vote. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the principles, policies and practices described in this proxy statement.

Our executive compensation program rewards performance, supports our business strategies, discourages excessive risk-taking, makes us competitive with other competitive corporations and REITs for top talent, and aligns our executives' interests with the long-term interests of our stockholders. Our Compensation Discussion and Analysis and the related compensation tables, which begin on page 23 of this proxy statement, describe in detail the components of our executive compensation program and the process by which our Board of Directors makes executive compensation decisions. Highlights of our program include the following:

- Consistent with our pay-for-performance philosophy, at least 75% of the compensation for each of our named executive officers is tied to performance;
- Multiple performance metrics are utilized to discourage excessive risk-taking, by removing any incentive to focus on a single performance goal to the detriment of other performance goals, and by balancing long-term and short-term objectives;
- Substantial stock ownership requirements ensure that our senior executives maintain a significant stake in our long-term success;
- Equity plans prohibit re-pricing or back-dating of options;
- We do not guarantee annual bonuses;
- Clawback policies allow recovery of certain compensation payments and proceeds from executives in the event of a significant restatement of financial results;
- We do not grant time-based equity awards that vest solely on account of a change-in-control;
- We do not provide gross-ups to cover personal income taxes that pertain to executive or severance benefits; and
- We do not provide special executive retirement programs.

We design our compensation programs to motivate our executives to achieve our fundamental and overriding objective—to create value for our stockholders at leadership levels on a consistent basis.

This vote is non-binding; however, we highly value the opinions of our stockholders. Accordingly, the Board and the Compensation Committee will consider the outcome of this advisory vote in connection with future executive compensation decisions.

**The Board of Directors recommends a vote
FOR the approval on a non-binding, advisory basis, of the following Resolution:**

"RESOLVED, that the stockholders of CyrusOne Inc. approve, on an advisory basis, the compensation of CyrusOne Inc.'s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K of the rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, Summary Compensation Table and other related tables and disclosures."

PROPOSAL 3: SAY-ON-FREQUENCY

To consider and vote upon, on an advisory basis, whether the Say-on-Pay vote should occur every one, two or three years (“Say-on-Frequency”)

The Dodd-Frank Act also provides that stockholders must be given the opportunity, at least once every six years, to cast a non-binding, advisory vote on whether a Say-on-Pay vote on the compensation of our named executive officers should be held every one, two or three years.

After careful consideration of the various arguments supporting each frequency level, the Board of Directors believes that a vote of every “1 YEAR” on Say-on-Pay is the best choice for the Company and its stockholders at the present time. Our recommendation for a vote of every “1 YEAR” is indicative of the strong belief that we have in our executive compensation programs and their effectiveness.

Stockholders may cast a vote on the preferred frequency by selecting the option of one, two or three years (or abstain) when voting in response to the Say-on-Frequency proposal. This vote is non-binding, but the Compensation Committee and the Board of Directors fully intends to give meaningful and careful consideration to the vote results. In the event that no option receives a majority of the votes cast, we will consider the option that receives the most votes to be the option selected by stockholders.

The Board of Directors recommends a vote of “1 YEAR” for the frequency of the Company’s Say-On-Pay proposals.

PROPOSAL 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected the accounting firm of Deloitte & Touche LLP (“Deloitte”) to serve as the Company’s independent registered public accounting firm for the year ending December 31, 2015, and the Board of Directors is asking stockholders to ratify this appointment. Although current law, rules and regulations, as well as the Audit Committee Charter, require the Company’s independent registered public accounting firm to be engaged, retained and supervised by the Audit Committee, the Board of Directors considers the selection of the independent registered public accounting firm to be an important matter of stockholder concern and is submitting the appointment of Deloitte for ratification by stockholders as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee may reconsider whether or not to retain Deloitte in the future. Deloitte has served as the Company’s independent registered public accounting firm since August 2012 and is considered by our management and the Audit Committee to be well qualified.

Fee Disclosure

The following is a summary of the fees billed by Deloitte for professional services rendered for our Company for the years ended December 31, 2014 and December 31, 2013:

	Year Ended December 31, 2014	Year Ended December 31, 2013
Audit Fees	\$1,319,493	\$ 988,670
Audit Related Fees	224,356	78,458
Tax Fees	54,000	4,363
All Other Fees	—	—
Total	\$1,597,849	\$1,071,492

Audit Fees

“Audit Fees” consist of fees and related expenses billed for professional services rendered for the audit of the financial statements and services that are normally provided by Deloitte in connection with statutory and regulatory filings or engagements. For example, audit fees include fees for professional services rendered in connection with quarterly and annual reports, and the issuance of consents by Deloitte to be named in our registration statements and to the use of their audit report in the registration statements.

Audit-Related Fees

“Audit-Related Fees” consist of fees and related expenses for products and services other than services described under “Audit Fees” and “Tax Fees.” These services included, among others, due diligence related to completed and potential acquisitions, accounting consultations that were not required by statute or regulation and consultations concerning financial accounting and reporting.

Tax Fees

“Tax Fees” consist of fees and related expenses billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal and state tax compliance and tax planning and structuring.

Pre-Approval Policy

All audit, tax and other services provided to us were reviewed and pre-approved by the Audit Committee or a member of the Audit Committee designated by the full committee to pre-approve such services. Generally, the scope of the work to be performed by Deloitte, and the proposed fees associated with the work, are reviewed by management. The proposed work and associated fees are then presented to the Audit Committee for review, and if deemed appropriate, approval. The Audit Committee in its discretion meets with both Deloitte and with management together and, if needed, separately, prior to giving its approval. For approval of minor adjustments to the scope of work or fees, the Committee in its discretion may delegate approval to its chair. The Audit Committee or designated member concluded that the provision of such services by Deloitte was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

A representative of Deloitte will be present at the annual meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR the ratification of the appointment of the independent registered public accountants.

AUDIT COMMITTEE REPORT

The following is a report by the Audit Committee regarding the responsibilities and functions of the Audit Committee.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors, in accordance with the Audit Committee Charter. Management is responsible for the preparation of the Company's financial statements and the financial reporting process, including implementing and maintaining effective internal control over financial reporting and for the assessment of, and reporting on, the effectiveness of internal control over financial reporting. The Company's independent registered public accounting firm, Deloitte, is responsible for expressing an opinion on the conformity of the Company's audited financial statements and financial statement schedules with accounting principles generally accepted in the United States of America.

In fulfilling its oversight responsibilities, the Audit Committee reviewed with management and Deloitte the audited financial statements for the year ended December 31, 2014 contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and discussed with management the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also reviewed and discussed with management and Deloitte the disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Controls and Procedures" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

In addition, the Audit Committee received and discussed the written disclosures and the letter from Deloitte that are required by applicable requirements of the Public Company Accounting Oversight Board regarding the firm's communications with the Audit Committee concerning independence, discussed with Deloitte the firm's independence from management and the Audit Committee, and discussed with Deloitte the matters required to be discussed by the Statement on Auditing Standards No. 16, "Communications with Audit Committees".

In reliance on the reviews and discussions referred to above, prior to the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2014 with the SEC, the Audit Committee recommended to the Board of Directors (and the Board approved) that the audited financial statements be included in such Annual Report for filing with the SEC.

Submitted by the Audit Committee of the Board of Directors

John W. Gamble, Jr. (Chair)
Alex Shumate
William E. Sullivan

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

In the paragraphs that follow, we provide an overview and analysis of our compensation program and policies, the material compensation decisions the Compensation Committee has made under those programs and policies with respect to our named executive officers, and the material factors the Compensation Committee considered in making those decisions. Following this Compensation Discussion and Analysis, under the heading “Executive Compensation” you will find a series of tables and narrative disclosure containing specific data about the compensation earned in 2014 by the following individuals, to whom we refer as our named executive officers:

- Gary J. Wojtaszek, our President and Chief Executive Officer;
- Kimberly H. Sheehy, our Chief Financial Officer;
- Kevin L. Timmons, our Chief Technology Officer;
- Venkatesh Durvasula, our Chief Commercial Officer; and
- Thomas W. Bosse, our Vice President, General Counsel and Secretary.

Executive Summary

Our Business

We are an owner, operator and developer of enterprise-class, carrier-neutral, multi-tenant data center properties. Our enterprise-class, carrier-neutral, multi-tenant data centers are purpose-built facilities with redundant power, cooling and access to a range of telecommunications carriers. We provide mission-critical data center facilities that protect and ensure the continued operation of information technology (“IT”) infrastructure for approximately 670 customers in 25 data centers in 11 distinct markets (9 cities in the U.S., London and Singapore). We provide twenty-four-hours-a-day, seven-days-a-week security guard monitoring with customizable security features.

Fiscal 2014 Business Highlights

Following our initial public offering and strong growth in 2013, as more fully discussed in the “Management Discussion and Analysis” of our 2014 Annual Report on Form 10-K, we also demonstrated strong growth and financial performance in 2014, highlighted by the following:

- Total shareholder return (“TSR”) in 2014 of 27.7%;
- 2014 revenue of \$330.9 million, representing a 26% increase over 2013;
- 2014 Normalized Funds From Operations (“Normalized FFO”) of \$112.9 million, representing a 43% increase over 2013; and
- 2014 Adjusted EBITDA of \$169.3 million, representing a 22% increase over 2013.

In addition to the financial highlights above, we achieved a number of additional business objectives in 2014:

- Leased a record 236,000 Colocation Square Feet (“CSF”) during 2014, representing a 33% increase over our previous record in 2013;
- Added nearly 60 new customers, including 15 Fortune 1000 companies, increasing the total number of Fortune 1000 customers to 144;
- Developed 185,000 CSF in our key markets, including Houston, Dallas and Phoenix, resulting in a 16% increase in the size of our portfolio over 2013;

- Established an East Coast presence and enhanced the geographic diversity of our portfolio by expanding into Northern Virginia;
- Completed a successful equity offering in June 2014, which resulted in a reduction of the ownership position of our former parent CBI, and in a broader stockholder base and increase in the public float and liquidity of the Company's stock;
- Successfully and expediently completed additional Sarbanes-Oxley and financial compliance requirements resulting from June 2014 equity offering; and
- Continued our focus on operational excellence, security and compliance by receiving ISO 27001:2013 certification.

For definitions of these terms, and reconciliation of non-GAAP financial measures to GAAP financial measures, please see *Appendix A*.

Fiscal 2014 Performance and Compensation

The Company's executive compensation plan ties a significant portion of an executive's realized annual compensation to the Company's achievement of its financial goals. In 2014, this focus on performance resulted in annual bonus payments above target when performance goals were exceeded, and incentive vesting below target when performance goals were only partially met. The 2014 annual bonus was tied to the Company's achieving certain revenue, Adjusted EBITDA, and average lease rate goals. In 2014, the Company increased its revenue by 26% over 2013, or by \$15.7 million over the target for 2014. Similarly, Adjusted EBITDA increased by 22% over 2013 Adjusted EBITDA, or by \$3.8 million over the target for 2014, and average lease rates exceeded the target by over 17%. These successful annual results, together with achievement of individual performance goals, resulted in above-target annual bonus payments to each of our named executive officers, ranging from 127%–133.9% of target, depending on the different weightings given to each performance component by the Compensation Committee. For more information regarding the 2014 annual bonus, see the description below under the heading “—2014 Executive Compensation Components—Annual Bonus”.

For long-term incentives, as more fully described below, grants awarded in 2014 are tied 50% to cumulative Adjusted EBITDA goals over the 2014-2016 performance period, and 50% to TSR as of the end of the three-year period ending December 31, 2016. For the 50% tied to Adjusted EBITDA goals, while Adjusted EBITDA exceeded the cumulative target for 2014, per the terms of the grants, vesting for the first tranche was limited to 100% of target. No vesting occurred for the portion of the performance-based shares tied to the achievement of 3-year TSR as per the terms of those grants, vesting, if any, will not occur until February 2017.

For long-term incentive grants awarded in 2013, as more fully described below, vesting is tied 50% to the achievement of cumulative EBITDA goals over the 2013-2015 performance period, and 50% to TSR as of the end of the three-year period ending December 31, 2015. For the portion tied to cumulative EBITDA, cumulative EBITDA was 98.65% of the cumulative EBITDA target for the two-year period ending December 31, 2014, which after subtracting the shares and options that vested in 2013, resulted in a lower percentage vesting for the second tranche of the 2013-2015 award cycle. No vesting occurred for the portion of the performance-based shares tied to the achievement of 3-year TSR as per the terms of those grants, vesting, if any, will not occur until March 2016.

In light of the time-based restricted shares granted in connection with our initial public offering in 2013, which cliff-vest on January 24, 2016 (the “IPO Grants”), no time-based performance shares, or stock options, were granted in 2014 to any of our named executive officers. Beginning in 2015, the key financial measures used to assess short-term annual performance will include revenue and Normalized FFO, and for long-term performance, TSR and Return On Assets (“ROA”). For definitions of these

terms, and reconciliation of non-GAAP financial measures to GAAP financial measures, see *Appendix A*.

Compensation Governance Highlights

- | | |
|--|--|
| ✓ The Compensation Committee is composed solely of independent directors. | X We do not provide tax gross-ups, including for example, U.S. tax code Section 280G excise tax “gross ups”. |
| ✓ Over 75% of each senior executive’s compensation is performance-based, and thus “at-risk”. | X The change in control definition contained in the 2012 Long Term Incentive Plan is not a “liberal” definition that would be activated on mere stockholder approval of a transaction. |
| ✓ We have stock ownership guidelines for our executive officers, including the named executive officers, and our independent directors. | X The 2012 Long Term Incentive Plan prohibits the repricing of stock options without stockholder approval. |
| ✓ We have a compensation clawback policy that permits the Company to recoup executive compensation in the event of a material financial misstatement. | X We do not guarantee annual bonuses. |
| ✓ The exercise price of options granted under the 2012 Long Term Incentive Plan may not be less than the closing price of our common stock on the date of grant. | |
| ✓ Our named executive officers participate in the same welfare benefit programs at the same cost as other salaried employees. | |
| ✓ Our named executive officers’ employment agreements include double-trigger change-in-control severance benefits. | |
| ✓ We provide limited perquisites. | |
| ✓ Our insider trading policy prohibits any employee or director from engaging in hedging activities involving Company stock. | |
| ✓ The Board’s compensation consultant is independent and provides no other services to the Company. | |

Compensation Philosophy

Our fundamental objective is to create value for stockholders, on a consistent long-term basis. Our compensation philosophy is to support value creation for our stockholders by attracting and retaining talented executives with competitive pay packages, to align the compensation for our senior executives to sustainable, consistent, balanced growth and to achievement of specific short- and long-term goals set by the Compensation Committee. We use a combination of compensation programs to incent our senior executives to achieve growth and value creation over the short- and long-term:

- We use a short-term incentive plan to reward executives for achievement of annual business goals set by the Compensation Committee.

- We use a long-term incentive program to reward executives for achievement of three-year business goals set by the Compensation Committee.
- We have substantial stock ownership requirements for our senior executives to align their performance to stockholder objectives.

How We Make Compensation Decisions

Role of Compensation Consultant and Market Data

To assist in evaluating our compensation practices, in 2014, the Compensation Committee engaged an independent consultant, Christenson Advisors (“Christenson”), to provide a competitive analysis of compensation levels for our named executive officers. Specifically, our Compensation Committee worked with Christenson to establish our peer groups, and Christenson conducted a competitive market assessment of the compensation elements for each of our named executive officers, compared to our peer groups. In setting compensation levels for our named executive officers, our Compensation Committee uses peer groups to maintain an awareness of market data and pay practices, but considers various factors—each as discussed in greater detail below in this Compensation Discussion and Analysis—and does not target any element of compensation at a particular percentile or percentile range of the peer group data. Rather, our Compensation Committee uses this peer-group information as one input in its decision-making process.

In light of the Company’s unique operating business, which combines aspects of both a real estate/asset business and a technology/operating business, the Compensation Committee and Christenson identified twenty-nine peer companies, which are organized into three different peer groups—a direct competitor peer group, a size-based peer group and a cloud computing peer group. The Compensation Committee considers that using three separate peer groups better captures the full aspects of marketplace in which the Company competes for business and talent, which could be missed by the use of one peer group alone:

- The direct competitor peer group includes competitors against which the company competes for colocation customers;
- The size-based peer-group includes real estate investment trusts that are comparable in size and against which the Company’s financial performance is measured by the real-estate investors; and
- The cloud-based technology group includes companies that provide thought leadership on products which drive colocation decisions for companies such as ours.

The table below for the companies in each of these three peer groups:

	<i>Direct Competitor Peer Group</i>	
Digital Realty Trust	Dupont Fabros Technology	CoreSite
QTS Realty Trust	Equinix	
	<i>Size-Based Peer Group</i>	
Acadia Realty Trust	Associated Estates Realty Corp	Cedar Realty Trust
CoreSite	Cousins Properties	EDR Trust
First Potomac Realty Trust	Government Properties Income	Hersha Hospitality Trust
Inland Real Estate Corporation	Investors Real Estate Trust	Kite Realty Group Trust
LTC Properties	Medical Properties Trust	National Health Investors
Parkway Properties Trust	Potlatch Corporation	Ramco-Gershenson Properties
Saul Centers		
	<i>Cloud Computing Peer Group</i>	
VMware	Citrix Systems	Salesforce.com
CenturyLink/Savvis	Rackspace	Endurance International Group

Role of Executive Officers, the Compensation Committee and the full Board of Directors

The Compensation Committee determines measurements and targets for financial performance. Individual base salaries, annual incentive awards and long-term incentive grants are determined with regard to the external marketplace, and within a framework of the executive's position and responsibility, individual performance, and future potential. Each year, with respect to the named executive officers other than the Chief Executive Officer, the Chief Executive Officer provides the Compensation Committee with his assessment of each other executive officer's individual performance, and recommendations to the Compensation Committee for base salary, annual incentive awards and long-term incentive grants. Such assessment includes the performance of the executive's respective department, contributions to the Company, the quality of the executive's advice on matters within the competence of the executive, and other matters deemed relevant by the Chief Executive Officer. All compensation for the named executive officers (other than the Chief Executive Officer) is set by the Compensation Committee.

The Chief Financial Officer presents the results of the Company's financial performance based on the Company's financial statements, which are reviewed by the Audit Committee.

With respect to compensation for the Chief Executive Officer, the Compensation Committee meets in executive session to consider the Chief Executive Officer's individual performance, and approval of salary, annual bonus and incentive awards. All Board members are invited to provide their perspectives on the Chief Executive Officer's individual performance, including but not limited to matters pertaining to operational and financial performance, training and development of the leadership team, succession planning, and community involvement. The Compensation Committee has discretion in evaluating the Chief Executive Officer's individual performance, and may recommend to the full Board a discretionary increase or decrease. The Compensation Committee reviews and makes recommendations to the full Board on the Chief Executive Officer's annual base salary, annual incentive award, and long-term incentives. All compensation for the Chief Executive Officer is approved by the full Board in executive session.

2014 Executive Compensation Components

The primary components of compensation for the named executive officers in 2014 were base salary, short-term incentives in the form of annual bonus, and long-term equity incentives in the form of performance-based restricted stock, each as described further below. In 2014, the Committee did not grant any awards of time-based restricted stock, or stock options.

Base Salary

Base salaries represent the only fixed portion of our named executive officers' annual compensation, and are intended to compensate the executive for the day-to-day work performed for the Company. Base salaries are established at levels intended to recognize fundamental market value for the skills and experience of the individual relative to the responsibilities of his or her position. During 2014, each of our named executive officers was employed pursuant to a written employment agreement. The respective employment agreements provide for minimum annual base salaries of \$576,000 for Mr. Wojtaszek, \$330,000 for Ms. Sheehy, and \$300,000 for each of Messrs. Timmons, Durvasula and Bosse. In 2014, the Compensation Committee (and the Board of Directors with respect to the Chief Executive Officer) reviewed the base salaries for the named executive officers, and based on a number of factors, including the input from the Chief Executive Officer for the other named executive officers, determined that a minimal cost-of-living increase, which it determined to be three percent, was appropriate for Mr. Wojtaszek, Ms. Sheehy and Mr. Bosse. The Compensation Committee adjusted the salaries of Messrs. Timmons and Durvasula to align them with market values for the skills of the respective positions, as well as to incent a teamwork approach to the fulfillment of their respective

positions. The table below summarizes the base salaries established for each of our named executive officers in 2013 and 2014:

	<u>2013 Base Salary (\$)</u>	<u>2014 Base Salary (\$)⁽²⁾</u>	<u>% Change</u>
Mr. Wojtaszek	600,000 ⁽¹⁾	618,000	3%
Ms. Sheehy	350,000 ⁽¹⁾	360,500	3%
Mr. Timmons	325,000 ⁽¹⁾	360,500	11%
Mr. Durvasula	300,000 ⁽¹⁾	360,500	20%
Mr. Bosse	300,000 ⁽³⁾	309,000	3%

(1) Effective July 2013.

(2) Effective February 2014.

(3) Effective March 2013.

Annual Bonus

Each of our named executive officers participates in the CyrusOne 2013 Short Term Incentive Plan, pursuant to which each executive has an opportunity to earn additional cash compensation based on achievement of pre-established financial goals (weighted 80%) and individual performance goals (weighted 20%) that support our annual business objectives.

Pursuant to their employment agreements, each of Messrs. Wojtaszek and Timmons has a minimum bonus target of not less than 100% of his then-current base salary, Mr. Durvasula has a bonus target of not less than 75% of his then-current salary, and each of Ms. Sheehy and Mr. Bosse has a bonus target of not less than 50% of his or her then-current base salary. In 2014, the Compensation Committee (and in the case of the Chief Executive Officer, the full Board of Directors together with the Compensation Committee) reviewed the target percentages of each of the named executive officers, and determined to leave the percentage for Messrs. Wojtaszek and Timmons unchanged. With respect to Mr. Durvasula and Ms. Sheehy, the Compensation Committee increased the bonus-target percentage to 100% to align them with market values for the skills of the respective positions, as well as to incentivize a teamwork approach to the fulfillment of their respective positions. With respect to Mr. Bosse, the Compensation Committee took into account a number of factors, including market values and input from the Chief Executive Officer, and increased the bonus-target percentage to 65% to align it with market values for the skills and responsibilities of the position. The following table sets forth the 2014 base salary and annual target bonus opportunity for each of our named executive officers.

	<u>Annual Base Salary⁽¹⁾</u>	<u>Annual Target Bonus (\$)⁽²⁾</u>	<u>% of Base Salary</u>
Mr. Wojtaszek	615,577	769,471	125%
Ms. Sheehy	359,086	359,086	100%
Mr. Timmons	355,721	355,721	100%
Mr. Durvasula	352,356	352,356	100%
Mr. Bosse	307,789	200,063	65%

(1) Reflects actual base salary paid in 2014.

(2) Effective February 2014.

The financial performance component of the 2014 bonus opportunities for the named executive officers was based on achieving certain minimum revenue, Adjusted EBITDA, and average leasing rate goals. The Compensation Committee selected each of these performance metrics because each is a key

indicator of the Company's financial performance. Specifically, revenue and Adjusted EBITDA are well understood and accepted by the investing public as measures of financial performance. The average lease rate is an important component of return on capital, operating margin, and other useful performance metrics, and is intended to focus our executives on profitable revenue growth. The following table shows the threshold, target, maximum and actual performance levels for each financial component of the 2014 bonus opportunities for our named executive officers, in millions (other than average lease rate per kilowatt):

	<u>Threshold (\$)</u>	<u>Target (\$)</u>	<u>Maximum (\$)</u>	<u>2014 Actual (\$)</u>
Revenue	283.7	315.2	362.5	330.9
Adjusted EBITDA ⁽¹⁾	149.0	165.5	190.3	169.3
Average Lease Rate ⁽²⁾	135/kw	150/kw	172.5/kw	176/kw

(1) See *Appendix A* for definition and reconciliation to GAAP measures.

(2) See *Appendix A* for definition.

The following sliding scale applied to the financial performance targets, with data between points interpolated on a straight-line basis:

<u>Performance Percentage of Target</u>	<u>Payout Percentage</u>
<90%	0%
90%	50%
100%	100%
115%	200%

The Compensation Committee determined the minimum thresholds and additional payments for performance, in order to motivate the executives and align their bonuses to Company performance, and set the maximum payouts in order to discourage excessive risk-taking. As shown in the table below, the Compensation Committee also weighted each of the financial performance measures differently for the individual named executive officers to better incent the respective individuals to achieve those particular performance measures.

The individual performance component of the 2014 bonus opportunities for the named executive officers is largely subjective and relates to each executive's goals and objectives for the year, including, but not limited to, the following:

- Mr. Wojtaszek—ensure successful monetization of CBI equity stake, and oversee operational initiatives.
- Mr. Timmons—develop self-service customer portal, automate reporting tools, and implement operational improvements.
- Ms. Sheehy—implement new software platforms for accounting, equity and expense tracking, and establish employee stock purchase plan.
- Mr. Durvasula—redesign company website, create and implement additional customer engagement tools, including advisory council, surveys and account management.
- Mr. Bosse—support company initiatives on compliance and risk management, streamline management of legal vendors.

The following table shows the percentage weighting established by the Compensation Committee for 2014 for each of the components of the short-term performance goals (and in the case of the Chief Executive Officer, by the Compensation Committee and full Board of Directors):

	<u>Revenue</u>	<u>Adjusted EBITDA</u>	<u>Lease Rates</u>	<u>Individual</u>	<u>Total</u>
Mr. Wojtaszek	30.0	40.0	10.0	20.0	100.0
Ms. Sheehy	30.0	40.0	10.0	20.0	100.0
Mr. Timmons	25.0	50.0	5.0	20.0	100.0
Mr. Durvasula	40.0	30.0	10.0	20.0	100.0
Mr. Bosse	30.0	40.0	10.0	20.0	100.0

In 2014, actual results for each of the financial performance goals exceeded the target amounts, resulting in an above-target payment to each executive. In addition, in recognition of their achievement of their individual objectives, and other important Company objectives, including the successful implementation of Sarbanes-Oxley and internal control programs, the Compensation Committee approved an incentive attributable to individual performance at an amount equal to 26% of the bonus target for each named executive. The following table shows the percentage relative to the target bonus, and actual percentages paid to each executive for the respective performance goals:

	<u>Target Bonus (\$)</u>	<u>Revenue (%)</u>		<u>Adjusted EBITDA (%)</u>		<u>Lease Rates (%)</u>		<u>Individual (%)</u>		<u>Bonus Target (%)</u>		<u>Actual Bonus (\$)</u>
		<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>	
Mr. Wojtaszek	769,471	30.0	40.0	40.0	46.1	10.0	20.0	20.0	26.0	100.0	132.1	1,016,548
Ms. Sheehy	359,086	30.0	40.0	40.0	46.1	10.0	20.0	20.0	26.0	100.0	132.1	474,389
Mr. Timmons	355,721	25.0	33.3	50.0	57.7	5.0	10.0	20.0	26.0	100.0	127.0	451,677
Mr. Durvasula	352,356	40.0	53.3	30.0	34.6	10.0	20.0	20.0	26.0	100.0	133.9	471,839
Mr. Bosse	200,063	30.0	40.0	40.0	46.1	10.0	20.0	20.0	26.0	100.0	132.1	264,303

Long-Term Incentives

Each of the named executive officers received grants of performance-based restricted stock during 2014 under the 2012 CyrusOne Long-Term Incentive Plan (“2012 Plan”). In determining the number and form of awards, the Compensation Committee considered a number of factors, including the fact that the 2013 IPO Grants were time-based restricted stock awards. The Compensation Committee therefore determined that all awards granted in 2014 would be performance-based only. The Compensation Committee likewise determined that no options would be granted. In determining the appropriate target components, the Committee determined that 50% of the performance-based restricted stock would be subject to achievement of cumulative Adjusted EBITDA goals during the period beginning January 1, 2014 and ending December 31, 2016, and 50% of the performance-based restricted stock would be subject to the achievement of TSR goals as of the end of the three-year period ending December 31, 2016. In 2013, grants made to executives under the 2012 Plan were tied 50% to the achievement of cumulative EBITDA goals during the period beginning January 1, 2013 and ending December 31, 2015, and 50% to TSR goals as of the end of the three-year period ending December 31, 2015. EBITDA was used in 2013 as it was the metric historically used by our former parent CBI to measure performance of its data center business. In 2014, the Committee determined to substitute Adjusted EBITDA for EBITDA as one component, since it is widely accepted by investors, and is used as a financial performance metric in the Company’s public reporting and in its debt covenants. While Adjusted EBITDA is also a measurement used to assess short-term annual performance, the Compensation Committee determined it is also a useful measure to assess long-term performance. When used to measure long-term performance, the targets were set on a cumulative basis, such that awards vest based not on annual Adjusted EBITDA, but on cumulative Adjusted EBITDA over the longer-term measurement period. For the remaining portion of the long-term incentive goals, the Compensation Committee determined that TSR continued to be a useful financial

measure for long-term performance, since it is widely accepted by investors as well as tracking the historical financial information presented in previous years. Similar to the long-term incentive grants made in 2013, in determining the number of awards to be granted, the Compensation Committee granted each named executive officer other than the Chief Executive Officer an award equal in amount, in order to perpetuate the teamwork ethic necessary for the growth of the Company in its first years following the successful initial public offering in 2013. After considering various factors including market data, and the leadership requirements of the position, the Compensation Committee set the grants for the Chief Executive Officer at twice the number awarded to each of the other named executive officers.

For the portion of performance-based awards granted in 2014 that are subject to predetermined Adjusted EBITDA goals, up to one-third will vest on each February 7 of the year following the applicable year of the performance period, with the percentage that may vest ranging from 0% for achievement below 90% of the Adjusted EBITDA target, 50% for achievement at 90% of the Adjusted EBITDA target and 100% for achievement at 100% of the Adjusted EBITDA target. Vesting for achievement of performance goals that falls between each level will be determined based on linear interpolation. For each of fiscal year 2014 and 2015, if cumulative Adjusted EBITDA exceeds the target, the maximum number of shares that may vest will be limited to one-third of the award that is subject to Adjusted EBITDA performance. If at the end of the third year total cumulative Adjusted EBITDA over the 2014-2016 performance period exceeds the Adjusted EBITDA target by 115% or more, up to 200% of the target number of performance-based awards subject to Adjusted EBITDA performance may vest.

The portion of the performance-based awards subject to TSR goals will cliff-vest on February 7, 2017 if the return on the Company's stock for the three-year period ending December 31, 2016 meets or exceeds the return for the MSCI-US REIT Index. If our TSR exceeds the return of such index by 2% or more, up to a maximum of 200% of the target number of performance-based awards subject to shareholder return goals may vest. Vesting for achievement of performance goals that falls between each level will be determined based on linear interpolation. Notwithstanding the foregoing, if despite meeting or exceeding the index return, the Company's TSR is negative, the number of shares or options that would have otherwise vested will be reduced by 50%.

For long-term incentive grants made in 2014, the Company's cumulative Adjusted EBITDA exceeded the target cumulative Adjusted EBITDA for 2014 by more than 2%. Per the terms of the award, even though performance exceeded the target, vesting on February 7, 2015 was limited to 100% of the target number of performance-based awards tied to cumulative Adjusted EBITDA for 2014. No vesting occurred for the portion of the performance-based awards granted in 2014 that are subject to TSR, since by design those are not intended to vest until measurement of 3-year TSR in 2017.

For long-term performance-based grants made in 2013, the cumulative EBITDA for the two-year period ending December 31, 2014 was \$291.6 million, or 98.65% of the target for such period set by the Compensation Committee. This resulted in vesting below target for the tranche of the awards set to vest in 2014. After subtracting the long-term performance based shares which vested in 2013, this resulted in vesting of only 87% of the target number of shares for 2014. No vesting occurred for the portion of the performance-based awards granted in 2013 that are subject to TSR, since by design those are not intended to vest until measurement of 3-year TSR in 2016.

More information regarding the long-term incentives granted to our named executive officers during 2014 can be found in the Grants of Plan-Based Award table and, during 2013 and 2014, in the Outstanding Equity Awards at 2014 Fiscal-Year End table.

Changes to 2015 Short-Term and Long-Term Incentive Programs and Beyond

During 2015, the Compensation Committee has begun to undertake a more comprehensive review of our executive compensation program so that we continue to create value for stockholders on a

consistent, long-term basis. As we enter our third year as a public company, we are committed to continuous review of our executive compensation program to ensure it aligns with our performance and the best interests of the Company and our stockholders. In 2015, in order to refine the executive compensation to align with performance metrics commonly used in both the real estate investment and technology communities, for the annual incentive the Compensation Committee has replaced the Adjusted EBITDA financial performance metric in favor of Normalized FFO, such that each of the named executive officer's annual bonus will be dependent on achieving revenue, Normalized FFO, and individual performance targets. For long-term incentive grants in 2015 for the 2015-2017 cycle, Adjusted EBITDA has been replaced with two metrics, namely TSR and ROA. For each of the named executive officers, consistent with practices in the technology communities, 25% of the awards granted are in the form of options and 75% are in the form of restricted stock. Of the restricted stock, in order to provide an appropriate retention incentive, 25% granted are in the form of time-based restricted stock, and the remainder split equally between restricted stock-grants tied to TSR, and restricted stock grants tied to ROA. The option and time-based restricted stock grants vest in three installments pro-rata on February 10 of each of 2016, 2017 and 2018, subject generally to continued employment through the applicable vesting date. The options have a ten-year term.

In addition, the Compensation Committee has determined to refrain from any use of pure "single-trigger" vesting of performance-based grants upon a change in control of the Company. Instead, future performance-based awards will include additional mechanisms to protect shareholder value and dis-incentivize risky behavior by executives in change in control situations, for example by the use of double-trigger vesting provisions or other criteria designed to tie vesting to measurable performance rather than solely to a change in control. The Compensation Committee will also continue to analyze other features of our long-term incentives, as well as other components of executive compensation, in order to attract and motivate talented executives, while discouraging behaviour that is not in the best interests of stockholders.

Employment Agreements

The Company has entered into written employment agreements with each of the executive officers. Employment agreements allow the Company the flexibility to make changes in key positions with or without cause, and minimize the potential for disagreements or litigation, by establishing separation terms in advance, including arbitration provisions and the execution of appropriate releases, and perpetuation of important confidentiality and non-competition restrictions. The benefits specified in the employment agreements, including the severance and change in control payments, are important provisions designed to ensure the recruitment and retention of quality executive talent.

Pursuant to their respective employment agreements, each of our named executive officers is generally entitled to severance payments in the event his or her employment is terminated (a) other than for cause, (b) as a result of a constructive termination or (c) due to the executive's death or disability or (d) under certain circumstances within one year following a change in control (as defined in the 2012 Plan).

The named executive officers are not entitled to any change in control benefits absent their termination of employment (discussed above), with the exception of accelerated vesting of their equity awards granted under the 2012 Plan. Upon the occurrence of a change in control and in the event the outstanding equity awards held by the executive are not assumed or substituted in connection with such change in control, (i) the executive's time-based restricted stock awards will become fully vested and (ii) the executive's performance-based awards will vest at the maximum level. In the event the outstanding equity awards are assumed or substituted in connection with such change in control, (i) the executive's time-based restricted stock awards will remain outstanding and subject to continued vesting in accordance with their terms and (ii) the executive's performance-based awards will vest at the target level, subject to continued vesting between the target and maximum levels if the executive's

employment is terminated without cause or he or she experiences a constructive termination within 12 months following the change in control. “Double-trigger” provisions were chosen as appropriate for severance benefits pursuant to the employment agreements, to minimize incentives to engage in a transaction that would potentially benefit the executives at the expense of the shareholders.

More information regarding the severance payable to our named executive officers pursuant to their employment agreements and treatment of outstanding equity awards under the 2012 Plan can be found at “Executive Compensation Tables—Potential Payments Upon Termination of Employment or Change in Control”.

Other Compensation-Related Policies

In further support of its pay-for performance policy, and to discourage inappropriate behaviors and excessive risk taking, the Company has adopted additional compensation-related policies, including:

- Stock Ownership Guidelines—The Company’s written guidelines specify that the Chief Executive Officer is expected to hold shares worth at least three times his annual base pay, and each other named executive officer is expected to hold at least one and a half times his or her annual base pay. As of December 31, 2014, each named executive officer has met the minimum requirements for stock ownership.
- Anti-hedging—The Company has a written policy prohibiting senior executives from owning or trading in derivative financial instruments, short-selling, or participating in investment strategies that hedge the economic risk of owning the Company’s securities.
- Clawback—The Company has a written clawback policy allowing it to recover incentive payments realized by executive officers in the preceding three years in the event of a material restatement of the Company’s financial statements, if the incentive payments would have been lower if calculated based on the restated financials, and the executive engaged in actual fraud or willful unlawful misconduct that materially contributed to the need for the restatement.
- Repricing Prohibition—The Company maintains prohibitions on the re-pricing of underwater stock options, and cash buyouts of underwater stock options.
- Double-trigger change-in-control severance benefits—In the event of a change in control, an executive must be terminated without cause or resign for a good reason within 12 months following the change in control in order to obtain the severance benefits under his or her employment agreement.

Compensation Committee Analysis of Risk

In setting performance goals and incentive levels, the Compensation Committee seeks to achieve the proper balance between motivating the Company’s executives to achieve strong performance, while discouraging inappropriately risky behavior that would reward an executive at the expense of the Company or its shareholders. For short term annual goals, top-line revenue growth must be balanced with attaining minimum average lease rates, and the respective performance goals are considered and weighted separately for each individual named executive officer to best align responsibility for a particular performance measurement against the executive’s ability to effect the circumstances necessary to achieve that performance goal. Short-term performance goals are balanced with the long-term goals so that management is not focused on one to the detriment of the other. While historically EBITDA or Adjusted EBITDA has been used as a key metric for both short-term and long-term performance, the Compensation Committee applies the measurement differently, such that for purposes of the long-term incentives, achievement of the performance target is measured on a cumulative basis rather than an annual basis, and payment of the long-term portion is capped on an annual basis until long-term cumulative performance goals have been reached. Similarly, TSR performance helps focus the Company on long-term results rather than solely on short-term performance. The Compensation

Committee also reviews other compensation components and policies, and has implemented a number of important compensation policies that discourage risky behavior, such as a clawback policy, share ownership requirements, and double trigger severance provisions, which further align the interests of the executives to the long-term interests of the shareholders.

Compensation Committee Report

The Compensation Committee has the overall responsibility of evaluating the performance and determining the compensation of the Chief Executive Officer and approving the compensation structure for the Company's other executive officers. In fulfilling its responsibilities, the Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on such review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement for the 2015 Annual Meeting of Stockholders for filing with the SEC.

Compensation Committee:

T. Tod Nielsen (Chair)

Alex Shumate

John W. Gamble, Jr.

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The following table sets forth information concerning compensation paid to or earned by the Company's named executive officers for the years ended December 31, 2014, December 31, 2013 and December 31, 2012.

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Gary J. Wojtaszek <i>President and Chief Executive Officer</i>	2014	615,577	1,500,000 ⁽¹⁾	—	1,016,548 ⁽²⁾	15,224 ⁽³⁾	3,147,349
	2013	598,616	4,631,656 ⁽¹⁾	155,892 ⁽⁴⁾	4,473,866 ⁽⁵⁾	755,330	10,615,360
	2012 ⁽⁶⁾	576,000	250,000	250,000	649,094	6,366	1,731,460
Kimberly H. Sheehy ⁽⁷⁾ <i>Chief Financial Officer</i>	2014	359,086	750,000 ⁽¹⁾	—	474,389 ⁽²⁾	14,593 ⁽³⁾	1,598,068
	2013	345,961	2,192,765 ⁽¹⁾	77,945 ⁽⁴⁾	1,978,137 ⁽⁵⁾	169,289	4,764,096
Kevin L. Timmons <i>Chief Technology Officer</i>	2014	355,721	750,000 ⁽¹⁾	—	451,677 ⁽²⁾	14,297 ⁽³⁾	1,571,695
	2013	312,019	2,156,684 ⁽¹⁾	77,945 ⁽⁴⁾	4,221,730 ⁽⁵⁾	80,134	6,848,512
	2012 ⁽⁶⁾	281,731	—	—	412,981	10,000	704,712
Venkatesh Durvasula ⁽⁷⁾ <i>Chief Commercial Officer</i>	2014	352,356	750,000 ⁽¹⁾	—	471,839 ⁽²⁾	13,897 ⁽³⁾	1,588,092
Thomas W. Bosse ⁽⁷⁾ <i>Vice President, General Counsel and Secretary</i>	2014	307,789	750,000 ⁽¹⁾	—	264,303 ⁽²⁾	3,639 ⁽³⁾	1,325,731

- (1) Reflects the aggregate grant date fair value of performance-based restricted stock awards granted to the named executive officers in 2013 and 2014, and the time-based IPO Grants made in connection with the Company's initial public offering in January 2013, each determined in accordance with FASB ASC 718. The assumptions used in the calculation of the grant date fair values of the stock awards are incorporated by reference to Note 15 to the financial statements in our annual report on Form 10-K filed with the SEC on February 27, 2015. The grant date fair values of the time-based and performance-based restricted stock awards are reflected in the table below.

	Grant Date Fair Value— Performance-Based Restricted Stock (\$)		Grant Date Value— Time-Based Restricted Stock (\$)	
	Fiscal 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013
Mr. Wojtaszek	1,500,000	680,834	—	3,950,822
Ms. Sheehy	750,000	340,417	—	1,852,348
Mr. Timmons	750,000	340,417	—	1,816,267
Mr. Durvasula	750,000	—	—	—
Mr. Bosse	750,000	—	—	—

For the time-based IPO Grants made in connection with the Company's initial public offering in 2013, the grant date fair value was determined by reference to the closing price of the shares on the grant date and excludes the impact of estimated forfeitures. For the performance-based restricted stock awards, the grant date fair value was based on performance at target levels and the probable outcome as of the date of grant, and excludes the impact of estimated forfeitures. Assuming,

instead, that the highest level of performance conditions would be achieved, the maximum values of these performance-based restricted stock awards would be as follows:

	Value of Performance-Based Restricted Stock Assuming Maximum Performance (\$)	
	Fiscal 2014	Fiscal 2013
Mr. Wojtaszek	3,000,000	1,361,668
Ms. Sheehy	1,500,000	680,834
Mr. Timmons	1,500,000	680,834
Mr. Durvasula	1,500,000	—
Mr. Bosse	1,500,000	—

(2) Reflects: annual bonuses earned during 2014 pursuant to the CyrusOne 2013 Short Term Incentive Plan, payments of which were made in February 2015. For a detailed discussion regarding our annual bonuses, see “Compensation Discussion and Analysis—2014 Executive Compensation Components, Annual Bonus”, above.

(3) The components of the “All Other Compensation” column for 2014 include the following:

	401(k) Match (\$)	Insurance (\$)(a)	Perquisites (\$)(b)	Total
Mr. Wojtaszek	10,400	3,024	1,800	15,224
Ms. Sheehy	10,400	2,393	1,800	14,593
Mr. Timmons	10,400	2,097	1,800	14,297
Mr. Durvasula	—	2,097	11,800	13,897
Mr. Bosse	—	1,839	1,800	3,639

(a) Reflects employer-paid life, long-term disability, short-term disability, and accidental death and dismemberment insurance.

(b) Comprises a cell phone allowance in the amount of \$1,800 for each named executive officer, and for Mr. Durvasula, a car-allowance of \$10,000.

(4) Reflects the aggregate grant date fair value of performance-based option awards granted to the named executive officers in 2013, computed in accordance with FASB ASC 718. No option awards were granted in 2014. The assumptions used in the calculation of the grant date fair values of the option awards are incorporated by reference to Note 15 to the financial statements in our annual report on Form 10-K filed with the SEC on February 27, 2015. The grant date fair value of the performance-based stock options was based on performance at target levels, the probable outcome as of the grant date, and excludes the impact of estimated forfeitures. Assuming, instead, that the highest level of performance conditions would be achieved, the maximum values of these performance-based stock option awards would be as follows:

	Value of Performance-Based Stock Options Assuming Maximum Performance (\$)
	Fiscal 2013
Mr. Wojtaszek	311,784
Ms. Sheehy	155,890
Mr. Timmons	155,890
Mr. Durvasula	—
Mr. Bosse	—

(5) Reflects: (i) annual bonuses earned during 2013 pursuant to the CyrusOne 2013 Short Term Incentive Plan, payments of which were made in February 2014, equal to \$902,922 for Mr. Wojtaszek, \$314,103 for Mr. Timmons, and \$261,204 for Ms. Sheehy; and (ii) a one-time performance bonus paid by CBI under the CBI Technology Data Center Program or the Cyrus Performance Plan pursuant to which certain executives of CBI and the Company were entitled to share in a portion of the equity value created at the time of the Company’s IPO, equal to \$3,570,944 for Mr. Wojtaszek, \$3,907,627 for

Mr. Timmons, and \$1,716,933 for Ms. Sheehy. See “CBI IPO Bonuses” on page 38 below for a description of the CBI Technology Data Center Program and the Cyrus Performance Plan.

- (6) Reflects compensation for the executive’s service to CBI for the fiscal year ended December 31, 2012.
- (7) Ms. Sheehy was not a named executive officer in 2012. Messrs. Durvasula and Bosse were not named executive officers in 2012 or 2013.

Grants of Plan-Based Awards

The following table presents information concerning plan-based awards granted to each of the named executive officers during 2014.

2014 Grants of Plan-Based Awards Table

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards ⁽³⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Mr. Wojtaszek . . .	02/07/14	386,250	772,500	1,545,000	36,320	72,639	145,278				1,500,000
Ms. Sheehy	02/07/14	180,250	360,500	721,000	18,160	36,320	72,640				750,000
Mr. Timmons	02/07/14	180,250	360,500	721,000	18,160	36,320	72,640				750,000
Mr. Durvasula . . .	02/07/14	180,250	360,500	721,000	18,160	36,320	72,640				750,000
Mr. Bosse	02/07/14	100,425	200,850	401,700	18,160	36,320	72,640				750,000

- (1) Reflects each named executive officer’s 2014 annual threshold, target and maximum incentive opportunity under the CyrusOne 2013 Short Term Incentive Plan. For a detailed discussion regarding our annual bonuses, see “Compensation Discussion and Analysis—2014 Executive Compensation Components, Annual Bonus”, above.
- (2) Reflects performance-based restricted stock granted under the 2012 Plan. For a detailed discussion regarding our long-term incentive grants, see “Compensation Discussion and Analysis—2014 Executive Compensation Components, Long-Term Incentives”, above.
- (3) Reflects the grant date fair value of the target award (the most probable outcome as of the grant date), computed in accordance with FASB ASC 718 without regard to estimated forfeitures. The maximum payout assuming the highest level of performance would be 200% of the grant date fair value for the target shares (\$3,000,000 for Mr. Wojtaszek and \$1,500,000 for each of our other named executive officers). The assumptions used in the calculation of the grant date fair values of the stock awards are incorporated by reference to Note 15 to the financial statements in our annual report on Form 10-K filed with the SEC on February 27, 2015.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

The following describes material features of the compensation disclosed in the Summary Compensation Table and Grants of Plan-Based Awards Table.

2014 Long-Term Incentive Awards. In 2014, each named executive officer received long-term incentive awards under the 2012 Plan. All awards were in the form of performance-based restricted stock tied to performance over the period beginning January 1, 2014 and ending December 31, 2016. No time-based restricted shares or stock options were granted in 2014. For the portion of performance-based awards subject to predetermined Adjusted EBITDA goals, up to one-third will vest on each February 7 of the year following the applicable year of the performance period, with the percentage that may vest ranging from 0% for achievement below 90% of the Adjusted EBITDA target, 50% for achievement at 90% of the Adjusted EBITDA target and 100% for achievement at 100% of the Adjusted EBITDA target. Vesting for achievement of performance goals that falls between each level will be determined based on linear interpolation. For each of fiscal year 2014 and 2015, if cumulative Adjusted EBITDA exceeds the target, the maximum number of shares that may vest will be limited to one-third of the award that is subject to Adjusted EBITDA performance. If at the end of the third year total cumulative Adjusted EBITDA over the 2014-2016 performance period exceeds the Adjusted EBITDA target by 115% or more, up to 200% of the target number of performance-based awards subject to Adjusted EBITDA performance may vest.

The portion of the performance-based awards subject to TSR goals will cliff-vest on February 7, 2017 if the return on the Company's stock for the three-year period ending December 31, 2016 meets or exceeds the return for the MSCI-US REIT Index. If our TSR exceeds the return of such index by 2% or more, up to a maximum of 200% of the target number of performance-based awards subject to TSR goals may vest. Vesting for achievement of performance goals that falls between each level will be determined based on linear interpolation. Notwithstanding the foregoing, if despite meeting or exceeding the index return, the Company's TSR is negative, the number of shares or options that would have otherwise vested will be reduced by 50%.

For long-term incentive grants made in 2014, the Company's cumulative Adjusted EBITDA for the one-year period ending December 31, 2014 exceeded the target cumulative Adjusted EBITDA for such period by more than 2%, resulting in vesting on February 7, 2015 of 100% of the target number of performance-based awards tied to cumulative EBITDA for that year.

Employment Agreements. The Company, through CyrusOne LLC, a Delaware limited liability company and a wholly-owned subsidiary of our Operating Partnership ("CyrusOne LLC") entered into employment agreements with each of Messrs. Wojtaszek, Timmons and Durvasula, and Ms. Sheehy on January 24, 2013, and with Mr. Bosse on March 17, 2013. The employment agreements with our named executive officers had an initial term of one year, ending on January 24, 2014 and ending on March 17, 2014 for Mr. Bosse. The terms of these agreements automatically extend for additional one-year periods unless either party gives prior notice of non-renewal. Each of the employment agreements was renewed in 2014. The agreements provide for annual base salaries and target bonus opportunities discussed in the "Compensation Discussion and Analysis—2014 Executive Compensation Components, Employment Agreements", above. The employment agreements also specify the payments and benefits to which such executives are entitled upon a termination of employment for specified reasons. For information on the severance benefits provided in the employment agreements, see "Potential Payments Upon Termination of Employment or Change in Control".

CBI IPO Bonuses. Pursuant to a special long-term incentive program under the CBI 2007 Long Term Incentive Plan (the "Technology Data Center Program") and/or the CBI 2010 Cyrus Performance Plan (the "Cyrus Performance Plan"), each of which was established by the CBI compensation committee in 2010, Messrs. Wojtaszek and Timmons and Ms. Sheehy received a performance-based cash bonus based, in part, on the equity value created at the time of the Company's initial public offering (collectively, the "CBI IPO bonus"). CBI paid the CBI IPO bonuses in March 2013 as follows: \$3,570,944 to Mr. Wojtaszek; \$3,907,627 to Mr. Timmons; and \$1,716,933 to Ms. Sheehy.

The Technology Data Center Program was implemented through the grant of cash-settled performance unit awards by the CBI compensation committee, which provided for a specified cash payment to the participating executive in the event that (i) the executive was continuously employed for a three-year period after the date of grant, (ii) specified EBITDA targets were met over such three-year period, (iii) a "qualifying transaction" was consummated within ten years of the date of grant and (iv) at least \$1 billion of equity value was created in CBI's Technology Solutions/Data Center segment in connection with the qualifying transaction. The Company's IPO constituted a "qualifying transaction" for purposes of the program, which resulted in full vesting of awards to participants who were continuously employed through the date of the IPO, regardless of the achievement of performance measures.

The actual payout was determined based on the percentage of the equity growth in relation to the target equity value of \$1 billion. CBI engaged a third-party valuation firm to assist in determining the equity value created by the IPO, which was determined by CBI to be \$450 million.

The CBI compensation committee approved grants of units under the Technology Data Center Program as follows: (a) to Mr. Wojtaszek, for each of the 2011-2013 and 2012-2014 performance periods, units with a maximum value of \$4,000,000 per grant and (b) to Ms. Sheehy, for the 2012-2014

performance period, units with a maximum value of \$870,000. Based on the equity value created by the IPO, actual payout of awards under the Technology Data Center Program was approximately 44.6% of the units granted.

The Cyrus Performance Plan was implemented through the grant of awards by the CBI compensation committee to each participating executive providing for the grant of a specified number of points to such executive. Payment with respect to the number of such points was conditioned upon the consummation of a “transaction” prior to June 11, 2020, which was triggered by the IPO. The amount of the payment to each participating executive was determined by multiplying 6% of the equity value created by the IPO (as determined pursuant to the Cyrus Performance Plan) by a ratio, the numerator of which is the number of points held by the participating executive, and the denominator of which is the total number of outstanding points. As of the date of the IPO, an aggregate of 1,000 points were awarded under the Cyrus Performance Plan, of which 250 points were granted to Mr. Timmons and 85 points were granted to Ms. Sheehy.

CBI Resignation Agreements. On January 23, 2013, CBI entered into resignation letters with each of Messrs. Wojtaszek and Timmons and Ms. Sheehy, in each case, in connection with his or her resignation from CBI. Pursuant to the terms of the resignation letters, the executives did not receive any severance payments under the applicable executive’s prior employment agreement with CBI as a result of his or her resignation. Awards previously granted to each of the executives that were scheduled to vest in accordance with their terms in connection with the closing of the IPO were unaffected by the terms of the resignation letters and vested and became payable in accordance with their terms. However, any other awards that remained unvested as of January 23, 2013 were forfeited. In addition, each executive remained eligible to receive an annual incentive bonus award in accordance with and under the terms of CBI’s annual incentive plan and the applicable award agreement for fiscal year 2012. In exchange for his or her full waiver and release of claims and covenant not to sue contained in the applicable resignation letter, each of the named executive officers received a lump-sum cash payment in the amounts specified in the Summary Compensation Table above.

Outstanding Equity Awards at Fiscal Year End

The following table presents information concerning outstanding equity awards held by the named executive officers as of December 31, 2014.

Outstanding Equity Awards at 2014 Fiscal Year End

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options (#) ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽³⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#) ⁽³⁾
Mr. Wojtaszek	3,485		17,426	23.58	04/17/23	207,938 ⁽⁴⁾	5,728,692	22,928 ⁽⁵⁾ 72,639 ⁽⁶⁾	631,666 2,001,204
Ms. Sheehy	1,743		8,712	23.58	04/17/23	97,492 ⁽⁴⁾	2,685,905	11,464 ⁽⁵⁾ 36,320 ⁽⁶⁾	315,833 1,000,616
Mr. Timmons	1,743		8,712	23.58	04/17/23	95,593 ⁽⁴⁾	2,633,587	11,464 ⁽⁵⁾ 36,320 ⁽⁶⁾	315,833 1,000,616
Mr. Durvasula	1,743		8,712	23.58	04/17/23	92,106 ⁽⁴⁾	2,537,520	11,464 ⁽⁵⁾ 36,320 ⁽⁶⁾	315,833 1,000,616
Mr. Bosse	1,743		8,712	23.58	04/17/23	65,790 ⁽⁴⁾	1,812,515	11,464 ⁽⁵⁾ 36,320 ⁽⁶⁾	315,833 1,000,616

- (1) Reflects the number of performance-based stock options granted on April 17, 2013, which vested in 2014. The target number of stock options granted on April 17, 2013 was 20,911 for Mr. Wojtaszek, and 10,455 for each of Ms. Sheehy and Messrs. Timmons, Durvasula and Bosse. Vesting is based on the achievement of the applicable performance criteria, as set forth in the award agreement, during the 2013-2015 performance period as follows: (i) up to 50% of the maximum number of such options will vest in cumulative installments on March 31, 2014, March 31, 2015 and March 31, 2016, based on the Company achieving certain cumulative EBITDA targets; and (ii) up to 50% of the maximum number of such options will vest on March 31, 2016 based on the Company achieving certain TSR goals as measured against an index. The maximum number of stock options that may be earned assuming the highest level of performance would be 200% of the target number. The Company's cumulative EBITDA for the 2013 performance period resulted in vesting of 100% of the target number of options for that period.
- (2) Reflects the remaining number of unearned stock options at the target level. The maximum number of remaining unearned stock options assuming the highest level of performance is 38,337 for Mr. Wojtaszek, and 19,169 for each of Ms. Sheehy and Messrs. Timmons, Durvasula and Bosse.
- (3) Based on the closing price of the Company's common stock on December 31, 2014 (\$27.55).
- (4) Reflects shares of time-based restricted IPO Grants made in connection with our initial public offering on January 24, 2013, which cliff-vest on January 24, 2016, subject generally to the executive's continued employment on such vesting date.
- (5) Reflects the target number of shares of performance-based restricted stock granted on April 17, 2013, less amounts that vested in 2014. Vesting is based on the achievement of the applicable performance criteria, as set forth in the award agreement, during the 2013-2015 performance period as follows: (i) up to 50% of the maximum number of such shares vest in cumulative installments on March 31, 2014, March 31, 2015 and March 31, 2016, based on the Company achieving certain cumulative EBITDA targets; and (ii) up to 50% of the maximum number of such shares vest on March 31, 2016 based on the Company achieving certain TSR goals as measured against an index. The maximum number of shares of restricted stock that may be earned assuming the highest level of performance would be 200% of the target number. The Company's cumulative EBITDA for the 2013 performance period resulted in vesting of 100% of the target number of shares for that period.
- (6) Reflects the target number of shares of performance-based restricted stock granted on February 7, 2014, which vest based on the achievement of the applicable performance criteria, as set forth in the award agreement, during the 2014-2016 performance period as follows: (i) up to 50% of the maximum number of such shares will vest in cumulative installments on February 7, 2015, February 7, 2016 and February 7, 2017, based on the Company achieving certain cumulative Adjusted EBITDA targets; and (ii) up to 50% of the maximum number of such shares

will vest on February 7, 2017 based on the Company achieving certain TSR goals as measured against an index. The maximum number of shares of restricted stock that may be earned assuming the highest level of performance would be 200% of the target number.

