CyrusOne®

Built for Tomorrow. Ready Today.

2015 Annual Report

Trusted by nearly half of the Fortune 20 and more than 170 of the Fortune 1000.

CyrusOne.com

Dear Stockholders:

I would like to begin by thanking you for investing in CyrusOne and appreciate you taking the time to understand our company and business model. 2015 was a record year for CyrusOne, and we ended the year with a record leasing quarter, positioning us well for 2016 and beyond. Revenue increased 21% compared to 2014, while total Adjusted EBITDA and Normalized FFO per share each increased 25% versus the prior year. We leased 342,000 colocation square feet, which is nearly double what we leased just two years ago, and almost 50 megawatts of power capacity. Taking into account lease term, the deals we signed in 2015 represent nearly $600 million in total contract value, and our revenue backlog stood at a record $42 million as of the end of the year. Also, as announced in our fourth quarter earnings release, we increased our quarterly dividend by 21%. The dividend is up almost 140% from 2013, highlighting the underlying growth of our business and our focus on delivering returns for our stockholders. For more information on our financial results and a reconciliation of our results to GAAP measures, see our presentations under the "Company—Investors" tab of our website, cyrusone.com.

CyrusOne has a long track record of profitable growth, and in the three years since going public, we have significantly enhanced the investment profile of the company. We have nearly doubled in size while broadening our footprint through successful expansions to the West and East coasts, diversifying the business, and improving the lease profile of the portfolio. At the time of our IPO, we had a very strong position in the central part of the U.S. with data centers in Texas and the Midwest. In 2013, we established a West coast presence with the addition of Phoenix, and it has been one of our top markets with four phases consisting of a total of 150,000 colocation square feet fully leased. Early last year we expanded to the East coast with the addition of our first data center in Northern Virginia. Despite concerns from some about our ability to be successful there given the competitive landscape, it has been our strongest market, with nearly six phases and a total of 215,000 colocation square feet leased. Then in mid-2015, we strengthened our East coast presence with the acquisition of Cervalis, a premier financial services platform serving the New York metro area. As a result of these expansions, we have created a more robust offering for both existing customers and potential new customers while significantly improving the geographical diversity of the portfolio, with no single market representing more than 22% of revenue.

We have added more than 400 customers in the last three years and are now approaching 1,000 in total, including 173 Fortune 1000 customers. New logo acquisition is the single most important leading indicator for the business because of the significant future contribution to growth we can expect from customers after the initial signing. 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 their requirements grow, they increase the size of their deployments and lease space in multiple locations. Our existing customers in effect provide a growing annuity stream, and given the visibility we have into their growth, we are able to greatly de-risk our capital investment. As with our geographic expansion, the growth in our customer base has further diversified the revenue base, with our ten largest customers now accounting for less than 30% of revenue, down from approximately 45% as of the end of 2012.

Commensurate with our growth, the industry composition of the portfolio has evolved. Since we began targeting cloud companies two years ago, we have seen very strong demand from them for our flexible product offerings. These companies recognize the tremendous value in our ability to deliver customized solutions at the fastest times to market. Our enablement platform for the cloud, which we refer to as "Sky for the Cloud", provides a home for the cloud in our facilities. It's designed to optimize power usage effectiveness and enable fast interconnection to business partners, content

providers, networks and internet service providers, as well as a marketplace of buyers and sellers. We have added more than 30 cloud customers in the last two years, and we now have eight of the largest cloud companies as customers. As we continue to add cloud vendors along with network and content providers and our core base of Fortune 1000 enterprises, we can create an ecosystem in which everyone is working together in mutually beneficial relationships. Each new cloud vendor enhances the value of our offering as we are now able to offer more choices for our enterprise customers in selecting a cloud provider. Taking into account the impact of our year-end backlog, the Cloud / IT vertical now represents 33% of our revenue, up from 17% at the time of our IPO. Additionally, the revenue contribution from customers in the Financial Services vertical has more than doubled over the last three years, while our geographic expansion and strong growth in other verticals has reduced our dependence on the Energy vertical, which now represents only 18% of revenue.

We have also significantly improved the lease profile of the portfolio since going public. First, we are signing new leases for longer terms. Historically, leases typically had terms of between three and five years. For leases signed in 2015, the weighted average term was seven years, and for leases signed in the fourth quarter of 2015, the weighted average term was approximately nine years. Our remaining average lease term, taking into account leases signed in the fourth quarter, is now 40 months compared to just 28 months at the end of 2012. We have also been incorporating rent escalators into the vast majority of our leases, with nearly 80% of the monthly recurring revenue associated with new leases signed over the last three years including escalators, typically 2-3% annually. As a result of these actions, we have created a more secure cash flow stream with embedded rent growth.

Our business model allows us to consistently generate mid-teens development yields on our real estate assets while maintaining relatively low leverage compared to other REITs. The approach is a simple one. First, with our Massively Modular® design techniques, we are able to build quickly at a low cost, thereby minimizing the amount of capital we are deploying. Once we have constructed a powered shell, the cost per megawatt for incremental builds is approximately 30% lower than our total average cost to build due to upfront investments for the shell and land. We can construct a data hall within 12 to 14 weeks, minimizing the time between capital investment and revenue recognition and increasing our returns. Additionally, the vast majority of our capital spend is discretionary within existing markets, where our late stage sales funnel provides good visibility into demand. The other key driver is our ability to sell a range of products of various sizes, resiliencies, densities, and service requirements plus high margin ancillary products and services including interconnection, office space, and Smart Hands. Customers' infrastructure purchasing decisions are based on the applications they are managing, which have very specific requirements. We have a best-in-class sales force whose experience, depth and knowledge facilitate the development of custom, flexible solutions that best meet our customers' data center needs. Our ability to sell these different products and services allows us to optimize our asset utilization and maximize returns for our shareholders.

I am also pleased to report that the growth trends remain strong in our interconnection business. Our National IX platform enables Fortune 1000 enterprises to easily replicate the multi-node data center architecture they require at a fraction of the cost. Connectivity is becoming an increasingly important product offering, as enterprises continue to shift towards a more distributed architecture that demands robust connectivity solutions such as the National IX. Our interconnection product line was designed to be complementary to our data center offering, but most importantly we want it to be standardized and replicable so that it can scale with our growth without adding new headcount. 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. Interconnection revenue is growing two to three times as fast as our base business and now represents 6% of our revenue, up from 4% two years ago. We also have more than 11,000 cross connects installed in our data centers, highlighting the success we have had in growing this part of our business.

In closing, 2015 was a tremendous year for CyrusOne. I am very fortunate to be surrounded by a group of people that I really enjoy working with and whose commitment to our customers has been and will continue to be critical to the success of the company. We believe we are beginning 2016 in the strongest position that we have ever been in to start a year. The two primary secular demand drivers—

growth in data and the trend toward enterprise data center outsourcing - remain intact. Given the strong execution and solid underlying fundamentals, we believe we are well positioned to capitalize on a number of attractive opportunities, and I am looking forward to another great year in 2016.

Sincerely,

Gary J. Wojtaszek
President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 2, 2016

To our stockholders:

You are cordially invited to attend the 2016 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 2, 2016 at 10:00 a.m., local time. The purposes of the Annual Meeting are as follows:

1. To elect eight directors, each to hold office until our 2017 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 the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2016;
4. To consider and vote upon the Restated CyrusOne 2012 Long Term Incentive Plan (the "*Plan*"); 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 3, 2016, you will be entitled to notice of and to vote at the annual meeting or any postponement or adjournment thereof.

The proxy statement, the accompanying proxy card and our annual report will first be mailed to our stockholders on or about March 28, 2016. 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. Please complete, date, sign and promptly return the enclosed proxy card in the envelope provided. You also may authorize your proxy to vote your shares over the internet or by telephone, as described in the proxy statement and on 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:

ROBERT M. JACKSON
Executive Vice President, General Counsel and Secretary

1649 West Frankford Road
Carrollton, Texas 75007
March 28, 2016

CyrusOne Inc.

2016 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

QUESTIONS AND ANSWERS

Q: Why did I receive this proxy statement?

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 2, 2016, 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 28, 2016, we are mailing to our stockholders of record as of the close of business on March 3, 2016 a copy of this proxy statement, the accompanying proxy card, and our annual report, which we sometimes refer to as the "proxy materials." This proxy statement summarizes 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 were the proxy materials mailed?

A: The proxy materials were first mailed to stockholders on or about March 28, 2016.

Q: Who is entitled to vote?

A: All common stockholders of record as of the close of business on March 3, 2016, the record date, are entitled to notice of and to vote at the annual meeting and any postponement or adjournment of the 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 close of business on the record date, 72,822,864 shares of our common stock were issued and outstanding. If less than a majority of outstanding votes entitled to be cast 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 3, 2016 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., ("Computershare") 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 proxy materials 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.

Important: Only stockholders of record as of the close of business on the record date or their duly authorized proxy are entitled to attend the annual meeting and vote in person.

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 this proxy statement. 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 eight directors, each to hold office until our 2017 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 the ratification of the appointment of Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the year ending December 31, 2016; and
- Proposal 4: To consider and vote upon the Restated CyrusOne 2012 Long Term Incentive (the "*Plan*");

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	Vote Required
Proposal 1: Election of Eight Directors	The election of the eight 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: Ratification of Independent Auditors	Ratification of the appointment of auditors requires the affirmative vote of a majority of the votes cast on the matter.
Proposal 4: Plan	The approval of the Plan 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 be voted are held in street name, the broker, bank or other nominee holder of record lacks discretionary authority to vote the shares 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, the approval on a non-binding, advisory basis of the Say-on-Pay proposal or the Plan proposal. If you do not give voting instructions to your broker, bank or other nominee for these matters, 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 all four of the proposals to be considered at the annual meeting, 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, the approval on a non-binding, advisory basis of the Say-on-Pay proposal or the approval of the Plan. 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' eight nominees for director;
- **FOR** the approval, on an advisory basis, of the compensation of the named executive officers as disclosed in this proxy statement;
- **FOR** the ratification of the appointment of Deloitte as the Company's independent registered public accounting firm for the year ending December 31, 2016; and
- **FOR** the approval of the Plan.

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 this 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 $2,500 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 set of our proxy materials, including the proxy statement and our annual report 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 Robert M. Jackson, Executive 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 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 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: Robert M. Jackson, Corporate Secretary. In addition, if you are receiving multiple copies of 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 set of proxy materials?

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 on your proxy cards, 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: Robert M. Jackson, Corporate Secretary.

PROPOSAL 1: ELECTION OF EIGHT DIRECTORS

Our Board of Directors currently consists of seven members. The Board of Directors has approved an increase in the size of the Board to eight directors, effective upon the commencement of the election of directors at the 2016 annual meeting. At the 2016 annual meeting, pursuant to our charter and Bylaws, eight directors will be elected to serve until the 2017 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 eight nominees to serve as directors: Gary J. Wojtaszek, David H. Ferdman, John W. Gamble, Michael A. Klayko, T. Tod Nielsen, Alex Shumate, William E. Sullivan and Lynn A. Wentworth (the "Nominees"). All of the Nominees other than Mr. Klayko currently serve as directors. Mr. Klayko was recommended to the Board of Directors by a search firm engaged by the Nominating and Governance Committee. 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.

Nominees for Election to the Board of Directors

The biographical descriptions below set forth certain information with respect to each of the eight Nominees 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 50

Director Since: *July 2012*

Board Committees: *Executive*

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 Controllership, 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.

David H. Ferdman, Age 48

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 Circuit of the Americas, and Quality Uptime Services.

John W. Gamble, Jr., Age 53

Independent Director Since: *May 2014*

Board Committees: *Audit Committee (Chair) and Executive 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, internal audit 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.

Michael A. Klayko, Age 61

Independent Director Since: *N/A*

Board Committees: *None*

Qualifications: *Mr. Klayko brings to our Board of Directors a comprehensive understanding of the technology and network solutions industry coupled with extensive experience as a director of other publicly-held technology companies.*

Michael A. Klayko is a nominee for election to serve as a member of our Board of Directors. Mr. Klayko has been Chief Executive Officer of MKA Capital, an investment company focusing on technology investments, since January 2013. From January 2005 until January 2013, Mr. Klayko served as Chief Executive Officer and served on the board of directors of Brocade Communications Systems, Inc., a comprehensive network solutions provider ("Brocade"). Previously, Mr. Klayko was Vice President of Worldwide Sales at Brocade and also served as its Vice President of Marketing and Support and Vice President of OEM Sales. Additionally, Mr. Klayko has held management positions at Rhapsody Networks, McDATA, EMC, Hewlett-Packard Company and IBM. Mr. Klayko serves on the board of directors of Allscripts Healthcare Solutions, Inc., a healthcare information technology provider, Mr. Klayko previously served on the board of directors of Brocade Communications Systems, Inc. (2005 through 2013), PMC-Sierra, Inc. (2012 through January 2016) and Bally Technologies (2014).

T. Tod Nielsen, Age 50

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. Since June 2013, Mr. Nielsen has been the Chief Executive Officer of Heroku, a cloud application development company that is a subsidiary of Salesforce. 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 BTI Systems, and former director of MyEdu Corp., Fortify Software and Club Holdings, LLC.

Alex Shumate, Age 65

Independent Director Since: *January 2013*

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

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

Alex Shumate has served as a member of our Board of Directors since January 2013. 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, Age 61

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.*

William E. Sullivan has served as a member of our Board of Directors since January 2013. 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.

Lynn A. Wentworth, Age 57

Independent Director Since: *October 2014*

Board Committees: *Audit Committee and Compensation Committee*

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. ("BlueLinx") (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.

Biographical Information Regarding Executive Officers Who Are Not Directors

Gregory R. Andrews, Age 54
Chief Financial Officer

Gregory R. Andrews has served as our Chief Financial Officer since October 2015. Prior to joining CyrusOne, from 2010 until 2015, he served as the Chief Financial Officer of Ramco-Gershenson Properties Trust, a NYSE listed REIT specializing in the ownership and management of large multi-anchored shopping centers. From 2006 to 2009, Mr. Andrews was Chief Financial Officer of Equity One, Inc., a NYSE listed REIT, that owns, manages, acquires, develops and redevelops shopping centers and retail properties. From 1997 to 2006, he was a Principal at Green Street Advisors Inc., an investment research and advisory firm focused on REITs. Mr. Andrews also previously served as Vice President in the corporate and commercial real estate divisions of Bank of America in both Southern California and Hong Kong and as an analyst at First Interstate Bank of California. Mr. Andrews serves on the Board of Directors of Spy, Inc. and is a member of its Audit Committee.

Amitabh Rai, Age 55
Senior Vice President and Chief Accounting Officer

Amitabh Rai has served as our Senior Vice President and Chief Accounting Officer since July 2015. From 2007 to 2015, Mr. Rai was employed by Laureate Education Inc. ("Laureate"), a global leader in providing higher education, including serving as Senior Vice President and Chief Accounting Officer from 2008 until 2015. Prior to joining Laureate, from 2003 to 2007 Mr. Rai was the Vice President, Corporate Controller and Principal Accounting Officer of Remy International, Inc. ("Remy"). Before joining Remy in 2003, Mr. Rai spent 13 years with Sensient Technologies Corporation.

Venkatesh S. Durvasula, Age 49 *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.
Robert M. Jackson, Age 48 *Executive Vice President, General Counsel and Secretary*	Robert M. Jackson has served as Executive Vice President, General Counsel and Secretary since August 2015. Prior to joining CyrusOne, he served as Executive Vice President and Chief Administrative Officer of Storage Post, a privately held owner and operator of self-storage facilities, headquartered in Atlanta, Georgia, from April 2014 to July 2015. Prior to that, from December 2004 to September 2012, Mr. Jackson was Senior Vice President and General Counsel for Cousins Properties Incorporated. He was previously a partner at Troutman Sanders LLP, an international law firm headquartered in Atlanta, Georgia, from February 1996 to December 2004.
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.

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;

- each of the members of the 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, within the meaning of the NASDAQ listing standards.

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 the corporate governance listing standards of 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: David H. Ferdman, John W. Gamble, T. Tod Nielsen, Alex Shumate, William E. Sullivan and Lynn A. Wentworth. In addition, we expect that Mr. Klayko, if elected to the Board at the 2016 annual meeting, will be independent.

The Board determined that Gary J. Wojtaszek is not independent because he is the President and Chief Executive Officer of CyrusOne.

Board Meetings

In 2015, the Board of Directors held twelve meetings, the Audit Committee held seven meetings, the Compensation Committee held four 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 2015.

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 2015 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 2015, 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 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 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 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.

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. Sullivan and Ms. Wentworth also serve as members of our Audit Committee. The Board has determined each of Mr. Gamble, Mr. Sullivan and Ms. Wentworth 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. Shumate and Ms. Wentworth 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 2015, 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 has, and may in the future, engage the services of third-party search firms to assist in identifying or evaluating director candidates.

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 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. We did not receive any recommendations of director candidates or director nominations by stockholders for the 2016 annual meeting.

Recommendations for nominations should be addressed to CyrusOne Inc., 1649 West Frankford Road, Carrollton, Texas 75007, Attention: Robert M. Jackson, 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 2015

In 2015, 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 $110,000 were granted on February 10, 2015 for the then-serving directors. These awards all vested in February 2016. For the cash retainer, each director receives an annual retainer of $60,000, except for our non-executive chair (Mr. Shumate), who receives an annual cash retainer of $125,000. 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 2015:

2015 Director Compensation Table

Name	Fees Earned ($)	Stock Awards ($)(1)	Total ($)
Alex Shumate	141,875	110,000	251,875
William E. Sullivan	82,500	110,000	192,500
Lynn A. Wentworth	71,250	110,000	181,250
T. Tod Nielsen	82,500	110,000	192,500
John W. Gamble, Jr.	81,875	110,000	191,875
David H. Ferdman	60,000	110,000	170,000

(1) Reflects the aggregate grant date fair value of the restricted stock awards granted on February 10, 2015, 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 16 to the financial statements in our annual report on Form 10-K filed with the SEC on February 26, 2016.

As of December 31, 2015, our non-employee directors held no stock options and the following aggregate number of shares of restricted stock:

Name	Stock Awards (#)
Mr. Shumate	19,909
Mr. Sullivan	19,909
Ms. Wentworth	9,261
Mr. Nielsen	19,909
Mr. Gamble	9,261
Mr. Ferdman	57,600

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: Robert M. Jackson, 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 31 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, over 75% of the compensation for each of our named executive officers is performance-based, and thus "at risk";
- 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 executive officers maintain a significant stake in our long-term success;

- Equity plans prohibit re-pricing of stock options without stockholder approval;
- 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;
- Beginning with agreements executed or awarded in July 2015, our named executive officers' employment agreements and equity awards include double-trigger change-in-control severance benefits;
- We do not generally 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 Compensation Committee and the Board 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: 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, 2016, 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, 2015 and December 31, 2014:

	Year Ended December 31, 2015	Year Ended December 31, 2014
Audit Fees	$1,075,846	$1,319,493
Audit Related Fees	473,255	224,356
Tax Fees	17,299	54,000
All Other Fees	—	—
Total	$1,566,400	$1,597,849

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, 2015 contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, 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, 2015.

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, 2015 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)
William E. Sullivan
Lynn A. Wentworth

March 15, 2016

PROPOSAL 4: APPROVAL OF THE RESTATED CYRUSONE 2012 LONG TERM INCENTIVE PLAN

General

CyrusOne maintains the CyrusOne 2012 Long Term Incentive Plan (the "Existing Plan"), which was approved by the board of directors of CBI on November 15, 2012 and was approved by our Board on January 7, 2013. Our stockholders approved the material terms of the performance goals under the Existing Plan on May 1, 2014. The Company's stockholders are being asked to approve the amendment and restatement of the Existing Plan that, among other things, increases the number of shares of our common stock that are available for award under the Plan from 4,000,000 to 8,900,000 shares, provides for "double-trigger" vesting of awards in the event of a change in control and imposes a minimum one year vesting period for 95% of share-based awards (the "Plan Amendment"). We refer to the Existing Plan, as amended and restated, as the "Plan."

The Board of Directors believes the increase in the number of shares of our common stock reserved and available for awards under the Plan and the other amendments made as part of the Plan Amendment are in the best interest of the Company and our stockholders. As part of our "pay for performance" philosophy, long-term incentive awards under the Plan are an important part of our overall compensation. Currently, we make long-term incentive awards to our employees, officers and non-employee directors under the Plan. As of December 31, 2015, there were 2,476,862 shares of our common stock issued or subject to outstanding awards under the Existing Plan, and there were only 1,523,138 shares of common stock remaining available for future grants under the Existing Plan.

To ensure an adequate supply of shares for future long-term incentive awards, the Board of Directors has approved, and recommends that stockholders approve, the Plan. The Plan will authorize the issuance of up to 4,900,000 additional shares of our common stock pursuant to long-term incentive awards, in addition to any shares remaining from the 4,000,000 shares currently reserved under the Existing Plan that have not been issued or that have been returned to the Existing Plan. In determining the number of additional shares of common stock requested for availability under the Plan, we considered the number of shares of our common stock currently available for issuance, our historic and anticipated award grant practices, and the estimated number of shares needed for awards over the next three to four years. The benefits and amounts that will be received by or allocated to participants under the Plan are not yet determinable because the types and amounts of awards and selection of participants are discretionary. The Company believes that the additional shares authorized under the Plan will provide it with a sufficient number of shares of common stock to ensure that equity-based long-term incentive awards remain a meaningful component of the overall compensation of our employees, officers and non-employee directors.

Effect of Proposal

Approval of this Proposal 4 will increase the number of shares of our common stock available for issuance under the Plan from 4,000,000 shares to 8,900,000 shares. In addition, the Plan Amendment provides for "double-trigger" vesting of awards in the event of a change in control and a minimum one year vesting period for 95% of share-based awards granted under the Plan, both of which are considered to be good corporate governance practices further aligning the holders of awards under the Plan with the interests of our stockholders.

Summary of the Plan

THE FULL TEXT OF THE PLAN IS ATTACHED TO THIS PROXY STATEMENT AS APPENDIX B AND THE FOLLOWING DISCUSSION IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH TEXT.

Purposes of the Plan. The purposes of the Plan are (i) to further the long-term growth of the Company by offering competitive incentive compensation related to long-term performance goals to our directors and employees who are responsible for planning and directing such growth, (ii) to reinforce a commonality of interest between our stockholders and our directors, employees and consultants who participate in the Plan and (iii) to aid us in attracting and retaining directors, employees and consultants of outstanding abilities and specialized skills.

Administration. The Plan is administered by a committee (the "Committee"). Unless otherwise provided by our board of directors, the Committee will be the Compensation Committee of our Board of Directors. Subject to the limits and terms of the Plan, the Committee (i) selects the directors, employees and consultants who will be granted awards, (ii) makes awards, in such forms and amounts and on such conditions as it determines, (iii) interprets the terms of the Plan and (iv) performs all other administrative functions.

The Committee may delegate to one or more of the Company's executive officers its right to make awards under the Plan to directors, employees or consultants who (i) are not otherwise subject to the stock reporting requirements of Section 16 of the Securities Exchange Act of 1934 and (ii) are not expected to become employees for whom our ability to take deductions related to their compensation is potentially limited under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

The Committee may grant awards under the Plan consisting of one or a combination of the following forms of awards: (i) stock options, including options intended to qualify as incentive stock options under Section 422 of the Code ("ISOs") and options that are not ISOs ("NSOs"), (ii) stock appreciation rights ("SARs"), (iii) restricted stock, (iv) restricted stock units, (v) performance shares, (vi) share-based performance units, (vii) nonshare-based performance units, (viii) non-restricted stock and (ix) other awards (individually and collectively, "Awards"). No Award may be granted under the Plan after November 15, 2022. Share-based Awards granted under the Plan will generally provide for a minimum vesting period of at least one year following the date of grant; however, share-based Awards with respect to up to 5% of shares of our common stock available for issuance under the Plan are not required to have any minimum vesting requirements.

Eligible Participants. Any director, employee or consultant (including any prospective director, employee or consultant) of the Company is eligible to be granted an Award under the Plan. Currently, approximately 400 employees and 6 non-employee directors are eligible to receive Awards under the Plan.

Shares Subject to the Plan. Any shares of common stock issued pursuant to Awards under the Plan will consist, in whole or in part, of authorized and unissued shares of common stock. A maximum of 6,423,138 shares, plus any shares of common stock that are returned to the Plan as described below, will be available for future grants under the Plan. This includes:

- 4,900,000 new shares authorized pursuant to the Plan Amendment; and
- 1,523,138 shares available for issuance under the Existing Plan, but not subject to any outstanding awards as of December 31, 2015.

In addition, shares that are subject to outstanding awards under the Existing Plan will be available for future grants to the extent that, on or after December 31, 2015, such awards are forfeited, expire, terminate without payment, or settled for cash as described below.

Any shares of common stock subject to an Award that is forfeited, expires, terminates without payment, or is settled for cash will be available for future Awards under the Plan. The number of shares of common stock available under the Plan will be reduced by (i) shares withheld in payment of the participant's exercise price, purchase price or required tax withholding, and (ii) upon the exercise of

an SAR that is settled, in whole or in part, by the issuance or payment of shares, the total number of shares on which such SAR (or the portion of such SAR that is settled by the issuance or payment of shares) is based, regardless of the number of shares actually issued or paid to settle such SAR upon its exercise. If the Company acquires or is combined with another company, any Awards that may be granted under the Plan in substitution or exchange for outstanding stock options or other awards of that other company will not reduce the number of shares of common stock available for issuance under the Plan.

Plan Award Limits. Subject to adjustment in the case of certain changes in the capital structure of the Company, no more than 8,900,000 of the shares of common stock authorized under the Plan may be issued or paid under or with respect to the aggregate of all Awards granted during the Plan's entire existence. All of the authorized shares under the Plan may be issued or paid with respect to stock options (including ISOs) and SARs.

Individual Award Limits. Subject to adjustment in the case of certain changes in the capital structure of the Company, with respect to Awards that are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code, (a) the maximum number of shares of common stock that may be granted under the Plan pursuant to all "share-based Awards" (stock options, SARs, restricted stock, restricted stock units, performance shares, share-based performance units, non-restricted stock Awards and other share-based Awards, considered in the aggregate) to any participant during each and any calendar year will be 500,000 shares of common stock, and (b) the maximum value that may be payable under all "nonshare-based Awards" granted under the Plan (nonshare-base performance units and other nonshare based Awards, considered in the aggregate) to any participant during any calendar year will be $5,000,000.

Subject to adjustment in the case of certain changes in the capital structure of the Company, with respect to Awards that are granted under the Plan to any non-employee member of our Board of Directors, (a) the maximum number of shares of common stock that may be granted under the Plan pursuant to all "share-based Awards" to any non-employee director during any calendar year will be 100,000 shares of common stock, and (b) the maximum value that may be payable under all "nonshare-based Awards" granted under the Plan to any non-employee director during each and any calendar year will be $200,000.

Types of Awards Authorized Under the Plan.

(a) *Stock Options.* A stock option represents an option to purchase a number of shares of common stock at a fixed purchase price over a certain time period not to exceed ten years. The terms and conditions of any stock option will be determined by the Committee and set forth in the applicable Award agreement. The purchase price of any stock option granted under the Plan will not be less than 100% of the fair market value of a common share on the grant date of the option.

Stock options can either be ISOs or NSOs. All options granted under the Plan will be NSOs unless the applicable Award agreement expressly states that the option is intended to be an ISO. ISOs are a special type of stock options that can provide special tax advantages for participants who are employees that are not available with respect to NSOs. The aggregate fair market value of shares of common stock, determined at grant date, for which ISOs can be exercisable for the first time during any calendar year as to any participant is limited by tax law to $100,000. In addition, the Committee cannot grant an ISO to any participant who owns (directly or constructively) more than 10% of the voting power of our shares of common stock or who is not an employee of the Company. Unless otherwise set forth in the applicable Award agreement, each stock option will expire upon the tenth anniversary of the date the option is granted.

(b) *Stock Appreciation Rights.* A SAR represents the right, upon exercise of the SAR, to receive payment of a sum in cash, shares of common stock, other property or any combination

thereof (as determined by the Committee on the date of grant of the SAR) not to exceed the amount, if any, by which the fair market value (as determined on the date of the exercise of the SAR) of a number of shares of common stock on which the SAR is based exceeds the fixed grant price of the SAR. The terms and conditions of any SAR will be determined by the Committee and set forth in the applicable Award agreement. The grant price of the shares of common stock that are subject to a SAR may not be less than the fair market value of such shares of common stock on the SAR's grant date. A SAR may be granted by itself, in conjunction with new stock options granted at the same time under the Plan, or in relation to NSOs that were previously granted. Unless otherwise set forth in the applicable Award agreement, each SAR will expire upon the tenth anniversary of the date the SAR is granted.

(c) *Restricted Stock.* Restricted stock constitutes shares of common stock that may not be disposed of by the participant until certain restrictions lapse, and that will ultimately be forfeited to the extent such restrictions are not satisfied. In general, such restrictions may include service requirements and/or the satisfaction of performance goals. The restrictions that apply to any restricted stock Award may lapse as to a portion of the shares of common stock subject to the award if the participant meets some but not all of the imposed restrictions. Unless the Committee determines otherwise, the recipient of restricted stock will have all rights of a stockholder of the Company with respect to the restricted shares of common stock, including the right to vote and to receive cash dividends. The terms and conditions of any restricted stock Award will be determined by the Committee and set forth in the applicable Award agreement.

(d) *Restricted Stock Units.* Restricted stock units constitute an unfunded and unsecured promise to deliver shares of common stock, cash, other securities, other Awards or other property upon the lapse of certain restrictions. In general, such restrictions may include service requirements and/or the satisfaction of performance goals. The terms and conditions of any restricted stock units will be determined by the Committee and set forth in the applicable Award agreement.

(e) *Performance Share Award, Share-based Performance Unit and Nonshare-based Performance Unit.* A performance share Award constitutes a right that the participant will receive a number of shares of common stock, up to a fixed maximum, if certain performance-based conditions and service requirements are met. A portion of the maximum number of shares of common stock subject to the Award can be paid if some but not all of the conditions imposed under the Award are met. A share-based performance unit constitutes a right that the participant will receive an amount equal to a percent of the fair market value of one common share on the date the Award becomes payable (or is equal to a percent of the increase in the fair market value of a common share from the grant date of the Award to the date the Award becomes payable) if certain performance-based conditions and service requirements are met. A portion of the maximum amount payable under the Award can be paid if some but not all of the conditions imposed under the Award are met. Any amount that becomes payable under a share-based performance unit can be paid in cash, in shares of common stock or other property, or by a combination thereof, as the Committee may determine. A nonshare-based performance unit constitutes a right that the participant will receive an amount up to a maximum dollar value, if certain performance-based conditions and service requirements are met. A portion of the maximum amount payable under the Award can be paid if some but not all of the conditions imposed under the Award are met. Any amount that becomes payable under a nonshare-based performance unit can be paid in cash, in shares of common stock or other property or by a combination thereof. The terms and conditions of any performance share, share-based performance unit and/or nonshare-based performance unit will be determined by the Committee and set forth in the applicable award agreement.

(f) *Non-Restricted Stock Awards.* Non-restricted stock granted constitutes an award to a participant of a fixed number of shares of common stock that can be sold or disposed of immediately and without any restrictions. The terms and conditions of any non-restricted stock Awards will be determined by the Committee and set forth in the applicable Award agreement.

(g) *Other Awards.* The Committee may grant other equity-based or equity-related awards, or other Awards that provide for compensation based on a dollar amount, in each case, payable in cash, equity or otherwise. The Committee will determine the terms and conditions of any such Awards.

Performance Goals. To the extent that attaining performance goals is a condition to the exercise of or payment under any Award, the Committee will determine such performance goals in its discretion. However, for any Award granted under the Plan that is intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code, the Committee must base the relevant performance goals on one or more of the following criteria: free cash flow (cash generated by operating activities, minus capital expenditures and other investing activities, dividend payments and proceeds from the issuance of equity securities, and proceeds from the sale of assets); operating cash flow; cash available for distribution; EBITDA (earnings before interest, taxes, depreciation, and amortization); earnings per share; funds from operations; adjusted funds from operations; operating efficiency; operating income; total stockholder returns; profit targets; revenue targets; profitability targets as measured by return ratios; working capital; market share (in the aggregate or by segment); portfolio and regional occupancy rates; net income; return on investment or capital; return on assets; return on equity; return on sales; return on development; and level or amount of acquisitions.

Any performance criteria applicable to an Award will be based on a performance period of not less than one year or more than ten years and must be objectively determinable by the Committee. Performance criteria (i) may be measured or determined for the Company, for any subsidiary of Company, for the entire Company and its subsidiaries in the aggregate, or for any group of corporations or organizations that are included in the Company and (ii) may also be measured and determined in an absolute sense and/or in comparison to the analogous performance criteria of other publicly-traded companies, as selected by the Committee. The Committee will determine and certify in writing whether, and to the extent, the applicable performance criteria have been satisfied with respect to a particular Award. With respect to any Award that is intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code, the Committee may not exercise any discretionary authority to increase the amount payable under such Award above the maximum amount payable under the Award (except as otherwise permitted by Section 162(m) of the Code).

The Committee may provide in the terms of an Award that, in determining whether any of the above listed performance criteria has been attained, certain special or technical factors will be ignored or, conversely, taken into account, in whole or in part. Such special factors may include, but are not limited to, the gain, loss, or other impact of any one or more of the following: (i) changes in generally accepted accounting principles; (ii) unusual and/or infrequently occurring items; (iii) nonrecurring events; (iv) the disposition of a business, in whole or in part, the sale of investments or non-core assets, or discontinued operations, categories, or segments of businesses; (v) claims and/or litigation and insurance recoveries relating to claims or litigation; (vi) the impairment of tangible or intangible assets; (vii) restructuring activities, including reductions in force; (viii) investments or acquisitions; (ix) political and legal changes that impact operations, as a consequence of war, insurrection, riot, terrorism, confiscation, expropriation, business interruption, or similar events; (x) natural catastrophes; (xi) currency fluctuations; (xii) the issuance of stock options and/or other stock-based compensation; (xiii) the early retirement of debt; and/or (xiv) the conversion of convertible debt securities.

Change in Control. Unless otherwise provided in the applicable Award agreement or employment agreement, upon a change in control of the Company (as described below): (i) to the extent an Award

is not assumed or substituted by the successor corporation in connection with a change in control, then (a) any such Award subject only to service-based vesting requirements will become vested and exercisable and any restrictions then in force will lapse, and (b) any such Award subject to performance-based vesting conditions will become payable at the target payment amount (assuming all performance goals were satisfied at the target levels); and (ii) to the extent an Award granted on or after July 1, 2015 is assumed or substituted, then, if the participant's employment is terminated by the Company for "cause" or by the participant as the result of a "constructive termination", as such terms are defined in the participant's Award agreement or employment agreement, as applicable, within twelve (12) months following a change in control, (a) any such Award subject only to service-based vesting requirements will become vested and exercisable and any restriction then in force will lapse and (b) any such Award subject to performance-based vesting conditions will become payable at the target payment amount (assuming all performance goals were satisfied at the target levels), in each case, in whole or on a pro rata basis, as set forth in the applicable Award agreement.

In addition, unless otherwise prescribed by the Committee in an Award agreement, in the event of a change in control of the Company, the Committee will have discretion (i) to pay in cash (in lieu of the right to exercise) the then value of any then outstanding stock option or SAR provided that the then fair market value of the common shares that are subject to such option or SAR exceeds such option's or SAR's purchase price or grant price as to such shares and (ii) to pay in cash (instead of in common shares) the then value of any then outstanding RSUs, performance share, share-based performance unit, nonshare-based performance unit awards and other nonshare-based awards.

Unless otherwise provided pursuant to an Award agreement, a change in control is defined to mean any of the following events, generally: (i) during any period of 24 consecutive calendar months, a change in the composition of a majority of the board of directors, as constituted on the first day of such period, that was not supported by a majority of the incumbent board of directors; (ii) an acquisition by any individual, entity or group (other than certain such individuals, entities or groups as provided in the Plan) of beneficial ownership of 20% or more of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors; (iii) consummation of certain mergers or consolidations of the Company with any other corporation, or other sale of all or substantially all of the assets of the Company, following which our stockholders hold 40% or less of the combined voting power of the surviving entity; or (iv) the stockholders approve a plan of complete liquidation or dissolution of the Company.

Adjustments for Stock Dividends, Stock Splits, and Other Corporate Transactions. In the event of any stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares, or other corporate change in the Company, or any distributions to common stockholders of the Company including extraordinary cash dividends, the Committee will make such adjustments in the aggregate number or class of shares of common stock which may be distributed under the Plan and in the number, class, and purchase, grant, or other price of shares on which the outstanding Awards granted under the Plan are based as it determines to be necessary or appropriate to prevent any rights provided under the Plan and its Awards from being enlarged or diluted by such event.

Payment of Exercise Price and/or Withholding Taxes Applicable to Awards. Unless otherwise provided in an Award agreement, a participant may pay the exercise price of any Award and/or the withholding taxes due with respect to any Award (i) in cash, (ii) by tendering previously-owned shares of Company common stock, (iii) by having the Company withhold shares of Company common stock which are otherwise being purchased or paid under the Award, or (iv) by having the Company withhold an amount of cash that is payable under the Award.

Amendment and Termination. The Plan may generally be amended or terminated by our Board of Directors, provided that no such action may impair the rights of a participant with respect to a previously granted Award without the participant's consent. However, the Plan may not be amended

without approval of our stockholders if such amendment would: (i) increase the total number of shares of common stock reserved for issuance under the Plan; (ii) change the class of participants eligible for awards under the Plan; (iii) increase the total number of shares of common stock reserved for issuance for ISOs under the Plan; or (iv) make any other change in the Plan that is required by applicable law, the rules of the stock exchange on which the shares of common stock are listed, or Section 162(m) of the Code, to be approved by our stockholders in order to be effective.

The Committee may amend an outstanding Award agreement, provided that no amendment may materially and adversely impair the rights of any participant without the participant's consent. In no event can the Committee amend outstanding Awards, without stockholder approval, to (i) decrease the applicable exercise price, (ii) cancel an Award at a time when its exercise price exceeds the fair market value of the underlying shares in exchange for another Award or any cash payment, or (iii) take any action that would be treated, for accounting purposes, as a "repricing" of such Award.

Miscellaneous Provisions.

Awards may not be transferred, pledged, assigned, or otherwise encumbered, other than by will, by designation of a beneficiary upon the participant's death, or by the laws of descent and distribution. Each Award may be exercisable only by the participant during his or her lifetime.

An award granted under the Plan to a participant who is, at the time of the award, an employee of a corporation (other than the Company) that is part of the controlled group of which the Company is part, may be based on shares of common stock of such other corporation. In such case, all of the provisions of the Plan, including all share limits, apply to such Award in the same manner as if such other corporation's shares were shares of common stock of the Company.

In no event will we ever be obligated to issue or deliver any shares of common stock in connection with an Award granted under the Plan unless and until we determine that such issuance or delivery will not constitute a violation of the provisions of any applicable law (or regulation issued under such law) or the rules of any securities exchange on which our shares of common stock are listed.

Certain Federal Tax Aspects of Plan

The following summary describes the federal income tax treatment associated with options awarded under the Plan. The summary is based on the law as in effect on March 28, 2016. The summary does not discuss state or local tax consequences or non-U.S. tax consequences.

Incentive Stock Options. A participant does not recognize taxable income upon the grant or upon the exercise of an ISO (although the exercise of an ISO may in some cases trigger liability for the alternative minimum tax). Upon the sale of shares acquired pursuant to the exercise of an ISO, the participant recognizes gain in an amount equal to the excess, if any, of the fair market value of those shares on the date of sale over the exercise price of such shares. The gain is taxed at the long-term capital gains rate if the participant has not disposed of the stock within two years after the date of the grant of the ISO and has held the shares for at least one year after the date of exercise, and we are not entitled to a federal income tax deduction. ISO holding period requirements are waived when a participant dies. If a participant sells ISO shares before having held them for at least one year after the date of exercise and two years after the date of grant, the participant recognizes ordinary income to the extent of the lesser of: (a) the gain realized upon the sale; or (b) the excess of the fair market value of the shares on the date of exercise over the exercise price. Any additional gain is treated as long-term or short-term capital gain depending upon how long the participant has held the ISO shares prior to disposition. In the year of any such disposition, we will receive a federal income tax deduction in an amount equal to the ordinary income that the participant recognizes, if any, as a result of the disposition.

Nonqualified Stock Options. A participant does not recognize taxable income upon the grant of an NSO. Upon the exercise of such a stock option, the participant recognizes ordinary income to the extent the fair market value of the shares acquired upon exercise of the NSO on the date of exercise exceeds the exercise price. If the NSO was granted in connection with employment, this taxable income would also constitute "wages" subject to withholding and employment taxes. We will receive an income tax deduction in an amount equal to the ordinary income that the participant recognizes upon the exercise of the stock option. The foregoing summary assumes that the shares acquired upon exercise of an NSO are not subject to a substantial risk of forfeiture.

