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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2025

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Transition Period From to .

Commission file number 001-32336 (Digital Realty Trust, Inc.)
000-54023 (Digital Realty Trust, L.P.)

DIGITAL REALTY TRUST, INC.
DIGITAL REALTY TRUST, L.P.
(Exact name of registrant as specified in its charter)

Maryland	**(Digital Realty Trust, Inc.)**	**26-0081711**
Maryland	**(Digital Realty Trust, L.P.)**	**20-2402955**
(State or other jurisdiction of incorporation or organization)		**(IRS employer identification number)**

2323 Bryan Street, Suite 1800
Dallas, Texas 75201
(Address of principal executive offices)

(214) 231-1350
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	DLR	New York Stock Exchange
Series J Cumulative Redeemable Preferred Stock	DLR Pr J	New York Stock Exchange
Series K Cumulative Redeemable Preferred Stock	DLR Pr K	New York Stock Exchange
Series L Cumulative Redeemable Preferred Stock	DLR Pr L	New York Stock Exchange

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.

Digital Realty Trust, Inc.	Yes	☒	No	☐
Digital Realty Trust, L.P.	Yes	☒	No	☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Digital Realty Trust, Inc. Yes ☒ No ☐
Digital Realty Trust, L.P. Yes ☒ No ☐

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

Digital Realty Trust, Inc.:

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

Digital Realty Trust, L.P.:

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☒ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Digital Realty Trust, Inc. ☐
Digital Realty Trust, L.P. ☐

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

Digital Realty Trust, Inc. Yes ☐ No ☒
Digital Realty Trust, L.P. Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Digital Realty Trust, Inc.:

Class	Outstanding at July 30, 2025
Common Stock, $.01 par value per share	341,050,435

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended June 30, 2025 of Digital Realty Trust, Inc., a Maryland corporation, and Digital Realty Trust, L.P., a Maryland limited partnership, of which Digital Realty Trust, Inc. is the sole general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to "we," "us," "our," "our Company", or "the Company" refer to Digital Realty Trust, Inc. together with its consolidated subsidiaries, including Digital Realty Trust, L.P. In statements regarding qualification as a REIT, such terms refer solely to Digital Realty Trust, Inc. Unless otherwise indicated or unless the context requires otherwise, all references to the "Parent" refer to Digital Realty Trust, Inc., and all references to "our Operating Partnership," "the Operating Partnership" or "the OP" refer to Digital Realty Trust, L.P. together with its consolidated subsidiaries.

The Parent is a real estate investment trust, or REIT, for U.S. federal income tax purposes and the sole general partner of the OP. As of June 30, 2025, the Parent owned an approximate 98.2% common general partnership interest in Digital Realty Trust, L.P. The remaining approximate 1.8% of the common limited partnership interests of Digital Realty Trust, L.P. are owned by non-affiliated third parties and certain directors and officers of the Parent. As of June 30, 2025, the Parent owned all of the preferred limited partnership interests of Digital Realty Trust, L.P. As the sole general partner of Digital Realty Trust, L.P., the Parent has the full, exclusive and complete responsibility for the OP's day-to-day management and control.

We believe combining the quarterly reports on Form 10-Q of the Parent and the OP into this single report results in the following benefits:

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

It is important to understand the few differences between the Parent and the OP in the context of how we operate the Company. The Parent does not conduct business itself, other than acting as the sole general partner of the OP and issuing public equity from time to time and guaranteeing certain unsecured debt of the OP and certain of its subsidiaries and affiliates. The OP holds substantially all the assets of the business, directly or indirectly. The OP conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from equity issuances by the Parent, which are generally contributed to the OP in exchange for partnership units, the OP generates capital required by the business through the OP's operations, incurrence of indebtedness and issuance of partnership units to third parties.

The presentation of noncontrolling interests, stockholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the Parent and those of the OP. The differences in the presentations between stockholders' equity and partners' capital result from the differences in the equity and capital issuances in the Parent and in the OP.