Option Exercises and Stock Vested

The following table presents information concerning stock awards held by our named executive officers that vested in 2014. Our named executive officers did not exercise any stock options in 2014.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽¹⁾
Gary J. Wojtaszek	4,586	95,526
Kevin L. Timmons	2,293	47,760
Kimberly Sheehy	2,293	47,760
Venkatesh Durvasula	2,293	47,760
Thomas W. Bosse	2,293	47,760

(1) Represents the number of shares that vested in 2014 and the aggregate value of such shares based upon the fair market value of our common stock on the applicable vesting date.

Potential Payments Upon Termination of Employment or Change in Control

Each of the employment agreements with our named executive officers specify the payments and benefits to which such executives are entitled upon a termination of employment for specified reasons, as described below. In addition certain of our award agreements under the 2012 Plan provide for certain treatment of outstanding equity awards upon a termination of employment for specified reasons, as described below.

Without Cause or Constructive Termination. If CyrusOne LLC terminates the executive’s employment for any reason other than for cause or the executive’s death, disability or in connection with a change in control (as defined in the 2012 Plan) or in the event the executive terminates his or her employment as a result of a constructive termination (as defined below), then the executive will be entitled to:

- a lump-sum cash severance payment equal to two times the sum of his or her (i) then-current annual base salary, and (ii) annual bonus target, pro-rated to the date of termination, subject to the executive signing and not revoking a release of claims (“Cash Severance”);
- immediate vesting of the portion of any outstanding time-based stock option, restricted stock (including the time-based IPO Grants) or other incentive awards that would otherwise have vested on or prior to the end of the one-year period beginning at the time of such termination (the “Severance Period”). In addition, performance-based awards vest at target level;
- if applicable, an amount equal to the sum of (a) any forfeitable benefits of the executive under any nonqualified pension, profit sharing, savings or deferred compensation plan that would have vested if the term of his or her employment had not been terminated prior to the end of the Severance Period, plus (b) any additional vested benefits which would have accrued for the executive under any nonqualified defined benefit pension plan if the term of his or her employment had not been terminated prior to the end of the Severance Period, and if the executive’s base salary and bonus target had not increased or decreased after such termination, payable to the executive at the same time and in the same manner as such benefits would have been paid under such plan or plans had such benefits vested and accrued under such plan or plans at the time of the termination of his or her employment (the “Nonqualified Benefit”);

- if applicable, an amount equal to the sum of (a) any forfeitable benefits of the executive under any qualified pension, profit sharing, 401(k) or deferred compensation plan that would have vested prior if the term of his or her employment had not been terminated prior to the end of the Severance Period, plus (B) any additional vested benefits which would have accrued for the executive under any qualified defined benefit pension plan if the term of his or her employment had not been terminated prior to the end of the Severance Period, and if the executive's base salary and bonus target had not increased or decreased after such termination, payable by CyrusOne LLC in one lump sum 60 days after such termination of employment, subject to CyrusOne LLC's receipt of an executed and irrevocable release from the applicable executive (the "Qualified Benefit"); and
- continued medical, dental, vision and group term life coverage for the remainder of the Severance Period, comparable to the medical, dental, vision and group term life coverage in effect for the executive immediately prior to such termination (the "Medical Benefit"). To the extent that the executive would have been eligible for any post-retirement medical, dental, vision or group term life benefits from CyrusOne LLC if the executive's employment had continued through the end of the Severance Period, CyrusOne LLC will provide such post-retirement benefits to the executive after the end of the Severance Period (the "Post-Retirement Medical Benefit").

For purposes of the employment agreements, "cause" generally means an act of fraud, misappropriation, embezzlement or misconduct constituting serious criminal activity on the part of the executive. For the purposes of each of the employment agreements, "constructive termination" will generally be deemed to have occurred if, without the executive's consent, (a) there is a material adverse change in the reporting responsibilities set forth in his or her employment agreement or there is otherwise a material reduction in his or her authority, reporting relationship or responsibilities, (b) there is a material reduction in his or her base salary or bonus target or (c) the applicable executive is required to relocate more than 50 miles from his or her designated office in effect as of the effective date of the agreement.

Change of Control. If within one year following a change in control: (a) the executive terminates his or her employment with CyrusOne LLC as a result of a constructive termination or (b) CyrusOne LLC terminates the executive's employment for any reason other than for cause or the executive's death or disability, then the executive will be entitled to:

- a lump-sum cash severance payment in an amount equal to two times the sum of his or her (i) annual base salary and (ii) annual bonus target, in each case, as then in effect, subject to the executive signing and not revoking a release of claims;
- immediate vesting of all outstanding unvested stock options, restricted stock awards or other outstanding incentive awards, with performance-based awards vesting at maximum level; and
- the Nonqualified Benefit, the Qualified Benefit, the Medical Benefit, and, to the extent applicable, the Post-Retirement Medical Benefit.

In the event of a change in control absent termination of employment, the named executive officers are not entitled to any payments or benefits with the exception of accelerated vesting of certain of their equity awards granted under the 2012 Plan. Upon the occurrence of a change in control and in the event the outstanding equity awards held by the executive are not assumed or substituted in connection with such change in control, (i) the executive's time-based restricted stock awards will fully vest and (ii) the executive's performance-based awards will vest at the maximum level. In the event the outstanding equity awards are assumed or substituted in connection with such change in control, (i) the executive's time-based restricted stock awards will remain outstanding and subject to continued vesting in accordance with their terms and (ii) the executive's performance-based awards will vest at the target

level, subject to continued vesting between the target and maximum levels if the executive's employment is terminated without cause or he or she experiences a constructive termination within 12 months following the change in control.

In the event that Section 280G of the Internal Revenue Code of 1986, as amended, applies to the payments and benefits set forth above, the aggregate amount of such payments and benefits payable to the executive will not exceed the amount which produces the greatest after-tax benefit to the executive after taking into account any applicable excise tax to be payable by the executive. Each executive is fully responsible for his or her own personal income taxes and neither the Company nor CyrusOne LLC has any obligation to reimburse or otherwise provide a tax gross-up to the executive in connection with any change of control payments.

Disability and Death. In the event the executive's employment terminates by reason of his or her death or disability, CyrusOne LLC will pay the executive or his or her estate, as applicable, his or her accrued compensation (base salary, bonus or otherwise) as of the date of termination and, in the case of disability, will provide the executive with disability benefits and all other benefits in accordance with the provisions of the applicable disability plans and other applicable plans. In addition, his or her time-based restricted stock awards will vest on a pro-rata basis and performance-based restricted stock awards and stock options will vest at the target level on a pro-rata basis.

Voluntary Resignation; For Cause. If the executive resigns other than for a constructive termination or CyrusOne LLC terminates the executive's employment for cause, then the executive will be entitled only to accrued compensation.

Restrictive Covenants. Pursuant to the employment agreements, each of the executives is subject to confidentiality and intellectual property covenants during the term of his or her employment and thereafter. In addition, each of the executives is subject to non-competition, non-solicitation and non-interference covenants during the term of his or her employment and for a period of one year following the cessation of his or her employment for any reason.

Estimated Payments in Connection with a Termination of Employment or Change in Control. The table below presents estimates of the amounts of compensation that would have been payable to the named executive officers upon their termination of employment or upon a change in control, in each case as of December 31, 2014. The amounts in the table exclude: (i) 401(k) retirement plan contributions and distributions that are generally available to all salaried employees, (ii) payments pursuant to awards originally scheduled to vest on or before such date by their terms, and (iii) any amounts that may be due at the time of payment for accrued and unpaid salary, bonuses, vacation or interest on payments (if any) delayed as a result of Section 409A of the Code. The actual amounts

payable upon such terminations may be different and will only be determined upon the actual occurrence of any such event.

Name	Termination for Cause or Resignation without Good Reason (\$)	No Change in Control: Termination without Cause or Resignation For Good Reason (\$)	Death or Disability (\$)	Change in Control: Termination without Cause or Resignation For Good Reason (\$) ⁽⁵⁾	Change in Control: (no termination of employment) ⁽⁶⁾
Mr. Wojtaszek					
Cash Severance ⁽¹⁾		2,781,000		2,781,000	
Medical Benefit ⁽²⁾		11,284		11,284	
Life Insurance ⁽²⁾		8,064		8,064	
IPO Grants ⁽³⁾⁽⁴⁾		5,524,849	3,643,157	5,728,692	
Unvested Performance-Based Restricted Stock ⁽³⁾		2,632,871	1,016,264	5,392,086	2,632,871
Unvested Performance-Based Stock Options ⁽³⁾		69,182	46,509	152,198	69,182
Ms. Sheehy					
Cash Severance ⁽¹⁾		1,442,000		1,442,000	
Medical Benefit ⁽²⁾		11,284		11,284	
Life Insurance ⁽²⁾		6,229		6,229	
IPO Grants ⁽³⁾⁽⁴⁾		2,590,334	1,708,100	2,685,905	
Unvested Performance-Based Restricted Stock ⁽³⁾		1,316,449	508,132	2,696,071	1,316,449
Unvested Performance-Based Stock Options ⁽³⁾		34,587	23,256	76,097	34,587
Mr. Timmons					
Cash Severance ⁽¹⁾		1,442,000		1,442,000	
Medical Benefit ⁽²⁾		10,570		10,570	
Life Insurance ⁽²⁾		6,229		6,229	
IPO Grants ⁽³⁾⁽⁴⁾		2,539,890	1,674,847	2,633,587	
Unvested Performance-Based Restricted Stock ⁽³⁾		1,316,449	508,132	2,696,071	1,316,449
Unvested Performance-Based Stock Options ⁽³⁾		34,587	23,256	76,097	34,587
Mr. Durvasula					
Cash Severance ⁽¹⁾		1,442,000		1,442,000	
Medical Benefit ⁽²⁾		10,570		10,570	
Life Insurance ⁽²⁾		4,845		4,845	
IPO Grants ⁽³⁾⁽⁴⁾		2,447,239	1,613,741	2,537,520	
Unvested Performance-Based Restricted Stock ⁽³⁾		1,316,449	508,132	2,696,071	1,316,449
Unvested Performance-Based Stock Options ⁽³⁾		34,587	23,256	76,097	34,587
Mr. Bosse					
Cash Severance ⁽¹⁾		1,019,700		1,019,700	
Medical Benefit ⁽²⁾		11,755		11,755	
Life Insurance ⁽²⁾		4,398		4,398	
IPO Grants ⁽³⁾⁽⁴⁾		1,748,020	1,152,692	1,812,515	
Unvested Performance-Based Restricted Stock ⁽³⁾		1,316,449	508,132	2,696,071	1,316,449
Unvested Performance-Based Stock Options ⁽³⁾		34,587	23,256	76,097	34,587

- (1) Represents the sum of: (i) two times base salary, (ii) two times pro-rated target bonus (assuming a termination date of December 31, 2014), in each case as specified in the employment agreement for each named executive officer. The cash payment is payable in a lump sum, subject to the executive's execution of an irrevocable release.
- (2) Represents the cost for continuation of benefits as specified in the employment agreement for each named executive officer. The amounts shown for this item are calculated based upon the Company's current actual costs of providing benefits and are not discounted for the time value of money.
- (3) Based on the closing price of the Company's common stock on December 31, 2014 (\$27.55).
- (4) Represents shares of time-based IPO Grants made in connection with our initial public offering, which are scheduled to cliff-vest on January 24, 2016.
- (5) Represents vesting of outstanding time-based awards in full and outstanding performance-based awards, at the maximum amount.
- (6) Assumes that the acquirer has assumed or substituted outstanding equity awards in connection with the change-in-control, in which case outstanding time-based awards remain outstanding, and outstanding performance-based awards vest at the target amount.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2014 regarding securities of the Company to be issued and remaining available for issuance under the equity compensation plans of the Company:

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of stock options, awards, warrants and rights(a)</u>	<u>Weighted-average exercise price of outstanding stock options, awards, warrants and rights(\$)</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))</u>
Equity compensation plans approved by security holders	166,872 ⁽¹⁾	23.58	2,093,486
Equity compensation plans not approved by security holders	—	—	—
Total	166,872	23.58	2,093,486

(1) Represents outstanding stock options granted in 2013 but not yet exercised, and assumes the maximum awards that can be earned if the performance conditions are achieved.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain beneficial ownership information as of March 5, 2015, the record date, unless otherwise noted. The table includes shares of our common stock and shares of common stock into which units of our Operating Partnership (“Operating Partnership Units”) are exchangeable for (i) each person who is known by us to be beneficial owner of 5% or more of our outstanding common stock, (ii) each of our directors and the executive officers and (iii) our directors and executive officers as a group. Each person named in the table has sole voting and investment power with respect to all of the shares of our common stock shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. The extent to which a person holds shares of common stock as opposed to Operating Partnership Units is set forth in the footnotes below. Unless otherwise indicated, the address of each named person is c/o CyrusOne Inc., 1649 West Frankford Road, Carrollton, Texas 75007.

<u>Name of Beneficial Owner</u>	<u>Number of Shares and Operating Partnership Units Beneficially Owned</u>	<u>Percent of Common Shares</u>	<u>Percent of Common Shares and Operating Partnership Units⁽¹⁾</u>
<i>Beneficial owners of 5% or more of our common stock:</i>			
CBI ⁽²⁾	28,491,835	4.8	43.4
The Vanguard Group ⁽³⁾	4,053,940	10.4	6.2
Bank of New York Mellon ⁽⁴⁾	2,834,535	7.3	4.3
Vanguard Specialized Funds ⁽⁵⁾	2,726,661	7.0	4.2
Blackrock, Inc. ⁽⁶⁾	2,688,545	6.9	4.1
Cohen & Steers, Inc. ⁽⁷⁾	2,137,015	5.5	3.3
<i>Directors and executive officers</i>			
Gary J. Wojtaszek ⁽⁸⁾	569,234	1.5	*
Venkatesh S. Durvasula ⁽⁹⁾	243,739	*	*
Kevin L. Timmons ⁽⁹⁾	242,802	*	*
Kimberly H. Sheehy ⁽⁹⁾	233,677	*	*
Thomas W. Bosse ⁽⁹⁾	206,113	*	*
David H. Ferdman ⁽¹⁰⁾	99,600	*	*
Patricia M. McBratney ⁽¹¹⁾	23,082	*	*
William E. Sullivan ⁽¹⁰⁾	20,909	*	*
Melissa E. Hathaway ⁽¹⁰⁾	20,909	*	*
T. Tod Nielsen ⁽¹⁰⁾	19,909	*	*
Alex Shumate ⁽¹⁰⁾	19,909	*	*
Lynn A. Wentworth ⁽¹⁰⁾	10,261	*	*
John W. Gamble ⁽¹⁰⁾	9,261	*	*
All directors and executive officers as a group (13 persons)	1,719,405	4.4%	2.6%

(1) Assumes a total of 65,664,483 shares of common stock and Operating Partnership Units are outstanding, comprised of 39,062,638 shares of our common stock and 26,601,835 Operating Partnership Units that may be exchanged for cash or shares of common stock under certain circumstances.

(2) As disclosed on Amendment No. 1 to Schedule 13D, filed June 25, 2014, the holdings of Cincinnati Bell Inc. consist of an aggregate of: (i) 1,890,000 shares of common stock owned by Data Center Investments Holdco LLC, an indirect wholly-owned subsidiary of CBI, (ii) 2,123,816.71 Operating Partnership Units owned by Data Center Investments Holdco LLC and

(iii) 24,478,018.29 Operating Partnership Units owned by Data Centers South Holdings LLC, an indirect wholly-owned subsidiary of CBI. CBI is the sole stockholder of Cincinnati Bell Technology Solutions Inc., which is the sole stockholder of Data Center Investments Inc., which is the sole member of Data Center Investments Holdco LLC. Data Center Investments Inc. is also the sole stockholder of Data Centers South Inc., which is the sole member of Data Centers South Holdings LLC. As a result, CBI exercises investment discretion and control over the shares of common stock and units of our Operating Partnership referenced in clauses (i) through (iii) above. CBI's address is 221 East Fourth Street, Cincinnati, Ohio 45202.

- (3) As disclosed on Amendment No. 2 to Schedule 13G filed on February 9, 2015 the holdings of The Vanguard Group ("Vanguard") consist of an aggregate of: (i) 4,009,917 shares of common stock owned by Vanguard for which it retains sole dispositive power, (ii) 40,623 shares of common stock beneficially owned by Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of Vanguard serving as investment manager of collective trust accounts, for which shares Vanguard retains sole voting and shared dispositive power, and (iii) 3,400 shares of common stock beneficially owned by Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of Vanguard, as a result of its serving as investment manager of Australian investment offerings, for which Vanguard retains sole voting and dispositive power. Vanguard's address is 100 Vanguard Blvd., Malvern, PA 19355.
- (4) As disclosed on Schedule 13G filed on February 10, 2015, the holdings of Bank of New York Mellon Corporation ("BONYM") consist of an aggregate of 2,834,535 shares of common stock, of which: (i) 2,442,160 shares BONYM retains sole voting power, (ii) 2,262,564 shares BONYM has sole dispositive power, and (iii) 437,458 shares BONYM retains shared dispositive power. BONYM's address is One Wall Street, New York, NY 10286.
- (5) As disclosed on Schedule 13G filed on February 4, 2015 the holdings of Vanguard Specialized Funds—Vanguard REIT Index Fund ("Vanguard REIT Index") consist of an aggregate of 2,726,661 shares of common stock owned by Vanguard REIT Index for which it retains sole voting power. Vanguard REIT Index's address is 100 Vanguard Blvd., Malvern, PA 19355.
- (6) As disclosed on Schedule 13G filed on January 12, 2015, the holdings of Blackrock Inc. consist of an aggregate of 2,688,545 shares of common stock for which Blackrock retains sole dispositive power, 2,580,374 of such shares for which Blackrock retains sole voting power. Blackrock's address is 40 East 52nd Street, New York, NY 10022.
- (7) As disclosed on Form 13G filed on February 13, 2015, the holdings of Cohen & Steers, Inc. (Cohen & Steers) consist of an aggregate of 2,137,015 shares of common stock held through its wholly owned subsidiary Cohen & Steers Capital Management, Inc., for which Cohen & Steers retains sole dispositive power, 1,430,469 for which Cohen & Steers retains sole voting power. Cohen & Steers' address is 280 Park Avenue, New York, NY 10017.
- (8) Shares beneficially owned include all shares of restricted stock and vested stock options, and 3,032 options to purchase shares of the Company's common stock, which are expected to vest within 60 days of the Record Date.
- (9) Shares beneficially owned include all shares of restricted stock and vested stock options, and 1,516 options to purchase shares of the Company's common stock, which are expected to vest within 60 days of the Record Date.
- (10) Shares beneficially owned include all shares of restricted stock.
- (11) Shares beneficially owned include all shares of restricted stock and vested stock options, and 153 options to purchase shares of the Company's common stock that are expected to vest within 60 days of the Record Date.

* Less than 1%.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires our directors, executive officers, and the persons who beneficially own more than ten percent of our common stock, to file reports of ownership of, and changes in ownership of, our securities with the SEC, and to file copies of such reports with us. Based solely upon a review of the copies of the reports furnished to us from January 1, 2014 through the date of this Proxy Statement, we believe that no director, executive officer or person who beneficially owns more than ten percent of our common stock failed to file, on a timely basis, the reports required by Section 16(a) of the Exchange Act.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Aggregate Consideration and Issuance of Equity Interests to CBI

As a result of the transactions relating to our formation in 2012 and IPO in 2013, CBI received an aggregate consideration of approximately \$845 million, comprised of 42,586,835 Operating Partnership Units, and 1,890,000 shares of our common stock. In June 2014, we redeemed 15,985,000 Operating Partnership Units owned by CBI in exchange for the proceeds of a public equity offering whereby we sold 15,985,000 shares of our common stock.

We have granted CBI a waiver of the ownership restrictions contained in our charter, subject to certain initial and ongoing conditions designed to protect our status as a REIT, including the receipt of an IRS private letter ruling or an opinion of counsel from a nationally recognized law firm that the exercise of any such exemption should not cause any rent payable to CBI to jeopardize our REIT status.

Partnership Agreement

Our Partnership Agreement grants CBI certain redemption rights and certain board nomination rights, approval rights over certain change of control transactions and other rights, and provides for additional voting rights of limited partners of our Operating Partnership. Pursuant to the Partnership Agreement, CBI has rights to cause the Operating Partnership to redeem each of CBI’s partnership units for cash equal to the then-current market value of one share of our common stock, or, at our election, to exchange CBI’s partnership units for shares of our common stock on a one-for-one basis.

Registration Rights

We maintain a shelf registration statement with the SEC whereby CBI may register shares of our common stock acquired by CBI in connection with the formation transactions or its exercise of redemption/exchange rights under the Partnership Agreement.

Indemnification of Officers and Directors

We have entered into indemnification agreements with each of our directors that provide for indemnification to the maximum extent permitted by Maryland law.

To the extent permitted by applicable law, under the Partnership Agreement our Operating Partnership also indemnifies us, our directors, officers and employees, the general partner and its trustees, officers and employees, employees of the Operating Partnership and any other persons whom the general partner may designate from and against any and all claims arising from or that relate to the operations of the Operating Partnership in which any indemnitee may be involved, or is threatened to be involved, as a party or otherwise unless:

- it is established that the act or omission of the indemnitee constituted fraud, intentional harm or gross negligence on the part of the indemnitee;

- the claim is brought by the indemnitee (other than to enforce the indemnitee's rights to indemnification or advance of expenses); or
- the indemnitee is found to be liable to the Operating Partnership, and then only with respect to each such claim.

Director Relationships

Our director, Lynn A. Wentworth, is a member of the board of directors of CBI, and serves as the chair of its audit committee.

Other Related Party Transactions and Arrangements

Prior to and in connection with our IPO, CBI retained the law firm of Skadden, Arps, Slate, Meagher & Flom LLP to act as special REIT tax counsel to CBI and us, and we continue to receive occasional legal services in the ordinary course from such firm, including in connection with our equity offering in June 2014. Our director, Ms. Hathaway, who is retiring from the Board of Directors effective upon the commencement of the 2015 Annual Meeting of Stockholders, is married to a partner of the firm. Ms. Hathaway's spouse has not on an individual basis provided services to us or our subsidiaries, whether advisory or supervisory, nor has he been directly compensated based on any work performed by the law firm for us. In 2014, we paid to the law firm, approximately \$1.1 million, which was less than 0.1% of the law firm's revenues.

We lease colocation space in our data centers to Cincinnati Bell Telephone Company LLC ("CBT") and Cincinnati Bell Technology Solutions ("CBTS"), subsidiaries of CBI. The data center colocation agreement with CBT provides for CBT's lease of data center space, power and cooling in our West Seventh Street (7th St.), Kingsview Drive (Lebanon), Knightsbridge Drive (Hamilton) and Industrial Road (Florence) data center facilities for a period of five years. Our data center colocation agreement with CBTS provides for CBTS's lease of data center space, power and cooling in our West Seventh Street (7th St.), Kingsview Drive (Lebanon) and Industrial Road (Florence) data center facilities for a period of five years. Both agreements are renewable for an additional five-year term at market rates. Revenue from these leases was \$6.4 million in 2014.

CBT occupies space in our 229 West Seventh Street facility that is utilized in its network operations. In November 2012, in connection with our purchase of this property, we entered into an agreement to lease this space to CBT for a period of five years, with three renewal options of five years each, plus a proportionate share of building operating costs. Commencing on January 1, 2015, and on January 1 of each year thereafter, such base rent shall increase by 1% of the previous year's base rent. Revenue from these leases was \$2.0 million in 2014.

In November 2012, we entered into agreements to lease office space to CBT at our Goldcoast Drive (Goldcoast) data center facility and to CBTS at our Parkway (Mason) data center facility. The term of these agreements are five years each. Both agreements contain three five-year renewal options at market rates. Revenue from these leases was \$0.4 million in 2014.

In November 2012, we entered into a transition services agreement with CBTS where we will continue to provide them with network interface services. The annual fee to be paid by CBTS for these services may decline in future periods as CBTS migrates its network interfaces onto an independent architected and managed CBTS network. These services will be provided on a month-to-month basis, until such time the services in question have been fully transitioned. Revenue from such transition services was \$0.4 million in 2014.

As of December 31, 2014, CBTS continues to be the named lessor for two data center customer leases. In 2012, we entered into an agreement with CBTS whereby we perform all obligations of CBTS under these lease agreements. CBTS confers the benefits received under such lease agreements to us

and CBTS is granted sufficient usage rights in each of our data centers so that it remains as lessor under each such lease agreement. In addition, CBTS will continue to perform billing and collections on these accounts. Revenue from such leases was \$13.6 million in 2014.

In January 2012, we entered into a transition services agreement with CBTS where CBTS provided us with network support, services calls, monitoring and management, storage and backup and IT systems support. These services are provided on a month-to-month basis, and charges are based on the variable amount of gigabytes managed by CBTS each month. CBTS charges us a rate of \$0.56 per gigabyte. Expenses for such services were \$0.8 million in 2014.

Under the CBT services agreement, CBT provides us with connectivity services for a period of five years related to several of our data center facilities. These services are related to the use of fiber and circuit assets that are currently a part of the CBI network. The annual fee for these services is subject to reduction if we terminate certain services. Expenses for such services were \$1.0 million in 2014.

In November 2012, we also entered into an agreement to lease space at CBT's 209 West Seventh Street facility for a period of five years, with three renewal options of five years each, plus our proportionate share of building operating costs. Commencing on January 1, 2015, and on January 1 of each year thereafter, such base rent shall increase by 1% of the previous year's base rent. Expenses from such lease were \$0.2 million in 2014.

The Company pays commissions to CBT and CBTS under a fee agreement for all new leases they attain as CyrusOne's authorized marketing representatives.

In October 2012, we purchased the property located at 229 West Seventh Street, included as one of our operating facilities, which we had formerly leased from CBT. CBT continues to own the adjacent property that was historically operated together with 229 West Seventh Street as one property. We also executed a reciprocal easement and shared services agreement and a right of first opportunity and refusal agreement with CBT with respect to such properties. Pursuant to the reciprocal easement and shared services agreement, we granted reciprocal easements to each other; CBT has easements for continued use of portions of our building and CBT provides fuel storage, fire suppression and other building services to us; and we provide chilled water, building automation systems related to heating ventilation and air conditioning and other building services to CBT. The shared services agreement is expected to continue for a period of 15 years with five renewal options of five years each. We are responsible for operating and managing the service facilities for both buildings. Each party will bear its own utility costs, as well as property taxes and insurance. Shared building operating costs will be charged to each party on the basis of the actual costs incurred, allocated based on the proportionate share of usage. Each party will also pay the other party less than \$0.2 million per year to maintain shared building infrastructure systems. This agreement contains a make-whole provision that requires us to make a payment to CBT if CBT's carrier access revenue declines below \$5.0 million per annum as a result of certain actions taken by us, which result in circuit disconnections or reductions at CBT. The term of this make-whole provision is approximately four years.

On November 20, 2012, we also entered into a non-competition agreement with CBI, pursuant to which each party agreed not to enter into each other's lines of business, subject to certain exceptions for a period of four years from such date. Pursuant to the terms of this agreement, we agreed not to directly or indirectly engage in, or have any interest in any entity that engages in, the business of providing telecommunications services in certain areas of Ohio, Kentucky and Indiana in which CBI operates as of such date. We also agreed not to seek, request or apply for any certification or license to provide telecommunications services in such areas during the term of the agreement. CBI agreed not to directly or indirectly engage in, or have any interest in any entity that engages in, the business of constructing and selling, operating or providing data center services in the United States or any foreign jurisdiction in which we operate. However, CBI may continue to offer certain data center services, provided that such services are ancillary to its provision of existing IT services, and CBI does not own,

lease or is contracted to own, lease or manage the data center infrastructure of the facility in which such existing IT services are being provided.

Review and Approval of Future Transactions with Related Persons

The Board of Directors has adopted a policy for the review and approval of related person transactions requiring disclosure under Rule 404(a) of Regulation S-K. The policy provides that the Audit Committee is responsible for reviewing and approving or disapproving all interested transactions, meaning any transaction, arrangement or relationship in which (i) the amount involved may be expected to exceed \$120,000 in any fiscal year, (ii) the Company will be a participant and (iii) a Related Party has a direct or indirect material interest. A “Related Party” means (i) any person who is, or at any time since the beginning of the Company’s last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company; (ii) any person who is known to be the beneficial owner of more than 5% of any class of the Company’s voting securities; (iii) any immediate family member of any of the foregoing persons; and (iv) any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest. An “immediate family member” of a Related Party means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Related Party, and any person (other than a tenant or employee) sharing the household of such Related Party. Generally, a potential transaction that may be a Related Party Transaction is brought first to the General Counsel for review. If the General Counsel determines that a potential transaction involves a Related Party Transaction requiring approval under the policy or disclosure under Rule 404(a) of Regulation S-K, the transaction will be brought to the Audit Committee, which will review the transaction under several criteria, including but not limited to the Related Party’s interest in the transaction, the benefits to the Company, the availability of commercial alternatives, and whether it is in the best interests of the Company to enter into the transaction. Subject to limited exceptions, the Audit Committee or the Chair of the Audit Committee must approve all Related Party Transactions. Exceptions to the approval requirement include transactions with CBI existing on the date of the Company’s initial public offering, and commercial transactions. The Audit Committee of the Board of Directors, pursuant to its written charter, is charged with the responsibility of reviewing and approving any transaction required to be disclosed as a “related party” transaction under applicable law, rules, or regulations, including the rules and regulations of the SEC. The Audit Committee has not adopted any specific procedures for conducting such reviews and considers each transaction in light of the specific facts and circumstances presented.

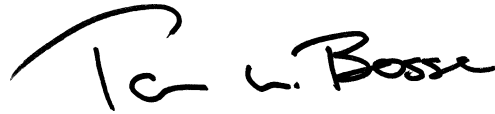
STOCKHOLDER PROPOSALS

Proposals of stockholders intended to be presented at our 2016 annual meeting of stockholders and included in our proxy statement and form of proxy relating to that meeting pursuant to Rule 14a-8 under the Exchange Act (“Rule 14a-8”) must be received by us no later than November 21, 2015. Such proposals must comply with the requirements established by the SEC for such proposals.

A stockholder who wishes to submit a business proposal at the 2016 annual meeting that is not intended to be included in our proxy statement and form of proxy or who wishes to nominate a director for election at the meeting must, in accordance with our current Bylaws, notify us between October 22, 2015, and 5:00 p.m., Central Time, on November 21, 2015. If the stockholder fails to give timely notice, the nominee or proposal will be excluded from consideration at the meeting. In addition,

our current Bylaws include other requirements for nomination of candidates for director and proposals of other business with which a stockholder must comply to make a nomination or business proposal.

By Order of the Board of Directors:

A handwritten signature in black ink, appearing to read "T. W. Bosse". The signature is written in a cursive style with a large, sweeping initial "T".

THOMAS W. BOSSE

Vice President, General Counsel and Secretary

Carrollton, Texas

March 20, 2015

Appendix A

Definitions

Colocation Square Feet

Colocation square feet (“CSF”) represents net rentable square feet (“NRSF”) currently leased or available for lease as colocation space, where customers locate their servers and other IT equipment. NRSF represents the total square feet of a building currently leased or available for lease, based on engineers’ drawings and estimates but does not include space held for development or space used by CyrusOne.

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss) as defined by U.S. GAAP before noncontrolling interests plus interest expense, income tax (benefit) expense, depreciation and amortization, non-cash compensation, transaction costs and transaction-related compensation, including acquisition pursuit costs, restructuring costs, loss on extinguishment of debt, asset impairments, (gain) loss on sale of real estate improvements, and other special items. Other companies may not calculate Adjusted EBITDA in the same manner. Accordingly, the Company’s Adjusted EBITDA as presented may not be comparable to others.

EBITDA

EBITDA is defined as net income (loss) as defined by U.S. GAAP before noncontrolling interests plus interest expense, income tax (benefit) expense, depreciation and amortization, transaction costs and transaction-related compensation, including acquisition pursuit costs, restructuring costs, loss on extinguishment of debt, asset impairments, (gain) loss on sale of real estate improvements, and other special items. Other companies may not calculate EBITDA in the same manner. Accordingly, the Company’s EBITDA may not be comparable to others.

Funds From Operations (“FFO”)

FFO is net (loss) income computed in accordance with U.S. GAAP before noncontrolling interests, (gain) loss from sales of real estate improvements, real estate-related depreciation and amortization, amortization of customer relationship intangibles, and real estate and customer relationship intangible impairments. Because the value of the customer relationship intangibles is inextricably connected to the real estate acquired, CyrusOne believes the amortization and impairments of such intangibles is analogous to real estate depreciation and impairments; therefore, the Company adds the customer relationship intangible amortization and impairments back for similar treatment with real estate depreciation and impairments. CyrusOne’s customer relationship intangibles are primarily associated with the acquisition of Cyrus Networks in 2010 and, at the time of acquisition, represented 22% of the value of the assets acquired.

Normalized FFO (“NFFO”)

NFFO is defined as FFO plus transaction costs, including acquisition pursuit costs, transaction-related compensation, (gain) loss on extinguishment of debt, restructuring costs and other special items. The Company believes its Normalized FFO calculation provides a comparable measure to that used by others in the industry.

Adjusted Funds From Operations (“AFFO”)

AFFO is defined as Normalized FFO plus amortization of deferred financing costs, non-cash compensation, and non-real estate depreciation and amortization, less deferred revenue and straight

line rent adjustments, leasing commissions, recurring capital expenditures, and non-cash corporate income tax benefit and expense.

Total Stockholder Return (“TSR”)

TSR is defined as: 1) the average adjusted closing stock price at the end of the period minus the average adjusted closing stock price at the beginning of the period, divided by 2) the average adjusted closing stock price at the beginning of the period. TSR assumes reinvestment of dividends, if any.

Return on Assets (“ROA”)

ROA is defined as 1) net operating income from properties (fourth quarter revenues less property operating expenses annualized) for the performance evaluation period, divided by 2) total gross investment in real estate less construction in progress on the Company’s balance sheet for the last day of the fiscal year.

Average Lease Rate

The average lease rate is defined as the average adjusted monthly recurring revenue per kilowatt. Adjustments are made to monthly recurring revenue and kilowatts to capture differences in power resiliency, power reimbursements, and capital requirements.

Reconciliations

EBITDA and Adjusted EBITDA

(\$ Millions)	Twelve Months Ended	
	December 31, 2013	December 31, 2014
Reconciliation of Net Loss to EBITDA and Adjusted EBITDA:		
Net loss	\$ (35.8)	\$ (14.5)
Adjustments:		
Interest expense	43.7	39.5
Other income	(0.1)	—
Income tax expense	2.3	1.4
Depreciation and amortization	95.2	118.0
Restructuring charges	0.7	—
Legal claim costs	0.7	—
Transaction costs	1.4	1.0
Asset impairments	2.8	—
Loss on extinguishment of debt	1.3	13.6
Loss on sale of real estate improvements	0.2	—
Transaction-related compensation	20.0	—
EBITDA	132.4	159.0
Non-cash compensation	6.3	10.3
Adjusted EBITDA	\$138.7	\$169.3

FFO, NFFO, and AFFO

(\$ Millions)	Twelve Months Ended	
	December 31, 2013	December 31, 2014
Reconciliation of Net Loss to FFO and NFFO:		
Net loss	\$(35.8)	\$(14.5)
Adjustments:		
Real estate depreciation and amortization	70.6	95.9
Amortization of customer relationship intangibles	16.8	16.9
Real estate impairments	2.8	—
Loss on sale of real estate improvements	0.2	—
FFO	\$ 54.6	\$ 98.3
Transaction-related compensation	20.0	—
Loss on extinguishment of debt	1.3	13.6
Transaction costs	1.4	1.0
Restructuring charges	0.7	—
Legal claim costs	0.7	—
NFFO	\$ 78.7	\$112.9
Reconciliation of NFFO to AFFO:		
NFFO	\$ 78.7	\$112.9
Adjustments:		
Amortization of deferred financing costs	4.1	3.4
Non-cash compensation	6.3	10.3
Non-real estate depreciation and amortization	7.8	5.2
Deferred revenue and straight line rent adjustments . . .	(13.9)	(10.5)
Leasing commissions	(6.8)	(5.8)
Recurring capital expenditures	(4.2)	(3.8)
Deferred income tax expense	0.4	—
AFFO	\$ 72.4	\$111.7

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period _____ to _____

**Commission File Number: 001-35789 (CyrusOne Inc.)
Commission File Number: 333-188426 (CyrusOne LP)**

CyrusOne Inc.

CyrusOne LP

(Exact name of registrant as specified in its charter)

Maryland (CyrusOne Inc.)
Maryland (CyrusOne LP)
(State or other jurisdiction of
incorporation or organization)

46-0691837
46-0982896
(I.R.S. Employer
Identification No.)

1649 West Frankford Road, Carrollton, TX 75007
(Address of Principal Executive Offices) (Zip Code)
(972) 350-0060

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$.01 par value	NASDAQ

Securities registered pursuant to Section 12 (g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

CyrusOne Inc. Yes No

CyrusOne LP Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

CyrusOne Inc. Yes No

CyrusOne LP Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

CyrusOne Inc. Yes No

CyrusOne LP Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

CyrusOne Inc. Yes No

CyrusOne LP Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

CyrusOne Inc.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

CyrusOne LP

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

CyrusOne Inc. Yes No

CyrusOne LP Yes No

The registrant completed the initial public offering of its Common Stock on January 24, 2013. The aggregate market value of the voting Common Stock owned by non-affiliates on June 30, 2014, was \$915.5 million, computed by reference to the closing sale price of the Common Stock on the NASDAQ Global Select Market on such date.

There were 38,639,498 shares of Common Stock outstanding as of January 30, 2015.

Portions of the definitive proxy statement relating to the Company's 2015 Annual Meeting of Shareholders are incorporated by reference into Part III of this report to the extent described herein.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2014, of CyrusOne Inc., a Maryland corporation, and CyrusOne LP, a Maryland limited partnership, of which CyrusOne GP, a Maryland statutory trust of which CyrusOne Inc. is the sole beneficial owner and sole trustee, is the sole general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our,” “our Company” or “the Company” refer to CyrusOne Inc. together with its consolidated subsidiaries, including CyrusOne LP. Unless otherwise indicated or unless the context requires otherwise, all references to “our operating partnership” or “the operating partnership” refer to CyrusOne LP together with its consolidated subsidiaries.

CyrusOne Inc. is a real estate investment trust, or REIT, and the sole beneficial owner and sole trustee of CyrusOne GP, which is the sole general partner of CyrusOne LP. As of December 31, 2014, CyrusOne Inc., together with CyrusOne GP, owned approximately 59.2% of the operating partnership units in CyrusOne LP. The remaining approximately 40.8% of the operating partnership units in CyrusOne LP, which is reflected as a noncontrolling interest, is owned by our former parent, Cincinnati Bell Inc. (“CBI”). As the sole beneficial owner and sole trustee of CyrusOne GP, which is the sole general partner of CyrusOne LP, CyrusOne Inc. has the full, exclusive and complete responsibility for the operating partnership's day-to-day management and control.

We believe combining the annual reports of CyrusOne Inc. and CyrusOne LP into this single report on Form 10-K results in the following benefits:

- enhancing investors' understanding of our Company and our operating partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the operating partnership; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are a few differences between our Company and our operating partnership, which are reflected in the disclosures in this report. We believe it is important to understand the differences between our Company and our operating partnership in the context of how we operate as an interrelated consolidated company. CyrusOne Inc. is a REIT, whose only material asset is its ownership of operating partnership units of CyrusOne LP. As a result, CyrusOne Inc. does not conduct business itself, other than acting as the sole trustee of CyrusOne GP, issuing public equity from time to time and guaranteeing certain debt of CyrusOne LP. CyrusOne Inc. itself does not issue any indebtedness but guarantees the debt of CyrusOne LP, as disclosed in this report. CyrusOne LP holds substantially all the assets of the Company. CyrusOne LP conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by CyrusOne Inc., which are generally contributed to CyrusOne LP in exchange for operating partnership units, CyrusOne LP generates the capital required by the Company's business through CyrusOne LP's operations and by CyrusOne LP's incurrence of indebtedness or through the issuance of partnership units.

The presentation of noncontrolling interest, shareholders' equity and partnership capital are the main areas of difference between the consolidated financial statements of CyrusOne Inc. and those of CyrusOne LP. The operating partnership units held by CBI in CyrusOne LP are presented as partnership capital in CyrusOne LP's consolidated financial statements and as noncontrolling interest within equity in CyrusOne Inc.'s consolidated financial statements. The operating partnership units held by CyrusOne Inc. in CyrusOne LP are presented as partnership capital in CyrusOne LP's consolidated financial statements and as common stock and additional paid in capital within shareholders' equity in CyrusOne Inc.'s consolidated financial statements. The differences in the presentations between shareholders' equity and partnership capital result from the differences in the equity issued at the CyrusOne Inc. and the CyrusOne LP levels.

To help investors understand the significant differences between the Company and the operating partnership, this report presents the consolidated financial statements separately for the Company and the operating partnership.

As sole beneficial owner and sole trustee of CyrusOne GP, which is the sole general partner with control of the operating partnership, CyrusOne Inc. consolidates the operating partnership for financial reporting purposes, and it does not have significant assets other than its investment in the operating partnership. Therefore, the assets and liabilities of CyrusOne Inc. and CyrusOne LP are the same on their respective consolidated financial statements. The separate discussions of CyrusOne Inc. and CyrusOne LP in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

In order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that the Company and the operating partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350, this report also includes separate Item 9A. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of the Company and the operating partnership.

All other sections of this report, including Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures About Market Risk, as well as certain select footnotes to the consolidated financial statements, are presented together for CyrusOne Inc. and CyrusOne LP.

This report represents the Annual Report on Form 10-K for the year ended December 31, 2014, for CyrusOne Inc. On January 24, 2013, CyrusOne Inc. completed the initial public offering of its common stock. CyrusOne Inc. was formed on July 31, 2012, and prior to its initial public offering, it had minimal activity, consisting solely of deferred offering costs. The consolidated and combined financial statements included in this Annual Report of CyrusOne Inc., CyrusOne GP, CyrusOne LP and its subsidiaries referred to, collectively, as "CyrusOne" the "Company" "we" and "Predecessor" reflect the historical financial position, results of operations and cash flows of the data center activities and holdings of CBI for all periods presented. The Predecessor's historical financial statements have been prepared on a "carve-out" basis from CBI's consolidated financial statements using the historical results of operations, cash flows, assets and liabilities attributable to the data center business and include allocations of income, expenses, assets and liabilities from CBI. These allocations reflect significant assumptions, and the consolidated and combined financial statements do not fully reflect what the Predecessor's financial position, results of operations and cash flows would have been had the Predecessor been a stand-alone company during the periods presented. As a result, historical financial information is not necessarily indicative of CyrusOne Inc.'s future results of operations, financial position and cash flows.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this Annual Report on Form 10-K that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- loss of key customers;
- economic downturn, natural disaster or oversupply of data centers in the limited geographic area that we serve;
- risks related to the development of our properties and our ability to successfully lease those properties;
- loss of access to key third-party service providers and suppliers;
- inability to identify and complete acquisitions and operate acquired properties;
- our failure to obtain necessary outside financing on favorable terms, or at all;
- restrictions in the instruments governing our indebtedness;
- risks related to environmental matters;
- unknown or contingent liabilities related to our acquired properties;
- significant competition in our industry;
- loss of key personnel;
- risks associated with real estate assets and the industry;
- risks related to Cincinnati Bell Inc. (CBI”), an Ohio corporation, owning shares of our common stock and partnership units;
- failure to maintain our status as a REIT or to comply with the highly technical and complex REIT provisions of the Internal Revenue Code of 1986, as amended (the “Code”);
- REIT distribution requirements could adversely affect our ability to execute our business plan;
- insufficient cash available for distribution to stockholders;
- future offerings of debt may adversely affect the market price of our common stock;
- increases in market interest rates may drive potential investors to seek higher dividend yields and reduce demand for our common stock; and
- market price and volume of stock could be volatile.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled “Risk Factors.”

ITEM 1. BUSINESS

The Company

We are an owner, operator and developer of enterprise-class, carrier-neutral, multi-tenant data center properties. Our enterprise-class, carrier-neutral, multi-tenant data centers are purpose-built facilities with redundant power, cooling and access to a range of telecommunications carriers. They are not network-specific and enable customer interconnectivity to a range of telecommunication carriers. We provide mission-critical data center facilities that protect and ensure the continued operation of information technology ("IT") infrastructure for approximately 670 customers in approximately 25 data centers in 11 distinct markets (9 cities in the U.S., London and Singapore). We provide twenty-four-hours-a-day, seven-days-a-week security guard monitoring with customizable security features.

Structure and Formation of Our Company

Our business is comprised of the historical data center activities and holdings of CBI. CBI operated various data centers and acquired various data center businesses prior to our formation including Cyrus Networks, LLC ("Cyrus Networks"). On various dates throughout 2012, CBI created CyrusOne Inc., CyrusOne GP and CyrusOne LP the "operating partnership" and, on November 20, 2012, certain subsidiaries of CBI contributed certain assets and operations to CyrusOne LP in exchange for the issuance of operating partnership units. We refer to these transactions as the "formation transactions."

Our Initial Public Offering

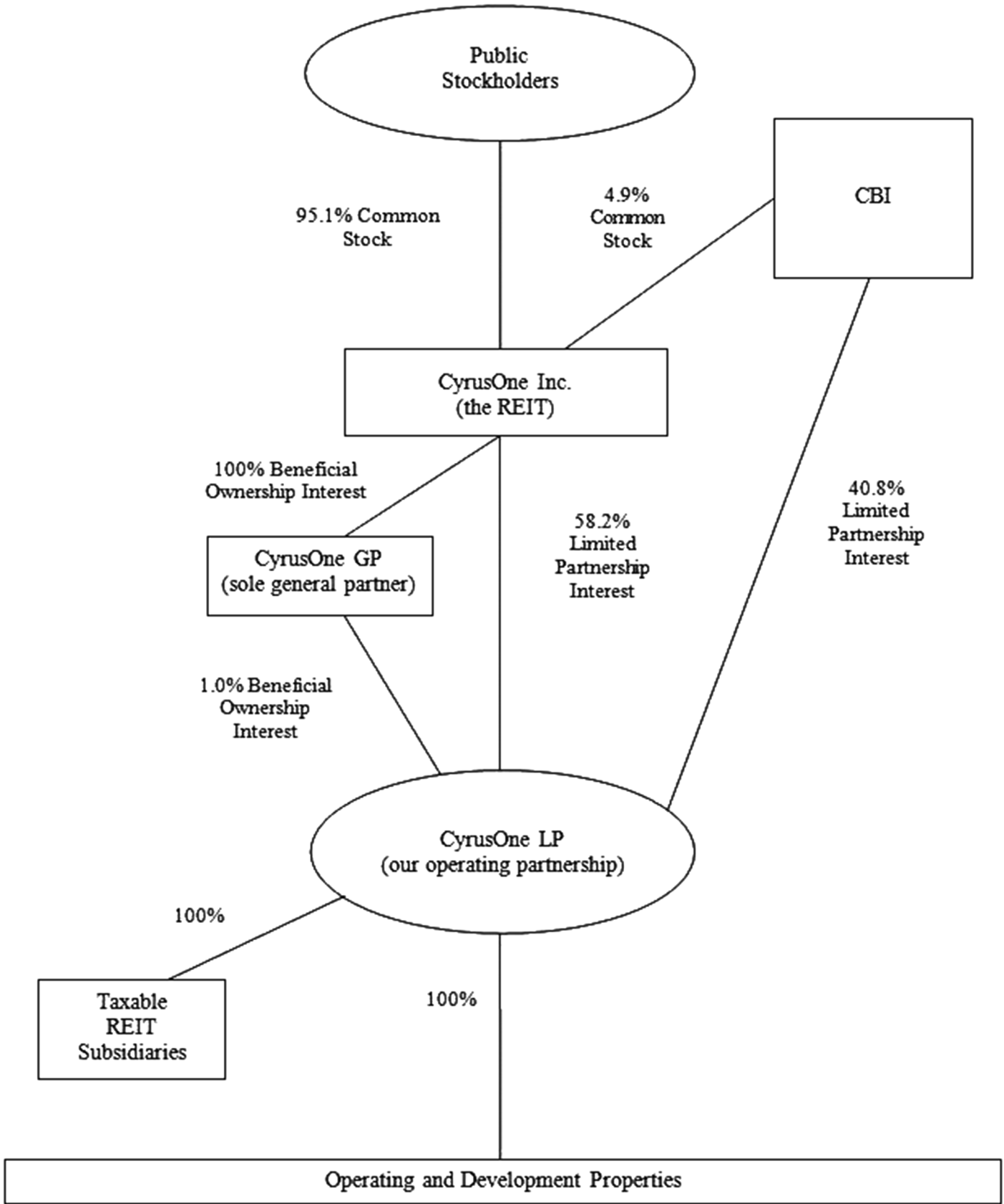
On January 24, 2013, CyrusOne Inc. completed its initial public offering ("IPO") of common stock, issuing approximately 19.0 million shares for \$337.1 million, net of underwriting discounts. At that time the operating partnership executed a 2.8 to 1.0 reverse unit split, resulting in CBI owning 44.1 million operating partnership units of CyrusOne LP. In addition, CBI exchanged approximately 1.5 million of its operating partnership units for 1.5 million shares of CyrusOne Inc. common stock, and CBI was issued 0.4 million shares of CyrusOne Inc. common stock in repayment for transaction costs paid by CBI. In addition, on January 24, 2013, CyrusOne Inc., together with CyrusOne GP, purchased approximately 21.9 million, or 33.9% of the operating partnership's units for \$337.1 million and through CyrusOne GP assumed the controlling interest in CyrusOne LP.

Secondary Offering

On June 25, 2014, CyrusOne Inc. completed a public offering of 16.0 million shares of its common stock, including 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting discounts of \$15.8 million, to acquire 16.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

As of December 31, 2014, the total number of outstanding partnership units was 65.3 million and CBI holds a 40.8% noncontrolling interest in CyrusOne LP. CBI effectively owns approximately 43.7% of CyrusOne through its interest in outstanding shares of common stock of CyrusOne Inc. and its interest in the operating partnership units of CyrusOne LP.

The following diagram depicts our ownership structure as of December 31, 2014:



Our Business

We provide mission-critical data center facilities that protect and ensure the continued operation of IT infrastructure for our customers. Our goal is to be the preferred global data center provider to the Fortune 1000. As of December 31, 2014, our customers included nine of the Fortune 20 and 144 of the Fortune 1000 or private or foreign enterprises of equivalent size. These 144 customers provided 73% of our annualized rent as of December 31, 2014.

Data centers are highly specialized and secure facilities that serve as centralized repositories of server, storage and network equipment. They are designed to provide the space, power, cooling and network connectivity necessary to efficiently operate mission-critical IT equipment. Telecommunications carriers typically provide network access into a data center through optical fiber. The demand for data center infrastructure is being driven by many factors, but most importantly by significant growth in data as well as an increased demand for outsourcing. The market for third-party data center facilities includes, among other companies, established “traditional” enterprises that are web-enabling their applications and business processes as well as cloud-centric companies with sophisticated technology requirements.

We cultivate long-term strategic relationships with our customers and provide them with solutions for their data center facilities and IT infrastructure challenges. Our offerings provide flexibility, reliability and security delivered through a tailored, customer service focused platform that is designed to foster long-term relationships. We focus on attracting customers that have not historically outsourced their data center needs and providing them with solutions that address their current and future needs. Our facilities and construction design allow us to offer flexibility in density and power resiliency, and the opportunity for expansion as our customers' needs grow. We provide twenty-four-hours-a-day, seven-days-a-week security guard monitoring with customizable security features. The CyrusOne National IX Platform (the "National IX Platform") delivers interconnection across states and between metro-enabled sites within the CyrusOne footprint and beyond. The platform enables high-performance, low-cost data transfer and accessibility for customers by uniting all of our data centers.

Our Competitive Strengths

Our ability to attract and retain the world’s largest customers is attributed to the following competitive strengths, which distinguish us from other data center operators and will enable us to continue to grow our operations.

High Quality Customer Base. The high quality of our assets combined with our reputation for serving the needs of large enterprises has enabled us to focus on the Fortune 1000 to build a quality customer base. We currently have approximately 670 customers from a broad spectrum of industries, including nine of the Fortune 20 and 144 of the Fortune 1000 or private or foreign enterprises of equivalent size. We have a particular expertise serving the energy industry given our history as a data center operator in Houston, however as our geographical footprint has expanded, we have experienced significant growth in other industries as well. Our revenue is generated by a stable enterprise customer base, as evidenced by the following as of December 31, 2014:

- 73% of our annualized rent comes from the Fortune 1000 or private or foreign enterprises of equivalent size.
- 56% of our annualized rent comes from investment grade companies or their affiliates, based on the parent company’s corporate credit rating by Standard & Poor’s Ratings Services (“S&P”).
- 37% of our annualized rent comes from the Fortune 100 or private or foreign enterprises of equivalent size.

As of December 31, 2014, no single customer represented more than 6.6% of our annualized rent, and our top 10 customers represented 42% of our annualized rent.

Strategically Located Portfolio. Our portfolio is located in several domestic and international markets possessing attractive characteristics for enterprise-focused data center operations. We have domestic properties in five of the top 10 largest U.S. cities by population (Chicago, Dallas, Houston, Phoenix and San Antonio), according to the U.S. Census Bureau, and four of the top 10 cities for Fortune 500 headquarters (Chicago, Cincinnati, Dallas and Houston), according to *Forbes*. We have recently expanded into Northern Virginia, which supports our strategy of growing our Fortune 1000 customer base by providing a presence on the East Coast and enhancing the geographic diversity of our portfolio. We believe cities with large populations or a large number of corporate headquarters are likely to produce incremental demand for IT infrastructure. In addition, being located close to our current and potential customers provides chief information officers (“CIOs”) with additional confidence when outsourcing their data center infrastructure to us.

Modern, High Quality, Flexible Facilities. Our portfolio includes highly efficient, reliable facilities with flexibility to customize customer solutions and accessibility to hundreds of connectivity providers. To optimize the delivery of power, our properties include modern engineering technologies designed to minimize unnecessary power usage and, in our newest facilities, we are able to provide power utilization efficiency ratios we believe to be among the best in the multi-tenant data center industry. Fortune 1000 CIOs are dividing their application stacks into groups as some applications require 100% availability while others may require significant power to support complex computing or robust connectivity. Our construction design enables us to deliver different power densities and resiliencies to the same customer footprint, allowing

customers to tailor solutions to meet their application needs. In addition, the National IX Platform provides access to hundreds of telecommunication and Internet carriers.