SARS. A participant who exercises a SAR will recognize ordinary income upon exercise equal to the amount of cash and the fair market value of any shares received as a result of the exercise (less the amount paid for such shares, if any). If the SAR was granted in connection with employment, this taxable income would also constitute "wages" subject to withholding and employment taxes. We will receive an income tax deduction in an amount equal to the ordinary income that the participant recognizes upon exercise of the SAR.

Restricted Stock. A participant who receives an award of restricted stock does not generally recognize taxable income at the time of the award. Instead, the participant recognizes ordinary income in the first taxable year in which his or her interest in the shares becomes either: (a) freely transferable or (b) no longer subject to substantial risk of forfeiture. The amount of taxable income is equal to the fair market value of the shares less the cash, if any, paid for the shares. A participant may make an election under Code Section 83(b) to recognize income at the time of grant of restricted stock in an amount equal to the fair market value of the restricted stock (less any cash paid for the shares) on the date of the award. If the restricted stock was granted in connection with employment, this taxable income would also constitute "wages" subject to withholding and employment taxes. We will receive a compensation expense deduction in an amount equal to the ordinary income recognized by the participant in the taxable year in which restrictions lapse (or in the taxable year of the award if, at that time, the participant had filed a timely election to accelerate recognition of income). Dividends paid with respect to restricted stock will be taxable as compensation income to the participant; provided that if a participant makes a section 83(b) election (as discussed above), any dividends paid with respect to that restricted stock will be treated as dividend income rather than compensation income.

Restricted Stock Units. A participant who receives an award of RSUs will recognize ordinary income equal to the amount of cash and the fair market value of any shares received upon settlement (generally, the vesting date). If the RSUs were granted in connection with employment, this taxable income would also constitute "wages" subject to withholding and employment taxes. We will receive an income tax deduction in an amount equal to the ordinary income that the participant recognizes.

Performance Share Awards, Performance Units, Non-Restricted Stock, and Other Non-Share Based Award. In the case of an award of performance shares, performance units, non-restricted stock or other non-share based award, the participant would generally recognize ordinary income in an amount equal to any cash received and the fair market value of any shares received on the date of payment. If such awards were granted in connection with employment, this taxable income would also constitute "wages" subject to withholding and employment taxes. In that taxable year, we would receive a federal income tax deduction in an amount equal to the ordinary income that the participant has recognized.

Section 162(m). Section 162(m) of the Code currently provides that if, in any year, the compensation that is paid to our Chief Executive Officer or to any of our three other most highly compensated executive officers (excluding our Chief Financial Officer) exceeds $1,000,000 per person, any amounts that exceed the $1,000,000 threshold will not be deductible by us for federal income tax purposes, unless the compensation qualifies as "qualified performance-based compensation" for purposes of Section 162(m) of the Code. Stock options and SARs granted under the Plan are intended to be qualified performance-based compensation and deductible without regard to the limitations

otherwise imposed by Section 162(m) of the Code. The Plan also allows the Committee discretion to award restricted stock, restricted stock units, performance shares, performance units, cash-based awards and other awards that are intended to be qualified performance-based compensation, as described under "Performance Goals" above.

Section 409A. Section 409A of the Code imposes restrictions on nonqualified deferred compensation. Failure to satisfy these rules results in accelerated taxation, an additional tax to the holder of the amount equal to 20% of the deferred amount, and a possible interest charge. While certain Awards under the Plan could be subject to Section 409A of the Code, the Plan is intended to comply with the requirements of Section 409A, where applicable.

Awards

New Plan Benefits

Benefits, if any, payable under the Plan for 2016 and future years are dependent on the actions of the Compensation Committee and are therefore not determinable at this time. In 2015, the following grants were made under the Existing Plan:

Name and Position	Dollar Value ($)(1)	Number of Shares(2)
Gary J. Wojtaszek	1,625,000	142,084
Gregory R. Andrews	1,000,000	27,472
Venkatesh S. Durvasula	1,050,000	91,808
Robert M. Jackson	320,000	26,382
Kevin L. Timmons	800,000	69,949
Thomas G. Bosse	750,000	65,578
Kimberly H. Sheehy	750,000	65,578
All Executive Officers, as a group (9 persons)(3)	6,570,000	499,976
All Non-Employee Directors, as a Group	770,000	27,097
All Non-Executive Officer Employees, as a Group	3,885,000	236,292

(1) The dollar values shown reflect the aggregate grant date fair value of grants made under the Existing Plan in 2015 and include awards of restricted stock and options. For additional information regarding these awards, please review "Executive Compensation—Compensation Discussion and Analysis" section beginning on page 31.

(2) The number of shares shown include restricted stock and shares issuable upon exercise of options.

(3) Includes all persons who served as executive officers during 2015.

The Board of Directors recommends a vote FOR the approval of the Plan.

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 2015 by the following individuals, to whom we refer as our named executive officers:

- Gary J. Wojtaszek, our President and Chief Executive Officer;
- Gregory R. Andrews, our Chief Financial Officer;
- Venkatesh S. Durvasula, our Chief Commercial Officer;
- Robert M. Jackson, our Executive Vice President, General Counsel and Corporate Secretary; and
- Kevin L. Timmons, our Chief Technology Officer.

In addition, pursuant to SEC Rules, our named executive officers for 2015 include two of our former executive officers:

- Kimberly H. Sheehy, our former Chief Financial Officer; and
- Thomas W. Bosse, our former 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 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 940 customers in 32 data centers in 12 distinct markets (10 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 2015 Business Highlights

Since our initial public offering, we have demonstrated strong growth and financial performance, as more fully discussed in the "Management Discussion and Analysis" of our 2015 Annual Report on Form 10-K, highlighted by the following:

- Total shareholder return ("TSR") in 2015 of 41.1%;
- 2015 revenue of $399.3 million, representing a 21% increase over 2014;
- 2015 Adjusted EBITDA of $211.7 million, representing a 25% increase over 2014; and
- 2015 Normalized Funds From Operations ("Normalized FFO") of $150.7 million, representing a 33% increase over 2014.

In addition to the financial highlights above, we achieved a number of additional business accomplishments in 2015:

- Leased a record 342,000 Colocation Square Feet ("CSF"), representing a 45% increase over our previous record in 2014;
- Added more than 270 new customers, including 29 Fortune 1000 companies, increasing the total number of Fortune 1000 customers to 173;
- Completed three successful equity offerings, which resulted in a reduction of the ownership position of our former parent CBI to less than 10% as of December 31, 2015 as well as a broader stockholder base and increase in the public float and liquidity of the Company's stock;
- Completed the acquisition of Cervalis, a privately-held operator of data centers, in July 2015, resulting in the acquisition of four data center facilities and two work recovery facilities serving the New York metropolitan area; and
- Successfully established a presence in the Northern Virginia market, leasing nearly six phases totaling approximately 215,000 square feet.

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

Fiscal 2015 Performance and Compensation

2015 Awards

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 2015, 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. For 2015, the key financial measures used to assess short-term annual performance were 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*.

Annual Bonus. The 2015 annual bonus was tied to the Company's achieving certain revenue, and Normalized FFO goals. In 2015, the Company increased its revenue by 20.7% over 2014, but was $17.5 million less than the target for 2015. FFO increased by 33.5% over 2014, or by $11.9 million over the target for 2015. 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 122.35% to 142.35% of target, depending on the different weightings given to each performance component by the Compensation Committee. For more information regarding the 2015 annual bonus, see the description below under the heading "—2015 Executive Compensation Components—Annual Bonus."

Long-term Incentive Awards. All of our named executive officers other than Messrs. Andrews and Jackson received long-term incentive awards granted in February 2015 that consisted of restricted stock awards (75%) and stock options (25%). The restricted stock awards included a time-based component (25%) which vests pro rata on February 10 of 2016, 2017 and 2018, and a performance component (75%) which vest over a three-year performance period beginning on January 1, 2015 and ending December 31, 2017 based upon achievement of specified performance metrics over the three-year performance period. Of the 75% of the restricted stock awards tied to performance, 50% were tied to the achievement of relative TSR goals over the 2015-2017 performance period and 50% were tied to the achievement of return on asset (ROA) goals over the 2015-2017 performance period. The stock option component of the 2015 awards (25%) have a ten year term and vest pro rata over the next three years on February 10 of 2016, 2017 and 2018, with no additional performance metric. On February 10,

2016, one third of the time-vested portion of the 2015 restricted stock awards (8.33%, or one-third of the 25% of such awards that vested solely based on time) vested. An additional 16.67% vested for the remaining portion of the 2015 restricted stock awards based on TSR performance goals and 16.67% vested for the portion of the restricted stock awards based on ROA performance goals on February 28, 2016. One-third of the option awards granted in February 2015 vested on February 10, 2016.

In connection with his employment by the Company, on October 26, 2015, Mr. Andrews received a $1,000,000 in value time-based restricted stock award that vests ratably over three years on the anniversary date of the grant.

In connection with his employment by the Company, on July 31, 2015, Mr. Jackson received a long-term incentive awards consisting of restricted stock awards (75%) and stock options (25%). Mr. Jackson's long-term incentive awards have substantially the same terms as the awards granted to our other named executive officers in February 2015 other than the time-based vesting provisions, which are tied to the anniversary dates of the July 31 grant date in 2016, 2017 and 2018.

In addition to long-term incentive awards granted in 2015, all of our named executive officers other than Messrs. Andrews and Jackson were eligible to receive additional long-term incentive compensation upon the vesting of long-term incentive awards granted in 2013 and 2014, as described below.

2014 and 2013 Awards

Long-term incentive 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, the cumulative payout for the portion of the award that vested on February 7, 2016 was at 94% of the target number of performance-based awards tied to 2015. No vesting occurred in 2015 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.

Long-term incentive grants awarded in 2013 are 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 beginning April 1, 2013 and ending March 31, 2016. 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, 2015, which after subtracting the shares and options that vested in 2013 and 2014, resulted in a vesting of only 63.5% of the target number of shares for 2015. No vesting occurred in 2015 for the portion of the performance-based shares granted in 2013 tied to the achievement of 3-year TSR as per the terms of those grants, vesting, if any, will not occur until March 31, 2016.

In addition, all of our named executive officers other than Messrs. Andrews and Jackson held time-based restricted shares granted in connection with our initial public offering in 2013, which cliff-vested on January 24, 2016 (the "IPO Grants").

Compensation Governance Highlights

- ✓ The Compensation Committee is composed solely of independent directors.
- ✓ Over 75% of each senior executive's total compensation is performance-based, and thus "at-risk".
- ✓ We have stock ownership guidelines for our executive officers, including the named executive officers, and our independent directors.
- ✓ We have a compensation clawback policy that permits the Company to recoup executive compensation in the event of a material financial misstatement.
- ✓ The exercise price of options granted under the 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.
- ✓ Beginning with agreements executed or awarded in July 2015, our named executive officers' employment agreements and equity awards include double-trigger change-in-control severance benefits.
- ✓ We provide limited perquisites.
- ✓ We require a minimum vesting period of at least one year following the grant date for 95% of equity awards.
- ✓ 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.

- ✗ We do not generally provide tax gross-ups, including for example, U.S. tax code Section 280G excise tax "gross ups".
- ✗ The change in control definition contained in the Plan is not a "liberal" definition that would be activated on mere stockholder approval of a transaction.
- ✗ The Plan prohibits the repricing of stock options without stockholder approval.
- ✗ We do not guarantee annual bonuses.

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 2015, 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:

Direct Competitor Peer Group		
Digital Realty Trust	Dupont Fabros Technology	CoreSite
QTS Realty Trust	Endurance International Group	
Size-Based Peer Group		
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		
Cloud Computing Peer Group		
VMware	Citrix Systems	Salesforce.com
CenturyLink/Savvis	Rackspace	Equinix

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 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 and approved by the Board.

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 Compensation Committee and the full Board in executive session.

2015 Executive Compensation Components

The primary components of compensation for the named executive officers in 2015 were base salary, short-term incentives in the form of an annual cash bonus, and long-term equity incentives in the form of time-based and performance-based restricted stock and time-based stock options, each as described further below.

In addition, during 2015, the Compensation Committee reviewed the Company's use of change-in-control provisions in all agreements with executive officers. Following this review, the Compensation Committee adopted a policy that it will refrain from granting equity awards that include pure "single-trigger" vesting provisions upon a change in control of the Company. Instead, beginning with grants made in July 2015, equity awards include double-trigger vesting provisions or other criteria designed to tie vesting to measurable performance rather than solely to a change in control. Also, since July 2015, all employment agreements entered into with our executive officers have included double-trigger change of control provisions, including the agreements executed with Messrs. Andrews and Jackson. 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 behavior that is not in the best interests of stockholders.

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 2015, each of our named executive officers was employed pursuant to a written employment agreement. The respective employment agreements provide for the following minimum annual base salaries: Mr. Wojtasek—$576,000; Mr. Andrews—$425,000; Mr. Durvasula—$300,000; Mr. Jackson $320,000; Mr. Timmons—$300,000; Mr. Bosse—$300,000; and Ms. Sheehy—$330,000. The Compensation Committee (and the Board of Directors, with respect to the Chief Executive Officer) annually reviews base salaries for the named executive officers, including benchmarking the base salaries for our named executive officers against salaries for executive officers in our peer group and consideration of other factors, as appropriate. In 2015, 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 input from the Chief Executive Officer for the other named executive officers, determined not to increase the salaries of our named executive officers for 2015 compared to 2014.

The table below summarizes the base salaries for each of our named executive officers in 2015 and 2014:

	2015 Base Salary ($)	2014 Base Salary ($)	% Change
Mr. Wojtaszek	618,000	618,000	0%
Mr. Andrews	425,000(1)	—	—
Mr. Durvasula	360,500	360,500	0%
Mr. Jackson	320,000(2)	—	—
Mr. Timmons	360,500	360,500	0%
Mr. Bosse	309,000	309,000	0%
Ms. Sheehy	360,500	360,500	0%

(1) Effective October 2015.

(2) Effective July 2015.

Annual Bonus

Each of our named executive officers participates in the CyrusOne 2015 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, Andrews 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, Mr. Jackson has a bonus target of not less than 70% of his then-current salary and each of Ms. Sheehy and Mr. Bosse had a bonus target of not less than 50% of his or her then-current base salary. The bonus targets as a percentage of base salary are reviewed by the Compensation Committee (and the Board, with respect to the Chief Executive Officer) each year. There were no changes in bonus target percentages in 2015 compared to 2014.

The following table sets forth the 2015 base salary and annual target bonus opportunity for each of our named executive officers.

	Actual 2015 Base Salary ($)(1)	Annual Target Bonus ($)	% of Base Salary
Mr. Wojtaszek	618,000	772,500	125%
Mr. Andrews	73,558(2)	73,558(2)	100%
Mr. Durvasula	360,500	360,500	100%
Mr. Jackson	129,331(3)	90,462(3)	70%
Mr. Timmons	360,500	360,000	100%
Mr. Bosse	215,112(4)	139,823(4)	65%
Ms. Sheehy	360,500	360,500	100%

(1) Reflects actual base salary paid in 2015.

(2) Effective October 2015; actual base salary and target bonus were pro-rated for portion of year employed.

(3) Effective July 2015; actual base salary and target bonus were pro-rated for portion of year employed.

(4) Through July 31, 2015; actual base salary and target bonus were pro-rated for portion of year employed.

The financial performance component of the 2015 bonus opportunities for the named executive officers was based on achieving certain minimum revenue and Normalized FFO goals. The Compensation Committee selected each of these performance metrics because each is a key indicator of the Company's financial performance. Specifically, revenue is well understood and accepted by the investing public as measures of financial performance. FFO is a common measure used by REITs and is consistent with the Company's strategic plan to focus on increased Normalized FFO. Both of these metrics are 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 2015 bonus opportunities for our named executive officers, in millions:

	Threshold ($)	Target ($)	Maximum ($)	2015 Actual ($)
Revenue	375.1	416.8	479.3	399.3
Normalized FFO(1)	124.9	138.8	159.6	150.7

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

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

Performance Percentage of Target	Payout Percentage
<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 2015 bonus opportunities for the named executive officers is largely subjective and relates to each executive's individual performance and contributions for the year.

For all named executive officers including our Chief Executive Officer, the percentage weighting established by the Compensation Committee for 2015 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) was 30% revenue/50% Normalized FFO/20% individual. In 2015, results for each of the financial performance goals are as follows—79% achievement of the revenue target (resulting in 23.7% payout for this component) and 157.3% of the Normalized FFO target (resulting in 78.65% payout of this component) 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 acquisition and integration of Cervalis, the Compensation Committee approved an incentive attributable to individual performance at an amount equal to 40% of the bonus target for Mssrs. Wojtaszek, Timmons, and Durvasula. The following table shows the

percentage relative to the target bonus and actual percentages paid to each executive for the respective performance goals:

	Target Bonus ($)	Revenue (%)		Normalized FFO (%)		Individual (%)		Bonus Target (%)		Actual Bonus ($)
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Mr. Wojtaszek	772,500	30.0	23.7	50.0	78.65	20.0	40.0	100.0	142.0	1,099,654
Mr. Andrews	73,558	30.0	23.7	50.0	78.65	20.0	20.0	100.0	122.0	89,998(1)
Mr. Durvasula	360,500	30.0	23.7	50.0	78.65	20.0	40.0	100.0	142.0	513,172
Mr. Jackson	90,462	30.0	23.7	50.0	78.65	20.0	20.0	100.0	122.0	110,680(1)
Mr. Timmons	360,500	30.0	23.7	50.0	78.65	20.0	40.0	100.0	142.0	513,172
Mr. Bosse	200,850	30.0	0.0	50.0	0.0	20.0	0.0	100.0	142.0	—(2)
Ms. Sheehy	375,000	30.0	23.7	50.0	78.65	20.0	40.0	100.0	142.0	441,072(2)

(1) Actual amount paid is pro-rata for portion of the year the executive was employed by the Company.

(2) Actual amount paid pursuant to a separation agreement between the executive and the Company. See "Executive Compensation Tables—Potential Payments from Termination of Employment or Change in Control Separation Payments in 2015."

Long-Term Incentives

2015 Awards

Each of the named executive officers other than Messrs. Andrews and Jackson received grants of time-based and performance-based restricted stock and time-based stock options on February 10, 2015 under the Existing 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 structure of 2013 and 2014 long-term incentive awards and peer group data. After considering all factors, the Committee determined to grant a mix of performance-based and time-based awards to incentivize management but also, through the addition of the time-based component, encourage retention and align management's interests with those of our stockholders. The 2015 long-term incentive awards consisted of restricted stock awards (75%) and stock options (25%). The restricted stock awards included a time-based component (25%) which vests pro rata on February 10 of 2016, 2017 and 2018, and a performance-based component (75%) which vests over a three-year performance period beginning on January 1, 2015 and ending December 31, 2017 based upon achievement of specified performance metrics over the 2015-2017 performance period. Of the 75% of the restricted stock awards tied to performance, 50% were tied to the achievement of relative TSR goals over the 2015-2017 performance period and 50% were tied to the achievement of ROA goals over the 2015-2017 performance period. The stock option component of the 2015 awards (25%) have a ten year term and vest pro rata over the next three years on February 10 of 2016, 2017 and 2018. One-third of the option awards granted in 2015 vested on February 10, 2016.

In determining the performance metrics for the 2015 awards, the Committee considered the metrics for the 2013 and 2014 long-term incentive awards. 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 Committee determined it is also a useful measure to assess long-term performance. In 2015, the Committee determined to use ROA instead of Adjusted EBITDA. The ROA metric is consistent with the development yield metric reported to the Company's

stockholders each quarter. For the remaining portion of the long-term incentive goals, the 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. Targets for the 2015 awards were set on a cumulative basis, such that awards that do not vest based on performance in a single year can be made up at the end of the three-year performance period. In 2015, in determining the number of awards to be granted, the Compensation Committee differentiated the award granted to each named executive officer After considering various factors including market data, and the leadership requirements of the position, the Compensation Committee made awards at the following grant date fair values: Mr. Wojtaszek—$1,625,000; Mr. Durvasula—$1,050,000; Mr. Timmons—$800,000; Mr. Bosse—$750,000; and Ms. Sheehy—$800,000.

In connection with his employment by the Company, on October 26, 2015, Mr. Andrews received a $1,000,000 in value restricted stock award that vests ratably over three years on the anniversary date of the grant.

In connection with his employment by the Company, on July 31, 2015, Mr. Jackson received a long-term incentive award consisting of restricted stock awards (75%) and stock options (25%). The restricted stock awards included a time-based component (25%) which vests pro rata on July 31 of 2016, 2017 and 2018, and a performance-based component (75%) based on a three-year performance period beginning on January 1, 2015 and ending December 31, 2017 based upon achievement of specified performance metrics over the 2015-2017 performance period. Of the 75% of the restricted stock awards tied to performance, 50% were tied to the achievement of relative TSR goals over the 2015-2017 performance period and 50% were tied to the achievement of ROA goals over the 2015-2017 performance period. Mr. Jackson's 2015 performance-based restricted stock awards, if performance targets are achieved, will vest on July 31 of 2016, 2017 and 2018 The stock option component of the 2015 awards (25%) have a ten year term and vest pro rata over the next three years on July 31 of 2016, 2017 and 2018.

Awards Granted in 2014 and 2013

In 2014, grants made to executives under the Existing Plan were performance-based restricted stock awards, 50% of which were subject to achievement of cumulative Adjusted EBITDA goals during the period beginning January 1, 2014 and ending December 31, 2016, and 50% of were 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 Existing 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 March 31, 2016. 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 fell slightly below the target cumulative Adjusted EBITDA for 2015, with an attainment of 97% of cumulative target. Per the terms of the award, the cumulative payout for the awards vesting on February 7, 2016 was at 94% of the target number of performance-based awards tied to the current year Adjusted EBITDA for 2015. 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 three-year period ending December 31, 2015 was $491.3 million, or 92.7% of the target for such period set by the Compensation Committee. This resulted in vesting below target for the tranche of the awards that vested in 2015. After subtracting the long-term performance based shares which vested in 2013 and 2014, this resulted in cumulative vesting of only 63.5% of the target number of shares. 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 on March 31, 2016.

More information regarding the long-term incentives granted to our named executive officers during 2015 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.

2016 Compensation Decisions

On February 1, 2016, the Compensation Committee approved 2016 base salaries, annual bonus targets and long-term incentive awards for all of our named executive officers (other than Mr. Bosse and Ms. Sheehy, who are no longer employees of the Company). The Compensation Committee approved increases in the 2016 base salaries of Messrs. Wojtaszek, Durvasula and Timmons as follows: Mr. Wojtaszek—$800,000; Mr. Durvasula—$450,000; and Mr. Timmons—$400,000. These increases were in recognition of the substantial efforts made by these executives to the growth of our Company since the IPO, the fact that no base salary increases were approved for 2015 and a review of market data and salaries for companies in our peer group.

The Compensation Committee also approved 2016 short-term and long term incentive awards for each of our named executive officers. The structure of the 2016 compensation program is substantially similar to the 2015 program. The 2016 annual cash bonus is tied to achievement of certain revenue and FFO goals. The Compensation Committee increased Mr. Wojtaszek's annual cash bonus target to 175% of his 2016 base salary; the annual cash bonus targets for each of Messrs. Andrews, Durvasula, Jackson and Timmons remained the same as 2015 target levels. 2016 long-term incentive awards approved on February 1, 2016 consisted of restricted stock awards (75%) and stock options (25%). As in 2015, the 2016 restricted stock awards include a time-based component (25%), which vests pro rata on February 1 of 2017, 2018 and 2019, and a performance-based component (75%), which vests over a three-year performance period beginning on January 1, 2016 and ending December 31, 2018 based upon achievement of specified performance metrics over the 2016-2018 performance period. Of the 75% of the restricted stock awards tied to performance, 50% are tied to the achievement of relative TSR goals over the 2016-2018 performance period and 50% are tied to the achievement of ROA goals over the 2016-2018 performance period. The stock option component of the 2016 awards (25%) have a ten year term and vest pro rata over the next three years on February 1 of 2017, 2018 and 2019, with no additional performance metric. Vesting for achievement of performance goals that fall between each level will be determined based upon a linear interpolation.

In addition to the regular short-term and long-term incentive awards for 2016, the Compensation Committee also granted additional retention awards to Messrs. Wojtaszek, Durvasula and Timmons in the form of time-based restricted stock awards with a three-year cliff vesting on the third anniversary of the grant date as follows: Mr. Wojtaszek—88,195 shares; Mr. Durvasula—67,843 shares; and Mr. Timmons—46,133 shares. The IPO Grants awarded to these executives vested in full on January 24, 2016, and, in light of the substantial contributions made to the Company by each of these executives, the Compensation Committee determined that additional retention awards were appropriate.

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 Existing 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 Existing Plan under certain circumstances. Information regarding the severance payable to our named executive officers pursuant to their employment agreements and treatment of outstanding equity awards under the Existing 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. Our executive officers have five years from the date on which he or she becomes an executive officer to comply with our stock ownership guidelines. As of December 31, 2015, 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 and equity awards 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 or amount of equity awards received 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*—Severance benefits under an executive's employment agreement are not payable upon a change of control unless the executive is terminated without cause or experiences a constructive termination, in each case, within 12 months following the change in control.

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. ROA was chosen as a key metric because it is consistent with the development yield metric reported by the Company on a quarterly basis. The 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 2016 Annual Meeting of Stockholders for filing with the SEC.

Compensation Committee:
T. Tod Nielsen (Chair)
Alex Shumate
Lynn A. Wentworth

March 15, 2016

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, 2015, December 31, 2014 and December 31, 2013.

Name and Principal Position	Year	Salary ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)(3)	Total ($)
Gary J. Wojtaszek	2015	618,000	1,218,750	406,250	1,099,654(4)	281,609	3,624,263
President and Chief	2014	615,577	1,500,000	—	1,016,548(5)	15,224	3,147,349
Executive Officer	2013	598,616	4,631,656	155,892	4,473,866(6)	755,330	10,615,360
Gregory R. Andrews(7)	2015	73,558	1,000,000	—	89,998(4)	200,848	1,364,404
Chief Financial Officer							
Venkatesh Durvasula(7)	2015	360,500	787,500	262,500	513,172(4)	132,962	2,056,634
Chief Commercial Officer	2014	352,356	750,000	—	471,839(5)	13,897	1,588,092
Robert M. Jackson(7)	2015	129,231	240,000	80,000	110,680(4)	202,953	762,864
Executive Vice President, General Counsel and Secretary							
Kevin L. Timmons	2015	360,500	600,000	200,000	513,172(4)	137,063	1,810,735
Chief Technology Officer	2014	355,721	750,000	—	451,677(5)	14,297(3)	1,571,695
	2013	312,019	2,156,684	77,945	4,221,730(6)	80,134	6,848,512
Thomas W. Bosse(7)(8)	2015	215,112	562,500	187,500	—	942,594	1,907,706
Former Vice President, General Counsel and Secretary	2014	307,789	750,000	—	264,303(5)	3,639	1,325,731
Kimberly H. Sheehy(8)	2015	360,500	562,500	187,500	—	2,228,562	3,339,062
Former Chief Financial Officer	2014	359,086	750,000	—	474,389(5)	14,593	1,598,068
	2013	345,961	2,192,765	77,945	1,978,137(6)	169,289	4,764,096

(1) Reflects the aggregate grant date fair value of time-based and performance-based restricted stock awards granted to the named executive officers in 2013, 2014 and 2015, each determined in accordance with FASB ASC 718. The assumptions used in the calculation of the grant date fair values of these awards are incorporated by reference to Note 16 to the financial statements in our annual report on Form 10-K filed with the SEC on February 26, 2016.

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 2015	Fiscal 2014	Fiscal 2013	Fiscal 2015	Fiscal 2014	Fiscal 2013
Mr. Wojtaszek	914,063	1,500,000	680,834	304,687	—	3,950,822
Mr. Andrews	—	—	—	1,000,000	—	—
Mr. Durvasula	590,625	750,000	—	196,875	—	—
Mr. Jackson	180,000	—	—	60,000	—	—
Mr. Timmons	450,000	750,000	340,417	150,000	—	1,816,267
Mr. Bosse	421,875	750,000	—	140,625		—
Ms. Sheehy	421,875	750,000	340,417	140,625		1,852,348

For the time-based IPO Grants made in connection with the Company's initial public offering in 2013 and the time-based restricted stock and options awarded in 2015, 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 2015	Fiscal 2014	Fiscal 2013
Mr. Wojtaszek	1,828,126	3,000,000	1,361,668
Mr. Andrews	—	—	—
Mr. Durvasula	1,181,250	1,500,000	—
Mr. Jackson	360,000	—	—
Mr. Timmons	900,000	1,500,000	680,834
Mr. Bosse	843,750	1,500,000	—
Ms. Sheehy	843,750	1,500,000	680,834

(2) Reflects the aggregate grant date fair value of performance-based option awards granted to the named executive officers in 2013 and time-based option awards granted to the named executive officers in 2015, 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 16 to the financial statements in our annual report on Form 10-K filed with the SEC on February 26, 2016. 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 Maximum Performance($)
	Fiscal 2013
Mr. Wojtaszek	311,784
Mr. Andrews	—
Mr. Durvasula	—
Mr. Jackson	—
Mr. Timmons	155,890
Mr. Bosse	—
Ms. Sheehy	155,890

(3) The components of the "All Other Compensation" column for 2015 include the following:

	401(k) Match ($)	Insurance ($)(a)	Perquisites ($)(b)	Dividend Income(c)	Relocation ($)(d)	Severance ($)(e)	Total
Mr. Wojtaszek	10,400	2,904	1,800	266,505	—	—	281,609
Mr. Andrews	—	398	450	—	200,000	—	200,848
Mr. Durvasula	—	2,199	11,800	118,963	—	—	132,962
Mr. Jackson	1,477	726	750	—	200,000	—	202,953
Mr. Timmons	10,400	2,199	1,800	122,664	—	—	137,063
Mr. Bosse	1,426	1,328	1,200	43,043	—	895,597	942,594
Ms. Sheehy	10,400	2,199	1,800	126,771	—	2,087,392	2,228,562

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

(b) Consists of 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.

(c) Reflects dividends paid or accrued on time-vested stock awards and not otherwise included in the grant date fair value of such awards.

(d) Reflects estimated relocation expenses to be paid for Mr. Andrews and Mr. Jackson.

(e) Severance payment for Mr. Bosse includes the sum of two times his base salary and pro-rated bonus target to date of termination ($885,800), plus 60 days interest ($5,175), and $4,622 for life insurance policy conversion. Severance payment for Ms. Sheehy includes the sum of two times her base salary and pro-rated bonus target to the date of termination ($1,442,000), transition services bonus of $200,000, $4,320 for life insurance policy conversion and an additional bonus of $441,072. See "—Estimated Payments in Connection with a Termination of Employment or Change of Control" for additional information.

(4) Reflects annual bonuses earned during 2015 pursuant to the CyrusOne 2015 Short Term Incentive Plan, payments of which were made in March 2016. For a detailed discussion regarding our annual bonuses, see "Compensation Discussion and Analysis-2015 Executive Compensation Components, Annual Bonus," above.

(5) Reflects annual bonuses earned during 2014 pursuant to the CyrusOne 2014 Short Term Incentive Plan, payments of which were made in February 2015, equal to $1,016,548 for Mr. Wojtaszek, $471,839 for Mr. Durvasula, $451,677 for Mr. Timmons, $264,303 for Mr. Bosse and $474,389 for Ms. Sheehy.

(6) 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.

(7) Messrs. Durvasula and Bosse were not named executive officers in 2013. Messrs. Andrews and Jackson were not named executive officers in 2013 or 2014.

(8) Mr. Bosse's employment terminated in July 2015, and Ms. Sheehy's employment terminated in December 2015. Messrs. Durvasula and Bosse were not named executive officers in 2013. Messrs. Andrews and Jackson were not named executive officers in 2013 or 2014.

Grants of Plan-Based Awards

The following table presents information concerning plan-based awards granted to each of the named executive officers during 2015.

2015 Grants of Plan-Based Awards Table

		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 ($/Sh)	Grant Date Fair Value of Stock and Option Awards(3)
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Mr. Wojtaszek	2/10/2015	386,250	772,500	1,545,000	16,082	32,163	64,325	10,721	67,038	28.42	1,625,000
Mr. Andrews	10/26/2015	36,779	73,558	147,116	—	—	—	27,473	—	36.4	1,000,000
Mr. Durvasula	2/10/2015	180,250	360,500	721,000	10,391	20,782	41,564	6,927	43,317	28.42	1,050,000
Mr. Jackson	7/31/2015	45,231	90,462	180,924	2,928	5,856	11,712	1,952	12,719	30.74	320,000
Mr. Timmons	2/10/2015	180,250	360,500	721,000	7,917	15,834	31,668	5,278	33,003	28.42	800,000
Mr. Bosse	2/10/2015	92,700	200,850	370,800	7,422	14,844	29,689	4,948	30,941	28.42	750,000
Ms. Sheehy	2/10/2015	180,250	360,500	721,000	7,472	14,844	29,689	4,948	30,941	28.42	750,000

(1) Reflects each named executive officer's 2015 annual threshold, target and maximum incentive opportunity under the CyrusOne 2015 Short Term Incentive Plan. For a detailed discussion regarding our annual bonuses, see "Compensation Discussion and Analysis—2015 Executive Compensation Components—Annual Bonus" above.

(2) Reflects performance-based restricted stock granted in 2015 as part of the long-term incentive grants. For a detailed discussion regarding our 2015 long-term incentive grants, see "Compensation Discussion and Analysis—2015 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: Mr. Wojtaszek—$2,539,086; Mr. Durvasula—$1,640,615; Mr. Jackson—$500,034; and Mr. Timmons—$1,250,004. Mr. Andrews received only time-based awards in 2015. The assumptions used in the calculation of the grant date fair values of the stock awards are incorporated by reference to Note 16 to the financial statements in our annual report on Form 10-K filed with the SEC on February 26, 2016.

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.

2015 Long-Term Incentive Awards. On February 10, 2015, each named executive officer other than Messrs. Andrews and Jackson received long-term incentive awards under the Existing Plan. The long-term incentive grants consisted of restricted stock awards (75%) and stock options (25%). The restricted stock awards included a time-based component (25%), which vests pro rata on February 10 of 2016, 2017 and 2018, and a performance component (75%), which vest over a three-year performance period beginning on January 1, 2015 and ending December 31, 2017 based upon achievement of specified performance metrics over the three-year performance period. Of the 75% of the restricted stock awards tied to performance, 50% were tied to the achievement of relative TSR goals over the 2015-2017 performance period and 50% were tied to the achievement of return on asset (ROA) goals over the 2015-2017 performance period. The stock option component of the 2015 awards (25%) have a ten year term and vest pro rata over the next three years on February 10 of 2016, 2017 and 2018, with no additional performance metric. Vesting for achievement of performance goals that falls between each level will be determined based on linear interpolation. For each of fiscal years 2015 and 2016, if cumulative TSR exceeds the target, the maximum number of shares that may vest will be limited to one-third of the award that is subject to TSR performance. If at the end of the third year, total cumulative TSR exceeds the MSCI US REIT index by more than 2%, up to 200% of the target number of performance-based awards subject to TSR performance may vest. If at the end of the third year total ROA over the 2015-2017 performance period exceeds the ROA target by 115% or more, up to 200% of the target number of performance-based awards subject to ROA performance may vest.

In connection with his employment by the Company, on October 26, 2015, Mr. Andrews received a $1,000,000 in value restricted stock award that vests ratably over three years on the anniversary date of the grant.

In connection with his employment by the Company, on July 31, 2015, Mr. Jackson received a long-term incentive awards consisting of restricted stock awards (75%) and stock options (25%). Mr. Jackson's long-term incentive awards have substantially the same terms as the awards granted to our other named executive officers in February 2015 other than the time-based vesting provisions, which are tied to the anniversary dates of the July 31 grant date in 2016, 2017 and 2018.

2014 Long-Term Incentive Awards. In 2014, each named executive officer other than Messrs. Andrews and Jackson received long-term incentive awards under the Existing 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 stock awards 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 years 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 two-year period ending December 31, 2015 was achieved at 99.4% of the target cumulative Adjusted EBITDA for such period, resulting in vesting on February 7, 2016 of 94% of the target number of performance-based awards tied to cumulative EBITDA for that year.

2013 Long-Term Incentive Awards. For long-term incentive grants made in 2013, the Company's cumulative Adjusted EBITDA for the three-year period ending December 31, 2015 was achieved at 92.7% of the target cumulative Adjusted EBITDA for such period. After subtracting the long-term performance-based shares which vested in 2013 and 2014, this resulted in vesting of only 63.5% of the target number of shares for 2015.

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, with Mr. Bosse on March 17, 2013, with Mr. Jackson on July 31, 2015 and with Mr. Andrews on October 19, 2015. The employment agreements with our named executive officers have (or had, in the case of Mr. Bosse and Ms. Sheehy) an initial term of one year. The terms of these agreements automatically extend for additional one-year periods unless either party gives prior notice of non-renewal. The employment agreements for each of Messrs. Wojtaszek, Timmons, Durvasula and Bosse and Ms. Sheehy renewed in 2014 and 2015. The agreements provide for annual base salaries and target bonus opportunities discussed in the "Compensation Discussion and Analysis—2015 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. The employment of Mr. Bosse and Ms. Sheehy terminated in 2015. 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, 2015.

Outstanding Equity Awards at 2015 Fiscal Year End

		Option Awards					Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options (#)(1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)	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 (#)(2)
Mr. Wojtaszek										
2013 IPO Grants(3)	1/24/2013						207,938	7,787,278		
2013 LTIC—Options(4)	4/17/2013	6,517		14,394	23.58	4/17/2023				
2013 LTIC—Restricted Stock(5)	4/17/2013								18,940	709,303
2014 LTIC—Restricted Stock(6)	2/7/2014								60,532	2,226,923
2015 LTIC—Options(7)	2/10/2015		67,038		28.42	2/10/2025				
2015 LTIC—Restricted Stock(8)	2/10/2015						10,721	401,501	32,163	1,204,504
Mr. Andrews										
2015 Restricted Stock(9)	10/25/2015						27,472	1,028,826		
Mr. Durvasula										
2013 IPO Grants(3)	1/24/2013						92,106	3,449,370		
2013 LTIC—Options(4)	4/17/2013	3,259		7,196	23.58	4/17/2023				
2013 LTIC—Restricted Stock(5)	4/17/2013								9,470	354,652
2014 LTIC—Restricted Stock(6)	2/7/2014								30,267	1,133,499
2015 LTIC—Options(7)	2/10/2015		43,317		28.42	2/10/2025				
2015 LTIC—Restricted Stock(8)	2/10/2015						6,927	259,416	20,782	778,286
Mr. Jackson										
2015 LTIC—Options(10)	7/31/2015			12,719	30.74	7/31/2025				
2015 LTIC—Restricted Stock(11)	7/31/2015						1,952	73,102	5,855	219,270
Mr. Timmons										
2013 IPO Grants(3)	1/24/2013						95,593	3,579,958		
2013 LTIC—Options(4)	4/17/2013	3,259		7,196	23.58	4/17/2023				
2013 LTIC—Restricted Stock(5)	4/17/2013								9,470	354,652
2014 LTIC—Restricted Stock(6)	2/7/2014								30,267	1,133,499
2015 LTIC—Options(7)	2/10/2015		33,003		28.42	2/10/2025				
2015 LTIC—Restricted Stock(8)	2/10/2015						5,278	197,661	15,834	592,983
Mr. Bosse(12)										
2013 LTIC—Options	4/17/2013	10,455			23.58	7/31/2016				
2015 LTIC—Options	2/10/2015	15,838			28.42	7/31/2016				
Ms. Sheehy(13)										
2013 LTIC—Options(4)	4/17/2013	10,455			23.58	12/31/2016				
2013 LTIC—Restricted Stock(5)	4/17/2013								6,879	257,619
2014 LTIC—Restricted Stock(6)	2/7/2014								18,166	680,092
2015 LTIC—Options(7)	2/10/2015	19,508			28.42	12/31/2016				

(1) 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 35,305 for Mr. Wojtaszek, and 17,652 for each of Messrs. Durvasula and Timmons.

(2) Based on the closing price of the Company's common stock on December 31, 2015 ($37.45).

(3) Reflects shares subject to time-based IPO Grants made in connection with our initial public offering on January 24, 2013, which cliff-vested on January 24, 2016, subject generally to the executive's continued employment on such vesting date. A portion of the IPO Grants held by Mr. Bosse and Ms. Sheehy vested pursuant to their separation agreements. See "Potential Payments Upon Termination of Employment or Change in Control—Separation Payments in 2015."

(4) Reflects the number of performance-based stock options granted on April 17, 2013, which vested in 2014 and 2015. 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, and cumulative EBITDA for the 2014 performance period resulted in vesting of 87% of the target number of shares for that period.

(5) Reflects the target number of shares of performance-based restricted stock granted on April 17, 2013, less amounts that vested in 2014 and 2015. 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, and cumulative EBITDA for the 2014 performance period resulted in vesting of 87% 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, less amounts that vested in 2015. Vesting is 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.