To highlight the differences between the Parent and the OP, separate sections in this report, as applicable, individually discuss the Parent and the OP, including separate financial statements and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure of the Parent and the OP, this report refers to actions or holdings as being actions or holdings of the Company.

As general partner with control of the OP, the Parent consolidates the OP for financial reporting purposes, and it does not have significant assets other than its investment in the OP. Therefore, the assets and liabilities of the Parent and the OP are the same on their respective condensed consolidated financial statements. The separate discussions of the Parent and the OP in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

In this report, "properties" and "buildings" refer to all or any of the buildings in our portfolio, including data centers and non-data centers, and "data centers" refers only to the properties or buildings in our portfolio that contain data center space. In this report, "Global Revolving Credit Facility" refers to our Operating Partnership's $4.2 billion equivalent senior unsecured revolving credit facility and global senior credit agreement; "Yen Revolving Credit Facility" refers to our Operating Partnership's ¥42,511,000,000 (approximately $295 million based on exchange rates at June 30, 2025) senior unsecured revolving credit facility and Yen credit agreement; and "Global Revolving Credit Facilities" refer to our Global Revolving Credit Facility and our Yen Revolving Credit Facility, collectively.

In this report, the "Euro Term Loan Agreement" refers to a term loan agreement which governs a €375,000,000 five-year senior unsecured term loan facility (the "Euro Term Loan Facility"), comprised of €125,000,000 of initial term loans, the entire amount of which was funded on such date, and €250,000,000 of delayed draw term loan commitments that were funded on September 9, 2023.

In this report, Digital Core REIT ("DCREIT") is a standalone real estate investment trust formed under Singapore law, which is publicly traded on the Singapore Exchange under the ticker symbol "DCRU".

DIGITAL REALTY TRUST, INC. AND DIGITAL REALTY TRUST, L.P.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2025
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DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except per share data)

	June 30, 2025	December 31, 2024
ASSETS		
Investments in real estate:		
Investments in properties, net	$ 25,648,865	$ 24,120,782
Investments in unconsolidated entities	3,622,677	2,639,800
Net investments in real estate	29,271,542	26,760,582
Operating lease right-of-use assets, net	1,180,657	1,178,853
Cash and cash equivalents	3,554,126	3,870,891
Accounts and other receivables, net	1,586,146	1,257,464
Deferred rent, net	681,375	642,456
Goodwill	9,636,513	8,929,431
Customer relationship value, deferred leasing costs and other intangibles, net	2,171,318	2,178,054
Assets held for sale and contribution	139,993	—
Other assets	493,325	465,885
Total assets	$ 48,714,995	$ 45,283,616
LIABILITIES AND EQUITY		
Global revolving credit facilities, net	$ 567,699	$ 1,611,308
Unsecured term loans, net	440,788	386,903
Unsecured senior notes, net of discount	16,641,367	13,962,852
Secured and other debt, net of discount	802,294	753,314
Operating lease liabilities	1,298,085	1,294,219
Accounts payable and other accrued liabilities	2,310,882	2,056,215
Deferred tax liabilities	1,137,305	1,084,562
Accrued dividends and distributions	—	418,661
Security deposits and prepaid rents	653,640	539,802
Obligations associated with assets held for sale and contribution	1,089	—
Total liabilities	23,853,149	22,107,836
Redeemable noncontrolling interests	1,505,889	1,433,185
Commitments and contingencies		
Equity:		
Stockholders' Equity:		
Preferred Stock: $0.01 par value per share, 110,000 shares authorized; $755,000 liquidation preference ($25.00 per share), 30,200 shares issued and outstanding as of June 30, 2025 and December 31, 2024	731,690	731,690
Common Stock: $0.01 par value per share, 502,000 shares authorized; 340,372 and 336,637 issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	3,374	3,337
Additional paid-in capital	28,720,826	28,079,738
Accumulated dividends in excess of earnings	(5,997,607)	(6,292,085)
Accumulated other comprehensive loss, net	(543,756)	(1,182,283)
Total stockholders' equity	22,914,527	21,340,397
Noncontrolling interests	441,430	402,198
Total equity	23,355,957	21,742,595
Total liabilities and equity	$ 48,714,995	$ 45,283,616