Massively Modular[®] Construction Methods. Our Massively Modular[®] design principles allow us to efficiently stage construction on a large scale and deliver critical power and colocation square feet (“CSF”) in a timeframe that we believe is one of the best in the industry. We acquire or build a large powered shell capable of scaling with our customers’ power and colocation space needs. The powered shell can be acquired or constructed for a relatively inexpensive capital cost. Once the building shell is ready, we can build individual data center halls in portions of the building space to meet the needs of customers on a modular basis. This modular data center hall construction can be completed in 12 to 16 weeks to meet our customers’ immediate needs. This short construction timeframe ensures a very high utilization of the assets and minimizes the time between our capital investment and the receipt of customer revenue, favorably impacting our return on investment while also translating into lower costs for our customers. Our design principles also allow us to add incremental equipment to increase power densities as our customers’ power needs increase, which provides our customers with a significant amount of flexibility to manage their IT demands. We believe this Massively Modular[®] approach allows us to respond to rapidly evolving customer needs, to commit capital toward the highest return projects and to develop state-of-the-art data center facilities.

Significant Leasing Capability. Our focus on the customer, our ability to scale with their needs, and our operational excellence provides us with embedded future growth from our customer base. During 2014, we signed new leases representing \$55.0 million in annualized revenue with previously existing customers accounting for approximately 58% of this amount. Since December 31, 2013, we have increased our operational net rentable square feet (“NRSF”) by approximately 260,000 square feet or 13%, while maintaining a high percentage of NRSF leased of 85% as of December 31, 2014.

Significant, Attractive Expansion Opportunities. As of December 31, 2014, we had 489,000 NRSF of powered shell available for future development and approximately 200 acres of land that are available for future data center facility development. The powered shell available for future development allows us to nearly double our footprint in locations that are part of our domestic portfolio, and consists of approximately 329,000 NRSF in the Southwest (Texas and Phoenix) and 160,000 NRSF in the Midwest. Our current development properties and available acreage were selected based on extensive site selection criteria and the collective industry knowledge and experience of our management team with a focus on markets with a strong presence of and high demand by Fortune 1000 companies. As a result, we believe that our development portfolio contains properties that are located in markets with attractive supply and demand conditions and that possess suitable physical characteristics to support data center infrastructure.

Differentiated Reputation for Service. We believe that the decision CIOs make to outsource their data center infrastructure has material implications for their businesses, and, as such, CIOs look to third-party data center providers that have a reputation for serving similar organizations and that are able to deliver a customized solution. We take a consultative approach to understanding the unique requirements of our customers, and our design principles allow us to deliver a customized data center solution to match their needs. We believe that this approach has helped fuel our growth. Our current customers are also often the source of new contracts, with referrals being an important source of new customers.

Experienced Management Team. Our management team is comprised of individuals drawing on diverse knowledge and skill sets acquired through extensive experiences in the real estate, telecommunications and mission-critical infrastructure industries. In aggregate, our senior management team of 8 individuals has an average of more than 15 years of experience in the data center and communications industries.

Balance Sheet Positioned to Fund Continued Growth. As of December 31, 2014, we had \$351.5 million in available liquidity, including \$315.0 million in borrowing capacity under our unsecured revolving credit facility. The credit agreement governing our revolving credit facility and our term loan also includes an accordion feature that allows us to increase the aggregate commitment by up to \$300 million. We believe that we are appropriately capitalized with sufficient financial flexibility and capacity to fund our anticipated growth.

Experienced Sales Force with Robust Partner Channel. We have an experienced sales force with a particular expertise in selling to large enterprises, which can require extensive consultation and drive long sales cycles as these enterprises make the initial outsourcing decision. As of December 31, 2014, we had 33 sales-related employees. We believe the depth, knowledge, and experience of our sales team differentiates us from other data center companies, and we are not as dependent on brokers to identify and acquire customers as some other companies in the industry. To complement our direct sales efforts, we have developed a robust network of more than 120 partners, including value added resellers, systems integrators and hosting providers.

Business and Growth Strategies

Our objective is to grow our revenue and earnings and maximize stockholder returns and cash flow by continuing to expand our data center infrastructure outsourcing business.

Increasing Revenue from Existing Customers and Properties. We have historically generated a significant portion of our revenue growth from our existing customers. During 2014, we signed new leases representing \$55.0 million in annualized revenue with previously existing customers accounting for approximately 58% of this amount. We will continue to target our existing customers because we believe that many

have significant data center infrastructure needs that have not yet been outsourced, and many will require additional data center space and power to support their growth and their increasing reliance on technology infrastructure in their operations. To address new demand, as of December 31, 2014, we have approximately 319,000 NRSF currently available for lease. We also have approximately 708,000 NRSF under development, as well as 489,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 200 acres of land that are available for future data center shell development.

Attracting and Retaining New Customers. Increasingly, enterprises are beginning to recognize the complexities of managing data center infrastructure in the midst of rapid technological development and innovation. We believe that these complexities, brought about by the rapidly increasing levels of Internet traffic and data, obsolete existing corporate data center infrastructure, increased power and cooling requirements and increased regulatory requirements, are driving the need for companies to outsource their data center facility requirements. Consequently, this will significantly increase the percentage of companies that use third-party data center colocation services over the next several years. We believe that our high quality assets and reputation for serving large enterprises have been, and will be, key differentiators for us in attracting customers that are outsourcing their data center infrastructure needs.

We acquire customers through a variety of channels. We have historically managed our sales process through a direct-to-the-customer model but are now utilizing third-party leasing agents and indirect leasing channels to expand our universe of potential new customers. Over the past few years, we have developed a robust network of more than 120 partners in our indirect leasing channels, including value added resellers, systems integrators and hosting providers. These channels, in combination with our award-winning internal marketing team, have enabled us to build both a strong brand and outreach program to new customers. Throughout the life cycle of a customer's lease with us, we maintain a disciplined approach to monitoring their experience, with the goal of providing the highest level of customer service. This personal attention fosters a strong relationship and trust with our customers, which leads to future growth and leasing renewals.

Expanding into New Markets. Our expansion strategy focuses on developing new data centers in markets where our customers are located and in markets with a strong presence of and high demand by Fortune 1000 customers. We conduct extensive analysis to ensure an identified market displays strong data center fundamentals, independent of the demand presented by any particular customer. In addition, we consider markets where our existing customers want us to be located. We regularly meet with our customers to understand their business strategies and potential data center needs. Our strategy of broadening our geographic footprint and expanding into markets with a strong presence of and high demand by Fortune 1000 customers is what led us to our expansion into the Northern Virginia market. We believe that this approach combined with our Massively Modular[®] construction design reduces the risk associated with expansion into new markets because it provides strong visibility into our leasing opportunities and helps to ensure targeted returns on new developments. When considering a new market, we take a disciplined approach in evaluating potential business, property and site acquisitions, including a site's geographic attributes, availability of telecommunications and connectivity providers, access to power, and expected costs for development.

Growing Interconnection Business. In April 2013, we launched the National IX Platform, delivering interconnection across states and between metro-enabled sites within the CyrusOne facility footprint and beyond. The platform enables high-performance, low-cost data transfer and accessibility for customers seeking to connect between CyrusOne facilities, from CyrusOne to their own private data center facility, or with one another via private peering, cross connects and/or public switching environments. Interconnection within a facility or on the National IX Platform allows our customers to share information and conduct commerce in a highly efficient manner not requiring a third-party intermediary, and at a fraction of the cost normally required to establish such a connection between two enterprises. As of December 31, 2014 approximately 60% of our annualized rent came from customers with footprints in multiple CyrusOne data centers, and the National IX Platform provides an easy and low-cost method for these customers to connect between facilities. The demand for interconnection creates additional rental and revenue growth opportunities for us, and we believe that customer interconnections increase our likelihood of customer retention by providing an environment not easily replicated by competitors. We act as a trusted neutral party that enterprises, carriers and content companies utilize to connect to each other. We believe that the reputation and industry relationships of our executive management team place us in an ongoing trusted provider role. In 2014, we became the first colocation provider in North America to receive multi-site certification from the Open-IX Association, a non-profit industry group formed to promote better standards for data center interconnection and Internet Exchanges in North America.

Our principal executive offices are located at 1649 West Frankford Road, Carrollton, TX 75007. Our telephone number is (972) 350-0060. We maintain a website, www.cyrusone.com. The information contained on, or accessible through, our website is not incorporated by reference into this Annual Report on Form 10-K.

Our Portfolio

As of December 31, 2014, our property portfolio included approximately 25 data centers in 11 distinct markets (9 cities in the U.S., London and Singapore) collectively providing approximately 2,235,000 net rentable square feet ("NRSF"), of which 85% was leased, and powered by approximately 198 MW of available UPS capacity. We own 15 of the buildings in which our data center facilities are located. We lease the remaining 10 buildings, which account for approximately 360,000 NRSF, or approximately 16% of our total operating NRSF. These leased buildings accounted for 21% of our total annualized rent as of December 31, 2014. We also currently have 708,000 NRSF under development, as well as 489,000 NRSF of additional powered shell space under roof available for development. In addition, we have

approximately 200 acres of land that are available for future data center shell development. Along with our primary product offering, leasing of colocation space, our customers are also interested in ancillary office and other space. We believe our existing operating portfolio and development pipeline will allow us to meet the evolving needs of our existing customers and continue to attract new customers. The following tables provide an overview of our operating and development properties as of December 31, 2014.

CyrusOne Inc.
Data Center Portfolio
As of December 31, 2014
(unaudited)

Facilities	Metro Area	Annualized Rent ^(b)	Operating Net Rentable Square Feet (NRSF) ^(a)							Powered Shell Available for Future Development (NRSF) ^(f)	Available UPS Capacity (MW) ^(g)
			Colocation Space (CSF) ^(c)	CSF Leased ^(d)	CSF Utilized ^(e)	Office & Other ^(f)	Office & Other Leased ^(g)	Supporting Infrastructure ^(h)	Total ⁽ⁱ⁾		
Westway Park Blvd., Houston, TX (Houston West 1)	Houston	52,457,037	112,133	97 %	97 %	10,563	98 %	37,063	159,759	3,000	28
S. State Highway 121 Business Lewisville, TX (Lewisville)*	Dallas	38,366,836	108,687	96 %	97 %	11,279	96 %	59,345	179,311	—	18
West Seventh St., Cincinnati, OH (7th Street)***	Cincinnati	35,253,793	212,664	92 %	92 %	5,744	100 %	171,561	389,969	37,000	13
Southwest Fwy., Houston, TX (Galleria)	Houston	33,512,474	63,469	77 %	77 %	23,259	51 %	24,927	111,655	—	14
W. Frankford, Carrollton, TX (Frankford)	Dallas	25,322,096	170,627	77 %	78 %	13,745	71 %	66,020	250,392	272,000	18
South Ellis Street Chandler, AZ (Phoenix 1)	Phoenix	20,937,731	77,504	99 %	100 %	34,471	10 %	38,441	150,416	31,000	27
Kingsview Dr., Lebanon, OH (Lebanon)	Cincinnati	20,031,449	65,303	83 %	84 %	44,886	72 %	52,950	163,139	65,000	14
Westover Hills Blvd, San Antonio, TX (San Antonio 1)	San Antonio	18,637,788	43,843	100 %	100 %	5,989	89 %	45,606	95,438	11,000	12
Industrial Rd., Florence, KY (Florence)	Cincinnati	16,345,633	52,698	100 %	100 %	46,848	87 %	40,374	139,920	—	9
Westway Park Blvd., Houston, TX (Houston West 2)	Houston	12,919,914	79,492	73 %	74 %	3,112	59 %	56,432	139,036	12,000	12
Metropolis Dr., Austin, TX (Austin 2)	Austin	9,644,277	43,772	78 %	87 %	912	79 %	22,666	67,350	—	5
Knightsbridge Dr., Hamilton, OH (Hamilton)*	Cincinnati	9,235,796	46,565	77 %	78 %	1,077	100 %	35,336	82,978	—	10
Parkway Dr., Mason, OH (Mason)	Cincinnati	6,022,440	34,072	100 %	100 %	26,458	98 %	17,193	77,723	—	4
E. Ben White Blvd., Austin, TX (Austin 1)*	Austin	5,634,831	16,223	87 %	87 %	21,476	100 %	7,517	45,216	—	2
Kestral Way (London)**	London	5,488,782	10,000	99 %	99 %	—	— %	—	10,000	—	1
Midway Rd., Carrollton, TX (Midway)**	Dallas	5,408,662	8,390	100 %	100 %	—	— %	—	8,390	—	1
South Ellis Street Chandler, AZ (Phoenix 2)	Phoenix	2,349,948	36,522	100 %	100 %	5,540	36 %	20,784	62,846	—	6
Springer St., Lombard, IL (Lombard)	Chicago	2,229,308	13,516	73 %	74 %	4,115	100 %	12,230	29,861	29,000	3
Marsh Lane, Carrollton, TX (Marsh Ln)**	Dallas	2,226,028	4,245	100 %	100 %	—	— %	—	4,245	—	1
Goldcoast Dr., Cincinnati, OH (Goldcoast)	Cincinnati	1,484,798	2,728	100 %	100 %	5,280	100 %	16,483	24,491	14,000	1
Bryan St., Dallas, TX (Bryan St)**	Dallas	908,954	3,020	51 %	51 %	—	— %	—	3,020	—	1
McAuley Place, Blue Ash, OH (Blue Ash)*	Cincinnati	529,162	6,193	39 %	39 %	6,950	100 %	2,166	15,309	—	1
E. Monroe St., South Bend, IN (Monroe St.)	South Bend	446,245	6,350	33 %	33 %	—	— %	6,478	12,828	4,000	1
Crescent Circle, South Bend, IN (Blackthorn)*	South Bend	361,582	3,432	43 %	43 %	—	— %	5,125	8,557	11,000	1
Jurong East (Singapore)**	Singapore	316,189	3,200	19 %	19 %	—	— %	—	3,200	—	1
Total		\$326,071,753	1,224,648	88%	88%	271,704	74%	738,697	2,235,049	489,000	198

* Indicates properties in which we hold a leasehold interest in the building shell and land. All data center infrastructure has been constructed by us and owned by us.

** Indicates properties in which we hold a leasehold interest in the building shell, land, and all data center infrastructure.

*** The information provided for the West Seventh Street (7th St.) property includes data for two facilities, one of which we lease and one of which we own.

- (a) Represents the total square feet of a building under lease or available for lease based on engineers' drawings and estimates but does not include space held for development or space used by CyrusOne.
- (b) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of December 31, 2014, multiplied by 12. For the month of December 2014, our total portfolio annualized rent was \$326.1 million, customer reimbursements were \$46.2 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From January 1, 2013 through December 31, 2014, customer reimbursements under leases with separately metered power constituted between 8.9% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of December 31, 2014 was \$336.5 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2014 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.
- (c) CSF represents the NRSF at an operating facility that is currently leased or readily available for lease as colocation space, where customers locate their servers and other IT equipment.

- (d) Percent leased is determined based on CSF being billed to customers under signed leases as of December 31, 2014 divided by total CSF. Leases signed but not commenced as of December 2014 are not included.
- (e) Utilization is calculated by dividing CSF under signed leases for colocation space (whether or not the customer has occupied the space) by total CSF.
- (f) Represents the NRSF at an operating facility that is currently leased or readily available for lease as space other than CSF, which is typically office and other space.
- (g) Percent leased is determined based on Office & Other space being billed to customers under signed leases as of December 31, 2014 divided by total Office & Other space. Leases signed but not commenced as of December 2014 are not included.
- (h) Represents infrastructure support space, including mechanical, telecommunications and utility rooms, as well as building common areas.
- (i) Represents the NRSF at an operating facility that is currently leased or readily available for lease. This excludes existing vacant space held for development.
- (j) Represents space that is under roof that could be developed in the future for operating NRSF, rounded to the nearest 1,000.
- (k) UPS capacity (also referred to as critical load) represents the aggregate power available for lease and exclusive use by customers from the facility's installed universal power supplies (UPS) expressed in terms of megawatts. The capacity reported is for non-redundant megawatts, as we can develop flexible solutions to our customers at multiple resiliency levels. Does not sum to total due to rounding.

CyrusOne Inc.
NRSF Under Development
As of December 31, 2014
(Dollars in millions)
(unaudited)

Facilities	Metro Area	NRSF Under Development ^(a)					UPS MW Capacity ^(d)	Under Development Costs ^(b)		
		Colocation Space (CSF)	Office & Other	Supporting Infrastructure	Powered Shell ^(c)	Total		Actual to Date ^(e)	Estimated Costs to Completion	Total
W. Frankford Rd. (Carrollton)	Dallas	56,000	12,000	18,000	—	86,000	3.0	\$ 4	\$16-20	\$20-24
Westover Hills Blvd. (San Antonio 2)	San Antonio	30,000	20,000	25,000	49,000	124,000	3.0	26	14-17	40-43
Westway Park Blvd. (Houston West 3)	Houston	60,000	10,000	10,000	249,000	329,000	6.0	29	24-30	53-59
South Ellis Street, Chandler, AZ (Phoenix 2)	Phoenix	36,000	—	4,000	—	40,000	—	3	1-2	4-5
Ridgetop Circle, Sterling, VA (Northern VA)	Northern Virginia	30,000	16,000	35,000	48,000	129,000	6.0	39	4-5	44-45
Total		212,000	58,000	92,000	346,000	708,000	18.0	\$ 101	\$59-74	\$161-176

- (a) Represents NRSF at a facility for which activities have commenced or are expected to commence in the next two quarters to prepare the space for its intended use. Estimates and timing are subject to change.
- (b) Represents management's estimate of the total costs required to complete the current NRSF under development. There may be an increase in costs if customers require greater power density.
- (c) Represents NRSF under construction that, upon completion, will be powered shell available for future development into operating NRSF.
- (d) UPS Capacity (also referred to as critical load) represents the aggregate power available for lease to and exclusive use by customers from the facility's installed universal power supplies (UPS) expressed in terms of megawatts. The capacity presented is for non-redundant megawatts, as we can develop flexible solutions to our customers at multiple resiliency levels.
- (e) Capex-to-date is the cash investment as of December 31, 2014. There may be accruals above this amount for work completed, for which cash has not yet been paid.

Customer Diversification

Our portfolio is currently leased to approximately 670 customers, many of which are leading global companies. The following table sets forth information regarding the 20 largest customers, including their affiliates, in our portfolio based on annualized rent as of December 31, 2014:

**CyrusOne Inc.
Customer Diversification^(a)
As of December 31, 2014
(unaudited)**

	Principal Customer Industry	Number of Locations	Annualized Rent ^(b)	Percentage of Portfolio Annualized Rent ^(c)	Weighted Average Remaining Lease Term in Months ^(d)
1	Energy	2	\$ 21,670,137	6.6%	34.2
2	Telecommunications (CBI) ^(e)	8	20,188,964	6.2%	18.4
3	Information Technology	1	15,473,502	4.7%	51.0
4	Information Technology	3	15,401,712	4.7%	42.2
5	Telecommunication Services	2	15,179,310	4.7%	37.8
6	Research and Consulting Services	3	14,715,147	4.5%	16.3
7	Energy	5	13,281,282	4.1%	7.9
8	Information Technology	2	9,736,358	3.0%	30.0
9	Financials	1	6,000,225	1.8%	65.0
10	Telecommunication Services	5	5,265,673	1.6%	52.0
11	Energy	2	4,944,360	1.5%	19.0
12	Information Technology	1	4,830,477	1.5%	11.4
13	Energy	1	4,805,574	1.5%	14.7
14	Consumer Staples	1	4,788,363	1.5%	88.1
15	Information Technology	1	4,665,712	1.4%	74.0
16	Information Technology	2	4,063,820	1.2%	63.2
17	Financials	6	3,955,165	1.2%	61.1
18	Energy	4	3,942,776	1.2%	10.6
19	Energy	1	3,729,003	1.1%	17.3
20	Energy	2	3,423,904	1.1%	24.9
			\$ 180,061,464	55.1%	33.9

(a) Includes affiliates.

(b) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of December 31, 2014, multiplied by 12. For the month of December 2014, our total portfolio annualized rent was \$326.1 million, and customer reimbursements were \$46.2 million annualized, consisting of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From January 1, 2013, through December 31, 2014, customer reimbursements under leases with separately metered power constituted between 8.9% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of December 31, 2014, was \$336.5 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2014, because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

(c) Represents the customer's total annualized rent divided by the total annualized rent in the portfolio as of December 31, 2014, which was approximately \$326.1 million.

(d) Weighted average based on customer's percentage of total annualized rent expiring and is as of December 31, 2014, assuming that customers exercise no renewal options and exercise all early termination rights that require payment of less than 50% of the remaining rents. Early termination rights that require payment of 50% or more of the remaining lease payments are not assumed to be exercised because such payments approximate the profitability margin of leasing that space to the customer, such that we do not consider early termination to be economically detrimental to us.

(e) Includes information for both Cincinnati Bell Technology Solutions (CBTS) and Cincinnati Bell Telephone and two customers that have contracts with CBTS. We expect the contracts for these two customers to be assigned to us, but the consents for such assignments have not yet been obtained. Excluding these customers, Cincinnati Bell Inc. and subsidiaries represented 2.4% of our annualized rent as of December 31, 2014.

Lease Distribution

The following table sets forth information relating to the distribution of customer leases in the properties in our portfolio, based on NRSF under lease as of December 31, 2014:

CyrusOne Inc.
Lease Distribution
As of December 31, 2014
(unaudited)

NRSF Under Lease ^(a)	Number of Customers ^(b)	Percentage of All Customers	Total Leased NRSF ^(c)	Percentage of Portfolio Leased NRSF	Annualized Rent ^(d)	Percentage of Annualized Rent
0-999	484	73 %	95,342	5 %	\$ 37,213,773	11 %
1,000-2,499	66	10 %	99,148	5 %	20,428,533	6 %
2,500-4,999	39	6 %	141,283	7 %	26,318,396	8 %
5,000-9,999	31	5 %	220,539	12 %	55,091,724	17 %
10,000+	40	6 %	1,359,823	71 %	187,019,327	58 %
Total	660	100%	1,916,135	100%	\$ 326,071,753	100%

(a) Represents all leases in our portfolio, including colocation, office and other leases.

(b) Represents the number of customers occupying data center, office and other space as of December 31, 2014. This may vary from total customer count as some customers may be under contract, but have yet to occupy space.

(c) Represents the total square feet at a facility under lease and that has commenced billing, excluding space held for development or space used by CyrusOne. A customer's leased NRSF is estimated based on such customer's direct CSF or office and light-industrial space plus management's estimate of infrastructure support space, including mechanical, telecommunications and utility rooms, as well as building common areas.

(d) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of December 31, 2014, multiplied by 12. For the month of December 2014, customer reimbursements were \$46.2 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From January 1, 2013, through December 31, 2014, customer reimbursements under leases with separately metered power constituted between 8.9% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of December 31, 2014, was \$336.5 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2014, because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

Lease Expiration

The following table sets forth a summary schedule of the customer lease expirations for leases in place as of December 31, 2014, plus available space, for each of the 10 full calendar years beginning January 1, 2015, at the properties in our portfolio.

CyrusOne Inc.
Lease Expirations
As of December 31, 2014
(unaudited)

Year ^(a)	Number of Leases Expiring ^(b)	Total Operating NRSF Expiring	Percentage of Total NRSF	Annualized Rent ^(c)	Percentage of Annualized Rent	Annualized Rent at Expiration ^(d)	Percentage of Annualized Rent at Expiration
Available		318,914	14%				
Month-to-Month	179	29,404	1%	\$ 11,797,455	4%	\$ 11,821,342	3%
2015	889	405,588	18%	72,881,716	22%	78,293,399	22%
2016	583	273,516	12%	67,050,718	21%	67,652,797	19%
2017	749	325,430	15%	50,141,151	15%	52,195,763	15%
2018	223	218,922	10%	43,240,350	13%	47,044,582	14%
2019	200	250,368	11%	35,707,357	11%	38,961,034	11%
2020	78	164,719	8%	17,718,630	5%	19,571,243	6%
2021	71	74,347	3%	14,976,412	5%	16,455,928	5%
2022	3	31,369	1%	3,267,554	1%	3,578,407	1%
2023	43	59,823	3%	6,262,053	2%	7,662,408	2%
2024 - Thereafter	10	82,649	4%	3,028,357	1%	6,958,380	2%
Total	3,028	2,235,049	100%	\$ 326,071,753	100%	\$ 350,195,283	100%

- (a) Leases that were auto-renewed prior to December 31, 2014 are shown in the calendar year in which their current auto-renewed term expires. Unless otherwise stated in the footnotes, the information set forth in the table assumes that customers exercise no renewal options and exercise all early termination rights that require payment of less than 50% of the remaining rents. Early termination rights that require payment of 50% or more of the remaining lease payments are not assumed to be exercised.
- (b) Number of leases represents each agreement with a customer. A lease agreement could include multiple spaces and a customer could have multiple leases.
- (c) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of December 31, 2014, multiplied by 12. For the month of December 2014, customer reimbursements were \$46.2 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From January 1, 2013 through December 31, 2014, customer reimbursements under leases with separately metered power constituted between 8.9% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of December 31, 2014, was \$336.5 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2014, because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.
- (d) Represents the final monthly contractual rent under existing customer leases that had commenced as of December 31, 2014, multiplied by 12.

Regulation

General

Properties in our markets are subject to various laws, ordinances and regulations, including regulations relating to common areas. We believe that each of our properties has the necessary permits and approvals for us to operate our business.

Americans With Disabilities Act

Our properties must comply with Title III of the Americans with Disabilities Act of 1990, or the ADA, to the extent that such properties are “public accommodations” as defined by the ADA. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. We believe that our properties are in substantial compliance with the ADA and that we will not be required to make substantial capital expenditures to address the requirements of the ADA. However, noncompliance with the ADA could result in imposition of fines or an award of damages to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations as appropriate in this respect.

Environmental Matters

We are subject to laws and regulations relating to the protection of the environment, the storage, management and disposal of hazardous materials, emissions to air and discharges to water, the cleanup of contaminated sites and health and safety matters. These include various regulations promulgated by the Environmental Protection Agency and other federal, state, and local regulatory agencies and legislative bodies relating to our operations involving power generators, batteries, and fuel storage to support co-location infrastructure. While we believe that our operations are in substantial compliance with environmental, health, and human safety laws and regulations, as an owner or operator of property and in connection with the current and historical use of hazardous materials and other operations at its sites, we could incur significant costs, including fines, penalties and other sanctions, cleanup costs and third-party claims for property damages or personal injuries, as a result of violations of or liabilities under environmental laws and regulations. Fuel storage tanks are present at many of our properties, and if releases were to occur, we may be liable for the costs of cleaning up resulting contamination. Some of our sites also have a history of previous commercial operations, including past underground storage tanks.

Some of the properties may contain asbestos-containing building materials. Environmental laws require that asbestos-containing building materials be properly managed and maintained, and may impose fines and penalties on building owners or operators for failure to comply with these requirements.

Independent environmental consultants have conducted Phase I or similar non-intrusive environmental site assessments on recently acquired properties and if appropriate, additional environmental inquiries and assessments. Nonetheless, we may acquire or develop sites in the future with unknown environmental conditions from historical operations. Although we are not aware of any sites at which we currently have material remedial obligations, the imposition of remedial obligations as a result of spill or the discovery of contaminants in the future could result in significant additional costs to us.

Our operations also require us to obtain permits and/or other governmental approvals and to develop response plans in connection with the use of our generators or other operations. These requirements could restrict our operations or delay the development of data centers in the future. In addition, from time to time, federal, state or local government regulators enact new or revise existing legislation or regulations that could affect us, either beneficially or adversely. As a result, we could incur significant costs in complying with environmental laws or regulations that are promulgated in the future.

Insurance

We carry comprehensive liability, fire, extended coverage, business interruption and rental loss insurance covering all of the properties in our portfolio under a blanket policy. In the opinion of our management, our policy specifications, limits and insurance carriers are appropriate given the relative risk of loss, the cost of coverage and industry practice. We cannot provide any assurance that the business interruption or property insurance we have will cover all losses that we may experience, that the insurance carrier will be solvent, that rates will remain commercially reasonable, that insurance carriers will not cancel our policies, or that the insurance carriers will pay all claims made by us. Certain circumstances, such as acts of war, are generally uninsurable under our policies. See also “Risk Factors-Risks Related to Our Business and Operations.” Any losses to our properties that are not covered by insurance, or that exceed our policy coverage limits, could adversely affect our business, financial condition and results of operations.

Competition

We compete with numerous developers, owners and operators of technology-related real estate, many of which own properties similar to ours in the same markets in which our properties are located. If our competitors offer space at rental rates below current market rates or below the rental rates we currently charge our customers, we may lose potential customers and we may be pressured to reduce our rental rates below

those we currently charge in order to retain customers when our customers' leases expire. In addition, our customers have the option of building their own data center space which can also place pressure on our rental rates.

As a developer of data center space and provider of interconnection services, we also compete for the services of key third-party providers of services, including engineers and contractors with expertise in the development of data centers. There is competition for the services of specialized contractors and other third-party providers required for the development of data centers, increasing the cost of engaging such providers and the risk of delays in completing our development projects.

In addition, we face competition from real estate developers in our sector and in other industries for the acquisition of additional properties suitable for the development of data centers. Such competition may reduce the number of properties available for acquisition, increase the price of these properties and reduce the demand for data center space in the markets we seek to serve.

Employees

We employ approximately 300 persons. None of these employees are represented by a labor union.

Financial Information

For financial information related to our operations, please refer to the financial statements including the notes thereto, included in this Annual Report on Form 10-K.

How to Obtain Our SEC Filings

Effective January 24, 2013, we became subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and consequently we file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). All reports we file with the SEC will be available free of charge via EDGAR through the SEC website at <http://www.sec.gov>. In addition, the public may read and copy materials we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Information about the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. We make available our reports on Forms 10-K, 10-Q, and 8-K (as well as all amendments to these reports), and other information, free of charge, at the Investor Relations section of our website at <http://www.cyrusone.com>. The information found on, or otherwise accessible through, our website is not incorporated by reference into, nor does it form a part of, this report or any other document that we file with the SEC.

ITEM 1A. RISK FACTORS

You should carefully consider all the risks described below, as well as the other information contained in this document when evaluating your investment in our securities. Any of the following risks could materially and adversely affect our business, results of operations or financial condition. The risks and uncertainties described below are those that we currently believe may materially affect our Company. Additional risks and uncertainties of which we are unaware or that we currently deem immaterial also may become important factors that affect our Company. The occurrence of any of the following risks might cause you to lose all or a part of your investment. Some statements in this Form 10-K, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Special Note Regarding Forward-Looking Statements."

Risks Related to Our Business and Operations

A small number of customers account for a significant portion of our revenue. The loss or significant reduction in business from one or more of our large customers could significantly harm our business, financial condition and results of operations, and impact the amount of cash available for distribution to our stockholders.

We currently depend, and expect to continue to depend, upon a relatively small number of customers for a significant percentage of our revenue. Our top 20 customers collectively accounted for approximately 55% of our total annualized rent as of December 31, 2014. As a result of this customer concentration, our business, financial condition and results of operations, including the amount of cash available for distribution to our stockholders, could be adversely affected if we lose one or more of our larger customers, if such customers significantly reduce their business with us or if we choose not to enforce, or to enforce less vigorously, any rights that we may have now or in the future against these significant customers because of our desire to maintain our relationship with them.

A significant percentage of our customer base is also concentrated in industry sectors that may from time to time experience volatility, including the energy and technology sectors. Enterprises in the technology and energy industries comprised approximately 30% and 28%, respectively, of our annualized rent as of December 31, 2014. A downturn in one of these industries could negatively impact the financial condition of one or more of our energy or technology customers, including several of our larger customers. In an industry downturn, those customers could default on their obligations to us, delay the purchase of new services from us or decline to renew expiring leases, any of which could have an adverse effect on our business, financial condition and results of operations.

Additionally, if any customer becomes a debtor in a case under the U.S. Bankruptcy Code, applicable bankruptcy laws may limit our ability to terminate our contract with such customer solely because of the bankruptcy or recover any amounts owed to us under our agreements with such customer. In addition, applicable bankruptcy laws could allow the customer to reject and terminate its agreement with us, with limited ability for us to collect the full amount of our damages. Our business, including our revenue and cash available for distribution to our stockholders, could be adversely affected if any of our significant customers were to become bankrupt or insolvent.

A significant percentage of our customer leases expire each year or are on a month-to-month basis, and many of our leases contain early termination provisions. If leases with our customers are not renewed on the same or more favorable terms or are terminated early by our customers, our business, financial condition and results of operations could be substantially harmed.

Our customers may not renew their leases following expiration. This risk is increased by the significant percentage of our customer leases that expire every year. As of December 31, 2014, leases representing 22%, 21% and 15% of the annualized rent for our portfolio will expire during 2015, 2016 and 2017, respectively, and an additional 4% of the annualized rent for our portfolio was from month-to-month leases. While historically we have retained a significant number of our customers, including those leasing from us on a month-to-month basis, upon expiration our customers may elect not to renew their leases or renew their leases at lower rates, for fewer services or for shorter terms. If we are unable to successfully renew or continue our customer leases on the same or more favorable terms or subsequently re-lease available data center space when such leases expire, our business, financial condition and results of operations could be adversely affected.

In addition, many of our leases contain early termination provisions that allow our customers to reduce the term of their leases subject to payment of an early termination charge that is often a specified portion of the remaining rent payable on such leases. The exercise by customers of early termination options could have an adverse effect on our business, financial condition and results of operations.

We generate a substantial portion of our revenue by servicing a limited geographic area, which makes us more susceptible to regional economic downturns.

Our portfolio of properties consists primarily of data centers geographically concentrated in the Cincinnati, Ohio metro area and cities in Texas. These markets comprised 27% and 63%, respectively, of our annualized rent as of December 31, 2014. As such, we are susceptible to local economic conditions and the supply of, and demand for, data center space in these markets. If there is a downturn in the economy, a natural disaster or an oversupply of, or decrease in demand for, data centers in these markets, our business could be adversely affected to a greater extent than if we owned a real estate portfolio that was more diversified in terms of both geography and industry focus.

Even if we have additional space available for lease at any one of our data centers, our ability to meet existing customer requirements or lease this space to existing or new customers could be constrained by our ability to provide sufficient electrical power and cooling capacity.

Customers are increasing their deployment of high-density IT equipment in our data centers, which has significantly increased the demand for power and cooling capacity. As current and future customers increase their power footprint in our facilities over time, we may be required to upgrade or add to our existing infrastructure or add additional infrastructure to meet customer requirements. Power and cooling systems are difficult and expensive to upgrade, and such changes may be required at a time or on a timeline during which we lack the financial or operational ability to make such changes. Our failure to timely upgrade or add additional infrastructure could result in a failure to meet the requirements of our existing customers, or limit our ability to increase occupancy rates or density within our existing facilities, whether for new or existing customers. Similarly, even when successful in implementing such changes, we may not be able to pass on any additional costs to our customers.

We do not own all of the buildings in which our data centers are located. Instead, we lease or sublease certain of our data center spaces and the ability to retain these leases or subleases could be a significant risk to our ongoing operations.

We do not own 10 buildings that account for approximately 360,000 NRSF, or approximately 16% of our total operating NRSF. These leased buildings accounted for 21% of our total annualized rent as of December 31, 2014. Our business could be harmed if we are unable to renew the leases for these data centers on favorable terms or at all. Additionally, in several of our smaller facilities we sublease our space, and our rights under these subleases are dependent on our sublandlord retaining its rights under the prime lease. The weighted average remaining term for such leases and subleases is approximately seven years, or approximately 16 years after giving effect to our contractual renewal rights. When the primary terms of our existing leases expire, we generally have the right to extend the terms of our leases for one or more renewal periods, subject to, in the case of several of our subleases, our sublandlord renewing its term under the prime lease. For four of these leases and subleases, the renewal rent will be determined based on the fair market value of rental rates for the property, and the then prevailing rental rates may be higher than the current rental rates under the applicable lease. The rent for the remaining leases and subleases will be based on a fixed percentage increase over the base rent during the year immediately prior to expiration. Several of our data centers are leased or subleased from other data center companies, which may increase our risk of non-renewal or renewal on less than favorable terms. If renewal rates are less favorable than those we currently have, we may be required to increase revenues within existing data centers to offset such increase in lease payments. Failure to increase revenues to sufficiently offset these projected higher costs would adversely impact our operating income. Upon the end of our renewal options, we would have to renegotiate our lease terms with the applicable landlords.

Additionally, if we are unable to renew the lease at any of our data centers, we could lose customers due to the disruptions in their operations caused by the relocation. We could also lose those customers that choose our data centers based on their locations. In addition, it is not typical for us to relocate data center infrastructure equipment, such as generators, power distribution units and cooling units, from their initial installation. The costs of relocating such equipment to different data centers could be prohibitive and, as such, we could lose the value of this equipment. For these reasons, any lease that cannot be renewed could adversely affect our business, financial condition and results of operations.

Any losses to our properties that are not covered by insurance, or that exceed our coverage limits, could adversely affect our business, financial condition and results of operations.

The properties in our portfolio are subject to risks, including from causes related to riots, war, terrorism or acts of God. For example, our properties located in Texas are generally subject to risks related to tropical storms, tornadoes, hurricanes, floods and other severe weather or natural events and our properties located in the Midwest are generally subject to risks related to earthquakes, tornadoes and other severe weather. All our properties could have unknown title defects or encumbrances. While we carry commercial property insurance including business interruption, flood and earth movement covering all of the properties in our portfolio, and title insurance on a substantial number of our properties, the amount of insurance coverage may not be sufficient to fully cover losses we may incur.

If we experience a loss that is uninsured or exceeds our policy coverage limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties

were subject to recourse indebtedness, we could continue to be liable for the indebtedness even if these properties were irreparably damaged or subject of a loss.

In addition, even if a title defect or damage to our properties is covered by insurance, a disruption of our business caused by a casualty event may result in the loss of business or customers. The business interruption insurance we carry may not fully compensate us for the loss of business or customers due to an interruption caused by a title defect or casualty event.

A failure of an insurance company to make payments to us upon an event of loss covered by an insurance policy could adversely affect our business, financial condition and results of operations. We monitor our insurance carrier's financial strength rating and financial size category by only placing insurance with carriers who have an A.M. Best Rating of A- XII or better. However, it can be difficult to evaluate the stability and net assets or capitalization of insurance companies, and any insurance company's ability to meet its claim payment obligations.

Any failure of our physical infrastructure or services could lead to significant costs and disruptions that could reduce our revenues and harm our brand and reputation.

Our business depends on providing customers with a highly reliable data center environment. We may fail to provide such service as a result of numerous factors, including:

- human error;
- failure to timely deploy adequate infrastructure to meet customer requirements;
- unexpected equipment failure;
- power loss or telecommunications failures;
- improper building maintenance by our landlords in the buildings that we lease;
- physical or electronic security breaches;
- fire, tropical storm, hurricane, tornado, flood, earthquake and other natural disasters;
- water damage;
- war, terrorism and any related conflicts or similar events worldwide; and
- sabotage and vandalism.

Problems at one or more of our data centers, whether or not within our control, could result in service interruptions or equipment damage. Substantially all of our leases include terms requiring us to meet certain service level commitments primarily in terms of electrical output to, and maintenance of environmental conditions in, the data center raised floor space leased by customers. Any failure to meet these commitments or any equipment damage in our data centers, including as a result of mechanical failure, power outage, human error on our part or other reasons, could subject us to liability under our lease terms, including service level credits against customer rent payments, or, in certain cases of repeated failures, the right by the customer to terminate the lease. For example, although our data center facilities are engineered to reliably power and cool our customers' computing equipment, it is possible that an outage could adversely affect a facility's power and cooling capabilities. Depending on the frequency and duration of these outages, the affected customers may have the right to terminate their lease, which could have a negative impact on our business. We may also be required to expend significant financial resources to upgrade or add to existing infrastructure to meet customer requirements for power and cooling, and we may not be financially or operationally able to do so in a timely manner. We may also be required to expend significant financial resources to protect against physical or cyber security breaches that could result in the misappropriation of our proprietary information or the information of our customers. We may not be able to implement security measures in a timely manner or, if and when implemented, these measures might be circumvented. Service interruptions, equipment failures or security breaches may also expose us to additional legal liability and damage our brand and reputation, and could cause our customers to terminate or not renew their leases. In addition, we may be unable to attract new customers if we have a reputation for significant or frequent service disruptions, equipment failures or physical or cyber security breaches in our data centers. Any such failures could adversely affect our business, financial condition and results of operations.

Our growth depends on the development of our properties and our ability to successfully lease those properties, and any delays or unexpected costs associated with such projects or the ability to lease such properties may harm our growth prospects, future business, financial condition and results of operations.

Our growth depends in part upon successfully developing properties into operating data center space. Current and future development projects will involve substantial planning, allocation of significant company resources and certain risks, including risks related to financing, zoning, regulatory approvals, construction costs and delays. These projects will also require us to carefully select and rely on the experience of one or more general contractors and associated subcontractors during the construction process. Should a general contractor or significant subcontractor experience financial or other problems during the construction process, we could experience significant delays, increased costs to complete the project and other negative impacts to our expected returns.

Site selection is also a critical factor in our expansion plans, and there may not be suitable properties available in our markets at a location that is attractive to our customers and has the necessary combination of access to multiple network providers, a significant supply of electrical power, high ceilings and the ability to sustain heavy floor loading. Furthermore, while we may prefer to locate new data centers adjacent to our existing data centers, we may be limited by the inventory and location of suitable properties.

In addition, in developing new properties, we will be required to secure an adequate supply of power from local utilities, which may include unanticipated costs. For example, we could incur increased costs to develop utility substations on our properties in order to accommodate our power needs. Any inability to secure an appropriate power supply on a timely basis or on acceptable financial terms could adversely affect our ability to develop the property on an economically feasible basis, or at all.

These and other risks could result in delays or increased costs or prevent the completion of our development projects and growth of our business, which could adversely affect our business, financial condition and results of operations.

In addition, we have in the past undertaken development projects prior to obtaining commitments from customers to lease the related data center space. We will likely choose to undertake future development projects under similar terms. Such development involves the risk that we will be unable to attract customers to the relevant properties on a timely basis or at all. If we are unable to attract customers and our properties remain vacant or underutilized for a significant amount of time, our business, financial condition and results of operations could be adversely affected.

We are dependent upon third-party suppliers for power and certain other services, and we are vulnerable to service failures of our third-party suppliers and to price increases by such suppliers.

We rely on third-party local utilities to provide power to our data centers. We are therefore subject to an inherent risk that such local utilities may fail to deliver such power in adequate quantities or on a consistent basis, and our recourse against the utility and ability to control such failures may be limited. If power delivered from the local utility is insufficient or interrupted, we would be required to provide power through the operation of our on-site generators, generally at a significantly higher operating cost than we would pay for an equivalent amount of power from the local utility. We may not be able to pass on the higher cost to our customers. In addition, if the generator power were to fail, we would generally be subject to paying service level credits to our customers, who may in certain instances also have the right to terminate their leases. Furthermore, any sustained loss of power could reduce the confidence of our customers in our services thereby impairing our ability to attract and retain customers, which would adversely affect both our ability to generate revenues and our results of operations.

In addition, even when power supplies are adequate, we may be subject to pricing risks and unanticipated costs associated with obtaining power from various utility companies. While we actively seek to lock-in utility rates, many factors beyond our control may increase the rate charged by the local utility. For instance, municipal utilities in areas experiencing financial distress may increase rates to compensate for financial shortfalls unrelated to either the cost of production or the demand for electricity. Utilities may be dependent on, and be sensitive to price increases for, a particular type of fuel, such as coal, oil or natural gas. In addition, the price of these fuels and the electricity generated from them could increase as a result of proposed legislative measures related to climate change or efforts to regulate carbon emissions. In any of these cases, increases in the cost of power at any of our data centers could put those locations at a competitive disadvantage relative to data centers served by utilities that can provide less expensive power. These pricing risks are particularly acute with respect to our customer leases that are structured on a full-service gross basis, where the customer pays a fixed amount for both colocation rental and power. Our business, financial condition and results of operations could be adversely affected in the event of an increase in utility rates under these leases, which, as of December 31, 2014, accounted for approximately 29% of our leased NRSF, because we may be limited in our ability to pass on such costs to these customers.

We depend on third parties to provide network connectivity to the customers in our data centers, and any delays or disruptions in connectivity may adversely affect our business, financial condition and results of operations.

Our customers require internet connectivity and connectivity to the fiber networks of multiple third-party telecommunications carriers. In order for us to attract and retain customers, our data centers need to provide sufficient access for customers to connect to those carriers. While we provide space and facilities in our data centers for carriers to locate their equipment and connect customers to their networks, any carrier may elect not to offer its services within our data centers or may elect to discontinue its service. Furthermore, carriers may periodically experience business difficulties which could affect their ability to provide telecommunications services, or the service provided by a carrier may be inadequate or of poor quality. If carriers were to terminate connectivity within our data centers or if connectivity were to be degraded or interrupted, it could put that data center at a competitive disadvantage versus a competitor's data center that does provide adequate connectivity. A material loss of adequate third-party connectivity could have an adverse effect on the businesses of our customers and, in turn, our own results of operations and cash flow.

Furthermore, each new data center that we develop requires significant amounts of capital to be expended by third-party telecommunications carriers for the construction and operation of a sophisticated redundant fiber network. The construction required to connect multiple carrier facilities to our data centers is complex and involves factors outside of our control, including regulatory requirements, the availability of construction resources and the sufficiency of such third-party telecommunications carriers' financial resources to fund the construction. Additionally, hardware or fiber failures could cause significant loss of connectivity. If we are unable to establish highly diverse network connectivity to our data centers, or if such network connectivity is materially delayed, is discontinued or is subject to failure, our ability to attract new customers or retain existing customers may be negatively affected and, as a result our results of operations and cash flows may be adversely affected.

The loss of access to key third-party technical service providers and suppliers could adversely affect our current and any future development projects.

Our success depends, to a significant degree, on having timely access to certain key third-party technical personnel who are in limited supply and great demand, such as engineering firms and construction contractors capable of developing our properties, and to key suppliers of electrical and mechanical equipment that complement the design of our data center facilities. For any future development projects, we will continue to rely on these personnel and suppliers to develop data centers. Competition for such technical expertise is intense, and there are a limited number of electrical and mechanical equipment suppliers that design and produce the equipment that we require. We may not always have or retain access to such key service providers and equipment suppliers, which could adversely affect our current and any future development projects.

The long sales cycle for data center services may adversely affect our business, financial condition and results of operations.

A customer's decision to lease space in one of our data centers and to purchase additional services typically involves a significant commitment of resources, significant contract negotiations regarding the service level commitments, and significant due diligence on the part of the customer regarding the adequacy of our facilities, including the adequacy of carrier connections. As a result, the sale of data center space has a long sales cycle. Furthermore, we may expend significant time and resources in pursuing a particular sale or customer that may not result in revenue. Our inability to adequately manage the risks associated with the data center sales cycle may adversely affect our business, financial condition and results of operations.

Our international activities are subject to special risks different from those faced by us in the United States, and we may not be able to effectively manage our international business.

Our operations are primarily based in the United States with a more limited presence in the United Kingdom and Southeast Asia. Expanding our international operations involves risks not generally associated with investments in the United States, including:

- our limited knowledge of and relationships with sellers, customers, contractors, suppliers or other parties in these markets;
- complexity and costs associated with staffing and managing international development and operations;
- difficulty in hiring qualified management, sales and construction personnel and service providers in a timely fashion;
- problems securing and maintaining the necessary physical and telecommunications infrastructure;
- multiple, conflicting and changing legal, regulatory, entitlement and permitting, and tax and treaty environments with which we have limited familiarity;
- exposure to increased taxation, confiscation or expropriation;
- fluctuations in foreign currency exchange rates, currency transfer restrictions and limitations on our ability to distribute cash earned in foreign jurisdictions to the United States;
- longer payment cycles and problems collecting accounts receivable;
- laws and regulations on content distributed over the Internet that are more restrictive than those in the United States;
- difficulty in enforcing agreements in non-U.S. jurisdictions, including those entered into in connection with our acquisitions or in the event of a default by one or more of our customers, suppliers or contractors;
- political and economic instability, including sovereign credit risk, in certain geographic regions; and
- exposure to restrictive foreign labor law practices.

Our inability to overcome these risks could adversely affect our foreign operations and growth prospects and could harm our business, financial condition and results of operations.

We may be unable to identify and complete acquisitions and successfully operate acquired properties.

We continually evaluate the market for available properties and may acquire data centers or properties suited for data center development when opportunities exist. Our ability to acquire properties on favorable terms and successfully develop and operate them involves significant risks, including:

- we may be unable to acquire a desired property because of competition from other data center companies or real estate investors with more capital;
- even if we are able to acquire a desired property, competition from other potential acquirers may significantly increase the purchase price of such property;
- we may be unable to realize the intended benefits from acquisitions or achieve anticipated operating or financial results;
- we may be unable to finance the acquisition on favorable terms or at all;
- we may underestimate the costs to make necessary improvements to acquired properties;
- we may be unable to quickly and efficiently integrate new acquisitions into our existing operations resulting in disruptions to our operations or the diversion of our management's attention;
- acquired properties may be subject to reassessment, which may result in higher than expected tax payments;
- we may not be able to access sufficient power on favorable terms or at all; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

If we are unable to successfully acquire, develop and operate data center properties, our ability to grow our business, compete and meet market expectations will be significantly impaired, which would adversely affect the price of our common stock.

Our customers may choose to develop or relocate into new data centers or expand their own existing data centers, which could result in the loss of one or more key customers or reduce demand for our newly developed data centers.

In the future, our customers may choose to develop or relocate to new data centers or expand or consolidate into their existing data centers that we do not own. In the event that any of our key customers were to do so, it could result in a loss of business to us or put pressure on our pricing. If we lose a customer, we cannot assure you that we would be able to replace that customer at a competitive rate or at all, which could adversely affect our business, financial condition and results of operations.

A decrease in the demand for data center space could adversely affect our business, financial condition and results of operations.

Our portfolio of properties consists primarily of data center space. The adverse effect on our business, financial condition and results of operations from a decreased demand for data center space would likely be greater than if we owned a portfolio with a more diversified customer base or less specialized use. Adverse developments in the outsourced data center space industry could lead to reduced corporate IT spending or reduced demand for outsourced data center space. Changes in industry practice or in technology, such as server virtualization technology, more efficient or miniaturization of computing or networking devices, or devices that require higher power densities than today's devices, could also reduce demand for the physical data center space we provide or make the customer improvements in our facilities obsolete or in need of significant upgrades to remain viable.

We may have difficulty managing our growth.

We have significantly and rapidly expanded the size of our Company. For example, we increased our footprint by 13% from approximately 1,975,300 NRSF at the end of 2013 to approximately 2,235,000 NRSF by December 31, 2014. Our growth may significantly strain our management, operational and financial resources and systems. An inability to manage our growth effectively or the increased strain on our management, our resources and systems could materially adversely affect our business, financial condition and results of operations.

To fund our growth strategy and refinance our indebtedness, we depend on external sources of capital, which may not be available to us on commercially reasonable terms or at all.

In order to maintain our qualification as a REIT, we are required under the Code, among other things, to distribute at least 90% of our REIT taxable income annually, determined without regard to the dividends paid deduction and excluding any net capital gains. Even if we maintain our qualification as a REIT, we will be subject to U.S. federal income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, as well as U.S. federal income tax at regular corporate rates for income recognized by our taxable REIT subsidiaries ("TRS"). Because of these distribution requirements, we will likely not be

able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we intend to rely on third-party capital markets sources for debt or equity financing to fund our growth strategy. In addition, we may need third-party capital markets sources to refinance our indebtedness at maturity. Continued or increased turbulence in the U.S., European and other international financial markets and economies may adversely affect our ability to replace or renew maturing liabilities on a timely basis, access the capital markets to meet liquidity and capital expenditure requirements and may result in adverse effects on our business, financial condition and results of operations. As such, we may not be able to obtain the financing on favorable terms or at all. Our access to third-party sources of capital also depends, in part, on:

- the market's perception of our growth potential;
- our then-current debt levels;
- our historical and expected future earnings, cash flow and cash distributions; and
- the market price per share of our common stock.

In addition, our ability to access additional capital may be limited by the terms of our then-existing indebtedness which may restrict our incurrence of additional debt. If we cannot obtain capital when needed, we may not be able to acquire or develop properties when strategic opportunities arise or refinance our debt at maturity, which could adversely affect our business, financial condition and results of operations.

Level of indebtedness and debt service obligations could have adverse effects on our business.

As of December 31, 2014, we had a total combined indebtedness, including capital lease obligations, of approximately \$673 million and other financing arrangements of \$53 million. We also currently have the ability to borrow up to an additional \$315 million under our revolving credit facility, subject to satisfying certain financial tests. The credit agreement governing the revolving credit facility and the term loan contains an accordion feature that allows the operating partnership to increase the aggregate commitment by up to \$300 million. There are no limits on the amount of indebtedness we may incur other than limits contained in the senior notes indenture, our revolving credit facility, or future agreements that we may enter into. A substantial level of indebtedness could have adverse consequences for our business, financial condition and results of operations because it could, among other things:

- require us to dedicate a substantial portion of our cash flow from operations to make principal and interest payments on our indebtedness, thereby reducing our cash flow available to fund working capital, capital expenditures and other general corporate purposes, including to make distributions on our common stock as currently contemplated or as necessary to maintain our qualification as a REIT;
- require us to maintain certain debt and coverage and other financial ratios at specified levels, thereby reducing our financial flexibility;
- make it more difficult for us to satisfy our financial obligations, including borrowings under our revolving credit facility;
- increase our vulnerability to general adverse economic and industry conditions;
- expose us to increases in interest rates for our variable rate debt;
- limit our ability to borrow additional funds on favorable terms or at all to expand our business or ease liquidity constraints;
- limit our ability to refinance all or a portion of our indebtedness on or before maturity on the same or more favorable terms or at all;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a competitive disadvantage relative to competitors that have less indebtedness;
- increase our risk of property losses as the result of foreclosure actions initiated by lenders in the event we should incur mortgage or other secured debt obligations; and
- require us to dispose of one or more of our properties at disadvantageous prices or raise equity that may dilute the value of our common stock in order to service our indebtedness or to raise funds to pay such indebtedness at maturity.

The agreements governing our indebtedness place restrictions on us and our subsidiaries, reducing operational flexibility and creating default risks.

The agreements governing our indebtedness contain covenants that place restrictions on us and our subsidiaries. These covenants restrict, among other things, our and our subsidiaries' ability to:

- merge, consolidate or transfer all, or substantially all, of our or our subsidiaries' assets;
- incur additional debt or issue preferred stock;
- make certain investments or acquisitions;
- create liens on our or our subsidiaries' assets;
- sell assets;

- make capital expenditures;
- make distributions on or repurchase our stock;
- enter into transactions with affiliates;
- issue or sell stock of our subsidiaries; and
- change the nature of our business.

These covenants could impair our ability to grow our business, take advantage of attractive business opportunities or successfully compete. In addition, our revolving credit facility requires us to maintain specified financial ratios and satisfy financial condition tests. The indenture governing our senior notes also requires our operating partnership and its subsidiaries to maintain total unencumbered assets of at least 150% of their unsecured debt on a consolidated basis. Our ability to comply with these ratios or tests may be affected by events beyond our control, including prevailing economic, financial and industry conditions. A breach of any of these covenants or covenants under any other agreements governing our indebtedness could result in an event of default. Cross-default provisions in our debt agreements could cause an event of default under one debt agreement to trigger an event of default under our other debt agreements. Upon the occurrence of an event of default under any of our debt agreements, the lenders or holders thereof could elect to declare all outstanding debt under such agreements to be immediately due and payable. If we were unable to repay or refinance the accelerated debt, the lenders or holders, as applicable, could proceed against any assets pledged to secure that debt, including foreclosing on or requiring the sale of our data centers, and our assets may not be sufficient to repay such debt in full.

We may become subject to litigation or threatened litigation which may divert management time and attention, require us to pay damages and expenses or restrict the operation of our business.

We may become subject to disputes with commercial parties with whom we maintain relationships or other parties with whom we do business, including as a result of any breach in our security systems or downtime in our critical electrical and cooling systems. Any such dispute could result in litigation between us and the other parties. Whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its resolution (through litigation, settlement or otherwise), which would detract from our management's ability to focus on our business. Any such resolution could involve the payment of damages or expenses by us, which may be significant. In addition, any such resolution could involve our agreement with terms that restrict the operation of our business.

We could incur significant costs related to environmental matters.