(7) Reflects shares underlying time-based stock options granted on February 10, 2015, which vest ratably over three years on the anniversary date of the grant, subject generally to the executive's continued employment on such vesting date. One third of the options vested on February 10, 2016.

(8) Reflects the target number of shares of performance-based restricted stock granted on February 10, 2015, which vest based on the achievement of the applicable performance criteria, as set forth in the award agreement, during the 2015-2017 performance period as follows: (i) up to 50% of the maximum number of such shares will vest in cumulative installments on February 10, 2016, February 10, 2017 and February 10, 2018, based on the Company achieving certain relative TSR goals over the 2015-2017 performance period; and (ii) up to 50% of the maximum number of such shares will vest on February 10, 2016, February 10, 2017 and February 10, 2018 based on achievement of ROA goals over the 2015-2017 performance period. 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.

(9) In connection with his employment by the Company, on October 26, 2015, Mr. Andrews received a time-based restricted stock award that vests ratably over three years on the anniversary date of the grant.

(10) Reflects shares underlying time-based stock options granted on July 31, 2015, which vest ratably over there years on the anniversary date of the grant, subject generally to the executive's continued employment on such vesting date.

(11) Reflects the target number of shares of performance-based restricted stock granted on July 31, 2015, which vest based on the achievement of the applicable performance criteria, as set forth in the award agreement, during the 2015-2017 performance period as follows: (i) up to 50% of the maximum number of such shares will vest in cumulative installments on July 31, 2016, July 31, 2017 and July 31, 2018, based on the Company achieving certain relative TSR goals over the 2015-2017 performance period; and (ii) up to 50% of the maximum number of such shares will vest on July 31, 2016, July 31, 2017 and July 31, 2018 based on achievement of ROA goals over the 2015-2017 performance period. 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.

(12) Mr. Bosse's employment terminated on July 31, 2015. Pursuant to his separation agreement, stock options to acquire an aggregate of 26,293 shares of common stock and an aggregate of 143,699 shares of restricted stock vested. All other awards held by Mr. Bosse were forfeited. Mr. Bosse has one year from the date of separation to exercise his vested stock options. See "Potential Payments Upon Termination of Employment or Change in Control—Separation Payments in 2015" and "—Estimated Payments in Connection with a Termination of Employment or Change in Control".

(13) Ms. Sheehy's employment terminated effective as of December 31, 2015. Pursuant to her separation agreement, stock options to acquire an aggregate of 26,750 shares of common stock and an aggregate of 155,195 shares of restricted stock vested. Ms. Sheehy also has an aggregate of 25,039 additional shares of restricted stock that remain subject to vesting. All other awards held by Ms. Sheehy were forfeited. Ms. Sheehy has one year from the date of separation to exercise her vested stock options. See "Potential Payments Upon Termination of Employment or Change in Control—Separation Payments in 2015" and "—Estimated Payments in Connection with a Termination of Employment or Change in Control".

Option Exercises and Stock Vested

The following table presents information concerning amounts realized by our named executive officers upon the vesting of stock awards in 2015. Our named executive officers did not exercise any stock options in 2015.

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)(1)**
Mr. Wojtaszek	16,095	468,188
Mr. Andrews	—	—
Mr. Durvasula	8,047	234,079
Mr. Jackson	—	—
Mr. Timmons	8,047	234,079
Mr. Bosse	132,945	4,209,039
Ms. Sheehy	165,534	6,199,248

(1) Represents the number of shares that vested in 2015 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 Existing 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 or disability, 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 (for all named executives officers other than Messrs. Andrews and Jackson, for whom the multiple is one 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, (or, in the case of Messrs. Andrews and Jackson, annual bonus target) subject to the executive signing and not revoking a release of claims ("Cash Severance");
- certain accelerated vesting of outstanding equity awards, including:
  - 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, for awards granted to Messrs. Wojtaszek, Durvasula and Timmons granted prior to 2016, performance-based awards vest at target level; and
  - for Mr. Andrews, immediate vesting of the restricted stock granted to him in October 2015, without regard to any Severance Period.
- 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") (CyrusOne LLC does not currently offer any Qualified Benefits); 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") (CyrusOne LLC does not currently offer any Post-Retirement Medical Benefits other than subsidized COBRA).

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;
- vesting of outstanding equity awards as described below; 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 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 (for awards granted under the Existing Plan). 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 24 months following the change in control, in the case of awards granted in 2013, 2014 and through June 2015, and with respect to awards granted in July 2015 and afterwards, the executive’s performance-based awards will vest at the maximum level if the executive’s employment is terminated 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.

Separation Payments in 2015. During 2015, we entered into separation agreements with each of Mr. Bosse and Ms. Sheehy. On July 31, 2015, we entered into a separation agreement with Mr. Bosse. Under his agreement, Mr. Bosse received a lump sum severance payment of $890,975, vesting of stock options to acquire an aggregate of 26,293 shares of common stock and vesting of an aggregate of 143,699 shares of restricted stock as well as a lump-sum payment of $4,622 for converted group term life insurance.

On September 28, 2015, we entered into a separation agreement with Ms. Sheehy. Under her agreement, Ms. Sheehy received a lump sum severance payment of $1,442,000, vesting of stock options to acquire an aggregate of 26,705 shares of common stock and vesting of an aggregate of 155,195 shares of restricted stock as well as a lump-sum payment of $4,320 for converted group term life insurance. In addition, in consideration of services provided by Ms. Sheehy from September 28, 2015 through December 31, 2015 under a transition services agreement, Ms. Sheehy (1) received an additional $200,000 lump sum cash payment, (2) was eligible for a bonus under the 2015 Short-Term Incentive Plan, and (3) will receive additional shares of common stock upon the vesting of the following equity awards on the dates indicated if, in each case, the applicable total stockholder return performance goals for the performance periods set forth in the applicable award agreements are met: (a) an option to purchase up to 5,227 shares of common stock under an award granted on April 17, 2013 which vests on March 31, 2016, (b) up to 6,878 restricted shares of common stock subject the restricted stock award granted April 17, 2013, which vests on March 31, 2016, and (c) up to 18,160 restricted shares of common stock subject to the Executive Performance Restricted Stock Award with the award date of February 7, 2014, which vests on February 7, 2017.

The amounts actually paid to Mr. Bosse and Ms. Sheehy are set forth in the table captioned "Estimated Payments in Connection with a Termination of Employment or Change in Control."

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, 2015. 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)	—	11,415	—	11,415	—
Life Insurance(2)	—	8,064	—	—	—
IPO Grants and 2015 Time Based Grants(3)(4)	—	8,036,770	7,627,816	8,188,780	8,188,780
Unvested Performance-Based Restricted Stock(3)	—	4,180,731	2,191,799	9,135,965	4,180,731
Unvested Time Based Stock Options	—	376,145	177,304	605,353	605,353
Unvested Performance-Based Stock Options(3)	—	199,645	167,369	489,680	199,645
Mr. Andrews					
Cash Severance(1)	—	850,000	—	1,700,000	—
Medical Benefit(2)	—	13,502	—	13,502	—
Life Insurance(2)	—	6,912	—	—	—
IPO Grants and 2015 Time Based Grants(3)(4)	—	1,028,864	61,044	1,028,864	—
Unvested Performance-Based Restricted Stock(3)	—	—	—	—	—
Unvested Time Based Stock Options	—	—	—	—	—
Unvested Performance-Based Stock Options(3)	—	—	—	—	—
Mr. Durvasula					
Cash Severance(1)	—	1,442,000	—	1,442,000	—
Medical Benefit(2)	—	13,502	—	13,502	—
Life Insurance(2)	—	4,848	—	—	—
IPO Grants and 2015 Time Based Grants(3)(4)	—	3,610,592	3,402,632	3,708,786	3,708,786
Unvested Performance-Based Restricted Stock(3)	—	2,266,437	1,147,468	4,920,106	2,266,437
Unvested Time Based Stock Options	—	243,051	114,564	391,153	391,153
Unvested Performance-Based Stock Options(3)	—	99,809	83,678	244,833	99,809
Mr. Jackson					
Cash Severance(1)	—	544,000	—	1,088,000	—
Medical Benefit(2)	—	—	—	—	—
Life Insurance(2)	—	3,660	—	—	—
IPO Grants and 2015 Time Based Grants(3)(4)	—	34,042	10,037	73,102	—
Unvested Performance-Based Restricted Stock(3)	—	0	30,035	438,540	—
Unvested Time Based Stock Options	—	39,716	15,721	85,344	—
Unvested Performance-Based Stock Options(3)	—	—	—	—	—
Mr. Timmons					
Cash Severance(1)	—	1,442,000	—	1,442,000	—
Medical Benefit(2)	—	13,502	—	13,502	—
Life Insurance(2)	—	6,240	—	—	—
IPO Grants and 2015 Time Based Grants(3)(4)	—	3,702,794	3,510,488	3,777,619	3,777,619
Unvested Performance-Based Restricted Stock(3)	—	2,081,134	1,093,203	4,549,501	2,081,134
Unvested Time Based Stock Options	—	284,432	87,293	298,017	298,017
Unvested Performance-Based Restricted Stock(3)	—	99,809	83,678	244,833	99,809
Unvested Time Based Stock Options	—	—	—	—	—
Mr. Bosse(7)					
Cash Severance(1)	—	890,975	—	—	—
Medical Benefit(2)	—	11,285	—	—	—
Life Insurance(2)	—	4,622	—	—	—
IPO Grants and 2015 Time Based Grants(3)(4)	—	2,163,106	—	—	—
Unvested Performance-Based Restricted Stock(3)	—	2,431,291	—	—	—
Unvested Time Based Stock Options	—	51,315	—	—	—
Unvested Performance-Based Stock Options(3)	—	56,326	—	—	—

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)
Ms. Sheehy(8)					
Cash Severance(1)	—	2,083,072	—	—	—
Medical Benefit(2)	—	11,285	—	—	—
Life Insurance(2)	—	4,320	—	—	—
IPO Grants and 2015 Time Based Grants(3)(4)	—	3,767,919	—	—	—
Unvested Performance-Based Restricted Stock(3)	—	2,044,096	—	—	—
Unvested Time Based Stock Options	—	176,157	—	—	—
Unvested Performance-Based Stock Options(3)	—	99,822	—	—	—

(1) Represents an amount equal to two times (for all named executive officers other than Messrs. Andrews and Jackson, for whom the multiple is one times) the sum of (i) base salary plus (ii) pro-rated target bonus (assuming a termination date of December 31, 2015), in each case as specified in the employment agreement for each named executive officer. All cash payments are 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, 2015 ($37.45).

(4) Represents shares subject to time-based IPO Grants made to the named executive officers (other than Messrs. Andrews and Jackson) in connection with our initial public offering, which cliff-vested on January 24, 2016. Also represents the 2015 time-based annual awards made to the named executive officers (other than Messrs. Andrews and Jackson) and awards made to Mr. Jackson on July 31, 2015 to Mr. Andrews on October 26, 2015 in connection with the commencement of their employment.

(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.

(7) Table reflects amounts actually paid to Mr. Bosse pursuant to his separation agreement dated July 31, 2015.

(8) Table reflects amounts actually paid to Ms. Sheehy pursuant to her separation agreement dated September 28, 2015 and related transition services agreement.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2015 regarding securities of the Company to be issued and remaining available for issuance under the equity compensation plans of the Company:

Plan Category	Number of securities to be issued upon exercise of stock options, awards, warrants and rights(a)	Weighted-average exercise price of outstanding stock options, awards, warrants and rights($)(1)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)
Equity compensation plans approved by security holders	333,979	26.44	1,523,138
Equity compensation plans not approved by security holders	—	—	—
Total	333,979	26.44	1,523,138

(1) Represents outstanding stock options granted in 2013 and 2015 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 3, 2016, the record date, unless otherwise noted. The table includes shares of our common stock 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 director nominees, (iii) each of our named executive officers and (iv) 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. Unless otherwise indicated, the address of each named person is c/o CyrusOne Inc., 1649 West Frankford Road, Carrollton, Texas 75007.

Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned(1)	Percent of Common Shares(1)
Beneficial owners of 5% or more of our common stock: . . .		
The Vanguard Group(2)	9,695,943	13.3
CBI(3)	6,886,835	9.5
Blackrock, Inc.(4)	5,620,859	7.7
Invesco Ltd.(5)	5,047,684	6.9
Vanguard Specialized Funds(6)	4,535,801	6.2
Bank of New York Mellon(7)	4,037,814	5.5
Prudential Financial, Inc.(8)	3,615,183	5.0
Jennison Associates LLC(9)	3,478,650	4.8
Directors and executive officers		
Gary J. Wojtaszek(10)	611,768	*
Gregory R. Andrews	60,690	*
Venkatesh S. Durvasula(11)	310,366	*
Robert M. Jackson	25,039	*
Kevin L. Timmons(12)	260,542	*
Thomas W. Bosse(13)	193,452	*
Kimberly H. Sheehy(14)	104,641	*
David H. Ferdman(15)	102,574	*
John W. Gamble(15)	12,235	*
Michael A. Klayko	—	—
T. Tod Nielsen(15)	22,883	*
Alex Shumate(15)	22,883	*
William E. Sullivan(15)	23,883	*
Lynn A. Wentworth(15)	13,235	*
All directors and executive officers as a group (13 persons)(16)	1,584,355	2.2%

(1) Includes shares that may be acquired by each of the persons named above through stock options that are exercisable or will become exercisable as of May 3, 2016. Percentages based on 72,822,864 shares of our common stock issued and outstanding as of March 3, 2016. Assumes that all options owned by the persons named above and exercisable by May 3, 2016 are exercised. The total number of shares outstanding used in calculating the percentages shown in the table above also assume that none of the options owned by any other named individuals are exercised.

(2) As disclosed on Amendment No. 3 to Schedule 13G filed on February 10, 2016 the holdings of The Vanguard Group ("Vanguard") consist of an aggregate of 9,695,943

shares of common stock, of which: (i) 9,555,976 shares Vanguard retains sole dispositive power, (ii) 147,167 shares Vanguard retains sole voting power, (iii) 3,500 shares Vanguard retains shared voting power and (iv) 139,967 shares Vanguard retains shared dispositive power. Vanguard's address is 100 Vanguard Blvd., Malvern, PA 19355.

(3) As disclosed on Amendment No. 5 to Schedule 13D, filed December 31, 2015, the holdings of Cincinnati Bell Inc. consist of an aggregate of: (i) 540,000 shares of common stock owned by Data Center Investments Holdco LLC, an indirect wholly-owned subsidiary of CBI and (ii) 6,346,835 shares of common stock 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 referenced in clauses (i) and (ii) above. CBI's address is 221 East Fourth Street, Cincinnati, Ohio 45202.

(4) As disclosed on Amendment No. 3 to Schedule 13G filed on January 26, 2016, the holdings of Blackrock Inc. ("Blackrock") consist of an aggregate of 5,620,859 shares of common stock for which Blackrock retains sole dispositive power and 5,465,847 of such shares for which Blackrock retains sole voting power. Blackrock's address is 40 East 52nd Street, New York, NY 10022.

(5) As disclosed on Schedule 13G filed on February 16, 2016, the Invesco Ltd. ("Invesco"). Consists of 5,047,684 shares, of which (i) 4,365,734 Invesco retains sole voting power and (ii) 5,047,684 shares Invesco retains sole dispositive power. Invesco's address is 1555 Peachtree Street NE, Suite 1800, Atlanta, GA 30309.

(6) As disclosed on Amendment No. 1 to Schedule 13G filed on February 9, 2016, the holdings of Vanguard Specialized Funds-Vanguard REIT Index Fund ("Vanguard REIT Index") consist of an aggregate of 4,535,801 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.

(7) As disclosed on Amendment No. 1 to Schedule 13G filed on February 1, 2016, the holdings of Bank of New York Mellon Corporation ("BONYM") consist of an aggregate of 4,037,814 shares of common stock, of which: (i) 3,166,594 shares BONYM retains sole voting power, (ii) 3,397,314 shares BONYM has sole dispositive power, and (iii) 417,039 shares BONYM retains shared dispositive power. BONYM's address is 225 Liberty Street, New York, NY 10286.

(8) As disclosed on Schedule 13G filed on February 3, 2016, the holdings of Prudential Financial, Inc. ("Prudential") consist of an aggregate of 3,615,183 shares of common stock of which (i) 121,533 shares Prudential retains sole voting power, (ii) 3,493,650 Prudential has shared voting and shared dispositive power, and (iii) 121,533 shares Prudential retains sole dispositive power. Prudential's address is 751 Broad Street, Newark, NY 07102.

(9) As disclosed on Schedule 13G filed on February 3, 2016, the holdings of Jennison Associates LLC ("Jennison") consist of an aggregate of 3,478,650 shares of common stock, for which Jennison Associates LLC retains sole voting and dispositive power. Jennison is a wholly owned subsidiary of Prudential, and the shares beneficially owned by Jennison are included as beneficially owned in the Schedule 13G filed by Prudential and described in footnote (7) above. Jennison's address is 466 Lexington Park Avenue, New

York, NY 10017. Based on shares outstanding as of December 31, 2015, Jennison reported its beneficial ownership percentage as 5.3%. As of the record date, Jennison's beneficial ownership percentage as recalculated is 4.8%.

(10) Shares beneficially owned include all shares of restricted stock and vested stock options and 21,033 options to purchase shares of the Company's common stock, which are expected to vest within 60 days of the Record Date.

(11) Shares beneficially owned include all shares of restricted stock and vested stock options and 10,516 options to purchase shares of the Company's common stock, which are expected to vest within 60 days of the Record Date.

(12) Shares beneficially owned include all shares of restricted stock and vested stock options, and 10,516 options to purchase shares of the Company's common stock that are expected to vest within 60 days of the Record Date.

(13) Shares beneficially owned include all shares of restricted stock and vested stock options.

(14) Shares beneficially owned include all shares of restricted stock and vested stock options and 5,227 options to purchase shares of the Company's common stock that are expected to vest within 60 days of the Record Date.

(15) Shares beneficially owned include all shares of restricted stock.

(16) Includes all directors, nominees for director and current executive officers but excludes former executive officers.

* 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, 2015 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

Relationships with CBI

In connection with the transactions relating to our formation in 2012 and our initial public offering ("IPO") in 2013, we entered into an operating partnership agreement (the "Partnership Agreement") with our operating partnership CyrusOne LP (the "Operating Partnership") and CBI. As a result of the formation transactions and our IPO, 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, April 2015 and July 2015, we redeemed 15,985,000, 14,200,000 and 5,995,000, respectively, Operating Partnership Units owned by CBI in exchange for certain of the proceeds of public equity offerings of our common stock. In December 2015, CBI sold an aggregate of 1,350,000 shares of our common stock in a public offering. On December 31, 2015, we issued 6,346,835 shares of our common stock in exchange for an equal number of Operating Partnership Units owned by CBI. As a result of these transactions, CBI owns approximately 9.5 percent of the our common stock, and all of the operating partnership units in the Operating Partnership are owned, directly or indirectly, by us.

Our Partnership Agreement originally granted CBI certain redemption rights and certain board nomination rights, approval rights over certain change of control transactions and other rights, and provided for additional voting rights of limited partners of our Operating Partnership. As a result of the redemption of Operating Partnership Units in exchange for shares of our common stock and CBI's disposition of such shares as described above, CBI's rights under the Operating Partnership terminated.

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.

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

Indemnification of Officers and Directors

We have entered into indemnification agreements with each of our directors and executive officers 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.

Transition Services Agreement with Former Executive Officer

On September 28, 2015, we entered into a separation agreement with Kimberly W. Sheehy, our former Chief Financial Officer. In consideration of services provided by Ms. Sheehy from September 28, 2015 through December 31, 2015 under a transition services agreement, Ms. Sheehy (1) received an additional $200,000 lump sum cash payment, (2) was eligible for a bonus under the 2015 Annual Bonus Plan, and (3) will receive additional shares of common stock upon the vesting of the following equity awards on the dates indicated if, in each case, the applicable total stockholder return performance goals for the performance evaluation periods set forth in such equity award agreements are met: (a) an option to purchase up to 5,227 shares of common stock under an award granted on April 17, 2013, which vests on March 31, 2016, (b) up to 6,878 restricted shares of common stock subject the restricted stock award granted April 17, 2013 which vests on March 31, 2016, and (c) up to 18,160 restricted shares of common stock subject to the Executive Performance Restricted Stock Award with the award date of February 7, 2014, which vests on February 7, 2017. The amounts actually paid to Ms. Sheehy under her transition services agreement are set forth in the table captioned "Estimated Payments in Connection with a Termination of Employment or Change in Control."

Other Related Party Transactions and Arrangements

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 $7.8 million in 2015.

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 $1.9 million in 2015.

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 $0.3 million in 2015.

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 $0.3 million in 2015.

As of December 31, 2015, 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 $12.0 million in 2015.

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 $0.7 million in 2015.

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 2015.

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 2015.

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

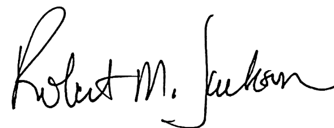
Related Party Transaction requiring approval under the policy or disclosure under Rule 404(a) of Regulation S-K, the transaction will be brought to the Audit Committee, which will review the transaction under several criteria, including but not limited to the Related Party's interest in the transaction, 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 2017 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 28, 2016. 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 2017 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 29, 2016, and 5:00 p.m., Eastern Time, on November 28, 2016. 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:



ROBERT M. JACKSON
Executive Vice President, General Counsel and Secretary

Carrollton, Texas
March 28, 2016

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

	Twelve Months Ended	
($ Millions)	December 31, 2014	December 31, 2015
Reconciliation of Net Loss to EBITDA and Adjusted EBITDA:		
Net loss	$(14.5)	$(20.2)
Adjustments:		
Interest expense	39.5	41.2
Income tax expense	1.4	1.8
Depreciation and amortization	118.0	141.5
Legal claim costs	—	0.4
Transaction and acquisition integration costs	1.0	14.1
Asset impairments and loss on disposals	—	13.5
Loss on extinguishment of debt	13.6	—
Lease exit costs	—	1.4
Severance and management transition costs	—	6.0
EBITDA	**159.0**	**199.7**
Non-cash compensation	10.3	12.0
Adjusted EBITDA	**$169.3**	**$211.7**

FFO and NFFO

($ Millions)	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2015
Reconciliation of Net Loss to FFO and NFFO:		
Net loss	$(14.5)	$(20.2)
Adjustments:		
Real estate depreciation and amortization	95.9	117.0
Asset impairments and loss and deposal	—	13.5
FFO	**$ 81.4**	**$110.3**
Loss on extinguishment of debt	13.6	—
Amortization of customer relationship intangibles	16.9	18.5
Transaction and acquisition integration costs	1.0	14.1
Severance and management transition costs	—	6.0
Lease exit costs	—	1.4
Legal claim costs	—	0.4
NFFO	**$112.9**	**$150.7**

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Appendix B

CYRUSONE

RESTATED 2012 LONG TERM INCENTIVE PLAN,

as amended and restated effective May 2, 2016

1. ***Introduction to Plan.***

1.1 ***Name and Sponsor of Plan.*** The name of this Plan is the Restated CyrusOne 2012 Long Term Incentive Plan, and its sponsor is CyrusOne, Inc.

1.2 ***Purposes of Plan.*** The purposes of the Plan are (i) to further the long term growth of the Company by offering competitive incentive compensation related to long term performance goals to those Employees and directors of the Company who will be responsible for planning and directing such growth, (ii) to reinforce a commonality of interest between CyrusOne's shareholders and the Company's Employees, directors and consultants who participate in the Plan, and (iii) to aid the Company in attracting and retaining Employees, directors and consultants of outstanding abilities and specialized skills.

1.3 ***Effective Date and Duration of Plan.***

(a) The Plan was originally effective as of November 15, 2012. Effective May 2, 2016, subject to shareholder approval, Cyrus One amended and restated the Plan, to (i) increase the number of Common Shares available for issuance of awards under the Plan from 4,000,000 to 8,900,000, and (ii) to make certain other changes as set forth herein.

(b) The Plan shall remain in effect thereafter until the earliest of (i) the date on which the Plan is terminated in accordance with section 20 hereof, (ii) the date on which the maximum number of Common Shares which may be issued or paid under or with respect to all of the awards granted under the Plan during the Plan's entire existence (as determined under the other provisions of the Plan) have been issued or paid, or (iii) November 15, 2022. Upon the termination of the Plan, no awards may be granted under the Plan after the date of such termination but any award granted under the Plan on or prior to the date of such termination shall remain outstanding in accordance with the terms of the Plan and the terms of the award.

2. ***General Definitions.*** For all purposes of the Plan, the following terms shall have the meanings indicated below when used in the Plan, unless the context clearly indicates otherwise.

2.1 "Applicable Exchange" means any national stock exchange or quotation system on which the Shares may be listed or quoted.

2.2 "Board" means the Board of Directors of CyrusOne.

2.3 "Cyrus One" means CyrusOne, Inc. (and, except for purposes of determining whether a Change in Control has occurred, any legal successor to CyrusOne, Inc. that results from a merger or similar transaction).

2.4 "Change in Control" means the occurrence of any of the events described in subsection 17.4 hereof.

2.5 "Code" means the Internal Revenue Code of 1986, as it exists as of the Effective Date and as it may thereafter be amended. A reference to a specific section of the Code shall be deemed to be a reference both (i) to the provisions of such section as it exists as of the Effective Date and as it is subsequently amended, renumbered, or superseded (by future legislation) and (ii) to the provisions of any government regulation that is issued under such section as of the Effective Date or as of a later date.

2.6 "Committee" means the committee appointed to administer the Plan under the provisions of subsection 3.1 hereof.

2.7 "Common Shares" means common shares, par value $0.01 per share, of CyrusOne.

2.8 "Company" means, collectively, (i) CyrusOne, (ii) each other corporation that is part of a controlled group of corporations (within the meaning of Section 1563(a) of the Code, but determined without regard to Code Sections 1563(a)(4) and (e)(3)(C)) that includes CyrusOne, and (iii) each other organization (a partnership, sole proprietorship, etc.) that is under common control (within the meaning of Section 414(b) of the Code) with CyrusOne, including the Operating Partnership and CyrusOne GP.

2.9 "Director" means a non-employee member of the Board.

2.10 "Effective Date" means May 3, 2016, the date the Plan, as amended and restated, was approved by the Company's shareholders.

2.11 "Employee" means any person who is employed and classified as an employee by the Company.

2.12 "Exchange Act" means the Securities Exchange Act of 1934, as it exists as of the Effective Date and as it may thereafter be amended. A reference to a specific section of the Exchange Act shall be deemed to be a reference both (i) to the provisions of such section as it exists as of the Effective Date and as it is subsequently amended, renumbered, or superseded (by future legislation) and (ii) to the provisions of any government regulation or rule that is issued under such section as of the Effective Date or as of a later date.

2.13 "ISO" means a stock option that qualifies as an incentive stock option within the meaning of Section 422 of the Code.

2.14 "Nonshare-Based Award" means any award granted under the Plan that by its terms provides for compensation (upon, if applicable, its exercise or the meeting of certain performance goals or other criteria or conditions) based on a dollar amount, regardless of whether the award's compensation may be payable in cash, Common Shares or other property, or a combination thereof. Each nonshare-based performance unit form of award provided under the Plan and any other Nonshare-Based Award (*e.g.*, a cash incentive award), but no other form of award that is listed in section 5 hereof, shall constitute a Nonshare-Based Award.

2.15 "Operating Partnership" means CyrusOne LP.

2.16 "Participant" means any Employee, director or consultant (including any prospective Employee, director or consultant) of the Company who is granted an award under the Plan.

2.17 "Plan" means this document, named the "Restated CyrusOne 2012 Long Term Incentive Plan," as set forth herein and as it may be amended.

2.18 "Regulation 1.83-3(i)" means Treasury Regulation Section 1.83-3(i) issued by the Department of the Treasury under Section 83 of the Code, as such regulation exists as of the Effective Date and as it is subsequently amended, renumbered, or superseded.

2.19 "Regulation 1.409A-3" means Treasury Regulation Section 1.409A-3 issued by the Department of the Treasury under Section 409A of the Code, as such regulation exists as of the Effective Date and as it is subsequently amended, renumbered, or superseded. A reference to a specific paragraph of Regulation 1.409A-3 shall be deemed to be a reference to the provisions of such paragraph as it exists as of the Effective Date and as it is subsequently amended, renumbered, or superseded.

2.20 "Rule 16b-3" means Rule 16b-3 issued by the Securities and Exchange Commission under Section 16 of the Exchange Act, as such rule exists as of the Effective Date and as it is subsequently amended, renumbered, or superseded.

2.21 "Share-Based Award" means any award granted under the Plan that by its terms provides for issuance or payments (upon, if applicable, its exercise or the meeting of certain performance goals or other criteria or conditions) of fixed numbers of Common Shares or of amounts determined with reference to the fair market value (or the change in fair market value over a period of time) of fixed numbers of Common Shares. Each form of award that is listed in section 5 hereof, except for a nonshare-based performance unit form of award and other Nonshare-Based Awards, shall constitute a Share-Based Award.

3. ***Administration of Plan.***

3.1 ***Committee To Administer Plan.*** The Plan shall be administered by the Committee. The Committee shall be the Compensation Committee of the Board, unless and until the Board appoints a different committee to administer the Plan. The Committee shall in any event consist of at least three members of the Board (i) who are neither officers nor employees of the Company, (ii) who are non-employee directors within the meaning of Rule 16b-3, and (iii) who are outside directors within the meaning of Section 162(m)(4)(C) of the Code.

3.2 ***Committee's Authority.*** Subject to the limitations and other provisions of the Plan, the Committee shall have the sole and complete authority:

(a) To select, from all of the Employees, directors and consultants of the Company those individuals who shall participate in the Plan;

(b) To make awards to Employees, directors and consultants of the Company at such times, in such forms, and in such amounts as it shall determine and to cancel, suspend, or amend any such awards;

(c) To impose such limitations, restrictions, and conditions upon awards as it shall deem appropriate;

(d) To interpret the Plan and to adopt, amend, and rescind administrative guidelines and other rules and regulations relating to the Plan;

(e) To appoint certain Employees to act on its behalf as its representatives (including for purposes of signing agreements which reflect awards granted under the Plan); and

(f) To make all other determinations and to take all other actions it deems necessary or advisable for the proper administration of the Plan.

Except to the extent otherwise required by applicable law, the Committee's determinations on any matter within its authority shall be conclusive and binding on the Company, all Participants, and all other parties.

3.3 ***Flexibility in Granting Awards.*** Notwithstanding any other provision of the Plan which may be read to the contrary, the Committee may set different terms and conditions applicable to each and any award granted under the Plan, even for awards of the same type and even when issued to the same Participant. In addition, and also notwithstanding any other provision of the Plan which may be read to the contrary, the Committee may grant to any Participant for any period any specific type of award available under the Plan without being required to grant to the Participant for such period any other type of award that may be available under the Plan.

3.4 ***Delegation of Committee's Authority for Certain Awards.***

(a) The Committee may delegate to one or more of CyrusOne's executive officers its right to make awards to Employees, directors and consultants of the Company who (i) are not otherwise considered by the Committee to be subject to the requirements of Section 16 of the Exchange Act and (ii) are not expected by the Committee to become covered employees within the meaning of Section 162(m)(3) of the Code.

(b) To the extent the Committee's right to make awards to any Employees, directors or consultants of the Company is delegated to any one of CyrusOne's executive officers under the provisions of paragraph (a) of this subsection 3.4, any reference to the Committee in the other provisions of the Plan that concern the making of awards to such individuals, the terms of such awards, and the verification that all conditions applicable to the payment under or the exercise of such awards have been met shall be read to refer to such executive officer as if such person was the Committee.

3.5 ***Awards to Directors.*** Notwithstanding anything to the contrary contained herein, the Board may, in its discretion, at any time and from time to time, grant awards to Directors or administer the Plan with respect to such awards. In any such case, the Board shall have all the authority and responsibility granted to the Committee herein.

3.6 ***Minimum Vesting Requirement***. Share-Based Awards granted on or after May 2, 2016 shall provide for a minimum vesting period of at least one year following date of grant; provided that the Committee may grant Share-Based Awards that do not conform to the requirements of this Section 3.6 with respect to not more than 5% of the Common Shares authorized under the Plan.

4. ***Class of Employees Eligible for Plan.*** Awards may be granted under the Plan to Employees, directors or consultants (including any prospective director, employee or consultant) of the Company. As is indicated in section 3 hereof, the specific Employees, directors, and consultants to whom awards will be granted under the Plan, and who thereby will be Participants under the Plan, shall be chosen by the Committee in its sole discretion.

5. ***Awards and Their Forms.***

(a) Awards under the Plan may be granted at any time while the Plan is in effect by the Committee to any Employee, director or consultant of the Company.

(b) Any awards granted under the Plan may be made in any one or more of the following forms, each of which shall be deemed to a separate and distinct form of award for all purposes of the Plan: (i) stock options, (ii) stock appreciation rights, (iii) restricted stock, (iv) restricted stock units, (v) performance shares, (vi) share-based performance units, (vii) nonshare-based performance units, (viii) non-restricted stock and (ix) other nonshare-based awards. Nonshare-based performance units and other Nonshare-Based Awards constitute the only forms of awards under the Plan that are Nonshare-Based Awards, and each of the other award forms identified in the immediately preceding sentence constitutes a Share-Based Award form. The subsequent provisions of the Plan provide certain rules and conditions that apply to each of such award forms.

(c) Any Common Shares that are to be issued or paid under any award granted under the Plan may consist, in whole or in part, of Common Shares that are authorized but unissued or Common Shares that are treasury shares.

6. ***Limits on Shares Subject To and Compensation Payable Under Plan Awards.***

6.1 ***Limits on Number of Common Shares Available for Issuance Under Plan.***

(a) Subject to the following provisions of this subsection 6.1 and the provisions of subsections 6.3 and 19.1 hereof, the following limits set forth in subparagraphs (1) through (3) of

this subsection 6.1 (which generally involve the maximum number of Common Shares that may be issued or paid under the Plan and its various types of awards during the Plan's entire existence) shall apply to the grant of awards under the Plan. No award may be granted under the Plan to the extent it would cause any of the following limits to be violated.

(1) The maximum number of Common Shares which may be issued or paid under or with respect to all of the awards (considered in the aggregate) granted under the Plan during the Plan's entire existence shall be equal to 8,900,000 Common Shares.

(2) The maximum number of Common Shares which may be issued or paid under or with respect to all stock options and stock appreciation rights (considered in the aggregate but separately from all other forms of awards listed in section 5 hereof) granted under the Plan during the Plan's entire existence shall be equal to 8,900,000 Common Shares.

(3) The maximum number of Common Shares which may be issued or paid under or with respect to all ISOs (considered in the aggregate but separately from all other types of stock options and other forms of awards listed in section 5 hereof) granted under the Plan during the Plan's entire existence shall be equal to 8,900,000 Common Shares.

(b) If any portion of a stock appreciation right is settled (paid) upon the exercise of such stock appreciation right portion by the issuance or payment of Common Shares, the total number of Common Shares on which such stock appreciation right portion was based shall be counted as Common Shares issued or paid under the Plan for purposes of any of the limits set forth in paragraph (a) of this subsection 6.1, regardless of the number of Common Shares actually issued or paid to settle such stock appreciation right portion upon its exercise.

(c) If any award or portion thereof granted under the Plan is forfeited, expires, or in any other manner terminates without the payment of Common Shares or any other amount or consideration, or is settled other than wholly by delivery of Common Shares (including cash settlement), the maximum number of Common Shares on which such award or portion of an award was based or which could have been paid under the award (i) shall again be available to be issued or paid under the Plan and to be the basis on which other awards may be granted under the Plan and (ii) thus shall not be counted as Common Shares that were issued or paid under the Plan in determining whether any of the limits set forth in paragraph (a) of this subsection 6.1 are met.

(d) Any Common Shares that would be issued or paid under an award granted under the Plan but are withheld in payment of any exercise price, purchase price, or tax withholding requirements (in accordance with the provisions of section 19 hereof) (i) shall not again be deemed to be available to be issued or paid under the Plan or to be the basis on which other awards may be granted under the Plan and (ii) thus shall be counted as Common Shares that were issued or paid under the Plan in determining whether any of the limits set forth in paragraph (a) of this subsection 6.1 are met.

6.2 ***Annual Common Share and Other Compensation Limits Under Awards Granted Any Participant.***

(a) Subject to the following provisions of this subsection 6.2 and the provisions of subsections 6.3 and 18.1 hereof, the following limits (which generally involve the maximum number of Common Shares and other compensation on which awards granted to any Participant during a calendar year may be based) (x) set forth in subparagraph (1) of this subsection 6.2 shall apply to the grant of awards under the Plan that are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code and (y) set forth in subparagraph (2) of this subsection 6.2 shall apply to the grant of awards under the Plan to any Directors of the Company.

(1) (A) The maximum number of Common Shares on which all Share-Based Awards (considered in the aggregate) granted under the Plan to any Participant during each and any

calendar year may be based, and the maximum number of Common Shares on which all Share-Based Awards of a specific form listed in section 5 hereof (considered separately from all other forms of Stock-Based Awards listed in section 5 hereof) granted under the Plan to any Participant during each and any calendar year may be based, shall be 500,000 Common Shares.

(B) The maximum dollar value of all Nonshare-Based Awards granted under the Plan to any Participant during each and any calendar year shall be $5,000,000.

(2) (A) The maximum number of Common Shares on which all Share-Based Awards (considered in the aggregate) granted under the Plan to any Participant who is a Director during each and any calendar year may be based, and the maximum number of Common Shares on which all Share-Based Awards of a specific form listed in section 5 hereof (considered separately from all other forms of Stock-Based Awards listed in section 5 hereof) granted under the Plan to any Participant who is a Director during each and any calendar year may be based, shall be 100,000 Common Shares, provided that, notwithstanding the foregoing, any awards granted to a Director at the time of CyrusOne's initial public offering shall not count against the limit included in this paragraph (a)(2)(A).

(B) The maximum dollar value of all Nonshare-Based Awards granted under the Plan to any Participant who is a Director during each and any calendar year shall be $200,000, provided that, notwithstanding the foregoing, any awards granted to a Director at the time of the CyrusOne's initial public offering shall not count against the limit included in this paragraph (a)(2)(B).

(b) For purposes of applying the Share-Based Award limits set forth in paragraphs (a)(1)(A) and (a)(2)(A) of this subsection 6.2 and for all other purposes of the Plan, the maximum number of Common Shares on which any Share-Based Award granted to a Participant under the Plan or any portion thereof shall be deemed to be based shall be the maximum number of Common Shares that ultimately could, in the event any and all performance goals and other criteria or conditions applicable to the award are met, either be issued or paid under the award or have their fair market value (or the change in their fair market value over a period of time) used to determine the amounts payable under the award, regardless of (i) whether or not the actual payment under such award ends up being based on a lesser number of Common Shares or equal to a percentage above or below 100% of the fair market value (or the change in the fair market value over a period of time) of such maximum number of Common Shares, (ii) whether or not any payment made under such award or portion thereof is made in cash or property other than Common Shares, or (iii) whether or not the award or portion thereof is forfeited, expires, or in any other manner terminates without the payment of Common Shares or other compensation.

(c) For purposes of applying the Nonshare-Based Award limits set forth in paragraphs (a)(1)(B) and (a)(2)(B) of this subsection 6.2 and for all other purposes of the Plan, the maximum dollar value of any Nonshare-Based Award granted to a Participant under the Plan or any portion thereof shall be deemed to be the maximum dollar amount of cash (and/or fair market value, determined at the time of payment, of Common Shares or other property) that ultimately could, in the event any and all performance goals and other criteria or conditions applicable to the award are met, be paid to the Participant under the award, regardless of (i) whether or not the actual payment under such award ends up being a lesser dollar amount of cash (and/or fair market value, determined at the time of payment, of Common Shares or other property) or (ii) whether or not the award or portion thereof is forfeited, expires, or in any other manner terminates without the payment of any compensation.

6.3 ***Effect of Assumption of Awards in Acquisition.*** If any corporation is acquired by the Company and the Company assumes certain stock-based awards previously granted by such acquired corporation

or issues new awards in substitution for such previously granted awards of the acquired corporation, then, except to the extent expressly provided by action of the Board, the awards so assumed or issued by the Company shall not be deemed to be granted under the Plan and any Common Shares that are the basis of such assumed or substituted awards shall not affect the number of Common Shares that can be issued or paid under the Plan or the number of Common Shares on which Share-Based Awards granted under the Plan can be based.

7. *Stock Option Awards.* Any awards granted under the Plan in the form of stock options shall be subject to the following terms and conditions of this section 7.

7.1 *Nature of Stock Option.* A stock option means an option to purchase any number of Common Shares, up to a fixed maximum number of Common Shares, in the future at a fixed price (for purposes of this section 7, the "Exercise Price") that applies to the Common Shares to which the purchase relates. Stock options granted under the Plan to any Participant may be ISOs, stock options that are not ISOs, or both ISOs and stock options that are not ISOs.