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENTS
(unaudited, in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating Revenues:				
Rental and other services	$ 1,457,360	$ 1,338,968	$ 2,844,221	$ 2,656,239
Fee income and other	35,790	17,781	56,566	31,653
Total operating revenues	1,493,150	1,356,749	2,900,787	2,687,892
Operating Expenses:				
Rental property operating and maintenance	607,012	552,901	1,158,997	1,101,840
Property taxes and insurance	54,516	54,375	107,855	98,225
Depreciation and amortization	461,167	425,343	904,176	856,445
General and administrative	136,017	120,395	259,557	235,605
Transactions and integration	22,546	26,072	62,448	57,911
Provision for impairment	—	168,303	—	168,303
Other	195	(529)	307	10,307
Total operating expenses	1,281,453	1,346,860	2,493,340	2,528,636
Operating income	211,697	9,889	407,447	159,256
Other Income (Expenses):				
Equity in loss of unconsolidated entities	(12,062)	(41,443)	(19,702)	(57,451)
Gain on disposition of properties, net	931,830	173,709	932,941	451,496
Other income, net	37,747	62,261	70,520	71,970
Interest expense	(109,383)	(114,756)	(207,847)	(224,291)
Loss on debt extinguishment and modifications	—	—	—	(1,070)
Income tax expense	(12,883)	(14,992)	(30,018)	(37,405)
Net income	1,046,946	74,668	1,153,341	362,505
Net (income) loss attributable to noncontrolling interests	(14,790)	5,552	(11,211)	(777)
Net income attributable to Digital Realty Trust, Inc.	1,032,156	80,220	1,142,130	361,728
Preferred stock dividends	(10,181)	(10,181)	(20,362)	(20,362)
Net income available to common stockholders	$ 1,021,975	$ 70,039	$ 1,121,768	$ 341,366
Net income per share available to common stockholders:				
Basic	$ 3.03	$ 0.22	$ 3.33	$ 1.08
Diluted	$ 2.94	$ 0.20	$ 3.21	$ 1.01
Weighted average common shares outstanding:				
Basic	337,589	319,537	337,139	315,915
Diluted	345,734	327,946	345,305	324,451

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 1,046,946	$ 74,668	$ 1,153,341	$ 362,505
Other comprehensive income (loss):				
Foreign currency translation adjustments	443,651	(23,393)	730,057	(223,397)
Increase in fair value of derivatives	1,872	41,225	24,193	110,260
Reclassification to interest expense from derivatives	(5,954)	(10,095)	(14,610)	(20,425)
Other comprehensive income (loss)	439,569	7,737	739,640	(133,562)
Comprehensive income	1,486,515	82,405	1,892,981	228,943
Comprehensive income attributable to noncontrolling interests	(71,241)	(37,059)	(112,324)	(2,291)
Comprehensive income attributable to Digital Realty Trust, Inc.	$ 1,415,274	$ 45,346	$ 1,780,657	$ 226,652