We are subject to laws and regulations relating to the protection of the environment, including those governing the management and disposal of hazardous materials, the cleanup of contaminated sites and health and safety matters. We could incur significant costs, including fines, penalties and other sanctions, cleanup costs and third-party claims for property damages or personal injuries, as a result of violations of or liabilities under environmental laws and regulations. Some environmental laws impose liability on current owners or operators of property regardless of fault or the lawfulness of past disposal activities. For example, many of our sites contain above ground fuel storage tanks and, in some cases, currently contain or formerly contained underground fuel storage tanks, for back-up generator use. Some of our sites also have a history of previous commercial operations. We also may acquire or develop sites in the future with unknown environmental conditions from historical operations. Although we are not aware of any sites at which we currently have material remedial obligations, the imposition of remedial obligations as a result of spills or the discovery of contaminants in the future could result in significant additional costs. We also could incur significant costs complying with current environmental laws or regulations or those that are promulgated in the future.

We may incur significant costs complying with the Americans with Disabilities Act, or ADA, and similar laws, which could materially adversely affect our financial condition and operating results.

Under the ADA, all places of public accommodation must meet federal requirements related to access and use by disabled persons. A number of additional federal, state and local laws may also require modifications to our properties. We have not conducted an audit or investigation of all of our properties to determine our compliance with the ADA. If one of our properties is not in compliance with the ADA, we would be required to incur additional costs to bring the property into compliance. Additional federal, state and local laws may require modifications to our properties, or restrict our ability to renovate our properties. We cannot predict the ultimate amount of the cost of compliance with the ADA or other legislation. If we incur substantial costs to comply with the ADA and any other similar legislation, our financial condition and results of operations could be materially adversely affected.

We may be adversely affected by regulations related to climate change.

If we, or other companies with which we do business, become subject to existing or future laws and regulations related to climate change, our business could be impacted adversely. For example, in the normal course of business, we enter into agreements with providers of electric power for our data centers, and the costs of electric power comprise a significant component of our operating expenses. Changes in regulations that affect electric power providers, such as regulations related to the control of greenhouse gas emissions or other climate change related matters, could adversely affect the costs of electric power and increase our operating costs and may adversely affect our business, financial condition and results of operations or those of our customers.

We may be subject to unknown or contingent liabilities related to properties or businesses that we acquire for which we may have limited or no recourse against the sellers.

Assets and entities that we have acquired or may acquire in the future, including the properties contributed to us by CBI, may be subject to unknown or contingent liabilities for which we may have limited or no recourse against the sellers or CBI. Unknown or contingent liabilities might include liabilities for clean-up or remediation of environmental conditions, claims of customers, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise. In the future we may enter into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of the transactions, in which event we would have no or limited recourse against the sellers of such properties. While we usually require the sellers to indemnify us with respect to breaches of representations and warranties that survive, such indemnification (including the indemnification by CBI) is often limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses.

As a result, there is no guarantee that we will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that we may incur with respect to liabilities associated with acquired properties and entities may exceed our expectations, which may adversely affect our business, financial condition and results of operations. Finally, indemnification agreements between us and the sellers typically provide that the sellers will retain certain specified liabilities relating to the assets and entities acquired by us. While the sellers are generally contractually obligated to pay all losses and other expenses relating to such retained liabilities, there can be no guarantee that such arrangements will not require us to incur losses or other expenses as well.

We have limited operating history as a REIT or an independent public company, and our inexperience may impede our ability to successfully manage our business or implement effective internal controls.

We have limited operating history as a REIT. Similarly, while we formerly operated as a subsidiary of a public company, and key members of our management team have served in leadership roles of public companies, we have limited operating history as an independent public company. We cannot assure you that our past experience will be sufficient to successfully operate our company as a REIT or an independent public company. We are required to implement substantial control systems and procedures in order to maintain our qualification as a REIT, satisfy our periodic and current reporting requirements under applicable SEC regulations and comply with the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and NASDAQ Global Select Market listing standards. As a result, our management and other personnel need to devote a substantial amount of time to comply with these rules and regulations and establish and maintain the corporate infrastructure and controls demanded of a publicly traded REIT. These costs and time commitments could be substantially more than we currently expect. Therefore, our historical financial statements may not be indicative of our future costs and performance as a stand-alone company. If we are unable for any reason to respond adequately to the increased demands that result from being an independent public company, the quality and timeliness of our financial reporting may suffer, and we could experience significant deficiencies or material weaknesses in our disclosure controls and procedures or our internal control over financial reporting.

An inability to establish effective disclosure controls and procedures and internal control over financial reporting or to remediate deficiencies could cause us to fail to meet our reporting obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or result in material weaknesses, material misstatements or omissions in our Exchange Act reports, any of which could cause investors to lose confidence in our Company and could adversely affect our business, financial condition and results of operations and the trading price of our common stock.

Our failure to successfully implement our new information technology system could adversely affect our business.

As part of our efforts to improve our financial reporting, we upgraded and transformed our information technology system. Transitioning to new or upgraded systems can create difficulties. We may experience difficulties in transitioning to new or upgraded systems, including loss of data and decreases in productivity until personnel become familiar with new systems. In addition, our management information systems will require modification and refinement as we grow and as our business needs

change, which could prolong difficulties we experience with systems transitions, and we may not always employ the most effective systems for our purposes. If we experience difficulties in implementing new or upgraded information systems or experience significant system failures, or if we are unable to successfully modify our management information systems and respond to changes in our business needs, our operating results could be harmed or we may fail to meet our reporting obligations.

We face significant competition and may be unable to lease vacant space, renew existing leases or re-lease space as leases expire, which may adversely affect our business, financial condition and results of operations.

We compete with numerous developers, owners and operators of technology-related real estate and data centers, many of which own properties similar to ours in the same markets, as well as various other public and privately held companies that may provide data center colocation as part of a more expansive managed services offering, and local developers. In addition, we may face competition from new entrants into the data center market. Some of our competitors may have significant advantages over us, including greater name recognition, longer operating histories, lower operating costs, pre-existing relationships with current or potential customers, greater financial, marketing and other resources, and access to less expensive power. These advantages could allow our competitors to respond more quickly to strategic opportunities or changes in our industries or markets. If our competitors offer data center space that our existing or potential customers perceive to be superior to ours based on numerous factors, including power, security considerations, location or network connectivity, or if they offer rental rates below our or current market rates, we may lose existing or potential customers, incur costs to improve our properties or be forced to reduce our rental rates.

The loss of any of our key personnel, including our executive officers or key sales associates, could adversely affect our business, financial condition and results of operations.

Our success will continue to depend to a significant extent on our executive officers and key sales associates. Each of our executive officers has a national or regional industry reputation that attracts business and investment opportunities and assists us in negotiations with lenders, existing and potential customers and industry personnel. The loss of key sales associates could hinder our ability to continue to benefit from existing and potential customers. We cannot provide any assurance that we will be able to retain our current executive officers or key sales associates. The loss of any of these individuals could adversely affect our business, financial condition and results of operations.

Our data center infrastructure may become obsolete, and we may not be able to upgrade our power and cooling systems cost-effectively, or at all.

The markets for the data centers we own and operate, as well as the industries in which our customers operate, are characterized by rapidly changing technology, evolving industry standards, frequent new service introductions, shifting distribution channels and changing customer demands. Our data center infrastructure may become obsolete due to the development of new systems to deliver power to or eliminate heat from the servers that we house. Additionally, our data center infrastructure could become obsolete as a result of the development of new server technology that does not require the levels of critical load and heat removal that our facilities are designed to provide and could be run less expensively on a different platform. In addition, our power and cooling systems are difficult and expensive to upgrade. Accordingly, we may not be able to efficiently upgrade or change these systems to meet new demands without incurring significant costs that we may not be able to pass on to our customers. The obsolescence of our power and cooling systems could have a material negative impact on our business, financial condition and results of operations. Furthermore, potential future regulations that apply to industries we serve may require customers in those industries to seek specific requirements from their data centers that we are unable to provide. These may include physical security requirements applicable to the defense industry and government contractors and privacy and security regulations applicable to the financial services and health care industries. If such regulations were adopted, we could lose some customers or be unable to attract new customers in certain industries, which would have a material adverse effect on our results of operations.

Declining real estate valuations and impairment charges could adversely affect our earnings and financial condition.

We review each of our properties for indicators that its carrying amount may not be recoverable. Examples of such indicators may include a significant decrease in market price, a significant adverse change in the extent to or manner in which the property is being used or in its physical condition, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development, or a history of operating or cash flow losses. When such impairment indicators exist, we review an estimate of the future undiscounted net cash flows (excluding interest charges) expected to result from the real estate investment's use and eventual disposition and compare it to the carrying value of the property. We consider factors such as future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If our future undiscounted net cash flow evaluation indicates that we are unable to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property.

These losses have a direct impact on our net income because recording an impairment loss results in an immediate negative adjustment to net income. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A worsening real estate market may cause us to re-evaluate the assumptions used in our impairment analysis. Impairment charges could adversely affect our business, financial condition and results of operations.

Any failure of the National IX Platform could lead to significant costs and disruptions that could reduce our revenue and harm our business reputation and financial results.

We have deployed the National IX Platform throughout several of our properties, and expect that we will further deploy it throughout our portfolio to meet customer demand. The National IX Platform allows our customers to connect to third-party carriers and other customers. We may be required to incur substantial additional costs to operate and expand the National IX Platform. The National IX Platform is subject to failure resulting from numerous factors, including but not limited to:

- human error;
- equipment failure;
- physical, electronic, and cyber-security breaches;
- fire, earthquake, hurricane, flood, tornado and other natural disasters in our facilities;
- failure to properly connect to third-party carriers or other customers;
- fiber cuts;
- power loss;
- terrorist acts;
- sabotage and vandalism; and
- failure of business partners who provide components of the National IX Platform or third-party connectivity from the National IX Platform.

Problems with the National IX Platform, whether or not within our control, could result in service interruptions or significant equipment damage. We have service level commitment obligations to certain of our customers, including our significant customers. As a result, service interruptions in the National IX Platform could result in difficulty maintaining service level commitments to these customers and in potential claims related to such failures. In addition, any loss of service, equipment damage or inability to meet our service level commitment obligations could reduce the confidence of our customers and could consequently impair our ability to obtain and retain customers, which would adversely affect both our ability to generate revenues and our operating results.

Risks Related to the Real Estate Industry

Our performance and value are subject to risks associated with real estate assets and with the real estate industry.

Our ability to make expected distributions to our stockholders depends on our ability to generate revenues in excess of expenses, scheduled principal payments on debt and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution to our stockholders and the value of our properties. These events include:

- local oversupply, increased competition or reduction in demand for technology-related space;
- inability to collect rent from customers;
- vacancies or our inability to rent space on favorable terms;
- inability to finance property development and acquisitions on favorable terms;
- increased operating costs to the extent not paid for by our customers;
- costs of complying with changes in governmental regulations;
- the relative illiquidity of real estate investments, especially the specialized real estate properties that we hold and seek to acquire and develop; and
- changing market demographics.

Illiquidity of real estate investments, particularly our data centers, could significantly impede our ability to respond to adverse changes in the performance of our properties, which could harm our financial condition.

Because real estate investments are relatively illiquid, our ability to promptly sell one or more properties in our portfolio in response to adverse changes in the real estate market or in the performance of such properties may be limited, thus harming our financial condition. The real estate market is affected by many factors that are beyond our control, including:

- adverse changes in national and local economic and market conditions;

- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and costs of compliance therewith;
- the ongoing cost of capital improvements that are not passed on to our customers, particularly in older structures;
- changes in operating expenses; and
- civil unrest, acts of war, terrorism and natural disasters, including fires, earthquakes, tropical storms, hurricanes, and floods, which may result in uninsured and underinsured losses.

The risks associated with the illiquidity of real estate investments are even greater for our data center properties. Our data centers are highly specialized real estate assets containing extensive electrical and mechanical systems that are uniquely designed to house and maintain our customers' equipment, and, as such, have little, if any, traditional office space. As a result, most of our data centers are not suited for use by customers as anything other than as data centers and major renovations and expenditures would be required in order for us to re-lease data center space for more traditional commercial or industrial uses, or for us to sell a property to a buyer for use other than as a data center.

Risks Related to Our Organizational Structure

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

Maryland law provides that a director has no liability in the capacity as a director if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in the company's best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. As permitted by the Maryland General Corporation Law ("MGCL"), our charter limits the liability of our directors and officers to the company and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- a final judgment based upon a finding of active and deliberate dishonesty by the director or officer that was material to the cause of action adjudicated.

In addition, our charter authorizes us to obligate the company, and our bylaws require us, to indemnify our directors and officers for actions taken by them in those capacities and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding to the maximum extent permitted by Maryland law, and we have entered into indemnification agreements with our directors and expect to do so with certain of our executive officers. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist under common law. Accordingly, in the event that any of our directors or officers are exculpated from, or indemnified against, liability but whose actions impede our performance, and our stockholders' ability to recover damages from that director or officer will be limited.

Conflicts of interest exist or could arise in the future with our operating partnership or its partners.

Conflicts of interest exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof, on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with their direction of the management of our company. At the same time, we, as trustee, have duties to CyrusOne GP, which, in turn, as general partner of our operating partnership, has duties to our operating partnership and to the limited partners under Maryland law in connection with the management of our operating partnership. Under Maryland law, the general partner of a Maryland limited partnership has fiduciary duties of care and loyalty, and an obligation of good faith, to the partnership and its partners. While these duties and obligations cannot be eliminated entirely in the limited partnership agreement, Maryland law permits the parties to a limited partnership agreement to specify certain types or categories of activities that do not violate the general partner's duty of loyalty and to modify the duty of care and obligation of good faith, so long as such modifications are not unreasonable. These duties as general partner of our operating partnership to the partnership and its partners may come into conflict with the interests of our company. Under the partnership agreement of our operating partnership, the limited partners of our operating partnership expressly agree that the general partner of our operating partnership is acting for the benefit of the operating partnership, the limited partners of our operating partnership and our stockholders, collectively. The general partner is under no obligation to give priority to the separate interests of the limited partners in deciding whether to cause our operating partnership to take or decline to take any actions. If there is a conflict between the interests of us or our stockholders, on the one hand, and the interests of the limited partners of our operating partnership, on the other, the partnership agreement of our operating partnership provides that any action or failure to act by the general partner that gives priority to the separate interests of us or our stockholders that does not result in a violation of the contractual rights of the limited partners of our operating partnership under the partnership agreement will not violate the duties that the general partner owes to our operating partnership and its partners.

Additionally, the partnership agreement of our operating partnership expressly limits our liability by providing that we and our directors, officers, agents and employees will not be liable or accountable to our operating partnership or its partners for money damages. In addition, our operating partnership is required to indemnify us, our directors, officers and employees, the general partner and its trustees, officers and employees, employees of our operating partnership and any other persons whom the general partner may designate from and against any and all claims arising from operations of our operating partnership in which any indemnitee may be involved, or is threatened to be involved, as a party or otherwise unless it is established that the act or omission of the indemnitee constituted fraud, intentional harm or gross negligence on the part of the indemnitee, the claim is brought by the indemnitee (other than to enforce the indemnitee's rights to indemnification or advance of expenses) or the indemnitee is found to be liable to our operating partnership, and then only with respect to each such claim.

No reported decision of a Maryland appellate court has interpreted provisions that are similar to the provisions of the partnership agreement of our operating partnership that modify the fiduciary duties of the general partner of our operating partnership, and we have not obtained an opinion of counsel regarding the enforceability of the provisions of the partnership agreement that purport to waive or modify the fiduciary duties and obligations of the general partner of our operating partnership.

Risks Related to CBI

As of December 31, 2014, CBI owned 4.9% of our outstanding shares of common stock and 40.8% of our operating partnership units and has the right to nominate a certain number of our directors. CBI's interests may differ from or conflict with the interests of our other stockholders.

As of December 31, 2014, CBI owned 4.9% of our outstanding shares of common stock and 40.8% of our operating partnership's outstanding operating partnership units. If all of CBI's operating partnership units were exchanged for shares of our common stock, CBI would own approximately 43.7% of our common stock. The ownership of 4.9% of our outstanding shares of common stock and, if acquired, the ownership of additional shares of our common stock could permit CBI to have a significant impact on the result of any vote of our stockholders. In general, CBI's interest in our operating partnership will entitle it to share in cash distributions from, and in the profits and losses of, our operating partnership in proportion to its percentage ownership. In addition, so long as CBI owns more than 20% of our shares (including partnership units that are convertible into shares) the operating partnership agreement of our operating partnership grants CBI the right to nominate (i) if there is an even number of directors, 20% of the number of directors minus one; or (ii) if there is an odd number of directors, 20% of the number of directors minus 0.5, but in no event less than one director.

Pursuant to the terms of the operating partnership agreement of our operating partnership, subject to certain exceptions, as long as CBI and entities controlled by CBI own at least 20% of the outstanding operating partnership units of our operating partnership, CBI's consent will be required in order for the general partner to undertake certain actions, including: amending or terminating the partnership agreement of our operating partnership, transferring its general partnership interest or admitting an additional or successor general partner, withdrawing as a general partner, approving on behalf of the operating partnership a general assignment for the benefit of creditors or instituting a proceeding for bankruptcy by our operating partnership, or approving on behalf of the operating partnership a merger, consolidation or certain other change of control transactions.

As a result, CBI has the ability to exercise influence over the decisions of the Company, including with respect to decisions relating to our capital structure, issuing additional shares of our common stock or other equity securities, making distributions, incurring additional debt, making acquisitions, selling properties or other assets, merging with other companies and undertaking other extraordinary transactions. In any of these matters, the interests of CBI may differ from or conflict with the interests of our other stockholders.

Our charter and bylaws and the partnership agreement of our operating partnership contain provisions that may delay, defer or prevent an acquisition of our common stock or a change in control.

Our charter and bylaws contain a number of provisions, the exercise or existence of which could delay, defer or prevent a transaction or a change in control that might involve a premium price for our stockholders or otherwise be in their best interests, including the following:

- ***Our Charter Contains Restrictions on the Ownership and Transfer of Our Stock.*** In order for us to qualify as a REIT, no more than 50% of the value of outstanding shares of our stock may be owned, beneficially or constructively, by five or fewer individuals at any time during the last half of each taxable year other than the first year for which we elect to be taxed as a REIT. Subject to certain exceptions, our charter prohibits any stockholder from owning beneficially or constructively more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of our common stock, or 9.8% in value of the aggregate of the outstanding shares of all classes or series of our stock. We refer to these restrictions collectively as the "ownership limits." The constructive ownership

rules under the Code are complex and may cause the outstanding stock owned by a group of related individuals or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than 9.8% of our outstanding common stock or the outstanding shares of all classes or series of our stock by an individual or entity could cause that individual or entity or another individual or entity to own constructively in excess of the relevant ownership limits. Our charter also prohibits any person from owning shares of our stock that would result in our being “closely held” under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT. Any attempt to own or transfer shares of our common stock or of any of our other capital stock in violation of these restrictions may result in the shares being automatically transferred to a charitable trust or may be void. These ownership limits may prevent a third-party from acquiring control of us if our board of directors does not grant an exemption from the ownership limits, even if our stockholders believe the change in control is in their best interests. Although it is under no continuing obligation to do so, our board of directors has granted some limited exemptions from the ownership limits applicable to other holders of our common stock, including an exemption granted to CBI, subject to certain initial and ongoing conditions designed to protect our status as a REIT, including (with respect to CBI) the receipt of an Internal Revenue Service (“IRS”) private letter ruling or an opinion of counsel from a nationally recognized law firm that the exercise of any such exemption should not cause any rent payable by CBI to jeopardize our REIT status.

- ***Our Board of Directors Has the Power to Cause Us to Issue Additional Shares of Our Stock Without Stockholder Approval.*** Our charter authorizes us to issue additional authorized but unissued shares of common or preferred stock. In addition, our board of directors may, without stockholder approval, amend our charter to increase the aggregate number of our shares of stock or the number of shares of stock of any class or series that we have authority to issue and classify or reclassify any unissued shares of common or preferred stock and set the preferences, rights and other terms of the classified or reclassified shares. As a result, our board of directors may establish a series of shares of common or preferred stock that could delay or prevent a transaction or a change in control that might involve a premium price for our shares of common stock or otherwise be in the best interests of our stockholders.

Provisions in the partnership agreement of our operating partnership also may delay, or make more difficult, a transaction or a change in control that might involve a premium price for our stockholders or otherwise be in their best interests. These provisions include, among others:

- redemption rights of CBI;
- rights of certain holders of operating partnership units of our operating partnership, including CBI and its controlled entities, to approve certain change of control transactions involving us, which rights apply at any time that CBI and its controlled entities own at least 20% of the outstanding shares of our common stock (assuming all outstanding operating partnership units, excluding operating partnership units held by us or the general partner, have been exchanged for shares of our common stock);
- transfer restrictions on operating partnership units; and
- the right of CyrusOne GP, as general partner, in some cases, to amend the partnership agreement of our operating partnership and to cause the operating partnership to issue partnership interests with terms that could delay, defer or prevent a merger or other change of control of us or our operating partnership without the consent of the limited partners.

Certain provisions of Maryland law may limit the ability of a third-party to acquire control of us.

Certain provisions of the MGCL may have the effect of inhibiting a third-party from acquiring us or of impeding a change of control under circumstances that otherwise could provide our common stockholders with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- ***“business combination”*** provisions that, subject to limitations, prohibit certain business combinations between an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding shares of voting stock or an affiliate or associate of the corporation who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding stock of the corporation) or an affiliate of any interested stockholder and us for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes two super-majority stockholder voting requirements on these combinations; and
- ***“control share”*** provisions that provide that holders of “control shares” of our company (defined as voting shares of stock that, if aggregated with all other shares of stock owned or controlled by the acquirer, would entitle the acquirer to exercise one of three increasing ranges of voting power in electing directors) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of issued and outstanding “control shares”) have no voting

rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all of the votes entitled to be cast on the matter, excluding all interested shares.

Pursuant to the Maryland Business Combination Act, our board of directors has by resolution exempted from the provisions of the Maryland Business Combination Act business combinations (i) between CBI or its affiliates and us and (ii) between any other person and us, provided that such business combination is first approved by our board of directors (including a majority of our directors who are not affiliates or associates of such person). Our bylaws contain a provision exempting from the Maryland Control Share Acquisition Act any and all acquisitions by any person of shares of our stock. There can be no assurance that these exemptions or resolutions will not be amended or eliminated at any time in the future.

Additionally, Title 3, Subtitle 8 of the MGCL permits our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain takeover defenses, such as a classified board, some of which we do not have.

We assumed liabilities in connection with the formation transactions, including unknown liabilities.

As part of the formation transactions, we assumed existing liabilities of the data center business of CBI, including, but not limited to, liabilities in connection with our properties, some of which may be unknown or unquantifiable. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims of tenants, vendors or other persons dealing with the entities, tax liabilities and accrued but unpaid liabilities whether incurred in the ordinary course of business or otherwise. In connection with the formation transactions, the wholly-owned subsidiaries of CBI that transferred properties and other assets to us have made certain limited representations and warranties and indemnities to us regarding potential material adverse impacts on the properties and entities acquired by us in the formation transactions. However, the representations, warranties, and indemnity have significant limitations with respect to scope, thresholds, and time limitations. To the extent the indemnification has not already expired, it may not be sufficient to cover all liabilities assumed, and we are not entitled to indemnification from any other sources in connection with the formation transactions. In addition, because many liabilities, including tax liabilities, may not be identified within the periods in which we have indemnity from these CBI subsidiaries, we may have no recourse against them for these liabilities.

Risks Related to Status as a REIT

If we fail to remain qualified as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to our stockholders.

CyrusOne, Inc. has elected to be taxed as a REIT under the Code commencing with our initial taxable year ending December 31, 2013. We intend to continue to operate in a manner that will allow us to remain qualified as a REIT. Our qualification as a REIT depends on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we do not obtain independent appraisals.

We have received a private letter ruling from the IRS with respect to certain issues relevant to our qualification as a REIT. In general, the ruling provides, subject to the terms and conditions contained therein, that certain structural components of our properties (e.g., relating to the provision of electricity, heating, ventilation and air conditioning, regulation of humidity, security and fire protection, and telecommunications services) and intangible assets, and certain services that we or CBI may provide, directly or through subsidiaries, to our tenants, will not adversely affect our qualification as a REIT. Although we may generally rely upon the ruling, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and dividends paid to our stockholders would not be deductible by us in computing our taxable income. Any resulting corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our stockholders, which in turn could have an adverse impact on the value of our common stock. Unless we were entitled to relief under certain Code provisions, we would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify as a REIT.

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our continued qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. In addition, our ability to satisfy the requirements to

qualify as a REIT may depend in part on the actions of third parties over which we have no control or only limited influence, including in cases where we own an equity interest in an entity that is classified as a partnership for U.S. federal income tax purposes.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

Income from “qualified dividends” payable to U.S. stockholders that are individuals, trusts and estates is generally subject to tax at preferential rates. Dividends payable by REITs, however, generally are not eligible for the preferential rates. Although these rules do not adversely affect the taxation of REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our common stock.

REIT distribution requirements could adversely affect our ability to execute our business plan.

We generally must distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, in order for us to qualify as a REIT (assuming that certain other requirements are also satisfied) so that U.S. federal corporate income tax does not apply to earnings that we distribute. To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT but distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. We intend to make distributions to our stockholders to comply with the REIT requirements of the Code.

From time to time, we may generate taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our equity. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our common stock.

Even if we remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we remain qualified for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income and state or local income, property and transfer taxes. For example, in order to meet the REIT qualification requirements, we may hold some of our assets or conduct certain of our activities through one or more TRS or other subsidiary corporations that will be subject to federal, state, and local corporate-level income taxes as regular C corporations. In addition, we may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm’s length basis. Any of these taxes would decrease cash available for distribution to our stockholders.

Complying with REIT requirements may cause us to liquidate or forgo otherwise attractive opportunities.

To qualify as a REIT, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and “real estate assets” (as defined in the Code), including certain mortgage loans and securities. The remainder of our investments (other than government securities, qualified real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 25% of the value of our total assets can be represented by securities of one or more TRS. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate or forgo otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

In addition to the asset tests set forth above, to continue to qualify as a REIT we must continually satisfy tests concerning, among other things, the sources of our income, the amounts we distribute to our stockholders and the ownership of our stock.

We may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder our ability to make certain attractive investments.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. Any income from a hedging transaction that we enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets does not constitute “gross income” for purposes of the 75% or 95% gross income tests that apply to REITs, provided that certain identification requirements are met. To the extent that we enter into other types of hedging transactions or fail to properly identify such transaction as a hedge, the income is likely to be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, we may be required to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS may be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our TRS will generally not provide any tax benefit, except that such losses could theoretically be carried back or forward against past or future taxable income in the TRS.

CBI may in the future acquire a significant percentage of our stock, which may result in a penalty tax if it causes certain rents we receive to be non-qualifying rents for purposes of the REIT requirements.

As described above, as of December 31, 2014, CBI owned approximately 4.9% of our common stock and 40.8% of our operating partnership’s outstanding operating partnership units. In certain circumstances, CBI may be able to exchange those units for shares of our common stock, and any such exchange may result in CBI owning a significant percentage of our common stock. We have granted CBI a waiver of the ownership restrictions contained in our charter, subject to certain initial and ongoing conditions designed to protect our status as a REIT, including the receipt of an IRS private letter ruling or an opinion of counsel from a nationally recognized law firm that the exercise of any such exemption should not cause any rent payable by CBI to jeopardize our REIT status. Such an opinion of counsel or a private letter ruling will be based on certain facts and assumptions, which, if incorrect, could result in certain rents we receive being treated as non-qualifying income for purposes of the REIT requirements. An opinion of counsel is not binding on the IRS or a court, so there can be no certainty that the IRS will not challenge the conclusions reflected in the opinion or that a court would not sustain such a challenge. Even if we have reasonable cause for a failure to meet the REIT income tests as a result of receiving non-qualifying rental income, we would nonetheless be required to pay a penalty tax in order to retain our REIT status.

Legislative or other actions affecting REITs could have a negative effect on us.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury (the “Treasury”). Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the U.S. federal income tax consequences to our investors and us of such qualification.

Risks Related to our Debt and Equity Securities

Our cash available for distribution to stockholders may not be sufficient to make distributions at expected levels, and we may need to borrow in order to make such distributions; consequently, we may not be able to make such distributions in full.

If cash available for distribution generated by our assets is less than our estimate or if such cash available for distribution decreases in future periods from expected levels, our inability to make the expected distributions could result in a decrease in the market price of our common stock. Distributions made by us will be authorized and determined by our board of directors in its sole discretion out of funds legally available therefor and will be dependent upon a number of factors, including restrictions under applicable law and our capital requirements. We may not be able to make or sustain distributions in the future. To the extent that we decide to make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for U.S. federal income tax purposes to the extent of the holder’s adjusted tax basis in their shares. A return of capital is not taxable, but it has the effect of reducing the holder’s adjusted tax basis in its investment. To the extent that distributions exceed the adjusted tax basis of a holder’s shares, they will be treated as gain from the sale or exchange of such stock. If we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

Future offerings of debt, which would be senior to our common stock upon liquidation, and/or preferred equity securities which may be senior to our common stock for purposes of distributions or upon liquidation, may adversely affect the market price of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our preferred stock, if issued, could have a preference on liquidating distributions or a preference on distribution payments that could limit our ability to make a distribution to the holders of our common stock. Since our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

Increases in market interest rates may cause potential investors to seek higher dividend yields and therefore reduce demand for our common stock and result in a decline in our stock price.

One of the factors that may influence the price of our common stock is the dividend yield on our common stock (the amount of dividends as a percentage of the price of our common stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our common stock to expect a higher dividend yield, which we may be unable or choose not to provide. Higher interest rates would likely increase our borrowing costs and potentially decrease the cash available for distribution. Thus, higher market interest rates could cause the market price of our common stock to decline.

The number of shares available for future sale could adversely affect the market price of our common stock.

We cannot predict whether future issuances of shares of our common stock or the availability of shares of our common stock for resale in the open market will decrease the market price per share of our common stock. Sales of a substantial number of shares of our common stock in the public market, either by us or by holders of operating partnership units upon exchange of such operating partnership units for our common stock, or the perception that such sales might occur, could adversely affect the market price of the shares of our common stock. CBI, as a holder of the operating partnership units issued in the formation transactions, has the right to require us to register with the SEC the resale of the common stock issuable, if we so elect, upon redemption of these operating partnership units. In addition, we registered shares of common stock that we have reserved for issuance under our 2012 Long Term Incentive Plan, and they can generally be freely sold in the public market, assuming any applicable restrictions and vesting requirements are satisfied. If any or all of these holders, including CBI, cause a large number of their shares to be sold in the public market, the sales could reduce the trading price of our common stock and could impede our ability to raise future capital.

The market price and trading volume of our common stock may be volatile.

Prior to the completion of our initial public offering, there was not any public market for our common stock. Even with an active trading market for our common stock, the market price of our common stock may be volatile. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, a holder may be unable to resell shares at a profit or at all. We cannot provide any assurance that the market price of our common stock will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect the market price of our common stock or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our quarterly results of operations or distributions;
- changes in our funds from operations or earnings estimates;
- publication of research reports about us or the real estate, technology or data center industries;
- increases in market interest rates that may cause purchasers of our shares to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we may incur in the future;
- additions or departures of key personnel;
- actions by institutional stockholders;
- speculation in the press or investment community about our company or industry or the economy in general;
- the occurrence of any of the other risk factors presented in this Annual Report on Form 10-K; and

- general market and economic conditions.

Our earnings and cash distributions will affect the market price of shares of our common stock.

To the extent that the market value of a REIT's equity securities is based primarily upon market perception of the REIT's growth potential and its current and potential future cash distributions, whether from operations, sales, acquisitions, development or refinancing and is secondarily based upon the value of the underlying assets, shares of our common stock may trade at prices that are higher or lower than the net asset value per share. To the extent we retain operating cash flow for investment purposes, working capital reserves or other purposes rather than distributing the cash flow to stockholders, these retained funds, while increasing the value of our underlying assets, may negatively impact the market price of our common stock. Our failure to meet market expectations with regard to future earnings and cash distributions would likely adversely affect the market price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The information set forth under the caption “Our Portfolio” in Item 1 of this Annual Report on Form 10-K is incorporated by reference herein.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of our business, from time to time, we are subject to claims and administrative proceedings. We do not believe any currently outstanding matters would have, individually or in the aggregate, a material effect on our business, financial condition and results of operations or liquidity and cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES.

A) Market Information

Our common stock is listed on the NASDAQ Global Select Market under the symbol "CONE." Our shares have only been publicly traded since January 18, 2013. The following table sets forth, the high and low sales price of our common stock and the distributions we declared with respect to the periods indicated.

	Market Price		Dividend declared
	High	Low	
First Quarter 2013	\$ 23.71	\$ 20.53	\$ 0.16
Second Quarter 2013	24.84	18.90	0.16
Third Quarter 2013	22.22	17.93	0.16
Fourth Quarter 2013	22.94	17.41	0.16
First Quarter 2014	23.44	20.21	0.21
Second Quarter 2014	25.00	19.52	0.21
Third Quarter 2014	26.88	23.64	0.21
Fourth Quarter 2014	28.37	23.59	0.21

B) Holders

As of January 30, 2015, CyrusOne Inc. had 225 shareholders of record and 38,639,498 outstanding shares.

C) Distribution Policy

We have made distributions in the form of dividends each quarter since the completion of our IPO as shown in the chart above. In order to comply with the REIT requirements of the Code, we plan to continue to make quarterly distributions to our shareholders of at least 90% of our taxable income. Distributions made by us will be authorized and determined by our board of directors in its sole discretion out of funds legally available therefore and will be dependent upon a number of factors, including restrictions under applicable law and other factors. If we have underestimated our cash available for distribution, we may need to increase our borrowings in order to fund our intended distributions. Notwithstanding the foregoing, our revolving credit facility and indenture restrict CyrusOne LP from making distributions to holders of its partnership units, or redeeming or otherwise repurchasing shares of its partnership units, after the occurrence and during the continuance of an event of default, except in limited circumstances including as necessary to enable CyrusOne Inc. to maintain its qualification as a REIT and to minimize the payment of income taxes.

D) Recent Sales of Unregistered Securities

As part of the formation transactions, we issued 44.1 million of the outstanding partnership units of our operating partnership to CBI, after giving effect to an approximately 2.8-to-1 unit reverse split immediately prior to the completion of our initial public offering. In connection with the completion of our initial public offering, on January 24, 2013, we issued 0.4 million shares of our common stock to CBI in exchange for the satisfaction and discharge of intercompany indebtedness related to CBI's incurrence of certain offering expenses on our behalf. In addition, on the same date, CBI also exchanged approximately 1.5 million partnership units for an equal number of shares of CyrusOne common stock. We have a pre-existing relationship with CBI, and the sale of our common stock and the operating partnership units was effected under an exemption from registration provided by Section 4(a)(2) of the Securities Act. In addition, we also issued approximately 1.1 million shares of our common stock to directors and employees. Vesting of those shares is contingent upon completion of service.

On January 24, 2013, we completed our initial public offering of common stock pursuant to a Registration Statement on Form S-11, as amended (Reg. No. 333-183132) that was declared effective on January 17, 2013. Under the registration statement, we registered 19.0 million shares of our common stock. All of the 19.0 million shares of common stock registered under the registration statement, which included 2.5 million shares of our common stock covered by an over-allotment option granted to the underwriters, were sold at a price to the public of \$19.00 per share. Morgan Stanley & Co. LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as representatives of the underwriters. The offering commenced on January 17, 2013 and was closed on January 24, 2013. The closing of the over-allotment portion of the offering also occurred on January 24, 2013. As a result of the initial public offering, we raised a total of \$360.5 million in gross proceeds, and retained

approximately \$337.1 million in net proceeds after deducting underwriting discounts and commissions of \$23.4 million. We used the entire amount of the net proceeds from the offering to purchase approximately 19.0 million of CyrusOne LP's operating partnership units. CyrusOne LP has used and continues to use the proceeds it received from us to fund acquisitions of real estate, development of real estate, recurring real estate expenditures and other non-real estate capital expenditures and general working capital.

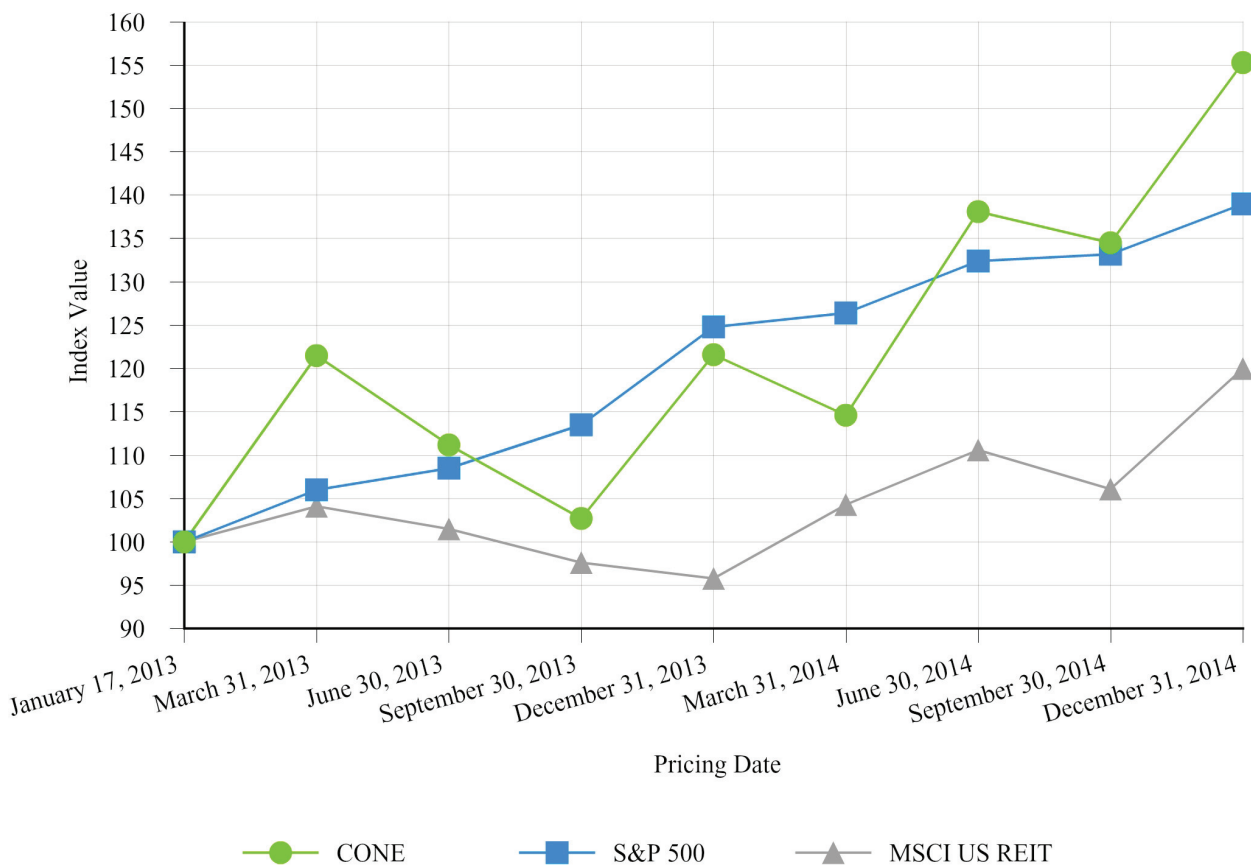
On June 25, 2014, CyrusOne Inc. completed a public offering of 16.0 million shares of its common stock, including 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting discounts of \$15.8 million, to acquire 16.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

As of December 31, 2014, the total number of outstanding partnership units was 65.3 million and CBI holds a 40.8% noncontrolling interest in the operating partnership. CBI effectively owns approximately 43.7% of CyrusOne through its interest in outstanding shares of common stock of CyrusOne Inc. and its interest in the operating partnership units of CyrusOne LP.

E) Stock Performance

The following graph compares the cumulative total stockholder return on CyrusOne Inc.'s common stock for the year ended December 31, 2014, with the cumulative total return on the S&P 500 Market Index and the MSCI US REIT Index (RMZ). The comparison assumes that \$100 was invested on January 17, 2013 in CyrusOne, Inc.'s common stock and in each of these indices and assumes reinvestment of dividends, if any.

Stock Performance Chart



Pricing Date	CONE	S&P 500	MSCI US REIT
January 17, 2013	\$ 100.0	\$ 100.0	\$ 100.0
March 31, 2013	121.5	106.0	104.1
June 30, 2013	111.2	108.5	101.5
September 30, 2013	102.7	113.5	97.6
December 31, 2013	121.6	124.8	95.8
March 31, 2014	114.6	126.4	104.3
June 30, 2014	138.1	132.4	110.6
September 30, 2014	134.5	133.2	106.1
December 31, 2014	155.3	139.0	120.0

F) Issuer Purchases of Equity Securities

None.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial and operating data on a consolidated and combined historical basis.

Our business is comprised of the historical data center activities and holdings of CBI. CBI operated a Cincinnati-based data center business for 10 years before acquiring Cyrus Networks LLC, a data center operator in Texas. In anticipation of our initial public offering, these businesses were combined under our operating partnership, CyrusOne LP, which was created as a Maryland limited partnership on July 31, 2012. CyrusOne Inc., a Maryland corporation, was also formed on July 31, 2012, and is the parent of the wholly-owned general partner of the operating partnership. Effective December 31, 2013, CyrusOne Inc. qualified as a real estate investment trust for federal income tax purposes. Certain activities are conducted through our taxable REIT subsidiary, CyrusOne TRS Inc., a Delaware corporation.

The financial information presented below as of December 31, 2014, and 2013, for the year ended December 31, 2014, the period ended January 23, 2013 (January 1, 2013, to January 23, 2013), and the period ended December 31, 2013 (January 24, 2013 to December 31, 2013) and the year ended December 31, 2012 has been derived from our audited consolidated and combined financial statements included elsewhere in this Form 10-K. The historical financial information as of December 31, 2012, 2011 and 2010, and for the years ended December 31, 2011 and 2010, has been derived from the Predecessor's combined financial statements not included in this Form 10-K.

You should read the following selected financial data in conjunction with our combined historical financial statements and the related notes and with "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are included elsewhere in this Form 10-K.

	Successor		Predecessor			
	2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	2012	2011	2010 ^(a)
<i>(Amounts in millions, except per share data)</i>						
Statement of Operations Data:						
Revenue	\$ 330.9	\$ 248.4	\$ 15.1	\$ 220.8	\$ 181.7	\$ 127.5
Costs and expenses:						
Property operating expenses	124.5	88.4	4.8	76.0	58.2	43.9
Sales and marketing	12.8	9.9	0.7	9.7	9.1	6.8
General and administrative	34.6	26.5	1.5	20.7	12.5	7.0
Depreciation and amortization	118.0	89.9	5.3	73.4	55.5	36.2
Restructuring costs ^(b)	—	0.7	—	—	—	1.4
Transaction costs ^(c)	1.0	1.3	0.1	5.7	2.6	9.0
Transaction-related compensation	—	—	20.0	—	—	—
Management fees charged by CBI ^(d)	—	—	—	2.5	2.3	3.6
Loss on sale of receivables to affiliate ^(e)	—	—	—	3.2	3.5	1.8
Asset impairments ^(f)	—	2.8	—	13.3	—	—
Operating (loss) income	40.0	28.9	(17.3)	16.3	38.0	17.8
Interest expense	39.5	41.2	2.5	41.8	32.9	11.5
Other income	—	(0.1)	—	—	—	—
Loss on extinguishment of debt ^(g)	13.6	1.3	—	—	1.4	—
Income tax (expense) benefit	(1.4)	(1.9)	(0.4)	5.1	(2.2)	(2.7)
(Loss) income from continuing operations	(14.5)	(15.4)	(20.2)	(20.4)	1.5	3.6
(Loss) gain on sale of real estate improvements ^(h)	—	(0.2)	—	0.1	—	(0.1)
Net (loss) income from continuing operations	(14.5)	(15.6)	\$ (20.2)	\$ (20.3)	\$ 1.5	\$ 3.5
Noncontrolling interest in net loss	(6.7)	(10.3)				
Net loss attributed to common shareholders	\$ (7.8)	\$ (5.3)				
Per share data:						
Basic weighted average common shares outstanding	29.2	20.9				
Diluted weighted average common shares outstanding	29.2	20.9				
Basic and diluted loss per common share	\$ (0.30)	\$ (0.28)				
Dividends declared per share	\$ 0.84	\$ 0.64				
Balance Sheet Data (at year end):						
Investment in real estate, net	\$ 1,051.4	\$ 883.8		\$ 706.9	\$ 529.0	\$ 403.7
Total assets	1,586.5	1,506.8		1,210.9	954.7	862.3
Debt ⁽ⁱ⁾	673.2	541.7		557.2	523.1	452.0
Other financing arrangements ⁽ⁱ⁾	53.4	56.3		60.8	48.2	32.5
Noncontrolling interest/Parent net investment ^(k)	256.3	455.6		500.1	311.5	317.8
Other Financial Data:						
Capital expenditures	\$ 284.2	\$ 220.9	\$ 7.7	\$ 228.3	\$ 117.5	\$ 29.3

(a) In June 2010, the Predecessor completed the acquisition of Cyrus Networks. The results of operations of this business are included in the Predecessor's results from the acquisition date.

(b) Represents a restructuring charge recognized in 2013 as a result of moving certain administrative functions to the Company's corporate office; 2010 restructuring charges is related to the termination of legacy sales commission plan to transition to a common plan for all commissioned employees.

(c) Represents legal, accounting and consulting fees incurred in connection with the formation transactions, our qualification as a REIT and completed and potential business combinations.

- (d) Represents management fees charged by CBI for services it provided to the Predecessor including executive management, legal, treasury, human resources, accounting, tax, internal audit and IT services. See Note 16 to our audited combined financial statements included elsewhere in this Annual Report on Form 10-K.
- (e) Represents the sale by the Predecessor of most of its trade and other accounts receivable to Cincinnati Bell Funding LLC ("CBF"), a bankruptcy-remote subsidiary of CBI, at a 2.5% discount to the receivables' face value. Effective October 1, 2012, we terminated our participation in this program.
- (f) Represents asset impairments recognized on real estate related equipment in 2013 and on a customer relationship intangible and property and equipment primarily related to our GramTel acquisition in 2012.
- (g) Represents a loss of \$13.6 million associated with the repurchase of senior notes and the write-off of deferred financing costs in 2014. The 2013 and 2011 amounts represent the termination of the financing obligations for two of our facilities by purchasing the properties from the former lessors. Losses of \$1.3 million and \$1.4 million were recognized in 2013 and 2011, respectively, upon the termination of these obligations.
- (h) Represents the (loss) gain that was recognized on the sale of equipment in connection with upgrading of the equipment at various data center facilities.
- (i) As of December 31, 2014, debt includes increased borrowings of \$285 million related to our new credit agreement, partially offset by the repurchase of senior notes due 2022 with an aggregate face value of \$150.2 million. As of December 31, 2013 and 2012, debt consisted of our \$525 million senior notes due 2022 and capital lease obligations. For prior periods, debt reflects related party notes payable and capital lease obligations.
- (j) Other financing arrangements represent leases of real estate where we were involved in the construction of structural improvements to develop buildings into data centers. When we bear substantially all the construction period risk, such as managing or funding construction, we are deemed to be the accounting owner of the leased property. These transactions generally do not qualify for sale-leaseback accounting due to our continued involvement in these data center operations. For these transactions, at the lease inception date, we recognize the fair value of the leased building as an asset in investment in real estate and as a liability in other financing arrangements.
- (k) Noncontrolling interest/Parent's net investment represents CBI's net investment in CyrusOne Inc., CyrusOne GP, CyrusOne LP and its subsidiaries. Prior to November 20, 2012, these entities were not separate legal entities.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our results of operations, financial condition and liquidity in conjunction with our combined financial statements and the related notes included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategies for our business, statements regarding the industry outlook, our expectations regarding the future performance of our business and the other non-historical statements contained herein are forward-looking statements. See "Special Note Regarding Forward-Looking Statements." You should also review the "Risk Factors" section of this report for a discussion of important factors that could cause actual results to differ materially from the results described herein or implied by such forward-looking statements.

The consolidated and combined financial statements included in this Form 10-K reflect the historical financial position, results of operations and cash flows of CyrusOne for all periods presented. Prior to November 20, 2012, the historical financial statements have been prepared on a "carve-out" basis from CBI's consolidated financial statements using the historical results of operations, cash flows, assets and liabilities attributable to the data center business and include allocations of income, expenses, assets and liabilities from CBI. These allocations reflect significant assumptions, and the consolidated and combined financial statements do not fully reflect what the financial position, results of operations and cash flows would have been had CyrusOne been a stand-alone company during the periods presented. As a result, historical financial information is not necessarily indicative of CyrusOne's future results of operations, financial position and cash flows.

Overview

Our Company. We are an owner, operator and developer of enterprise-class, carrier-neutral multi-tenant data center properties. Our enterprise-class, carrier-neutral, multi-tenant data centers are purpose-built facilities with redundant power, cooling and access to a range of telecommunications carriers. We provide mission-critical data center facilities that protect and ensure the continued operation of information technology ("IT") infrastructure for approximately 670 customers in approximately 25 data centers in 11 distinct markets (9 cities in the U.S., London and Singapore). We provide twenty-four-hours-a-day, seven-days-a-week security guard monitoring with customizable security features.

We provide mission-critical data center facilities that protect and ensure the continued operation of IT infrastructure for our customers. Our goal is to be the preferred global data center provider to the Fortune 1000. As of December 31, 2014, our customers included nine of the Fortune 20 and 144 of the Fortune 1000 or private or foreign enterprises of equivalent size. These 144 Fortune 1000 customers or private or foreign enterprises of equivalent size provided 73% of our annualized rent as of December 31, 2014. Additionally, as of December 31, 2014, our top 10 customers represented 42% of our annualized rent.

We cultivate long-term strategic relationships with our customers and provide them with solutions for their data center facilities and IT infrastructure challenges. Our offerings provide flexibility, reliability and security delivered through a tailored, customer service focused platform that is designed to foster long-term relationships. We focus on attracting customers that have not historically outsourced their data center needs and providing them with solutions that address their current and future needs. Our facilities and construction design allow us to offer flexibility in density, power resiliency and the opportunity for expansion as our customers' needs grow. We provide twenty-four-hours-a-day, seven-days-a-week security guard monitoring with customizable security features. The National IX Platform delivers interconnection across states and between metro-enabled sites within the CyrusOne footprint and beyond. The platform enables high-performance, low-cost data transfer and accessibility for customers by uniting all of our data centers.

Our Portfolio. As of December 31, 2014, our property portfolio included approximately 25 data centers in 11 distinct markets (9 cities in the U.S., London and Singapore) collectively providing approximately 2,235,000 net rentable square feet ("NRSF"), of which 85% was leased, and powered by approximately 198 MW of available UPS capacity. We own 15 of the buildings in which our data center facilities are located. We lease the remaining 10 buildings, which account for approximately 360,000 NRSF, or approximately 16% of our total operating NRSF. These leased buildings accounted for 21% of our total annualized rent as of December 31, 2014. We also currently have 708,000 NRSF under development, as well as 489,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 200 acres of land that are available for future data center shell development. Along with our primary product offering, leasing of colocation space, our customers are increasingly interested in ancillary office and other space. We believe our existing operating portfolio and development pipeline will allow us to meet the evolving needs of our existing customers and continue to attract new customers.

Business Model

Revenue. As of December 31, 2014, we had approximately 670 customers, many of which have signed leases for multiple sites and multiple services, amenities and/or features. We generate recurring revenues from leasing colocation space and nonrecurring revenues from the initial installation and set-up of customer equipment. We provide customers with data center services pursuant to leases with a customary initial term of three to five years. As of December 31, 2014, the weighted average initial term of our leases was approximately 5 years and the weighted average remaining term was 2.8 years based upon annualized rent. Lease expirations through 2017, excluding month-to-month leases, represent 45% of our total NRSF, or 58% of our aggregate annualized rent as of December 31, 2014. At the end of the lease term, customers may sign a new lease or automatically renew pursuant to the terms of their lease. The automatic renewal period could be for varying lengths, depending on the terms of the contract, such as, for the original lease term, one year or month-to-month. As of December 31, 2014, 1% of the NRSF in our portfolio was subject to month-to-month leases.

Costs and expenses. Our property operating expenses generally consist of electricity (including the cost to power data center equipment), salaries and benefits of data center operations personnel, real estate taxes, security, rent, insurance and other site operating and maintenance costs. Our property operating expenses are expected to increase as we expand our existing data center facilities and develop new facilities.

Our sales and marketing expenses consist of salaries and benefits of our sales personnel, marketing and advertising costs. Sales and marketing expenses are expected to increase as our business continues to grow.

General and administrative expenses consist of salaries and benefits of senior management and support functions, legal costs and consulting costs. These costs increased during 2014 as we augmented our team and back office infrastructure, including IT systems, to support the growth and expansion of our business. Additionally, costs rose for legal, accounting, board fees and other governance related expenses required to operate as an independent public company subject to the reporting and compliance requirements of the SEC and the Sarbanes-Oxley Act.

Depreciation and amortization expense consists of depreciation on both owned and leased property, amortization of intangible assets and amortization of deferred sales commissions. Depreciation and amortization expense is expected to increase in future periods as we acquire and develop new properties and expand our existing data center facilities.

Key Operating Metrics

Annualized Rent. We calculate annualized rent as monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of December 31, 2014, multiplied by 12. Monthly contractual rent is primarily for data center space, power and connectivity; however, it includes rent for office space and other ancillary services. For the month of December 2014, customer reimbursements were \$46.2 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Other companies may not define annualized rent in the same manner. Accordingly, our annualized rent may not be comparable to others. Management believes annualized rent provides a useful measure of our currently in place lease revenue.

Colocation Square Feet ("CSF"). We calculate CSF as the NRSF at an operating facility that is currently leased or readily available for lease as colocation space, where customers locate their servers and IT equipment.

Utilization Rate. We calculate utilization rate by dividing CSF under signed leases for available space (whether or not the customer has occupied the space) by total CSF. Utilization rate differs from percent leased presented elsewhere in this report because utilization rate excludes office space and supporting infrastructure NRSF and includes CSF for signed leases under which the customer has occupied the space. Management uses utilization rate as a measure of CSF leased.

Recurring Rent Churn. We calculate recurring rent churn as any reduction in recurring rent due to customer terminations, service reductions or net pricing decreases as a percentage of rent at the beginning of the period, excluding any impact from metered power reimbursements or other usage-based or variable billing.

Capital Expenditures. Expenditures that expand, improve or extend the life of real estate and non-real estate property are deemed capital expenditures. Management views its capital expenditures as comprised of acquisition of real estate, development of real estate, recurring real estate expenditures and all other non-real estate capital expenditures. Purchases of land or buildings from third parties represent acquisitions of real estate. Discretionary capital spending that expands or improves our data centers is deemed development of real estate. Replacements of data center assets are considered recurring real estate expenditures. Purchases of software, computer equipment and furniture and fixtures are included in all other non-real estate capital expenditures.

Factors That May Influence Future Results of Operations

Rental Income. Our revenue growth will depend on our ability to maintain our existing revenue base and to sell new capacity that becomes available as a result of our development activities. As of December 31, 2014, we have customer leases for approximately 88% of our CSF. Our ability to grow revenue will also be affected by our ability to maintain or increase rental rates at our properties. We believe the current rates charged to our customers generally reflect appropriate market rates. This is consistent with our relatively flat historical re-leasing spreads. As such, we do not anticipate significant rate increases or decreases in the aggregate as contracts renew. However, negative trends in one or more of these factors could adversely affect our revenue in future periods. Future economic downturns, regional downturns affecting our markets or oversupply of, or decrease in demand for, data center colocation services could impair our ability to attract new customers or renew existing customers' leases on favorable terms, and this could adversely affect our ability to maintain or increase revenues. As of December 31, 2014, we have approximately 708,000 NRSF under development, as well as 489,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 200 acres of land that are available for future data center shell development.