7.2 *Terms and Conditions of Stock Option To Be Determined by Committee.* Subject to the other provisions of this section 7 and the other sections of the Plan, the terms and conditions of any stock option granted under the Plan shall be determined by the Committee. The grant of a stock option shall be evidenced by a written agreement signed by the Committee or a representative thereof, which agreement shall contain the terms and conditions of the stock option (as set by the Committee). Any such written agreement shall indicate whether or not the applicable stock option is intended to be an ISO (or, if it does not so indicate, the stock option reflected by such written agreement shall be deemed to be a stock option that is not an ISO).

7.3 *Exercise Price of Stock Option.* Unless otherwise prescribed by the Committee to be higher, the Exercise Price with respect to any number of Common Shares that are subject to a stock option granted under the Plan shall be 100% (and may not in any event be less than 100%) of the fair market value of such number of Common Shares (disregarding lapse restrictions as defined in Regulation 1.83-3(i)) on the date the stock option is granted.

7.4 *Expiration of Option.* A stock option granted under the Plan shall not in any event be exercisable after the expiration of ten years after the date on which it is granted (or after any earlier expiration date that is otherwise prescribed for the stock option by the Committee).

7.5 *Procedures for Exercise of Option.*

(a) With respect to each exercise of a stock option granted under the Plan, written notice of the exercise must be given and the purchase price for the Common Shares being purchased upon the exercise and any taxes required to be withheld upon the exercise must be paid in full at the time of the exercise. The procedures for meeting such requirements shall be established under the provisions of section 19 hereof.

(b) As soon as administratively practical after the receipt of the written notice and full payment applicable to the exercise of any stock option granted under the Plan in accordance with the procedures established under the provisions of section 19 hereof, CyrusOne shall deliver to the applicable Participant (or such other person who is exercising the stock option) a certificate or book-entry credit representing each acquired Common Share.

7.6 *Special Limit on Value of ISOs.* If the aggregate fair market value of all Common Shares with respect to which stock options that are intended to be ISOs and that are exercisable for the first time by any Participant during any calendar year (under the Plan and all other plans of the Company) exceeds $100,000 (or, if such limit amount is amended under Section 422 of the Code, such amended limit amount), such stock options (to the extent of such excess) shall be treated as if they were not ISOs. The rule set forth in the immediately preceding sentence shall be applied by taking stock options

into account in the order in which they were granted. Also, for purposes of the rules of this subsection 7.6, the fair market value of any Common Shares which are subject to a stock option shall be determined as of the date the option is granted.

7.7 ***Ineligibility of Certain Employees for ISOs.*** Notwithstanding any other provision of the Plan to the contrary, no person shall be eligible for or granted a stock option under the Plan that is intended to be an ISO if, at the time the stock option is otherwise to be granted, the person owns more than 10% of the total combined voting power of all classes of stock of the Company. For purposes hereof, a person shall be considered as owning the stock owned, directly or indirectly, by or for his or her brothers or sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants, and stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries.

8. ***Stock Appreciation Right Awards.*** Any awards granted under the Plan in the form of stock appreciation rights (for purposes of this section 8, "SARs") shall be subject to the following terms and conditions of this section 8.

8.1 ***Nature of SAR.*** A SAR means the right, upon any exercise of the SAR, to receive payment of a sum not to exceed the amount, if any, by which the fair market value (determined as of the date on which the SAR is exercised and disregarding lapse restrictions as defined in Regulation 1.83-3(i)) of a number of Common Shares, up to a fixed maximum number of Common Shares, exceeds a fixed price (for purposes of this section 8, the "Exercise Price") of the Common Shares to which the exercise relates. A SAR may be granted free-standing, in relation to a new stock option being granted at the same time as the SAR is granted, or in relation to a stock option both which is not an ISO and which has been granted prior to the grant of the SAR.

8.2 ***Terms and Conditions of SAR To Be Determined by Committee.*** Subject to the other provisions of this section 8 and the other sections of the Plan, all of the terms and conditions of a SAR shall be determined by the Committee. A SAR granted under the Plan shall be evidenced by a written agreement signed by the Committee or a representative thereof, which agreement shall contain the terms and conditions of the SAR (as set by the Committee).

8.3 ***Exercise Price of SAR.*** Unless otherwise prescribed by the Committee to be higher, the Exercise Price with respect to any number of Common Shares that are subject to a SAR granted under the Plan shall be 100% (and may not in any event be less than 100%) of the fair market value of such number of Common Shares (disregarding lapse restrictions as defined in Regulation 1.83-3(i)) on the date the SAR is granted.

8.4 ***Expiration of SAR.*** A SAR granted under the Plan shall not in any event be exercisable after the expiration of ten years after the date on which it is granted (or after any earlier expiration date that is otherwise prescribed for the SAR by the Committee).

8.5 ***Coordination of SAR and Option.*** Unless otherwise determined by the Committee, any stock option as to which a SAR is related shall no longer be exercisable to the extent the SAR has been exercised and the exercise of a stock option shall cancel any related SAR to the extent of such exercise.

8.6 ***Procedures for Exercise of SAR.***

(a) With respect to each exercise of a SAR granted under the Plan, written notice of the exercise must be given and any taxes required to be withheld upon the exercise must be paid in full at the time of the exercise. The procedures for meeting such requirements shall be established under the provisions of section 19 hereof.

(b) As soon as administratively practical after the receipt of the written notice and full payment of taxes applicable to the exercise of any SAR granted under the Plan in accordance with the procedures established under the provisions of section 19 hereof, CyrusOne shall pay the

amount to which the applicable Participant (or such other person who is exercising the SAR) is entitled upon the exercise of the SAR in cash, Common Shares or other property, or a combination thereof, as the Committee shall determine and provide in the terms of the award. To the extent that payment is made in Common Shares or other property, the Common Shares or other property shall be valued at its fair market value on the date of exercise of the SAR.

9. ***Restricted Stock Awards.*** Any awards granted under the Plan in the form of restricted stock shall be subject to the following terms and conditions of this section 9.

9.1 ***Nature of Restricted Stock.***

(a) Restricted stock shall constitute Common Shares that may not be disposed of by the Participant to whom the restricted stock is granted until certain restrictions established by the Committee lapse. Such restrictions may include but not necessarily be limited to restrictions related to service requirements and to the meeting of certain performance goals in all or just certain cases (such as in all cases other than when there occurs a Change in Control or the Participant's termination of employment or service with the Company because of his or her death or disability), as determined by the Committee in its sole discretion. Any restrictions that are imposed under a restricted stock award shall also similarly restrict the ability of the applicable Participant to dispose of other rights issued with respect to such restricted stock.

(b) Any restricted stock award granted under the Plan may provide that the satisfaction of certain but not all (or a certain level but not the highest level) of any of the service restrictions, performance goal restrictions, and/or other restrictions applicable to such restricted stock will permit the lapse of the applicable restrictions that restrict the right to dispose of such restricted stock as to a percentage (that is reasonably related to the percentage of all or the highest level of the applicable restrictions imposed under the entire restricted stock award that have been satisfied), but not the maximum number, of the Common Shares reflected by such restricted stock.

9.2 ***Terms and Conditions of Restricted Stock To Be Determined by Committee.*** Subject to the other provisions of this section 9 and the other sections of the Plan, all of the restrictions and other terms and conditions that apply to any restricted stock awarded under the Plan shall be determined by the Committee. The grant of any restricted stock under the Plan shall be evidenced by a written agreement, which agreement shall contain the restrictions and other terms and conditions of the restricted stock (as set by the Committee) and shall be referenced on the certificates representing the Common Shares that constitute such restricted stock.

9.3 ***Procedures for Payment of Taxes Upon Vesting of Restricted Stock.*** Any taxes required to be withheld upon the lapse of any restrictions applicable to any restricted stock granted under the Plan (and, if applicable, any minimum purchase price for the restricted stock that may be required by applicable law) must be paid in full at the time such restrictions lapse. The procedures for meeting such requirements shall be established under the provisions of section 19 hereof.

9.4 ***Right of Participant Under Restricted Stock.*** Any Participant who has been granted restricted stock under the Plan shall have, during the period in which restrictions on his or her ability to dispose of such stock apply, all of the rights of a shareholder of CyrusOne with respect to the Common Shares awarded as restricted stock (other than the right to dispose of such shares), including the right to vote the shares and the right to receive any cash or stock dividends, unless the Committee shall otherwise provide in the terms of the applicable restricted stock award and except as may otherwise be provided in subsection 9.5 hereof.

9.5 ***Restrictions for Additional Common Shares Issued under Stock Split or Dividend.*** Any Common Shares issued with respect to restricted stock as a result of a stock split, stock dividend, or similar transaction shall be restricted to the same extent as the applicable restricted stock, unless otherwise provided by the Committee in the terms of the applicable restricted stock award.

9.6 ***Forfeiture of Restricted Stock.*** If any restrictions or conditions on a Participant's ability to dispose of any restricted stock granted to him or her are not satisfied in accordance with the terms of such restricted stock, such restricted stock shall be forfeited (subject to such exceptions, if any, as are authorized by the Committee). For instance, if a Participant to whom restricted stock has been granted under the Plan terminates his or her employment or service with the Company during the period in which restrictions on his or her ability to dispose of such stock apply (and prior to the satisfaction of the requirements applicable to such restrictions), such restricted stock shall be forfeited (subject to such exceptions, if any, as are authorized by the Committee as to a termination of employment or service that reflects a retirement, disability, death, or other special circumstances).

10. ***Restricted Stock Unit Awards.*** Any awards granted under the Plan in the form of restricted stock units (for purposes of this section 10, "RSUs") shall be subject to the following terms and conditions of this section 10.

10.1 ***Nature of RSUs.*** RSUs are granted with respect to a specified number of Common Shares (or a number of Common Shares determined pursuant to a specified formula) or shall have a value equal to the fair market value of a specified number of Common Shares (or a number of Common Shares determined pursuant to a specified formula). Each RSU represents an unfunded and unsecured promise to deliver Common Shares, cash, other securities, other awards or other property upon the lapse of the restrictions applicable thereto. Such restrictions may include but not necessarily be limited to service requirements and the meeting of certain performance goals in all or just certain cases (such as in all cases other than when there occurs a Change in Control or the Participant's termination of employment or service with the Company because of his or her death or disability), as determined by the Committee in its sole discretion.

10.2 ***Terms and Conditions of RSUs To Be Determined by Committee.*** Subject to the other provisions of this section 10 and the other sections of the Plan, all of the restrictions and other terms and conditions that apply to any RSU awarded under the Plan shall be determined by the Committee. The grant of any RSU under the Plan shall be evidenced by a written agreement, which agreement shall contain the restrictions and other terms and conditions of the RSU (as set by the Committee).

11. ***Performance Share and Unit Awards.*** Any awards granted under the Plan in the form of performance shares, share-based performance units, and/or nonshare-based performance units (collectively and for purposes of this section 11, "Performance Awards") shall be subject to the following terms and conditions of this section 11.

11.1 ***Nature of Performance Award.***

(a) Any performance share (which, for the avoidance of doubt, includes but is not limited to restricted stock the vesting of which is subject to meeting certain performance goals) that is granted to a Participant constitutes a right that the Participant will receive a number of Common Shares, up to a fixed maximum number of Common Shares, if and when certain conditions are met. Such conditions may include but not necessarily be limited to: (i) conditions that require that the Participant must either be an employee of, or providing services to, the Company for a specified continuous period of time or terminate employment or service with the Company in special circumstances (including, without limitation, the Participant's retirement, disability, or death); and (ii) conditions related to the meeting of certain performance goals, except that the Committee may provide in the terms of the applicable performance share award that the performance goal conditions otherwise imposed under the award are waived in whole or in part in special circumstances (including, without limitation, when there occurs a Change in Control or the Participant's termination of employment or service with the Company because of his or her death or disability).

(b) Any share-based performance unit share (which, for the avoidance of doubt, includes but is not limited to restricted stock units the vesting of which is subject to meeting certain performance goals) that is granted to a Participant constitutes a right that the Participant will receive an amount that is equal to a percent of the fair market value of a number of Common Shares, up to a fixed maximum number of Common Shares, on the date such amount becomes payable under the terms of the unit (or is equal to a percent of the increase in the fair market value of a number of Common Shares, up to a fixed maximum number of Common Shares, from the date of the grant of the unit to the date such amount becomes payable under the terms of the unit) if and when certain conditions are met. Such conditions may include but not necessarily be limited to: (i) conditions that require that the Participant must either be an employee of, or providing services to, the Company for a specified continuous period of time or terminate employment or service with the Company in special circumstances (including, without limitation, the Participant's retirement, disability, or death); and (ii) conditions related to the meeting of certain performance goals, except that the Committee may provide in the terms of the applicable share-based performance unit award that the performance goal conditions otherwise imposed under the award are waived in whole or in part in special circumstances (including, without limitation, when there occurs a Change in Control or the Participant's termination of employment or service with the Company because of his or her death or disability).

(c) Any nonshare-based performance unit that is granted to a Participant constitutes a right that the Participant will receive an amount that is equal to a dollar value, not more than a maximum dollar value, if and when certain conditions are met. Such conditions may include but not necessarily be limited to: (i) conditions that require that the Participant must either be an employee of, or providing services to, the Company for a specified continuous period of time or terminate employment or service with the Company in special circumstances (including, without limitation, the Participant's retirement, disability, or death); and (ii) conditions related to the meeting of certain performance goals, except that the Committee may provide in the terms of the applicable nonshare-based performance unit award that the performance goal conditions otherwise imposed under the award are waived in whole or in part in special circumstances (including, without limitation, when there occurs a Change in Control or the Participant's termination of employment or service with the Company because of his or her death or disability).

(d) Any performance share, share-based performance unit, and/or nonshare-based performance unit award may provide that the satisfaction of certain but not all (or a certain level but not the highest level) of any of the service conditions, performance goal conditions, and/or other conditions applicable to such award will permit the Participant to receive a percentage (that is reasonably related to the percentage of all or the highest level of the applicable conditions imposed under the entire award that have been satisfied), but not the maximum amount, of the Common Shares or the dollar-denominated amounts that would be payable under such award if all (or the highest level) of the conditions applicable to such award had been met.

11.2 ***Terms and Conditions of Performance Award To Be Determined by Committee.*** Subject to the other provisions of this section 11 and the other sections of the Plan, all of the restrictions and other terms and conditions that apply to any Performance Award issued under the Plan shall be determined by the Committee. The grant of any Performance Award under the Plan shall be evidenced by a written agreement signed by the Committee or a representative thereof, which agreement shall contain the restrictions and other terms and conditions of the Performance Award (as set by the Committee).

11.3 ***Procedures for Payment of Performance Award and of Applicable Taxes.***

(a) Any taxes required to be withheld upon a Participant becoming entitled to the payment of any Performance Award granted under the Plan (by reason of any of the award's performance goals and/or other conditions being met) must be paid in full at the time such performance goals

and/or other conditions are met. The procedures for meeting such requirements shall be established under the provisions of section 19 hereof.

(b) As soon as administratively practical after the full payment of taxes applicable to the Performance Award granted under the Plan in accordance with the procedures established under the provisions of section 19 hereof, CyrusOne shall pay the amount to which the applicable Participant (or such other person who is entitled to the benefits of the award) is entitled upon the meeting of such performance goals and/or other conditions and as the Committee shall provide in the terms of the award: (i) in a lump sum or in installments; (ii) to the extent a share-based performance unit or a nonshare-based performance unit is involved, in cash, Common Shares or other property, or a combination thereof; and (iii) to the extent a performance share is involved, in Common Shares. To the extent that payment is made in Common Shares or other property, the Common Shares or other property shall be valued at its fair market value on the date as of which the payment is made.

12. ***Non-Restricted Stock Awards.*** Any awards granted under the Plan in the form of non-restricted stock shall be subject to the following terms and conditions of this section 12.

12.1 ***Nature of Non-Restricted Stock and Condition of Grant.*** Non-restricted stock shall constitute Common Shares that may, upon grant, be immediately disposed of by the Participant to whom the non-restricted stock is granted (without any special restrictions and conditions).

12.2 ***Terms and Conditions of Non-Restricted Stock To Be Determined by Committee.*** Subject to the other provisions of this section 12 and the other sections of the Plan, all of the terms and conditions that apply to any non-restricted stock awarded under the Plan shall be determined by the Committee. The grant of any non-restricted stock under the Plan shall be evidenced by a written agreement signed by the Committee or a representative thereof, which agreement shall contain the terms and conditions of the non-restricted stock award (as set by the Committee).

12.3 ***Procedures for Payment of Taxes Upon Grant of Non-Restricted Stock.*** Any taxes required to be withheld upon the grant of any non-restricted stock award under the Plan (and, if applicable, any minimum purchase price for the stock that may be required by applicable law) must be paid in full at the time of such grant. The procedures for meeting such requirements shall be established under the provisions of section 19 hereof.

13. ***Other Awards***. Subject to the provisions of the Plan, the Committee shall have the authority to grant other equity based or equity-related awards and Nonshare-Based Awards (whether, in each case, payable in cash, equity or otherwise) in such amounts and subject to such terms and conditions as the Committee shall determine, provided that any such awards must comply, to the extent deemed desirable by the Committee, with Rule 16b-3 and applicable law.

14. ***Fair Market Value of Common Shares.*** For purposes of the Plan, the fair market value of a Common Share on any date (for purposes of this section 14, the "subject date") shall be deemed to be the closing price of a Common Share on the Applicable Exchange on the subject date (or, if no trading in any stocks occurred at all on such exchange on the subject date, on the next subsequent date on which trading of stocks occurred on such exchange). Notwithstanding the foregoing, if Common Shares are not listed or traded at all on the Applicable Exchange on the date as of which a Common Share's fair market value for the subject date is to be determined under the terms of the immediately preceding sentence, then the fair market value of a Common Share on the subject date shall be determined by the Committee in good faith pursuant to methods and procedures established by the Committee.

15. Performance Goals.

15.1 ***Criteria for Performance Goals.*** To the extent the meeting of performance goals set by the Committee may be a condition to the exercise of or payment under any award granted under the Plan, the performance goals applicable to such award shall be determined by the Committee in its discretion, provided that if such award is intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code, the Committee shall base such performance goals on, and only on, one or more of the following criteria applicable to the Company:

(a) free cash flow (defined as cash generated by operating activities, minus capital expenditures and other investing activities, dividend payments and proceeds from the issuance of equity securities, and proceeds from the sale of assets);

(b) operating cash flow;

(c) cash available for distribution;

(d) earnings before interest, taxes, depreciation, and amortization;

(e) earnings per share;

(f) funds from operations;

(g) adjusted funds from operations;

(h) operating efficiency;

(i) operating income;

(j) total shareholder returns;

(k) profit targets;

(l) revenue targets;

(m) profitability targets as measured by return ratios;

(n) working capital;

(o) market share (in the aggregate or by segment);

(p) portfolio and regional occupancy rates;

(q) net income;

(r) return on investment or capital;

(s) return on assets;

(t) return on equity;

(u) return on sales;

(v) return on development; and/or

(w) level or amount of acquisitions.

15.2 ***Method By Which Performance Criteria Can Be Measured.***

(a) Any performance criteria identified in subsection 15.1 hereof that is used to determine the performance goals applicable to an award granted under the Plan shall be measured or determined on the basis of a period of such duration (for purposes of this section 15, a "performance period"), which period may be of any length, but not less than one year or in excess of ten years, as is set by the Committee either prior to the start of such period or within its first

90 days (provided that the performance criteria is not in any event set after 25% or more of the applicable performance period has elapsed) and shall be criteria that will be able to be objectively determined by the Committee.

(b) Further, the Committee may provide in the terms of an award granted under the Plan that any factor used to help determine any performance criteria identified in subsection 15.1 hereof shall be taken into account only to the extent it exceeds or, conversely, is less than a certain amount. The Committee may also provide in the terms of an award granted under the Plan that, in determining whether any performance criteria identified in subsection 15.1 hereof has been attained, certain special or technical factors shall be ignored or, conversely, taken into account, in whole or in part, including but not limited to any one or more of the following factors:

(1) a gain, loss, income, or expense resulting from changes in generally accepted accounting principles that become effective during the applicable performance period or any previous period;

(2) unusual and/or infrequently occurring items;

(3) an impact of other specified nonrecurring events;

(4) a gain or loss resulting from, and the direct expense incurred in connection with, the disposition of a business, in whole or in part, the sale of investments or non-core assets, or discontinued operations, categories, or segments of businesses;

(5) a gain or loss from claims and/or litigation and insurance recoveries relating to claims or litigation;

(6) an impact of impairment of tangible or intangible assets;

(7) an impact of restructuring activities, including, without limitation, reductions in force;

(8) an impact of investments or acquisitions made during the applicable performance period or any prior period;

(9) a loss from political and legal changes that impact operations, as a consequence of war, insurrection, riot, terrorism, confiscation, expropriation, nationalization, deprivation, seizure, business interruption, or regulatory requirements;

(10) retained and uninsured losses from natural catastrophes;

(11) currency fluctuations;

(12) an expense relating to the issuance of stock options and/or other stock-based compensation;

(13) an expense relating to the early retirement of debt; and/or

(14) an impact of the conversion of convertible debt securities.

Each of the adjustments described in this paragraph (b) shall be determined in accordance with generally accepted accounting principles and standards, unless another objective method of measurement is designated by the Committee.

(c) In addition, any performance criteria identified in subsection 15.1 hereof, and any adjustment in the factors identified in paragraph (b) of this subsection 15.2 that are used to determine any such performance criteria, (i) may be measured or determined for CyrusOne, for any organization other than CyrusOne that is part of the Company, for the entire Company in the aggregate, or for any group of corporations or organizations that are included in the Company and (ii) may be measured and determined in an absolute sense and/or in comparison to the analogous

performance criteria of other publicly traded companies (that are selected for such comparison purposes by the Committee).

15.3 ***Verification That Performance Goals and Other Conditions Are Met.*** To the extent any payment under, or any exercise of, an award granted under the Plan requires the meeting of any performance goals and/or any other conditions that have been set by the Committee, the Committee shall verify that such performance goals and/or such other conditions have been met before such payment or exercise is permitted.

15.4 ***Discretion.*** Except as otherwise permitted by Section 162(m) of the Code, in no event shall any discretionary authority granted to the Committee by the Plan be used to, with respect to any Performance Award that is intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code, (1) grant or provide payment in respect of a Performance Award for a performance period if the performance criteria identified in subsection 15.1 hereof that is used to determine the performance goals for such performance period have not been attained and (2) increase a Performance Award for any Participant at any time after the first 90 days of the performance period (or, if shorter, the maximum period allowed under Section 162(m) of the Code) or (3) increase the amount of a Performance Award above the maximum amount payable under subsection 6.2(a) hereof.

16. ***Nonassignability of Awards.*** Except as may be required by applicable law, no award granted under the Plan to a Participant may be assigned, transferred, pledged, or otherwise encumbered by the Participant otherwise than by will, by designation of a beneficiary to take effect after the Participant's death, or by the laws of descent and distribution. Each award shall be exercisable during the Participant's lifetime only by the Participant (or, if permissible under applicable law, by the Participant's guardian or legal representative).

17. ***Provisions Upon Change in Control.***

17.1 ***Effect of Change in Control on Awards.*** In the event a Change in Control occurs on or after the Effective Date, then unless otherwise provided in the terms of an applicable award or employment agreement:

(a) to the extent no provision is made in connection with the Change in Control for assumption of awards previously granted under the Plan or substitution of such awards for new awards covering stock of a successor corporation or its "parent corporation" (as defined in Section 424(e) of the Code) or "subsidiary corporation" (as defined in Section 424(f) of the Code) with appropriate adjustments as to the number and kinds of shares and the exercise prices, if applicable, then (i) any awards that vest based solely upon the elapse of time will become vested and exercisable and any restrictions then in force will lapse, and (ii) any awards that vest based on the attainment of performance goals will become payable at the target payment amount (assuming all performance goals and other criteria or conditions applicable to the award were satisfied at the target levels); and

(b) to the extent an award granted on or after July 1, 2015 is assumed or substituted in connection with the Change in Control, if the Participant's employment is terminated by the Company for "cause" or by the Participant in a "constructive termination", as such terms are defined in the Participant's award agreement or employment agreement, as applicable, within twelve (12) months following a Change in Control, then (i) any awards that vest based solely upon the elapse of time will become vested and exercisable and any restrictions then in force shall immediately lapse, and (ii) any awards that vest based on the attainment of performance goals will become payable at the target payment amount (assuming all performance goals and other criteria or conditions applicable to the award were satisfied at the target levels), in each case, in whole or on a pro rata basis, as set forth in the applicable award agreement.

17.2 ***Cashout of Stock Options and Stock Appreciation Rights.*** In addition, unless the Committee shall otherwise prescribe in the terms of a stock option or stock appreciation right that was awarded under the Plan, in the event of a Change in Control the Committee shall have discretion to cause a cash payment to be made to the person who then holds such stock option or stock appreciation right, in lieu of the right to exercise such stock option or stock appreciation right or any portion thereof, provided (i) that such stock option or stock appreciation right is still outstanding as of the Change in Control and (ii) that the aggregate fair market value (on the date of the Change in Control) of the Common Shares that are subject to such stock option or stock appreciation right exceeds the aggregate exercise price of such Common Shares under such stock option or stock appreciation right. In the event the Committee exercises its discretion to cause such cash payment to be made, the amount of such cash payment shall be equal to the amount by which (i) the aggregate fair market value (on the date of the Change in Control) of the Common Shares that are subject to such stock option or stock appreciation right exceeds (ii) the aggregate exercise price of such Common Shares under such stock option or stock appreciation right.

17.3 ***Cashout of Restricted Stock Units, Performance Shares, Share-Based Performance Units, Nonshare-Based Performance Units and other Nonshare-Based Awards.*** Further, unless the Committee shall otherwise prescribe in the terms of an applicable restricted stock unit, performance share, share-based performance unit, nonshare-based performance unit or other Nonshare-Based Award that was awarded under the Plan and that would otherwise be payable in Common Shares, in the event of a Change in Control the Committee shall have discretion to cause the payment of such restricted stock unit, performance share, share-based performance unit, nonshare-based performance unit or other Nonshare-Based Award to be made in cash instead of Common Shares. In the event the Committee exercises its discretion to cause such cash payment to be made, the amount of such cash payment shall be equal to the aggregate fair market value, on the date of the Change in Control, of the Common Shares that would otherwise then be payable under such restricted stock unit, performance share, share-based performance unit, nonshare-based performance unit or other Nonshare-Based Award.

17.4 ***Definition of Change in Control.*** For purposes of the Plan, a "Change in Control" shall, with respect to any award granted under the Plan, have the meaning set forth in the terms of the award (provided, however, that, except in the case of a transaction similar to the transaction described in paragraph (d) of this subsection 17.4, any such specified Change in Control shall not occur until the consummation or effectiveness of the event or transaction that is identified in the award as a Change in Control, rather than upon the announcement, commencement, shareholder approval, or other potential occurrence of the event or transaction that, if completed, would result in the Change in Control); except that, if there is no definition of a Change in Control set forth in the terms of the award, then "Change in Control" shall mean the occurrence of any one of the events described in the following paragraphs of this subsection 17.4.

(a) A majority of the Board as of any date not being composed of Incumbent Directors. For purposes of this subsection 17.4, as of any date, the term "Incumbent Director" means any individual who is a director of CyrusOne as of such date and either: (i) who was a director of CyrusOne at the beginning of the 24-consecutive-month period ending on such date; or (ii) who became a CyrusOne director subsequent to the beginning of such 24-consecutive-month period and whose appointment, election, or nomination for election was approved by a vote of at least two-thirds of the CyrusOne directors who were, as of the date of such vote, Incumbent Directors (either by a specific vote or by approval of the proxy statement of CyrusOne in which such person is named as a nominee for director). It is provided, however, that no individual initially appointed, elected, or nominated as a director of CyrusOne as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall ever be deemed to be an Incumbent Director.

(b) Any "person," as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act, being or becoming "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of CyrusOne representing 20% or more of the combined voting power of CyrusOne's then outstanding securities eligible to vote for the election of the Board (for purposes of this subsection 17.4, the "CyrusOne Voting Securities"). It is provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control if such event results from any of the following: (i) the acquisition of any CyrusOne Voting Securities by the Company, (ii) the acquisition of any CyrusOne Voting Securities by any employee benefit plan (or related trust) sponsored or maintained by the Company, (iii) the acquisition of any CyrusOne Voting Securities by any underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a Non-Qualifying Transaction (as defined in paragraph (c) of this subsection 17.4), or (v) the acquisition of any CyrusOne Voting Securities by any entity owned, directly or indirectly, by the shareholders of CyrusOne in substantially the same proportions as their ownership of the CyrusOne Voting Securities .

(c) The consummation of a merger, consolidation, statutory share exchange, or similar form of corporate transaction involving the Company (for purposes of this paragraph (c), a "Reorganization") or sale or other disposition of all or substantially all of the assets of the Company to an entity that is not an affiliate of the Company (for purposes of this paragraph (c), a "Sale"), that in each case requires the approval of CyrusOne's shareholders under the law of CyrusOne's jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of CyrusOne in such Reorganization or Sale), unless immediately following such Reorganization or Sale:

(1) more than 60% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (i) the entity resulting from such Reorganization or the entity which has acquired all or substantially all of the assets of the Company (for purposes of this paragraph (c) and in either case, the "Surviving Entity"), or (ii) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (for purposes of this paragraph (c), the "Parent Entity"), is represented by CyrusOne Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such CyrusOne Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CyrusOne Voting Securities among the holders thereof immediately prior to the Reorganization or Sale;

(2) no person (other than any employee benefit plan sponsored or maintained by the Surviving Entity or the Parent Entity or the related trust of any such plan) is or becomes the beneficial owner, directly or indirectly, of 20% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the outstanding voting securities of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity); and

(3) at least a majority of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the approval by the Board of the execution of the initial agreement providing for such Reorganization or Sale, Incumbent Directors (any Reorganization or Sale which satisfies all of the criteria specified in subparagraphs (1), (2), and (3) of this paragraph (c) being deemed to be a "Non-Qualifying Transaction" for purposes of this subsection 17.4).

(d) The shareholders of CyrusOne approving a plan of complete liquidation or dissolution of CyrusOne unless such liquidation or dissolution is a Non-Qualifying Transaction.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 20% of the CyrusOne Voting Securities as a result of the acquisition of CyrusOne Voting Securities by CyrusOne which reduces the number of CyrusOne Voting Securities outstanding; provided that, if after such acquisition by CyrusOne such person becomes the beneficial owner of additional CyrusOne Voting Securities that increases the percentage of outstanding CyrusOne Voting Securities beneficially owned by such person, a Change in Control shall then occur.

Notwithstanding any other provision of the Plan to the contrary, no event or condition shall constitute a Change in Control with respect to a Share-Based Award or Nonshare-Based Award Stock Award to the extent that, if it were, an excise tax would be imposed under Section 409A of the Code; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (for example, if applicable, in respect of vesting without an acceleration of payment of such Share-Based Award or Nonshare-Based Award Stock Award) without causing the imposition of such excise tax.

18. *Adjustments.*

18.1 *Adjustments for Certain Dividends, Stock Splits, and Other Corporate Transactions.*

(a) In the event of any change affecting the Common Shares by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares, or other corporate change, or any distributions to common shareholders, including extraordinary cash dividends, then, subject to the provisions of paragraph (b) of this subsection 18.1, the Committee shall make such substitution or adjustment in the aggregate number or class of shares which may be distributed under the Plan and in the number, class, and exercise price or other price of shares on which the outstanding awards granted under the Plan are based as it determines to be necessary or appropriate in order to prevent the enlargement or dilution of rights under the Plan or under awards granted under the Plan.

(b) The Committee shall not take any action under the provisions of paragraph (a) of this subsection 18.1 with respect to any specific award granted under the Plan to the extent it determines that such action would otherwise cause such award to become subject to the requirements of Code Section 409A when such award would not be subject to such requirements in the absence of such adjustment.

18.2 *Adjustments To Correct Errors or Omissions.* The Committee shall be authorized to correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any award granted under the Plan in the manner and to the extent it shall determine is needed to reflect the intended provisions of the Plan or that award or to meet any law that is applicable to the Plan (or the provisions of any law which must be met in order for the normal tax consequences of the award to apply).

19. *Procedures For Satisfying Payment and Withholding Requirements.*

19.1 *Committee May Develop Payment/Withholding Procedures.* The Committee may, in its discretion, establish procedures governing the exercise of, lapse of restrictions under, and/or payment of any award granted under the Plan and to compel under such procedures that, to the extent applicable under such award, any purchase price for Common Shares being obtained under such award and/or taxes required to be withheld by the terms of such award or under applicable law (with any such purchase price and/or tax withholding requirements being referred to in this section 19 as the "payment/withholding requirements") be paid in full. The Committee may provide for different rules as to the satisfying of the payment/withholding requirements with respect to each type of award granted

under the Plan and even among awards of the same type that are granted under the Plan. The Committee's procedures applicable to the satisfaction of any payment/withholding requirements that apply to an award granted under the Plan may, in the discretion of the Committee, include commonly accepted electronic or telephonic notices given via the internet or an interactive voice response system to a third-party broker which is designated by the Committee to facilitate and/or administer the exercise or payment of any awards granted under the Plan.

19.2 ***Default Payment/Withholding Procedures.*** Unless the Committee otherwise prescribes in the written agreement by which an award is granted under the Plan, any Participant to whom an award under the Plan is granted (or, if applicable, such other person who is exercising or receiving a payment under the award) may, in his or her sole discretion, satisfy the payment/withholding requirements that apply to such award by using any one or more of the following methods or any combination of the following methods:

(a) by making a payment to the Company of an amount in cash (which, for purposes of the Plan, shall be deemed to include payment in U.S. currency or by certified check, bank draft, cashier's check, or money order) equal to the amount of such payment/withholding requirements;

(b) by making a payment to the Company in Common Shares which are previously owned by the Participant (or such other person) and have a fair market value on the date of payment equal to the amount of such payment/withholding requirements;

(c) by having CyrusOne retain Common Shares which are otherwise being purchased or paid under the award and have a fair market value on the date of payment equal to the amount of such payment/withholding requirements; and/or

(d) by having CyrusOne retain an amount of cash that is payable under the award and equal to the amount of such payment/withholding requirements.

19.3 ***Limitation on Common Shares Used to Meet Payment/Withholding Requirements.*** Notwithstanding any other provisions of subsections 19.1 and 19.2 hereof, Common Shares may not be used in payment by the Participant for satisfying any payment/withholding requirements that apply to an award granted under the Plan either (i) if the Common Shares being used in payment are being purchased upon exercise of the applicable award and the award is an ISO or (ii) if the Common Shares being used in payment both were previously acquired by the Participant through the exercise of a prior ISO and have been held by the Participant for less than two years from the date of grant of the prior ISO or less than one year from the date of the prior transfer of such Common Shares to him or her.

19.4 ***Right of Company To Retain Amount To Meet Payment/Withholding Requirements If Requirements Are Not Otherwise Met.*** If any Participant (or other person) who is responsible for satisfying any payment/withholding requirements that apply to an award granted under the Plan otherwise fails to satisfy such payment/withholding requirements under the procedures or other rules set forth in the foregoing provisions of this section 19, the Company shall have the right to retain from such award or the payment thereof (or from any other amount that is payable as compensation to the Participant or such other person), as appropriate, a sufficient number of Common Shares or cash otherwise applicable to the award (or otherwise applicable to such other compensation amount) in order to satisfy such payment/withholding requirements.

20. ***Amendment or Termination of Plan and Amendment of Awards.***

20.1 ***Right of Board To Amend or Terminate Plan.*** Subject to the provisions of subsection 1.3(b) hereof but notwithstanding any other provision hereof to the contrary, the Board may amend or terminate the Plan or any portion or provision thereof at any time, provided that no such action shall materially impair the rights of a Participant with respect to a previously granted Plan award without the Participant's consent. Notwithstanding the foregoing, the Board may not in any event, without the

approval of CyrusOne's shareholders, adopt an amendment to the Plan which shall: (i) increase the total number of Common Shares which may be issued during the existence of the Plan; (ii) increase the total number of Common Shares which may be subject to or issued under ISOs granted during the existence of the Plan; (iii) change the class of persons eligible to become Participants under the Plan; or (iv) make any other change in the Plan that is required by applicable law, the rules of the Applicable Exchange or Section 162(m) of the Code if the plan is intended to be a stockholder-approved Plan for purposes of Section 162(m) of the Code, to be approved by CyrusOne's shareholders in order to be effective.

20.2 ***Rules When Shareholder Approval for Amendment Is Required.*** If approval of CyrusOne's shareholders is required to a Plan amendment pursuant to the provisions of subsection 20.1 hereof, then such approval must comply with all applicable provisions of CyrusOne's corporate charter, bylaws and regulations, and any applicable state law prescribing a method and degree of shareholder approval required for issuance of Common Shares. If the applicable state law fails to prescribe a method and degree in such cases, then such approval must be made by a method and degree that would be treated as adequate under applicable state law in the case of an action requiring shareholder approval of an amendment to the Plan.

20.3 ***Right of Committee To Amend Awards.*** The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate any award granted under the Plan, prospectively or retroactively; provided that, except as set forth in the Plan, unless otherwise provided by the Committee in the terms of such award, no such action shall materially impair the rights of any Participant with respect to a previously granted Plan award without the Participant's consent. Notwithstanding the foregoing, in no event may any award granted under the Plan (i) be amended to decrease the exercise price or other similar price applicable thereto, (ii) be cancelled at a time when its exercise price or other similar price exceeds the fair market value of the underlying Common Shares in exchange for another award under any other equity-compensation plan or any cash payment or (iii) be subject to any action that would be treated, for accounting purposes, as a "repricing" of such award, unless such amendment, cancellation or action is approved by the Company's shareholders (with such approval meeting the same conditions described in subsection 20.2 hereof as to the approval of a Plan amendment). For the avoidance of doubt, an adjustment to the exercise price or other similar price applicable to an award granted under the Plan that is made in accordance with section 17 hereof or paragraph (a) of subsection 18.1 hereof shall not be considered a reduction in exercise price or other similar price or "repricing" of such award.

21. ***Miscellaneous.***

21.1 ***Section 83(b) Election.*** A Participant may, with respect to any award granted to him or her under the Plan with respect to which an election could be made under Section 83(b) of the Code (generally to include in his or her gross income for Federal income tax purposes in the year the award is transferred to him or her the amounts specified in such Code section), make such election provided that (i) the terms and conditions of such award fail to prohibit the Participant making such election and (ii) the Participant provides written notice to the Committee and the Company of such election, and satisfies any tax withholding requirements that are then applicable to the award because of his or her election under Code Section 83(b), within ten days after he or she has filed a written notice of such election with the Internal Revenue Service (as well as meeting all other notice and additional requirements for such election that are required by Section 83(b) of the Code).

21.2 ***Requirement of Notification Upon Disqualifying Disposition Under Section 421(b) of the Code.*** If any Participant shall make any disposition of Common Shares delivered pursuant to the exercise of an ISO under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions) or any successor provision of the Code, such Participant shall notify the Company of such disposition within ten days of such disposition.

21.3 ***Deferrals of Award Payments.*** The Committee may, in its discretion and if performed in accordance with the terms and conditions of an award granted under the Plan or under any plan maintained by CyrusOne, permit Participants to elect to defer the payment otherwise required under all or part of any award granted under the Plan. Such deferral shall not be permitted by the Committee unless such deferral meets all of the conditions of Section 409A of the Code.

21.4 ***No Right To Employment.*** Nothing contained in the Plan or any award granted under the Plan shall confer on any Participant any right to be continued in the employment of, or service with, the Company or interfere in any way with the right of the Company to terminate the Participant's employment or service at any time and in the same manner as though the Plan and any awards granted under the Plan were not in effect.

21.5 ***No Advance Funding of Plan Benefits.*** All payments required to be made under awards granted under the Plan shall be made by the Company out of its general assets. In this regard, the Plan shall not be funded and the Company shall not be required to segregate any assets to reflect any awards granted under the Plan. Any liability of the Company to any person with respect to any award granted under the Plan shall be based solely upon the contractual obligations that apply to such award, and no such liability shall be deemed to be secured by any pledge of or other lien or encumbrance on any property of the Company.

21.6 ***Plan Benefits Generally Not Part of Compensation for Other Company Benefit Plans.*** Any payments or other benefits provided to a Participant with respect to an award granted under the Plan shall not be deemed a part of the Participant's compensation for purposes of any termination or severance pay plan, or any other pension, profit sharing, or other benefit plan, of the Company unless such plan expressly or clearly indicates that the payments or other benefits provided under an award granted under the Plan shall be considered part of the Participant's compensation for purposes of such plan or unless applicable law otherwise requires.