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Three Months Ended June 30, 2025	Redeemable Noncontrolling Interests	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Dividends in Excess of Earnings	Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Equity
Balance as of March 31, 2025	**$ 1,459,322**	**$ 731,690**	**336,743,461**	**$ 3,338**	**$28,091,661**	**$ (6,604,217)**	**$ (926,874)**	**$ 423,236**	**$21,718,834**
Conversion of common units to common stock	—	—	86,587	—	7,202	—	—	(7,202)	—
Vesting of restricted stock, net	—	—	54,631	—	—	—	—	—	—
Issuance of common stock, net of costs	—	—	3,487,397	—	604,179	—	—	—	604,179
Shares issued under equity plans, net of share settlement to satisfy tax withholding upon vesting	—	—	—	36	(2,789)	—	—	—	(2,753)
Reclassification of vested share-based awards	—	—	—	—	(1,758)	—	—	1,758	—
Amortization of unearned compensation regarding share-based awards	—	—	—	—	27,175	—	—	—	27,175
Adjustment to redeemable noncontrolling interests	4,844	—	—	—	(4,844)	—	—	—	(4,844)
Dividends declared on preferred stock	—	—	—	—	—	(10,181)	—	—	(10,181)
Dividends and distributions on common stock and common and incentive units	(190)	—	—	—	—	(415,365)	—	(7,561)	(422,926)
Contributions from (distributions to) noncontrolling interests	—	—	—	—	—	—	—	1,871	1,871
Net income (loss)	(5,535)	—	—	—	—	1,032,156	—	20,325	1,052,481
Other comprehensive income (loss)	47,448	—	—	—	—	—	383,118	9,003	392,121
Balance as of June 30, 2025	**$ 1,505,889**	**$ 731,690**	**340,372,076**	**$ 3,374**	**$ 28,720,826**	**$ (5,997,607)**	**$ (543,756)**	**$ 441,430**	**$ 23,355,957**

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Six Months Ended June 30, 2025	Redeemable Noncontrolling Interests	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Dividends in Excess of Earnings	Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Equity
Balance as of December 31, 2024	**$ 1,433,185**	**$ 731,690**	**336,636,742**	**$ 3,337**	**$ 28,079,738**	**$ (6,292,085)**	**$ (1,182,283)**	**$ 402,198**	**$ 21,742,595**
Conversion of common units to common stock	—	—	90,990	—	7,572	—	—	(7,572)	—
Vesting of restricted stock, net	—	—	107,790	—	—	—	—	—	—
Issuance of common stock, net of costs	—	—	3,487,397	—	605,163	—	—	—	605,163
Shares issued under equity plans, net of share settlement to satisfy tax withholding upon vesting	—	—	49,157	37	(235)	—	—	—	(198)
Reclassification of vested share-based awards	—	—	—	—	(21,699)	—	—	21,699	—
Amortization of unearned compensation regarding share-based awards	—	—	—	—	49,633	—	—	—	49,633
Adjustment to redeemable noncontrolling interests	(654)	—	—	—	654	—	—	—	654
Dividends declared on preferred stock	—	—	—	—	—	(20,362)	—	—	(20,362)
Dividends and distributions on common stock and common and incentive units	(380)	—	—	—	—	(827,290)	—	(15,217)	(842,507)
Contributions from (distributions to) noncontrolling interests	—	—	—	—	—	—	—	1,736	1,736
Net income (loss)	(11,680)	—	—	—	—	1,142,130	—	22,891	1,165,021
Other comprehensive income (loss)	85,418	—	—	—	—	—	638,527	15,695	654,222
Balance as of June 30, 2025	**$ 1,505,889**	**$ 731,690**	**340,372,076**	**$ 3,374**	**$ 28,720,826**	**$ (5,997,607)**	**$ (543,756)**	**$ 441,430**	**$ 23,355,957**