Leasing Arrangements. As of December 31, 2014, 29% of our leased NRSF was to customers on a full-service gross basis. Under a full-service gross model, the customer pays a fixed monthly rent amount, and we are responsible for all data center facility electricity, maintenance and repair costs, property taxes, insurance and other utilities associated with that customer's space. For leases under this model, fluctuations in our customers' monthly utilization of power and the prices our utility providers charge us impact our profitability. As of December 31, 2014, 71% of our leased NRSF was to customers with separately metered power. Under the metered power model, the customer pays us a fixed monthly rent amount, plus its actual costs of sub-metered electricity used to power its data center equipment, plus an estimate of costs for electricity used to power supporting infrastructure for the data center, expressed as a factor of the customer's actual electricity usage. We are responsible for all other costs listed in the description of the full-service gross model above. Fluctuations in a customer's utilization of power and the supplier pricing of power do not impact our profitability under the metered power model. In future periods, we expect more of our contracts to be structured to bill power on a metered power basis.

Growth and Expansion Activities. Our ability to grow our revenue and profitability will depend on our ability to acquire and develop data center space at an appropriate cost and to lease the data center space to customers on favorable terms. During the year ended December 31, 2014, we increased our operational NRSF by 260,000, primarily in Phoenix, Dallas and Houston, bringing our total operating NRSF to approximately 2,235,000 at December 31, 2014. For the year ended December 31, 2014, our average cost of development was approximately \$641 per CSF. Fluctuations may occur in our average cost of development per CSF from period to period based on power density, customer requirements (such as required resiliency level) and the type of property. Our portfolio, as of December 31, 2014, also included approximately 708,000 NRSF under development, as well as 489,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 200 acres of land that are available for future data center shell development. We expect that the eventual construction of this future development space will enable us to accommodate a portion of the future demand of our existing and future customers and increase our future revenue, profitability and cash flows.

Scheduled Lease Expirations. Our ability to maintain low recurring rent churn and renew expiring customer leases on favorable terms will impact our results of operations. Our data center uncommitted capacity as of December 31, 2014, was approximately 319,000 NRSF. Excluding month-to-month leases, leases representing 18% and 12% of our total NRSF were scheduled to expire in 2015 and 2016, respectively. These leases represented approximately 22% and 21% of our annualized rent as of December 31, 2014. Month-to-month leases represented 1% of our annualized rent as of December 31, 2014. Our recurring rent churn for each quarter in 2014 ranged from 1.3% to 2.9%, in comparison to a range of 0.4% to 1.3% in 2013.

Conditions in Significant Markets. Our operating properties are located primarily in the Dallas and Houston metro areas of Texas and the Cincinnati, Ohio metro area. These markets comprised 22%, 30%, and 27%, respectively, of our annualized rent as of December 31, 2014. Positive or negative conditions in these markets could impact our overall profitability.

Related Party Transactions

The following related party transactions are based on agreements and arrangements that were in place as of December 31, 2014. See Note 16 to our audited consolidated and combined financial statements for additional information on these arrangements.

(amounts in millions)	Successor		Predecessor	
	December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	December 31, 2012
Revenue:				
Data center colocation agreement provided to CBT and CBTS ^(a)	\$ 6.4	\$ 5.6	\$ 0.3	\$ 5.4
229 West 7th Street lease provided to CBT ^(b)	2.0	1.7	—	—
Goldcoast Drive/Parkway (Mason) lease ^(c)	0.4	0.3	—	0.3
Transition services provided to CBTS (network interfaces) ^(d)	0.4	0.6	0.1	0.5
Data center leases provided to CBTS ^(e)	13.6	13.1	—	14.3
Total revenue	\$ 22.8	\$ 21.3	\$ 0.4	\$ 20.5
Operating costs and expenses:				
Transition services agreement by CBTS ^(f)	0.8	1.3	—	1.5
Charges for services provided by CBT (connectivity) ^(g)	1.0	1.0	0.1	0.7
209 West 7th Street rent provided by CBT ^(h)	0.2	0.1	—	0.1
Management Fees with CBI ⁽ⁱ⁾	—	0.1	—	2.5
Allocated employee benefit plans by CBI ^(j)	—	—	0.2	3.5
Allocated centralized insurance costs by CBI ^(k)	—	—	0.1	0.4
Selling and marketing services provided by CBT & CBTS ^(l)	—	—	—	0.3
Interest expense on note with CBI ^(m)	—	—	—	7.0
Loss on sale of receivables ⁽ⁿ⁾	—	—	—	3.2
Total operating costs and expenses	\$ 2.0	\$ 2.5	\$ 0.4	\$ 19.2

^(a) We lease colocation space in our data centers to Cincinnati Bell Telephone Company LLC (“CBT”) and Cincinnati Bell Technology Solutions (“CBTS”) subsidiaries of CBI. In November 2012, we entered into separate data center colocation agreements with CBT and CBTS whereby we will continue to lease colocation space to each of them at certain of our data centers. The data center colocation agreement with CBT provides for CBT’s lease of data center space, power and cooling in our West Seventh Street (7th St.), Kingsview Drive (Lebanon), Knightsbridge Drive (Hamilton) and Industrial Road (Florence) data center facilities for a period of five years. Our data center colocation agreement with CBTS provides for CBTS’s lease of data center space, power and cooling in our West Seventh Street (7th St.), Kingsview Drive (Lebanon) and Industrial Road (Florence) data center facilities for a period of five years. Both agreements are renewable for an additional five year term at market rates.

^(b) CBT occupies space in our 229 West Seventh Street facility that is utilized in its network operations. In November 2012, in connection with our purchase of this property, we entered into an agreement to lease this space to CBT for a period of five years, with three renewal options of five years each, plus a proportionate share of building operating costs. Commencing on January 1, 2014, and on January 1 of each year thereafter, such base rent shall increase by 1% of the previous year’s base rent.

^(c) In November 2012, we entered into agreements to lease office space to CBT at our Goldcoast Drive (Goldcoast) data center facility and to CBTS at our Parkway (Mason) data center facility. The term of these agreements are five years each. Both agreements contain three five-year renewal options at market rates.

^(d) In January 2012, we entered into a transition services agreement to provide CBTS with network interface services. In November 2012, we entered into a new transition services agreement with CBTS where we will continue to provide them with network interface services. The annual fee to be paid by CBTS for these services may decline in future periods as CBTS migrates its network interfaces onto an independent architected and managed CBTS network. These services will be provided on a month-to-month basis, until such time the services in question have been fully transitioned. As of December 31, 2014, we continue to utilize these services provided by CBTS.

^(e) As of December 31, 2014, CBTS continues to be the named lessor for two data center leases. In 2012, we entered into an agreement with CBTS whereby we perform all obligations of CBTS under the lease agreements. CBTS confers the benefits received under such lease agreements to us and CBTS is granted sufficient usage rights in each of our data centers so that it remains as lessor under each such lease agreement. In addition, CBTS will continue to perform billing and collections on these accounts.

^(f) In January 2012, we entered into a transition services agreement with CBTS where CBTS provided us with network support, services calls, monitoring and management, storage and backup and IT systems support. Under the CBTS services agreement, CBTS has agreed to provide us with certain managed storage

and backup services. These services will be provided on a month-to-month basis, and charges will be based on the variable amount of gigabytes managed by CBTS each month. CBTS will charge us a rate of \$0.56 per gigabyte. We expect that services under this agreement may extend for as long as 36 months.

^(g) Under the CBT services agreement, CBT provides us with connectivity services for a period of five years related to several of our data center facilities. These services are related to the use of fiber and circuit assets that are currently a part of the CBI network. The annual fee for these services is subject to reduction if we terminate certain services.

^(h) In November 2012, we also entered into an agreement to lease space at CBT's 209 West Seventh Street facility for a period of five years, with three renewal options of five years each, plus our proportionate share of building operating costs. Commencing on January 1, 2014, and on January 1 of each year thereafter, such base rent shall increase by 1% of the previous year's base rent.

⁽ⁱ⁾ Prior to November 20, 2012, CBI provided various management services, including executive management, cash management, legal, treasury, human resources, accounting, tax, internal audit and risk management services. Our allocated cost for these services was based upon specific identification of costs incurred on our behalf or a reasonable estimate of costs incurred on our behalf, such as relative revenues. Subsequent to November 20, 2012, CBI has provided us various support services and the fees for these services are based on actual hours incurred for these services at negotiated hourly rates or a negotiated set monthly fee.

^(j) Prior to 2013, employees participated in pension, postretirement, health care, and stock-based compensation plans sponsored by CBI or an affiliate. Our allocated costs for employee benefits was determined by specific identification of the costs associated with our participating employees or based upon the percentage our employees represent of total participants.

^(k) Prior to 2013, employees participated in centralized insurance programs managed by CBI which included coverage for general liability, workers' compensation, automobiles and various other risks. CBI has third-party insurance policies for certain of these risks and is also self-insured within certain limits. CBI's self-insured costs have been actuarially determined based on the historical experience of paid claims. Our allocated cost for participation in these programs was determined on the basis of revenues, headcount or insured vehicles.

^(l) Prior to 2013, CyrusOne paid commission to affiliates, including CBT and CBTS, under a marketing agreement for all new leases they attained as CyrusOne's authorized marketing representatives, which was calculated as a percentage of the first month's recurring revenue with respect to such space, which ranged from 30% to 140%, depending on the lease term.

^(m) Prior to the completion of the formation transactions on November 20, 2012, the Predecessor participated in CBI's centralized cash management program. On a periodic basis, all of our excess cash was transferred to CBI's corporate cash accounts. Likewise, substantially all funds to finance our operations, including acquisitions and development costs, were funded by CBI. These advances and borrowings were governed by an intercompany cash management agreement. All advances and borrowings were subject to interest at the average 30-day Eurodollar rate for the calendar month plus the applicable credit spread for Eurodollar rate borrowings charged for CBI's revolving line of credit. The average rate earned or charged was 5.0% in both 2012 and 2011. As of November 20, 2012, \$80 million of these borrowings were repaid and the remaining outstanding borrowings were settled with an equity contribution to CyrusOne LP. There were no borrowings outstanding at December 31, 2012. In conjunction with the completion of the above described financing transactions, CyrusOne was released from its guarantee of CBI's indebtedness.

⁽ⁿ⁾ Prior to October 1, 2012 we participated in an accounts receivable securitization program sponsored by CBI for certain of its subsidiaries. Under this program, we continuously sold certain trade accounts receivable to Cincinnati Bell Funding LLC ("CBF") at a 2.5% discount to receivables' face value. In turn, CBF granted, without recourse, a senior undivided interest in the pooled receivables to various purchasers, including commercial paper conduits, in exchange for cash.

In October 2012, we purchased the property located at 229 West Seventh Street, included as one of our operating facilities, which we had formerly leased from CBT. CBT continues to own the adjacent property that was historically operated together with 229 West Seventh Street as one property. We also executed a reciprocal easement and shared services agreement and a right of first opportunity and refusal agreement with CBT with respect to such properties. Pursuant to the reciprocal easement and shared services agreement, we granted reciprocal easements to each other; CBT has easements for continued use of portions of our building and CBT provides fuel storage, fire suppression and other building services to us; and we provide chilled water, building automation systems related to heating ventilation and air conditioning and other building services to CBT. The shared services agreement is expected to continue for a period of 15 years with five renewal options of five years each. We are responsible for operating and managing the service facilities for both buildings. Each party will bear its own utility costs, as well as property taxes and insurance. Shared building operating costs will be charged to each party on the basis of the actual costs incurred, allocated based on the proportionate share of usage. Each party will also pay the other party less than \$0.2 million per year to maintain shared building infrastructure systems. This agreement contains a make-whole provision that requires us to make a payment to CBT if CBT's carrier access revenue declines below \$5.0 million per annum as a result of certain actions taken by us which result in circuit disconnections or reductions at CBT. The term of this make-whole provision is approximately four years.

Pursuant to the right of first opportunity and refusal agreement, we and CBT have agreed to grant to each other rights of first opportunity and first refusal to purchase the other party's property in the event that either party desires to sell its property to a non-affiliate third party.

On November 20, 2012, we also entered into a non-competition agreement with CBI, pursuant to which we and CBI agreed not to enter into each other's lines of business, subject to certain exceptions for a period of four years from such date. Pursuant to the terms of this agreement, we agreed not to directly or indirectly engage in, or have any interest in any entity that engages in, the business of providing telecommunications services in certain areas of Ohio, Kentucky and Indiana in which CBI operates as of such date. We also agreed not to seek, request or apply for any certification or license to provide

telecommunications services in such areas during the term of the agreement. CBI agreed not to directly or indirectly engage in, or have any interest in any entity that engages in, the business of constructing and selling, operating or providing data center services in the United States or any foreign jurisdiction in which we operate. However, CBI may continue to offer certain data center services, provided that such services are ancillary to its provision of existing IT services, and CBI does not own, lease or is contracted to own, lease or manage the data center infrastructure of the facility in which such existing IT services are being provided.

Other Related Party Transactions

Prior to joining CyrusOne in March 2013, our internal counsel was principal in the Law Offices of Thomas W. Bosse, PLLC, ("Bosselaw"). In 2013, amounts paid to Bosselaw for services rendered prior to his employment were \$1.6 million, which included a bonus payment under CyrusOne's Data Center Plan as a result of the successful completion of the initial public offering.

In the ordinary course of its business, CyrusOne periodically pays brokerage commissions to real estate brokerage firms in connection with property transactions and tenant leases. In 2013, CyrusOne paid \$1.5 million to one such firm, Jones Lang LaSalle. One of our former directors is a principal with Jones Lang LaSalle.

The spouse of one of our directors is a partner with Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"). For the years ended December 31, 2014 and December 31, 2013, CyrusOne paid Skadden \$1.1 million and \$0.2 million, respectively, for services rendered.

Our director, Lynn A. Wentworth, is a member of the board of directors of CBI, and serves as the chair of its audit committee.

Financing and Cash Management Arrangements

On October 9, 2014, CyrusOne LP entered into a new credit agreement which provides for a \$450 million senior unsecured revolving credit facility to replace CyrusOne LP's \$225 million secured credit facility, and a \$150 million senior unsecured term loan. The revolving facility is scheduled to mature in October 2018 and includes a one-year extension option, which if exercised by CyrusOne LP would extend the maturity date to October 2019. The term loan is scheduled to mature in October 2019. The revolving facility currently bears interest at a rate per annum equal to LIBOR plus 1.70% and the term loan currently bears interest at a rate per annum equal to LIBOR plus 1.65%. The credit agreement governing the revolving credit facility and the term loan contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to \$300 million.

We intend to use this revolving credit facility, among other things, to finance the acquisition of properties, provide funds for customer improvements and capital expenditures and provide for working capital and for other corporate purposes. The revolving credit facility contains customary covenants for credit facilities of this type. At December 31, 2014, there was \$135 million of borrowings outstanding on the revolving credit facility and \$150 million outstanding on the term loan.

The credit agreement governing the revolving facility and the term loan requires CyrusOne LP to maintain certain financial covenants including the following, in each case on a consolidated basis:

- A minimum fixed charge ratio;
- Maximum total and secured leverage ratios;
- A minimum tangible net worth ratio;
- A maximum secured recourse indebtedness ratio;
- A minimum unencumbered debt yield ratio; and
- A maximum ratio of unsecured indebtedness to unencumbered asset value.

Notwithstanding these limitations, we will be permitted, subject to the terms and conditions of the credit agreement, to distribute to our shareholders cash dividends in an amount not to exceed 95% of our Funds From Operations (as defined in the credit agreement) for any period. Similarly, our indenture permits dividends and distributions necessary for us to maintain our status as a REIT.

Our most restrictive covenants are generally included in our credit agreement. In order to continue to have access to amounts available to us under the credit agreement, we must remain in compliance with all covenants.

At December 31, 2014, there was \$135 million of borrowings outstanding on the new revolving credit facility and \$150 million outstanding on the new term loan.

On June 25, 2014, CyrusOne Inc. completed a public offering of 16.0 million shares of its common stock, including 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting costs of \$15.8 million, to acquire 16.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

In 2013, we used our cash flow from operations and proceeds from our IPO to fund our investment in our business. On November 20, 2012, CyrusOne LP co-issued, with CyrusOne Finance Corp., \$525 million of senior notes from which the net proceeds were approximately \$512 million. The senior notes bear interest at a rate of 6.375% per annum and mature in 2022. A portion of the proceeds of the senior notes issuance was utilized to repay approximately \$480 million of related party notes payable. In November and December of 2014, we repurchased senior notes with an aggregate face value of \$150.2 million for a purchase price of \$163 million, including accrued interest.

Results of Operations

Comparison of Years Ended December 31, 2014 and 2013

(amounts in millions, except per share data)	Successor		Predecessor	\$ Change 2014 vs. 2013	% Change 2014 vs. 2013
	December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013		
Revenue	\$ 330.9	\$ 248.4	\$ 15.1	\$ 67.4	25.6 %
Costs and expenses:					
Property operating expenses	124.5	88.4	4.8	31.3	33.6 %
Sales and marketing	12.8	9.9	0.7	2.2	20.8 %
General and administrative	34.6	26.5	1.5	6.6	23.6 %
Depreciation and amortization	118.0	89.9	5.3	22.8	23.9 %
Restructuring charges	—	0.7	—	(0.7)	n/m
Transaction costs	1.0	1.3	0.1	(0.4)	(28.6)%
Transaction-related compensation	—	—	20.0	(20.0)	n/m
Asset impairments	—	2.8	—	(2.8)	n/m
Total costs and expenses	290.9	219.5	32.4	39.0	15.5 %
Operating income (loss)	40.0	28.9	(17.3)	28.4	244.8 %
Interest expense	39.5	41.2	2.5	(4.2)	(9.6)%
Other income	—	(0.1)	—	0.1	n/m
Loss on extinguishment of debt	13.6	1.3	—	12.3	946.2 %
Net loss before income taxes	(13.1)	(13.5)	(19.8)	20.2	(60.7)%
Income tax expense	(1.4)	(1.9)	(0.4)	0.9	(39.1)%
Loss on sale of real estate	—	(0.2)	—	0.2	n/m
Loss from continuing operations	\$ (14.5)	\$ (15.6)	\$ (20.2)	\$ 21.3	(59.5)%
Noncontrolling interest in net loss	(6.7)	(10.3)			
Net loss attributed to common stockholders	\$ (7.8)	\$ (5.3)			
Operating margin	12.1%	11.6%	(114.6)%		(0.5 pts)
Capital expenditures *:					
Acquisitions of real estate	\$ —	\$ 48.0	\$ —	\$ (48.0)	n/m
Development of real estate	280.4	168.8	7.6	\$ 104.0	59.0 %
Recurring real estate	3.8	4.1	0.1	\$ (0.4)	(9.5)%
Total	\$ 284.2	\$ 220.9	\$ 7.7	\$ 55.6	24.3 %
Metrics information:					
Colocation square feet*	1,225,000	1,052,000	921,000	173,000	16 %
Utilization rate*	88%	85%	81 %		(3 pts)
Loss per share - basic and diluted	\$ (0.30)	\$ (0.28)			
Dividends declared per share	\$ 0.84	\$ 0.64			

* See “Key Operating Metrics” for a definition of capital expenditures, CSF and utilization rate.

Revenue

Revenue for the year ended December 31, 2014, was \$330.9 million, an increase of \$67.4 million, or 26%, compared to \$263.5 million for the year ended December 31, 2013. For the year ended December 31, 2014, we leased over 185,000 CSF. This increase is due to increased leasing from our existing customers and growing our customer base from 612 in 2013 to approximately 670 in 2014. This growth in customer base exemplifies our core strategy of being the preferred provider to Fortune 1000 companies, or private foreign enterprises of equivalent size, growing to 144 from 129 a year ago.

Our capacity at December 31, 2014, was approximately 1,225,000 CSF, which is an increase of 16% from December 31, 2013. The utilization rate of our data center facilities was 88% as of December 31, 2014, up from 85% as of December 31, 2013 as a result of leasing associated with increases in customer demand.

Recurring rent churn for each quarter in 2014 ranged from 1.3% to 2.9%, in comparison to a range of 0.4% to 1.3% in 2013.

Costs and Expenses

Property operating expenses-Property operating expenses for the year ended December 31, 2014, were \$124.5 million, an increase of \$31.3 million, or 34%, compared to \$93.2 million for the year ended December 31, 2013. Electricity expense increased approximately \$20.6 million and maintenance expense rose \$2.9 million due to a rise in demand for services from a growing customer base. Payroll costs increased \$1.2 million due to an increase in headcount to support the increase in colocation space during 2014. Continued investment has grown our taxable asset base and has driven an increase in our property tax expense by approximately \$3.1 million compared to the prior year.

Sales and marketing expenses-Sales and marketing expenses for the year ended December 31, 2014, were \$12.8 million, an increase of \$2.2 million, or 21%, compared to \$10.6 million for the year ended December 31, 2013. The increases over the past year were directly related to an increase in sales and marketing personnel related costs of \$1.4 million and higher advertising costs of \$0.5 million, both of which were used to promote growth in existing and new markets.

General and administrative expenses-General and administrative expenses for the year ended December 31, 2014, were \$34.6 million, an increase of \$6.6 million, or 24%, compared to \$28.0 million for the year ended December 31, 2013. There was a \$6.9 million increase in employee related expenses, including the impact of the equity compensation expense related to the 2012 Long-Term Incentive Plan (the "LTIP") of \$2.2 million, which were partially offset by \$0.5 million of reduced commercial insurance expense.

Depreciation and amortization expense-Depreciation and amortization expense for the year ended December 31, 2014, was \$118.0 million, an increase of \$22.8 million, or 24%, compared to \$95.2 million for the year ended December 31, 2013. The increase was driven by the full year impact of assets placed in service during 2013 and the impact of additional assets placed in service in 2014. Depreciation and amortization expense is expected to increase in future periods as we acquire and develop new properties and expand our existing data center facilities.

Restructuring charges-For the year ended December 31, 2014, we incurred no restructuring charges. Restructuring charges for the year ended December 31, 2013, were \$0.7 million, which were the result of moving certain administrative functions to the corporate office.

Transaction costs-For the year ended December 31, 2014, we incurred \$1.0 million of transaction costs for legal fees related to failed property acquisitions. For the year ended December 31, 2013, we incurred \$1.4 million of transaction costs to pursue property acquisition opportunities.

Transaction-related compensation-We recorded compensation expense of \$20.0 million for the year ended December 31, 2013, related to CBI's long-term incentive plan. There were no such costs incurred in other periods and these costs represent one-time compensation charges allocated to us by CBI in the period ended January 23, 2013. On April 8, 2013, CBI reimbursed us for \$19.6 million of these costs.

Asset impairments-For the year ended December 31, 2014, we recognized no asset impairments. For the year ended December 31, 2013, we recognized asset impairments of \$2.8 million related to real estate equipment.

Operating Income

For the year ended December 31, 2014, operating income of \$40.0 million improved \$28.4 million compared to \$11.6 million for the year ended December 31, 2013. The increase was due to increased revenue of \$67.4 million partially offset by increases in property operating expenses of \$31.3 million, depreciation and amortization of \$22.8 million, general and

administrative expenses of \$6.6 million and sales and marketing expenses of \$2.2 million. Additionally, operating income for the year ended December 31, 2013 was impacted by \$20.0 million of transaction-related compensation expenses and \$0.7 million of restructuring charges that were non-recurring.

Non-Operating Expenses

Interest expense-Interest expense for the year ended December 31, 2014, was \$39.5 million, a decrease of \$4.2 million, or 10%, as compared to \$43.7 million for the year ended December 31, 2013. Interest expense decreased primarily as a result of an increase in capitalized interest associated with our increasing capital expenditures and lower interest expense on our senior notes due to our bond repurchase program.

Loss on extinguishment of debt- Loss on extinguishment of debt was \$13.6 million and \$1.3 million for the years ended December 31, 2014 and 2013, respectively. Loss on extinguishment of debt for 2014 was related to costs associated with the repurchase of \$150.2 million in aggregate face value of our senior notes for a purchase price of \$163 million and the write-off of deferred financing costs. Loss on extinguishment of debt for 2013 was related to the termination of the financing obligation for our Metropolis Drive (Austin 2) facility as a result of our purchasing the property from the former lessor.

Income tax expense-Income tax expense was \$1.4 million and \$2.3 million for the years ended December 31, 2014 and 2013, respectively. Income tax expense decreased primarily as a result of management's decision in 2013 to begin recording a full valuation allowance against our domestic net deferred tax assets. In the year ended December 31, 2013, this resulted in the recording of an expense equal to our beginning 2013 net domestic deferred tax asset balance. No such adjustment was necessary for the year ended December 31, 2014.

Loss on sale of real estate improvements—For the year ended December 31, 2014, we recognized no loss on the sale of real estate improvements. We incurred a loss on the sale of real estate improvements of \$0.2 million for the year ended December 31, 2013. A loss was realized on the sale of chillers at our Southwest Freeway (Galleria) data center facility, as we upgraded our equipment.

Capital Expenditures

Capital expenditures for the year ended December 31, 2014, were \$284.2 million, as compared to \$228.6 million for the year ended December 31, 2013. Other than construction related to our first facility in the Northern Virginia market, most of our capital expenditures for 2014 relate to the continued development of power and space in our existing properties in the Dallas, Houston, Phoenix, Cincinnati and San Antonio markets, in order to meet increased customer demands for IT infrastructure. For the year ended December 31, 2014 we constructed 185,000 square feet of colocation space and began development of 685,000 square feet of powered shell.

Results of Operations

Comparison of Years Ended December 31, 2013 and 2012

(amounts in millions)	Successor	Predecessor		\$ Change 2013 vs. 2012	% Change 2013 vs. 2012
	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	2012		
Revenue	\$ 248.4	\$ 15.1	\$ 220.8	\$ 42.7	19 %
Costs and expenses:					
Property operating expenses	88.4	4.8	76.0	17.2	23 %
Sales and marketing	9.9	0.7	9.7	0.9	9 %
General and administrative	26.5	1.5	20.7	7.3	35 %
Depreciation and amortization	89.9	5.3	73.4	21.8	30 %
Restructuring charges	0.7	—	—	0.7	n/m
Transaction costs	1.3	0.1	5.7	(4.3)	(75)%
Transaction-related compensation	—	20.0	—	20.0	n/m
Management fees charged by CBI	—	—	2.5	(2.5)	(100)%
Loss on sale of receivables to affiliate	—	—	3.2	(3.2)	(100)%
Asset impairments	2.8	—	13.3	(10.5)	(79)%
Total costs and expenses	219.5	32.4	204.5	47.4	23 %
Operating income	28.9	(17.3)	16.3	(4.7)	(29)%
Interest expense	41.2	2.5	41.8	1.9	5 %
Other income	(0.1)	—	—	(0.1)	n/m
Loss on extinguishment of debt	1.3	—	—	1.3	n/m
Loss before income taxes	(13.5)	(19.8)	(25.5)	(7.8)	31 %
Income tax (expense) benefit	(1.9)	(0.4)	5.1	(7.4)	(145)%
Loss from continuing operations	(15.4)	(20.2)	(20.4)	(15.2)	75 %
Gain on sale of real estate improvements	(0.2)	—	0.1	(0.3)	(300)%
Net loss	\$ (15.6)	\$ (20.2)	\$ (20.3)	\$ (15.5)	76 %
Noncontrolling interest in net loss	(10.3)				
Net loss attributed to common stockholders	\$ (5.3)				
Operating margin	11.6%	(114.6)%	7.4%		(4.2 pts)
Capital expenditures*:					
Acquisitions of real estate	\$ 48.0	\$ —	\$ 25.4	\$ 22.6	89 %
Development of real estate	168.8	7.6	193.3	(16.9)	(9)%
Recurring real estate	4.1	0.1	3.9	0.3	8 %
All other non-real estate	—	—	5.7	(5.7)	(100)%
Total	\$ 220.9	\$ 7.7	\$ 228.3	\$ 0.3	— %
Metrics information:					
Colocation square feet*	1,052,000	921,000	932,000	120,000	13 %
Utilization rate*	85%	81 %	78%		(7 pts)

* See “Key Operating Metrics” for a definition of capital expenditures, CSF and utilization rate.

Revenue

Revenue for the year ended December 31, 2013, was \$263.5 million compared to \$220.8 million for the year ended December 31, 2012, an increase of 19%. For the year ended December 31, 2013, we leased over 170,000 CSF. This increase is due to increased leasing from our existing customers and growing our customer base from 526 in 2012 to 612 in 2013. This growth in customer base exemplifies our core strategy of being the preferred provider to Fortune 1000 companies, or private foreign enterprises of equivalent size, growing to 129 from 115 a year ago.

Our capacity at December 31, 2013, was approximately 1,052,000 CSF, which is an increase of 13% from December 31, 2012. The utilization rate of our data center facilities was 85%, as of December 31, 2013, up 7 percent from a year ago as a result of leasing associated with increases in customer demand. For the year ended December 31, 2013, our recurring rent churn was 4.1%. For the year ended December 31, 2012, recurring rent churn was 4.6%.

Costs and Expenses

Property operating expenses—Property operating expenses were \$93.2 million for the year ended December 31, 2013, an increase of \$17.2 million, or 23%, compared to \$76.0 million for the year ended December 31, 2012. Electricity expense increased approximately \$6.2 million as a result of expanded data center facilities and greater power utilization. In 2013, we introduced and expanded the National IX Platform, and as a result incurred approximately \$3.8 million of higher circuit and bandwidth costs. Our larger portfolio of assets resulted in \$2.6 million higher facility maintenance cost driven from initiating and expanding contracts to maintain more critical equipment. Additionally, property taxes and payroll costs increased approximately \$6.0 million as a result of additional investment in data center facilities and supporting new customers. These were partially offset by a decrease in maintenance that is performed bi-annually.

Sales and marketing expenses—Sales and marketing expenses for the year ended December 31, 2013, were \$10.6 million, an increase of \$0.9 million or 9% compared to \$9.7 million for the year ended December 31, 2012. The increase was directly related to higher compensation for additional sales and marketing personnel, partially offset by lower advertising costs.

General and administrative expenses—General and administrative expenses for the year ended December 31, 2013, were \$28.0 million, an increase of \$7.3 million, or 35%, compared to the same period in 2012. The increase in general and administrative costs are primarily a result of the \$6.2 million equity compensation expense related to the LTIP, which was adopted in 2012. Additionally, we incurred higher legal, consulting, and other public company costs related to the establishment of corporate reporting and accounting functions. A significant portion of the corporate reporting and related accounting functions were previously performed by CBI in 2012.

Transaction-related compensation—We recorded compensation expense of \$20.0 million for the year ended December 31, 2013 related to CBI's long-term incentive plan tied to the completion of the IPO. There were no such costs incurred in other periods and these costs represent one-time compensation charges allocated to us by CBI in the period ended January 23, 2013. On April 8, 2013, CBI reimbursed the Company for \$19.6 million of these costs.

Depreciation and amortization expense—Depreciation and amortization expense for the year ended December 31, 2013, was \$95.2 million, an increase of \$21.8 million, or 30% compared to \$73.4 million for the year ended December 31, 2012. The increase was related to assets that were placed in service in the prior year, and approximately \$230 million of capital expenditures during 2013. Depreciation and amortization expense is expected to increase in future periods as we acquire and develop new properties and expand our existing data center facilities.

Restructuring charges—Restructuring charges for the twelve months ended December 31, 2013, were \$0.7 million. There were no restructuring charges for the year ended December 31, 2012. Restructuring charges incurred for the year were a result of moving certain administrative functions to the corporate office.

Transaction costs—For the year ended December 31, 2013, we incurred \$1.4 million of transaction costs to pursue property acquisition opportunities, as compared to \$5.7 million for the year ended December 31, 2012. For the twelve months ended December 31, 2012, transaction costs consisted of legal and consulting costs incurred in connection with the formation transactions and the qualification of CyrusOne as a REIT.

Management fees charged by CBI—Management fees were \$2.5 million for the year ended December 31, 2012. These fees were allocated for services provided by CBI, including executive management, legal, treasury, human resources, accounting, tax, internal audit and IT services. Effective November 20, 2012, the management fee charged by CBI was terminated and replaced with a transition services agreement. For the year ended December 31, 2013, operating costs and expenses related to the transition service agreement were \$0.1 million.

Loss on sale of receivables to CBF—Loss on sale of receivables for the year ended December 31, 2012 was \$3.2 million. Prior to October 1, 2012, substantially all of our receivables were sold to CBF at a discount of 2.5% from their face value. Effective October 1, 2012, we terminated our participation in this program; hence, there were no losses in 2013.

Asset impairments—For the years ended December 31, 2013 and 2012, we recognized asset impairments of \$2.8 million and \$13.3 million, respectively, related to real estate related equipment in 2013 and customer relationship intangible and long-lived assets primarily associated with our GramTel acquisition in 2012.

Operating Income

Operating income was \$11.6 million for the year ended December 31, 2013, a decrease of \$4.7 million or 29% compared to the year ended December 31, 2012. The increase in revenues, was more than offset by an increase in operating costs incurred to support company growth, general and administrative expenses to establish corporate functions, a one-time transaction related compensation charge, higher depreciation and amortization expense, and restructuring charges. Excluding the one-time transaction related compensation charge, operating income for the year ended December 31, 2013, would have been \$31.6 million, an increase of \$15.3 million or 94% compared to the year ended December 31, 2012.

Nonoperating Expenses

Interest expense—Interest expense for the twelve months ended December 31, 2013, was \$43.7 million, an increase of \$1.9 million or 5%, compared to \$41.8 million for the year ended December 31, 2012. Interest expense increased primarily as a result of having our senior notes due in 2022 outstanding for the entire year, compared to the senior notes only being outstanding for a portion of the year in 2012 and interest expense incurred from related party notes payable in 2012.

Loss on extinguishment of debt—Loss on extinguishment of debt is related to the termination of the financing obligation for our Metropolis Dr. (Austin 2) facility by purchasing the property from the former lessor. A loss of \$1.3 million was recognized upon the termination of this obligation for the twelve months ended December 31, 2013. No such costs were recognized for the twelve months ended December 31, 2012.

Income tax (benefit) expense—Income tax expense was \$2.3 million for the year ended December 31, 2013, as compared to an income tax benefit of \$5.1 million for the year ended December 31, 2012. Income tax expense increased as a result of the change in the manner of taxation from our conversion from a C-Corporation to a partnership on November 20, 2012. For the year ended December 31, 2012, the tax benefit was primarily related to the fact that we were operating as a C-Corporation for the majority of the year.

(Loss) gain on sale of real estate improvements—We incurred a loss on the sale of real estate improvements of \$0.2 million for the year ended December 31, 2013. A loss was realized on the sale of chillers at our Southwest Freeway (Galleria) data center facility, as we upgraded our equipment. For the year ended December 31, 2012, a gain of \$0.1 million was realized on the sale of generators at our Southwest Freeway (Galleria) data center facility.

Capital Expenditures

Capital expenditures for the year ended December 31, 2013, were \$228.6 million, as compared to \$228.3 million for the year ended December 31, 2012. In 2013, we purchased a 33 acre parcel of land in Houston (Houston West 3) for \$18.2 million, 22 acres of land for \$6.7 million in San Antonio (San Antonio 2), 22 acres of land for \$7.9 million in Austin (Austin 3) and 14 acres of land for \$6.9 million dollars in Northern Virginia (Northern VA). Lease buyouts were executed for our Florence, Lombard and Austin 2 data center facilities. For the year ended December 31, 2013, we constructed 140,000 square feet of colocation space and 280,000 square feet of operational NRSF. For the year ended December 31, 2012, our major capital expenditures were related to the purchase of our Carrollton facility and construction of approximately 195,000 square feet of colocation space and 310,000 square feet of NRSF.

Financial Condition, Liquidity and Capital Resources

Liquidity and Capital Resources

We are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, to our stockholders on an annual basis in order to maintain our status as a REIT for federal income tax purposes. Accordingly, we intend to make, but are not contractually bound to make, regular quarterly distributions to common stockholders and operating partnership unit holders from cash flow from operating activities. All such distributions are at the discretion of our board of directors.

We have an effective shelf registration statement that allows us to offer for sale unspecified amounts of various classes of equity and debt securities and warrants. As circumstances warrant, we may issue debt, equity and/or warrants from time to time on an opportunistic basis, dependent upon market conditions and available pricing.

On October 9, 2014, CyrusOne LP entered into a new credit agreement which provides for a \$450 million senior unsecured revolving credit facility to replace CyrusOne LP's \$225 million secured credit facility, and a \$150 million senior unsecured term loan. The revolving facility is scheduled to mature in October 2018 and includes a one-year extension option, which if exercised by CyrusOne LP would extend the maturity date to October 2019. The term loan is scheduled to mature in October 2019. The revolving facility currently bears interest at a rate per annum equal to LIBOR plus 1.70% and the term loan currently bears interest at a rate per annum equal to LIBOR plus 1.65%. The credit agreement governing the revolving credit facility and the term loan contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to \$300 million. As of December 31, 2014, we had the ability to borrow an additional \$315.0 million on the revolving facility.

As of December 31, 2014 and 2013, we had \$36.5 million and \$148.8 million, respectively, of cash and cash equivalents.

Short-Term Liquidity

Our short-term liquidity requirements primarily consist of operating expenses and capital expenditures composed primarily of acquisition and development costs for data center properties. For 2014, our capital expenditures were \$284.2 million. Other than construction related to our first facility in the Northern Virginia market, most of our capital expenditures for 2014 relate to the continued development of power and space in our existing properties in the Dallas, Houston, Phoenix, Cincinnati and San Antonio markets, in order to meet increased customer demands for IT infrastructure. For the year ended December 31, 2014 we constructed 185,000 square feet of colocation space and began development of 685,000 square feet of powered shell. Our capital expenditures are largely discretionary and will be applied to expand our existing data center properties, acquire or construct new facilities, or both. We intend to continue to pursue additional growth opportunities and are prepared to commit additional resources to support this growth. We expect to fund future capital expenditures from the cash available on our balance sheet and borrowings under our revolving facility.

Long-Term Liquidity

Our long-term liquidity requirements primarily consist of distributions to stockholders and the acquisition and development of additional data center properties. We expect to meet our long-term liquidity requirements with cash flows from our operations, issuances of debt and equity securities and borrowings under our revolving facility.

As of December 31, 2014, our debt and other financing arrangements were \$726.6 million, consisting of \$374.8 million of senior notes due 2022, a revolving facility outstanding of \$135.0 million, a term loan outstanding of \$150.0 million, capital lease obligations of \$13.4 million and other financing arrangements of \$53.4 million. As of December 31, 2014, we had the ability to borrow an additional \$315.0 million under the revolving facility.

Material Terms of Our Indebtedness

Revolving Credit Agreement

On October 9, 2014, CyrusOne LP entered into a new credit agreement which provides for a \$450 million senior unsecured revolving credit facility to replace CyrusOne LP's \$225 million secured credit facility, and a \$150 million senior unsecured term loan. The revolving facility is scheduled to mature in October 2018 and includes a one-year extension option, which if exercised by CyrusOne LP would extend the maturity date to October 2019. The term loan is scheduled to mature in October 2019. The revolving facility currently bears interest at a rate per annum equal to LIBOR plus 1.70% and the term loan currently bears interest at a rate per annum equal to LIBOR plus 1.65%. The credit agreement governing the revolving credit facility and the term loan contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to \$300 million.

The credit agreement governing the revolving facility and the term loan requires us to maintain certain financial covenants including the following, in each case on a consolidated basis:

- A minimum fixed charge ratio;
- Maximum total and secured leverage ratios;
- A minimum tangible net worth ratio;
- A maximum secured recourse indebtedness ratio;
- A minimum unencumbered debt yield ratio; and
- A maximum ratio of unsecured indebtedness to unencumbered asset value.

Notwithstanding these limitations, we will be permitted, subject to the terms and conditions of the credit agreement, to distribute to our shareholders cash dividends in an amount not to exceed 95% of our Funds From Operations (as defined in the credit agreement) for any period. Similarly, our indenture permits dividends and distributions necessary for us to maintain our status as a REIT.

Our most restrictive covenants are generally included in our credit agreement. In order to continue to have access to amounts available to us under the credit agreement, we must remain in compliance with all covenants.

As of December 31, 2014, there were outstanding borrowings of \$135.0 million on the revolving facility and borrowings of \$150.0 million on the term loan.

6.375% Senior Notes due 2022

On November 20, 2012, our operating partnership and CyrusOne Finance Corp. issued \$525 million in aggregate principal amount of 6.375% senior notes due 2022. The senior notes will mature on November 15, 2022. The senior notes are unconditionally guaranteed on a senior basis by CyrusOne Inc., CyrusOne GP and each of our operating partnership's existing and future domestic wholly-owned subsidiaries, subject to certain exceptions. The indenture governing the senior notes contains affirmative and negative covenants customarily found in indebtedness of this type, including a number of covenants that, among other things, restrict, subject to certain exceptions, our ability to: incur secured or unsecured indebtedness; pay dividends or distributions on its equity interests, or redeem or repurchase equity interests of CyrusOne Inc. or our operating partnership; make certain investments or other restricted payments; enter into transactions with affiliates; enter into agreements limiting the ability of our operating partnership's subsidiaries to pay dividends or make certain transfers and other payments to our operating partnership or to our other subsidiaries; sell assets; and merge, consolidate or transfer all or substantially all of our operating partnership's assets. Notwithstanding the foregoing, our revolving credit facility and indenture restrict CyrusOne LP from making distributions to its stockholders and limit partners, or redeeming or otherwise repurchasing shares of its capital stock or partnership units, after the occurrence and during the continuance of an event of default, except in limited circumstances including as necessary to enable CyrusOne Inc. to maintain its qualification as a REIT and to minimize the payment of income tax. Our operating partnership and its subsidiaries are also required to maintain total unencumbered assets of at least 150% of their unsecured debt on a consolidated basis. If and for so long as the senior notes are rated investment grade by each of Moody's Investors Service, Inc. and Standard and Poor's, certain covenants will be suspended and the subsidiary guarantees will be released. As of the date hereof, the senior notes are not rated investment grade, and we are in compliance with all applicable covenants.

In November and December of 2014, we repurchased senior notes with an aggregate face value of \$150.2 million for a purchase price of \$163 million, including accrued interest. At December 31, 2014, our senior notes had a balance of \$374.8 million.

Cash Flows

During 2014, our primary source of cash was earnings from our operations and the net proceeds from our new credit agreement. Our primary uses of cash were capital expenditures for the development of real estate, to fund our operations and to pay dividends.

The following table summarizes our cash flows for the year ended December 31, 2014, and the periods ended December 31, 2013, and January 23, 2013 and the year ended December 31, 2012:

(Amounts in millions)	Successor		Predecessor	
	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23 2013	Year Ended December 31, 2012
Cash provided by operations	\$ 111.1	\$ 77.4	\$ 2.0	\$ 44.5
Cash used in investing activities	(284.2)	(216.7)	(5.8)	(252.6)
Cash provided by (used in) financing activities	60.8	275.8	(0.4)	224.0

Comparison of Years Ended December 31, 2014 and 2013

As of December 31, 2014, cash and cash equivalents were \$36.5 million, down from \$148.8 million as of December 31, 2013, a decrease of \$112.3 million.

Cash provided by operations was \$111.1 million for the year ended December 31, 2014, compared to \$79.4 million for the year ended December 31, 2013. The increase in net cash generated from operations was primarily due to a \$28.4 million increase in operating income driven by a 26% increase in revenue.

Cash used in investing activities was \$284.2 million for the year ended December 31, 2014, compared to \$222.5 million for the year ended December 31, 2013. This increase is a result of capital expenditures for development activities.

Cash provided by financing activities was \$60.8 million for the year ended December 31, 2014, compared to \$275.4 million for the year ended December 31, 2013. The significant change is primarily attributed to net proceeds related to the issuance of common stock of \$337.1 million in January of 2013, the repurchase of \$150.2 million of the Company's senior notes and an increase in dividend payments of \$19.9 million, partially offset by \$285 million in net new borrowings. The proceeds from the issuance of stock in June 2014 were used to acquire 16 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

Comparison of Years Ended December 31, 2013 and 2012

As of December 31, 2013, cash and cash equivalents were \$148.8 million, up from \$16.5 million as of December 31, 2012, an increase of \$132.3 million, as a result of raising capital from the initial public offering in January 2013.

Net cash provided by operations was \$79.4 million for the year ended December 31, 2013, compared to \$44.5 million for the year ended December 31, 2012. The increase in net cash generated from operations was a result of income from leasing incremental space, power, and related services, and changes in operating assets and liabilities compared to the year ended December 31, 2012.

Cash used in investing activities was \$222.5 million for the year ended December 31, 2013, compared to \$252.6 million for the year ended December 31, 2012. Capital expenditures were \$228.6 million for the year ended December 31, 2013, as compared to \$228.3 million for the year ended December 31, 2012. Capital expenditures during 2013 were used primarily for data center development and land purchases. The release of restricted cash was \$6.3 million for the year ended December 31, 2013. Advances to affiliates were \$18.3 million for twelve months ended December 31, 2012, with no such amounts for the year ended December 31, 2013.

Cash provided by financing activities was \$275.4 million for the year ended December 31, 2013. In 2013, the increase of \$51.4 million from December 31, 2012, was directly related to the issuance of common stock in the amount of \$333.9 million (net of IPO issuance related costs of \$26.6 million). For the year ended December 31, 2013, we made payments of \$26.4 million related to capital lease payments, financing obligations and capital and financing obligation leases buyouts. In addition, we paid dividends of \$31.0 million with no such costs incurred for the year ended December 31, 2012. For the year ended December 31, 2012, borrowings from CBI of \$119.8 million and proceeds from the issuance of debt of \$525.0 million, were a source of cash with no such amounts for the year ended December 31, 2013. In addition, repayment of the related party note of \$400.0 million was a use of cash, with no such repayments for the year ended December 31, 2013. We incurred \$1.3 million of debt issuance costs for the year ended December 31, 2013, compared to \$17.2 million for the year ended December 31, 2012.

Contractual Obligations

The following contractual obligations table summarizes our contractual obligations as of December 31, 2014:

<i>(amounts in millions)</i>	Total	< 1 Year	1-3 Years	3-5 years	Thereafter
Long-term debt ⁽¹⁾	\$ 374.8	\$ —	\$ —	\$ —	\$ 374.8
Revolving facility and term loan ⁽¹⁾	285.0	—	—	285.0	—
Capital lease obligations	13.4	2.3	3.7	2.9	4.5
Interest payments on senior notes, capital leases and other financing arrangements ⁽²⁾	226.9	30.2	58.2	57.1	81.4
Non-cancellable operating leases	8.0	4.6	2.3	0.2	0.9
Purchase obligations ⁽³⁾	19.9	19.0	0.9	—	—
Financing arrangements and other liabilities ⁽⁴⁾	17.2	1.1	2.8	3.9	9.4
Total	<u>\$ 945.2</u>	<u>\$ 57.2</u>	<u>\$ 67.9</u>	<u>\$ 349.1</u>	<u>\$ 471.0</u>

- (1) Represents the principal portion of the senior notes, revolving facility and term loan.
- (2) Includes contractual interest payments on the senior notes, revolving facility, term loan, capital leases and other financing arrangements assuming no early payment of debt in future periods.
- (3) CyrusOne has non-cancelable purchase commitments related to certain services and contracts related to construction of data center facilities and equipment. These agreements range from one to two years and provide for payments for early termination or require minimum payments for the remaining term. As of December 31, 2014, the minimum commitments for these arrangements were \$19.9 million.
- (4) Represents other financing arrangements of \$17.0 million for leased data centers where we are deemed the accounting owner, and asset retirement obligations of \$0.2 million.

The contractual obligations table is presented as of December 31, 2014. The amount of these obligations can be expected to change over time as new contracts are initiated and existing contracts are completed, terminated or modified.

Contingencies

We are periodically involved in litigation, claims and disputes. Liabilities are established for these claims when losses associated with these matters are judged to be probable and the loss can be reasonably estimated. Based on information currently available, consultation with counsel and established reserves, management believes the outcome of all claims will not individually, nor in the aggregate, have a material effect on our financial position, results of operations or cash flows. For the year ended December 31, 2014, we were not involved in any material lawsuits that required us to recognize an expense.

Off-Balance Sheet Arrangements

Indemnification

During the normal course of business, we make certain indemnities, commitments and guarantees under which we may be required to make payments in relation to certain transactions. These include (i) intellectual property indemnities to customers in connection with the use, sale and/or license of products and services, (ii) indemnities to vendors and service providers pertaining to claims based on our negligence or willful misconduct and (iii) indemnities involving the representations and warranties in certain contracts. In addition, we have made contractual commitments to several employees providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities, commitments and guarantees do not provide for any limitation on the maximum potential for future payments that we could be obligated to make.

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations are based upon our consolidated and combined financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated and combined financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses in the reporting period. Our management evaluates these estimates on an ongoing basis, based upon information currently available and on various assumptions management believes are reasonable as of the date of the financial statements.

Our actual results may differ from these estimates. We have provided a summary of our significant accounting policies in Note 4 to our audited consolidated and combined financial statements included elsewhere in this Form 10-K. We describe below those accounting policies that require material subjective or complex judgments and that have the most significant impact on our financial condition and results of operations:

- revenue recognition;
- goodwill impairment;
- accounting for real estate and other definite-lived assets; and
- accounting for income taxes.

Revenue Recognition—Colocation rentals are generally billed monthly in advance, and some contracts have escalating payments over the term of the contract. If rents escalate without the lessee gaining access to or control over additional leased space or power, and the lessee takes possession of, or controls the physical use of the property (including all contractually committed power) at the beginning of the lease term, the rental payments by the lessee are recognized as revenue on a straight-line basis over the term of the lease. If rents escalate because the lessee gains access to and control over additional leased space or power, revenue is recognized in proportion to the additional space or power in the periods that the lessee has control over the use of the additional space or power. The excess of revenue recognized over amounts contractually due is recognized in other assets in the accompanying consolidated and combined balance sheets. As of December 31, 2014 and 2013, straight-line rents receivable was \$33.7 million and \$25.5 million, respectively.

Some of our leases are structured on a full-service gross basis where the customer pays a fixed amount for both colocation rental and power. Other leases provide that the customer will be billed for power based upon their actual usage, which is separately metered, as well as an estimate of electricity used to power supporting infrastructure for the data center. In both cases, this revenue is presented on a gross basis in the accompanying consolidated and combined statement of operations. Power is generally billed one month in arrears and an estimate of this revenue is accrued in the month that the associated costs are incurred. We generally are not entitled to reimbursements for real estate taxes, insurance or other operating expenses.

Revenue is recognized for services or products that are deemed separate units of accounting. When a customer makes an advance payment or they are contractually obligated to pay any amounts in advance, which is not deemed a separate unit of accounting, deferred revenue is recorded. This revenue is recognized ratably over the expected term of the lease, unless the pattern of service suggests otherwise. As of December 31, 2014 and 2013, deferred revenue was \$65.7 million and \$55.9 million, respectively.

Certain customer contracts require specified levels of service or performance. If we fail to meet these service levels, our customers may be eligible to receive credits on their contractual billings. These credits are recognized against revenue when an event occurs that gives rise to such credits. Customer credits were immaterial for the years ended December 31, 2014 and 2013.

A provision for uncollectible accounts is recognized when the collection of contractual rent, straight-line rent or customer reimbursements are deemed to be uncollectible. The provision for uncollectible accounts was \$1.0 million in 2014, \$0.5 million in 2013 and \$0.3 million in 2012.

Goodwill Impairment—We have the option of performing a qualitative assessment for impairment prior to performing the quantitative tests. Impairment testing of goodwill is performed on an annual basis or when events or changes in circumstances indicate that an asset may be impaired. We perform our annual impairment tests in the fourth quarter.

Management estimates the fair value of our reporting unit utilizing a combination of valuation methods, including both income-based and market-based methods. The income-based approach utilizes a discounted cash flow model using projected cash flows derived from our five-year plan, adjusted to reflect market participants' assumptions. Expected future cash flows are discounted at the weighted average cost of capital applying a market participant approach. The market-based approach utilizes earnings multiples from comparable publicly-traded companies. Based on the Company's annual assessment of goodwill, no impairment has been recognized through December 31, 2014.

Changes in certain assumptions could have a significant impact on the impairment test for goodwill. The most critical assumptions are projected future growth rates, operating margins, capital expenditures, tax rates, terminal values and discount rates. These assumptions are subject to change as our long-term plans and strategies are updated each year.

The carrying value of our goodwill totaled \$276.2 million as of December 31, 2014. As of October 1, 2014, which is the date of our most recent impairment test, the fair value of CyrusOne was in excess of its carrying value. We have not, to date, recorded any goodwill impairments.

The following table illustrates the percentages by which our aggregate fair value exceeded our carrying value as of October 1, 2014, the date of the most recent impairment test. In addition, the table includes sensitivity analyses related to changes in certain key assumptions for the Company. The impact of each assumption change within the sensitivity analyses was calculated independently and excludes the impact of the other assumed changes.

	CyrusOne ⁽²⁾
Fair Values in Excess of Carrying Values	
Percentage by which fair value exceeds carrying value as of October 1, 2014	103.4%
Sensitivity Analysis-1% Changes in Certain Key Assumptions	
Percentage by which fair value would exceed carrying value:	
1% increase in discount rate ⁽¹⁾	63.1%
1% decrease in long-term growth assumptions	31.6%

- (1) Assumes all other inputs remain the same; the impact of each assumption change within the sensitivity analyses above was calculated independently and excludes the impact of the other assumed changes.
- (2) Total fair value of the Company was determined using an independent third-party analysis. Changes in the discount rate or growth rates would therefore not impact the total fair value of the Company in any of the sensitivity analysis presented above.

Accounting for Real Estate and Other Definite-Lived Assets—Investments in real estate consists of land, buildings, improvements and integral equipment utilized in our data center operations. Real estate acquired from third parties has been recorded at its acquisition cost. Real estate acquired from CBI and its affiliates has been recorded at its historical cost basis. Additions and improvements which extend an asset’s useful life or increase its functionality are capitalized and depreciated over the asset’s remaining life. Maintenance and repairs are expensed as incurred.

When we are involved in the construction of structural improvements to leased property, we are deemed the accounting owner of the leased real estate. In these instances, we bear substantially all the construction period risk, such as managing or funding construction. These transactions generally do not qualify for sale-leaseback accounting due to our continued involvement in these data center operations. At the lease inception date, the fair value of the leased real estate, which generally consists of a building shell, is recorded as construction in progress, and a financing obligation is recorded for the same amount. As construction progresses the value of the asset and obligation increases by the fair value of the structural improvements. When construction is complete, the asset is placed in service and depreciation commences. These properties are depreciated to the lesser of (i) its estimated fair value at the end of the term or (ii) the expected amount of the unamortized obligation at the end of the term.

When we are not deemed the accounting owner, we further evaluate leased real estate to determine if the lease should be classified as either a capital or operating lease. One of the following four characteristics must be present to classify a lease as a capital lease: (i) the lease transfers ownership of the property to the lessee by the end of the lease term, (ii) the lease contains a bargain purchase option, (iii) the lease term is equal to 75% or more of the estimated economic life of the leased property, or (iv) the net present value of the lease payments are at least 90% of the fair value of the leased property.

We capitalize direct and indirect costs related to the construction and development of data center facilities. These costs include compensation and benefits of personnel who manage third-party contractors as well as property taxes, insurance and financing costs associated with properties under active construction. We cease capitalization once the space is ready for its intended use and held available for occupancy.

The useful lives of real estate and other definite-life long-lived assets are estimated in order to determine the amount of depreciation and amortization expense to be recorded during any reporting period. Depreciation of our real estate, and other tangible assets, except for leasehold improvements, is based on the straight-line method over the estimated economic useful life. Depreciation of leasehold improvements is based on a straight-line method over the lesser of the economic useful life or term of the lease, including optional renewal periods if renewal of the lease is reasonably assured. Amortization of acquired

customer relationships is estimated using an accelerated amortization method to match the projected benefit derived from this asset. All other intangible assets are amortized applying a straight-line amortization method.

We review the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Events and circumstances that we consider when assessing long-lived assets associated with each of our data center facilities include vacancy rates, declines in rental or occupancy rates and other factors. An impairment loss is recognized when the estimated future undiscounted cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition is less than its carrying amount. Impairment exists when the Company's net book value of real estate assets is greater than the estimated fair value.

The estimate of expected future cash flows is inherently uncertain and relies to a considerable extent on estimates and assumptions, including current and future market conditions, projected growth in our CSF, projected recurring rent churn, lease renewal rates and our ability to generate new leases on favorable terms. It may be more difficult to sign new customers to fill some of our smaller data centers because the available space at these locations is relatively small. If there are changes to any of these estimates and assumptions in future periods, an impairment loss could occur.