21.7 ***No Issuance of Common Shares Unless Securities Laws Permit Issuance.*** Notwithstanding any other provision of the Plan to the contrary, in no event shall CyrusOne be obligated to issue or deliver any Common Shares under the Plan in connection with an award granted under the Plan unless and until CyrusOne determines that such issuance or delivery will not constitute a violation of the provisions of any applicable law (or regulation issued under such law) or the rules of any securities exchange on which Common Shares are listed and will not be subject to restrictions not generally applicable to Common Shares. In addition, with respect to any Participant who is subject to the requirements of Section 16 of the Exchange Act, transactions under the Plan are intended to comply with all applicable requirements of Rule 16b-3. To the extent any provision of the Plan or an award granted under the Plan or action by the Committee fails to so comply, it shall be deemed to be null and void to the extent permitted by law or deemed advisable by the Committee.

21.8 ***Awards To Employees of CyrusOne Affiliate May Be Made In Shares of Subsidiary.*** Notwithstanding any other provision of the Plan, any award granted under the Plan to an Employee, director or consultant who is, at the time of the grant of the award, an employee, director or consultant of a corporation (other than CyrusOne) that is part of a controlled group of corporations (within the meaning of Section 1563(a) of the Code, but determined without regard to Sections 1563(a)(4) and (e)(3)(C) of the Code) that includes CyrusOne may be based on common shares of such other corporation. In such case, all of the provisions of the Plan, including the Common Share limits set forth in section 6 hereof, shall apply to such award in the same manner as if such other corporation's common shares were Common Shares.

21.9 ***Recoupment of Awards.*** Any written agreement containing the terms and conditions of awards made under the Plan may (i) provide for recoupment by the Company of all or any portion of an award if the Company's financial statements are required to be restated due to noncompliance with any financial reporting requirement under the Federal securities laws or (ii) include restrictive

covenants, including non-competition, non-disparagement and confidentiality conditions or restrictions, that the Participant must comply with during employment or service by the Company or for a specified period thereafter as a condition to the Participant's receipt or retention of all or any portion of an award. This subsection 21.9 shall not be the Company's exclusive remedy with respect to such matters.

21.10 ***No Limit on Other Compensation Arrangements.*** Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options, restricted stock, shares, other types of equity-based awards (subject to stockholder approval if such approval is required) and cash incentive awards, and such arrangements may be either generally applicable or applicable only in specific cases.

21.11 ***Section 409A.***

(a) It is intended that the provisions of the Plan comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code.

(b) No Participant or the creditors or beneficiaries of a Participant shall have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under the Plan to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to any Participant or for the benefit of any Participant under the Plan may not be reduced by, or offset against, any amount owing by any such Participant to the Company or any of its affiliates.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (A) such Participant shall be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (B) the Company shall make a good faith determination that an amount payable pursuant to an award constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it on the first business day after such six-month period. Such amount shall be paid without interest, unless otherwise determined by the Committee, in its discretion, or as otherwise provided in any applicable employment agreement between the Company and the relevant Participant.

(d) Notwithstanding any provision of the Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to any award as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on such Participant or for such Participant's account in connection with an award (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold such Participant harmless from any or all of such taxes or penalties.

21.12 ***Applicable Law.*** Except to the extent preempted by any applicable Federal law, the Plan shall be subject to and construed in accordance with the laws of the State of Maryland.

21.13 ***Severability.*** If any provision of the Plan or any award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or award, or would disqualify the Plan or any award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or

deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the award, such provision shall be construed or deemed stricken as to such jurisdiction, person or award and the remainder of the Plan and any such award shall remain in full force and effect.

21.14 ***Counterparts and Headings.*** The Plan may be executed in any number of counterparts, each of which shall be deemed an original. The counterparts shall constitute one and the same instrument, which shall be sufficiently evidenced by any one thereof. Headings used throughout the Plan are for convenience only and shall not be given legal significance.

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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, 2015

☐ **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.

(Exact name of registrant as specified in its charter)

Maryland	46-0691837
(State or other jurisdiction of incorporation or organization)	(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.

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.

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.

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).

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.

Large accelerated filer	☒	Accelerated filer	☐
Non-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).

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, 2015, was $1.9 billion, computed by reference to the closing sale price of the Common Stock on the NASDAQ Global Select Market on such date.

There were 72,270,518 shares of Common Stock outstanding as of January 29, 2016.

Portions of the definitive proxy statement relating to the Company's 2016 Annual Meeting of Shareholders are incorporated by reference into Part III of this report to the extent described herein.

EXPLANATORY NOTE

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, a Maryland limited partnership. 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, 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 beneficial owner and sole trustee of CyrusOne GP (the sole general partner of CyrusOne LP), a Maryland statutory trust, issuing public equity from time to time and guaranteeing certain debt of CyrusOne LP and certain of its subsidiaries. CyrusOne Inc. itself does not issue any indebtedness but guarantees the debt of CyrusOne LP and certain of its subsidiaries, 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.

As of December 31, 2015, the total number of outstanding shares of common stock was 72.6 million and our former parent, Cincinnati Bell Inc. (CBI) owned approximately 9.5% of CyrusOne through its interest in the outstanding shares of common stock of CyrusOne Inc. On December 31, 2015, CyrusOne Inc. completed an exchange of all the operating partnership units owned directly or indirectly by CBI for an equal number of shares of common stock of CyrusOne Inc. As a result, CyrusOne Inc. directly or indirectly owns all the operating partnership units of CyrusOne LP. As the direct or indirect owner of all the operating partnership units of CyrusOne LP and as 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.

CyrusOne Inc. was formed on July 31, 2012, and prior to its initial public offering (which was completed on January 24, 2013) (the IPO), it had minimal activity, consisting solely of deferred offering costs. The consolidated and combined financial statements included in this Annual Report of CyrusOne Inc. 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, the Predecessor's 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 that are predictions of or indicate future events or trends and that 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 that 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 areas 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;
- risks of loss of power or cooling which may interrupt our services to our customers;
- 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;
- 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 data centers are generally purpose-built facilities with redundant power and cooling. 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 930 customers in 32 data centers and 2 recovery centers in 12 distinct markets (10 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.

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."

Recent Developments

On April 7, 2015, CyrusOne Inc. completed a public offering of approximately 14.3 million shares of its common stock at a price to the public of $31.12 per share, or $426.0 million, net of underwriting costs of $17.8 million. CyrusOne Inc. used the proceeds to acquire approximately 14.3 million common units of limited partnership interests in the operating partnership from two subsidiaries of CBI.

On June 22, 2015, CyrusOne LP entered into an amendment to the credit agreement governing its revolving credit facility and term loan facility (the Credit Agreement), which increased the size of the Credit Agreement's accordion feature from $300 million to $600 million. Immediately after entering into the amendment, the operating partnership exercised $350 million of this accordion feature and obtained commitments to increase the total commitment under the Credit Agreement from $600 million to $950 million, comprised of $650 million of commitments under the revolving credit facility and $300 million under the term loan.

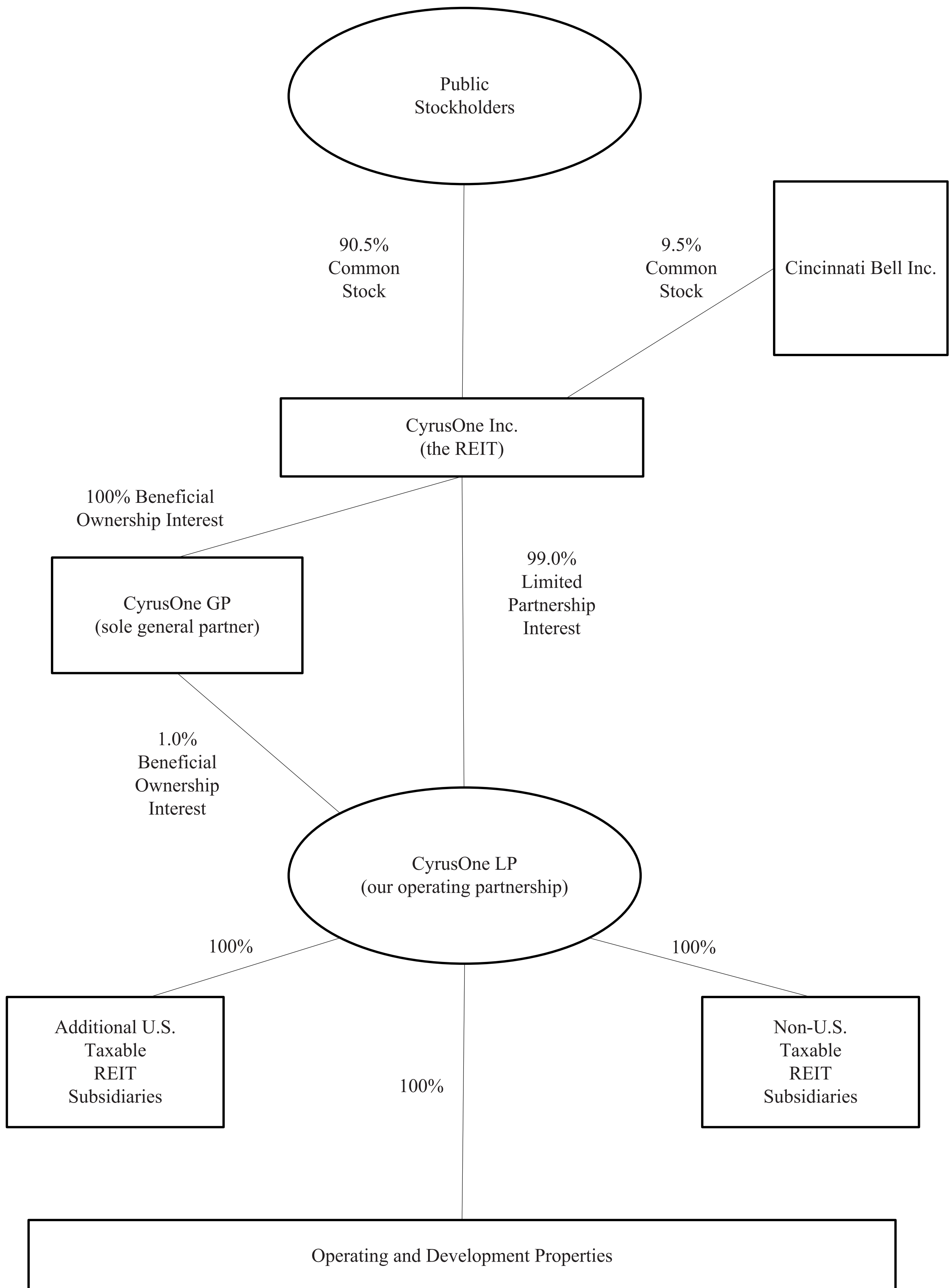
On June 26, 2015, CyrusOne Inc. completed a public offering of approximately 13.0 million shares of its common stock, at a price to the public of $30.00 per share, or $373.3 million, net of underwriting costs of $16.6 million. On July 1, 2015, CyrusOne Inc. used $170.3 million of the proceeds to acquire approximately 6.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI. The balance of the proceeds was used to finance CyrusOne LP's acquisition of Cervalis Holdings LLC (Cervalis), to pay fees and expenses related to the acquisition of Cervalis (the Cervalis Acquisition) and for general corporate purposes.

On July 1, 2015, CyrusOne LP and CyrusOne Finance Corp (the Issuers) closed a private offering of $100 million aggregate principal amount of the 6.375% senior notes due 2022. The proceeds of the notes offering were used to finance the Cervalis Acquisition, to pay fees and expenses related to the Cervalis Acquisition and for general corporate purposes.

On July 1, 2015, CyrusOne LP acquired 100% of Cervalis, a privately-held owner and operator of data centers for approximately $398.4 million, excluding transaction-related expenses. As a result of the Cervalis Acquisition, we acquired four data center facilities and two work recovery facilities serving the New York metropolitan area. The Cervalis Acquisition was funded with a portion of the proceeds from the June 2015 equity offering and the July 2015 notes offering, and borrowings under the Company's amended term loan.

On December 14, 2015, CyrusOne Inc. completed a public secondary offering of 1,350,000 shares of common stock held by a subsidiary of CBI. On December 31, 2015, CyrusOne Inc. completed an issuance of approximately 6.3 million newly issued shares of common stock in exchange for an equal number of operating partnership units in CyrusOne LP, held by a subsidiary of CBI. As a result, CBI owns approximately 9.5% of the common stock of CyrusOne Inc. and all of the operating units of CyrusOne LP are owned directly or indirectly by the Company.

The following diagram depicts our ownership structure as of December 31, 2015:



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, 2015, our customers included 9 of the Fortune 20 and 173 of the Fortune 1000 or private or foreign enterprises of equivalent size. These 173 customers provided 62% of our annualized rent as of December 31, 2015.

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 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 930 customers from a broad spectrum of industries, including 9 of the Fortune 20 and 173 of the Fortune 1000 or private or foreign enterprises of equivalent size. Our revenue is generated by a stable enterprise customer base, as evidenced by the fact that as of December 31, 2015, 62% of our annualized rent comes from the Fortune 1000 or private or foreign enterprises of equivalent size. We serve a diversity of industries, including information technology, energy, financial services, industrials, telecommunication services, healthcare and others.

As of December 31, 2015, no single customer represented more than 4.0% of our annualized rent, and our top 10 customers represented 30% 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 six of the top 10 largest U.S. cities by population (Chicago, Dallas, Houston, New York, Phoenix and San Antonio), according to the U.S. Census Bureau, and five of the top 10 cities for Fortune 500 headquarters (Chicago, Cincinnati, Dallas, Houston and New York), according to *Forbes*. Through the Cervalis Acquisition we have acquired four data center facilities and two work recovery facilities serving the New York metropolitan area, which supports our strategy of growing our Fortune 1000 customer base by growing our 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 that 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 2015, we signed new leases representing $88.6 million in annualized revenue, with previously existing customers accounting for approximately 73% of this amount. Since December 31, 2014, we have increased our colocation space square feet (CSF) by approximately 349,000 square feet or 28%, while maintaining a high percentage of CSF utilized of 86% as of December 31, 2015.

Significant, Attractive Expansion Opportunities. As of December 31, 2015, we had 574,000 NRSF of powered shell available for future development and approximately 183 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 257,000 NRSF in the Southwest (Texas and Phoenix) and 317,000 NRSF in the Northeast and 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.

Balance Sheet Positioned to Fund Continued Growth. As of December 31, 2015, we had $422.2 million in available liquidity, including $407.9 million in borrowing capacity under our unsecured revolving credit facility. The Credit Agreement also includes an accordion feature that allows us to increase the aggregate commitment by up to $250 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, 2015, we had 35 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 130 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. 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, 2015, we have approximately 519,000 NRSF currently available for lease. We also have approximately 839,000 NRSF under development, as well as 574,000 NRSF of additional powered shell space under roof available for 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 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 to our expansion into the Northern Virginia and New York metropolitan markets. 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. 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, 2015, our property portfolio included 32 data centers and 2 recovery centers in 12 distinct markets (10 cities in the U.S., London and Singapore) collectively providing approximately 2,954,000 net rentable square feet (NRSF), of which 82% was leased, and powered by approximately 227 MW of available critical load capacity. We own 18 of the buildings in which our data center facilities are located. We lease the remaining 16 buildings, which account for approximately 700,000 NRSF, or approximately 24% of our total operating NRSF. These leased buildings accounted for 33% of our total annualized rent as of December 31, 2015. We also currently have 839,000 NRSF under development, as well as 574,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 183 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, 2015.

CyrusOne Inc.
Data Center Portfolio
As of December 31, 2015
(unaudited)

Facilities	Metro Area	Annualized Rent[b]	Operating Net Rentable Square Feet (NRSF)[a] Colocation Space (CSF)[c]	CSF Leased[d]	CSF Utilized[e]	Office & Other[f]	Office & Other Leased[g]	Supporting Infrastructure[h]	Total[i]	Powered Shell Available for Future Development (NRSF)[j]	Available Critical Load Capacity (MW)[k]
Westway Park Blvd., Houston, TX (Houston West 1)	Houston	49,228,557	112,133	96 %	96 %	10,563	98 %	37,062	159,758	3,000	28
W. Frankford, Carrollton, TX (Carrollton)	Dallas	39,175,328	226,604	83 %	84 %	33,009	96 %	90,314	349,927	196,000	24
S. State Highway 121 Business Lewisville, TX (Lewisville)*	Dallas	38,111,032	108,687	96 %	100 %	11,374	97 %	59,345	179,406	—	18
West Seventh St., Cincinnati, OH (7th Street)***	Cincinnati	36,512,827	212,030	94 %	94 %	5,744	100 %	171,156	388,930	37,000	13
Madison Road (Totowa)**	New York	28,825,440	51,242	84 %	84 %	22,477	100 %	58,964	132,683	—	6
Myer Conners Rd (Wappingers Falls)**	New York	26,895,181	37,000	97 %	97 %	12,485	95 %	22,087	71,572	—	3
Southwest Fwy., Houston, TX (Galleria)	Houston	26,044,727	63,469	76 %	76 %	23,259	51 %	24,927	111,655	—	14
Kingsview Dr., Lebanon, OH (Lebanon)	Cincinnati	22,626,127	65,303	86 %	89 %	44,886	72 %	52,950	163,139	65,000	14
South Ellis Street Chandler, AZ (Phoenix 1)	Phoenix	20,747,156	77,504	100 %	100 %	34,501	11 %	39,137	151,142	31,000	16
Westover Hills Blvd, San Antonio, TX (San Antonio 1)	San Antonio	20,682,080	43,843	100 %	100 %	5,989	83 %	45,650	95,482	11,000	12
Westway Park Blvd., Houston, TX (Houston West 2)	Houston	18,549,027	79,492	83 %	87 %	3,355	62 %	55,023	137,870	12,000	12
Industrial Rd., Florence, KY (Florence)	Cincinnati	14,770,442	52,698	100 %	100 %	46,848	87 %	40,374	139,920	—	9
Riverbend Drive South (Stamford)**	New York	12,713,173	20,000	92 %	92 %	—	— %	8,484	28,484	—	2
Metropolis Dr., Austin, TX (Austin 2)	Austin	11,826,167	43,772	98 %	100 %	1,821	100 %	22,433	68,026	—	5
South Ellis Street Chandler, AZ (Phoenix 2)	Phoenix	11,475,572	72,116	100 %	100 %	5,618	38 %	25,516	103,250	4,000	12
Knightsbridge Dr., Hamilton, OH (Hamilton)*	Cincinnati	9,431,835	46,565	79 %	79 %	1,077	100 %	35,336	82,978	—	10
Ridgetop Circle, Sterling, VA (Northern Virginia)	Washington, D.C.	6,654,927	74,653	49 %	73 %	1,901	100 %	52,605	129,159	3,000	12
Parkway Dr., Mason, OH (Mason)	Cincinnati	5,682,831	34,072	100 %	100 %	26,458	98 %	17,193	77,723	—	4
Midway Rd., Carrollton, TX (Midway)**	Dallas	5,622,862	8,390	100 %	100 %	—	— %	—	8,390	—	1
E. Ben White Blvd., Austin, TX (Austin 1)	Austin	5,418,954	16,223	87 %	87 %	21,476	100 %	7,517	45,216	—	2
Kestral Way (London)**	London	4,661,313	10,000	99 %	99 %	—	— %	514	10,514	—	1
Norden Place (Norwalk)**	New York	3,405,525	13,192	67 %	67 %	4,085	72 %	40,610	57,887	87,000	2
Marsh Lane, Carrollton, TX (Marsh Ln) **	Dallas	2,409,035	4,245	100 %	100 %	—	— %	—	4,245	—	1
Springer St., Lombard, IL (Lombard)	Chicago	2,265,284	13,516	71 %	72 %	4,115	100 %	12,230	29,861	29,000	3
Omega Drive (Stamford)**	New York	1,481,005	—	— %	— %	18,552	87 %	3,796	22,348	—	—
Bryan St., Dallas, TX (Bryan St)**	Dallas	934,154	3,020	51 %	51 %	—	— %	—	3,020	—	1
Metropolis Dr., Austin, TX (Austin 3)	Austin	704,297	61,838	2 %	6 %	15,055	— %	20,629	97,522	67,000	3
Crescent Circle, South Bend, IN (Blackthorn)*	South Bend	541,644	3,432	41 %	41 %	—	— %	5,125	8,557	11,000	1
McAuley Place, Blue Ash, OH (Blue Ash) *	Cincinnati	522,902	6,193	39 %	39 %	6,950	100 %	2,166	15,309	—	1
Houston, TX (Houston West 3)	Houston	411,504	—	— %	— %	8,564	100 %	5,304	13,868	—	—
E. Monroe St., South Bend, IN (Monroe St.)	South Bend	396,366	6,350	22 %	22 %	—	— %	6,478	12,828	4,000	1
Commerce Road (Totowa)**	New York	296,520	—	— %	— %	20,460	30 %	5,540	26,000	—	—
Jurong East (Singapore)**	Singapore	286,586	3,200	19 %	19 %	—	— %	—	3,200	—	1
Goldcoast Dr., Cincinnati, OH (Goldcoast)	Cincinnati	95,701	2,728	— %	— %	5,280	100 %	16,481	24,489	14,000	1
Total		**$429,406,081**	**1,573,510**	**84%**	**86%**	**395,902**	**74%**	**984,946**	**2,954,358**	**574,000**	**227**

* 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 is 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, 2015, multiplied by 12. For the month of December 2015, customer reimbursements were $46.1 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, 2014 through December 31, 2015, customer reimbursements under leases with separately metered power constituted between 10.6% 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, 2015 was $431.1 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2015 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, 2015 divided by total CSF. Leases signed but not commenced as of December 31, 2015 are not included.
(e) Utilization is calculated by dividing CSF under signed leases for colocation space (whether or not the lease has commenced billing) 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, 2015 divided by total Office & Other space. Leases signed but not commenced as of December 31, 2015 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) Critical load capacity represents the aggregate power available for lease and exclusive use by customers 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, 2015
(Dollars in millions)
(unaudited)

			NRSF Under Development [a]						Under Development Costs		
Facilities	**Metropolitan Area**	**Estimated Completion Date**	**Colocation Space (CSF)**	**Office & Other**	**Supporting Infrastructure**	**Powered Shell[b]**	**Total**	**Critical Load MW Capacity[c]**	**Actual to Date[d]**	**Estimated Costs to Completion[e]**	**Total**
W. Frankford (Carrollton)	Dallas	1Q'16	69,000	—	2,000	—	71,000	6.0	$ 12	$15-18	$27-30
W. Frankford (Carrollton)	Dallas	2Q'16	4,000	—	1,000	—	5,000	2.0	—	6-7	6-7
S. State Highway 121 Business Lewisville, TX (Lewisville)	Dallas	2Q'16	4,000	—	—	—	4,000	3.0	—	12-15	12-15
Westover Hills Blvd. (San Antonio 2)	San Antonio	3Q'16	30,000	20,000	25,000	49,000	124,000	3.0	32	8-11	40-43
Westway Park Blvd. (Houston West 3)	Houston	1Q'16	53,000	—	32,000	213,000	298,000	6.0	55	1-2	56-57
Phoenix 3	Phoenix	1Q'16	36,000	5,000	24,000	40,000	105,000	2.0	10	6-8	16-18
Ridgetop Circle, Sterling, VA (Northern Virginia 2)	Washington, D.C.	3Q'16	159,000	9,000	64,000	—	232,000	30.0	—	131-160	131-160
Total			**355,000**	**34,000**	**148,000**	**302,000**	**839,000**	**52.0**	**$ 109**	**$179-221**	**$288-330**

(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 NRSF under construction that, upon completion, will be powered shell available for future development into operating NRSF.
(c) Critical load capacity represents the aggregate power available for lease and exclusive use by customers 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.
(d) Actual to date is the cash investment as of December 31, 2015. There may be accruals above this amount for work completed, for which cash has not yet been paid.
(e) 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.

Customer Diversification

Our portfolio is currently leased to 930 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, 2015:

CyrusOne Inc.
Customer Diversification[(a)]
As of December 31, 2015
(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	Information Technology	3	$ 17,064,837	4.0%	30.2
2	Energy	1	15,253,223	3.6%	29.5
3	Telecommunication Services	2	14,811,414	3.4%	30.9
4	Research and Consulting Services	3	13,702,181	3.2%	24.1
5	Energy	5	12,892,884	3.0%	32.1
6	Information Technology	1	12,178,854	2.8%	39.0
7	Information Technology	2	11,474,720	2.7%	110.1
8	Telecommunications (CBI)[(e)]	7	10,999,444	2.6%	18.9
9	Industrials	4	10,899,077	2.5%	23.9
10	Information Technology	2	7,979,724	1.9%	19.7
11	Financial Services	1	6,600,225	1.5%	53.0
12	Financial Services	1	5,906,922	1.4%	71.0
13	Energy	3	5,633,730	1.3%	6.9
14	Financial Services	2	5,631,831	1.3%	27.0
15	Information Technology	3	5,630,677	1.3%	52.0
16	Financial Services	6	5,622,184	1.3%	53.8
17	Financial Services	3	5,578,562	1.3%	6.2
18	Energy	2	5,473,736	1.3%	23.1
19	Telecommunication Services	5	5,461,538	1.3%	40.0
20	Information Technology	1	4,853,505	1.1%	62.0
			$ 183,649,268	**42.8%**	**36.9**

(a) Customers and their affiliates are consolidated.

(b) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of December 31, 2015, multiplied by 12. For the month of December 2015, customer reimbursements were $46.1 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, 2014 through December 31, 2015, customer reimbursements under leases with separately metered power constituted between 10.6% 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, 2015 was $431.1 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2015 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, 2015, which was approximately $429.4 million.

(d) Weighted average based on customer's percentage of total annualized rent expiring and is as of December 31, 2015, 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 2.0% of our annualized rent as of December 31, 2015.

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, 2015:

CyrusOne Inc.
Lease Distribution
As of December 31, 2015
(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	705	76%	143,041	6%	$ 73,351,096	17%
1,000-2,499	84	9%	130,335	5%	29,297,831	7%
2,500-4,999	53	6%	188,856	8%	34,469,402	8%
5,000-9,999	30	3%	211,828	9%	42,989,884	10%
10,000+	58	6%	1,760,944	72%	249,297,868	58%
Total	**930**	**100%**	**2,435,004**	**100%**	**$ 429,406,081**	**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, 2015. 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, 2015, multiplied by 12. For the month of December 2015, customer reimbursements were $46.1 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, 2014 through December 31, 2015, customer reimbursements under leases with separately metered power constituted between 10.6% 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, 2015 was $431.1 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2015 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, 2015, plus available space, for each of the 10 full calendar years beginning January 1, 2016, at the properties in our portfolio.

CyrusOne Inc.
Lease Expirations
As of December 31, 2015
(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		519,354	18%				
Month-to-Month	217	19,555	1%	$ 4,853,988	1%	$ 4,853,988	1%
2016	1,694	430,651	15%	101,866,759	24%	102,268,178	22%
2017	1,090	401,208	14%	68,340,467	16%	69,431,760	15%
2018	999	391,549	13%	103,628,863	24%	109,286,220	24%
2019	308	368,610	12%	51,446,320	12%	55,728,792	12%
2020	262	328,072	11%	41,712,194	10%	48,685,958	11%
2021	211	108,357	4%	22,862,754	5%	24,845,073	5%
2022	18	42,953	1%	5,211,771	1%	6,210,761	1%
2023	50	59,986	2%	6,437,736	1%	8,869,188	2%
2024	13	61,852	2%	7,631,708	2%	9,505,391	2%
2025 - Thereafter	29	222,211	7%	15,413,521	4%	22,789,704	5%
Total	**4,891**	**2,954,358**	**100%**	**$ 429,406,081**	**100%**	**$ 462,475,013**	**100%**

(a) Leases that were auto-renewed prior to December 31, 2015 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, 2015, multiplied by 12. For the month of December 2015, customer reimbursements were $46.1 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, 2014 through December 31, 2015, customer reimbursements under leases with separately metered power constituted between 10.6% 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, 2015 was $431.1 million. Our annualized effective rent was greater than our annualized rent as of December 31, 2015 because our positive straight-line adjustments and accretion 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, 2015, 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, including those 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.

Environmental consultants have conducted, as appropriate, Phase I or similar non-intrusive environmental site assessments on recently acquired properties and if appropriate, additional environmental inquiries and assessments on recently acquired properties. 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, or if our competitors offer space that tenants perceive to be superior to ours (based on factors such as available power, security considerations, location or connectivity), 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 or incur costs to improve our properties. 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 400 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 (Exchange Act) and consequently we file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (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 "Investors" 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 10 customers collectively accounted for approximately 30% of our total annualized rent as of December 31, 2015. 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 information technology, financial services and energy industries comprised approximately 29%, 21% and 20%, respectively, of our annualized rent as of December 31, 2015. 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 addition, instability in financial markets and economies generally may adversely affect our customers' 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 customers' financial condition and results of operations. As a result of these factors, 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. A diverse customer base may minimize exposure to economic fluctuations in any one industry, business sector or customer type, or any particular customer. Our relative mix of customers may change over time, as may the industries represented by our customers, the concentration of customers within specified industries and the economic value and risks associated with each customer, and there is no assurance that we will be able to maintain a diverse customer base, which could have a material 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, 2015, leases representing 24%, 16% and 24% of the annualized rent for our portfolio will expire during 2016, 2017 and 2018, respectively, and an additional 1% 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 from a small number of metropolitan markets, which makes us more susceptible to regional economic downturns.

Our portfolio of properties consists primarily of data centers geographically concentrated in the metropolitan areas of Houston, Cincinnati, Dallas and New York. These markets comprised 22%, 21%, 20%, and 17%, respectively, of our annualized rent as of December 31, 2015. 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 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 16 buildings that account for approximately 700,000 NRSF, or approximately 24% of our total operating NRSF. These leased buildings accounted for 33% of our total annualized rent as of December 31, 2015. 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. 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 be vulnerable to security breaches which could lead to significant costs and disrupt our operations.

We may 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, 2015, accounted for approximately 30% 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 acquired properties 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;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and
- we may face challenges in retaining the customers of acquired properties.

Many of these risks will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenue, and diversion of our management's time and energy, which could adversely affect our business, financial condition and results of operations. In addition, even if we successfully operate acquired properties, we may not realize the full benefits of the acquisition, including the synergies, operating efficiencies, or sales or growth opportunities that are expected. If we are unable to successfully acquire, develop and operate data center properties, our ability to grow our business and compete will be significantly impaired, which could adversely affect our business, financial condition and results of operations.

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 provide assurance 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 32% from approximately 2,235,000 NRSF at the end of 2014 to approximately 2,954,000 NRSF by December 31, 2015. 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 and tighter credit conditions 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;
- the market price per share of our common stock; and
- our lenders' ability to meet their financing commitments.

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, and we may need to increase our liquidity by disposing of properties possibly on disadvantageous terms or renewing leases on less favorable terms than we otherwise would, 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, 2015, we had a total combined indebtedness, including capital lease obligations, of approximately $1,008.7 million and lease financing arrangements of $150.0 million. We also currently have the ability to borrow up to an additional $407.9 million under our revolving credit facility, subject to satisfying certain financial tests. Our Credit Agreement contains an accordion feature that allows the operating partnership to increase the aggregate commitment by up to $250.0 million. There are no limits on the amount of indebtedness we may incur other than limits contained in the 6.375% 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 6.375% 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. 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 is often limited and subject to various materiality thresholds, a significant deductible, an aggregate cap on losses or a survival period. For example, under the terms of the agreement governing the Cervalis Acquisition, the sellers agreed to indemnify us with respect to breaches of representations and warranties subject to various survival periods, materiality thresholds, a deductible of $2.0 million and an aggregate cap on losses, with minimal exceptions, of $4.0 million.

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 and as 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 and as a public company. While we formerly operated as a subsidiary of a public company, and key members of our management team have served in leadership roles of other REITS and other public companies, we have limited operating history as a REIT and 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 maintain substantial control systems and procedures in order to continue to qualify as a REIT, satisfy our periodic and current reporting requirements under applicable SEC regulations and comply with the Sarbanes-Oxley Act of 2002 (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.

An inability to maintain 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 (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.

The failure to successfully implement changes to our information technology system could adversely affect our business.

From time to time, we make changes to our information technology system. For example, in 2014 we upgraded our information technology system as part of our efforts to improve our financial reporting. 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.

We have experienced a number of changes in our senior management team in the past year. We appointed a new Chief Financial Officer in October 2015, a new General Counsel in August 2015 and a new Chief Accounting Officer in July 2015. Changes in senior management are inherently disruptive and may have a materially adverse impact on our business, financial condition and results of operations. We may experience operational disruptions and inefficiencies during the transition.

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, 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.

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, subject to certain initial and ongoing conditions designed to protect our status as a REIT, including 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.

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.

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.

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 (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, or the perception that such sales might occur, could adversely affect the market price of the shares of our common stock. Pursuant to the Registration Rights Agreement executed in connection with the formation transactions, CBI has the right to require us to register with the SEC the resale of its shares of our common stock. 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.

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		
	High	**Low**	**Dividend declared**
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
First Quarter 2015	32.86	27.03	0.315
Second Quarter 2015	32.84	29.06	0.315
Third Quarter 2015	35.55	29.18	0.315
Fourth Quarter 2015	38.18	32.05	0.315

B) Holders

As of January 29, 2016, CyrusOne Inc. had 203 shareholders of record and 72,270,518 outstanding shares.

C) Distribution Policy

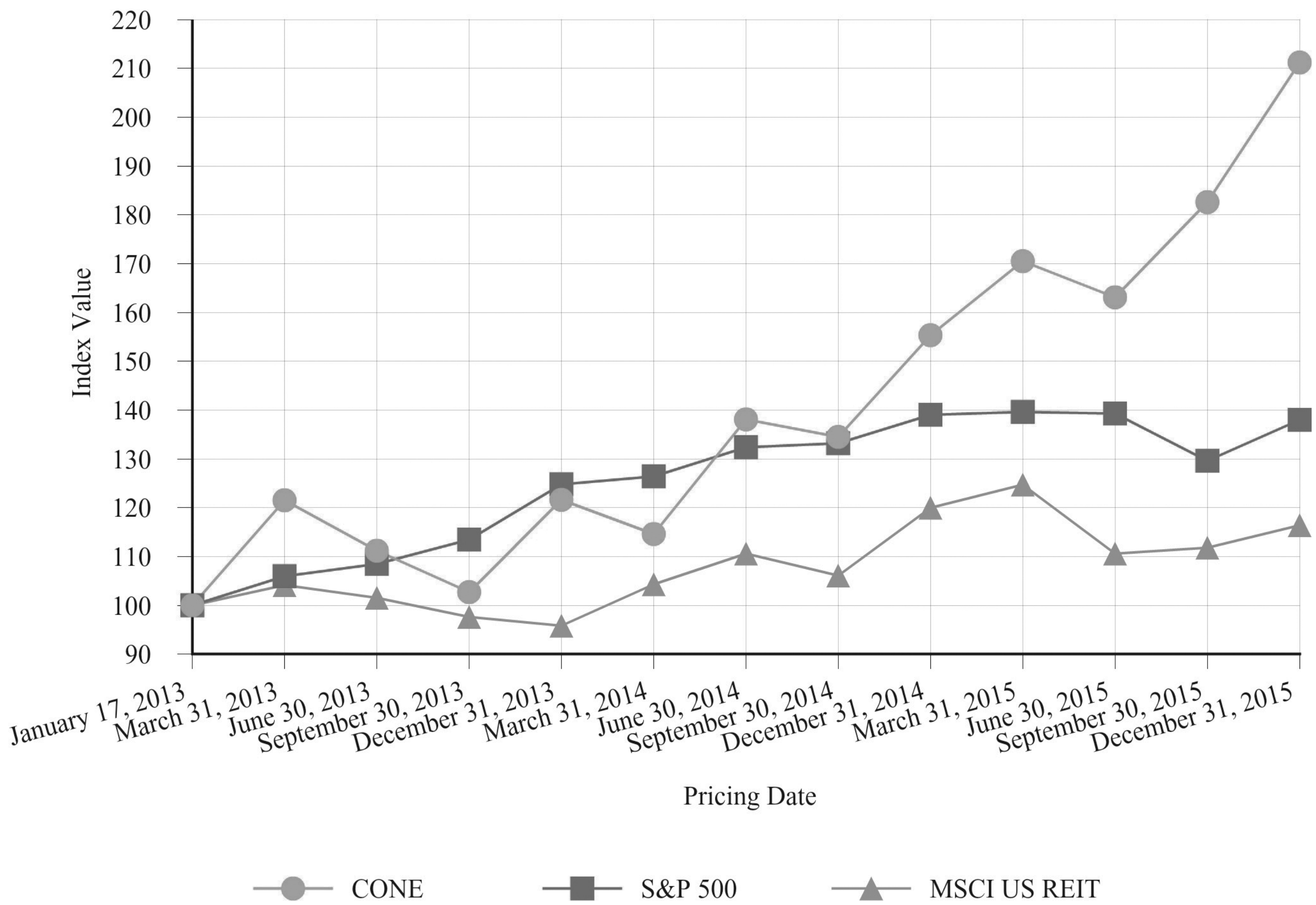
We have made distributions in the form of dividends each quarter since the completion of our IPO as shown in the chart above. In order to comply with the REIT requirements of the Code, we plan to continue to make quarterly distributions to our shareholders of at least 90% of our taxable income. Distributions 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 operating partnership units, or redeeming or otherwise repurchasing shares of its operating 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

On December 31, 2015, CyrusOne Inc. completed a private placement of 6,346,835 newly issued shares of its common stock, in exchange for an equal number of operating partnership units in CyrusOne LP held by a subsidiary of CBI. As a result, CBI owns approximately 9.5% of the Company's common stock, and all of the operating partnership units in the CyrusOne LP are owned, directly or indirectly, by the Company.

E) Stock Performance

The following graph compares the cumulative total stockholder return on CyrusOne Inc.'s common stock for the year ended December 31, 2015, 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.



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
March 31, 2015		170.5		139.6		124.7
June 30, 2015		163.1		139.3		110.6
September 30, 2015		182.6		129.6		111.8
December 31, 2015		211.2		138.0		116.4

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 was originally 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 IPO, 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, 2015 and 2014, for the years ended December 31, 2015, and December 31, 2014, and for the periods ended January 23, 2013 (January 1, 2013, to January 23, 2013) and December 31, 2013 (January 24, 2013 to December 31, 2013) 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, 2013, 2012 and 2011, and for the years ended December 31, 2012 and December 31, 2011, 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.

IN MILLIONS, except per share data

	Successor			Predecessor		
	2015	2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	2012	2011
Statement of Operations Data:						
Revenue	**$ 399.3**	**$ 330.9**	**$ 248.4**	**$ 15.1**	**$ 220.8**	**$ 181.7**
Costs and expenses:						
Property operating expenses	148.7	124.5	88.4	4.8	76.0	58.2
Sales and marketing	12.1	12.8	9.9	0.7	9.7	9.1
General and administrative	46.6	34.6	26.5	1.5	20.7	12.5
Depreciation and amortization	141.5	118.0	89.9	5.3	73.4	55.5
Restructuring costs [(a)]	—	—	0.7	—	—	—
Transaction and acquisition integration costs [(b)]	14.1	1.0	1.3	0.1	5.7	2.6
Transaction-related compensation	—	—	—	20.0	—	—
Management fees charged by CBI [(c)]	—	—	—	—	2.5	2.3
Loss on sale of receivables to affiliate [(d)]	—	—	—	—	3.2	3.5
Asset impairments and loss on disposal [(e)]	13.5	—	2.8	—	13.3	—
Operating (loss) income	22.8	40.0	28.9	(17.3)	16.3	38.0
Interest expense	41.2	39.5	41.2	2.5	41.8	32.9
Other income	—	—	(0.1)	—	—	—
Loss on extinguishment of debt [(f)]	—	13.6	1.3	—	—	1.4
Income tax (expense) benefit	(1.8)	(1.4)	(1.9)	(0.4)	5.1	(2.2)
(Loss) income from continuing operations	(20.2)	(14.5)	(15.4)	(20.2)	(20.4)	1.5
(Loss) gain on sale of real estate improvements [(g)]	—	—	(0.2)	—	0.1	—
Net (loss) income from continuing operations	(20.2)	(14.5)	(15.6)	$ (20.2)	$ (20.3)	$ 1.5
Noncontrolling interest in net loss	(4.8)	(6.7)	(10.3)			
Net loss attributed to common shareholders	**$ (15.4)**	**$ (7.8)**	**$ (5.3)**			
Per share data:						
Basic weighted average common shares outstanding	54.3	29.2	20.9			
Diluted weighted average common shares outstanding	54.3	29.2	20.9			
Basic and diluted loss per common share	$ (0.30)	$ (0.30)	$ (0.28)			
Dividends declared per share	$ 1.26	$ 0.84	$ 0.64			
Balance Sheet Data (at year end):						
Investment in real estate, net	$ 1,392.0	$ 1,051.4	$ 883.8		$ 706.9	$ 529.0
Total assets [(h)]	2,195.6	1,571.0	1,506.8		1,210.9	954.7
Debt [(h)(i)]	1,008.7	657.7	541.7		557.2	523.1
Lease financing arrangements [(j)]	150.0	53.4	56.3		60.8	48.2
Noncontrolling interest/Parent net investment [(k)]	—	256.2	455.6		500.1	311.5
Other Financial Data:						
Capital expenditures	$ 234.5	$ 284.2	$ 220.9	$ 7.7	$ 228.3	$ 117.5

(a) Represents a restructuring charge recognized in 2013 as a result of moving certain administrative functions to the Company's corporate office.