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Three Months Ended June 30, 2024	Redeemable Noncontrolling Interests	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Dividends in Excess of Earnings	Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Equity
Balance as of March 31, 2024	**$ 1,350,736**	**$ 731,690**	**312,420,659**	**$ 3,097**	**$ 24,508,683**	**$ (5,373,529)**	**$ (850,091)**	**$ 469,637**	**$ 19,489,487**
Conversion of common units to common stock	—	—	138,913	—	9,953	—	—	(9,953)	—
Vesting of restricted stock, net	—	—	50,428	—	—	—	—	—	—
Issuance of common stock, net of costs	—	—	13,275,279	134	1,825,795	—	—	—	1,825,929
Shares issued under equity plans, net of share settlement to satisfy tax withholding upon vesting	—	—	—	—	(2,068)	—	—	—	(2,068)
Reclassification of vested share-based awards	—	—	—	—	(15,168)	—	—	15,168	—
Amortization of unearned compensation regarding share-based awards	—	—	—	—	22,739	—	—	—	22,739
Adjustment to redeemable noncontrolling interests	1,250	—	—	—	(1,250)	—	—	—	(1,250)
Dividends declared on preferred stock	—	—	—	—	—	(10,181)	—	—	(10,181)
Dividends and distributions on common stock and common and incentive units	(190)	—	—	—	—	(397,606)	—	(7,802)	(405,408)
Sale of noncontrolling interest in property to DCRU	—	—	—	—	39,960	—	—	12,115	52,075
Contributions from (distributions to) noncontrolling interests	—	—	—	—	—	—	—	2,182	2,182
Net income (loss)	(4,825)	—	—	—	—	80,220	—	(727)	79,493
Other comprehensive income (loss)	52,918	—	—	—	(251)	—	(34,624)	(10,307)	(45,182)
Balance as of June 30, 2024	**$ 1,399,889**	**$ 731,690**	**325,885,279**	**$ 3,231**	**$ 26,388,393**	**$ (5,701,096)**	**$ (884,715)**	**$ 470,313**	**$ 21,007,816**

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Six Months Ended June 30, 2024	Redeemable Noncontrolling Interests	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Dividends in Excess of Earnings	Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Equity
Balance as of December 31, 2023	**$ 1,394,814**	**$ 731,690**	**311,607,580**	**$ 3,088**	**$ 24,396,797**	**$ (5,262,648)**	**$ (751,393)**	**$ 483,973**	**$ 19,601,507**
Conversion of common units to common stock	—	—	210,851	—	15,253	—	—	(15,253)	—
Vesting of restricted stock, net	—	—	105,671	—	—	—	—	—	—
Issuance of common stock, net of costs	—	—	13,913,259	143	1,923,833	—	—	—	1,923,976
Shares issued under equity plans, net of share settlement to satisfy tax withholding upon vesting	—	—	47,918	—	834	—	—	—	834
Reclassification of vested share-based awards	—	—	—	—	(24,920)	—	—	24,920	—
Amortization of unearned compensation regarding share-based awards	—	—	—	—	41,116	—	—	—	41,116
Adjustment to redeemable noncontrolling interests	2,726	—	—	—	(2,726)	—	—	—	(2,726)
Dividends declared on preferred stock	—	—	—	—	—	(20,362)	—	—	(20,362)
Dividends and distributions on common stock and common and incentive units	(380)	—	—	—	—	(779,814)	—	(15,760)	(795,574)
Sale of noncontrolling interest in property to DCRU	—	—	—	—	39,960	—	—	12,115	52,075
Contributions from (distributions to) noncontrolling interests	—	—	—	—	—	—	—	(19,244)	(19,244)
Net income (loss)	(12,334)	—	—	—	—	361,728	—	13,111	374,839
Other comprehensive income (loss)	15,063	—	—	—	(1,754)	—	(133,322)	(13,549)	(148,625)
Balance as of June 30, 2024	**$ 1,399,889**	**$ 731,690**	**325,885,279**	**$ 3,231**	**$ 26,388,393**	**$ (5,701,096)**	**$ (884,715)**	**$ 470,313**	**$ 21,007,816**