Accounting for Income Taxes—CyrusOne Inc. was included in CBI's consolidated tax returns in various jurisdictions for the Predecessor period and was included in the Successor period for Texas only until June 26, 2014, when CBI's ownership percentage in the operating partnerships was reduced below 50%. In the accompanying financial statements, the Predecessor period and the Successor period (for Texas only until June 26, 2014) reflect income taxes as if we were a separate stand-alone company. The income tax provision consists of an amount for taxes currently payable and an amount for tax consequences deferred to future periods. CBI's previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires. With a few exceptions, CBI is no longer subject to U.S. federal, state or local examinations for years prior to 2011.

The tax provision for periods prior to November 20, 2012, was computed as a C corporation. Net operating loss carryforwards were generated at the federal, foreign, state and local levels. Effective November 20, 2012, CBI contributed its data center properties to CyrusOne LP, the partnership formed to operate the data center business. As a partnership, the taxable income of CyrusOne LP will flow through to its partners. CyrusOne LP had no federal tax provision for the year ended December 31, 2012.

In addition, CBI contributed the Predecessor's historical deferred tax assets and liabilities (excluding any deferred tax assets created by federal net operating losses) to CyrusOne LP at the contribution date of November 20, 2012. Thus, CyrusOne Inc. will have no federal or state net operating losses available to offset its future taxable income. CyrusOne retained the net operating losses related to its foreign operations. Historically, we have recorded a full valuation allowance on our net foreign deferred tax assets related to our foreign generated net operating losses due to the uncertainty of their realization. In 2013 and 2014, management determined it was necessary to record a full valuation allowance on all of our domestic and foreign net deferred tax assets due to the uncertainty of their realization. As of December 31, 2014 and 2013, the valuation allowance was \$5.7 million and \$3.6 million, respectively.

Recently Issued Accounting Standards

Refer to Note 5 for our audited consolidated and combined financial statements for further information on recently issued accounting standards. We do not expect the adoption of these new accounting standards to have a material impact on our financial condition, results of operations or cash flows on a prospective basis.

Inflation

Our customer leases generally do not provide for annual increases in rent based on inflation. As a result, we bear the risk of increases in the costs of operating and maintaining our data center facilities. Some of our leases have annual escalators, typically ranging from 2-3%; however, these escalators are not based on inflation and as a result we bear the risk of increases in operating costs in excess of the annual escalator. Some of our leases are structured to pass-through the cost of sub-metered utilities. In the future, we expect more of our leases to pass-through utility costs.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We have exposure to interest rate risk, arising from variable-rate borrowings under our revolving credit agreement and our fixed-rate long-term debt.

On October 9, 2014, CyrusOne LP entered into a new credit agreement which provides for a \$450 million senior unsecured revolving credit facility to replace CyrusOne LP's \$225 million secured credit facility, and a \$150 million senior unsecured term loan. The revolving facility is scheduled to mature in October 2018 and includes a one-year extension option, which if exercised by CyrusOne LP would extend the maturity date to October 2019. The term loan is scheduled to mature in October 2019. The revolving facility currently bears interest at a rate per annum equal to LIBOR plus 1.70% and the term loan currently bears interest at a rate per annum equal to LIBOR plus 1.65%. The credit agreement governing the revolving credit facility and the term loan contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to \$300 million.

On November 20, 2012, CyrusOne LP and CyrusOne Finance Corp. issued \$525 million of senior notes, which bear interest at a fixed rate of 6.375% per annum. In November and December of 2014, we repurchased senior notes with an aggregate face value of \$150.2 million for a purchase price of \$163 million, including accrued interest.

As of December 31, 2014, there were outstanding borrowings of \$135.0 million on the revolving facility, borrowings of \$150.0 million on the term loan and our senior notes had an outstanding balance of \$374.8 million.

The following table sets forth the carrying value and fair value face amounts, maturity date and average interest rates at December 31, 2014, for our fixed-rate and variable-rate debt, excluding capital leases and other financing arrangements:

<i>(amounts in millions)</i>	2015	2016	2017	2018	2019	Thereafter	Total Carrying Value	Total Fair Value
Fixed-rate debt	—	—	—	—	—	\$ 374.8	\$ 374.8	\$ 402.0
Average interest rate on fixed-rate debt	—	—	—	—	—	6.375%		
Variable-rate debt (revolving facility)	—	—	—	135.0	—	\$ —	\$ 135.0	\$ 135.0
Average interest rate on variable-rate debt	—	—	—	1.900%	—	—		
Variable-rate debt (term loan)	—	—	—	—	150.0	—	\$ —	\$ 150.0
Average interest rate on variable-rate debt	—	—	—	—	1.880%	—		

The fair value of our senior notes as of December 31, 2014 was based on the quoted market price for these notes, which is considered Level 1 of the fair value hierarchy. The fair value of the revolving facility and term loan was based on par value as of December 31, 2014.

Foreign Currency Risk

Substantially all of our revenue and expenses are denominated in U.S. dollars. We do not currently employ forward contracts or other financial instruments to mitigate foreign currency risk. As our international operations grow, we may engage in hedging activities to hedge our exposure to foreign currency risk.

Commodity Price Risk

Certain of our operating costs are subject to price fluctuations caused by the volatility of the underlying commodity prices, including electricity used in our data center operations, and building materials, such as steel and copper, used in the construction of our data centers. In addition, the lead time to purchase certain equipment for our data centers is substantial which could result in increased costs for these construction projects.

As of December 31, 2014, we have entered into several contracts to purchase electricity. Specifically, we purchased 27 MW of power for our Houston data centers until April 30, 2015. The Houston data center contracts represent approximately 96% of our usage during December 2014. For our Dallas-area data centers, we have a contract to purchase 13 MW of power until April 30, 2015, and 11 MW from May 1, 2015 through March 31, 2016. These contracts represent approximately 95% of our usage during December 2014. For our Cincinnati area data centers, we have contracts to purchase 8.5 MW through May 31, 2015, and 6 MW from the period of June 1, 2015 through August 31, 2015. The Cincinnati area contracts represent

approximately 94% of our usage during December 2014 in the deregulated markets where we operate in and around Cincinnati, Ohio. We intend to obtain additional fixed price contracts as our electricity usage grows.

We do not currently employ forward contracts or other financial instruments to mitigate the risk of commodity price risk other than the contracts discussed above.

ITEM 8. CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
CyrusOne Inc.
Carrollton, TX

We have audited the accompanying consolidated balance sheets of CyrusOne Inc. and subsidiaries (the "Company") as of December 31, 2014 (Successor) and 2013 (Successor), and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the year ended December 31, 2014 (Successor), from January 24, 2013 to December 31, 2013 (Successor) and January 1, 2013 to January 23, 2013 (Predecessor) and for the year ended December 31, 2012 (Predecessor). Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CyrusOne Inc. and subsidiaries as of December 31, 2014 (Successor) and 2013 (Successor), and the results of their operations and their cash flows for year ended December 31, 2014 (Successor), from January 24, 2013 to December 31, 2013 (Successor) and January 1, 2013 to January 23, 2013 (Predecessor) and for the year ended December 31, 2012 (Predecessor), in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 3, the financial statements of the Company for the period from January 1, 2013 to January 23, 2013 and for the year ended December 31, 2012 include allocations of certain corporate overhead costs from Cincinnati Bell Inc. ("CBI"). These costs may not be reflective of the actual level of costs which would have been incurred had the Company operated as a separate entity apart from CBI. Also, the financial statements of the Company for the period from January 1, 2013 to January 23, 2013 and for the year ended December 31, 2012 are presented as the "Predecessor" financial statements on a combined bases and the financial statements as of December 31, 2014 and 2013 and for the year ended December 31, 2014 and the period from January 24, 2013 to December 31, 2013 are presented on a consolidated basis as the "Successor" financial statements.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 27, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
CyrusOne Inc.
Carrollton, TX

We have audited the internal control over financial reporting of CyrusOne Inc. and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2014 of the Company and our report dated February 27, 2015 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 27, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Partners of
CyrusOne LP
Carrollton, TX

We have audited the accompanying consolidated balance sheets of CyrusOne LP and subsidiaries (the "Partnership") as of December 31, 2014 (Successor) and 2013 (Successor), and the related consolidated statements of operations, comprehensive income, partnership capital, and cash flows for the year ended December 31, 2014 (Successor), from January 24, 2013 to December 31, 2013 (Successor) and January 1, 2013 to January 23, 2013 (Predecessor) and for the year ended December 31, 2012 (Predecessor). Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CyrusOne LP and subsidiaries as of December 31, 2014 (Successor) and 2013 (Successor), and the results of their operations and their cash flows for year ended December 31, 2014 (Successor), from January 24, 2013 to December 31, 2013 (Successor) and January 1, 2013 to January 23, 2013 (Predecessor) and for the year ended December 31, 2012 (Predecessor), in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 3, the financials statements of the Partnership for the period from January 1, 2013 to January 23, 2013 and for the year ended December 31, 2012 include allocations of certain corporate overhead costs from Cincinnati Bell Inc. ("CBI"). These costs may not be reflective of the actual level of costs which would have been incurred had the Partnership operated as a separate entity apart from CBI. Also, the financial statements of the Partnership for the period from January 1, 2013 to January 23, 2013 and for the year ended December 31, 2012 are presented as the "Predecessor" financial statements on a combined bases and the financial statements as of December 31, 2014 and 2013 and for the year ended December 31, 2014 and the period from January 24, 2013 to December 31, 2013 are presented on a consolidated basis as the "Successor" financial statements.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 27, 2015

CyrusOne Inc.
CONSOLIDATED BALANCE SHEETS
(amounts in millions, except for shares and per share amounts)

	As of December 31, 2014	As of December 31, 2013
Assets		
Investment in real estate:		
Land	\$ 89.7	\$ 89.3
Buildings and improvements	812.6	783.7
Equipment	349.1	190.2
Construction in progress	127.0	57.3
Subtotal	1,378.4	1,120.5
Accumulated depreciation	(327.0)	(236.7)
Net investment in real estate	1,051.4	883.8
Cash and cash equivalents	36.5	148.8
Rent and other receivables, net of allowance for doubtful accounts of \$1.0 and \$0.5 as of December 31, 2014 and December 31, 2013, respectively	60.9	41.2
Goodwill	276.2	276.2
Intangible assets, net of accumulated amortization of \$72.1 and \$55.1 as of December 31, 2014 and December 31, 2013, respectively	68.9	85.9
Due from affiliates	0.8	0.6
Other assets	91.8	70.3
Total assets	\$ 1,586.5	\$ 1,506.8
Liabilities and equity		
Accounts payable and accrued expenses	\$ 69.9	\$ 66.8
Deferred revenue	65.7	55.9
Due to affiliates	7.3	8.5
Capital lease obligations	13.4	16.7
Long-term debt	659.8	525.0
Other financing arrangements	53.4	56.3
Total liabilities	869.5	729.2
Commitment and contingencies		
Equity		
Preferred stock, \$.01 par value, 100,000,000 authorized; no shares issued or outstanding	—	—
Common stock, \$.01 par value, 500,000,000 shares authorized and 38,651,517 and 21,991,669 shares issued and outstanding at December 31, 2014 and December 31, 2013, respectively	0.4	0.2
Additional paid in capital	516.5	340.7
Accumulated deficit	(55.9)	(18.9)
Accumulated other comprehensive loss	(0.3)	—
Total shareholders' equity	460.7	322.0
Noncontrolling interest	256.3	455.6
Total equity	717.0	777.6
Total liabilities and equity	\$ 1,586.5	\$ 1,506.8

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne Inc.
CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS
(amounts in millions, except per share data)

	Successor		Predecessor	
	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	Year Ended December 31, 2012
Revenue	\$ 330.9	\$ 248.4	\$ 15.1	\$ 220.8
Costs and expenses:				
Property operating expenses	124.5	88.4	4.8	76.0
Sales and marketing	12.8	9.9	0.7	9.7
General and administrative	34.6	26.5	1.5	20.7
Depreciation and amortization	118.0	89.9	5.3	73.4
Restructuring charges	—	0.7	—	—
Transaction costs	1.0	1.3	0.1	5.7
Transaction-related compensation	—	—	20.0	—
Management fees charged by CBI	—	—	—	2.5
Loss on sale of receivables to an affiliate	—	—	—	3.2
Asset impairments	—	2.8	—	13.3
Total costs and expenses	290.9	219.5	32.4	204.5
Operating income (loss)	40.0	28.9	(17.3)	16.3
Interest expense	39.5	41.2	2.5	41.8
Other income	—	(0.1)	—	—
Loss on extinguishment of debt	13.6	1.3	—	—
Net loss before income taxes	(13.1)	(13.5)	(19.8)	(25.5)
Income tax (expense) benefit	(1.4)	(1.9)	(0.4)	5.1
(Loss) gain on sale of real estate improvements	—	(0.2)	—	0.1
Net loss	(14.5)	\$ (15.6)	\$ (20.2)	\$ (20.3)
Noncontrolling interest in net loss	(6.7)	(10.3)		
Net loss attributed to common shareholders	\$ (7.8)	\$ (5.3)		
Basic weighted average common shares outstanding	29.2	20.9		
Diluted weighted average common shares outstanding	29.2	20.9		
Loss per share - basic and diluted	\$ (0.30)	\$ (0.28)		

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne Inc.
CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(amounts in millions)

	Successor		Predecessor	
	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	Year Ended December 31, 2012
Net loss	\$ (14.5)	\$ (15.6)	\$ (20.2)	\$ (20.3)
Other comprehensive loss:				
Foreign currency translation adjustments	(0.3)	—	—	—
Comprehensive loss	(14.8)	(15.6)	(20.2)	(20.3)
Comprehensive loss attributable to noncontrolling interests	(0.1)	—	—	—
Comprehensive loss attributable to CyrusOne Inc.	<u>\$ (14.7)</u>	<u>\$ (15.6)</u>	<u>\$ (20.2)</u>	<u>\$ (20.3)</u>

CyrusOne Inc.
CONSOLIDATED AND COMBINED STATEMENTS OF EQUITY
(amounts in millions)

	Common Stock Issued		Accum Deficit	Paid-In Capital	Partnership Capital	Divisional Control	Accum Other Comprehensive Loss	Total Shareholder's Equity/ Parent's Net Investment	Non Controlling Interest	Total Equity
	Shares	Amount								
Balance as of January 1, 2012	—	\$ —	\$ —	\$ —	\$ —	\$ 311.5	\$ —	\$ 311.5	\$ —	\$ —
Divisional control transfer	—	—	—	—	311.5	(311.5)	—	—	—	—
Net loss	—	—	—	—	(20.3)	—	—	(20.3)	—	—
Issuance of common stock (100 shares at \$.01 par value)	—	—	—	—	—	—	—	—	—	—
Issuance of partnership units	—	—	—	—	—	—	—	—	—	—
Contributions from Parent related to settlement of intercompany balances	—	—	—	7.1	196.4	—	—	203.5	—	—
Other contributions from Parent, net	—	—	—	—	5.4	—	—	5.4	—	—
Balance as of December 31, 2012	—	\$ —	\$ —	\$ 7.1	\$ 493.0	\$ —	\$ —	\$ 500.1	\$ —	\$ 500.1
Net loss – January 1, 2013 to January 23, 2013	—	—	—	—	(20.2)	—	—	(20.2)	—	(20.2)
Other contributions from Parent	—	—	—	—	1.3	—	—	1.3	—	1.3
Contributions from Parent—transaction compensation expense reimbursement	—	—	—	—	19.6	—	—	19.6	—	19.6
Noncontrolling interest effective January 24, 2013	—	—	—	(7.1)	(493.7)	—	—	(500.8)	500.8	—
Common stock issued	19.0	0.2	—	336.9	—	—	—	337.1	—	337.1
Common stock issued to CBI in exchange for operating partnership units	1.5	—	—	—	—	—	—	—	—	—
Common stock issued to CBI in exchange for settlement of IPO costs paid by CBI	0.4	—	—	7.1	—	—	—	7.1	(7.1)	—
IPO costs	—	—	—	(9.5)	—	—	—	(9.5)	—	(9.5)
Restricted shares issued	1.1	—	—	—	—	—	—	—	—	—
Net loss – January 24, 2013 to December 31, 2013	—	—	(15.6)	—	—	—	—	(15.6)	—	(15.6)
Noncontrolling interest allocated net loss	—	—	10.3	—	—	—	—	10.3	(10.3)	—
Stock based compensation	—	—	—	6.2	—	—	—	6.2	—	6.2
Dividends declared, \$0.64 per share	—	—	(13.6)	—	—	—	—	(13.6)	(27.8)	(41.4)
Balance as of December 31, 2013	22.0	\$ 0.2	\$ (18.9)	\$ 340.7	\$ —	\$ —	\$ —	\$ 322.0	\$ 455.6	\$ 777.6
Net Loss	—	—	(14.5)	—	—	—	—	(14.5)	—	(14.5)
Noncontrolling interest allocated net loss	—	—	6.7	—	—	—	—	6.7	(6.7)	—
Stock issuance costs	—	—	—	(1.3)	—	—	—	(1.3)	—	(1.3)
Foreign currency translation adjustments	—	—	—	—	—	—	(0.3)	(0.3)	—	(0.3)
Stock-based compensation	0.7	—	—	10.3	—	—	—	10.3	—	10.3
Issuance of common stock	16.0	0.2	—	355.8	—	—	—	356.0	—	356.0
Redemption of noncontrolling interest	—	—	—	(189.0)	—	—	—	(189.0)	(166.9)	(355.9)
Dividends declared, \$0.84 per share	—	—	(29.2)	—	—	—	—	(29.2)	(25.7)	(54.9)
Balance as of December 31, 2014	38.7	\$ 0.4	\$ (55.9)	\$ 516.5	\$ —	\$ —	\$ (0.3)	\$ 460.7	\$ 256.3	\$ 717.0

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne Inc.
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(amounts in millions)

	Successor		Predecessor	
	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	Year Ended December 31, 2012
<i>Cash flows from operating activities:</i>				
Net loss	\$ (14.5)	\$ (15.6)	\$ (20.2)	\$ (20.3)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>				
Depreciation and amortization	118.0	89.9	5.3	73.4
Loss on sale of receivables and other assets	—	—	—	3.0
Provision for bad debt write off	0.8	0.4	—	0.1
Asset impairments	—	2.8	—	13.3
Loss on extinguishment of debt	13.6	1.3	—	—
Noncash interest expense	3.4	4.0	0.1	0.3
Deferred income tax expense (benefit), including valuation allowance change	—	0.6	0.3	(4.5)
Stock-based compensation expense	10.3	6.0	0.2	—
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>				
Increase in receivables and other assets	(37.0)	(15.7)	(9.6)	(24.0)
Increase (decrease) in accounts payable and accrued expenses	6.9	(14.6)	20.5	(0.6)
Increase (decrease) in deferred revenues	9.8	(0.1)	3.2	3.8
(Decrease) increase in payables to related parties	(0.2)	18.4	1.5	—
Other	—	—	0.7	—
Net cash provided by operating activities	111.1	77.4	2.0	44.5
<i>Cash flows from investing activities:</i>				
Capital expenditures – acquisitions of real estate	—	(48.0)	—	(25.4)
Capital expenditures – other	(284.2)	(172.9)	(7.7)	(202.9)
Proceeds from the sale of assets	—	—	—	0.2
Increase in restricted cash	—	—	—	(11.1)
Release of restricted cash	—	4.4	1.9	4.8
Advances to affiliates	—	—	—	(18.3)
Other	—	(0.2)	—	0.1
Net cash used in investing activities	(284.2)	(216.7)	(5.8)	(252.6)
<i>Cash flows from financing activities:</i>				
Issuance of common stock	356.0	360.5	—	—
Stock issuance costs	(1.3)	—	—	—
IPO costs	—	(26.6)	—	—
Acquisition of operating partnership units	(355.9)	—	—	—
Dividends paid	(50.9)	(31.0)	—	—
Borrowings from revolving credit agreement	315.0	—	—	—
Borrowings from affiliates, net	—	—	—	119.8
Payments on revolving credit facility	(30.0)	—	—	—
Payments on senior notes	(150.2)	—	—	—

Repayment of related party note	—	—	—	(400.0)
Proceeds from issuance of debt	—	—	—	525.0
Payments on capital lease obligations	(3.0)	(5.3)	(0.6)	(9.0)
Payments on financing obligations	(0.9)	(0.7)	—	—
Payment to buyout capital leases	—	(9.6)	—	—
Payment to buyout other financing arrangements	—	(10.2)	—	—
Debt issuance costs	(5.2)	(1.3)	—	(17.2)
Payment of debt extinguishment costs	(12.8)	—	—	—
Contributions from/(distributions to) parent, net	—	—	0.2	5.4
Net cash provided by (used in) by financing activities	60.8	275.8	(0.4)	224.0
Net (decrease) increase in cash and cash equivalents	(112.3)	136.5	(4.2)	15.9
Cash and cash equivalents at beginning of period	148.8	12.3	16.5	0.6
Cash and cash equivalents at end of period	\$ 36.5	\$ 148.8	\$ 12.3	\$ 16.5

Supplemental disclosures

Cash paid for interest, net of amount capitalized	\$ 41.3	\$ 40.7	\$ 0.3	\$ 42.4
Cash paid for income taxes	0.4	—	—	—
Capitalized interest	4.6	1.6	—	2.7

Noncash investing and financing transactions:

Acquisition of property in accounts payable and other liabilities	26.8	35.8	15.7	7.7
Acquisition of property by assuming capital lease obligations and other financing arrangements	—	—	—	11.6
Assets transferred by parent	—	—	—	2.0
Divisional control contribution funded by settlement of intercompany balances due to Parent	—	—	—	203.5
Contribution receivable from Parent related to transaction-related compensation	—	—	19.6	—
Dividend payable	14.3	10.4	—	—
Deferred IPO costs	—	—	1.7	—
Deferred IPO costs reclassified to additional paid in capital	—	9.5	—	—
Reclass of equipment to held for sale	—	0.3	—	—
Noncash additions to fixed assets through other financing arrangements	—	4.0	—	—

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne LP
CONSOLIDATED BALANCE SHEETS
(amounts in millions)

	<u>Successor</u>	<u>Successor</u>
	<u>As of</u>	<u>As of</u>
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Assets		
Investment in real estate:		
Land	\$ 89.7	\$ 89.3
Buildings and improvements	812.6	783.7
Equipment	349.1	190.2
Construction in progress	127.0	57.3
Subtotal	1,378.4	1,120.5
Accumulated depreciation	(327.0)	(236.7)
Net investment in real estate	1,051.4	883.8
Cash and cash equivalents	36.5	148.8
Rent and other receivables, net of allowance for doubtful accounts of \$1.0 and \$0.5 as of December 31, 2014 and December 31, 2013, respectively	60.9	41.2
Goodwill	276.2	276.2
Intangible assets, net of accumulated amortization of \$72.1 and \$55.1 as of December 31, 2014 and December 31, 2013, respectively	68.9	85.9
Due from affiliates	0.8	0.6
Other assets	91.8	70.3
Total assets	<u>\$ 1,586.5</u>	<u>\$ 1,506.8</u>
Liabilities and parent's net investment		
Accounts payable and accrued expenses	\$ 69.9	\$ 66.8
Deferred revenue	65.7	55.9
Due to affiliates	7.3	8.5
Capital lease obligations	13.4	16.7
Long-term debt	659.8	525.0
Other financing arrangements	53.4	56.3
Total liabilities	<u>869.5</u>	<u>729.2</u>
Commitment and contingencies		
Parent's net investment:		
Partnership capital	717.0	777.6
Total liabilities and partnership capital	<u>\$ 1,586.5</u>	<u>\$ 1,506.8</u>

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne LP
CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS
(amounts in millions)

	Successor		Predecessor	
	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	Year Ended December 31, 2012
Revenue	\$ 330.9	\$ 248.4	\$ 15.1	\$ 220.8
Costs and expenses:				
Property operating expenses	124.5	88.4	4.8	76.0
Sales and marketing	12.8	9.9	0.7	9.7
General and administrative	34.6	26.5	1.5	20.7
Depreciation and amortization	118.0	89.9	5.3	73.4
Restructuring charges	—	0.7	—	—
Transaction costs	1.0	1.3	0.1	5.7
Transaction-related compensation	—	—	20.0	—
Management fees charged by CBI	—	—	—	2.5
Loss on sale of receivables to an affiliate	—	—	—	3.2
Asset impairments	—	2.8	—	13.3
Total costs and expenses	290.9	219.5	32.4	204.5
Operating income (loss)	40.0	28.9	(17.3)	16.3
Interest expense	39.5	41.2	2.5	41.8
Other income	—	(0.1)	—	—
Loss on extinguishment of debt	13.6	1.3	—	—
Net loss before income taxes	(13.1)	(13.5)	(19.8)	(25.5)
Income tax (expense) benefit	(1.4)	(1.9)	(0.4)	5.1
(Loss) gain on sale of real estate improvements	—	(0.2)	—	0.1
Net loss	\$ (14.5)	\$ (15.6)	\$ (20.2)	\$ (20.3)

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne LP
CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(amounts in millions)

	Successor		Predecessor	
	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	Year Ended December 31, 2012
Net loss	\$ (14.5)	\$ (15.6)	\$ (20.2)	\$ (20.3)
Other comprehensive loss:				
Foreign currency translation adjustments	(0.3)	—	—	—
Comprehensive loss	<u>\$ (14.8)</u>	<u>\$ (15.6)</u>	<u>\$ (20.2)</u>	<u>\$ (20.3)</u>

CyrusOne LP
CONSOLIDATED AND COMBINED STATEMENTS OF PARTNERSHIP CAPITAL
(amounts in millions)

	Partnership Units	Partnership Capital	Divisional Control
Balance January 1, 2012	—	\$ —	\$ 311.5
Divisional control transfer from CBI	—	311.5	(311.5)
Net Loss	—	(20.3)	—
Issuance of Partnership units	123.6	—	—
Contributions from CBI related to settlement of intercompany balances	—	196.4	—
Other contributions from Parent, net	—	5.4	—
Balance December 31, 2012	123.6	\$ 493.0	\$ —
Net loss—January 1, 2013, to January 23, 2013	—	(20.2)	—
Contributions from Parent—transaction-compensation expense reimbursement	—	19.6	—
Other contributions from Parent	—	1.3	—
Distribution to CyrusOne Inc.	—	(2.4)	—
Partnership reverse unit split 2.8 to 1	(79.5)	—	—
Partnership units exchanged by CBI for common stock in CyrusOne Inc.	(1.5)	—	—
Partnership units issued to CyrusOne Inc.	22.0	337.1	—
Compensation expense of CyrusOne Inc. allocated to Partnership	—	6.2	—
Net loss—January 24, 2013, to December 31, 2013	—	(15.6)	—
Partnership distributions declared	—	(41.4)	—
Balance at December 31, 2013	64.6	\$ 777.6	\$ —
Net loss	—	(14.5)	—
Compensation expense of CyrusOne Inc. allocated to operating partnership	—	10.3	—
Foreign currency translation adjustments	—	(0.3)	—
Partnership units issued to CyrusOne Inc.	0.7	—	—
Partnership units purchased by CyrusOne Inc.	16.0	356.0	—
Partnership units sold by CBI	(16.0)	(355.9)	—
Distributions to CyrusOne Inc.	—	(1.3)	—
Partnership distributions	—	(54.9)	—
Balance at December 31, 2014	65.3	\$ 717.0	\$ —

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne LP
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(amounts in millions)

	Successor		Predecessor	
	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	Year Ended December 31, 2012
<i>Cash flows from operating activities:</i>				
Net loss	\$ (14.5)	\$ (15.6)	\$ (20.2)	\$ (20.3)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>				
Depreciation and amortization	118.0	89.9	5.3	73.4
Loss on sale of receivables and other assets	—	—	—	3.0
Provision for bad debt write off	0.8	0.4	—	0.1
Asset impairments	—	2.8	—	13.3
Loss on extinguishment of debt	13.6	1.3	—	—
Noncash interest expense	3.4	4.0	0.1	0.3
Deferred income tax expense (benefit), including valuation allowance change	—	0.6	0.3	(4.5)
Stock-based compensation expense	10.3	6.0	0.2	—
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>				
Increase in receivables and other assets	(37.0)	(15.7)	(9.6)	(16.1)
Increase (decrease) in accounts payable and accrued expenses	6.9	(14.6)	20.5	(1.4)
Increase (decrease) in deferred revenues	9.8	(0.1)	3.2	3.8
(Decrease) increase in payables to related parties	(0.2)	18.4	1.5	—
Other	—	—	0.7	—
Net cash provided by operating activities	111.1	77.4	2.0	51.6
<i>Cash flows from investing activities:</i>				
Capital expenditures – acquisitions of real estate	—	(48.0)	—	(25.4)
Capital expenditures – other	(284.2)	(172.9)	(7.7)	(202.9)
Proceeds from the sale of assets	—	—	—	0.2
Increase in restricted cash	—	—	—	(11.1)
Release of restricted cash	—	4.4	1.9	4.8
Advances to affiliates	—	—	—	(18.3)
Other	—	(0.2)	—	0.1
Net cash used in investing activities	(284.2)	(216.7)	(5.8)	(252.6)
<i>Cash flows from financing activities:</i>				
Issuance of partnership units	0.1	333.9	—	—
Distributions paid	(50.9)	(31.0)	—	—
Borrowings from revolving credit agreement	315.0	—	—	—
Borrowings from affiliates, net	—	—	—	119.8
Payments on revolving credit facility	(30.0)	—	—	—
Payments on senior notes	(150.2)	—	—	—
Repayment of related party note	—	—	—	(400.0)
Proceeds from issuance of debt	—	—	—	525.0
Payments on capital lease obligations	(3.0)	(5.3)	(0.6)	(9.0)

Payments on financing obligations	(0.9)	(0.7)	—	—
Payments to buyout capital leases	—	(9.6)	—	—
Payment to buyout other financing arrangements	—	(10.2)	—	—
Debt issuance costs	(5.2)	(1.3)	—	(17.2)
Payment of debt extinguishment costs	(12.8)	—	—	—
Contributions to/(distributions from) parent, net	(1.3)	—	0.2	(1.7)
Other	—	—	—	—
Net cash provided by (used in) by financing activities	60.8	275.8	(0.4)	216.9
Net (decrease) increase in cash and cash equivalents	(112.3)	136.5	(4.2)	15.9
Cash and cash equivalents at beginning of period	148.8	12.3	16.5	0.6
Cash and cash equivalents at end of period	\$ 36.5	\$ 148.8	\$ 12.3	\$ 16.5

Supplemental disclosures

Cash paid for interest, net of amount capitalized	\$ 41.3	\$ 40.7	\$ 0.3	\$ 42.4
Cash paid for income taxes	0.4	—	—	—
Capitalized interest	4.6	1.6	—	2.7

Noncash investing and financing transactions:

Acquisition of property in accounts payable and other liabilities	26.8	35.8	15.7	7.7
Acquisitions of property by assuming capital lease obligations and other financing arrangements	—	—	—	11.6
Contribution receivable from Parent related to transaction-related compensation	—	—	19.6	—
Distribution payable	14.3	10.4	—	—
Other contributions from Parent	—	1.3	1.7	—
Non-cash distribution to CyrusOne Inc.	—	2.4	—	—
Assets transferred to Parent	—	—	—	2.0
Divisional control contribution funded by settlement of intercompany balances due to Parent	—	—	—	196.4
Reclass of equipment to held for sale	—	0.3	—	—
Noncash additions to fixed assets through other financing arrangements	—	4.0	—	—

The accompanying notes are an integral part of the consolidated and combined financial statements

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

1. Description of Business

CyrusOne Inc., together with CyrusOne GP, a wholly-owned subsidiary of CyrusOne Inc., through which CyrusOne Inc. holds a controlling interest in CyrusOne LP (the “operating partnership”) and the subsidiaries of the operating partnership (collectively, “CyrusOne”, “we”, “us”, “our”, and the “Company”) is an owner, operator and developer of enterprise-class, carrier-neutral multi-tenant data center properties. Our customers operate in a number of industries, including energy, oil and gas, mining, medical, technology, finance and consumer goods and services. We currently operate approximately 25 data centers located in the United States, United Kingdom and Singapore.

2. Formation

Prior to November 20, 2012, CyrusOne was not an operative legal entity or a combination of legal entities. The accompanying combined financial statements of CyrusOne for such periods represent the data center assets and operations owned by Cincinnati Bell Inc. (“CBI”) and, unless the context otherwise requires, its consolidated subsidiaries which historically have been maintained in various legal entities, some of which had significant unrelated business activities. The accompanying financial statements for such periods have been “carved out” of CBI’s consolidated financial statements and reflect significant assumptions and allocations. The combined financial statements do not fully reflect what the financial position, results of operations and cash flows would have been had these operations been a stand-alone company during the periods presented. As a result, historical financial information is not necessarily indicative of CyrusOne’s future results of operations, financial position and cash flows.

On November 20, 2012, the operating partnership received a contribution of interests in real estate properties and the assumption of debt and other specified liabilities from CBI in exchange for the issuance of 123.7 million operating partnership units to CBI.

On January 24, 2013, CyrusOne Inc. completed its initial public offering (“IPO”) of common stock, issuing approximately 19 million shares for \$337.1 million, net of underwriting discounts. At that time the operating partnership executed a 2.8 to 1.0 reverse unit split, resulting in CBI owning 44.1 million operating partnership units. In addition, CBI exchanged approximately 1.5 million of its operating partnership units for 1.5 million shares of CyrusOne Inc. common stock, and CBI was issued 0.4 million shares of CyrusOne Inc. common stock in repayment for transaction costs paid by CBI. CyrusOne Inc. also issued approximately 1.1 million shares of restricted stock to its directors and employees. In addition, on January 24, 2013, CyrusOne Inc., together with CyrusOne GP, purchased approximately 21.9 million, or 33.9% of the operating partnership’s units for \$337.1 million and through CyrusOne GP assumed the controlling interest in the operating partnership. CBI retained a noncontrolling interest in the operating partnership of 66.1%.

On June 25, 2014, CyrusOne Inc. completed a public offering of 16 million shares of its common stock, including 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting discounts of \$15.8 million, to acquire 16 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

As of December 31, 2014, the total number of outstanding partnership units was 65.3 million and CBI holds a 40.8% noncontrolling interest in the operating partnership. CBI effectively owns approximately 43.7% of CyrusOne through its interest in outstanding shares of common stock of CyrusOne Inc. and its interest in the operating partnership units of CyrusOne LP.

3. Basis of Presentation

The accompanying financial statements for the period ended January 23, 2013 and the year ended December 31, 2012, were prepared on a combined basis using CBI’s historical basis in the assets and liabilities of its data center business and are presented as the “Predecessor” financial statements. The Predecessor financial statements include all revenues, costs, assets and liabilities directly attributable to the data center business. In addition, certain expenses reflected in the Predecessor financial statements include allocations of corporate expenses from CBI, which in the opinion of management are reasonable but do not necessarily reflect what CyrusOne’s financial position, results of operations and cash flows would have been had CyrusOne been a stand-alone company during these respective periods. As a result, the Predecessor financial information is not necessarily indicative of CyrusOne’s future results of operations, financial position and cash flows. The financial statements as of December 31, 2014 and 2013 and for the period from January 24, 2013 to December 31, 2013, and the year ended December 31, 2014, are prepared on a consolidated basis and are presented as the “Successor” financial statements.

In addition, the accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). All material intercompany transactions and balances have been eliminated in consolidation.

4. Significant Accounting Policies

Use of Estimates—Preparation of the consolidated and combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated and combined financial statements and accompanying notes. These estimates and assumptions are based on management’s knowledge of current events and actions that we may undertake in the future. Estimates are used in determining the fair value of leased real estate, the useful lives of real estate and other long-lived assets, future cash flows associated with goodwill and other long-lived asset impairment testing, deferred tax assets and liabilities and loss contingencies. Estimates were also utilized in the determination of historical allocations of shared employees’ payroll, benefits and incentives and management fees between CyrusOne and CBI. Actual results may differ from these estimates and assumptions.

Investments in Real Estate—Investments in real estate consist of land, buildings, improvements and integral equipment utilized in our data center operations. Real estate acquired from third parties has been recorded at its acquisition cost. Real estate acquired from CBI and its affiliates has been recorded at its historical cost basis. Additions and improvements which extend an asset’s useful life or increase its functionality are capitalized and depreciated over the asset’s remaining life. Maintenance and repairs are expensed as incurred.

When we are involved in the construction of structural improvements to leased property, we are deemed the accounting owner of the leased real estate. In these instances, we bear substantially all the construction period risk, including managing or funding construction. These transactions generally do not qualify for sale-leaseback accounting due to our continued involvement in these data center operations. At inception, the fair value of the real estate, which generally consists of a building shell and our associated obligation is recorded as construction in progress. As construction progresses the value of the asset and obligation increases by the fair value of the structural improvements. When construction is complete, the asset is placed in service and depreciation commences. Leased real estate is depreciated to the lesser of (i) its estimated fair value at the end of the term or (ii) the expected amount of the unamortized obligation at the end of the term.

When we are not deemed the accounting owner, we further evaluate leased real estate to determine whether the lease should be classified as a capital or operating lease. One of the following four characteristics must be present to classify a lease as a capital lease: (i) the lease transfers ownership of the property to the lessee by the end of the lease term, (ii) the lease contains a bargain purchase option, (iii) the lease term is equal to 75% or more of the estimated economic life of the leased property or (iv) the net present value of the lease payments are at least 90% of the fair value of the leased property.

Construction in progress includes direct and indirect expenditures for the construction and expansion of our data centers and is stated at its acquisition cost. Independent contractors perform substantially all of the construction and expansion efforts of our data centers. Construction in progress includes costs incurred under construction contracts including project management services, engineering and schematic design services, design development, construction services and other construction-related fees and services. Interest, property taxes and certain labor costs are also capitalized during the construction of an asset. Capitalized interest in 2014, 2013, and 2012 was \$4.6 million, \$1.6 million, and \$2.7 million, respectively. These costs are depreciated over the estimated useful life of the related assets.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Useful lives range from nine to forty-eight years for buildings, three to twenty-five years for building improvements, and three to five years for equipment. Leasehold improvements are amortized over the shorter of the asset’s useful life or the remaining lease term, including renewal options which are reasonably assured.

Management reviews the carrying value of long-lived assets, including intangible assets with finite lives, when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Examples of such indicators may include a significant adverse change in the extent to which or manner in which the property is being used, an accumulation of costs significantly in excess of the amount originally expected for acquisition or development, or a history of operating or cash flow losses. When such indicators exist, we review an estimate of the undiscounted future cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition and compare such amount to its carrying amount. We consider factors such as future operating income, leasing demand, competition and other factors. If our undiscounted net cash flows indicate that we are unable to recover the carrying value of the asset, an impairment loss is recognized. An impairment loss is measured as the amount by which the asset’s carrying value exceeds its estimated fair value.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Impairment exists when the Company's net book value of real estate assets is greater than the estimated fair value. For the period ended December 31, 2013 and the year ended December 31, 2012, we recognized impairments of \$2.8 million and \$11.8 million, respectively. No such impairments were recognized in 2014.

Cash and Cash Equivalents—Cash and cash equivalents include all non-restricted cash held in financial institutions and other non-restricted highly liquid short-term investments with original maturities at acquisition of three months or less.

Goodwill—Goodwill represents the excess of the purchase price over the fair value of net assets acquired in connection with business acquisitions. We perform impairment testing of goodwill, at the reporting unit level, on an annual basis or more frequently if indicators of potential impairment exist.

The fair value of our reporting unit was determined using a combination of market-based valuation multiples for comparable businesses and discounted cash flow analysis based on internal financial forecasts incorporating market participant assumptions. There were no impairments recognized for the years ended December 31, 2014 or 2013.

Long-Lived and Intangible Assets—Intangible assets represent purchased assets that lack physical substance, but can be separately distinguished from goodwill because of contractual or other legal rights or because the asset is capable of being sold or exchanged, either on its own or in combination with a related contract, asset, or liability. Intangible assets with finite lives consist of trademarks, customer relationships, and a favorable leasehold interest.

For the year ended December 31, 2012, we recognized an impairment of \$1.5 million related to the impairment of customer relationships. There were no impairments recognized for the years ended December 31, 2014 or 2013.

Rent and Other Receivables—Receivables consist principally of trade receivables from customers and are generally unsecured and due within 30 to 120 days. Unbilled receivables arise from services rendered but not yet billed. Expected credit losses associated with trade receivables are recorded as an allowance for uncollectible accounts. The allowance for uncollectible accounts is estimated based upon historic patterns of credit losses for aged receivables as well as specific provisions for certain identifiable, potentially uncollectible balances. When internal collection efforts on accounts have been exhausted, the accounts are written-off and the associated allowance for uncollectible accounts is reduced. The Company has receivables with one customer that exceeds 10% of the Company's outstanding accounts receivable balance at December 31, 2014 and 2013. In addition, our receivables include \$8.7 million of receivables as of December 31, 2014 which has not been billed to the customer. The amount will be billed and payable in 36 monthly payments starting in April 2015 through March 2018.

As of December 31, 2014, receivables were \$61.9 million, and the allowance for uncollectible accounts was \$1.0 million. The December 31, 2013 receivables were \$41.7 million, and the allowance for uncollectible accounts was \$0.5 million.

Deferred Costs—Deferred costs include both deferred leasing costs and deferred financing costs. Deferred costs are presented with other assets in the accompanying consolidated and combined balance sheets. Leasing commissions incurred at the commencement of a new lease are capitalized and amortized to expense over the term of the customer lease. Amortization of deferred leasing costs is presented with depreciation and amortization in the accompanying consolidated and combined statements of operations. If a lease terminates prior to the expected term of the lease, the remaining unamortized cost is written off to amortization expense.

Deferred financing costs include costs incurred in connection with issuance of senior notes, term loans and revolving credit facilities. These financing costs are capitalized and amortized to expense over the term of the instrument and are included as a component of interest expense.

Other Financing Arrangements—Other financing arrangements represent leases of real estate where we are involved in the construction of structural improvements to develop buildings into data centers. When we bear substantially all the construction period risk, such as managing or funding construction, we are deemed to be the accounting owner of the leased property and, at the lease inception date, we are required to record at fair value the property and associated liability on our consolidated and combined balance sheet. These transactions generally do not qualify for sale-leaseback accounting due to our continued involvement in these data center operations.

Revenue Recognition—Colocation rentals are generally billed monthly in advance, and some contracts have escalating payments over the term of the contract. If rents escalate without the lessee gaining access to or control over additional leased space or power, and the lessee takes possession of, or controls the physical use of the property (including all contractually committed power) at the beginning of the lease term, the rental payments by the lessee are recognized as revenue on a straight-line basis over the term of the lease. If rents escalate because the lessee gains access to and control over additional leased space or power, revenue is recognized in proportion to the additional space or power in the periods that the lessee has control over the

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

use of the additional space or power. The excess of revenue recognized over amounts contractually due is recognized in other assets in the accompanying consolidated and combined balance sheets. As of December 31, 2014 and 2013, straight-line rents receivable was \$33.7 million and \$25.5 million, respectively.

Some of our leases are structured on a full-service gross basis where the customer pays a fixed amount for both colocation rental and power. Other leases provide that the customer will be billed for power based upon their actual usage, which is separately metered, as well as an estimate of electricity used to power supporting infrastructure for the data center. In both cases, this revenue is presented on a gross basis in the accompanying consolidated and combined statement of operations. Power is generally billed one month in arrears and an estimate of this revenue is accrued in the month that the associated costs are incurred. We generally are not entitled to reimbursements for real estate taxes, insurance or other operating expenses.

Revenue is recognized for services or products that are deemed separate units of accounting. When a customer makes an advance payment or they are contractually obligated to pay any amounts in advance, which is not deemed a separate unit of accounting, deferred revenue is recorded. This revenue is recognized ratably over the expected term of the lease, unless the pattern of service suggests otherwise. As of December 31, 2014 and 2013, deferred revenue was \$65.7 million and \$55.9 million, respectively.

Certain customer contracts require specified levels of service or performance. If we fail to meet these service levels, our customers may be eligible to receive credits on their contractual billings. These credits are recognized against revenue when an event occurs that gives rise to such credits. Customer credits were immaterial for the years ended December 31, 2014 and 2013.

A provision for uncollectible accounts is recognized when the collection of contractual rent, straight-line rent or customer reimbursements are deemed to be uncollectible. The provision for uncollectible accounts was \$1.0 million in 2014, \$0.5 million in 2013 and \$0.3 million in 2012.

Sales and Marketing Expense—Sales and marketing expense is comprised of compensation and benefits associated with sales and marketing personnel as well as advertising and marketing costs. Costs related to advertising are expensed as incurred and amounted to \$2.9 million for the year ended December 31, 2014, \$2.1 million for the period ended December 31, 2013, \$0.1 million for the period ended January 23, 2013, and \$2.9 million for the year ended December 31, 2012.

Depreciation and Amortization Expense—Depreciation expense is recognized over the estimated useful lives of real estate applying the straight-line method. The useful life of leased real estate and leasehold improvements is the lesser of the economic useful life of the asset or the term of the lease, including optional renewal periods if renewal of the lease is reasonably assured. The residual value of leased real estate is estimated as the lesser of (i) the expected fair value of the asset at the end of the lease term or (ii) the expected amount of the unamortized liability at the end of the lease term. Estimated useful lives are periodically reviewed. Depreciation expense was \$95.8 million for the year ended December 31, 2014, \$70.3 million for the period ended December 31, 2013, \$4.1 million for the period ended January 23, 2013, and \$54.5 million for the year ended December 31, 2012.

Amortization expense is recognized over the estimated useful lives of finite-lived intangibles. An accelerated method of amortization is utilized to amortize our customer relationship intangible, consistent with the benefit expected to be derived from this asset. We amortize trademarks, favorable leasehold interests, deferred leasing costs and deferred sales commissions over their estimated useful lives. The estimated useful life of trademarks and customer relationships is eight to fifteen years. In addition, we have a favorable leasehold interest related to a land lease that is being amortized over the lease term of fifty-six years. Deferred leasing costs are amortized over three to five years. Amortization expense was \$22.2 million for the year ended December 31, 2014, \$19.6 million for the period ended December 31, 2013, \$1.2 million for the period ended January 23, 2013, and \$18.9 million for the year ended December 31, 2012.

Transaction Costs—Transaction costs represent legal, accounting and professional fees incurred in connection with the formation transactions, our qualification as a real estate investment trust, or REIT, and potential business combinations. Transaction costs are expensed as incurred.

Transaction-Related Compensation—During the period ended January 23, 2013, the Company received an allocated compensation charge from CBI of \$20.0 million for the settlement of its long-term incentive plan associated with the completion of the IPO. The amount was determined by CBI and allocated to CyrusOne Inc. on January 23, 2013, and reflected as expense and contributed capital in the respective period.

Income Taxes—CyrusOne Inc. was included in CBI's consolidated tax returns in various jurisdictions for the Predecessor period and was included in the Successor period for Texas only until June 26, 2014 when CBI's ownership percentage in the operating partnership was reduced below 50%. In the accompanying financial statements, the Predecessor period and the Successor period (for Texas only until June 26, 2014) reflect income taxes as if the Company were a separate stand-alone

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

company. The income tax provision consists of an amount for taxes currently payable and an amount for tax consequences deferred to future periods. CyrusOne Inc. elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our initial taxable year ending December 31, 2013. Provided we continue to meet the various qualification tests mandated under the Code, we are generally not subject to corporate level federal income tax on the earnings distributed currently to our shareholders. If we fail to qualify as a REIT in any taxable year, our taxable income will be subject to federal income tax at regular corporate rates and any applicable alternative minimum tax.

While CyrusOne Inc. and the operating partnership do not pay federal income taxes, we are still subject to foreign, state and local income taxes in the locations in which we conduct business. Our taxable REIT subsidiaries (each a "TRS") are also subject to federal and state income taxes to the extent they earn taxable income.

Deferred income taxes are recognized in certain entities. Deferred income taxes are provided for temporary differences in the bases between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at rates then in effect. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. The ultimate realization of the deferred tax assets depends upon our ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various foreign, state and local jurisdictions. The Company's previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires. With a few exceptions, the Company is no longer subject to U. S. federal, state or local examinations for years prior to 2011, and we have no liabilities for uncertain tax positions as of December 31, 2014 or 2013.

Foreign Currency Translation and Transactions—The financial position of foreign subsidiaries is translated at the exchange rates in effect at the end of the period, while revenues and expenses are translated at average rates of exchange during the period. Gains or losses from translation of foreign operations where the local currency is the functional currency are included as components of other comprehensive (loss) income. Gains or losses from foreign currency transactions are included in determining net income.

Comprehensive Loss—Comprehensive loss represents the change in net assets of a company from transactions and other events from non-owner sources. Comprehensive loss comprises all components of net loss and all components of other comprehensive loss. Comprehensive loss was equal to \$0.3 million in 2014. Comprehensive loss was equal to our net loss in 2013 and 2012.

Earnings Per Share—For all periods subsequent to January 23, 2013, we present earnings per share ("EPS") data. Basic EPS includes only the weighted average number of common shares outstanding during the period. Diluted EPS includes the weighted average number of common shares and the dilutive effect of stock options, restricted stock and share unit awards and convertible subordinated notes outstanding during the period, when such instruments are dilutive.

All outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends are treated as participating in undistributed earnings with common shareholders. Awards of this nature are considered participating securities and the two-class method of computing basic and diluted EPS must be applied.

Related Party Transactions—CBI provided us with a variety of services. Cost allocation methods which were employed to determine the costs to be recognized in the accompanying combined financial statements included the following:

- Specific identification—Applied when amounts were specifically identifiable to our operations.
- Reasonable allocation method—When amounts were not clearly or specifically identifiable to our operations, management applied a reasonable allocation method.

Stock-Based Compensation—In conjunction with the IPO, our board of directors adopted the 2012 Long-Term Incentive Plan ("LTIP"). The LTIP is administered by the board of directors, or the plan administrator. Awards issuable under the LTIP include common stock, restricted stock, stock options and other incentive awards. The awards under the LTIP include the following:

Restricted Shares - On January 24, 2013, CyrusOne Inc. issued approximately 1 million restricted shares to its employees, officers and members of the Company's board of directors in conjunction with CyrusOne's IPO. These restricted shares generally vest over three years. The per share grant date price was \$19.00. In addition, from time to time, new employees and members of our board of directors have been issued restricted shares. These restricted shares are issued at a price equal to our share price on the grant date.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Performance and Market Based Awards - On April 17, 2013, and February 7, 2014, the Company issued performance and market based awards in the form of options and/or restricted stock to certain employees and officers of the Company. Fifty percent of the restricted shares and stock options will vest annually based upon achieving certain performance criteria. The other fifty percent of the restricted shares and stock options will vest at the end of three years if certain market conditions are met. The fair value of these awards were determined using the Black-Scholes or Monte-Carlo model which use assumptions such as volatility, risk-free interest rate, and expected term of the awards. See Note 15 for additional details relating to these awards.

Compensation expense for these awards is recognized over the vesting periods.

Fair Value Measurements—Fair value measurements are utilized in accounting for business combinations and testing of goodwill and other long-lived assets for impairment and disclosures. Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for asset and liabilities, is as follows:

Level 1—Observable inputs for identical instruments such as quoted market prices;

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs); and

Level 3—Unobservable inputs that reflect our determination of assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including our own data.

Business Segments—Business segments are components of an enterprise for which separate financial information is available and regularly viewed by the chief operating decision maker to assess performance and allocate resources. Our chief operating decision maker, the Company's Chief Executive Officer, reviews our financial information on an aggregate basis. Furthermore, our data centers have similar economic characteristics and customers across all geographic locations, our service offerings have similar production processes, deliver services in a similar manner and use the same types of facilities and similar technologies. As a result, we have concluded that we have one reportable operating segment.

5. Recently Issued Accounting Standards

In February 2013, the Financial Accounting Standards Board ("FASB") issued amendments to provide guidance on the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of obligation within the scope of this guidance is fixed at the reporting date, except for obligations addressed within existing guidance in GAAP. The amendments are effective for fiscal years and interim periods within those years, beginning after December 15, 2013. The Company adopted this guidance in the first quarter of 2014 and has properly reflected the impact in the guarantor financial statements.

In May 2014, the FASB issued guidance that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This guidance requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures which are effective for interim and annual reporting periods in fiscal years that begin after December 15, 2016. We are currently evaluating the impact of the adoption of this guidance in our consolidated financial statements.

In June 2014, the FASB issued a guidance update for the presentation of stock compensation. This guidance requires an entity to treat performance targets that can be met after the requisite service period of a share based award has ended, as a performance condition that affects vesting which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2015. We are currently evaluating the impact of the adoption of this guidance in our consolidated financial statements.

In August 2014, the FASB issued guidance on determining when and how reporting entities must disclose going-concern uncertainties in their financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. This guidance is effective for annual periods ending after December 15, 2016, and interim periods thereafter; early adoption is permitted. We are currently evaluating the full impact of the new standard.

In January 2015, the FASB issued guidance eliminating from U.S. GAAP the concept of an extraordinary item. An entity is no longer required to (1) segregate an extraordinary item from the results of ordinary operations; (2) separately present an extraordinary item on its income statement, net of tax, after income from continuing operations; and (3) disclose income taxes and earnings-per-share data applicable to an extraordinary item. This guidance does not affect the reporting and disclosure requirements for an event that is unusual in nature or that occurs infrequently.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

6. Investment in Real Estate

A schedule of our gross investment in real estate follows:

<i>(amounts in millions)</i>	December 31, 2014			December 31, 2013		
	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment
West Seventh St., Cincinnati, OH (7th Street)	\$ 0.9	\$ 110.6	\$ 12.7	\$ 0.9	\$ 107.6	\$ 11.0
Parkway Dr., Mason, OH (Mason)	—	20.2	0.9	—	20.2	0.6
Industrial Rd., Florence, KY (Florence)	2.2	41.4	3.0	2.2	41.4	2.4
Goldcoast Dr., Cincinnati, OH (Goldcoast)	0.6	6.7	0.1	0.6	6.7	0.1
Knightsbridge Dr., Hamilton, OH (Hamilton)	—	49.2	3.7	—	49.2	3.6
E. Monroe St., South Bend, IN (Monroe St.)	—	2.5	0.1	—	2.5	—
Springer St., Lombard, IL (Lombard)	0.7	4.7	5.7	0.7	4.6	0.2
Crescent Circle, South Bend, IN (Blackthorn)	—	3.3	0.1	—	3.3	0.2
Kingsview Dr., Lebanon, OH (Lebanon)	4.0	77.0	5.5	4.0	71.7	2.2
McAuley Place, Blue Ash, OH (Blue Ash)	—	0.6	0.1	—	0.6	—
Westway Park Blvd., Houston, TX (Houston West 1)	1.4	84.4	43.8	1.4	84.4	39.4
Westway Park Blvd., Houston, TX (Houston West 2)	2.0	22.5	45.1	2.0	22.4	15.8
Westway Park Blvd., Houston, TX (Houston West 3)	18.4	—	—	18.3	—	—
Southwest Fwy., Houston, TX (Galleria)	—	68.6	15.0	—	68.4	13.3
E. Ben White Blvd., Austin, TX (Austin 1)	—	22.5	1.2	—	22.5	1.2
S. State Highway 121 Business, Lewisville, TX (Lewisville)	—	76.7	22.8	—	77.0	20.3
Marsh Lane, Carrollton, TX (Marsh Ln)	—	0.1	0.5	—	0.1	0.5
Midway Rd., Carrollton, TX (Midway)	—	2.0	0.4	—	2.0	0.4
W. Frankford Rd., Carrollton, TX (Carrollton)	16.1	51.6	85.3	16.1	42.6	34.8
Bryan St., Dallas, TX (Bryan St)	—	0.1	0.2	—	0.1	0.1
North Freeway, Houston, TX (Greenspoint)	—	1.3	—	—	1.3	0.4
South Ellis Street, Chandler, AZ (Phoenix 1)	14.8	56.4	43.9	15.0	55.7	11.7
South Ellis Street, Chandler, AZ (Phoenix 2)	—	13.2	21.8	—	—	—
Westover Hills Blvd., San Antonio, TX (San Antonio 1)	4.6	32.1	32.4	4.6	32.1	29.5
Westover Hills Blvd., San Antonio, TX (San Antonio 2)	7.0	—	—	6.7	—	—
Metropolis Dr., Austin, TX (Austin 2)	2.0	23.2	4.0	2.0	23.1	1.7
Kestral Way (London)	—	32.7	0.7	—	34.8	0.7
Jurong East (Singapore)	—	9.0	0.1	—	9.4	0.1
Ridgetop Circle, Sterling, VA (Northern VA)	7.0	—	—	6.9	—	—
Metropolis Dr., Austin, TX (Austin 3)	8.0	—	—	7.9	—	—
Total	\$ 89.7	\$ 812.6	\$ 349.1	\$ 89.3	\$ 783.7	\$ 190.2

Construction in progress was \$127.0 million and \$57.3 million as of December 31, 2014 and December 31, 2013, respectively. We have sustained high amounts of construction in progress as we continue to build data center facilities.