(b) Represents legal, accounting and consulting fees incurred in connection with the formation transactions, our qualification as a REIT and completed and potential business combinations, integration of acquisitions, failed transactions and costs of secondary offerings.

(c) 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.

(d) 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.

(e) See Item 7 for discussion of costs incurred in 2015. In 2013, amount recognized represents asset impairments recognized on real estate related equipment. In 2012, amount recognized represents impairments for customer relationship intangible and property and equipment primarily related to our GramTel acquisition.

(f) Represents a loss of $13.6 million associated with the repurchase of 6.375% 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.

(g) Represents the (loss) gain that was recognized on the sale of equipment in connection with upgrading of the equipment at various data center facilities.

(h) Deferred financing costs have been reclassed to a direct deduction from the carrying amount of debt liability to conform to the 2015 presentation.

(i) See Note 9, Debt, Capital Lease Obligations and Lease Financing Arrangements to our audited consolidated and combined financial statements included elsewhere in the Annual Report on Form 10-K for details of Debt as of December 31, 2015 and 2014. As of December 31, 2013 and 2012, debt consisted of our $525 million 6.375% senior notes due 2022 and capital lease obligations. For prior periods, debt reflects related party notes payable and capital lease obligations.

(j) Lease 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. See Note 9, Debt, Capital Lease Obligations and Lease Financing Arrangements to our audited consolidated and combined financial statements.

(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.

(l) Prior to November 20, 2012, the historical financial statements have been prepared on a "carve-out" basis from CBI's consolidated and combined 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 prior to November 20, 2012. As a result, historical financial information prior to November 20, 2012 is not necessarily indicative of CyrusOne's future results of operations, financial position and cash flows.

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.

Overview

Our Company. We are an owner, operator and developer of enterprise-class, carrier-neutral multi-tenant data center properties. Our data centers are generally 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 930 customers in 32 data centers and 2 recovery centers in 12 distinct markets (10 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, 2015, our customers included 9 of the Fortune 20 and 173 of the Fortune 1000 or private or foreign enterprises of equivalent size. These 173 Fortune 1000 customers or private or foreign enterprises of equivalent size provided 62% of our annualized rent as of December 31, 2015. Additionally, as of December 31, 2015, our top 10 customers represented 30% 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, 2015, our property portfolio included 32 data centers and 2 recovery centers in 12 distinct markets (10 cities in the U.S., London and Singapore) collectively providing approximately 2,954,000 net rentable square feet (NRSF), of which 82% was leased, and powered by approximately 227 MW of available critical load capacity. We own 18 of the buildings in which our data center facilities are located. We lease the remaining 16 buildings, which account for approximately 700,000 NRSF, or approximately 24% of our total operating NRSF. These leased buildings accounted for 33% of our total annualized rent as of December 31, 2015. We also currently have 839,000 NRSF under development, as well as 574,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 183 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, 2015, we had approximately 930 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, 2015, 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 2018, excluding month-to-month leases, represent 42% of our total NRSF, or 64% of our aggregate annualized rent as of December 31, 2015. 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, 2015, 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 2015 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.

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, 2015, 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 2015, customer reimbursements were $46.1 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, 2015, we have customer leases for approximately 84% 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.

Leasing Arrangements. As of December 31, 2015, 30% 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, 2015, 70% 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, 2015, we increased our operational NRSF by 257,000, primarily in Phoenix, Dallas and Houston, bringing our total operating NRSF to approximately 2,954,000 at December 31, 2015. Our portfolio, as of December 31, 2015, also included approximately 839,000 NRSF under development, as well as 574,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 183 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, 2015, was approximately 519,000 NRSF. Excluding month-to-month leases, leases representing 15% and 14% of our total NRSF were scheduled to expire in 2016 and 2017, respectively. These leases represented approximately 24% and 16% of our annualized rent as of December 31, 2015. Month-to-month leases represented 1% of our annualized rent as of December 31, 2015. Our recurring rent churn for each quarter in 2015 ranged from 0.4% to 3.1%, in comparison to a range of 1.3% to 2.9% in 2014.

Conditions in Significant Markets. Our operating properties are located primarily in the metropolitan areas of Houston, Cincinnati, Dallas, and New York. These markets comprised 22%, 21%, 20%, and 17%, respectively, of our annualized rent as of December 31, 2015. 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 during the reporting periods presented. See Note 17 to our audited consolidated and combined financial statements included elsewhere in this Annual Report on Form 10-K for additional information on these arrangements.

IN MILLIONS	Successor			Predecessor
	December 31, 2015	December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013
Revenue:				
Data center colocation agreement provided to CBT and CBTS[a]	$ 7.8	$ 6.4	$ 5.6	$ 0.3
229 West 7th Street lease provided to CBT[b]	1.9	2.0	1.7	—
Goldcoast Drive/Parkway (Mason) lease[c]	0.3	0.4	0.3	—
Transition services provided to CBTS (network interfaces)[d]	0.3	0.4	0.6	0.1
Data center leases provided to CBTS[e]	12.0	13.6	13.1	—
Total revenue	**$ 22.3**	**$ 22.8**	**$ 21.3**	**$ 0.4**
Operating costs and expenses:				
Transition services agreement by CBTS[f]	0.7	0.8	1.3	—
Charges for services provided by CBT (connectivity)[g]	1.0	1.0	1.0	0.1
209 West 7th Street rent provided by CBT[h]	0.2	0.2	0.1	—
Management Fees with CBI[i]	—	—	0.1	—
Allocated employee benefit plans by CBI[j]	—	—	—	0.2
Allocated centralized insurance costs by CBI[k]	—	—	—	0.1
Total operating costs and expenses	**$ 1.9**	**$ 2.0**	**$ 2.5**	**$ 0.4**

[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, 2015, we continue to utilize these services provided by CBTS.

[e] As of December 31, 2015, 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. The services under this agreement ended January 31, 2016.

[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. From November 20, 2012 through December 31, 2014, CBI provided to 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. There are various components of the agreements that continue, primarily related to seventh street building costs.

[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 in 2013 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 in 2013 for participation in these programs was determined on the basis of revenues, headcount or insured vehicles.

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 bears its own utility costs, as well as property taxes and insurance. Shared building operating costs are charged to each party on the basis of the actual costs incurred, allocated based on the proportionate share of usage. Each party also pays 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 former general counsel Thomas Bosse 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 IPO.

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 2015, 2014 and 2013, CyrusOne paid $1.1 million, $1.0 million and $1.5 million, respectively, 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 former directors is a partner with Skadden, Arps, Slate, Meagher & Flom LLP (Skadden). For the years ended December 31, 2014 and 2013, CyrusOne paid Skadden $1.1 million and $0.2 million, respectively, for services rendered. In 2015, the amount CyrusOne paid to Skadden was immaterial.

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

Results of Operations

Comparison of Years Ended December 31, 2015 and 2014

IN MILLIONS, except per share data

For the year ended December 31,	2015	2014	$ Change 2015 vs. 2014	% Change 2015 vs. 2014
Revenue	**$ 399.3**	**$ 330.9**	**$ 68.4**	**20.7 %**
Property operating expenses	148.7	124.5	24.2	19.4 %
Sales and marketing	12.1	12.8	(0.7)	(5.5)%
General and administrative	46.6	34.6	12.0	34.7 %
Depreciation and amortization	141.5	118.0	23.5	19.9 %
Transaction and acquisition integration costs	14.1	1.0	13.1	n/m
Asset impairments and loss on disposal	13.5	—	13.5	n/m
Costs and expenses	376.5	290.9	85.6	29.4 %
Operating income	22.8	40.0	(17.2)	(43.0)%
Interest expense	41.2	39.5	1.7	4.3 %
Loss on extinguishment of debt	—	13.6	(13.6)	n/m
Net loss before income taxes	**(18.4)**	**(13.1)**	**(5.3)**	**40.5 %**
Income tax expense	(1.8)	(1.4)	(0.4)	28.6 %
Net loss	$ (20.2)	$ (14.5)	$ (5.7)	39.3 %
Noncontrolling interest in net loss	(4.8)	(6.7)	1.9	(28.4)%
Net loss attributed to common stockholders	$ (15.4)	$ (7.8)	$ (7.6)	97.4 %
Operating margin	5.7%	12.1%		
Capital expenditures *:				
Acquisitions of real estate	$ 17.3	$ —	$ 17.3	n/m
Development of real estate	214.8	280.4	$ (65.6)	(23.4)%
Recurring real estate	2.4	3.8	$ (1.4)	(36.8)%
Total	$ 234.5	$ 284.2	$ (49.7)	(17.5)%
Metrics information:				
Colocation square feet*	1,574,000	1,225,000	349,000	28 %
Utilization rate*	86%	88%		(2 pts)
Loss per share - basic and diluted	$ (0.30)	$ (0.30)		
Dividends declared per share	$ 1.26	$ 0.84		

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

Revenue

Revenue for the year ended December 31, 2015 was $399.3 million, an increase of $68.4 million, or 20.7%, compared to $330.9 million for the year ended December 31, 2014. The acquisition of Cervalis in July 2015 resulted in an increase in revenue of $37.7 million for the year ended December 31, 2015. Revenue also increased due to the addition of new customers, net of churn, which resulted in increased revenue of $30.7 million for the year ended December 31, 2015. As of December 31, 2015, we had approximately 2,954,000 leased NRSF, an increase of approximately 719,000 NRSF from December 31, 2014.

Our capacity at December 31, 2015 was approximately 1,574,000 CSF, which is an increase of 28.5% from December 31, 2014. The utilization rate of our data center facilities was 86% as of December 31, 2015, compared to 88% as of December 31, 2014.

Costs and Expenses

Property operating expenses—Property operating expenses for the year ended December 31, 2015 were $148.7 million, an increase of $24.2 million, or 19.4%, compared to $124.5 million for the year ended December 31, 2014. The acquisition of Cervalis resulted in $14.7 million of the increase and the remaining $9.5 million was due to increase in property operating costs as follows: higher circuit and bandwidth costs of $2.4 million due to expansion of our National IX Platform; lease exit costs of $1.4 million at our Austin 1 facility; property taxes of $1.8 million; payroll and employee related costs of $1.4 million; and repairs and maintenance of $1.1 million; the remaining $1.4 million to other costs associated with operating our facilities.

Sales and marketing expenses—Sales and marketing expenses for the year ended December 31, 2015 were $12.1 million, a decrease of $0.7 million, or 5.5%, compared to $12.8 million for the year ended December 31, 2014. The acquisition of Cervalis resulted in an increase in sales and marketing expenses of $0.9 million for the year ended December 31, 2015. This increase was offset primarily by decreases in advertising and marketing costs of $0.8 million and salaries and wages and other selling costs of $0.8 million.

General and administrative expenses—General and administrative expenses for the year ended December 31, 2015 were $46.6 million, an increase of $12.0 million, or 34.7%, compared to $34.6 million for the year ended December 31, 2014. The acquisition of Cervalis resulted in an increase in general and administrative expenses of $1.4 million for the year ended December 31, 2015. Two senior executives who left the Company in 2015 resulted in severance costs of $6.0 million, of which $2.4 million was due to the acceleration of stock-based equity awards. Costs of stock-based compensation plans increased $1.3 million for 2015 compared to 2014. Due to business growth in 2015 compared to 2014, total payroll and employee related costs increased $0.9 million, and IT license and facility costs increased $1.1 million. Consulting, legal and other costs accounted for the remaining increase.

Depreciation and amortization expense—Depreciation and amortization expense for the year ended December 31, 2015 was $141.5 million, an increase of $23.5 million, or 19.9%, compared to $118.0 million for the year ended December 31, 2014. The Cervalis Acquisition resulted in an increase in depreciation and amortization expense of $12.9 million for the year ended December 31, 2015.The remainder of the increase was driven by assets that were placed in service during 2014 and 2015. 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.

Transaction and acquisition integration costs—During the second quarter of 2015, the Company entered into an agreement to acquire Cervalis in a cash transaction which was consummated on July 1, 2015. As part of that process, we incurred expenses for outside professional services in the areas of legal, banking, financing, accounting and advisory services related to the consummation of the transaction and its integration. For the year ended December 31, 2015, transaction and integration costs related to the Cervalis Acquisition were $12.9 million. During the fourth quarter of 2015, the Company incurred costs of $1.2 million related to secondary equity offerings and costs associated with a transaction that the Company decided not to pursue. During 2014, the Company incurred $1.0 million in transaction related expenses as it investigated various opportunities that were not completed.

Asset impairments and loss on disposal of assets—For the year ended December 31, 2015, we recognized Asset impairment and loss on disposal of $13.5 million which related primarily to the exit of Austin 1, which is a leased facility, and loss on disposal of certain other assets.

Non-Operating Expenses

Interest expense—Interest expense for the year ended December 31, 2015 was $41.2 million, an increase of $1.7 million, or 4.3%, as compared to $39.5 million for the year ended December 31, 2014. The increase for the year ended December 31, 2015 was primarily a result of additional borrowings under our Credit Agreement and the issuance of 6.375% senior notes in July 2015, partially offset by a reduction in interest expense due to our bond repurchase program in the fourth quarter of 2014 and an increase in capitalized interest.

Loss on extinguishment of debt- Loss on extinguishment of debt was $13.6 million for the year ended December 31, 2014. 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 6.375% senior notes for a purchase price of $163 million and the write-off of deferred financing costs.

Income tax expense—Income tax expense for the year ended December 31, 2015 was $1.8 million, an increase of $0.4 million, or 28.6%, as compared to $1.4 million for the year ended December 31, 2014.

Capital Expenditures

Capital expenditures for the year ended December 31, 2015 were $234.5 million, as compared to $284.2 million for the year ended December 31, 2014. The significant expenditures in 2015 included the development of additional square footage and power in our Northern Virginia, Phoenix 2, Houston West 3 and Carrollton data centers, and the purchase of Austin 4 in February of 2015.

Results of Operations

Comparison of Years Ended December 31, 2014 and 2013

IN MILLIONS, except per share data

	Successor		Predecessor		
	December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013	$ Change 2014 vs. 2013	% Change 2014 vs. 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 and acquisition integration costs	1.0	1.3	0.1	(0.4)	(28.6)%
Transaction-related compensation	—	—	20.0	(20.0)	n/m
Asset impairments and loss on disposal	—	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.

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 (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 2014.

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 and acquisition integration 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 and loss on disposal-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.

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 6.375% 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 6.375% 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, 2014, 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, 2013.

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.

Key Performance Indicators

Funds from Operations and Normalized Funds from Operations

We use Funds from Operations (FFO) and Normalized Funds from Operations (Normalized FFO), which are non-GAAP financial measures commonly used in the REIT industry, as supplemental performance measures. We use FFO and Normalized FFO as supplemental performance measures because, when compared period over period, they capture trends in occupancy rates, rental rates and operating costs. We also believe that, as widely recognized measures of the performance of REITs, FFO and Normalized FFO are used by investors as bases to evaluate REITs.

We calculate FFO as Net (loss) income computed in accordance with GAAP before real estate depreciation and amortization and asset impairments and loss on disposal. Our computation of FFO may differ from the methodology for calculating FFO used by other REITs. Accordingly, our FFO may not be comparable to others.

We calculate Normalized FFO as FFO plus amortization of customer relationship intangibles, transaction and acquisition integration costs, severance costs, legal claim costs and lease exit costs, and other special items including loss on extinguishment of debt, as appropriate. Other REITs may not calculate Normalized FFO in the same manner. Accordingly, our Normalized FFO may not be comparable to others.

In addition, because FFO and Normalized FFO exclude real estate depreciation and amortization and real estate impairments, and capture neither the changes in the value of our properties that result from use or from market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations, the utility of FFO and Normalized FFO as measures of our performance is limited. Therefore, FFO and Normalized FFO should be considered only as supplements to net (loss) income as measures of our performance. FFO and Normalized FFO should not be used as measures of our liquidity or as indicative of funds available to fund our cash needs, including our ability to make distributions. FFO and Normalized FFO also should not be used as supplements to or substitutes for cash flow from operating activities computed in accordance with GAAP.

The following table reflects the computation of FFO and Normalized FFO for the years ended December 31, 2015 and 2014:

CyrusOne Inc.
Reconciliation of Net (Loss) Income to FFO and Normalized FFO
(Dollars in millions)
(Unaudited)

	Year Ended December 31,		Change	
	2015	**2014**	**$**	**%**
Net (loss) income	$ (20.2)	$ (14.5)	$ (5.7)	39.3 %
Adjustments:				
Real estate depreciation and amortization	117.0	95.9	21.1	22.0 %
Asset impairments and loss on disposal	13.5	—	13.5	n/m
Funds from Operations (FFO)	**$ 110.3**	**$ 81.4**	**$ 28.9**	**35.5%**
Loss on extinguishment of debt	—	13.6	(13.6)	n/m
Amortization of customer relationship intangibles	18.5	16.9	1.6	9.5 %
Transaction and acquisition integration costs	14.1	1.0	13.1	n/m
Severance and management transition costs	6.0	—	6.0	n/m
Legal claim costs	0.4	—	0.4	n/m
Lease exit costs	1.4	—	1.4	n/m
Normalized Funds from Operations (Normalized FFO)	**$ 150.7**	**$ 112.9**	**$ 37.8**	**33.5%**

Net Operating Income

We use Net Operating Income (NOI), which is a non-GAAP financial measure commonly used in the REIT industry, as a supplemental performance measure. We use NOI as a supplemental performance measure because, when compared period over period, it captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, NOI is used by investors as a basis to evaluate REITs.

We calculate NOI as revenue less property operating expenses, each of which are presented in the accompanying consolidated and combined statements of operations. However, the utility of NOI as a measure of our performance is limited. Other REITs may not calculate NOI in the same manner. Accordingly, our NOI may not be comparable to others. Therefore, NOI should be considered only as a supplement to revenue as a measure of our performance. NOI should not be used as a measure of our liquidity or as indicative of funds available to fund our cash needs, including our ability to make distributions. NOI also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

The following table reflects the computation of NOI and Net Income (Loss) for the years ended December 31, 2015 and 2014:

CyrusOne Inc.
Reconciliation of Net Operating Income to Net Income (Loss)
(Dollars in millions)
(Unaudited)

	Year Ended December 31,		Change	
	2015	2014	$	%
Revenue	$ 399.3	$ 330.9	$ 68.4	20.7 %
Property operating expenses	148.7	124.5	24.2	19.4 %
Net Operating Income	**$ 250.6**	**$ 206.4**	**$ 44.2**	**21.4 %**
Sales and marketing	12.1	12.8	(0.7)	(5.5)%
General and administrative	46.6	34.6	12.0	34.7 %
Depreciation and amortization	141.5	118.0	23.5	19.9 %
Transaction and acquisition integration costs	14.1	1.0	13.1	n/m
Asset impairments and loss on disposal	13.5	—	13.5	n/m
Interest expense	41.2	39.5	1.7	4.3 %
Loss on extinguishment of debt	—	13.6	(13.6)	n/m
Income tax expense	1.8	1.4	0.4	28.6 %
Net Income (Loss)	**$ (20.2)**	**$ (14.5)**	**$ (5.7)**	**39.3 %**

Financial Condition, Liquidity and Capital Resources and Material Terms of Our Indebtedness

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.

Short-term Liquidity

Our short-term liquidity requirements primarily consist of operating, sales and marketing, and general and administrative expenses, dividend payments and capital expenditures composed primarily of acquisition and development costs for data center properties. For the year ended December 31, 2015, our capital expenditures were $234.5 million. 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 credit facility. Our total estimated capital expenditures for 2016 will be between $320 million and $345 million.

Long-term Liquidity

Our long-term liquidity requirements primarily consist of operating, sales and marketing, and general and administrative expenses, 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 credit facility.

As of December 31, 2015, our debt, capital lease and lease financing arrangements were $1,158.7 million, consisting of $477.6 million of 6.375% senior notes, including bond premium, a revolving credit facility outstanding of $235.0 million, a term loan outstanding of $300.0 million, capital lease obligations of $12.2 million, lease financing arrangements of $150.0 million and notes payable of $1.5 million, partially offset by deferred financing costs of $17.6 million. As of December 31, 2015, we had the ability to borrow an additional $407.9 million under the revolving credit facility and cash and cash equivalents of $14.3 million.

As of December 31, 2015, the Company had $1.5 million of restricted cash which relates to a deposit in an escrow account in connection with a purchase of a property. Subsequent to the year ended December 31, 2015, this transaction was not consummated and the funds were returned to the Company.

As of December 31, 2015, the total number of outstanding shares of common stock was 72.6 million.

Material Terms of Our Indebtedness

Revolving Credit Agreement

On October 9, 2014, CyrusOne LP entered into a Credit Agreement which provided 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.

On June 22, 2015, CyrusOne entered into an amendment to the Credit Agreement and other loan documents governing its revolving credit facility and term loan facility. The amendment increased the size of the Credit Agreement's accordion feature, which gave the operating partnership the ability to request an increase in the total commitment under the Credit Agreement, from $300 million to $600 million. Immediately after entering into the amendment, the operating partnership exercised $350 million of this accordion feature and obtained commitments to increase the total commitment under the Credit Agreement from $600 million to $950 million, comprised of $650 million of commitments under the revolving credit facility and $300 million under the term loan.

On July 1, 2015, CyrusOne borrowed an additional $150 million under the term loan facility which was used to partially finance the Cervalis acquisition.

The revolving credit 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 credit 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 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, 2015, there were outstanding borrowings of $235.0 million on the revolving credit facility and borrowings of $300.0 million on the term loan. In addition, the Credit Agreement contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to $250 million.

6.375% Senior Notes due 2022

On November 20, 2012, CyrusOne LP and CyrusOne Finance Corp. (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 wholly 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 Issuers that does not guarantee the 6.375% 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.

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 being redeemed, together with accrued and unpaid interest, if any, to the date of redemption plus a "make-whole" premium. On or after November 15, 2017, the Issuers were permitted, at their 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 a redemption price equal to 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 after the redemption and (ii) the redemption occurs within 90 days of the closing of any such equity offering.

In November and December of 2014, we repurchased a portion of our 6.375% senior notes with an aggregate face value of $150.2 million for a purchase price of $163 million, including accrued and unpaid interest. This resulted in a loss on extinguishment of debt of $12.8 million.

On July 1, 2015, the Issuers closed a private offering of $100 million aggregate principal amount of the 6.375% senior notes (the New Notes). The New Notes were issued as additional notes under the Indenture dated November 20, 2012 as supplemented by the first supplemental indenture dated July 1, 2015, and the New Notes have terms substantially identical to those of the 6.375% senior notes issued in November 2012. The New Notes are guaranteed by CyrusOne Inc., CyrusOne GP and each of CyrusOne LP's existing and future domestic wholly owned subsidiaries. The Issuers and guarantors of the New Notes entered into a registration rights agreement which requires them, at their cost, to use commercially reasonably efforts to file and cause to become effective a registration statement within 180 days of July 1, 2015, to be used in connection with the exchange of the New Notes for freely tradable notes with substantially identical terms in all material respects to the New Notes (which exchange must be completed on or prior to the 30th day after such registration statement is declared effective). The Company used the net proceeds from the offering of the New Notes to finance, in part, the operating partnership's acquisition of Cervalis, to pay fees and expenses related to the acquisition and for general corporate purposes. On December 29, 2015, all of the New Notes were exchanged for registered notes that are freely tradable. As of December 31, 2015, the outstanding balance on the 6.375% senior notes was $477.6 million, including bond premium.

Cash Flows

During 2015, our primary source of cash were earnings from our operations, net proceeds from our credit agreement, and proceeds from issuances of common stock and 6.375% senior notes. Our primary uses of cash were capital expenditures for the development of real estate, funding our operations, payment of dividends, funding the Cervalis Acquisition and acquisition of operating partnership units from CBI.

The following table summarizes our cash flows for the years ended December 31, 2015 and 2014, and the periods ended December 31, 2013, and January 23, 2013.

IN MILLIONS

	Successor			Predecessor
	Year Ended December 31, 2015	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23 2013
Cash provided by operations	$ 140.2	$ 111.1	$ 77.4	$ 2.0
Cash used in investing activities	(625.6)	(284.2)	(216.7)	(5.8)
Cash provided by (used in) financing activities	463.2	60.8	275.8	(0.4)

Comparison of Years Ended December 31, 2015 and 2014

As of December 31, 2015, cash and cash equivalents were $14.3 million, down from $36.5 million as of December 31, 2014, a decrease of $22.2 million.

Cash provided by operations was $140.2 million for the year ended December 31, 2015, compared to $111.1 million for the year ended December 31, 2014, an increase of $29.1 million. The increase in net cash generated from operations was primarily driven by an increase in net operating income of $44.2 million. This increase was offset by increased payments for income taxes of $3.0 million, interest (net of amount capitalized) of $2.4 million, and all other items, primarily transaction and acquisition integration costs accounted for the remaining $9.7 million.

Cash used in investing activities was $625.6 million for the year ended December 31, 2015, compared to $284.2 million for the year ended December 31, 2014. The increase was a result of the $398.4 million used for the Cervalis Acquisition in 2015, offset by a decrease in capital expenditures and changes in restricted cash of $57.0 million.

Cash provided by financing activities was $463.2 million for the year ended December 31, 2015, compared to $60.8 million for the year ended December 31, 2014. During 2015, cash provided by financing activities was due to the issuance of common stock of $799.5 million and net borrowings from the credit facility and 6.375% senior notes of $353.8 million. Cash used in financing activities during 2015 was due to the cost of the acquisition of partnership units of $596.4 million, dividends paid to stockholders of $80.8 million and other items of $12.9 million. During 2014, cash provided by financing activities was due to the issuance of common stock of $356.0 million and net borrowings from the credit facility of $285.0 million. Cash used in financing activities during 2014 was due to the cost of the acquisition of partnership units of $355.9 million, repurchase of $150.2 million of the Company's 6.375% senior notes, related debt extinguishment costs of $12.8 million, dividends paid to stockholders of $50.9 million, and other items of $10.4 million.

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 6.375% 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.

Contractual Obligations

The following contractual obligations table summarizes our contractual obligations as of December 31, 2015:

IN MILLIONS	Total	< 1 Year	1-3 Years	3-5 years	Thereafter
6.375% senior notes [1]	$ 474.8	$ —	$ —	$ —	$ 474.8
Credit facility [1]	535.0	—	235.0	300.0	—
Capital lease obligations	12.2	3.1	3.1	3.3	2.7
Interest payments on senior notes, capital leases and lease financing arrangements [2]	318.4	51.9	100.7	80.3	85.5
Non-cancellable operating leases	11.2	4.3	6.0	—	0.9
Purchase obligations [3]	42.6	39.9	2.7	—	—
Construction commitments [4]	234.9	234.9	—	—	—
Lease financing arrangements and other liabilities [5]	151.1	10.2	15.5	26.7	98.7
Total [6]	$ 1,780.2	$ 344.3	$ 363.0	$ 410.3	$ 662.6

(1) Represents the principal portion of the 6.375% senior notes, revolving credit facility and term loan.
(2) Includes contractual interest payments on the 6.375% senior notes, revolving credit facility, term loan, capital leases and lease financing arrangements assuming no early payment of debt in future periods.
(3) CyrusOne has non-cancellable 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, 2015, the minimum commitments for these arrangements were $42.6 million.
(4) We have issued purchase orders for construction related activities.
(5) Represents lease financing arrangements of $150.0 million for leased data centers where we are deemed the accounting owner, and asset retirement obligations of $1.1 million.
(6) Employment contracts have been excluded from this table for named executive officers as the Proxy and other SEC has those details. All other employees are subject to at-will employment.

The contractual obligations table is presented as of December 31, 2015. 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, 2015, 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 balance sheets. As of December 31, 2015 and 2014, straight-line rents receivable was $44.7 million and $33.7 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 statements 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, 2015 and 2014, deferred revenue was $78.7 million and $65.7 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, 2015 and 2014.

A provision for uncollectible accounts is recognized when the collection of contractual rent, straight-line rent or customer reimbursements are deemed to be uncollectible.

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, 2015.

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 $453.4 million as of December 31, 2015. As of October 1, 2015, 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, 2015, 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, 2015	132.3%
Sensitivity Analysis-1% Changes in Certain Key Assumptions	
Percentage by which fair value would exceed carrying value:	
1% increase in discount rate [(1)]	74.1%
1% decrease in long-term growth assumptions	81.7%

(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, including managing or funding construction. As we have substantially all of the construction risks, we are deemed the "owner" of the asset under construction for accounting purposes during the construction period, and are therefore required to capitalize the construction costs on the accompanying consolidated balance sheets. At inception, the fair value of the building (excluding land) is recorded as an asset and the construction and modification costs to the building, which are not funded by us, would be recorded as a liability. As construction progresses, the value of the asset and obligation increases by the fair value of the structural improvements. At completion of the construction, Sales-Leaseback Accounting under ASC 840-40-25 is also evaluated. Due to our continuing involvement with the lessor, Sales-Leaseback Accounting is precluded and the liability is not derecognized. When the asset is placed in service, depreciation commences, and the 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. The associated obligation is presented as other financing arrangements in the accompanying consolidated balance sheets.

When we are not deemed the accounting owner of leased real estate, we further evaluate the lease 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 2014 and 2015, 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, 2015 and 2014, the valuation allowance was $6.3 million and $5.7 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. As of December 31, 2015, the credit facility comprised of commitments of $650 million under the revolving credit facility and $300 million under the term loan facility and the outstanding borrowings were $235.0 million under the revolving credit facility and $300.0 million under the term loan.

The revolving credit 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 credit 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 contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to $250 million.

On November 20, 2012, CyrusOne LP and CyrusOne Finance Corp. issued $525 million of 6.375% senior notes due 2022, which bear interest at a fixed rate of 6.375% per annum. In November and December of 2014, we repurchased 6.375% senior notes with an aggregate face value of $150.2 million for a purchase price of $163 million, including accrued interest. On July 1, 2015, CyrusOne LP and CyrusOne Finance Corp. issued an additional $100 million aggregate principal amount of 6.375% senior notes. As of December 31, 2015, our 6.375% senior notes had an outstanding balance of $477.6 million, including bond premium.

The following table sets forth the carrying value and fair value face amounts, maturity date and average interest rates at December 31, 2015, for our fixed-rate and variable-rate debt, excluding capital leases and other financing arrangements:

IN MILLIONS	2016	2017	2018	2019	2020	Thereafter	Total Carrying Value	Total Fair Value
Fixed-rate debt	—	—	—	—	—	$ 477.6	$ 477.6	$ 493.8
Average interest rate on fixed-rate debt	—	—	—	—	—	6.375%		
Variable-rate debt (revolving credit facility)	—	—	$ 235.0	—	—	—	$ 235.0	$ 235.0
Average interest rate on variable-rate debt	—	—	2.000%	—	—	—		
Variable-rate debt (term loan)	—	—	—	$ 300.0	—	—	$ 300.0	$ 300.0
Average interest rate on variable-rate debt	—	—	—	1.934%	—	—		

The fair value of our 6.375% senior notes as of December 31, 2015 was based on the quoted market price for these notes, which is considered Level 1 of the fair value hierarchy. The carrying value of the revolving credit facility and term loan approximates estimated fair value as of December 31, 2015, due to the variability of interest rates and the stability of our credit ratings. The fair value of other financing arrangements at December 31, 2015 was calculated using a discounted cash flow model that incorporates current borrowing rates for obligations of similar duration.

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. In addition, we have entered into several contracts to purchase electricity. As of December 31, 2015, these contracts represent less than our forecasted usage. 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 electricity 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, 2015 (Successor) and 2014 (Successor), and the related consolidated and combined statements of operations, comprehensive income (loss), equity, and cash flows for the years ended December 31, 2015 (Successor) and 2014 (Successor) and the period from January 24, 2013 to December 31, 2013 (Successor) and the period from January 1, 2013 to January 23, 2013 (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 and combined financial statements present fairly, in all material respects, the financial position of CyrusOne Inc. and subsidiaries as of December 31, 2015 (Successor) and 2014 (Successor), and the results of their operations and their cash flows for the year ended December 31, 2015 (Successor) and 2014 (Successor) and the period from January 24, 2013 to December 31, 2013 (Successor) and the period from January 1, 2013 to January 23, 2013 (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 and combined financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 3, the consolidated and combined financial statements of the Company for the period from January 1, 2013 to January 23, 2013 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 are presented as the “Predecessor” financial statements on a combined bases and the financial statements as of December 31, 2015 and 2014 and for the years ended December 31, 2015 and 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, 2015, 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 25, 2016 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 25, 2016

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, 2015, 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, 2015, 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 and combined financial statements and financial statement schedules as of and for the year ended December 31, 2015 of the Company and our report dated February 25, 2016 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 25, 2016

CYRUSONE INC.

Consolidated Balance Sheets

IN MILLIONS, except share and per share amounts

As of December 31,	2015	2014
Assets		
Investment in real estate:		
Land	$ 93.0	$ 89.7
Buildings and improvements	905.3	812.6
Equipment	598.2	349.1
Construction in progress	231.1	127.0
Subtotal	1,827.6	1,378.4
Accumulated depreciation	(435.6)	(327.0)
Net investment in real estate	1,392.0	1,051.4
Cash and cash equivalents	14.3	36.5
Rent and other receivables *(net of allowance for doubtful accounts of $1.0 and $1.0 as of December 31, 2015 and December 31, 2014, respectively)*	76.1	60.9
Restricted cash	1.5	—
Goodwill	453.4	276.2
Intangible assets *(net of accumulated amortization of $90.6 and $72.1 as of December 31, 2015 and December 31, 2014, respectively)*	170.3	68.9
Due from affiliates	—	0.8
Other assets	88.0	76.3
Total assets	$ 2,195.6	$ 1,571.0
Liabilities and equity		
Accounts payable and accrued expenses	$ 136.6	$ 69.9
Deferred revenue	78.7	65.7
Due to affiliates	—	7.3
Capital lease obligations	12.2	13.4
Long-term debt	996.5	644.3
Lease financing arrangements	150.0	53.4
Total liabilities	1,374.0	854.0
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 72,556,334 and 38,651,517 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	0.7	0.4
Additional paid in capital	967.2	516.5
Accumulated deficit	(145.9)	(55.9)
Accumulated other comprehensive loss	(0.4)	(0.2)
Total shareholders' equity	821.6	460.8
Noncontrolling interest	—	256.2
Total equity	821.6	717.0
Total liabilities and equity	$ 2,195.6	$ 1,571.0

The accompanying notes are an integral part of the consolidated and combined financial statements

CYRUSONE INC.
Consolidated and Combined Statements of Operations

IN MILLIONS, except share and per share data

	Successor			Predecessor
	Year Ended December 31, 2015	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013
Revenue	$ 399.3	$ 330.9	$ 248.4	$ 15.1
Costs and expenses:				
Property operating expenses	148.7	124.5	88.4	4.8
Sales and marketing	12.1	12.8	9.9	0.7
General and administrative	46.6	34.6	26.5	1.5
Depreciation and amortization	141.5	118.0	89.9	5.3
Restructuring charges	—	—	0.7	—
Transaction and acquisition integration costs	14.1	1.0	1.3	0.1
Transaction-related compensation	—	—	—	20.0
Asset impairments and loss on disposal	13.5	—	2.8	—
Total costs and expenses	376.5	290.9	219.5	32.4
Operating income (loss)	22.8	40.0	28.9	(17.3)
Interest expense	41.2	39.5	41.2	2.5
Other income	—	—	(0.1)	—
Loss on extinguishment of debt	—	13.6	1.3	—
Net loss before income taxes	(18.4)	(13.1)	(13.5)	(19.8)
Income tax expense	(1.8)	(1.4)	(1.9)	(0.4)
Loss on sale of real estate improvements	—	—	(0.2)	—
Net loss	(20.2)	(14.5)	(15.6)	$ (20.2)
Noncontrolling interest in net loss	(4.8)	(6.7)	(10.3)	
Net loss attributed to common shareholders	$ (15.4)	$ (7.8)	$ (5.3)	
Basic weighted average common shares outstanding	54.3	29.2	20.9	
Diluted weighted average common shares outstanding	54.3	29.2	20.9	
Loss per share - basic and diluted	$ (0.30)	$ (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 (Loss)

IN MILLIONS

	Successor			Predecessor
	Year Ended December 31, 2015	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013
Net loss	$ (20.2)	$ (14.5)	$ (15.6)	$ (20.2)
Other comprehensive loss:				
Foreign currency translation adjustments	(0.2)	(0.3)	—	—
Comprehensive loss	(20.4)	(14.8)	(15.6)	(20.2)
Comprehensive loss attributable to noncontrolling interests	(4.8)	(6.8)	(10.3)	—
Comprehensive loss attributable to CyrusOne Inc.	$ (15.6)	$ (8.0)	$ (5.3)	$ (20.2)

The accompanying notes are an integral part of the consolidated and combined financial statements

CYRUSONE INC.

Consolidated and Combined Statements of Equity

	Shareholder's Equity/ Parent's Net Investment								
IN MILLIONS	Shares of common stock outstanding	Common Stock	Accum Deficit	Paid-In Capital	Partnership Capital	Accum Other Comprehensive Loss	Total Shareholder's Equity/ Parent's Net Investment	Non Controlling Interest	Total Equity
Balance as of January 1, 2013	—	$ —	$ —	$ 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	—	—	—	—	—	(0.2)	(0.2)	(0.1)	(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	$ —	$ (0.2)	$ 460.8	$ 256.2	$ 717.0
Net Loss	—	—	(20.2)	—	—	—	(20.2)	—	(20.2)
Noncontrolling interest allocated net loss	—	—	4.8	—	—	—	4.8	(4.8)	—
Stock issuance costs	—	—	—	(0.8)	—	—	(0.8)	—	(0.8)
Foreign currency translation adjustments	—	—	—	—	—	(0.2)	(0.2)	—	(0.2)
Stock-based compensation	0.3	—	—	14.4	—	—	14.4	—	14.4
Tax payment upon exercise of equity awards	—	—	—	(0.8)	—	—	(0.8)	—	(0.8)
Issuance of common stock	33.6	0.3	—	799.2	—	—	799.5	—	799.5
Redemption of noncontrolling interest	—	—	—	(412.3)	—	—	(412.3)	(184.1)	(596.4)
Conversion of operating partnership units to common stock	—	—	—	51.0	—	—	51.0	(51.0)	—
Dividends declared, $1.26 per share	—	—	(74.6)	—	—	—	(74.6)	(16.3)	(90.9)
Balance as of December 31, 2015	72.6	$ 0.7	$(145.9)	$ 967.2	$ —	$ (0.4)	$ 821.6	$ —	$ 821.6

The accompanying notes are an integral part of the consolidated and combined financial statements

CYRUSONE INC.
Consolidated and Combined Statements of Cash Flows

IN MILLIONS	Successor			Predecessor
	Year Ended December 31, 2015	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013
Cash flows from operating activities:				
Net loss	$ (20.2)	$ (14.5)	$ (15.6)	$ (20.2)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	141.5	118.0	89.9	5.3
Provision for bad debt write off	—	0.8	0.4	—
Asset impairments and loss on disposal	13.5	—	2.8	—
Loss on extinguishment of debt	—	13.6	1.3	—
Non-cash interest expense	3.4	3.4	4.0	0.1
Deferred income tax expense, including valuation allowance change	—	—	0.6	0.3
Stock-based compensation expense	14.4	10.3	6.0	0.2
Changes in operating assets and liabilities:				
Rent receivables and other assets	(23.9)	(37.0)	(15.7)	(9.6)
Accounts payable and accrued expenses	7.0	6.9	(14.6)	20.5
Deferred revenues	5.4	9.8	(0.1)	3.2
Due to affiliates	(0.9)	(0.2)	18.4	1.5
Other	—	—	—	0.7
Net cash provided by operating activities	140.2	111.1	77.4	2.0
Cash flows from investing activities:				
Capital expenditures – acquisitions of real estate	(17.3)	—	(48.0)	—
Capital expenditures – other development	(217.2)	(284.2)	(172.9)	(7.7)
Business acquisition, net of cash acquired	(398.4)	—	—	—
Changes in restricted cash	7.3	—	4.4	1.9
Other	—	—	(0.2)	—
Net cash used in investing activities	(625.6)	(284.2)	(216.7)	(5.8)
Cash flows from financing activities:				
Issuance of common stock	799.5	356.0	360.5	—
Stock issuance costs	(0.8)	(1.3)	—	—
IPO costs	—	—	(26.6)	—
Acquisition of operating partnership units	(596.4)	(355.9)	—	—
Dividends paid	(80.8)	(50.9)	(31.0)	—
Borrowings from credit facility	260.0	315.0	—	—
Payments on credit facility	(10.0)	(30.0)	—	—
Payments on senior notes	—	(150.2)	—	—
Proceeds from issuance of debt	103.8	—	—	—
Payments on capital lease obligations	(2.6)	(3.0)	(5.3)	(0.6)
Payments on lease financing arrangements	(3.3)	(0.9)	(0.7)	—
Payment to buyout capital leases	—	—	(9.6)	—
Payment to buyout lease financing arrangements	—	—	(10.2)	—
Debt issuance costs	(5.4)	(5.2)	(1.3)	—
Payment of debt extinguishment costs	—	(12.8)	—	—
Tax payment upon exercise of equity awards	(0.8)	—	—	—
Contributions from/(distributions to) parent, net	—	—	—	0.2
Net cash provided by (used in) by financing activities	463.2	60.8	275.8	(0.4)
Net (decrease) increase in cash and cash equivalents	(22.2)	(112.3)	136.5	(4.2)
Cash and cash equivalents at beginning of period	36.5	148.8	12.3	16.5
Cash and cash equivalents at end of period	$ 14.3	$ 36.5	$ 148.8	$ 12.3

IN MILLIONS	Successor			Predecessor
	Year Ended December 31, 2015	Year Ended December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013
Supplemental disclosures				
Cash paid for interest, net of amount capitalized	$ 43.7	$ 41.3	$ 40.7	$ 0.3
Cash paid for income taxes	3.4	0.4	—	—
Capitalized interest	6.1	4.6	1.6	—
Noncash investing and financing transactions:				
Acquisition of property in accounts payable and other liabilities	59.2	26.8	35.8	15.7
Contribution receivable from Parent related to transaction-related compensation	—	—	—	19.6
Dividends payable	23.6	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 lease financing arrangements	—	—	4.0	—

The accompanying notes are an integral part of the 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 (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 32 data centers and 2 recovery centers located in the United States, United Kingdom and Singapore.