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended June 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income	$ 1,153,341	$ 362,505
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on disposition of properties, net	(932,941)	(451,496)
Provision for impairment	—	168,303
Equity in loss of unconsolidated entities	19,702	57,451
Distributions from unconsolidated entities	74,009	56,987
Depreciation and amortization	904,176	856,445
Amortization of share-based compensation	45,891	38,055
Loss on debt extinguishment and modifications	—	1,070
Straight-lined rents and amortization of above and below market leases	(46,015)	(1,699)
Amortization of deferred financing costs and debt discount / premium	15,186	18,658
Other operating activities, net	7,797	1,990
Changes in assets and liabilities:		
Increase in accounts receivable and other assets	(240,721)	(243,483)
Increase in accounts payable and other liabilities	39,897	60,701
Net cash provided by operating activities	1,040,322	925,487
Cash flows from investing activities:		
Improvements to investments in real estate	(1,491,626)	(1,314,800)
Cash paid for business combination / asset acquisitions, net of cash acquired	(217,883)	(69,869)
Investments in and advances to unconsolidated entities	(215,292)	(163,321)
Return of investment from unconsolidated entities	148,137	97,423
Proceeds from sale of assets	1,077,354	1,240,585
Other investing activities, net	(42,530)	(65,238)
Net cash used in investing activities	(741,840)	(275,220)
Cash flows from financing activities:		
Proceeds from credit facilities	821,522	715,966
Payments on credit facilities	(1,958,565)	(616,311)
Borrowings on secured / unsecured debt	1,868,893	46,951
Repayments on secured / unsecured debt	(495,800)	(877,440)
Capital (distribution to) contributions from noncontrolling interests, net	1,736	(19,244)
Proceeds from issuance of common stock, net	605,163	1,923,976
Payments of dividends and distributions	(1,281,910)	(1,204,304)
Other financing activities, net	(23,205)	77,989
Net cash (used in) provided by financing activities	(462,166)	47,583
Net (decrease) increase in cash, cash equivalents and restricted cash	(163,684)	697,850
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(151,312)	(47,086)
Cash, cash equivalents and restricted cash at beginning of period	3,876,700	1,636,470
Cash, cash equivalents and restricted cash at end of period	$ 3,561,704	$ 2,287,234

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except per unit data)

	June 30, 2025	December 31, 2024
ASSETS		
Investments in real estate:		
Investments in properties, net	$ 25,648,865	$ 24,120,782
Investments in unconsolidated entities	3,622,677	2,639,800
Net investments in real estate	29,271,542	26,760,582
Operating lease right-of-use assets, net	1,180,657	1,178,853
Cash and cash equivalents	3,554,126	3,870,891
Accounts and other receivables, net	1,586,146	1,257,464
Deferred rent, net	681,375	642,456
Goodwill	9,636,513	8,929,431
Customer relationship value, deferred leasing costs and other intangibles, net	2,171,318	2,178,054
Assets held for sale and contribution	139,993	—
Other assets	493,325	465,885
Total assets	$ 48,714,995	$ 45,283,616
LIABILITIES AND CAPITAL		
Global revolving credit facilities, net	$ 567,699	$ 1,611,308
Unsecured term loans, net	440,788	386,903
Unsecured senior notes, net of discount	16,641,367	13,962,852
Secured and other debt, net of discount	802,294	753,314
Operating lease liabilities	1,298,085	1,294,219
Accounts payable and other accrued liabilities	2,310,882	2,056,215
Deferred tax liabilities	1,137,305	1,084,562
Accrued dividends and distributions	—	418,661
Security deposits and prepaid rents	653,640	539,802
Obligations associated with assets held for sale and contribution	1,089	—
Total liabilities	23,853,149	22,107,836
Redeemable noncontrolling interests	1,505,889	1,433,185
Commitments and contingencies		
Capital:		
Partners' capital:		
General Partner:		
Preferred units, $755,000 liquidation preference ($25.00 per unit), 30,200 units issued and outstanding as of June 30, 2025 and December 31, 2024	731,690	731,690
Common units, 340,372 and 336,637 issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	22,726,593	21,790,990
Limited Partners, 6,272 and 6,135 units issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	448,563	426,183
Accumulated other comprehensive loss	(561,319)	(1,212,367)
Total partners' capital	23,345,527	21,736,496
Noncontrolling interests in consolidated entities	10,430	6,099
Total capital	23,355,957	21,742,595
Total liabilities and capital	$ 48,714,995	$ 45,283,616