During 2014, we continued to invest in the development of real estate. Our development has included the completion of additional square footage and power primarily in our Phoenix 1, Phoenix 2, Carrollton, and Houston West 2 data centers.

7. Goodwill, Intangible and Other Long-Lived Assets

Goodwill and intangible assets were recognized in connection with the acquisition of Cyrus Networks as well as prior acquisitions. The carrying amount of goodwill was \$276.2 million as of December 31, 2014 and 2013.

Summarized below are the carrying values for the major classes of intangible assets:

(amounts in millions)

	Weighted-Average Life (in years)	December 31, 2014			December 31, 2013		
		Gross Carrying Amount	Accumulated Amortization	Total	Gross Carrying Amount	Accumulated Amortization	Total
Customer relationships	15	\$ 129.7	\$ (69.5)	\$ 60.2	\$ 129.7	\$ (53.1)	\$ 76.6
Trademark	15	7.4	(2.3)	5.1	7.4	(1.8)	5.6
Favorable leasehold interest	56	3.9	(0.3)	3.6	3.9	(0.2)	3.7
Total		<u>\$ 141.0</u>	<u>\$ (72.1)</u>	<u>\$ 68.9</u>	<u>\$ 141.0</u>	<u>\$ (55.1)</u>	<u>\$ 85.9</u>

There were no intangible asset impairments for the years ended December 31, 2014 or 2013.

Amortization expense for acquired intangible assets subject to amortization was \$17.0 million, \$15.9 million, \$1.0 million and \$16.4 million for the year ended December 31, 2014, and the periods ended December 31, 2013 and January 23, 2013, and the year ended December 31, 2012, respectively.

The following table presents estimated amortization expense for each of the next five years and thereafter, commencing January 1, 2015:

(amounts in millions)

2015	\$	14.6
2016		11.6
2017		9.5
2018		7.6
2019		5.9
Thereafter		19.7
Total	<u>\$</u>	<u>68.9</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

8. Debt and Other Financing Arrangements

Debt and other financing arrangements presented in the accompanying consolidated and combined financial statements consist of the following:

<i>(amounts in millions)</i>	December 31, 2014	December 31, 2013
Revolving facility	\$ 135.0	\$ —
Term loan	150.0	—
6 3/8% senior notes due 2022	374.8	525.0
Long-term debt	659.8	525.0
Capital lease obligations	13.4	16.7
Other financing arrangements	53.4	56.3
Total	\$ 726.6	\$ 598.0

Revolving credit agreement—On October 9, 2014, CyrusOne LP entered into a new credit agreement which provides for a \$450 million senior unsecured revolving credit facility to replace CyrusOne LP's \$225 million secured credit facility, and a \$150 million senior unsecured term loan. The revolving facility is scheduled to mature in October 2018 and includes a one-year extension option, which if exercised by CyrusOne LP would extend the maturity date to October 2019. The term loan is scheduled to mature in October 2019. The revolving facility currently bears interest at a rate per annum equal to LIBOR plus 1.70% and the term loan currently bears interest at a rate per annum equal to LIBOR plus 1.65%. The credit agreement governing the revolving credit facility and the term loan contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to \$300 million.

As of December 31, 2014 there were borrowings of \$135 million under the revolving facility and \$150 million under the term loan. There were no borrowings under the previous credit agreement as of December 31, 2013.

We pay commitment fees for the unused amount of borrowings on the revolving facility and term loan and letter of credit fees on any outstanding letters of credit. The commitment fees are equal to 0.25% per annum of the actual daily amount by which the aggregate revolving commitments exceed the sum of outstanding revolving loans and letter of credit obligations. Commitment fees related to the credit agreement were \$1.1 million for the years ended December 31, 2014 and 2013.

Capital lease obligations—We use leasing as a source of financing for certain of our data center facilities and related equipment. We currently operate four data center facilities recognized as capital leases. We have options to extend the initial lease term on all these leases and options to purchase the facility for one of these leases. Interest expense on capital lease obligations was \$5.9 million, \$6.3 million, \$0.3 million and \$7.4 million for the year ended December 31, 2014, and the periods ended December 31, 2013, and January 23, 2013, and year ended December 31, 2012, respectively.

6.375% Senior Notes due 2022—On November 20, 2012, CyrusOne LP and CyrusOne Finance Corp. (the “Issuers”) issued \$525 million of 6.375% senior notes due 2022 (“6.375% senior notes”). The 6.375% senior notes are senior unsecured obligations of the Issuers, which rank equally in right of payment with all existing and future unsecured senior debt of the Issuers. The 6.375% senior notes are effectively subordinated to all existing and future secured indebtedness of the Issuers to the extent of the value of the assets securing such indebtedness. The 6.375% senior notes are fully and unconditionally and jointly and severally guaranteed by CyrusOne Inc., CyrusOne GP, and each of CyrusOne LP’s existing and future domestic 100% owned subsidiaries, subject to certain exceptions. Each such guarantee is a senior unsecured obligation of the applicable guarantor, ranking equally with all existing and future unsecured senior debt of such guarantor and effectively subordinated to all existing and future secured indebtedness of such guarantor to the extent of the value of the assets securing that indebtedness. The 6.375% senior notes are structurally subordinated to all liabilities (including trade payables) of each subsidiary of the Issuer that does not guarantee the senior notes. The 6.375% senior notes bear interest at a rate of 6.375% per annum, payable semi-annually on May 15 and November 15 of each year, beginning on May 15, 2013.

The indenture governing the 6.375% senior notes contains affirmative and negative covenants customarily found in indebtedness of this type, including a number of covenants that, among other things, restrict, subject to certain exceptions, the Company’s ability to: incur secured or unsecured indebtedness; pay dividends or distributions on its equity interests, or redeem or repurchase equity interests of the Company; make certain investments or other restricted payments; enter into transactions with affiliates; enter into agreements limiting the ability of the operating partnership’s subsidiaries to pay dividends or make certain transfers and other payments to the operating partnership or to other subsidiaries; sell assets; and merge, consolidate or transfer all or substantially all of the operating partnership’s assets. Notwithstanding the foregoing, our indenture restricts

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

CyrusOne LP from making distributions to its stockholders and limited partners, or redeeming or otherwise repurchasing shares of its capital stock or partnership units, after the occurrence and during the continuance of an event of default, except in limited circumstances including as necessary to enable CyrusOne Inc. to maintain its qualification as a REIT and to minimize the payment of income tax. The Company and its subsidiaries are also required to maintain total unencumbered assets of at least 150% of their unsecured debt on a consolidated basis, provided that for the purposes of such calculation their revolving credit facility shall be treated as unsecured indebtedness, in each case subject to certain qualifications set forth in the indenture.

The 6.375% senior notes will mature on November 15, 2022. However, prior to November 15, 2017, the Issuers may, at their option, redeem some or all of the 6.375% senior notes at a redemption price equal to 100% of the principal amount of the 6.375% senior notes, together with accrued and unpaid interest, if any, plus a “make-whole” premium. On or after November 15, 2017, the Issuers may, at our option, redeem some or all of the 6.375% senior notes at any time at declining redemption prices equal to (i) 103.188% beginning on November 15, 2017, (ii) 102.125% beginning on November 15, 2018, (iii) 101.063% beginning on November 15, 2019 and (iv) 100.000% beginning on November 15, 2020 and thereafter, plus, in each case, accrued and unpaid interest, if any, to the applicable redemption date. In addition, before November 15, 2015, and subject to certain conditions, the Issuers may, at their option, redeem up to 35% of the aggregate principal amount of the 6.375% senior notes with the net proceeds of certain equity offerings at 106.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption; provided that (i) at least 65% of the aggregate principal amount of the 6.375% senior notes remains outstanding and (ii) the redemption occurs within 90 days of the closing of any such equity offering.

In November and December of 2014, we repurchased our 6.375% senior notes with an aggregate face value of \$150.2 million for a purchase price of \$163 million, including accrued interest. This resulted in a loss on extinguishment of debt of \$12.8 million. As of December 31, 2014, the outstanding balance on our 6.375% senior notes was \$374.8 million.

Other financing arrangements—Other financing arrangements represent leases of real estate in which we are involved in the construction of structural improvements to develop buildings into data centers. When we bear substantially all the construction period risk, such as managing or funding construction, we are deemed to be the accounting owner of the leased property and, at the lease inception date, we are required to record at fair value the property and associated liability on our balance sheet. These transactions generally do not qualify for sale-leaseback accounting due to our continued involvement in these data center operations.

The following table summarizes our annual minimum payments associated with our other financing arrangements for the five years subsequent to December 31, 2014, and thereafter:

(amounts in millions)

2015	\$	5.6
2016		5.7
2017		5.8
2018		5.9
2019		6.0
Thereafter		21.1
Total financing arrangements	\$	<u>50.1</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

The following table summarizes annual principal maturities of our revolving facility and term loan, 6 ³/₈% senior notes due 2022 and capital leases for the five years subsequent to December 31, 2014, and thereafter:

<i>(amounts in millions)</i>	Revolving Facility/ Term Loan	6.375% Senior Notes	Capital Leases	Total
2015	\$ —	\$ —	\$ 2.3	\$ 2.3
2016	—	—	2.5	2.5
2017	—	—	1.2	1.2
2018	135.0	—	1.4	136.4
2019	150.0	—	1.5	151.5
Thereafter	—	374.8	4.5	379.3
Total debt	\$ 285.0	\$ 374.8	\$ 13.4	\$ 673.2

The payment of interest on capital leases over the next five years and thereafter will be \$1.2 million, \$1.0 million, \$0.8 million, \$0.7 million, \$0.5 million and \$0.8 million, respectively.

Deferred financing costs—Deferred financing costs are costs incurred in connection with obtaining long-term financing. Deferred financing costs were incurred in connection with the issuance of the revolving facility and term loan and 6.375% senior notes due 2022. As of December 31, 2014, and 2013, deferred financing costs totaled \$15.5 million and \$14.1 million, respectively. Deferred financing costs related to the senior notes are amortized using the effective interest method over the term of the related indebtedness. Deferred financing costs related to the revolving facility and term loan are amortized using the straight-line method. Amortization of deferred financing costs, included in interest expense in the consolidated and combined statements of operations, totaled \$3.4 million, \$4.0 million and \$0.1 million for the year ended December 31, 2014, and the periods ended December 31, 2013, and January 23, 2013, respectively, and \$0.3 million in 2012. The amortization of deferred financing costs for the year ended December 31, 2014 included \$0.8 million related to the extinguishment of debt and the correction of expense recorded in prior periods.

Debt Covenants—The credit agreement governing the revolving facility and the term loan requires us to maintain certain financial covenants including the following, in each case on a consolidated basis:

- A minimum fixed charge ratio;
- Maximum total and secured leverage ratios;
- A minimum tangible net worth ratio;
- A maximum secured recourse indebtedness ratio;
- A minimum unencumbered debt yield ratio; and
- A maximum ratio of unsecured indebtedness to unencumbered asset value.

Notwithstanding these limitations, we will be permitted, subject to the terms and conditions of the credit agreement, to distribute to our shareholders cash dividends in an amount not to exceed 95% of our Funds From Operations ("FFO"), as defined in the credit agreement) for any period. Similarly, our indenture permits dividends and distributions necessary for us to maintain our status as a REIT.

The Company's most restrictive covenants are generally included in its credit agreement. In order to continue to have access to amounts available to it under the credit agreement, the Company must remain in compliance with all covenants.

The indenture governing the 6.375% senior notes contains affirmative and negative covenants customarily found in indebtedness of this type, including a number of covenants that, among other things, restrict, subject to certain exceptions, the Company's ability to: incur secured or unsecured indebtedness; pay dividends or distributions on its equity interests, or redeem or repurchase equity interests of the Company; make certain investments or other restricted payments; enter into transactions with affiliates; enter into agreements limiting the ability of the operating partnership's subsidiaries to pay dividends or make certain transfers and other payments to the operating partnership or to other subsidiaries; sell assets; and merge, consolidate or transfer all or substantially all of the operating partnership's assets. Notwithstanding the foregoing, the covenants contained in the indenture do not restrict the Company's ability to pay dividends or distributions to shareholders to the extent (i) no default or event of default exists or is continuing under the indenture and (ii) the Company believes in good faith that we qualify as a REIT under the Code and the payment of such dividend or distribution is necessary either to maintain its status as a REIT or to enable it to avoid payment of any tax that could be avoided by reason of such dividend or distribution. The Company and its subsidiaries are also required to maintain total unencumbered assets of at least 150% of their unsecured debt on a consolidated basis.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

As of December 31, 2014 and 2013, we believe we were in compliance with all covenants.

9. Fair Value of Financial Instruments

The fair value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses approximate their carrying value because of the short-term nature of these instruments.

The carrying value and fair value of other financial instruments are as follows:

<i>(amounts in millions)</i>	December 31, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
6.375% senior notes due 2022	\$ 374.8	\$ 402.0	\$ 525.0	\$ 539.4
Revolving facility and term loan	285.0	285.0	—	—
Other financing arrangements	53.4	63.1	56.3	63.8

The fair value of our senior notes as of December 31, 2014 and 2013 was based on the quoted market price for these notes, which is considered Level 1 of the fair value hierarchy. The fair value of the revolving facility and term loan was based on par value as of December 31, 2014. The fair value of other financing arrangements at December 31, 2014 and December 31, 2013, was calculated using a discounted cash flow model that incorporates current borrowing rates for obligations of similar duration. These fair value measurements are considered Level 2 of the fair value hierarchy.

Non-recurring fair value measurements

Certain long-lived assets, intangibles and goodwill are required to be measured at fair value on a non-recurring basis subsequent to their initial measurement. These non-recurring fair value measurements generally occur when evidence of impairment has occurred. There were no impairment charges for the year ended December 31, 2014.

The measured fair value used in the 2013 related impairment charges is summarized below:

<i>(amounts in millions)</i>	December 31, 2013	Quoted prices in active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2013 Impairment Loss
Equipment	\$ 0.3	\$ —	\$ 0.3	\$ —	\$ (2.8)
Total Impairment					\$ (2.8)

In the fourth quarter of 2013, we agreed to an offer to purchase equipment which had a net book value of \$3.1 million for \$0.3 million, resulting in a loss of \$2.8 million.

10. Noncontrolling Interest - Operating Partnership

The noncontrolling interest represents the limited partnership interest in the operating partnership held by CBI.

The following table shows the ownership interests as of December 31, 2014 and 2013, and the portion of net loss and distributions for the year ended December 31, 2014, and the period ended December 31, 2013:

<i>(amounts in millions, except unit amount)</i>	December 31, 2014		December 31, 2013	
	The Company	CBI	The Company	CBI
Operating partnership units	38.7	26.6	22.0	42.6
Ownership %	59.2%	40.8%	34.1%	65.9%
Portion of net loss	\$ (7.8)	\$ (6.7)	\$ (5.3)	\$ (10.3)
Distributions	\$ (29.2)	\$ (25.7)	\$ (13.6)	\$ (27.8)

CyrusOne LP issued 123.7 million operating partnership units to CBI on November 20, 2012 and CBI assumed certain of the Predecessor's intercompany payables and other liabilities of \$203.5 million. Subsequent to December 31, 2012, CyrusOne LP executed a 2.8 to 1.0 reverse unit split, resulting in CBI owning 44.1 million operating partnership units. On January 24, 2013, CBI exchanged 1.5 million operating partnership units for common shares of CyrusOne Inc.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

As stock is issued by CyrusOne Inc., CBI's ownership percentage will change. CyrusOne Inc. has issued shares in conjunction with the LTIP discussed in Note 15. Furthermore, on June 25, 2014, CyrusOne Inc. completed a public offering of 16 million shares of its common stock, including 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting discounts of \$15.8 million, to acquire 16 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI. As a result, the Company's noncontrolling interest decreased by \$166.9 million and CBI's ownership decreased to 40.8% as of December 31, 2014. In addition, the Company's additional paid in capital decreased by \$189 million which represents the difference between the proceeds and the noncontrolling interest redeemed by CBI.

11. Dividends

We have declared cash dividends on common shares and distributions on operating partnership units for the years ended December 31, 2014 and 2013 as presented in the table below:

Record date	Payment date	Cash dividend per share or operating partnership unit
March 29, 2013	April 15, 2013	\$0.16
June 28, 2013	July 15, 2013	\$0.16
September 27, 2013	October 15, 2013	\$0.16
December 27, 2013	January 10, 2014	\$0.16
March 28, 2014	April 15, 2014	\$0.21
June 27, 2014	July 15, 2014	\$0.21
September 26, 2014	October 15, 2014	\$0.21
December 26, 2014	January 9, 2015	\$0.21

As of December 31, 2014 and 2013 we had a dividend payable of \$14.3 million and \$10.4 million, respectively. On February 18, 2015, we announced a regular cash dividend of \$0.315 per common share payable to shareholders of record as of March 27, 2015. In addition, holders of operating partnership units will also receive a distribution of \$0.315 per unit. The dividend and distribution will be paid on April 15, 2015.

12. Customer Leases

Customer lease arrangements customarily contain provisions that allow either for renewal or continuation on a month-to-month arrangement. Certain leases contain early termination rights. At lease inception, early termination is generally not deemed reasonably assured due to the significant economic penalty incurred by the lessee to exercise its termination right and to relocate its equipment.

The future minimum lease payments to be received under non-cancelable operating leases, excluding month-to-month arrangements and submetered power, for the next five years are shown below:

(amounts in millions)

2015	\$ 240.8
2016	176.2
2017	126.8
2018	87.0
2019	47.3

13. Employee Benefit Plans

Currently, our employees participate in health care plans sponsored by CyrusOne, which provide medical, dental, vision and prescription benefits. We incurred \$2.1 million of expenses related to these plans for the year ended December 31, 2014. For the periods ended December 31, 2013 and January 23, 2013, we incurred \$1.6 million and \$0.1 million, respectively, of expenses related to these plans. Effective with the completion of the IPO on January 24, 2013, we no longer receive an allocated charge from CBI or participate in CBI's sponsored health care plans.

CyrusOne offers a retirement savings plan to its employees. CyrusOne's matching contribution to its retirement savings plan was \$0.8 million for the year ended December 31, 2014, less than \$0.5 million for the period ended December 31, 2013, and less than \$0.1 million for the period ended January 23, 2013.

Prior to the IPO, some of our shared employees and retirees participated in CBI's pension and other benefit plans. CBI managed these plans on a combined basis for all its affiliates and funded all plan contributions. Our employees were also eligible to participate in one of two sponsored defined contribution plans. One of these plans was sponsored by CyrusOne and the other by CBI. Employee contributions to these plans were matched by the sponsoring employer. Our direct and allocated contributions to these plans were \$0.4 million for the year ended December 31, 2012.

In addition, prior to the IPO, some of our shared employees participated in CBI's sponsored health care plans. We were unable to estimate our share of CBI's liability for claims incurred but not reported or reported but not paid. Our allocated costs of these plans for the year ended December 31, 2012 were \$0.1 million.

14. Loss Per Share

Basic loss per share is calculated using the weighted average number of shares of common stock outstanding during the period. In addition, net loss applicable to participating securities and the related participating securities are excluded from the computation of basic loss per share.

Diluted loss per share is calculated using the weighted average number of shares of common stock outstanding during the period, including restricted stock outstanding. If there is net income during the period, the dilutive impact of common stock equivalents outstanding would also be reflected.

The following table reflects a reconciliation of the shares used in the basic and diluted net loss per share computation for the period ended December 31, 2014:

	Year Ended		Period Ended	
	December 31, 2014		December 31, 2013	
	Basic	Diluted	Basic	Diluted
<i>(dollars and shares in millions, except per share amounts)</i>				
Numerator:				
Net loss attributed to common shareholders	\$ (7.8)	\$ (7.8)	\$ (5.3)	\$ (5.3)
Less: Restricted stock dividends	(0.8)	(0.8)	(0.6)	(0.6)
Net loss available to shareholders	<u>\$ (8.6)</u>	<u>\$ (8.6)</u>	<u>\$ (5.9)</u>	<u>\$ (5.9)</u>
Denominator:				
Weighted average common outstanding-basic	29.2	29.2	20.9	20.9
Performance-based restricted stock ⁽¹⁾⁽²⁾		—		—
Convertible securities ⁽¹⁾⁽²⁾		—		—
Weighted average shares outstanding-diluted		<u>29.2</u>		<u>20.9</u>
EPS:				
Net loss per share-basic	<u>\$ (0.30)</u>		<u>\$ (0.28)</u>	
Effect of dilutive shares				—
Net loss per share-diluted		<u>\$ (0.30)</u>		<u>\$ (0.28)</u>

⁽¹⁾ We have excluded 0.8 million shares of restricted stock, and 34.3 million of operating partnership units which are securities convertible into common stock effective January 2014, from our diluted earnings per share as of December 31, 2014. These amounts were deemed anti-dilutive.

⁽²⁾ We have excluded 0.2 million shares of restricted stock, and 42.6 million of operating partnership units which are securities convertible into common stock in January 2014, from our diluted earnings per share as of December 31, 2013. These amounts were deemed anti-dilutive.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

15. Stock-Based Compensation Plans

In conjunction with the CyrusOne Inc. IPO, the board of directors of CyrusOne Inc. adopted the LTIP. The LTIP is administered by the board of directors. Awards issuable under the LTIP include common stock, restricted stock, stock options and other incentive awards. CyrusOne Inc. has reserved a total of 4 million shares of CyrusOne Inc. common stock for issuance pursuant to the LTIP, which may be adjusted for changes in capitalization and certain corporate transactions. To the extent that an award, if forfeitable, expires, terminates or lapses, or an award is otherwise settled in cash without the delivery of shares of common stock to the participant, then any unpaid shares subject to the award will be available for future grant or issuance under the LTIP. The payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the LTIP. The related stock compensation expense incurred by CyrusOne Inc. will be allocated to the operating partnership. Shares available under the LTIP at December 31, 2014, were approximately 2 million.

Restricted Stock

Restricted stock awards vest over specified periods of time as long as the employee remains employed with the Company. The following table sets forth the number of unvested shares of restricted stock and the weighted average fair value of these shares at the date of grant:

	Shares of Restricted Stock	Weighted Average Fair Value at Date of Grant
Unvested balance at December 31, 2012	—	\$ —
Granted	1,024,064	19.01
Vested	—	—
Forfeited	(119,712)	19.00
Unvested balance at December 31, 2013	904,352	19.01
Granted	46,313	20.73
Vested	(47,845)	19.17
Forfeited	(25,948)	19.00
Unvested balance at December 31, 2014	876,872	\$ 19.09

During the years ended December 31, 2014 and 2013, we issued 46,313 and 1,024,064 shares of restricted stock, which had an aggregate value of \$1.0 million and \$19.5 million, respectively, on the grant dates. This amount will be amortized to expense over the respective vesting periods, which are typically three years. Also during the year ended December 31, 2014, 47,845 shares of restricted stock vested at a value of \$0.9 million on the respective vesting date.

As of December 31, 2014, total unearned compensation on restricted stock was \$6.0 million and the weighted average vesting period was 1.1 years.

Performance and Market Based Awards

In 2014 and 2013, the Company approved grants of performance and market based restricted stock under the LTIP. The performance based restricted stock will vest annually based upon achieving certain predetermined EBITDA thresholds over a three-year cumulative performance period. The performance based awards will vest based on the following scale:

- Below 90% of EBITDA target = 0%
- At 90% of EBITDA target = 50%
- At 100% of EBITDA target = 100%
- At or above 115% of EBITDA target = 200%

The market based restricted stock vest at the end of three years if the total stockholder return during the three-year measurement period following the grant date meets or exceeds the return of the MSCI US REIT Index (the "Index") over the same period. The market based awards will vest based on the following scale:

- If CyrusOne's total stockholder return is less than the return of the Index = 0%
- If CyrusOne's total stockholder return is equal to or greater than the return of the Index = 100%, up to 200% if CyrusOne's total stockholder return exceeds the return of the Index by 2%

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

- If CyrusOne's total stockholder return exceeds the return of the Index, but is negative, any calculated vesting amount will be reduced by 50%

These awards are expensed based on the grant date fair value based on the performance that is probable to be achieved or based on the performance that is expected to be achieved. The forfeiture rate for these awards was approximately 2.2% and 11.6% during the years ended December 31, 2014 and 2013, respectively.

The following table sets forth the number of unvested shares of performance and market based awards and the weighted average fair value of these shares at the date of grant:

	Shares of Restricted Stock	Weighted Average Fair Value at Date of Grant
Unvested balance at December 31, 2012	—	\$ —
Granted	250,565	23.58
Vested	—	—
Forfeited	(28,248)	23.58
Unvested balance at December 31, 2013	222,317	23.58
Granted	672,158	20.65
Vested	(18,484)	23.55
Forfeited	(13,221)	21.26
Unvested balance at December 31, 2014	<u>862,770</u>	\$ 21.33

During the years ended December 31, 2014 and 2013, we issued 672,158 and 250,565 shares of restricted stock, which had an aggregate value of \$13.9 million and \$5.9 million, respectively, on the grant dates. This amount will be amortized to expense over the respective vesting periods, which are typically three years. Also during the year ended December 31, 2014, 18,484 shares of restricted stock vested at a value of \$0.4 million on the respective vesting date.

As of December 31, 2014, total unearned compensation on these performance and market based restricted stock was \$4.7 million and the weighted average vesting period was 1.8 years.

Stock Options

The Company awarded stock options to various executives in 2013. These awards are expensed based on the grant date fair value based on the performance that is probable to be achieved or based on the performance that is expected to be achieved. The fair value of each stock option is estimated using the Black-Scholes option-pricing model. Significant assumptions used in the Black-Scholes model were the following:

Number of options granted	190,432
Exercise price	\$ 23.58
Expected term (in years)	6
Expected volatility	35 %
Expected annual dividend	3.4 %
Risk-free rate	0.92 %
Fair value at date of grant	\$ 1.4 million

As of December 31, 2014, we have unrecognized compensation expense of approximately \$0.2 million. This expense will be recognized over the remaining vesting period, or approximately 1.2 years. The exercise price for these options is \$23.58.

The following table sets forth the number of unvested options as of December 31, 2014 and 2013 and the weighted average fair value of these options at the grant date:

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

	Shares of Restricted Options	Weighted Average Fair Value at Date of Grant
Unvested balance at December 31, 2012	—	\$ —
Granted	190,432	7.46
Vested	—	—
Forfeited	(21,469)	7.46
Unvested balance at December 31, 2013	168,963	7.46
Granted	—	—
Vested	—	—
Forfeited	(2,091)	7.46
Unvested balance at December 31, 2014	166,872	\$ 7.46

The following tables set forth the number of exercisable options as of December 31, 2014 and the weighted average fair value and exercise price of these options at the grant date:

	Shares of Restricted Options	Weighted Average Fair Value at Date of Grant
Options Exercisable at December 31, 2013	—	\$ —
Vested	13,915	7.46
Exercised	—	—
Options Exercisable at December 31, 2014	13,915	\$ 7.46

	Exercisable Options	Fair Value at Date of Grant	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
As of December 31, 2014	13,915	\$ 0.1 million	\$ 23.58	8.3 years

The following table sets forth compensation expense for the year ended December 31, 2014 and the period ended December 31, 2013:

	Year Ended December 31, 2014	Period Ended December 31, 2013
Restricted Stock	\$ 6.4	\$ 5.3
Performance and market based awards	3.7	0.8
Stock options	0.2	0.1
Total compensation expense	\$ 10.3	\$ 6.2

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

16. Related Party Transactions

Prior to November 20, 2012, CyrusOne Inc., CyrusOne GP, CyrusOne LP and its subsidiaries were operated by CBI during the periods presented. The consolidated and combined financial statements have been prepared from the records maintained by CBI and may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the business had been operated as an unaffiliated company. The consolidated and combined financial statements reflect the following transactions with CBI and its affiliated entities, including Cincinnati Bell Telephone (“CBT”) and Cincinnati Bell Technology Solutions (“CBTS”):

Revenues—The Company records revenues from CBI under contractual service arrangements. These services include leasing of data center space, power and cooling in certain of our data center facilities network interface services and office space.

Operating Expenses—The Company records expenses from CBI incurred in relation to network support, services calls, monitoring and management, storage and backup, IT systems support, and connectivity services.

The following related party transactions are based on agreements and arrangements that were in place during the respective periods. Revenues and expenses for the periods presented were as follows:

<i>(amounts in millions)</i>	Successor		Predecessor	
	December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	December 31, 2012
Revenue:				
Data center colocation agreement provided to CBT and CBTS	\$ 6.4	\$ 5.6	\$ 0.3	\$ 5.4
229 West 7th Street lease provided to CBT	2.0	1.7	—	—
Goldcoast Drive/Parkway (Mason) lease	0.4	0.3	—	0.3
Transition services provided to CBTS (network interfaces)	0.4	0.6	0.1	0.5
Data center leases provided to CBTS	13.6	13.1	—	14.3
Total revenue	\$ 22.8	\$ 21.3	\$ 0.4	\$ 20.5
Operating costs and expenses:				
Transition services agreement by CBTS	\$ 0.8	\$ 1.3	\$ —	\$ 1.5
Charges for services provided by CBT (connectivity)	1.0	1.0	0.1	0.7
209 West 7th Street rent provided by CBT	0.2	0.1	—	0.1
Management fees with CBI	—	0.1	—	2.5
Allocated employee benefit plans by CBI	—	—	0.2	3.5
Allocated centralized insurance costs by CBI	—	—	0.1	0.4
Selling and marketing services provided by CBT & CBTS	—	—	—	0.3
Interest expense on note with CBI	—	—	—	7.0
Loss on sale of receivables	—	—	—	3.2
Total operating costs and expenses	\$ 2.0	\$ 2.5	\$ 0.4	\$ 19.2

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

As of December 31, 2014 and 2013, the amounts receivable and payable to CBI were as follows:

<i>(amounts in millions)</i>	Successor	Successor
	As of December 31, 2014	As of December 31, 2013
Accounts receivable from CBI	\$ 0.8	\$ 0.6
Accounts payable	\$ 1.7	\$ 1.7
Dividends payable	5.6	6.8
Accounts payable to CBI	\$ 7.3	\$ 8.5

The dividends payable as of December 31, 2014 reflect the balance due to CBI related to the dividend declared on November 4, 2014, of \$0.21 per common share equivalent payable on their limited partnership units.

Other Related Party Transactions

Prior to joining CyrusOne in March 2013, our internal counsel was principal in the Law Offices of Thomas W. Bosse, PLLC, (“Bosselaw”). In 2013, amounts paid to Bosselaw for services rendered prior to his employment were \$1.6 million, which included a bonus payment under CyrusOne’s Data Center Plan as a result of the successful completion of the initial public offering.

In the ordinary course of its business, CyrusOne periodically pays brokerage commissions to real estate brokerage firms in connection with property transactions and tenant leases. In 2013, CyrusOne paid \$1.5 million to one such firm, Jones Lang LaSalle. One of our former directors is a principal with Jones Lang LaSalle.

The spouse of one of our directors is a partner with Skadden, Arps, Slate, Meagher & Flom LLP (“Skadden”). For the years ended December 31, 2014 and December 31, 2013, CyrusOne paid Skadden \$1.1 million and \$0.2 million, respectively, for services rendered.

Our director, Lynn A. Wentworth, is a member of the board of directors of CBI, and serves as the chair of its audit committee.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

17. Restructuring Charges

For the years ended December 31, 2014 and 2012, we incurred no restructuring charges. For the period ended December 31, 2013, we incurred restructuring charges of \$0.7 million that were a result of moving certain administrative functions to the corporate office. All restructuring charges have been settled by December 31, 2014.

18. Income Taxes

CyrusOne Inc., elected to be taxed as a REIT under the Code, as amended, commencing with our taxable year ended December 31, 2013. To remain qualified as a REIT, we are required to distribute at least 90% of our taxable income to our stockholders and meet various other requirements imposed by the Code relating to such matters as operating results, asset holdings, distribution levels and diversity of stock ownership. Provided we qualify for taxation as a REIT, we are generally not subject to corporate level federal income tax on the taxable income distributed currently to our shareholders. It is our policy and intent, subject to change, to distribute 100% of our taxable income and therefore no provision is required in the accompanying financial statements for federal income taxes with regards to activities of the CyrusOne Inc. and its subsidiary pass-through entities.

We have elected to designate two subsidiaries as TRSs. A TRS may perform services for our tenants that would otherwise be considered impermissible for REITs. The income generated from these services is taxed at regular federal and state corporate rates. Income tax expense for the year ended December 31, 2014 and the periods ended December 31, 2013 and January 23, 2013 was \$1.4 million, \$1.9 million and \$0.4 million, respectively. For the year ended December 31, 2012, we recognized income tax benefit of \$5.1 million.

In conjunction with the Company's tax sharing arrangement with CBI, CBI may be required to file Texas margin tax returns on a consolidated, combined or unitary basis with the Company for any given year. If such return is prepared by CBI on a combined or consolidated basis to include the Company, the related Texas margin tax of the Company will be paid by CBI. The Company will then reimburse CBI for its portion of the related Texas margin tax. As of December 31, 2014, our total Texas margin tax payable was \$1.7 million.

For certain entities we calculate deferred tax assets and liabilities for temporary differences in the basis between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at rates then in effect. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. The ultimate realization of the deferred tax assets depends upon our ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards. Deferred tax assets (net of valuation allowance) and liabilities were accrued, as necessary, for the periods ended December 31, 2014, and December 31, 2013. Historically, we have recorded a full valuation allowance on our foreign net deferred tax assets related to our foreign generated net operating losses due to the uncertainty of their realization. In 2013 and 2014, management determined it was necessary to record a full valuation allowance on all of our domestic and foreign net deferred tax assets due to the uncertainty of their realization. Accordingly, at December 31, 2014 and at December 31, 2013, the net domestic and foreign deferred tax assets were zero.

In 2014 and 2013, we paid all our dividends in cash. The following table summarizes the taxability of our common stock dividends per share for the year ended December 31, 2014 and the period ended December 31, 2013:

	Year Ended December 31, 2014	Period Ended December 31, 2013
Common Stock dividend per share:		
Ordinary income	\$ 0.45	\$ 0.23
Capital gains	—	—
Return of capital	0.34	0.25
Total dividend	<u>\$ 0.79</u>	<u>\$ 0.48</u>

Common stock dividends are characterized for federal income tax purposes as ordinary income, qualified dividend, capital gains, non-taxable return of capital or a combination of the four. Common stock dividends that exceed our current and accumulated earnings and profits (calculated for tax purposes) constitute a return of capital rather than a dividend and generally reduce the stockholder's basis in the common stock. To the extent that a dividend exceeds both current and accumulated earnings and profits and the stockholder's basis in the common stock, it will generally be treated as a gain from the sale or exchange of that stockholder's common stock. At the beginning of each year, we notify our stockholders of the taxability of the common stock dividends paid during the preceding year.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

19. Commitments and Contingencies

Operating Leases

We lease certain data center facilities and equipment from third parties. Operating lease expense was \$6.7 million, \$6.5 million, \$0.2 million and \$5.9 million for the year ended December 31, 2014, and the periods ended December 31, 2013 and January 23, 2013, and the year ended December 31, 2012, respectively. Certain of these leases provide for renewal options with fixed rent escalations beyond the initial lease term.

At December 31, 2014, future minimum lease payments required under operating leases having initial or remaining non-cancelable lease terms in excess of one year are as follows:

(amounts in millions)

2015	\$	4.6
2016		1.4
2017		0.9
2018		0.2
2019		—
Thereafter		0.9
Total	\$	8.0

Performance Guarantees

Customer contracts generally require specified levels of performance related to uninterrupted service and cooling temperatures. If these performance standards are not met, we could be obligated to issue billing credits to the customer. Management assesses the probability that a performance standard will not be achieved. As of December 31, 2014 and 2013, no accruals for performance guarantees were required.

Indemnifications

During the normal course of business, CyrusOne has made certain indemnities, commitments and guarantees under which it may be required to make payments in relation to certain transactions. These include (i) intellectual property indemnities to customers in connection with the use, sale, and/or license of products and services, (ii) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct and (iii) indemnities involving the representations and warranties in certain contracts. The majority of these indemnities, commitments and guarantees do not provide for any limitation on the maximum potential for future payments that we could be obligated to make.

Purchase Commitments

CyrusOne has non-cancelable purchase commitments related to certain services and contracts related to construction of data center facilities and equipment. These agreements range from one to two years and provide for payments for early termination or require minimum payments for the remaining term. As of December 31, 2014, the minimum commitments for these arrangements were \$19.9 million.

Contingencies

CyrusOne is involved in legal, tax and regulatory proceedings arising from the conduct of its business activities. Liabilities are established for loss contingencies when losses associated with such claims are deemed to be probable, and the loss can be reasonably estimated. Based on information currently available and consultation with legal counsel, we believe that the outcome of all claims will not, individually or in the aggregate, have a material effect on our financial statements.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

20. Guarantors

CyrusOne Inc.

CyrusOne LP and CyrusOne Finance Corp., as “LP Co-issuer” and “Finance Co-issuer,” respectively (together, the “Issuers”), had \$374.8 million aggregate principal amount of senior notes outstanding at December 31, 2014 and \$525 million as of December 31, 2013. The senior notes are fully and unconditionally and jointly and severally guaranteed on a senior basis by CyrusOne Inc. (“Parent Guarantor”), CyrusOne GP (“General Partner”), and CyrusOne LP’s 100% owned subsidiaries, CyrusOne LLC, CyrusOne TRS Inc. and CyrusOne Foreign Holdings LLC (such subsidiaries, together the “Guarantors”). None of the subsidiaries organized outside of the United States (collectively, the “Non-Guarantors”) guarantee the senior notes. Subject to the provisions of the indenture governing the senior notes, in certain circumstances, a Guarantor may be released from its guarantee obligation, including:

- upon the sale or other disposition (including by way of consolidation or merger) of such Guarantor or of all of the capital stock of such Guarantor such that such Guarantor is no longer a restricted subsidiary under the indenture,
- upon the sale or disposition of all or substantially all of the assets of the Guarantor,
- upon the LP Co-issuer designating such Guarantor as an unrestricted subsidiary under the terms of the indenture,
- if such Guarantor is no longer a guarantor or other obligor of any other indebtedness of the LP Co-issuer or the Parent Guarantor, and
- upon the defeasance or discharge of the senior notes in accordance with the terms of the indenture.

The following provides information regarding the entity structure of each guarantor of the senior notes:

CyrusOne Inc. – CyrusOne Inc. was formed on July 31, 2012. As of January 23, 2013, CyrusOne Inc. was a wholly-owned subsidiary of CBI. Effective January 24, 2013, CyrusOne Inc. completed its IPO of common stock for net proceeds of \$337.1 million, and together with the General Partner, purchased a 33.9% ownership interest in CyrusOne LP. CyrusOne Inc. also represents a guarantor or Parent Guarantor and became a separate registrant with the SEC upon completion of its IPO.

CyrusOne GP – CyrusOne GP was formed on July 31, 2012, and was a 100% owned subsidiary of CyrusOne Inc. as of January 23, 2013. Effective upon completion of CyrusOne Inc.’s IPO, this entity became the general partner and 1% owner of CyrusOne LP and has no other assets or operations. Prior to the IPO, this entity did not incur any obligations or record any transactions.

Issuers – The Issuers include CyrusOne LP and CyrusOne Finance Corp. CyrusOne Finance Corp., a 100% owned subsidiary of CyrusOne LP, was formed for the sole purpose of acting as co-issuer of the senior notes and has no other assets or operations. CyrusOne LP, in addition to being the co-issuer of the senior notes, is also the 100% owner, either directly or indirectly, of the Guarantors and Non-Guarantors.

Guarantors – The guarantors include CyrusOne LLC, CyrusOne TRS Inc., and CyrusOne Foreign Holdings LLC. CyrusOne LLC accounts for all of the domestic operations of CyrusOne LP, including the businesses that composed the Predecessor operations. CyrusOne LLC, together with CyrusOne Foreign Holdings LLC, directly or indirectly owns 100% of the Non-Guarantors. As of December 31, 2014, CyrusOne TRS Inc. had not incurred any obligations or recorded any material transactions for the period ended December 31, 2014, and January 23, 2013.

As of December 31, 2014, the Non-Guarantors consist of 100% owned subsidiaries, which conduct operations in the United Kingdom and Singapore.

The following schedules present the financial information for the year ended December 31, 2014, periods ended December 31, 2013 and January 23, 2013, and the year ended December 31, 2012, for the Parent Guarantor, General Partner, LP Co-issuer, Finance Co-issuer, Guarantors, and Non-Guarantors. The financial statements for the period ended January 23, 2013, present the financial information prior to the effective date of the IPO, and the financial statements for the period ended December 31, 2013, present the financial information after the effective date of the IPO. The consolidating schedules are provided in accordance with the reporting requirements for guarantor subsidiaries.

(1) - During 2014, the Company revised its Guarantor Condensed Consolidated Balance Sheets, Condensed Consolidating Statements of Income, and Condensed Consolidating Statement of Cash Flows to correct an immaterial error in the prior periods. Previously, the Investment in Subsidiaries and Equity Loss related to Investment in Subsidiaries reported by the Parent Guarantors included amounts related to noncontrolling interests. Those noncontrolling interest amounts are now reported in the Eliminations/Consolidations column. The impact of those changes was to (a) reduce the investments in subsidiaries and total equity for the Parent Guarantor by \$455.6 million as of December 31, 2013; (b) reduce the equity loss related to investment in subsidiaries and noncontrolling interest in net loss for the Parent Guarantor by \$10.3 million for the

CyrusOne Inc. and CyrusOne LP

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

period ended December 31, 2013; (c) reduce the net loss and the equity loss related to investment in subsidiaries for the Parent Guarantor by \$10.3 million in the statement of cash flows for the period ended December 31, 2013; and (d) reduce the dividends paid by the Parent Guarantor by \$20.4 million in the statement of cash flows for the period ended December 31, 2013. These errors had no effect on the consolidated financials of either CyrusOne Inc. or CyrusOne LP and is not material to the consolidated financial statements taken as a whole.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Consolidating Balance Sheets

	As of December 31, 2014							
<i>(amounts in millions)</i>	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidation	Total
Land	\$ —	\$ —	\$ —	\$ —	\$ 89.7	\$ —	\$ —	\$ 89.7
Buildings and improvements	—	—	—	—	770.9	41.7	—	812.6
Equipment	—	—	—	—	348.3	0.8	—	349.1
Construction in progress	—	—	—	—	124.8	—	2.2	127.0
Subtotal	—	—	—	—	1,333.7	42.5	2.2	1,378.4
Accumulated depreciation	—	—	—	—	(319.7)	(7.3)	—	(327.0)
Net investment in real estate	—	—	—	—	1,014.0	35.2	2.2	1,051.4
Cash and cash equivalents	—	—	—	—	33.5	3.0	—	36.5
Investment in subsidiaries	458.5	7.1	734.3	—	3.6	—	(1,203.5)	—
Rent and other receivables	—	—	—	—	57.9	3.0	—	60.9
Intercompany receivable	—	—	642.9	—	—	—	(642.9)	—
Goodwill	—	—	—	—	276.2	—	—	276.2
Intangible assets, net	—	—	—	—	68.9	—	—	68.9
Due from affiliates	—	—	—	—	0.8	—	—	0.8
Other assets	—	—	15.5	—	73.1	3.2	—	91.8
Total assets	\$ 458.5	\$ 7.1	\$ 1,392.7	\$ —	\$ 1,528.0	\$ 44.4	\$ (1,844.2)	\$ 1,586.5
Accounts payable and accrued expenses	\$ —	\$ —	\$ 12.5	\$ —	\$ 56.9	\$ 0.5	\$ —	\$ 69.9
Deferred revenue	—	—	—	—	65.1	0.6	—	65.7
Intercompany payable	—	—	—	—	642.9	—	(642.9)	—
Due to affiliates	—	—	5.6	—	1.7	—	—	7.3
Capital lease obligations	—	—	—	—	6.2	7.2	—	13.4
Long-term debt	—	—	659.8	—	—	—	—	659.8
Other financing arrangements	—	—	—	—	20.9	32.5	—	53.4
Total liabilities	—	—	677.9	—	793.7	40.8	(642.9)	869.5
Total shareholders' equity	458.5	7.1	714.8	—	734.3	3.6	(1,457.6)	460.7
Noncontrolling interest	—	—	—	—	—	—	256.3	256.3
Total equity	458.5	7.1	714.8	—	734.3	3.6	(1,201.3)	717.0
Total liabilities and equity	\$ 458.5	\$ 7.1	\$ 1,392.7	\$ —	\$ 1,528.0	\$ 44.4	\$ (1,844.2)	\$ 1,586.5

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

	As of December 31, 2013							
<i>(amounts in millions)</i>	Parent Guarantor ⁽¹⁾	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidation	Total
Land	\$ —	\$ —	\$ —	\$ —	\$ 89.3	\$ —	\$ —	\$ 89.3
Buildings and improvements	—	—	—	—	739.6	44.1	—	783.7
Equipment	—	—	—	—	189.4	0.8	—	190.2
Construction in progress	—	—	—	—	57.3	—	—	57.3
Subtotal	—	—	—	—	1,075.6	44.9	—	1,120.5
Accumulated depreciation	—	—	—	—	(232.0)	(4.7)	—	(236.7)
Net investment in real estate	—	—	—	—	843.6	40.2	—	883.8
Cash and cash equivalents	—	—	—	—	146.8	2.0	—	148.8
Investment in subsidiaries	322.0	7.8	795.0	—	2.1	—	(1,126.9)	—
Rent and other receivables	—	—	—	—	40.3	0.9	—	41.2
Intercompany receivable	—	—	508.1	—	0.2	—	(508.3)	—
Goodwill	—	—	—	—	276.2	—	—	276.2
Intangible assets, net	—	—	—	—	85.9	—	—	85.9
Due from affiliates	—	—	—	—	0.6	—	—	0.6
Other assets	—	—	14.1	—	53.0	3.2	—	70.3
Total assets	<u>\$ 322.0</u>	<u>\$ 7.8</u>	<u>\$ 1,317.2</u>	<u>\$ —</u>	<u>\$ 1,448.7</u>	<u>\$ 46.3</u>	<u>\$ (1,635.2)</u>	<u>\$ 1,506.8</u>
Accounts payable and accrued expenses	\$ —	\$ —	\$ 7.8	\$ —	\$ 58.6	\$ 0.4	\$ —	\$ 66.8
Deferred revenue	—	—	—	—	55.1	0.8	—	55.9
Intercompany payable	—	—	—	—	508.1	0.2	(508.3)	—
Due to affiliates	—	—	6.8	—	1.7	—	—	8.5
Capital lease obligations	—	—	—	—	8.6	8.1	—	16.7
Long-term debt	—	—	525.0	—	—	—	—	525.0
Other financing arrangements	—	—	—	—	21.6	34.7	—	56.3
Total liabilities	—	—	539.6	—	653.7	44.2	(508.3)	729.2
Total shareholders' equity	322.0	7.8	777.6	—	795.0	2.1	(1,582.5)	322.0
Noncontrolling interest	—	—	—	—	—	—	455.6	455.6
Total equity	<u>322.0</u>	<u>7.8</u>	<u>777.6</u>	<u>—</u>	<u>795.0</u>	<u>2.1</u>	<u>(1,126.9)</u>	<u>777.6</u>
Total liabilities and equity	<u>\$ 322.0</u>	<u>\$ 7.8</u>	<u>\$ 1,317.2</u>	<u>\$ —</u>	<u>\$ 1,448.7</u>	<u>\$ 46.3</u>	<u>\$ (1,635.2)</u>	<u>\$ 1,506.8</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Consolidating Statements of Operations

<i>(amounts in millions)</i>	Year Ended December 31, 2014							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ —	\$ —	\$ 325.1	\$ 5.8	\$ —	\$ 330.9
Costs and expenses:								
Property operating expenses	—	—	—	—	121.9	2.6	—	124.5
Sales and marketing	—	—	—	—	12.6	0.2	—	12.8
General and administrative	—	—	—	—	34.2	0.4	—	34.6
Depreciation and amortization	—	—	—	—	115.0	3.0	—	118.0
Transaction costs	—	—	—	—	1.0	—	—	1.0
Total costs and expenses	—	—	—	—	284.7	6.2	—	290.9
Operating income (loss)	—	—	—	—	40.4	(0.4)	—	40.0
Interest expense	—	—	38.2	—	—	3.5	(2.2)	39.5
Loss on extinguishment of debt	—	—	13.6	—	—	—	—	13.6
(Loss) income before income taxes	—	—	(51.8)	—	40.4	(3.9)	2.2	(13.1)
Income tax expense	—	—	—	—	(1.4)	—	—	(1.4)
Equity (loss) earnings related to investment in subsidiaries	(10.0)	(0.2)	35.1	—	(3.9)	—	(21.0)	—
Net loss	(10.0)	(0.2)	(16.7)	—	35.1	(3.9)	(18.8)	(14.5)
Noncontrolling interest in net loss	—	—	—	—	—	—	(6.7)	(6.7)
Net (loss) income attributed to common shareholders	<u>\$ (10.0)</u>	<u>\$ (0.2)</u>	<u>\$ (16.7)</u>	<u>\$ —</u>	<u>\$ 35.1</u>	<u>\$ (3.9)</u>	<u>\$ (12.1)</u>	<u>\$ (7.8)</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

<i>(amounts in millions)</i>	Period Ended December 31, 2013							
	Parent Guarantor ⁽¹⁾	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ —	\$ —	\$ 244.3	\$ 4.1	\$ —	\$ 248.4
Costs and expenses:								
Property operating expenses	—	—	—	—	85.9	2.5	—	88.4
Sales and marketing	—	—	—	—	9.7	0.2	—	9.9
General and administrative	—	—	—	—	26.3	0.2	—	26.5
Depreciation and amortization	—	—	—	—	87.1	2.8	—	89.9
Restructuring charges	—	—	—	—	0.7	—	—	0.7
Transaction costs	—	—	—	—	1.3	—	—	1.3
Asset impairment	—	—	—	—	2.8	—	—	2.8
Total costs and expenses	—	—	—	—	213.8	5.7	—	219.5
Operating income (loss)	—	—	—	—	30.5	(1.6)	—	28.9
Interest expense	—	—	36.5	—	1.8	2.9	—	41.2
Other income	—	—	—	—	(0.1)	—	—	(0.1)
Loss on extinguishment of debt	—	—	—	—	1.3	—	—	1.3
(Loss) income before income taxes	—	—	(36.5)	—	27.5	(4.5)	—	(13.5)
Income tax expense	—	—	—	—	(1.9)	—	—	(1.9)
Equity (loss) earnings related to investment in subsidiaries	(5.3)	(0.2)	20.9	—	(4.5)	—	(10.9)	—
Loss on sale of real estate improvements	—	—	—	—	(0.2)	—	—	(0.2)
Net loss	(5.3)	(0.2)	(15.6)	—	20.9	(4.5)	(10.9)	(15.6)
Noncontrolling interest in net loss	—	—	—	—	—	—	(10.3)	(10.3)
Net (loss) income attributed to common shareholders	<u>\$ (5.3)</u>	<u>\$ (0.2)</u>	<u>\$ (15.6)</u>	<u>\$ —</u>	<u>\$ 20.9</u>	<u>\$ (4.5)</u>	<u>\$ (0.6)</u>	<u>\$ (5.3)</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

<i>(amounts in millions)</i>	Period Ended January 23, 2013							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ —	\$ —	\$ 14.9	\$ 0.2	\$ —	\$ 15.1
Costs and expenses:								
Property operating expenses	—	—	—	—	4.8	—	—	4.8
Sales and marketing	—	—	—	—	0.7	—	—	0.7
General and administrative	—	—	—	—	1.4	0.1	—	1.5
Transaction-related compensation	—	—	—	—	20.0	—	—	20.0
Depreciation and amortization	—	—	—	—	5.2	0.1	—	5.3
Transaction costs	—	—	—	—	0.1	—	—	0.1
Total costs and expenses	—	—	—	—	32.2	0.2	—	32.4
Operating loss	—	—	—	—	(17.3)	—	—	(17.3)
Interest expense	—	—	2.3	—	0.1	0.1	—	2.5
Loss before income taxes	—	—	(2.3)	—	(17.4)	(0.1)	—	(19.8)
Income tax expense	—	—	—	—	(0.4)	—	—	(0.4)
Equity loss related to investment in subsidiaries	—	—	(17.9)	—	(0.1)	—	18.0	—
Net loss	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (20.2)</u>	<u>\$ —</u>	<u>\$ (17.9)</u>	<u>\$ (0.1)</u>	<u>\$ 18.0</u>	<u>\$ (20.2)</u>

<i>(amounts in millions)</i>	Year Ended December 31, 2012							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ —	\$ —	\$ 219.4	\$ 1.4	\$ —	\$ 220.8
Costs and expenses:								
Property operating expenses	—	—	—	—	74.1	1.9	—	76.0
Sales and marketing	—	—	—	—	9.5	0.2	—	9.7
General and administrative	—	—	—	—	20.6	0.1	—	20.7
Depreciation and amortization	—	—	—	—	71.9	1.5	—	73.4
Transaction costs	—	—	5.7	—	—	—	—	5.7
Management fees charged by CBI	—	—	—	—	2.5	—	—	2.5
Loss on sale of receivables to an affiliate	—	—	—	—	3.2	—	—	3.2
Asset impairment	—	—	—	—	13.3	—	—	13.3
Total costs and expenses	—	—	5.7	—	195.1	3.7	—	204.5
Operating (loss) income	—	—	(5.7)	—	24.3	(2.3)	—	16.3
Interest expense	—	—	4.2	—	35.0	2.6	—	41.8
Loss before income taxes	—	—	(9.9)	—	(10.7)	(4.9)	—	(25.5)
Income tax benefit	—	—	—	—	5.1	—	—	5.1
Equity loss related to investment in subsidiaries	—	—	(10.4)	—	(4.9)	—	15.3	—
Gain on sale of real estate improvements	—	—	—	—	0.1	—	—	0.1
Net loss	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (20.3)</u>	<u>\$ —</u>	<u>\$ (10.4)</u>	<u>\$ (4.9)</u>	<u>\$ 15.3</u>	<u>\$ (20.3)</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Consolidating Statements of Cash Flows