2. Formation and Recent Developments

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 (the 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. purchased approximately 21.9 million, or 33.9% of the operating partnership's units for $337.1 million and assumed the controlling interest in the operating partnership. CBI retained a noncontrolling interest in the operating partnership of 66.1%.

Recent Developments

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 CBI.

On April 7, 2015, CyrusOne Inc. completed a public offering of approximately 14.3 million shares of its common stock, including approximately 1.9 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 $31.12 per share, or $443.8 million. CyrusOne Inc. used the proceeds of $426.0 million, net of underwriting costs of $17.8 million, to acquire approximately 14.3 million common units of limited partnership interests in the operating partnership from CBI.

On June 26, 2015, CyrusOne Inc. completed a public offering of approximately 13.0 million shares of its common stock, at a price to the public of $30.00 per share, or $373.3 million, net of underwriting costs of $16.6 million. On July 1, 2015, CyrusOne used the $170.3 million to acquire approximately 6.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

During 2015, the Company issued $0.2 million of common shares related to the employee stock purchase plan. In total, offerings of common stock in 2015 resulted in $799.5 million of cash flow from financing activities on the consolidated and combined statements of cash flows.

On July 1, 2015, CyrusOne LP acquired Cervalis for approximately $398.4 million, excluding transaction related expenses.Cervalis operates four data center facilities and two work area recovery facilities serving the New York metropolitan area

On December 14, 2015, CyrusOne Inc. completed a public secondary offering of 1,350,000 shares of common stock on behalf of CBI. The Company received no proceeds from the offering.

On December 31, 2015, CyrusOne Inc. completed an issuance of approximately 6.3 million newly issued shares of common stock in exchange for an equal number of operating partnership units of CyrusOne LP, held by a subsidiary of CBI. As of December 31, 2015, CyrusOne Inc. owned 100% of the 72.6 million outstanding partnership units of CyrusOne LP. As of December 31, 2015, CBI owned approximately 9.5% of the outstanding shares of common stock of CyrusOne Inc.

3. Basis of Presentation

The accompanying financial statements for the period ended January 23, 2013 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 this period. The financial statements as of December 31, 2015 and 2014 and for the period from January 24, 2013 to December 31, 2013, and the years ended December 31, 2015 and 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. All prior year amounts have been presented to conform to current year's presentation.

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.

Investment in Real Estate—Investment 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. As we have substantially all of the construction risks, we are deemed the "owner" of the asset under construction for accounting purposes during the construction period, and are therefore required to capitalize the construction costs on the accompanying consolidated balance sheets. At inception, the fair value of the building (excluding land) is recorded as an asset and the construction and modification costs to the building, that are not funded by us would be recorded as a liability. As construction progresses, the value of the asset and obligation increases by the fair value of the structural improvements. At completion of the construction, Sales-Leaseback Accounting under ASC 840-40-25 is also evaluated. Due to our continuing involvement with the lessor, Sales-Leaseback Accounting is precluded and the liability is not derecognized. When the asset is placed in service, depreciation commences, and the 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. The associated obligation is presented as lease financing arrangements in the accompanying consolidated balance sheets.

When we are not deemed the accounting owner of leased real estate, we further evaluate the lease 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 2015, 2014, and 2013 was $6.1 million, $4.6 million, and $1.6 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 thirty years for buildings, three to thirty years for building improvements, and three to twenty 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. For the years ended December 31, 2015 and 2013, we recognized impairments and loss on disposal of $13.5 million and $2.8 million, respectively.

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.

Restricted Cash—Restricted cash includes cash equivalents held to collateralize standby letters of credit and/or deposited in escrow to fund construction or pending potential acquisition transactions. In addition, we may have other cash that is not immediately available for use in current operations.

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, 2015 or 2014.

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.

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 receivables have been exhausted, the receivables 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, 2015 and 2014. In addition, as of December 31, 2015, our receivables include $6.5 million that has not been billed to the customer. This amount will be billed and payable in monthly installments through March 2018.

Deferred Leasing Costs—Deferred leasing costs are presented with Other assets in the accompanying consolidated balance sheets. Leasing commissions incurred at the commencement of a new lease are capitalized and amortized 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 expiration of the lease, the remaining unamortized cost is written off to amortization expense. As of December 31, 2015 and 2014, deferred leasing costs were $14.2 million and $12.8 million, respectively.

Deferred Financing Costs—Deferred financing costs include costs incurred in connection with issuance of debt, including 6.375% 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. These costs include deferred financing costs associated with our revolving line of credit and are presented in the balance sheet as a direct reduction from the carrying amount of the debt liability to conform to the 2015 presentation.

Lease Financing Arrangements—Lease 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 balance sheets. 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 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 balance sheets. As of December 31, 2015 and 2014, straight-line rent receivable was $44.7 million and $33.7 million, respectively.

Some of our leases are structured on a full-service gross basis in which the customer pays a fixed amount for both colocation rent and power. Other leases provide that the customer will be billed for power based upon actual usage times a load factor. 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, 2015 and 2014, Deferred revenue was $78.7 million and $65.7 million, respectively.

Certain customer leases 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 each of the years presented.

A provision for uncollectible accounts is recognized when the collection of contractual rent, straight-line rent or customer reimbursements are deemed to be uncollectible.

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 $2.2 million for the year ended December 31, 2015, $2.9 million for the year ended December 31, 2014, $2.1 million for the period ended December 31, 2013, and $0.1 million for the period ended January 23, 2013.

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 $117.8 million for the year ended December 31, 2015, $95.8 million for the year ended December 31, 2014, $70.3 million for the period ended December 31, 2013, and $4.1 million for the period ended January 23, 2013.

Amortization expense is recognized over the estimated useful lives of finite-lived intangibles. Finite-lived intangibles include trademarks, favorable leasehold interests, deferred leasing costs and deferred sales commissions. As of December 31, 2015, the estimated weighted average useful life of trademarks and customer relationships was ten and 13 years, respectively. In addition, we have a favorable leasehold interest related to a land lease that is being amortized over the lease term of fifty-one years. Deferred leasing costs are amortized over three to five years. Amortization expense was $23.7 million for the year ended December 31, 2015, $22.2 million for the year ended December 31, 2014, $19.6 million for the period ended December 31, 2013, and $1.2 million for the period ended January 23, 2013.

Transaction and Acquisition Integration Costs—Transaction costs represent incremental legal, accounting and professional fees incurred in connection with our formation transactions, our initial qualification as a real estate investment trust, or REIT, and business combination and asset acquisition costs (including unsuccessful efforts). Transaction costs are expensed as incurred and do not include any recurring costs from our ongoing operations. Integration costs represent incremental costs to integrate a consummated acquisition.

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 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 (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 state, local and foreign 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 2012, and we have no liabilities for uncertain tax positions as of December 31, 2015 or 2014.

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.

Subsequent to the issuance of the Company’s 2014 consolidated financial statements, the Company identified an error in the Consolidated Statements of Comprehensive Income (Loss) and the Consolidated Balance Sheets and Statements of Equity. The Consolidated Statements of Comprehensive Income (Loss) excluded allocations of net loss attributable to noncontrolling interests and only attributed foreign currency translation adjustment allocations to the noncontrolling interest. This error resulted in the understatement of “Comprehensive Loss Attributable to Non-Controlling Interests” of ($6.7) million for the year ended December 31, 2014 (Successor), and ($10.3) million for the Successor period ended December 31, 2013, as well as the corresponding understatement of the total “Comprehensive Loss Attributable to CyrusOne Inc.”. The Consolidated Statements of Equity did not present the comprehensive loss attributed to foreign currency translation adjustment allocations to noncontrolling interest. This error resulted in “Foreign Currency Translation Adjustment” allocated to CyrusOne Inc. to be overstated and the amount allocated to Noncontrolling Interest to be understated by $0.1 million for the year ended December 31, 2014 (Successor) and “Accumulated Other Comprehensive Loss” and “Noncontrolling Interest” to be overstated by $0.1 million as of December 31, 2014 (Successor), which resulted in a corresponding overstatement in the Consolidated Balance Sheets. The prior period amounts disclosed above have been revised to reflect the corrected amounts. The previously issued Consolidated Statement of Operations and Cash Flows were not impacted by this error.

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 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 compensation committee of the board of directors, or the plan administrator. Awards issuable under the LTIP include common stock, restricted stock, stock options and other incentive awards. See Note 16 to our audited consolidated and combined financial statements included elsewhere in this Annual Report on Form 10-K for additional details relating to these awards.

Share-based compensation expense is based on the estimated grant-date fair value. CyrusOne Inc. recognizes share-based compensation expense, less estimated forfeitures, on a straight-line basis over the requisite service period for time-based awards and on a graded vesting basis for performance-based awards. CyrusOne estimates forfeitures based on historical activity, expected employee turnover, and other qualitative factors which are adjusted for changes in estimates and award vesting. All expenses for an award will be recognized by the time it becomes fully vested.

CyrusOne Inc. uses the Black-Scholes-Merton option pricing model to calculate the fair value of stock options. This option valuation model requires the use of subjective assumptions, including the estimated fair value of the underlying common stock, the expected stock price volatility, and the expected term of the option. The estimated fair value of the underlying common stock is based on third-party valuations. Our volatility estimates are based on a peer group of companies. We estimate the expected term of the awards to be the weighted average mid-point between the vesting date and the end of the contractual term. We use this method to estimate the expected term since we do not have sufficient historical exercise data.

For interim periods, we use our year-to-date actual results, financial forecasts, and other available information to estimate the probability of the award vesting based on the performance metrics.

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

Accounting Standards Update (ASU) No. 2014-09 (ASU 2014-09), Revenue from Contracts with Customers (Topic 606)

In May 2014, the Financial Accounting Standards Board (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. In July 2015, the FASB voted to approve a one-year deferral of the effective date to December 15, 2017 for interim and annual reporting periods beginning after that date and permitted early adoption of the standard, but not before the original effective date of December 15, 2016. This guidance permits two implementation approaches. Companies can chose to apply the standard retrospectively to each prior reporting period presented (full retrospective application) or retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application (modified retrospective application). We are currently evaluating the impact of the adoption of this guidance in our consolidated financial statements.

ASU No. 2014-12 (ASU 2014-12), Compensation-Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period

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 and is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2015. Since the Company's share-based awards do not contain performance targets that could be achieved after the employee completes the requisite service, the adoption of this guidance has no impact on our consolidated financial statements.

ASU No. 2014-15 (ASU 2014-15), Presentation of Financial Statements - Going Concern (Subtopic 205-40)

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.

ASU No. 2015-01 (ASU 2015-01), Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items

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.

ASU No. 2015-02 (ASU 2015-02), Consolidation (Topic 810)

In February 2015, the FASB issued guidance which amended the consolidation requirements in ASC 810 and significantly changed the consolidation analysis required under U.S. GAAP. The amendments include (1) limited partnerships will be variable interest entities; (2) changes the effect that fees paid to a decision maker or service provider have on the consolidation analysis; (3) amends how variable interests held by a reporting entity's related parties or de facto agents affect its consolidation conclusion; (4) clarifies how to determine whether the equity holders have power over the entity, and (5) the deferral of ASU 2009-17 for investments in certain investment funds has been eliminated. This guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. The adoption of this guidance will have no impact on our consolidated financial statements as the provisions of this standard do not currently apply to CyrusOne Inc.

ASU No. 2015-03 (ASU 2015-03), Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs

In April 2015, the FASB issued guidance to simplify the presentation of debt issuance costs. The amendments would require that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs would not be affected by this guidance. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted. The Company adopted this standard and debt issuance costs for all periods presented have been shown as a reduction from the carrying amount of the debt.

ASU No. 2015-15 (ASU 2015-15), Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements

In August 2015, the FASB issued ASU 2015-15 to clarify the SEC staff's position on presenting and measuring debt issuance costs incurred in connection with line-of-credit arrangements given the lack of guidance on this topic in ASU 2015-03. The SEC staff has announced that it would not object to an entity deferring issuance costs ratably over the term of the line-of-credit arrangement. The Company ratably expenses the debt issuance costs over the term of its revolving line of credit and reflects any unamortized amount as a reduction from the carrying amount of its debt.

ASU No. 2015-16 (ASU 2015-16), Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments

In September 2015, the FASB issued ASU 2015-16 to simplify the accounting for measurement-period adjustments. Under the ASU, an acquirer must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The ASU also requires acquirers to present separately on the face on the income statement, or disclose in the notes, the portion of the amount recorded in the current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. This guidance is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

ASU No. 2015-17 (ASU 2015-17), Income Taxes (Topic 740)

In November 2015, the FASB issued guidance which amended the balance sheet classification requirements for deferred Taxes. The ASU requires an entity to classify all deferred tax liabilities and assets as noncurrent in the balance sheet. This guidance is effective for financial statements issued for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. We are currently evaluating the full impact of the new standard.

ASU No. 2016-01 (ASU 2016-01), Financial instruments-Overall (Subtopic 825-10)

In January 2016, the FASB amended its standards related to the accounting of certain financial instruments. This amendment addresses certain aspects of recognition, measurement, presentation and disclosure. The new rules will become effective for annual and interim periods beginning after December 15, 2017. Early adoption is not permitted. We are in the process of evaluating the impact the amendment will have on the consolidated financial statements.

ASU No. 2016-02 (ASU 2016-02), Leases (Topic 842)

In February 2016, the FASB issued accounting standard update (“ASU”) No. 2016-02, Leases (Topic 842). This new lease guidance requires that an entity should recognize assets and liabilities for leases with a maximum possible term of more than 12 months. A lessee would recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the leased asset (the underlying asset) for the lease term. Leases would be classified as either Type A leases (generally today’s capital leases) or Type B leases (generally today’s operating leases). For certain leases of assets other than property (for example, equipment, aircraft, cars, trucks), a lessee would classify the lease as a Type A lease and would do the following: (1) recognize a right-of-use asset and a lease liability, initially measured at the present value of lease payments and (2) recognize the unwinding of the discount on the lease liability as interest separately from the amortization of the right-of-use asset. For certain leases of property (that is, land and/or a building or part of a building), a lessee would classify the lease as a Type B lease and would do the following: (1) recognize a right-of-use asset and a lease liability, initially measured at the present value of lease payments and (2) recognize a single lease cost, combining the unwinding of the discount on the lease liability with the amortization of the right-of-use asset, on a straight-line basis. This guidance also provides accounting updates with respect to lessor accounting under a lease arrangement. This new lease guidance is effective for CyrusOne beginning in the first quarter of fiscal 2019. Entities have the option of using either a full retrospective or a modified approach (cumulative effect adjustment in period of adoption) to adopt the new guidance. Early adoption is permitted for all entities. We are currently evaluating the impact of the adoption of this guidance in our consolidated financial statements.”

6. Acquisitions

On July 1, 2015, CyrusOne LP acquired 100% of Cervalis, a privately-held owner and operator of data centers for $398.4 million, excluding transaction-related expenses, in an all cash transaction. Cervalis has four data center facilities and two work recovery facilities serving the New York metropolitan area. CyrusOne LP financed the acquisition with proceeds of CyrusOne Inc's June 2015 common stock offering and CyrusOne LP and CyrusOne Finance Corp.'s July 2015 6.375% senior notes offering as well as drawing under CyrusOne Inc's senior unsecured credit facility. The acquisition of Cervalis enhances the geographic diversification of CyrusOne, provides access to a high quality enterprise customer base and strengthens our product portfolio. The goodwill recorded for this acquisition relates to the incremental value that Cervalis brings to the existing CyrusOne operations. The customer relationships intangible is expected to be amortized over fifteen years. For the year ended December 31, 2015, transaction and integration costs related to the Cervalis Acquisition were $12.9 million.

The consolidated and combined financial statements include the operating results of Cervalis from the date of acquisition. The following table summarizes the estimated fair values of all assets acquired and liabilities assumed at the date of acquisition:

Cash	$	1.1
Rent and other receivables		10.5
Restricted cash		8.8
Net investment in real estate		197.8
Goodwill		177.2
Customer relationships		117.4
Trade name		2.3
Other long-term assets		7.3
Total assets acquired		522.4
Current liabilities		18.3
Capital lease obligations		1.7
Long-term debt		1.5
Other arrangements		101.4
Total liabilities		122.9
Net assets acquired attributable to CyrusOne Inc.		399.5
Cash acquired		(1.1)
Net cash paid at acquisition		398.4

The acquisition of Cervalis in July 2015 resulted in an increase in revenue of $37.7 million for year ended December 31, 2015.

The unaudited pro forma combined historical results of CyrusOne, as if Cervalis had been acquired and the financing transactions had been consummated as of January 1, 2014 are:

IN MILLIONS

For the year ended December 31,	2015	2014
Revenue	438.6	399.0
Net loss	(10.9)	(17.2)
Loss per share - basic and diluted	(0.16)	(0.35)

These amounts have been calculated after applying CyrusOne's policies and adjusting the results to reflect changes to Depreciation and amortization to property and equipment, amongst others, and amortizing intangible assets had been recorded as of January 1, 2014. These pro forma combined results of operation are presented for informative purposes only and they do not purport to be indicative of the results of operation that actually would have resulted had the acquisition occurred on the date indicated, or that may result in the future.

7. Investment in Real Estate

A schedule of our gross investment in real estate follows:

IN MILLIONS

As of December 31,	2015			2014		
	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment
West Seventh St., Cincinnati, OH (7th Street)	$ 0.9	$ 110.6	$ 19.6	$ 0.9	$ 110.6	$ 12.7
Parkway Dr., Mason, OH (Mason)	—	20.2	1.0	—	20.2	0.9
Industrial Rd., Florence, KY (Florence)	2.2	41.5	3.3	2.2	41.4	3.0
Goldcoast Dr., Cincinnati, OH (Goldcoast)	0.6	6.7	0.1	0.6	6.7	0.1
Knightsbridge Dr., Hamilton, OH (Hamilton)	—	49.2	4.4	—	49.2	3.7
E. Monroe St., South Bend, IN (Monroe St.)	—	2.5	0.3	—	2.5	0.1
Springer St., Lombard, IL (Lombard)	0.7	4.7	7.6	0.7	4.7	5.7
Crescent Circle, South Bend, IN (Blackthorn)	—	3.3	0.4	—	3.3	0.1
Kingsview Dr., Lebanon, OH (Lebanon)	4.0	77.3	7.6	4.0	77.0	5.5
McAuley Place, Blue Ash, OH (Blue Ash)	—	0.6	0.1	—	0.6	0.1
Westway Park Blvd., Houston, TX (Houston West 1)	1.4	84.8	46.4	1.4	84.4	43.8
Westway Park Blvd., Houston, TX (Houston West 2)	2.0	22.6	47.1	2.0	22.5	45.1
Westway Park Blvd., Houston, TX (Houston West 3)	18.4	4.0	0.8	18.4	—	—
Southwest Fwy., Houston, TX (Galleria)	—	68.6	16.0	—	68.6	15.0
E. Ben White Blvd., Austin, TX (Austin 1)	—	13.6	1.0	—	22.5	1.2
S. State Highway 121 Business, Lewisville, TX (Lewisville)	—	76.6	24.9	—	76.7	22.8
Marsh Lane, Carrollton, TX (Marsh Ln)	—	0.1	0.6	—	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	52.7	116.5	16.1	51.6	85.3
Bryan St., Dallas, TX (Bryan St)	—	—	—	—	0.1	0.2
North Freeway, Houston, TX (Greenspoint)	—	—	—	—	1.3	—
South Ellis Street, Chandler, AZ (Phoenix 1)	14.8	56.7	39.8	14.8	56.4	43.9
South Ellis Street, Chandler, AZ (Phoenix 2)	—	16.0	39.5	—	13.2	21.8
Westover Hills Blvd., San Antonio, TX (San Antonio 1)	4.6	32.1	33.0	4.6	32.1	32.4
Westover Hills Blvd., San Antonio, TX (San Antonio 2)	7.0	—	0.1	7.0	—	—
Metropolis Dr., Austin, TX (Austin 2)	2.0	23.2	5.7	2.0	23.2	4.0
Myer Conners Rd (Wappinger Falls)	—	11.3	14.4	—	—	—
Madison Road (Totowa)	—	28.3	48.8	—	—	—
Commerce Road (Totowa)	—	4.1	1.0	—	—	—
Norden Place (Norwalk)	—	18.3	25.4	—	—	—
Riverbend Drive South (Stamford)	—	4.3	13.2	—	—	—
Omega Drive (Stamford)	—	3.2	1.5	—	—	—
Kestral Way (London)	—	31.2	0.8	—	32.7	0.7
Jurong East (Singapore)	—	8.4	0.1	—	9.0	0.1
Ridgetop Circle, Sterling, VA (Northern Virginia)	7.0	19.2	45.2	7.0	—	—
Metropolis Dr., Austin, TX (Austin 3)	8.0	—	0.1	8.0	—	—
Metropolis Dr., Austin, TX (Austin 4)	3.3	7.4	31.5	—	—	—
Total	**$ 93.0**	**$ 905.3**	**$ 598.2**	**$ 89.7**	**$ 812.6**	**$ 349.1**

In addition, Construction in progress was $231.1 million and $127.0 million as of December 31, 2015 and December 31, 2014, respectively, as we continue to build data center facilities.

For the year ended December 31, 2015, our capital expenditures were $17.3 million for the purchase of Austin 4 facility and $217.2 million for other development as shown on the consolidated and combined statements of cash flows. The significant items included the development of additional square footage and power in our Northern Virginia, Phoenix 2, Houston West 3 and Carrollton data centers, and the purchase of Austin 4 in February of 2015. The total purchase price of the Austin 4 facility was $17.3 million, of which $3.3 million was allocated to Land and the remaining amount remains in Construction in progress as of December 31, 2015. For the year ended December 31, 2015, we recognized Asset impairment and loss on disposal of $13.5 million which related primarily to the exit of Austin 1, which is a leased facility, and loss on disposal of certain other assets.

8. Goodwill, Intangible and Other Long-Lived Assets

The carrying amount of Goodwill was $453.4 million and $276.2 million as of December 31, 2015 and 2014. As of December 31, 2015, the amounts recognized for Goodwill and Intangible assets were in connection with the acquisition of Cyrus Networks as well as prior acquisitions, as described in Note 2, Formation and Recent Developments. For the year ended December 31, 2015, the additions to Goodwill, customer relationships, trade name and favorable leasehold interest related to the acquisition of Cervalis which were $177.2 million, $117.4 million, $2.3 million and $0.2 million, respectively.

Summarized below are the carrying values for the major classes of intangible assets:

IN MILLIONS

For the year ended December 31,		2015			2014		
	Weighted-Average Remaining Life (in years)	Gross Carrying Amount	Accumulated Amortization	Total	Gross Carrying Amount	Accumulated Amortization	Total
Customer relationships	13	$ 247.1	$ (87.5)	$ 159.6	$ 129.7	$ (69.5)	$ 60.2
Trademark	10	7.4	(2.7)	4.7	7.4	(2.3)	5.1
Favorable leasehold interest	49	4.1	(0.4)	3.7	3.9	(0.3)	3.6
Trade name (not amortized)		2.3	—	2.3	—	—	—
Total		$ 260.9	$ (90.6)	$ 170.3	$ 141.0	$ (72.1)	$ 68.9

There were no goodwill or intangible asset impairments for the years ended December 31, 2015 or 2014.

Amortization expense for acquired intangible assets subject to amortization was $18.5 million, $17.0 million, $15.9 million and $1.0 million for the years ended December 31, 2015 and 2014, for the period ended December 31, 2013, and for the period ended January 23, 2013, respectively.

The following table presents estimated amortization expense for each of the next five years and thereafter, commencing January 1, 2016:

IN MILLIONS

2016	$ 19.4
2017	17.3
2018	15.4
2019	13.8
2020	12.6
Thereafter	89.5
Total	**$ 168.0**

9. Debt, Capital Lease Obligations and Lease Financing Arrangements

Debt, Capital lease obligations and Lease financing arrangements presented in the accompanying consolidated and combined financial statements consist of the following:

IN MILLIONS

For the year ended December 31,		2015		2014
Credit facilities:				
Revolving credit facility	$	235.0	$	135.0
Term loan		300.0		150.0
6.375% senior notes due 2022, including bond premium		477.6		374.8
Notes Payable		1.5		—
Deferred financing costs		(17.6)		(15.5)
Long-term debt		996.5		644.3
Capital lease obligations		12.2		13.4
Lease financing arrangements		150.0		53.4
Total	**$**	**1,158.7**	**$**	**711.1**

Credit Facility—On October 9, 2014, CyrusOne LP entered into a credit agreement which provided 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.

On June 22, 2015, CyrusOne entered into an amendment to the Credit Agreement and other loan documents governing its revolving credit facility and term loan facility. The amendment increased the size of the Credit Agreement's accordion feature, which gave the operating partnership the ability to request an increase in the total commitment under the Credit Agreement, from $300 million to $600 million. Immediately after entering into the amendment, the operating partnership exercised $350 million of this accordion feature and obtained commitments to increase the total commitment under the Credit Agreement from $600 million to $950 million, comprised of $650 million of commitments under the revolving credit facility and $300 million under the term loan. In addition, the Credit Agreement contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to $250 million.

The revolving credit 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 credit 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%.

As of December 31, 2015 there were borrowings of $235.0 million under the revolving credit facility and $300.0 million under the term loan. As of December 31, 2014 there were borrowings of $135 million under the revolving credit 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 credit 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 $0.9 million and $1.1 million for the years ended December 31, 2015 and 2014, respectively.

6.375% Senior Notes due 2022—On November 20, 2012, CyrusOne LP and CyrusOne Finance Corp. (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 wholly 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

6.375% 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 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 were permitted , 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.

On July 1, 2015, the Issuers closed a private offering of $100 million aggregate principal amount of the 6.375% senior notes (New Notes) plus a premium of $3.8 million. The New Notes were issued as additional notes under the Indenture dated November 20, 2012 as supplemented by the first supplemental indenture dated July 1, 2015, and the New Notes have terms substantially identical to those of the 6.375% senior notes issued in November 2012. The Issuers and guarantors of the New Notes entered into a registration rights agreement which requires them, at their cost, to use commercially reasonably efforts to file and cause to become effective a registration statement within 180 days of July 1, 2015, to be used in connection with the exchange of the New Notes for freely tradable notes with substantially identical terms in all material respects to the New Notes (which exchange must be completed on or prior to the 30th day after such registration statement is declared effective). On December 29, 2015, all notes issued on July 1, 2015 were exchanged for registered notes.

Debt Covenants —The Credit Agreement 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, 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.

As of December 31, 2015, we believe we were in compliance with all covenants.

Notes Payable—As of December 31, 2015, the Company had a note payable for approximately $1.5 million with a third-party for electrical infrastructure at one of the Company's locations. The note payable matures in January 2034. We will pay approximately $9,000 per month until maturity under the note payable.

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 credit facility and term loan and 6.375% senior notes due 2022. As of December 31, 2015, and 2014, deferred financing costs totaled $17.6 million and $15.5 million, respectively. Deferred financing costs related to the 6.375% senior notes are amortized using the effective interest method over the term of the related indebtedness. Deferred financing costs related to the revolving credit 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, $3.4 million, $4.0 million and $0.1 million for the years ended December 31, 2015 and 2014, for the periods ended December 31, 2013, and January 23, 2013, respectively. 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.

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 subject to 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.

Lease financing arrangements—Lease 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.

Interest expense on Capital lease obligations and Lease financing arrangements were $7.8 million, $5.9 million, $6.3 million and $0.3 million for the years ended December 31, 2015 and 2014, for the period ended December 31, 2013 and January 23, 2013, respectively.

The following table summarizes aggregate maturities of total future value and present value of the minimum payments associated with our Lease financing arrangements for the five years subsequent to December 31, 2015, and thereafter:

IN MILLIONS	Future Value of Payments	Interest	Present Value of Payments
2016	$ 17.8	$ 8.7	$ 9.1
2017	16.8	8.3	8.5
2018	14.8	7.9	6.9
2019	15.1	7.5	7.6
2020	26.0	6.8	19.2
Thereafter	127.0	28.3	98.7
Total lease financing arrangements	**$ 217.5**	**$ 67.5**	**$ 150.0**

The following table summarizes aggregate maturities of revolving credit facility and term loan, 6.375% senior notes due 2022 and capital leases for the five years subsequent to December 31, 2015, and thereafter:

IN MILLIONS	Revolving Credit Facility/ Term Loan	6.375% Senior Notes	Capital Leases	Total
2016	$ —	$ —	$ 3.1	$ 3.1
2017	—	—	1.6	1.6
2018	235.0	—	1.5	236.5
2019	300.0	—	1.6	301.6
2020	—	—	1.7	1.7
Thereafter	—	474.8	2.7	477.5
Total debt	**$ 535.0**	**$ 474.8**	**$ 12.2**	**$ 1,022.0**

The payment of interest on capital leases over the next five years and thereafter will be $1.0 million, $0.8 million, $0.7 million, $0.5 million, $0.4 million and $0.4 million, respectively.

10. Fair Value of Financial Instruments

The fair value of Cash and cash equivalents, Restricted cash, Rent and other receivables and 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:

IN MILLIONS

For the year ended December 31,	2015		2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
6.375% senior notes due 2022	$ 477.6	$ 493.8	$ 374.8	$ 402.0
Revolving credit facility and term loan	535.0	535.0	285.0	285.0
Note payable	1.5	1.2	—	—

The fair value of our 6.375% senior notes as of December 31, 2015 and 2014 was based on the quoted market price for these notes, which is considered Level 1 of the fair value hierarchy. The carrying value of the revolving credit facility and term loan approximates estimated fair value as of December 31, 2015, due to the variability of interest rates and the stability of our credit ratings. The fair value of the note payable at December 31, 2015, 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 3 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.

The measured fair value used in the 2013 related impairment charges is summarized below:

IN MILLIONS	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 sell equipment which had a net book value of $3.1 million for $0.3 million, resulting in a loss of $2.8 million. There were no impairment charges for the year ended December 31, 2014.

The Asset impairments and loss on disposal for the year ended December 31, 2015 was $13.5 million and were related to the exit from a leased facility and loss on disposal of assets.

11. Noncontrolling Interest - Operating Partnership

As discussed in Note 2, Formation and Recent Developments, 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, 2015 and 2014, and the portion of net loss and distributions for the year ended December 31, 2015 and 2014:

For the year ended December 31,	2015		2014	
(in millions, except unit amount)	The Company	CBI	The Company	CBI
Operating partnership units	72.6	—	38.7	26.6
Ownership %	100.0%	—%	59.2%	40.8%
Portion of net loss	$ (15.4)	$ (4.8)	$ (7.8)	$ (6.7)
Distributions	$ (74.6)	$ (16.3)	$ (29.2)	$ (25.7)

Under the Amended and Restated Agreement of Limited Partnership of the operating partnership (the LP Agreement), the limited partners of the operating partnership (including CBI) have certain redemption rights. The LP Agreement grants the limited partners the right to require the operating partnership to redeem part or all of their operating partnership units for cash based upon the fair market value of an equivalent number of shares of our common stock at the time of the redemption, determined in accordance with and subject to adjustment as provided in the LP Agreement. Alternatively, at our discretion, we may elect to acquire those operating partnership units in exchange for shares of our common stock. Our acquisition of partnership units in exchange for shares of our common stock would be on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, distributions of warrants or stock rights, specified extraordinary distributions and similar events. With each redemption or exchange, we increase our percentage ownership interest in our operating partnership. On December 31, 2015, CyrusOne Inc. issued 6,346,835 shares of its common stock, in exchange for an equal number of operating partnership units in CyrusOne LP held by a subsidiary of CBI. As a result, CBI owns approximately 9.5% of the Company's common stock, and all of the operating partnership units in the CyrusOne LP are owned, directly or indirectly, by the Company.

CyrusOne Inc. had no noncontrolling interests as of December 31, 2015.

12. Dividends

We have declared cash dividends on common shares and distributions on operating partnership units for the years ended December 31, 2015 and 2014 as presented in the table below:

Record date	Payment date	Cash dividend per share or operating partnership unit
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
March 27, 2015	April 15, 2015	$0.315
June 26, 2015	July 15, 2015	$0.315
September 25, 2015	October 15, 2015	$0.315
December 24, 2015	January 8, 2016	$0.315

As of December 31, 2015 and 2014 we had a dividend payable of $24.4 million and $14.3 million, respectively. On February 23, 2016, we announced a regular cash dividend of $0.38 per common share payable to shareholders of record as of March 25, 2016. The dividend will be paid on April 15, 2016.

13. 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-cancellable operating leases, excluding month-to-month arrangements and submetered power, for the next five years are shown below:

IN MILLIONS		
2016	$	379.4
2017		295.0
2018		204.1
2019		121.6
2020		81.2

14. Employee Benefit Plans

Currently, our employees participate in health care plans sponsored by CyrusOne, which provide medical, dental, vision and prescription benefits. We incurred $3.1 million and $2.1 million of expenses related to these plans for the years ended December 31, 2015 and 2014, respectively. 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.

CyrusOne offers a retirement savings plan to its employees. CyrusOne's matching contribution to its retirement savings plan was $1.1 million and $0.8 million for the years ended December 31, 2015 and December 31, 2014, respectively, 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.

15. 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:

IN MILLIONS, except per share amounts	Year Ended		Year Ended		Period Ended	
For December 31,	2015		2014		2013	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Numerator:						
Net loss attributed to common shareholders	$ (15.4)	$ (15.4)	$ (7.8)	$ (7.8)	$ (5.3)	$ (5.3)
Less: Restricted stock dividends	(1.0)	(1.0)	(0.8)	(0.8)	(0.6)	(0.6)
Net loss available to shareholders	$ (16.4)	$ (16.4)	$ (8.6)	$ (8.6)	$ (5.9)	$ (5.9)
Denominator:						
Weighted average common outstanding-basic	54.3	54.3	29.2	29.2	20.9	20.9
Performance-based restricted stock(1)(2)(3)		—		—		—
Convertible securities(1)(2)(3)		—		—		—
Weighted average shares outstanding-diluted		54.3		29.2		20.9
EPS:						
Net loss per share-basic	$ (0.30)		$ (0.30)		$ (0.28)	
Effect of dilutive shares		—		—		—
Net loss per share-diluted		$ (0.30)		$ (0.30)		$ (0.28)

(1) We have excluded 1.9 million weighted average shares of restricted stock, and 13.1 million of weighted average operating partnership units which are securities convertible into common stock from our diluted earnings per share as of December 31, 2015. These amounts were deemed anti-dilutive.

(2) We have excluded 0.8 million weighted average shares of restricted stock, and 34.3 million of weighted average operating partnership units which are securities convertible into common stock from our diluted earnings per share as of December 31, 2014. These amounts were deemed anti-dilutive.

(3) We have excluded 0.2 million weighted average shares of restricted stock, and 42.6 million of weighted average operating partnership units which are securities convertible into common stock from our diluted earnings per share as of December 31, 2013. These amounts were deemed anti-dilutive.

16. Stock-Based Compensation Plans

Stock-based compensation expense was as follows:

For the periods ended December 31,	2015	2014	2013
Founders	$ 5.2	$ 5.4	$ 5.3
2013 Grants	1.2	1.2	0.9
2014 Grants	3.0	3.7	—
2015 Grants	5.0	—	—
Total	$ 14.4	$ 10.3	$ 6.2

In conjunction with the CyrusOne Inc. IPO, the board of directors of CyrusOne Inc. adopted the 2012 Long-Term Incentive Plan (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. is allocated to the operating partnership. Shares available under the LTIP at December 31, 2015, were approximately 1.5 million. Shares vest according to each agreement and as long as the employee remains employed with the Company. The Company uses the Black-Scholes option-pricing model for time and performance-based options and a Monte Carlo simulation for market-based awards. Compensation expense is measured based on the estimated grant-date fair value. Expense for time-based grants is recognized under a straight-line method. For market-based grants, expense is recognized under a graded expense attribution method. For performance-based grants, expense is recognized under a graded expense attribution method if it is probable that the performance targets will be achieved.

Founders Grants

On January 24, 2013, the Company granted one million shares of time-based restricted stock, which had an aggregate value of $19.0 million on the grant date. Holders of the restricted stock have all of the rights and privileges of shareholders including but not limited to the right to vote, receive dividends and distributions upon liquidation of CyrusOne. These shares vest at the end of three years. As of December 31, 2015, unearned compensation representing the unvested portion of the Founders awards, net of forfeitures, totaled $0.3 million, and the weighted average vesting period was 0.1 years.

2013 Grants

On April 17, 2013, the Company issued performance and market-based awards under the LTIP in the form of stock options and restricted stock units. For these awards, vesting was tied 50% to the achievement of a non-GAAP performance measure (cumulative EBITDA targets, as defined in the agreement), over the 2013-2015 performance period, and 50% market-based performance measure (the total stockholder return (TSR), as defined in the agreement) at the end of the three-year period ending December 31, 2015. The portion of the awards tied to cumulative EBITDA was eligible to vest annually over a three-year period based on the Company attaining predetermined cumulative EBITDA targets. The cumulative EBITDA targets are based on the below scales. The scales are linear between each point and awards are interpolated between the points.

- Below 90% of performance target = 0%
- At 90% of performance target = 50%
- At 100% of performance target = 100%
- At or above 115% of performance target = up to 200%

The portion of the awards tied to TSR was eligible to vest at the end of three years if the TSR, during the three-year measurement period following the grant date, met or exceeded the return of the MSCI US REIT Index (Index) over the same period. The TSR targets are based on the below scales. The scales are linear between each point and awards are interpolated between the points.

- If CyrusOne's TSR is less than the return of the Index = 0%
- If CyrusOne's TSR is equal to or greater than the return of the Index = 100%; up to 200% if CyrusOne's TSR exceeds the return of the Index by 2%
- If CyrusOne's TSR exceeds the return of the Index, but is negative, any calculated vesting amount will be reduced by 50%

The stock option awards have a contractual life of 10 years from the award date and were granted with an exercise price equal to $23.58.

In addition, during the year ended December 31, 2013, the Company also granted from time-to-time a total of 4,361 additional time-based restricted shares which had an aggregate value of $0.1 million on the grant date. These shares cliff vested one year after the grant date or will vest three years after the grant date.

The holders of restricted stock shall have all of the rights and privileges of shareholders including the right to vote. Any dividends paid with respect to the shares shall be accrued by the Company and distributed on the vesting date provided that the applicable performance goal has been attained. As of December 31, 2015, unearned compensation representing the unvested portion of the awards granted during 2013 (excluding the Founders awards), net of forfeitures, totaled $0.1 million, with a weighted average vesting period of 0.3 years.

2014 Grants

On February 7, 2014, the Company issued performance and market-based awards under the LTIP in the form of restricted stock units. For these awards, vesting is tied 50% to the achievement of a non-GAAP performance measure (cumulative Adjusted EBITDA targets, as defined in the agreement) over the 2014-2016 performance period, and 50% to a market-based performance measure TSR, as defined in the agreement), as of the end of the three-year period ending December 31, 2016. The portion of the awards tied to cumulative Adjusted EBITDA vest annually over a three-year period based on the Company attaining predetermined cumulative Adjusted EBITDA targets and as long as the employee remains employed with the Company. The portion of the award tied to TSR will vest at the end of three years based on the cumulative TSR over a three-year performance period. The market and performance-based awards will vest based on the same scales as the awards granted during 2013.

In addition, during the year ended December 31, 2014, the Company also granted from time-to-time a total of 46,313 additional time-based restricted shares which had an aggregate value of $1.0 million on the grant date. These shares cliff vested either one year after the grant date or will vest three years after the grant date.