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENTS
(unaudited, in thousands, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating Revenues:				
Rental and other services	$ 1,457,360	$ 1,338,968	$ 2,844,221	$ 2,656,239
Fee income and other	35,790	17,781	56,566	31,653
Total operating revenues	1,493,150	1,356,749	2,900,787	2,687,892
Operating Expenses:				
Rental property operating and maintenance	607,012	552,901	1,158,997	1,101,840
Property taxes and insurance	54,516	54,375	107,855	98,225
Depreciation and amortization	461,167	425,343	904,176	856,445
General and administrative	136,017	120,395	259,557	235,605
Transactions and integration	22,546	26,072	62,448	57,911
Provision for impairment	—	168,303	—	168,303
Other	195	(529)	307	10,307
Total operating expenses	1,281,453	1,346,860	2,493,340	2,528,636
Operating income	211,697	9,889	407,447	159,256
Other Income (Expenses):				
Equity in loss of unconsolidated entities	(12,062)	(41,443)	(19,702)	(57,451)
Gain on disposition of properties, net	931,830	173,709	932,941	451,496
Other income, net	37,747	62,261	70,520	71,970
Interest expense	(109,383)	(114,756)	(207,847)	(224,291)
Loss on debt extinguishment and modifications	—	—	—	(1,070)
Income tax expense	(12,883)	(14,992)	(30,018)	(37,405)
Net income	1,046,946	74,668	1,153,341	362,505
Net loss attributable to noncontrolling interests	6,210	7,052	12,789	6,923
Net income attributable to Digital Realty Trust, L.P.	1,053,156	81,720	1,166,130	369,428
Preferred units distributions	(10,181)	(10,181)	(20,362)	(20,362)
Net income available to common unitholders	$ 1,042,975	$ 71,539	$ 1,145,768	$ 349,066
Net income per unit available to common unitholders:				
Basic	$ 3.04	$ 0.22	$ 3.34	$ 1.08
Diluted	$ 2.95	$ 0.20	$ 3.23	$ 1.01
Weighted average common units outstanding:				
Basic	343,546	325,777	343,073	322,151
Diluted	351,691	334,186	351,239	330,687

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 1,046,946	$ 74,668	$ 1,153,341	$ 362,505
Other comprehensive income (loss):				
Foreign currency translation adjustments	443,651	(23,393)	730,057	(223,397)
Increase in fair value of derivatives	1,872	41,225	24,193	110,260
Reclassification to interest expense from derivatives	(5,954)	(10,095)	(14,610)	(20,425)
Other comprehensive income (loss)	439,569	7,737	739,640	(133,562)
Comprehensive income	$ 1,486,515	$ 82,405	$ 1,892,981	$ 228,943
Comprehensive (income) loss attributable to noncontrolling interests	(42,712)	(38,601)	(75,803)	154
Comprehensive income attributable to Digital Realty Trust, L.P.	$ 1,443,803	$ 43,804	$ 1,817,178	$ 229,097

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Three Months Ended June 30, 2025	Redeemable Limited Partner Common Units	General Partner				Limited Partners		Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Capital
		Preferred Units		Common Units		Common Units				
		Units	Amount	Units	Amount	Units	Amount			
Balance as of March 31, 2025	**$ 1,459,322**	**30,200,000**	**731,690**	**336,743,461**	**21,490,782**	**6,348,995**	**441,048**	**(951,966)**	**7,280**	**21,718,834**
Conversion of limited partner common units to general partner common units	—	—	—	86,587	7,202	(86,587)	(7,202)	—	—	—
Vesting of restricted common units, net	—	—	—	54,631	—	—	—	—	—	—
Issuance of common units, net of costs	—	—	—	3,487,397	604,179	—	—	—	—	604,179
Issuance of limited partner common units, net	—	—	—	—	—	9,517	—	—	—	—
Units issued under equity plans, net of unit settlement to satisfy tax withholding upon vesting	—	—	—	—	(2,753)	—	—	—	—	(2,753)
Amortization of share-based compensation	—	—	—	—	27,175	—	—	—	—	27,175
Reclassification of vested share-based awards	—	—	—	—	(1,758)	—	1,758	—	—	—
Adjustment to redeemable partnership units	4,844	—	—	—	(4,844)	—	—	—	—	(4,844)
Distributions	(190)	—	(10,181)	—	(415,365)	—	(7,561)	—	—	(433,107)
Contributions from (distributions to) noncontrolling interests in consolidated entities	—	—	—	—	—	—	—	—	1,871	1,871
Net income (loss)	(5,535)	—	10,181	—	1,021,975	—	20,520	—	(195)	1,052,481
Other comprehensive income (loss)	47,448	—	—	—	—	—	—	390,647	1,474	392,121
Balance as of June 30, 2025	**$ 1,505,889**	**30,200,000**	**$731,690**	**340,372,076**	**$22,726,593**	**6,271,925**	**$448,563**	**$ (561,319)**	**$ 10,430**	**$ 23,355,957**