<i>(amounts in millions)</i>	Year Ended December 31, 2014							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ (10.0)	(0.2)	\$ (16.7)	\$ —	35.1	\$ (3.9)	\$ (18.8)	\$ (14.5)
Equity earnings (loss) related to investment in subsidiaries	10.0	0.2	(35.1)	—	3.9	—	21.0	—
<i>Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:</i>								
Depreciation and amortization	—	—	—	—	115.0	3.0	—	118.0
Stock-based compensation expense	—	—	—	—	10.3	—	—	10.3
Noncash interest expense	—	—	3.4	—	—	—	—	3.4
Provision for bad debt write off	—	—	—	—	0.8	—	—	0.8
Loss on extinguishment of debt	—	—	13.6	—	—	—	—	13.6
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>								
Rent receivables and other assets	—	—	0.4	—	(35.3)	(2.1)	—	(37.0)
Accounts payable and accrued expenses	—	—	4.7	—	2.1	0.1	—	6.9
Payables to related parties	—	—	—	—	(0.2)	—	—	(0.2)
Deferred revenue	—	—	—	—	10.0	(0.2)	—	9.8
Net cash (used in) provided by operating activities	—	—	(29.7)	—	141.7	(3.1)	2.2	111.1
<i>Cash flows from investing activities:</i>								
Capital expenditures - other	—	—	—	—	(283.9)	(0.3)	—	(284.2)
Return of investment	25.2	—	97.3	—	(45.4)	—	(77.1)	—
Intercompany receipts	—	—	180.2	—	—	—	(180.2)	—
Intercompany distributions	—	—	(315.0)	—	—	—	315.0	—
Net cash provided by (used in) investing activities	25.2	—	(37.5)	—	(329.3)	(0.3)	57.7	(284.2)
<i>Cash flows from financing activities:</i>								
Issuance of common stock	356.0	—	—	—	—	—	—	356.0
Stock issuance costs	(1.3)	—	—	—	—	—	—	(1.3)
Acquisition of operating partnership units	(355.9)	—	—	—	—	—	—	(355.9)
Dividends paid	(24.0)	—	(50.9)	—	(50.9)	—	74.9	(50.9)
Intercompany borrowings	—	—	—	—	315.0	—	(315.0)	—
Intercompany payments	—	—	—	—	(180.2)	—	180.2	—
Borrowings from revolving credit agreement	—	—	315.0	—	—	—	—	315.0
Payments on revolving credit facility	—	—	(30.0)	—	—	—	—	(30.0)
Payments on senior notes	—	—	(150.2)	—	—	—	—	(150.2)
Payments on capital lease obligations	—	—	—	—	(2.4)	(0.6)	—	(3.0)
Payments on financing obligations	—	—	—	—	(0.7)	(0.2)	—	(0.9)
Payment of debt extinguishment costs	—	—	(12.8)	—	—	—	—	(12.8)
Contributions from/(distributions to) parent, net	—	—	1.3	—	(6.5)	5.2	—	—
Debt issuance costs	—	—	(5.2)	—	—	—	—	(5.2)
Net cash (used in) provided by financing activities	(25.2)	—	67.2	—	74.3	4.4	(59.9)	60.8
Net (decrease) increase in cash and cash equivalents	—	—	—	—	(113.3)	1.0	—	(112.3)
Cash and cash equivalents at beginning of period	—	—	—	—	146.8	2.0	—	148.8
Cash and cash equivalents at end of period	\$ —	\$ —	\$ —	\$ —	\$ 33.5	\$ 3.0	\$ —	\$ 36.5

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Period Ended December 31, 2013

<i>(amounts in millions)</i>	Parent Guarantor ⁽¹⁾	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ (5.3)	(0.2)	\$ (15.6)	\$ —	20.9	\$ (4.5)	\$ (10.9)	\$ (15.6)
Equity earnings (loss) related to investment in subsidiaries	5.3	0.2	(20.9)	—	4.5	—	10.9	—
<i>Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:</i>								
Depreciation and amortization	—	—	—	—	87.1	2.8	—	89.9
Stock-based compensation expense	—	—	—	—	6.0	—	—	6.0
Noncash interest expense	—	—	4.0	—	—	—	—	4.0
Provision for bad debt write off	—	—	—	—	0.4	—	—	0.4
Loss on extinguishment of debt	—	—	—	—	1.3	—	—	1.3
Asset impairments	—	—	—	—	2.8	—	—	2.8
Deferred income tax expense	—	—	—	—	0.6	—	—	0.6
Other, net	(7.1)	—	(13.4)	—	(16.2)	—	36.7	—
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>								
Rent receivables and other assets	9.4	—	—	—	(9.9)	(3.0)	(12.2)	(15.7)
Accounts payable and accrued expenses	(2.3)	—	4.8	—	0.2	0.3	(17.6)	(14.6)
Payables to related parties	—	—	6.8	—	18.4	—	(6.8)	18.4
Deferred revenue	—	—	—	—	(0.3)	0.2	—	(0.1)
Net cash provided by (used in) operating activities	—	—	(34.3)	—	115.8	(4.2)	0.1	77.4
<i>Cash flows from investing activities:</i>								
Capital expenditures - acquisitions of real estate	—	—	—	—	(48.0)	—	—	(48.0)
Capital expenditures - other	—	—	—	—	(172.9)	—	—	(172.9)
Investment in subsidiaries	(337.1)	—	(337.1)	—	—	—	674.2	—
Release of restricted cash	—	—	—	—	4.4	—	—	4.4
Return of investment	10.6	—	66.5	—	—	—	(77.1)	—
Other, net	—	—	—	—	(0.2)	—	—	(0.2)
Net cash (used in) provided by investing activities	(326.5)	—	(270.6)	—	(216.7)	—	597.1	(216.7)
<i>Cash flows from financing activities:</i>								
Issuance of common stock/partnership units	360.5	—	337.1	—	—	—	(337.1)	360.5
IPO costs	(23.4)	—	—	—	(3.2)	—	—	(26.6)
Dividends paid	(10.6)	—	(31.0)	—	(31.0)	—	41.6	(31.0)
Payments on capital leases	—	—	—	—	(4.4)	(0.9)	—	(5.3)
Other financing arrangements	—	—	—	—	(0.5)	(0.2)	—	(0.7)
Payments to buyout capital leases	—	—	—	—	(9.6)	—	—	(9.6)
Payment to buyout other financing arrangement	—	—	—	—	(10.2)	—	—	(10.2)
Contributions from parent guarantor	—	—	—	—	295.4	6.3	(301.7)	—
Debt issuance costs	—	—	(1.3)	—	—	—	—	(1.3)
Net cash provided by (used in) financing activities	326.5	—	304.8	—	236.5	5.2	(597.2)	275.8
Net (decrease) increase in cash and cash equivalents	—	—	(0.1)	—	135.6	1.0	—	136.5
Cash and cash equivalents at beginning of period	—	—	0.1	—	11.2	1.0	—	12.3
Cash and cash equivalents at end of period	\$ —	\$ —	\$ —	\$ —	\$ 146.8	\$ 2.0	\$ —	\$ 148.8

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Period Ended January 23, 2013

<i>(amounts in millions)</i>	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ —	—	\$ (20.2)	—	\$ (17.9)	(0.1)	\$ 18.0	\$ (20.2)
Equity loss related to investment in subsidiaries	—	—	17.9	—	0.1	—	(18.0)	—
Adjustments to reconcile net (loss) income to net cash provided by operating activities	—	—	0.2	—	5.6	0.1	—	5.9
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>								
Rent receivables and other assets	—	—	—	—	(9.6)	—	—	(9.6)
Accounts payable and accrued expenses	—	—	2.1	—	18.4	—	—	20.5
Payables to related parties	—	—	—	—	1.5	—	—	1.5
Other changes in assets and liabilities	—	—	—	—	3.8	0.1	—	3.9
Net cash provided by operating activities	—	—	—	—	1.9	0.1	—	2.0
<i>Cash flows from investing activities:</i>								
Capital expenditures - other	—	—	—	—	(7.7)	—	—	(7.7)
Release of restricted cash	—	—	—	—	1.9	—	—	1.9
Intercompany advances, net	—	—	0.1	—	(0.1)	—	—	—
Net cash provided by (used in) investing activities	—	—	0.1	—	(5.9)	—	—	(5.8)
<i>Cash flows from financing activities:</i>								
Payments on capital lease obligations	—	—	—	—	(0.6)	—	—	(0.6)
Contributions from parent, net	—	—	—	—	0.2	—	—	0.2
Net cash used in financing activities	—	—	—	—	(0.4)	—	—	(0.4)
Net increase (decrease) in cash and cash equivalents	—	—	0.1	—	(4.4)	0.1	—	(4.2)
Cash and cash equivalents at beginning of period	—	—	—	—	15.6	0.9	—	16.5
Cash and cash equivalents at end of period	\$ —	\$ —	\$ 0.1	\$ —	\$ 11.2	\$ 1.0	\$ —	\$ 12.3

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

<i>(amounts in millions)</i>	Year Ended December 31, 2012							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ —	\$ —	\$ (20.3)	\$ —	\$ (10.4)	\$ (4.9)	\$ 15.3	\$ (20.3)
Equity loss related to investment in subsidiaries	—	—	10.4	—	4.9	—	(15.3)	—
Adjustments to reconcile net (loss) income to net cash provided by operating activities	—	—	0.2	—	83.9	1.5	—	85.6
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>								
Rent receivables and other assets	(7.9)	—	—	—	(15.5)	(0.6)	—	(24.0)
Accounts payable and accrued expenses	0.8	—	4.4	—	(5.5)	(0.3)	—	(0.6)
Increase in deferred revenues	—	—	—	—	3.3	0.5	—	3.8
Net cash (used in) provided by operating activities	(7.1)	—	(5.3)	—	60.7	(3.8)	—	44.5
<i>Cash flows from investing activities:</i>								
Capital expenditures - acquisitions of real estate	—	—	—	—	(25.1)	(0.3)	—	(25.4)
Capital expenditures - other	—	—	—	—	(202.9)	—	—	(202.9)
Proceeds from sale of assets	—	—	—	—	0.2	—	—	0.2
Increase in restricted cash	—	—	—	—	(11.1)	—	—	(11.1)
Release of restricted cash	—	—	—	—	4.8	—	—	4.8
Advances to affiliate	—	—	—	—	(18.3)	—	—	(18.3)
Intercompany advances, net	—	—	(508.2)	—	508.1	0.1	—	—
Other, net	—	—	—	—	0.1	—	—	0.1
Net cash (used in) provided by investing activities	—	—	(508.2)	—	255.8	(0.2)	—	(252.6)
<i>Cash flows from financing activities:</i>								
Borrowings from affiliates, net	—	—	—	—	119.8	—	—	119.8
Repayment of related party note	—	—	—	—	(400.0)	—	—	(400.0)
Proceeds from issuance of debt	—	—	525.0	—	—	—	—	525.0
Payment on capital lease obligations	—	—	—	—	(8.4)	(0.6)	—	(9.0)
Debt issuance costs	—	—	(17.2)	—	—	—	—	(17.2)
Contributions from (distribution to) parent, net	7.1	—	5.7	—	(12.7)	5.3	—	5.4
Net cash provided by (used in) financing activities	7.1	—	513.5	—	(301.3)	4.7	—	224.0
Net increase in cash and cash equivalents	—	—	—	—	15.2	0.7	—	15.9
Cash and cash equivalents at beginning of period	—	—	—	—	0.4	0.2	—	0.6
Cash and cash equivalents at end of period	\$ —	\$ —	\$ —	\$ —	\$ 15.6	\$ 0.9	\$ —	\$ 16.5

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

CyrusOne LP

CyrusOne LP and CyrusOne Finance Corp., as “LP Co-issuer” and “Finance Co-issuer,” respectively (together, the “Issuers”), had \$374.8 million aggregate principal amount of senior notes outstanding at December 31, 2014 and \$525.0 million as of December 31, 2013. The senior notes are fully and unconditionally and jointly and severally guaranteed on a senior basis by CyrusOne Inc. (“Parent Guarantor”), CyrusOne GP (“General Partner”), and CyrusOne LP’s 100% owned subsidiaries, CyrusOne LLC, CyrusOne TRS Inc. and CyrusOne Foreign Holdings LLC (such subsidiaries, together the “Guarantors”). None of the subsidiaries organized outside of the United States (collectively, the “Non-Guarantors”) guarantee the senior notes. Subject to the provisions of the indenture governing the senior notes, in certain circumstances, a Guarantor may be released from its guarantee obligation, including:

- upon the sale or other disposition (including by way of consolidation or merger) of such Guarantor or of all of the capital stock of such Guarantor such that such Guarantor is no longer a restricted subsidiary under the indenture,
- upon the sale or disposition of all or substantially all of the assets of the Guarantor,
- upon the LP Co-issuer designating such Guarantor as an unrestricted subsidiary under the terms of the indenture,
- if such Guarantor is no longer a guarantor or other obligor of any other indebtedness of the LP Co-issuer or the Parent Guarantor, and
- upon the defeasance or discharge of the senior notes in accordance with the terms of the indenture.

The following provides information regarding the entity structure of each guarantor of the senior notes:

CyrusOne Inc.—CyrusOne Inc. was formed on July 31, 2012. As of January 23, 2013, CyrusOne Inc. was a 100% owned subsidiary of CBI. Effective January 24, 2013, CyrusOne Inc. completed its IPO of common stock for net proceeds of \$337.1 million, and together with the General Partner, purchased a 33.9% ownership interest in CyrusOne LP. CyrusOne Inc. also represents a guarantor or Parent Guarantor. In addition, CyrusOne Inc. became a separate registrant with the SEC upon completion of its IPO.

CyrusOne GP—CyrusOne GP was formed on July 31, 2012, and was a 100% owned subsidiary of CyrusOne Inc. as of January 23, 2013. Effective upon completion of CyrusOne Inc.’s IPO, this entity became the general partner and 1% owner of CyrusOne LP and has no other assets or operations. Prior to the IPO, this entity did not incur any obligations or record any transactions.

Issuers—The Issuers include CyrusOne LP and CyrusOne Finance Corp. CyrusOne Finance Corp., a 100% owned subsidiary of CyrusOne LP, was formed for the sole purpose of acting as co-issuer of the senior notes and has no other assets or operations. CyrusOne LP, in addition to being the co-issuer of the senior notes, is also the 100% owner, either directly or indirectly, of the Guarantors and Non-Guarantors.

Guarantors—The guarantors include CyrusOne LLC, CyrusOne TRS Inc., and CyrusOne Foreign Holdings LLC. CyrusOne LLC accounts for all of the domestic operations of CyrusOne LP, including the businesses that composed the Predecessor operations. CyrusOne LLC, together with CyrusOne Foreign Holdings LLC, directly or indirectly owns 100% of the Non-Guarantors. As of December 31, 2013, CyrusOne TRS Inc. had not incurred any obligations or recorded any material transactions for the period ended December 31, 2013 and January 23, 2013.

As of December 31, 2013, the Non-Guarantors consist of 100% owned subsidiaries, which conduct operations in the United Kingdom and Singapore.

The following schedules present the financial information for the periods ended December 31, 2014, and January 23, 2013, and the years ended December 31, 2012 and December 31, 2011, for the LP Co-issuer, Finance Co-issuer, Guarantors, and Non-Guarantors. The financial statements for the period ended January 23, 2013, present the financial information prior to the effective date of the IPO, and the financial statements for the period ended December 31, 2013, present the financial information after the effective date of the IPO. The consolidating schedules are provided in accordance with the reporting requirements for guarantor subsidiaries.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Consolidating Balance Sheets

	As of December 31, 2014					
<i>(amounts in millions)</i>	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Land	\$ —	\$ —	\$ 89.7	\$ —	\$ —	\$ 89.7
Buildings and improvements	—	—	770.9	41.7	—	812.6
Equipment	—	—	348.3	0.8	—	349.1
Construction in progress	—	—	124.8	—	2.2	127.0
Subtotal	—	—	1,333.7	42.5	2.2	1,378.4
Accumulated depreciation	—	—	(319.7)	(7.3)	—	(327.0)
Net investment in real estate	—	—	1,014.0	35.2	2.2	1,051.4
Cash and cash equivalents	—	—	33.5	3.0	—	36.5
Investment in subsidiaries	734.3	—	3.6	—	(737.9)	—
Rent and other receivables	—	—	57.9	3.0	—	60.9
Intercompany receivable	642.9	—	—	—	(642.9)	—
Goodwill	—	—	276.2	—	—	276.2
Intangible assets, net	—	—	68.9	—	—	68.9
Due from affiliates	—	—	0.8	—	—	0.8
Other assets	15.5	—	73.1	3.2	—	91.8
Total assets	<u>\$ 1,392.7</u>	<u>\$ —</u>	<u>\$ 1,528.0</u>	<u>\$ 44.4</u>	<u>\$ (1,378.6)</u>	<u>\$ 1,586.5</u>
Accounts payable and accrued expenses	\$ 12.5	\$ —	\$ 56.9	\$ 0.5	\$ —	\$ 69.9
Deferred revenue	—	—	65.1	0.6	—	65.7
Intercompany payable	—	—	642.9	—	(642.9)	—
Due to affiliates	5.6	—	1.7	—	—	7.3
Capital lease obligations	—	—	6.2	7.2	—	13.4
Long-term debt	659.8	—	—	—	—	659.8
Other financing arrangements	—	—	20.9	32.5	—	53.4
Total liabilities	<u>677.9</u>	<u>—</u>	<u>793.7</u>	<u>40.8</u>	<u>(642.9)</u>	<u>869.5</u>
Total partnership capital	<u>714.8</u>	<u>—</u>	<u>734.3</u>	<u>3.6</u>	<u>(735.7)</u>	<u>717.0</u>
Total liabilities and parent's net investment	<u>\$ 1,392.7</u>	<u>\$ —</u>	<u>\$ 1,528.0</u>	<u>\$ 44.4</u>	<u>\$ (1,378.6)</u>	<u>\$ 1,586.5</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

As of December 31, 2013

<i>(amounts in millions)</i>	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Land	\$ —	\$ —	\$ 89.3	\$ —	\$ —	\$ 89.3
Buildings and improvements	—	—	739.6	44.1	—	783.7
Equipment	—	—	189.4	0.8	—	190.2
Construction in progress	—	—	57.3	—	—	57.3
Subtotal	—	—	1,075.6	44.9	—	1,120.5
Accumulated depreciation	—	—	(232.0)	(4.7)	—	(236.7)
Net investment in real estate	—	—	843.6	40.2	—	883.8
Cash and cash equivalents	—	—	146.8	2.0	—	148.8
Investment in subsidiaries	795.0	—	2.1	—	(797.1)	—
Rent and other receivables	—	—	40.3	0.9	—	41.2
Intercompany receivable	508.1	—	0.2	—	(508.3)	—
Goodwill	—	—	276.2	—	—	276.2
Intangible assets, net	—	—	85.9	—	—	85.9
Due from affiliates	—	—	0.6	—	—	0.6
Other assets	14.1	—	53.0	3.2	—	70.3
Total assets	<u>\$ 1,317.2</u>	<u>\$ —</u>	<u>\$ 1,448.7</u>	<u>\$ 46.3</u>	<u>\$ (1,305.4)</u>	<u>\$ 1,506.8</u>
Accounts payable and accrued expenses	\$ 7.8	\$ —	\$ 58.6	\$ 0.4	\$ —	\$ 66.8
Deferred revenue	—	—	55.1	0.8	—	55.9
Intercompany payable	—	—	508.1	0.2	(508.3)	—
Due to affiliates	6.8	—	1.7	—	—	8.5
Capital lease obligations	—	—	8.6	8.1	—	16.7
Long-term debt	525.0	—	—	—	—	525.0
Other financing arrangements	—	—	21.6	34.7	—	56.3
Total liabilities	539.6	—	653.7	44.2	(508.3)	729.2
Partnership capital	777.6	—	795.0	2.1	(797.1)	777.6
Total liabilities and partnership capital	<u>\$ 1,317.2</u>	<u>\$ —</u>	<u>\$ 1,448.7</u>	<u>\$ 46.3</u>	<u>\$ (1,305.4)</u>	<u>\$ 1,506.8</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Consolidating Statements of Operations

<i>(amounts in millions)</i>	Year Ended December 31, 2014					
	LP Co-issuer	Finance Co- issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ 325.1	\$ 5.8	\$ —	\$ 330.9
Costs and expenses:						
Property operating expenses	—	—	121.9	2.6	—	124.5
Sales and marketing	—	—	12.6	0.2	—	12.8
General and administrative	—	—	34.2	0.4	—	34.6
Depreciation and amortization	—	—	115.0	3.0	—	118.0
Transaction costs	—	—	1.0	—	—	1.0
Total costs and expenses	—	—	284.7	6.2	—	290.9
Operating income (loss)	—	—	40.4	(0.4)	—	40.0
Interest expense (income)	38.2	—	—	3.5	(2.2)	39.5
Loss on extinguishment of debt	13.6	—	—	—	—	13.6
(Loss) income before income taxes	(51.8)	—	40.4	(3.9)	2.2	(13.1)
Income tax expense	—	—	(1.4)	—	—	(1.4)
Equity earnings (loss) related to investment in subsidiaries	35.1	—	(3.9)	—	(31.2)	—
Net (loss) income	<u>\$ (16.7)</u>	<u>\$ —</u>	<u>\$ 35.1</u>	<u>\$ (3.9)</u>	<u>\$ (29.0)</u>	<u>\$ (14.5)</u>

<i>(amounts in millions)</i>	Period Ended December 31, 2013					
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ 244.3	\$ 4.1	\$ —	\$ 248.4
Costs and expenses:						
Property operating expenses	—	—	85.9	2.5	—	88.4
Sales and marketing	—	—	9.7	0.2	—	9.9
General and administrative	—	—	26.3	0.2	—	26.5
Depreciation and amortization	—	—	87.1	2.8	—	89.9
Restructuring charges	—	—	1.3	—	—	1.3
Transaction costs	—	—	0.7	—	—	0.7
Asset impairment	—	—	2.8	—	—	2.8
Total costs and expenses	—	—	213.8	5.7	—	219.5
Operating income (loss)	—	—	30.5	(1.6)	—	28.9
Interest expense	36.5	—	1.8	2.9	—	41.2
Other income	—	—	(0.1)	—	—	(0.1)
Loss on extinguishment of debt	—	—	1.3	—	—	1.3
(Loss) income before income taxes	(36.5)	—	27.5	(4.5)	—	(13.5)
Income tax expense	—	—	(1.9)	—	—	(1.9)
Equity earnings (loss) related to investment in subsidiaries	20.9	—	(4.5)	—	(16.4)	—
(Loss) income from continuing operations	(15.6)	—	21.1	(4.5)	(16.4)	(15.4)
Loss on sale of real estate improvements	—	—	(0.2)	—	—	(0.2)
Net (loss) income	<u>\$ (15.6)</u>	<u>\$ —</u>	<u>\$ 20.9</u>	<u>\$ (4.5)</u>	<u>\$ (16.4)</u>	<u>\$ (15.6)</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Period Ended January 23, 2013

<i>(amounts in millions)</i>	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ 14.9	\$ 0.2	\$ —	\$ 15.1
Costs and expenses:						
Property operating expenses	—	—	4.8	—	—	4.8
Sales and marketing	—	—	0.7	—	—	0.7
General and administrative	—	—	1.4	0.1	—	1.5
Transaction-related compensation	—	—	20.0	—	—	20.0
Depreciation and amortization	—	—	5.2	0.1	—	5.3
Transaction costs	—	—	0.1	—	—	0.1
Total costs and expenses	—	—	32.2	0.2	—	32.4
Operating loss	—	—	(17.3)	—	—	(17.3)
Interest expense	2.3	—	0.1	0.1	—	2.5
Loss before income taxes	(2.3)	—	(17.4)	(0.1)	—	(19.8)
Income tax expense	—	—	(0.4)	—	—	(0.4)
Equity loss related to investment in subsidiaries	(17.9)	—	(0.1)	—	18.0	—
Net loss	<u>\$ (20.2)</u>	<u>\$ —</u>	<u>\$ (17.9)</u>	<u>\$ (0.1)</u>	<u>\$ 18.0</u>	<u>\$ (20.2)</u>

Year Ended December 31, 2012

<i>(amounts in millions)</i>	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Revenue	\$ —	\$ —	\$ 219.4	\$ 1.4	\$ —	\$ 220.8
Costs and expenses:						
Property operating expenses	—	—	74.1	1.9	—	76.0
Sales and marketing	—	—	9.5	0.2	—	9.7
General and administrative	—	—	20.6	0.1	—	20.7
Depreciation and amortization	—	—	71.9	1.5	—	73.4
Transaction costs	5.7	—	—	—	—	5.7
Management fees charged by CBI	—	—	2.5	—	—	2.5
Loss on sale of receivables to an affiliate	—	—	3.2	—	—	3.2
Asset impairments	—	—	13.3	—	—	13.3
Total costs and expenses	5.7	—	195.1	3.7	—	204.5
Operating (loss) income	(5.7)	—	24.3	(2.3)	—	16.3
Interest expense	4.2	—	35.0	2.6	—	41.8
Loss before income taxes	(9.9)	—	(10.7)	(4.9)	—	(25.5)
Income tax benefit	—	—	5.1	—	—	5.1
Equity loss related to investment in subsidiaries	(10.4)	—	(4.9)	—	15.3	—
Loss from continuing operations	(20.3)	—	(10.5)	(4.9)	15.3	(20.4)
Gain on sale of real estate improvements	—	—	0.1	—	—	0.1
Net loss	<u>\$ (20.3)</u>	<u>\$ —</u>	<u>\$ (10.4)</u>	<u>\$ (4.9)</u>	<u>\$ 15.3</u>	<u>\$ (20.3)</u>

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Consolidating Statements of Cash Flows

<i>(amounts in millions)</i>	Year Ended December 31, 2014					
	LP Co-issuer	Finance Co-issuer	Guarantor s	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ (16.7)	\$ —	35.1	\$ (3.9)	\$ (29.0)	\$ (14.5)
Equity earnings (loss) related to investment in subsidiaries	(35.1)	—	3.9	—	31.2	—
<i>Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:</i>						
Depreciation and amortization	—	—	115.0	3.0	—	118.0
Stock-based compensation expense	—	—	10.3	—	—	10.3
Noncash interest expense	3.4	—	—	—	—	3.4
Provision for bad debt write off	—	—	0.8	—	—	0.8
Loss on extinguishment of debt	13.6	—	—	—	—	13.6
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>						
Rent receivables and other assets	0.4	—	(35.3)	(2.1)	—	(37.0)
Accounts payable and accrued expenses	4.7	—	2.1	0.1	—	6.9
Payables to related parties	—	—	(0.2)	—	—	(0.2)
Deferred revenue	—	—	10.0	(0.2)	—	9.8
Net cash (used in) provided by operating activities	(29.7)	—	141.7	(3.1)	2.2	111.1
<i>Cash flows from investing activities:</i>						
Capital expenditures - other	—	—	(283.9)	(0.3)	—	(284.2)
Return of investment	97.3	—	(45.4)	—	(51.9)	—
Intercompany receipts	180.2	—	—	—	(180.2)	—
Intercompany distributions	(315.0)	—	—	—	315.0	—
Net cash provided by (used in) investing activities	(37.5)	—	(329.3)	(0.3)	82.9	(284.2)
<i>Cash flows from financing activities:</i>						
Issuance of partnership units	0.1	—	—	—	—	0.1
Dividends paid	(50.9)	—	(50.9)	—	50.9	(50.9)
Intercompany borrowings	—	—	315.0	—	(315.0)	—
Intercompany payments	—	—	(180.2)	—	180.2	—
Borrowings from revolving credit agreement	315.0	—	—	—	—	315.0
Payments on revolving credit facility	(30.0)	—	—	—	—	(30.0)
Payments on senior notes	(150.2)	—	—	—	—	(150.2)
Payments on capital leases	—	—	(2.4)	(0.6)	—	(3.0)
Other financing arrangements	—	—	(0.7)	(0.2)	—	(0.9)
Debt extinguishment costs	(12.8)	—	—	—	—	(12.8)
Contributions (distributions) from parent guarantor	1.2	—	(6.5)	5.2	(1.2)	(1.3)
Debt issuance costs	(5.2)	—	—	—	—	(5.2)
Net cash provided by (used in) financing activities	67.2	—	74.3	4.4	(85.1)	60.8
Net (decrease) increase in cash and cash equivalents	—	—	(113.3)	1.0	—	(112.3)
Cash and cash equivalents at beginning of period	—	—	146.8	2.0	—	148.8
Cash and cash equivalents at end of period	\$ —	\$ —	\$ 33.5	\$ 3.0	\$ —	\$ 36.5

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Period Ended December 31, 2013

<i>(amounts in millions)</i>	LP (1) Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ (15.6)	\$ —	\$ 20.9	\$ (4.5)	\$ (16.4)	\$ (15.6)
Equity earnings (loss) related to investment in subsidiaries	(20.9)	—	4.5	—	16.4	—
<i>Adjustments to reconcile net (loss) income to net cash provided by operating activities:</i>						
Depreciation and amortization	—	—	87.1	2.8	—	89.9
Stock-based compensation expense	—	—	6.0	—	—	6.0
Noncash interest expense	4.0	—	—	—	—	4.0
Provision for bad debt write off	—	—	0.4	—	—	0.4
Loss on extinguishment of debt	—	—	1.3	—	—	1.3
Asset impairments	—	—	2.8	—	—	2.8
Deferred income tax expense	—	—	0.6	—	—	0.6
Other, net	(13.4)	—	(16.2)	—	29.6	—
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>						
Rent receivables and other assets	—	—	(9.9)	(3.0)	(2.8)	(15.7)
Accounts payable and accrued expenses	4.8	—	0.2	0.3	(19.9)	(14.6)
Payables to related parties	6.8	—	18.4	—	(6.8)	18.4
Deferred revenue	—	—	(0.3)	0.2	—	(0.1)
Net cash provided by (used in) operating activities	(34.3)	—	115.8	(4.2)	0.1	77.4
<i>Cash flows from investing activities:</i>						
Capital expenditures - acquisitions of real estate	—	—	(48.0)	—	—	(48.0)
Capital expenditures - other	—	—	(172.9)	—	—	(172.9)
Investment in subsidiaries	(337.1)	—	—	—	337.1	—
Return of investment	66.5	—	—	—	(66.5)	—
Release of restricted cash	—	—	4.4	—	—	4.4
Intercompany advances, net	—	—	—	—	—	—
Other, net	—	—	(0.2)	—	—	(0.2)
Net cash provided by (used in) investing activities	(270.6)	—	(216.7)	—	270.6	(216.7)
<i>Cash flows from financing activities:</i>						
Issuance of partnership units	337.1	—	(3.2)	—	—	333.9
Distributions paid	(31.0)	—	(31.0)	—	31.0	(31.0)
Payments on capital leases	—	—	(4.4)	(0.9)	—	(5.3)
Other financing arrangements	—	—	(0.5)	(0.2)	—	(0.7)
Payments to buyout capital leases	—	—	(9.6)	—	—	(9.6)
Payment to buyout other financing arrangement	—	—	(10.2)	—	—	(10.2)
Contribution from parent, net	—	—	295.4	6.3	(301.7)	—
Debt issuance costs	(1.3)	—	—	—	—	(1.3)
Net cash provided by (used in) financing activities	304.8	—	236.5	5.2	(270.7)	275.8
Net increase (decrease) in cash and cash equivalents	(0.1)	—	135.6	1.0	—	136.5
Cash and cash equivalents at beginning of period	0.1	—	11.2	1.0	—	12.3
Cash and cash equivalents at end of period	\$ —	\$ —	\$ 146.8	\$ 2.0	\$ —	\$ 148.8

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Period Ended January 23, 2013

<i>(amounts in millions)</i>	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ (20.2)	\$ —	\$ (17.9)	\$ (0.1)	\$ 18.0	\$ (20.2)
Equity loss related to investment in subsidiaries	17.9	—	0.1	—	(18.0)	—
Adjustments to reconcile net (loss) income to net cash provided by operating activities	0.2	—	5.6	0.1	—	5.9
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>						
Rent receivables and other assets	—	—	(9.6)	—	—	(9.6)
Accounts payable and accrued expenses	2.1	—	18.4	—	—	20.5
Payables to related parties	—	—	1.5	—	—	1.5
Other changes in assets and liabilities	—	—	3.8	0.1	—	3.9
Net cash provided by operating activities	—	—	1.9	0.1	—	2.0
<i>Cash flows from investing activities:</i>						
Capital expenditures - other	—	—	(7.7)	—	—	(7.7)
Release of restricted cash	—	—	1.9	—	—	1.9
Intercompany advances, net	0.1	—	(0.1)	—	—	—
Net cash provided by (used in) investing activities	0.1	—	(5.9)	—	—	(5.8)
<i>Cash flows from financing activities:</i>						
Payments on capital lease obligations	—	—	(0.6)	—	—	(0.6)
Contributions from parent, net	—	—	0.2	—	—	0.2
Net cash used in financing activities	—	—	(0.4)	—	—	(0.4)
Net increase (decrease) in cash and cash equivalents	0.1	—	(4.4)	0.1	—	(4.2)
Cash and cash equivalents at beginning of period	—	—	15.6	0.9	—	16.5
Cash and cash equivalents at end of period	\$ 0.1	\$ —	\$ 11.2	\$ 1.0	\$ —	\$ 12.3

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

Year Ended December 31, 2012

<i>(amounts in millions)</i>	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	\$ (20.3)	\$ —	\$ (10.4)	\$ (4.9)	\$ 15.3	\$ (20.3)
Equity loss related to investment in subsidiaries	10.4	—	4.9	—	(15.3)	—
Adjustments to reconcile net (loss) income to net cash provided by operating activities	0.2	—	83.9	1.5	—	85.6
<i>Changes in operating assets and liabilities, net of effects of acquisitions:</i>						
Rent receivables and other assets	—	—	(15.5)	(0.6)	—	(16.1)
Accounts payable and accrued expenses	4.4	—	(5.5)	(0.3)	—	(1.4)
Payables to related parties	—	—	3.3	0.5	—	3.8
Net cash (used in) provided by operating activities	(5.3)	—	60.7	(3.8)	—	51.6
<i>Cash flows from investing activities:</i>						
Capital expenditures - acquisitions of real estate	—	—	(25.1)	(0.3)	—	(25.4)
Capital expenditures - other	—	—	(202.9)	—	—	(202.9)
Proceeds from sale of assets	—	—	0.2	—	—	0.2
Increase in restricted cash	—	—	(11.1)	—	—	(11.1)
Release of restricted cash	—	—	4.8	—	—	4.8
Advances to affiliate	—	—	(18.3)	—	—	(18.3)
Intercompany advances, net	(508.2)	—	508.1	0.1	—	—
Other, net	—	—	0.1	—	—	0.1
Net cash (used in) provided by investing activities	(508.2)	—	255.8	(0.2)	—	(252.6)
<i>Cash flows from financing activities:</i>						
Borrowings from affiliates, net	—	—	119.8	—	—	119.8
Repayment of related party note	—	—	(400.0)	—	—	(400.0)
Proceeds from issuance of debt	525.0	—	—	—	—	525.0
Payment on capital lease obligations	—	—	(8.4)	(0.6)	—	(9.0)
Debt issuance costs	(17.2)	—	—	—	—	(17.2)
Contributions from (distributions to) parent, net	5.7	—	(12.7)	5.3	—	(1.7)
Net cash provided by (used in) financing activities	513.5	—	(301.3)	4.7	—	216.9
Net increase in cash and cash equivalents	—	—	15.2	0.7	—	15.9
Cash and cash equivalents at beginning of period	—	—	0.4	0.2	—	0.6
Cash and cash equivalents at end of period	\$ —	\$ —	\$ 15.6	\$ 0.9	\$ —	\$ 16.5

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

21. Quarterly Financial Information (Unaudited)

The table below reflects the unaudited selected quarterly information for the years ended December 31, 2014 and 2013:

(dollars in millions, except per share amounts)

	2014				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue	\$ 77.5	\$ 81.7	\$ 84.8	\$ 86.9	\$ 330.9
Operating income	11.8	7.4	9.6	11.2	40.0
Net income (loss)	0.7	(3.6)	0.2	(11.8)	(14.5)
Net income (loss) attributed to common shareholders	0.2	(1.1)	0.1	(7.0)	(7.8)
Basic and diluted loss per share ^(a)	—	(0.06)	—	(0.19)	(0.25)

	2013					
	January 1, 2013 to January 23, 2013	January 24, 2013 to March 31, 2013	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue	\$ 15.1	\$ 45.0	\$ 63.6	\$ 67.5	\$ 72.3	\$ 263.5
Operating (loss) income	(17.3)	5.8	5.6	8.5	9.0	11.6
Net loss	(20.2)	(2.8)	(6.8)	(2.2)	(3.8)	(35.8)
Net loss attributed to common shareholders	—	(0.9)	(2.3)	(0.8)	(1.3)	(5.3)
Basic and diluted loss per share	—	(0.05)	(0.12)	(0.05)	(0.06)	(0.28)

^(a) The basic and diluted income (loss) per share for 2014 was \$(0.30) compared to \$(0.25) due to the impact of the 16 million shares of common stock issued during the secondary offering in June 2014.

CyrusOne Inc. and CyrusOne LP
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS - (continued)

22. Subsequent Event

On February 19, 2015, CyrusOne LLC entered into an agreement with Met Center Partners to purchase Austin Met 2 for \$17.3 million. The purchase was funded with proceeds from the credit agreement.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures (CyrusOne Inc.)

CyrusOne Inc.'s management, including the Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of CyrusOne's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, CyrusOne's Chief Executive Officer and Chief Financial Officer have concluded that such controls and procedures were effective.

Disclosure Controls and Procedures (CyrusOne LP)

CyrusOne LP's management, including the Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of CyrusOne's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, CyrusOne's Chief Executive Officer and Chief Financial Officer have concluded that such controls and procedures were effective.

Management's annual report on internal control over financial reporting (CyrusOne Inc.)

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal controls over financial reporting. In making its assessment of internal controls over financial reporting, management used criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on the evaluation, our management concluded that our internal controls over financial reporting are effective as of December 31, 2014.

Management's annual report on internal control over financial reporting (CyrusOne LP)

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal controls over financial reporting. In making its assessment of internal controls over financial reporting, management used criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on the evaluation, our management concluded that our internal controls over financial reporting are effective as of December 31, 2014.

ATTESTATION REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Cyrusone Inc.)

The effectiveness of our internal control over financial reporting as of December 31, 2014 has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in their attestation report, which is included in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting (CyrusOne Inc.)

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2014, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Control over Financial Reporting (CyrusOne LP)

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2014, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item can be found in the Proxy Statement for the 2015 Annual Meeting of Shareholders and is incorporated herein by reference.

Items 11. Executive Compensation

The information required by this item can be found in the Proxy Statement for the 2015 Annual Meeting of Shareholders and is incorporated herein by reference.

Items 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item can be found in the Proxy Statement for the 2015 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item can be found in the Proxy Statement for the 2015 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item can be found in the Proxy Statement for the 2015 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

- (a) **Consolidated and Combined Financial Statements and Schedules.** The following consolidated and combined financial statements and schedules are included in this report:

(1) FINANCIAL STATEMENTS

The response to this portion of Item 15 is submitted under Item 8 of this Annual Report on Form 10-K.

(2) FINANCIAL STATEMENT SCHEDULES

Schedule II—Valuation and Qualifying Accounts

Schedule III—Consolidated Real Estate and Accumulated Depreciation. The response to this portion of Item 15 is required to be filed by Item 8 of this Annual Report on Form 10-K.

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and therefore have been omitted.

(3) EXHIBITS

Any shareholder who wants a copy of the following Exhibits may obtain one from us upon request at a charge that reflects the reproduction cost of such Exhibits. Requests should be made to the Secretary of CyrusOne Inc., 1649 West Frankford Rd., Carrollton, TX 75007

Schedule II.

Valuation and Qualifying Accounts

(dollars in millions)

	Beginning of Period	Charge to Expenses	Deductions/ (Additions)	End of Period
Allowance for Doubtful Accounts				
2014	\$ 0.5	\$ 0.8	\$ 0.3	\$ 1.0
2013	0.3	0.4	0.2	0.5
2012	—	0.1	(0.2)	0.3
Deferred Tax Valuation Allowance				
2014	\$ 3.6	\$ 2.1	\$ —	\$ 5.7
2013	1.9	1.7	—	3.6
2012	0.3	1.6	—	1.9

Prior to October 1, 2012, CyrusOne sold most of its receivables to an affiliated entity at a discount of 2.5% of the face value. Proceeds from the sale of these assets were settled through CBI's centralized cash management system. Effective October 1, 2012, we terminated our participation in this program.

Schedule III.

Real Estate Properties and Accumulated Depreciation

CyrusOne Inc.

As of December 31, 2014

(dollars in millions)

Description	Initial Costs			Cost Capitalized Subsequent to Acquisition			Gross Carrying Amount			Accumulated Depreciation	Acquisition
	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment		
West Seventh St., Cincinnati, OH (7th Street)	\$ 0.9	\$ 42.2	\$ —	\$ —	\$ 68.4	\$ 12.7	\$ 0.9	\$ 110.6	\$ 12.7	\$ 69.5	1999
Parkway Dr., Mason, OH (Mason)	—	—	—	—	20.2	0.9	—	20.2	0.9	10.8	2004
Industrial Rd., Florence, KY (Florence)	2.2	7.7	—	—	33.7	3.0	2.2	41.4	3.0	18.6	2005
Goldcoast Dr., Cincinnati, OH (Goldcoast)	0.6	—	—	—	6.7	0.1	0.6	6.7	0.1	2.2	2007
Knightsbridge Dr., Hamilton, OH (Hamilton)	—	9.5	—	—	39.7	3.7	—	49.2	3.7	20.3	2007
E. Monroe St., South Bend, IN (Monroe St.)	—	—	—	—	2.5	0.1	—	2.5	0.1	1.1	2007
Springer St., Lombard, IL (Lombard)	0.7	3.2	—	—	1.5	5.7	0.7	4.7	5.7	1.3	2008
Crescent Circle, South Bend, IN (Blackthorn)	—	1.1	—	—	2.2	0.1	—	3.3	0.1	1.3	2008
Kingsview Dr., Lebanon, OH (Lebanon)	4.0	12.3	—	—	64.7	5.5	4.0	77.0	5.5	21.4	2008
McAuley Place, Blue Ash, OH (Blue Ash)	—	2.6	—	—	(2.0)	0.1	—	0.6	0.1	0.2	2009
Westway Park Blvd., Houston, TX (Houston West 1)	1.4	21.4	0.1	—	63.0	43.7	1.4	84.4	43.8	39.6	2010
Westway Park Blvd., Houston, TX (Houston West 2)	2.0	—	—	—	22.5	45.1	2.0	22.5	45.1	8.0	2013
Westway Park Blvd., Houston, TX (Houston West 3)	18.3	—	—	0.1	—	—	18.4	—	—	—	2013
Southwest Fwy., Houston, TX (Galleria)	—	56.0	2.0	—	12.6	13.0	—	68.6	15.0	29.4	2010
E. Ben White Blvd., Austin, TX (Austin 1)	—	11.9	0.2	—	10.6	1.0	—	22.5	1.2	8.2	2010
S. State Highway 121 Business, Lewisville, TX (Lewisville)	—	46.2	2.2	—	30.5	20.6	—	76.7	22.8	37.5	2010
Marsh Lane, Carrollton, TX (Marsh Ln)	—	—	—	—	0.1	0.5	—	0.1	0.5	0.3	2010
Midway Rd., Carrollton, TX (Midway)	—	1.8	—	—	0.2	0.4	—	2.0	0.4	2.2	2010
W. Frankford Rd., Carrollton, TX (Carrollton)	16.1	—	—	—	51.6	85.3	16.1	51.6	85.3	17.4	2012
Bryan St., Dallas, TX (Bryan St)	—	0.1	—	—	—	0.2	—	0.1	0.2	0.1	2010
North Freeway, Houston, TX (Greenspoint)	—	—	—	—	1.3	—	—	1.3	—	1.3	2010
South Ellis Street, Chandler, AZ (Phoenix 1)	15.0	—	—	—	56.4	43.9	14.8	56.4	43.9	11.0	2011
South Ellis Street, Chandler, AZ (Phoenix 2)	—	—	—	—	13.2	21.8	—	13.2	21.8	0.7	2014
Westover Hills Blvd., San Antonio, TX (San Antonio 1)	4.6	3.0	—	—	29.1	32.4	4.6	32.1	32.4	10.0	2011
Westover Hills Blvd., San Antonio, TX (San Antonio 2)	6.7	—	—	0.3	—	—	7.0	—	—	—	2013
Metropolis Dr., Austin, TX (Austin 2)	2.0	—	—	—	23.2	4.0	2.0	23.2	4.0	7.2	2011
Kestral Way (London)	—	16.5	—	—	16.2	0.7	—	32.7	0.7	4.4	2011
Jurong East (Singapore)	—	9.0	—	—	—	0.1	—	9.0	0.1	3.0	2011
Ridgetop Circle, Sterling, VA (Northern VA)	6.9	—	—	0.1	—	—	7.0	—	—	—	2013
Metropolis Dr., Austin, TX (Austin 3)	7.9	—	—	0.1	—	—	8.0	—	—	—	2013
	<u>\$89.3</u>	<u>\$ 244.5</u>	<u>\$ 4.5</u>	<u>\$ 0.6</u>	<u>\$ 568.1</u>	<u>\$ 344.6</u>	<u>\$ 89.7</u>	<u>\$ 812.6</u>	<u>\$ 349.1</u>	<u>\$ 327.0</u>	

The aggregate cost of the total properties for federal income tax purposes was \$1,725.0 million at December 31, 2014.

Historical Cost and Accumulated Depreciation and Amortization

The following table reconciles the historical cost and accumulated depreciation for the years ended December 31, 2014, 2013 and 2012.

<i>(amounts in millions)</i>	Years Ended December 31,		
	2014	2013	2012
Property			
Balance—beginning of period	\$ 1,120.5	\$ 883.6	\$ 660.2
Disposals	(0.1)	(8.5)	(1.2)
Impairments	—	(4.0)	(17.1)
Additions (acquisitions and improvements)	258.0	249.4	241.7
Balance, end of period	<u>\$ 1,378.4</u>	<u>\$ 1,120.5</u>	<u>\$ 883.6</u>
Accumulated Depreciation			
Balance—beginning of period	\$ 236.7	\$ 176.7	\$ 131.2
Disposals	—	(9.3)	(1.2)
Impairments	—	(0.9)	(5.3)
Additions (depreciation and amortization expense)	90.3	70.2	52.0
Balance, end of period	<u>\$ 327.0</u>	<u>\$ 236.7</u>	<u>\$ 176.7</u>

The exhibits required by Item 601 of Regulation S-K are listed below:

Exhibit No.	Exhibit Description
3.1	Articles of Amendment and Restatement of CyrusOne Inc. (Incorporated by reference to Exhibit 3.1 of Form 8-K, filed by the Registrant on January 25, 2013 (Registration No. 001-35789)).
3.2	Amended and Restated Bylaws of CyrusOne Inc. (Incorporated by reference to Exhibit 3.2 of Form 8-K, filed by the Registrant on January 25, 2013 (Registration No. 001-35789)).
3.3	Amended and Restated Agreement of Limited Partnership of CyrusOne LP. (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the Registrant on January 25, 2013 (Registration No. 001-35789)).
4.1	Registration Rights Agreement, dated January 24, 2013, by and among CyrusOne Inc., CyrusOne GP, CyrusOne LP and Data Center Investments Holdco LLC and Data Centers South Holdings LLC. (Incorporated by reference to Exhibit 1.2 of Form 8-K, filed by the Registrant on January 25, 2013 (Registration No. 001-35789)).
4.2	Indenture, dated as of November 20, 2012, by and among CyrusOne LP and CyrusOne Finance Corp., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee, relating to CyrusOne Inc.'s 6.375% Senior Notes due 2022 (Incorporated by reference to Exhibit 4.1 of Amendment No. 4 to the Registrant's Registration Statement on Form S-11/A, filed by the Registrant on November 26, 2012 (Registration No. 333-183132)).
4.3	Form of Certificate for Common Stock of CyrusOne Inc. (Incorporated by reference to Exhibit 4.1 of Amendment No. 5 to the Registrant's Registration Statement on Form S-11/A, filed by the Registrant on December 13, 2012 (Registration No. 333-183132)).
10.1	Contribution Agreement dated as of November 20, 2012, by and among CyrusOne LP, a Maryland limited partnership and Data Centers South, Inc., a Delaware corporation (Incorporated by reference to Exhibit 10.1 of Form 10-K, filed by the Registrant on March 29, 2013 (Registration No. 001-35789)).
10.2	Contribution Agreement dated as of November 20, 2012, by and among CyrusOne LP, a Maryland limited partnership and Data Center Investments Inc., a Delaware corporation (Incorporated by reference to Exhibit 10.2 of Form 10-K, filed by the Registrant on March 29, 2013 (Registration No. 001-35789)).
10.3	Credit Agreement dated as of October 9, 2014, by and among CyrusOne LP, as borrower, KeyBank National Association, as administrative agent, the Lenders party thereto JP Morgan Chase Bank N.A., as syndication agent, KeyBanc Capital Markets Inc., J.P. Morgan Securities LLC, TD Securities (USA) LLC, Barclays Bank plc and RBC Capital Markets, as joint lead arrangers and joint bookrunners, and SunTrust Bank and Citizens Bank, N.A., as co-documentation agents. (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the Registrant on October 9, 2014 (Registration No. 001-35789)).
10.4	Form of Indemnification Agreement between CyrusOne Inc. and its directors and officers. (Incorporated by reference to Exhibit 10.5 of Amendment No. 5 to the Registrant's Registration Statement on Form S-11/A, filed by the Registrant on December 13, 2012 (Registration No. 333-183132)).
10.5 [†]	CyrusOne 2012 Long Term Incentive Plan. (Incorporated by reference to Exhibit 10.7 of Amendment No. 3 to the Registrant's Registration Statement on Form S-11/A, filed by the Registrant on November 16, 2012 (Registration No. 333-183132)).
10.6 [†]	Form of Director Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.1 of Form S-8, filed by the Registrant on January 24, 2013 (Registration No. 333-186186)) (Founder's Grant).
10.7 [†]	Form of Executive Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.2 of Form S-8, filed by the Registrant on January 24, 2013 (Registration No. 333-186186)).
10.8 [†]	Form of Employee Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.3 of Form S-8, filed by the Registrant on January 24, 2013 (Registration No. 333-186186)).
10.9 [†]	CyrusOne 2013 Short Term Incentive Plan (Incorporated by reference to Exhibit 10.8 of Amendment No. 3 to the Registrant's Registration Statement on Form S-11/A, filed by the Registrant on November 16, 2012 (Registration No. 333-183132)).
10.10 [†]	Employment Agreement, dated as of January 24, 2013, by and between CyrusOne LLC and Gary J. Wojtaszek (Incorporated by reference to Exhibit 10.5 of Form 8-K, filed by the Registrant on January 29, 2013 (Registration No. 001-35789)).

- 10.11[†] Employment Agreement, dated as of January 24, 2013, by and between CyrusOne LLC and Kimberly H. Sheehy (Incorporated by reference to Exhibit 10.6 of Form 8-K, filed by the Registrant on January 29, 2013 (Registration No. 001-35789)).
- 10.12[†] Employment Agreement, dated as of January 24, 2013, by and between CyrusOne LLC and Kevin L. Timmons (Incorporated by reference to Exhibit 10.8 of Form 8-K, filed by the Registrant on January 29, 2013 (Registration No. 001-35789)).
- 10.13[†] Employment Agreement, dated as of January 24, 2013, by and between CyrusOne LLC and Venkatesh S. Durvasula (Incorporated by reference to Exhibit 10.18 of Form 10-K, filed by the Registrant on March 29, 2013 (Registration No. 001-35789)).
- 10.14[†] Employment Agreement dated as of March 18, 2013, by and between CyrusOne LLC and Thomas W. Bosse (Incorporated by reference to Exhibit 10.19 of Form 10-K, filed by the Registrant on March 29, 2013 (Registration No. 001-35789)).
- 10.15[†] Form of Executive Non-Statutory Performance Stock Option Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the Registrant on April 22, 2013 (Registration No. 001-35789)).
- 10.16[†] Form of Employee Non-Statutory Performance Stock Option Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.2 of Form 8-K, filed by the Registrant on April 22, 2013 (Registration No. 001-35789)).
- 10.17[†] Form of Executive Performance Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.3 of Form 8-K, filed by the Registrant on April 22, 2013 (Registration No. 001-35789)).
- 10.18[†] Form of Employee Performance Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.4 of Form 8-K, filed by the Registrant on April 22, 2013 (Registration No. 001-35789)).
- 10.19+[†] Form of Director Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan. (Annual Grant)
- 12.1+ Statement Regarding Computation of Ratio of Earnings to Fixed Charges
- 14+ Code of Ethics for Senior Financial Officers as adopted Pursuant to Section 406
- 21.1+ Subsidiaries of the Registrant
- 23.1+ Consent of Deloitte & Touche LLP.
- 23.2+ Consent of Deloitte & Touche LLP.
- 24.1+ Powers of Attorney (CyrusOne Inc.)
- 24.2+ Powers of Attorney (CyrusOne LP)
- 31.1+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)
- 31.2+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)
- 31.3+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)
- 31.4+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)
- 32.1+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)
- 32.2+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)
- 32.3+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)
- 32.4+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)

(101.INS)* XBRL Instance Document.

(101.SCH)* XBRL Taxonomy Extension Schema Document.

(101.CAL)* XBRL Taxonomy Extension Calculation Linkbase Document.

(101.DEF)* XBRL Taxonomy Extension Definition Linkbase Document.

(101.LAB)* XBRL Taxonomy Extension Label Linkbase Document.

(101.PRE)* XBRL Taxonomy Extension Presentation Linkbase Document.

+ Filed herewith.

* Submitted electronically with this report.

† This exhibit is a management contract or compensation plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on the 27th day of February, 2015.

CyrusOne Inc.

By: /s/ Gary J. Wojtaszek

Gary J. Wojtaszek

President, Chief Executive Officer, and Director

By: /s/ Kimberly H. Sheehy

Kimberly H. Sheehy

Chief Financial Officer and Administrative Officer

By: /s/ Patricia M. McBratney

Patricia M. McBratney

Vice President and Controller (Chief Accounting Officer)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on the 27th day of February, 2015.

CyrusOne LP

By: /s/ Gary J. Wojtaszek

Gary J. Wojtaszek

President, Chief Executive Officer, and Director of
CyrusOne Inc.

By: /s/ Kimberly H. Sheehy

Kimberly H. Sheehy

Chief Financial Officer and Administrative Officer of
CyrusOne Inc.

By: /s/ Patricia M. McBratney

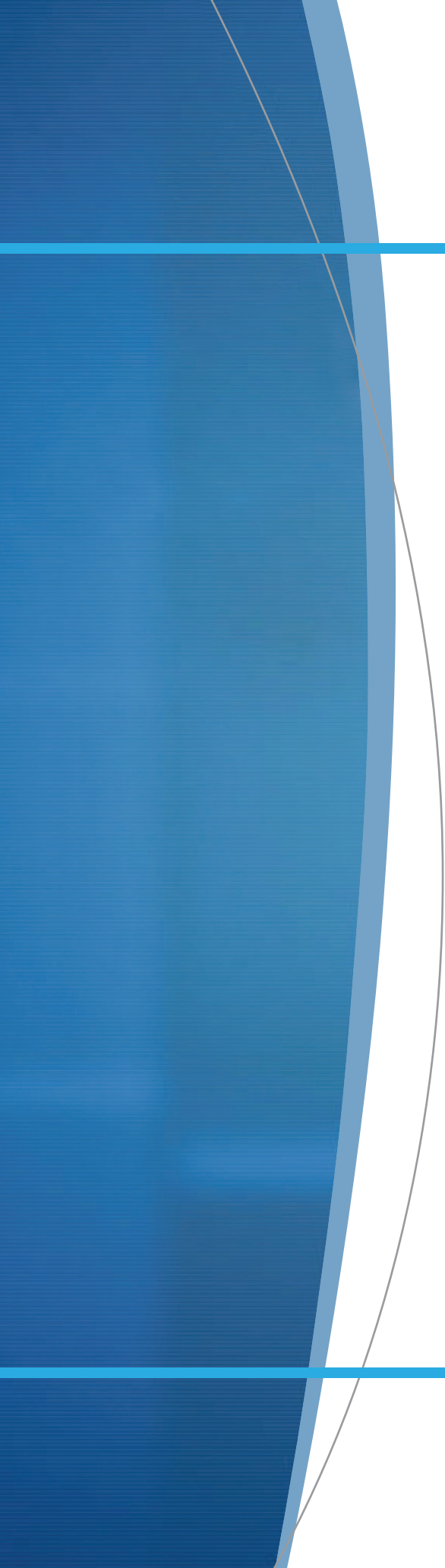
Patricia M. McBratney

Vice President and Controller (Chief Accounting Officer) of CyrusOne Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
<u>/s/ Gary J. Wojtaszek</u> Gary J. Wojtaszek	President, Chief Executive Officer and Director	February 27, 2015
<u>Alex Shumate*</u> Alex Shumate	Chairman of the Board of Directors	February 27, 2015
<u>William E. Sullivan*</u> William E. Sullivan	Director	February 27, 2015
<u>John Gamble*</u> John Gamble	Director	February 27, 2015
<u>T. Tod Nielsen*</u> T. Tod Nielsen	Director	February 27, 2015
<u>Melissa E. Hathaway*</u> Melissa E. Hathaway	Director	February 27, 2015
<u>David H. Ferdman*</u> David H. Ferdman	Director	February 27, 2015
<u>Lynn Wentworth*</u> Lynn Wentworth	Director	February 27, 2015
<u>*By: /s/ Gary J. Wojtaszek</u> Gary J. Wojtaszek as attorney-in-fact and on his behalf as President, Chief Executive Officer, and Director		February 27, 2015

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