The holders of restricted stock have all of the rights and privileges of shareholders including the right to vote. Any dividends paid with respect to the shares shall be accrued by the Company and distributed on the vesting date provided that the applicable performance goal has been attained. As of December 31, 2015, unearned compensation representing the unvested portion of the awards granted during 2014, net of forfeitures, totaled $1.3 million, with a weighted average vesting period of 1.1 years.

2015 Grants

On February 10, 2015, the Company issued awards under the LTIP in the form of options and restricted stock. The stock options are time-based and vest annually on a pro-rata basis over three years. Twenty-five percent of the restricted stock awards are subject to time-based vesting and seventy-five percent of the restricted stock awards are equally split between performance-based and market-based vesting. The time-based restricted stock will vest pro-rata annually over three years. The performance and market-based restricted stock will vest annually based upon the achievement of certain criteria for each year of the three-year measurement period. The first two years are capped at 100% of the target with a cumulative true-up in year three. The fair values 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.

In addition, during the year ended December 31, 2015, for various new employee hires, the following grants were made:

- 8,157 shares of time-based restricted stock which cliff vest in three years from the date of each grant.
- 29,424 shares of time-based restricted stock which vest annually from the date of each grant.
- 12,719 time-based options which vest annually from the date of each grant.

- 11,711 shares of performance-based restricted stock, which vest annually based upon the achievement of certain criteria for each year of the three-year measurement period.
- 55,301 shares of performance-based (separate non-GAAP measure, as defined in the specific agreement) restricted stock, which cliff vests in three years from the date of grant.

For the year ended December 31, 2015, the unvested portion of the awards granted in 2015, net of forfeitures, totaled $5.6 million and the weighted average vesting period was 1.6 years.

The compensation expense for the year ended December 31, 2015 includes $2.4 million due to the acceleration of equity awards of two senior executives who left the Company.

Restricted Stock and Stock Option Activity

The following table summarizes the unvested restricted stock activity and the weighted average fair value of these shares at the date of grant for the year ended December 31, 2015:

For the year ended December 31,	2015	
	Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1	1,739,642	$ 20.20
Granted	571,224	23.80
Vested	(458,606)	20.90
Forfeited	(266,779)	21.80
Non-vested at December 31	1,585,481	$ 20.99

The non-vested shares were 1,739,642 and 1,126,669 at December 31, 2014 and 2013, respectively.

The following table summarizes the stock option activity for the year ended December 31, 2015:

For the year ended December 31,	2015	
	Options	Weighted Average Exercise Price
Outstanding at January 1	166,872	$ 23.58
Granted	223,186	28.44
Exercised	(2,525)	23.58
Forfeited or expired	(53,554)	25.98
Outstanding at December 31	333,979	26.44
Exercisable at December 31	78,806	25.75
Vested and expected to vest	78,806	$ 25.75

The outstanding options were 166,872 and 168,963 at December 31, 2014 and 2013, respectively.

The aggregate intrinsic value of options outstanding and options exercisable is based on the Company's closing stock price on the last trading day of the fiscal year for in-the-money options. The aggregate intrinsic value represents the cumulative difference between the fair market value of the underlying common stock and the option exercise prices. The total intrinsic value of options exercised during fiscal year 2015 was immaterial. There were no options exercised during 2014 and 2013.

The aggregate intrinsic value of options outstanding at December 31, 2015 was $3.7 million. The aggregate intrinsic value of options exercisable at December 31, 2015 was $0.9 million.

Stock Option Assumptions

The following table summarizes the stock option assumptions for the years ended December 31, 2015, 2014, and 2013:

	Options Outstanding		Options Exercisable		Assumption Range			
Exercise Prices	Number of Shares	Weighted Average Remaining Contractual Terms (Years)	Number of Shares	Weighted Average Remaining Contractual Terms (Years)	Risk-Free Interest Rate	Expected Annual Dividend Yield	Expected Terms in Years	Expected Volatility
2013								
$23.58	168,963	9.3	—	0.0	0.92%	3.4%	6.0	35%
2014								
$23.58	166,872	8.3	13,915	8.3	0.92%	3.4%	6.0	35%
2015								
$23.58	142,556	7.3	43,460	7.3	0.92%	3.4%	6.0	35%
$28.42	178,704	9.1	35,346	9.1	1.6% - 1.75%	4.4%	5.5-6.5	32.5% - 37.5%
$30.74	12,719	9.6	—	0.0	1.6% - 1.75%	4.4%	5.5-6.5	32.5% - 37.5%

17. Related Party Transactions

Prior to November 20, 2012, CyrusOne Inc., CyrusOne GP, CyrusOne LP and its subsidiaries were operated by CBI. 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:

IN MILLIONS	Successor			Predecessor
	December 31, 2015	December 31, 2014	January 24, 2013 to December 31, 2013	January 1, 2013 to January 23, 2013
Revenue:				
Data center colocation agreement provided to CBT and CBTS	$ 7.8	$ 6.4	$ 5.6	$ 0.3
229 West 7th Street lease provided to CBT	1.9	2.0	1.7	—
Goldcoast Drive/Parkway (Mason) lease	0.3	0.4	0.3	—
Transition services provided to CBTS (network interfaces)	0.3	0.4	0.6	0.1
Data center leases provided to CBTS	12.0	13.6	13.1	—
Total revenue	**$ 22.3**	**$ 22.8**	**$ 21.3**	**$ 0.4**
Operating costs and expenses:				
Transition services agreement by CBTS	$ 0.7	$ 0.8	$ 1.3	$ —
Charges for services provided by CBT (connectivity)	1.0	1.0	1.0	0.1
209 West 7th Street rent provided by CBT	0.2	0.2	0.1	—
Management fees with CBI	—	—	0.1	—
Allocated employee benefit plans by CBI	—	—	—	0.2
Allocated centralized insurance costs by CBI	—	—	—	0.1
Total operating costs and expenses	**$ 1.9**	**$ 2.0**	**$ 2.5**	**$ 0.4**

As of December 31, 2014, the amounts receivable and payable to CBI were as follows:

IN MILLIONS	
As of December 31,	**2014**
Accounts receivable from CBI	$ 0.8
Accounts payable	$ 1.7
Dividends payable	5.6
Total payable to CBI	$ 7.3

The dividends payable as of December 31, 2015, was approximately $2.0 million, which relates to the 6.3 million operating partnership units in CyrusOne LP held by a subsidiary of CyrusOne Inc. as of the record date of December 24, 2015. As of December 31, 2015, CBI was no longer an affiliate of CyrusOne Inc. as described in Note 2, Formation and Recent Developments.

Other Related Party Transactions

Prior to joining CyrusOne in March 2013, our former general counsel Thomas Bosse 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 IPO.

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 2015, 2014 and 2013, CyrusOne paid $1.1 million, $1.0 million and $1.5 million, respectively, 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 former directors is a partner with Skadden, Arps, Slate, Meagher & Flom LLP (Skadden). For the years ended December 31, 2014 and 2013, CyrusOne paid Skadden $1.1 million and $0.2 million, respectively, for services rendered. In 2015, the amount CyrusOne paid to Skadden was immaterial.

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

18. 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 were settled by December 31, 2014.

19. Income Taxes

CyrusOne Inc., elected to be taxed as a REIT under the Code, 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 continue to 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 CyrusOne Inc. and its subsidiary pass-through entities.

We have elected to designate two subsidiaries as taxable REIT subsidiaries (each a TRS). 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 federal and state corporate rates. 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. Income tax expense for the year ended December 31, 2015 and December 31, 2014, and for the periods ended December 31, 2013 and January 23, 2013 was $1.8 million, $1.4 million, $1.9 million and $0.4 million, respectively.

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. Our total Texas margin tax payable was $0.0 million and $1.7 million as of December 31, 2015 and 2014, respectively.

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, 2015, and December 31, 2014. 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, 2015 and at December 31, 2014, the net domestic and foreign deferred tax assets were zero.

In 2015 and 2014, 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, 2015 and December 31, 2014:

For the year ended December 31,	2015	2014
Common Stock dividend per share:		
Ordinary income	$ —	$ 0.45
Return of capital	1.16	0.34
Total dividend	**$ 1.16**	**$ 0.79**

Common stock dividends may be characterized for federal income tax purposes as ordinary income, qualified dividends, 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 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.

20. Commitments and Contingencies

Operating Leases

We lease certain data center facilities and equipment from third parties. Operating lease expense was $7.4 million, $6.7 million, $6.5 million and $0.2 million for the years ended December 31, 2015, and December 31, 2014, and the period ended December 31, 2013 and January 23, 2013, respectively. Certain of these leases provide for renewal options with fixed rent escalations beyond the initial lease term.

At December 31, 2015, future minimum lease payments required under operating leases having initial or remaining non-cancellable lease terms in excess of one year are as follows:

IN MILLIONS	
2016	$ 4.3
2017	4.2
2018	1.8
2019	—
2020	—
Thereafter	0.9
Total	**$ 11.2**

Standby Letters of Credit

As of December 31, 2015, CyrusOne Inc. had outstanding letters of credit of $7.1 million as security for obligations under the terms of the lease agreements.

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, 2015 and 2014, 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-cancellable purchase commitments for 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, 2015, the minimum commitments for these arrangements were approximately $42.6 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.

21. Guarantors

CyrusOne Inc.

CyrusOne LP and CyrusOne Finance Corp., as “LP Co-issuer” and “Finance Co-issuer,” respectively (together, the Issuers), had $477.6 million aggregate principal amount of 6.375% senior notes outstanding, including bond premium, at December 31, 2015. As of December 31, 2015, the 6.375% 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 wholly owned subsidiaries, CyrusOne LLC, CyrusOne TRS Inc., CyrusOne Foreign Holdings LLC, Cervalis Holdings LLC, and Cervalis LLC (such subsidiaries, together the Guarantors). None of CyrusOne LP's subsidiaries organized outside of the United States (collectively, the Non-Guarantors) guarantee the 6.375% senior notes. Subject to the provisions of the indenture governing the 6.375% 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 6.375% senior notes in accordance with the terms of the indenture.

The entity structure of each guarantor of the 6.375% senior notes is described below.

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. is 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 wholly 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 are CyrusOne LP and CyrusOne Finance Corp. CyrusOne Finance Corp., a wholly owned subsidiary of CyrusOne LP, was formed for the sole purpose of acting as co-issuer of the 6.375% senior notes and has no other assets or operations. CyrusOne LP, in addition to being the co-issuer of the 6.375% senior notes, is also the 100% owner, either directly or indirectly, of the Guarantors and Non-Guarantors.

Guarantor Subsidiaries – The guarantors of the 6.375% senior notes include CyrusOne LLC, CyrusOne TRS Inc., CyrusOne Foreign Holdings LLC, Cervalis and Cervalis LLC (the Guarantor Subsidiaries) agreed to provide unconditional guarantees of the issuers’ obligations under the 6.375% senior notes. The guarantee of each Guarantor Subsidiary is (i) a senior unsecured obligation of such Guarantor Subsidiary, (ii) *pari passu* in right of payment with any existing and future unsecured senior indebtedness of such Guarantor Subsidiary, (iii) senior in right of payment to any future subordinated indebtedness of such Guarantor Subsidiary and (iv) effectively subordinated in right of payment to all existing and future secured indebtedness of such Guarantor Subsidiary, to the extent of the value of the collateral securing that indebtedness. CyrusOne LLC, together with CyrusOne Foreign Holdings LLC, directly or indirectly owns 100% of the Non-Guarantors.

Non-Guarantors consist of wholly owned subsidiaries which conduct operations in the United Kingdom and Singapore, as well as CyrusOne Government Services LLC, a Delaware limited liability company and 100% owned subsidiary.

The following schedules present the balance sheets as of December 31, 2015 and 2014, and the statements of operations and comprehensive income (loss) for the years ended December 31, 2015 and 2014 and the periods ended December 31, 2013 and January 23, 2013, and the statements of cash flows for the years ended December 31, 2015 and 2014 and the periods ended December 31, 2013 and January 23, 2013 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.

The condensed consolidating statements of cash flows for the year ended December 31, 2015, includes the acquisition of Cervalis in July 2015. The results for Cervalis are included in the Guarantor financial statements subsequent to the Cervalis Acquisition.

Consolidating Balance Sheets

IN MILLIONS	As of December 31, 2015							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	Non-Guarantors	Eliminations/ Consolidations	Total
Land	$ —	$ —	$ —	$ —	$ 93.0	$ —	$ —	$ 93.0
Buildings and improvements	—	—	—	—	865.6	39.6	0.1	905.3
Equipment	—	—	—	—	594.7	0.9	2.6	598.2
Construction in progress	—	—	—	—	229.8	0.1	1.2	231.1
Subtotal	—	—	—	—	1,783.1	40.6	3.9	1,827.6
Accumulated depreciation	—	—	—	—	(426.0)	(9.6)	—	(435.6)
Net investment in real estate	—	—	—	—	1,357.1	31.0	3.9	1,392.0
Cash and cash equivalents	—	—	—	—	10.4	3.9	—	14.3
Investment in subsidiaries	817.7	8.2	850.6	—	0.7	—	(1,677.2)	—
Restricted cash	—	—	—	—	1.5	—	—	1.5
Rent and other receivables	—	—	—	—	74.8	1.3	—	76.1
Intercompany receivable	—	—	991.3	—	—	—	(991.3)	—
Goodwill	—	—	—	—	453.4	—	—	453.4
Intangible assets, net	—	—	—	—	170.3	—	—	170.3
Due from affiliates	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	85.3	2.7	—	88.0
Total assets	**$ 817.7**	**$ 8.2**	**$ 1,841.9**	**$ —**	**$ 2,153.5**	**$ 38.9**	**$ (2,664.6)**	**$ 2,195.6**
Accounts payable and accrued expenses	$ —	$ —	$ 29.2	—	$ 106.8	$ 0.6	$ —	$ 136.6
Deferred revenue	—	—	—	—	78.0	0.7	—	78.7
Intercompany payable	—	—	—	—	991.3	—	(991.3)	—
Due to affiliates	—	—	—	—	—	—	—	—
Capital lease obligations	—	—	—	—	6.1	6.1	—	12.2
Long-term debt	—	—	995.0	—	1.5	—	—	996.5
Lease financing arrangements	—	—	—	—	119.2	30.8	—	150.0
Total liabilities	**—**	**—**	**1,024.2**	**—**	**1,302.9**	**38.2**	**(991.3)**	**1,374.0**
Total shareholders' equity	817.7	8.2	817.7	—	850.6	0.7	(1,673.3)	821.6
Noncontrolling interest	—	—	—	—	—	—	—	—
Total equity	817.7	8.2	817.7	—	850.6	0.7	(1,673.3)	821.6
Total liabilities and equity	**$ 817.7**	**$ 8.2**	**$ 1,841.9**	**$ —**	**$ 2,153.5**	**$ 38.9**	**$ (2,664.6)**	**$ 2,195.6**

IN MILLIONS	As of December 31, 2014							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	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	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	—	—	—	—	73.1	3.2	—	76.3
Total assets	**$ 458.5**	**$ 7.1**	**$ 1,377.2**	**$ —**	**$ 1,528.0**	**$ 44.4**	**$ (1,844.2)**	**$ 1,571.0**
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	—	—	644.3	—	—	—	—	644.3
Lease financing arrangements	—	—	—	—	20.9	32.5	—	53.4
Total liabilities	**—**	**—**	**662.4**	**—**	**793.7**	**40.8**	**(642.9)**	**854.0**
Total shareholders' equity	458.5	7.1	714.8	—	734.3	3.6	(1,457.5)	460.8
Noncontrolling interest	—	—	—	—	—	—	256.2	256.2
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**	**$ 1,377.2**	**$ —**	**$ 1,528.0**	**$ 44.4**	**$ (1,844.2)**	**$ 1,571.0**

Consolidating Statements of Operations and Comprehensive Income (Loss)

IN MILLIONS	Year Ended December 31, 2015							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	Non-Guarantors	Eliminations/ Consolidations	Total
Revenue	**$ —**	**$ —**	**$ —**	**$ —**	**$ 393.8**	**$ 5.5**	**$ —**	**$ 399.3**
Costs and expenses:								
Property operating expenses	—	—	—	—	146.0	2.7	—	148.7
Sales and marketing	—	—	—	—	12.0	0.1	—	12.1
General and administrative	—	—	—	—	46.6	—	—	46.6
Depreciation and amortization	—	—	—	—	138.7	2.8	—	141.5
Transaction and acquisition integration costs	—	—	—	—	14.1	—	—	14.1
Asset impairments and loss on disposal	—	—	—	—	13.5	—	—	13.5
Total costs and expenses	**—**	**—**	**—**	**—**	**370.9**	**5.6**	**—**	**376.5**
Operating income (loss)	—	—	—	—	22.9	(0.1)	—	22.8
Interest expense	—	—	39.7	—	—	3.2	(1.7)	41.2
Loss on extinguishment of debt	—	—	—	—	—	—	—	—
(Loss) income before income taxes	**—**	**—**	**(39.7)**	**—**	**22.9**	**(3.3)**	**1.7**	**(18.4)**
Income tax expense	—	—	—	—	(1.8)	—	—	(1.8)
Equity (loss) earnings related to investment in subsidiaries	(17.1)	(0.2)	17.8	—	(3.3)	—	2.8	—
Net (loss) income	**(17.1)**	**(0.2)**	**(21.9)**	**—**	**17.8**	**(3.3)**	**4.5**	**(20.2)**
Noncontrolling interest in net loss	—	—	—	—	—	—	4.8	4.8
Net (loss) income attributed to common shareholders	**(17.1)**	**(0.2)**	**(21.9)**	**—**	**17.8**	**(3.3)**	**9.3**	**(15.4)**
Other comprehensive loss	—	—	—	—	—	(0.2)	—	(0.2)
Comprehensive loss attributable to common shareholders	**$ (17.1)**	**$ (0.2)**	**$ (21.9)**	**$ —**	**$ 17.8**	**$ (3.5)**	**$ 9.3**	**$ (15.6)**

IN MILLIONS	Year Ended December 31, 2014							
	Parent Guarantor (1)	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	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 and acquisition integration 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	**(10.0)**	**(0.2)**	**(16.7)**	**—**	**35.1**	**(3.9)**	**(12.1)**	**(7.8)**
Other comprehensive loss	—	—	—	—	—	(0.3)	—	(0.3)
Comprehensive loss attributable to noncontrolling interests	—	—	—	—	—	—	0.1	0.1
Comprehensive loss attributable to common shareholders	**$ (10.0)**	**$ (0.2)**	**$ (16.7)**	**$ —**	**$ 35.1**	**$ (4.2)**	**$ (12.0)**	**$ (8.0)**

IN MILLIONS	Period Ended December 31, 2013							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	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 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 before income taxes	**—**	**—**	**(36.5)**	**—**	**27.5**	**(4.5)**	**—**	**(13.5)**
Income tax expense	—	—	—	—	(1.9)	—	—	(1.9)
Equity loss 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 income (loss) attributed to common shareholders	$ **(5.3)**	$ **(0.2)**	$ **(15.6)**	$ **—**	$ **20.9**	$ **(4.5)**	$ **(0.6)**	$ **(5.3)**

IN MILLIONS	Period Ended January 23, 2013							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	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) income	—	—	—	—	(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	$ **—**	$ **—**	$ **(20.2)**	$ **—**	$ **(17.9)**	$ **(0.1)**	$ **18.0**	$ **(20.2)**

Consolidating Statements of Cash Flows

IN MILLIONS	Year Ended December 31, 2015							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	Non-Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	$ (17.1)	(0.2)	$ (21.9)	$ —	17.8	$ (3.3)	$ 4.5	$ (20.2)
Equity earnings (loss) related to investment in subsidiaries	17.1	0.2	(17.8)	—	3.3	—	(2.8)	—
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:								
Depreciation and amortization	—	—	—	—	138.7	2.8	—	141.5
Stock-based compensation expense	—	—	—	—	14.4	—	—	14.4
Non-cash interest expense	—	—	3.4	—	—	—	—	3.4
Provision for bad debt write off	—	—	—	—	—	—	—	—
Loss on extinguishment of debt	—	—	—	—	—	—	—	—
Asset impairments and loss on disposal	—	—	—	—	13.5	—	—	13.5
Changes in operating assets and liabilities:								
Rent receivables and other assets	—	—	—	—	(26.1)	2.2	—	(23.9)
Accounts payable and accrued expenses	—	—	16.7	—	(9.8)	0.1	—	7.0
Deferred revenues	—	—	—	—	5.3	0.1	—	5.4
Due to affiliates	—	—	—	—	(0.9)	—	—	(0.9)
Net cash (used in) provided by operating activities	—	—	(19.6)	—	156.2	1.9	1.7	140.2
Cash flows from investing activities:								
Capital expenditures - acquisitions of real estate	—	—	—	—	(17.3)	—	—	(17.3)
Capital expenditures - other development	—	—	—	—	(216.7)	(0.5)	—	(217.2)
Business acquisition, net of cash acquired	—	—	—	—	(398.4)	—	—	(398.4)
Release of restricted cash	—	—	—	—	7.3	—	—	7.3
Investment in and loans to subsidiaries	(203.1)	(2.0)	(203.1)	—	(0.4)	—	408.6	—
Return of investment	62.6	—	102.0	—	(17.9)	—	(146.7)	—
Intercompany contributions/distributions	—	—	(348.4)	—	—	—	348.4	—
Net cash provided by (used in) investing activities	(140.5)	(2.0)	(449.5)	—	(643.4)	(0.5)	610.3	(625.6)
Cash flows from financing activities:								
Issuance of common stock	799.5	—	—	—	—	—	—	799.5
Stock issuance costs	(0.8)	—	—	—	—	—	—	(0.8)
Acquisition of operating partnership units	(596.4)	—	—	—	—	—	—	(596.4)
Dividends paid	(61.0)	—	(80.8)	—	(80.8)	—	141.8	(80.8)
Intercompany borrowings	—	—	—	—	348.4	—	(348.4)	—
Borrowings from credit facility	—	—	260.0	—	—	—	—	260.0
Proceeds from issuance of debt	—	—	103.8	—	—	—	—	103.8
Payments on credit facility	—	—	(10.0)	—	—	—	—	(10.0)
Payments on senior notes	—	—	—	—	—	—	—	—
Payments on capital leases and other financing arrangements	—	—	—	—	(5.0)	(0.9)	—	(5.9)
Tax payment upon exercise of equity awards	(0.8)	—	—	—	—	—	—	(0.8)
Contributions from/(distributions to) parent, net	—	2.0	201.5	—	201.5	0.4	(405.4)	—
Debt issuance costs	—	—	(5.4)	—	—	—	—	(5.4)
Net cash (used in) provided by financing activities	140.5	2.0	469.1	—	464.1	(0.5)	(612.0)	463.2
Net (decrease) increase in cash and cash equivalents	—	—	—	—	(23.1)	0.9	—	(22.2)
Cash and cash equivalents at beginning of period	—	—	—	—	33.5	3.0	—	36.5
Cash and cash equivalents at end of period	**$ —**	**$ —**	**$ —**	**$ —**	**$ 10.4**	**$ 3.9**	**$ —**	**$ 14.3**

IN MILLIONS	Year Ended December 31, 2014							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	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	—
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:								
Depreciation and amortization	—	—	—	—	115.0	3.0	—	118.0
Stock-based compensation expense	—	—	—	—	10.3	—	—	10.3
Non-cash 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
Changes in operating assets and liabilities:								
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
Due to affiliates	—	—	—	—	(0.2)	—	—	(0.2)
Deferred revenues	—	—	—	—	10.0	(0.2)	—	9.8
Net cash provided by (used in) operating activities	—	—	(29.7)	—	141.7	(3.1)	2.2	111.1
Cash flows from investing activities:								
Capital expenditures - other development	—	—	—	—	(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 (used in) provided by investing activities	25.2	—	(37.5)	—	(329.3)	(0.3)	57.7	(284.2)
Cash flows from financing activities:								
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 credit facility	—	—	315.0	—	—	—	—	315.0
Payments on credit facility	—	—	(30.0)	—	—	—	—	(30.0)
Payments on senior notes	—	—	(150.2)	—	—	—	—	(150.2)
Payments on capital leases obligations	—	—	—	—	(2.4)	(0.6)	—	(3.0)
Payments on financing arrangements	—	—	—	—	(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 provided by (used in) 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**

IN MILLIONS	Period Ended December 31, 2013							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	Non-Guarantors	Eliminations/ Consolidations	Total
Net (loss) income	$ (5.3)	$ (0.2)	$ (15.6)	$ —	$ 20.9	$ (4.5)	$ (10.9)	$ (15.6)
Equity loss related to investment in subsidiaries	5.3	0.2	(20.9)	—	4.5	—	10.9	—
Adjustments to reconcile net (loss) income to net cash provided by operating activities:								
Depreciation and amortization	—	—	—	—	87.1	2.8	—	89.9
Stock-based compensation expense	—	—	—	—	6.0	—	—	6.0
Non-cash 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 and loss on disposal	—	—	—	—	2.8	—	—	2.8
Deferred income tax expense, including valuation allowance change	—	—	—	—	0.6	—	—	0.6
Other, net	(7.1)	—	(13.4)	—	(16.2)	—	36.7	—
Changes in operating assets and liabilities:								
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)
Due to affiliates	—	—	6.8	—	18.4	—	(6.8)	18.4
Deferred revenues	—	—	—	—	(0.3)	0.2	—	(0.1)
Net cash provided by operating activities	—	—	(34.3)	—	115.8	(4.2)	0.1	77.4
Cash flows from investing activities:								
Capital expenditures - acquisitions of real estate	—	—	—	—	(48.0)	—	—	(48.0)
Capital expenditures - other development	—	—	—	—	(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	—	—	—	—	(0.2)	—	—	(0.2)
Net cash provided by (used in) investing activities	(326.5)	—	(270.6)	—	(216.7)	—	597.1	(216.7)
Cash flows from financing activities:								
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)
Payments on financing obligations	—	—	—	—	(0.5)	(0.2)	—	(0.7)
Payment to buyout capital leases	—	—	—	—	(9.6)	—	—	(9.6)
Payment to buyout other financing arrangements	—	—	—	—	(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 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**

IN MILLIONS	Period Ended January 23, 2013							
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantor Subsidiaries	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
Changes in operating assets and liabilities:								
Rent receivables and other assets	—	—	—	—	(9.6)	—	—	(9.6)
Accounts payable and accrued expenses	—	—	2.1	—	18.4	—	—	20.5
Due to affiliates	—	—	—	—	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
Cash flows from investing activities:								
Capital expenditures - other development	—	—	—	—	(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)
Cash flows from financing activities:								
Payments on capital lease obligations	—	—	—	—	(0.6)	—	—	(0.6)
Contributions from/(distributions to) 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**

22. Quarterly Financial Information (Unaudited)

The table below reflects the unaudited selected quarterly information for the years ended December 31, 2015 and 2014:

IN MILLIONS, except per share amounts

	2015				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue	$ 85.7	$ 89.1	$ 111.2	$ 113.3	$ 399.3
Operating income	1.6	2.6	7.5	11.1	22.8
Net income (loss)	(7.2)	(6.5)	(5.3)	(1.2)	(20.2)
Net income (loss) attributed to common shareholders	(4.3)	(5.5)	(4.6)	(1.0)	(15.4)
Basic and diluted loss per share[(a)]	$ (0.12)	$ (0.11)	$ (0.08)	$ (0.02)	$ (0.33)

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 (loss) income	11.8	7.4	9.6	11.2	40.0
Net loss	0.7	(3.6)	0.2	(11.8)	(14.5)
Net loss attributed to common shareholders	0.2	(1.1)	0.1	(7.0)	(7.8)
Basic and diluted loss per share[(b)]	$ —	$ (0.06)	$ —	$ (0.19)	$ (0.25)

[(a)] The basic and diluted income (loss) per share for 2015 was $(0.30) compared to $(0.33) due to the impact of the 14.3 million shares of common stock issued during the secondary offering in April 2015, and the 6.0 million shares of common stock issued during the secondary offering in June 2015.

[(b)] The basic and diluted income (loss) per share for 2014 was $(0.30) compared to $(0.25) due to the impact of the 16.0 million shares of common stock issued during the secondary offering in June 2014.

23. Subsequent Event

None.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and the Chief Financial Officer (our principal executive officer and principal financial officer, respectively), we have evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of December 31, 2015. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of December 31, 2015, the Company's disclosure controls and procedures were effective in ensuring information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, management assessed the effectiveness of internal control over financial reporting as of December 31, 2015 based on the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management has concluded that our internal control over financial reporting was effective at December 31, 2015, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Deloitte & Touche LLP, our independent registered public accounting firm, has audited our financial statements included in this Annual Report on Form 10-K and has issued its attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2015.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during ended December 31, 2015 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 2016 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 2016 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 2016 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 2016 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 2016 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				
2015	$ 1.0	$ —	$ —	$ 1.0
2014	0.5	0.8	0.3	1.0
2013	0.3	0.4	0.2	0.5
Deferred Tax Valuation Allowance				
2015	$ 5.7	$ 0.6	$ —	$ 6.3
2014	3.6	2.1	—	5.7
2013	1.9	1.7	—	3.6

Schedule III.

Real Estate Properties and Accumulated Depreciation

CyrusOne Inc.

(dollars in millions)	As of December 31, 2015										
	Initial Costs			Cost Capitalized Subsequent to Acquisition			Gross Carrying Amount				
Description	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment	Accumulated Depreciation	Acquisition
West Seventh St., Cincinnati, OH (7th Street)	$ 0.9	$ 42.2	$ —	$ —	$ 68.4	$ 19.6	$ 0.9	$ 110.6	$ 19.6	$ 75.1	1999
Parkway Dr., Mason, OH (Mason)	—	—	—	—	20.2	1.0	—	20.2	1.0	11.8	2004
Industrial Rd., Florence, KY (Florence)	2.2	7.7	—	—	33.8	3.3	2.2	41.5	3.3	21.8	2005
Goldcoast Dr., Cincinnati, OH (Goldcoast)	0.6	—	—	—	6.7	0.1	0.6	6.7	0.1	2.6	2007
Knightsbridge Dr., Hamilton, OH (Hamilton)	—	9.5	—	—	39.7	4.4	—	49.2	4.4	22.7	2007
E. Monroe St., South Bend, IN (Monroe St.)	—	—	—	—	2.5	0.3	—	2.5	0.3	1.3	2007
Springer St., Lombard, IL (Lombard)	0.7	3.2	—	—	1.5	7.6	0.7	4.7	7.6	2.9	2008
Crescent Circle, South Bend, IN (Blackthorn)	—	1.1	—	—	2.2	0.4	—	3.3	0.4	1.5	2008
Kingsview Dr., Lebanon, OH (Lebanon)	4.0	12.3	—	—	65.0	7.6	4.0	77.3	7.6	26.5	2008
McAuley Place, Blue Ash, OH (Blue Ash)	—	2.6	—	—	(2.0)	0.1	—	0.6	0.1	0.3	2009
Westway Park Blvd., Houston, TX (Houston West 1)	1.4	21.4	0.1	—	63.4	46.3	1.4	84.8	46.4	51.7	2010
Westway Park Blvd., Houston, TX (Houston West 2)	2.0	—	—	—	22.6	47.1	2.0	22.6	47.1	15.3	2013
Westway Park Blvd., Houston, TX (Houston West 3)	18.3	—	—	0.1	4.0	0.8	18.4	4.0	0.8	0.3	2013
Southwest Fwy., Houston, TX (Galleria)	—	56.0	2.0	—	12.6	14.0	—	68.6	16.0	36.8	2010
E. Ben White Blvd., Austin, TX (Austin 1)	—	11.9	0.2	—	1.7	0.8	—	13.6	1.0	10.1	2010
S. State Highway 121 Business, Lewisville, TX (Lewisville)	—	46.2	2.2	—	30.4	22.7	—	76.6	24.9	45.3	2010
Marsh Lane, Carrollton, TX (Marsh Ln)	—	—	—	—	0.1	0.6	—	0.1	0.6	0.4	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	—	—	—	52.7	116.5	16.1	52.7	116.5	34.3	2012
Bryan St., Dallas, TX (Bryan St)	—	0.1	—	—	(0.1)	—	—	—	—	—	2010
North Freeway, Houston, TX (Greenspoint)	—	—	—	—	—	—	—	—	—	—	2010
South Ellis Street, Chandler, AZ (Phoenix 1)	14.8	—	—	—	56.7	39.8	14.8	56.7	39.8	18.5	2011
South Ellis Street, Chandler, AZ (Phoenix 2)	—	—	—	—	16.0	39.5	—	16.0	39.5	5.3	2014
Westover Hills Blvd., San Antonio, TX (San Antonio 1)	4.6	3.0	—	—	29.1	33.0	4.6	32.1	33.0	15.9	2011
Westover Hills Blvd., San Antonio, TX (San Antonio 2)	6.7	—	—	0.3	—	0.1	7.0	—	0.1	—	2013
Metropolis Dr., Austin, TX (Austin 2)	2.0	—	—	—	23.2	5.7	2.0	23.2	5.7	9.6	2011
Myer Conners Rd (Wappinger Falls)	—	9.9	13.3	—	1.4	1.1	—	11.3	14.4	1.3	2015
Madison Road (Totowa)	—	28.3	45.6	—	—	3.2	—	28.3	48.8	3.8	2015
Commerce Road (Totowa)	—	4.1	0.8	—	—	0.2	—	4.1	1.0	0.2	2015
Norden Place (Norwalk)	—	18.3	25.3	—	—	0.1	—	18.3	25.4	1.6	2015
Riverbend Drive South (Stamford)	—	4.3	13.2	—	—	—	—	4.3	13.2	1.2	2015
Omega Drive (Stamford)	—	3.2	0.6	—	—	0.9	—	3.2	1.5	0.2	2015
Kestral Way (London)	—	16.5	—	—	14.7	0.8	—	31.2	0.8	6.0	2011
Jurong East (Singapore)	—	9.0	—	—	(0.6)	0.1	—	8.4	0.1	3.6	2011
Ridgetop Circle, Sterling, VA (Northern Virginia)	6.9	—	—	0.1	19.2	45.2	7.0	19.2	45.2	5.0	2013
Metropolis Dr., Austin, TX (Austin 3)	7.9	—	—	0.1	—	0.1	8.0	—	0.1	—	2013
Metropolis Dr., Austin, TX (Austin 4)	3.3	$ —	$ —	—	7.4	31.5	3.3	7.4	31.5	0.5	2015
	$92.4	$ 312.6	$ 103.3	$ 0.6	$ 592.7	$ 494.9	$ 93.0	$ 905.3	$ 598.2	$ 435.6	

The aggregate cost of the total properties for federal income tax purposes was $2,419.1 million at December 31, 2015.

Historical Cost and Accumulated Depreciation and Amortization

The following table reconciles the historical cost and accumulated depreciation for the years ended December 31, 2015, 2014 and 2013.

	Years Ended December 31,		
(amounts in millions)	2015	2014	2013
Property			
Balance—beginning of period	$ 1,378.4	$ 1,120.5	$ 883.6
Disposals	(7.0)	(0.1)	(8.5)
Impairments	(9.3)	—	(4.0)
Additions (acquisitions and improvements)	465.5	258.0	249.4
Balance, end of period	$ 1,827.6	$ 1,378.4	$ 1,120.5
Accumulated Depreciation			
Balance—beginning of period	$ 327.0	$ 236.7	$ 176.7
Disposals	(2.7)	—	(9.3)
Impairments	—	—	(0.9)
Additions (depreciation and amortization expense)	111.3	90.3	70.2
Balance, end of period	$ 435.6	$ 327.0	$ 236.7

The exhibits required by Item 601 of Regulation S-K are listed below:

Exhibit No.	Exhibit Description
2.1	Agreement and Plan of Merger, dated April 28, 2015 by and among CyrusOne LP, Jupiter Merger Sub, LLC, Cervalis Holdings LLC, and LDG Holdings LLC as the sellers' representative. (Incorporated by reference to Exhibit 2.1 of Form 8-K, filed by the Registrant on April 28, 2015 (Registration No. 001-35789)).
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)).
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	First Amendment to Credit Agreement and other Loan Documents, dated as of June 22, 2015, among CyrusOne LP, the guarantors party thereto, the lenders party thereto and KeyBank National Association, as agent for the lenders (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the Registrant on June 22, 2015 (Registration No. 001-35789)).
4.4	First Supplemental Indenture dated July 1, 2015, among CyrusOne LP, CyrusOne Finance Corp., the guarantors party thereto and Wells Fargo Bank N.A., as trustee (Incorporated by reference to Exhibit 4.1 of Form 8-K, filed by the Registrant on July 1, 2015 (Registration No. 001-35789)).
4.5	Second Supplemental Indenture dated July 2, 2015, among CyrusOne LP, CyrusOne Finance Corp., Cervalis Holdings LLC, Cervalis LLC, the other guarantors party thereto and Wells Fargo Bank N.A., as trustee (Incorporated by reference to Exhibit 4.1 of Form 8-K, filed by the Registrant on July 6, 2015 (Registration No. 001-35789)).
4.6	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	Certificate of Limited Partnership of CyrusOne LP (Incorporated by reference to Exhibit 3.3 of Form S-4, filed by CyrusOne LP on October 28, 2015 (Registration No. 333-207647)).
10.2	Amended and Restated Agreement of Limited Partnership of CyrusOne LP (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by CyrusOne Inc. on January 25, 2013 (Registration No. 001-35789)).
10.3	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)).
10.4	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)).
10.5	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)).
10.6	Joinder Agreement dated July 2, 2015 by Cervalis Holdings LLC and Cervalis LLC and acknowledged by KeyBank National Association (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the Registrant on July 6, 2015 (Registration No. 001-35789)).
10.7	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)).

10.8†	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)).
10.9†	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).
10.10†	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)).
10.11†	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)).
10.12†	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)).
10.13†	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)).
10.14†	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)).
10.15†	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)).
10.16†	Employment Agreement dated as of July 31, 2015, by and between CyrusOne LLC and Robert M. Jackson (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the Registrant on August 3, 2015 (Registration No. 001-35789)).
10.17†	Employment Agreement, dated as of July 31, 2015, by and between CyrusOne LLC and Amitabh Rai (Incorporated by reference to Exhibit 10.3 of Form 8-K, filed by CyrusOne Inc. on August 3, 2015 (Registration No. 001-35789)).
10.18†	Separation Agreement, dated as of July 31, 2015, by and between CyrusOne LLC and Thomas W. Bosse (Incorporated by reference to Exhibit 10.2 of Form 8-K, filed by CyrusOne Inc. on August 3, 2015 (Registration No. 001-35789)).
10.19†	Employment Agreement dated as of October 19, 2015, by and between CyrusOne LLC and Gregory R. Andrews (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by CyrusOne Inc. on September 29, 2015 (Registration No. 001-35789)).
10.20†	Transition Services and Separation Agreement dated September 28, 2015 by and between CyrusOne LLC and Kimberly H. Sheehy (Incorporated by reference to Exhibit 10.2 of Form 8-K, filed by CyrusOne Inc. on September 29, 2015 (Registration No. 001-35789)).
10.21†	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)).
10.22†	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)).
10.23†	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)).
10.24†	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)).
10.25†	Form of Director Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan. (Annual Grant)
10.26†	Form of Executive Time-Based Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.7 of Form 10-Q, filed by CyrusOne Inc. on August 7, 2015 (Registration No. 001-35789)).
10.27†	Form of Executive Performance Restricted Stock Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.8 of Form 10-Q, filed by CyrusOne Inc. on August 7, 2015 (Registration No. 001-35789)).
10.28†	Form of Executive Non-Statutory Stock Option Award under the provisions of the CyrusOne 2012 Long Term Incentive Plan (Incorporated by reference to Exhibit 10.9 of Form 10-Q, filed by CyrusOne Inc. on August 7, 2015 (Registration No. 001-35789)).

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.
24.1+	Powers of Attorney
31.1+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(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 25th day of February, 2016.

CyrusOne Inc.

By: /s/ Gary J. Wojtaszek
Gary J. Wojtaszek
President, Chief Executive Officer, and Director

By: /s/ Gregory R. Andrews
Gregory R. Andrews
Executive Vice President and Chief Financial Officer

By: /s/ Amitabh Rai
Amitabh Rai
Senior Vice President and Chief Accounting Officer

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
/s/ Gary J. Wojtaszek Gary J. Wojtaszek	President, Chief Executive Officer and Director	February 25, 2016
Alex Shumate* Alex Shumate	Chairman of the Board of Directors	February 25, 2016
William E. Sullivan* William E. Sullivan	Director	February 25, 2016
John Gamble* John Gamble	Director	February 25, 2016
T. Tod Nielsen* T. Tod Nielsen	Director	February 25, 2016
David H. Ferdman* David H. Ferdman	Director	February 25, 2016
Lynn Wentworth* Lynn Wentworth	Director	February 25, 2016
*By: /s/ Gary J. Wojtaszek Gary J. Wojtaszek as attorney-in-fact and on his behalf as President, Chief Executive Officer, and Director		February 25, 2016

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