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Six Months Ended June 30, 2025	Redeemable Limited Partner Common Units	General Partner				Limited Partners		Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Capital
		Preferred Units		Common Units		Common Units				
		Units	Amount	Units	Amount	Units	Amount			
Balance as of December 31, 2024	**$ 1,433,185**	**30,200,000**	**$ 731,690**	**336,636,742**	**$21,790,990**	**6,134,812**	**$ 426,183**	**$ (1,212,367)**	**$ 6,099**	**$ 21,742,595**
Conversion of limited partner common units to general partner common units	—	—	—	90,990	7,572	(90,990)	(7,572)	—	—	—
Vesting of restricted common units, net	—	—	—	107,790	—	—	—	—	—	—
Issuance of common units, net of costs	—	—	—	3,487,397	605,163	—	—	—	—	605,163
Issuance of limited partner common units, net	—	—	—	—	—	228,103	—	—	—	—
Units issued under equity plans, net of unit settlement to satisfy tax withholding upon vesting	—	—	—	49,157	(198)	—	—	—	—	(198)
Amortization of share-based compensation	—	—	—	—	49,633	—	—	—	—	49,633
Reclassification of vested share-based awards	—	—	—	—	(21,699)	—	21,699	—	—	—
Adjustment to redeemable partnership units	(654)	—	—	—	654	—	—	—	—	654
Distributions	(380)	—	(20,362)	—	(827,290)	—	(15,217)	—	—	(862,869)
Contributions from (distributions to) noncontrolling interests in consolidated entities	—	—	—	—	—	—	—	—	1,736	1,736
Net income (loss)	(11,680)	—	20,362	—	1,121,768	—	23,470	—	(579)	1,165,021
Other comprehensive income (loss)	85,418	—	—	—	—	—	—	651,048	3,174	654,222
Balance as of June 30, 2025	**$ 1,505,889**	**30,200,000**	**$ 731,690**	**340,372,076**	**$22,726,593**	**6,271,925**	**$ 448,563**	**$ (561,319)**	**$ 10,430**	**$ 23,355,957**

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Three Months Ended June 30, 2024	Redeemable Limited Partner	General Partner				Limited Partners		Accumulated Other Comprehensive	Noncontrolling	
		Preferred Units		Common Units		Common Units				
	Common Units	Units	Amount	Units	Amount	Units	Amount	Loss, Net	Interests	Total Capital
Balance as of March 31, 2024	**$ 1,350,736**	**30,200,000**	**$ 731,690**	**312,420,659**	**$19,138,251**	**6,587,958**	**$ 461,910**	**$ (873,579)**	**$ 31,215**	**$ 19,489,487**
Conversion of limited partner common units to general partner common units	—	—	—	138,913	9,953	(138,913)	(9,953)	—	—	—
Vesting of restricted common units, net	—	—	—	50,428	—	—	—	—	—	—
Issuance of common units, net of costs	—	—	—	13,275,279	1,825,929	—	—	—	—	1,825,929
Issuance of limited partner common units, net	—	—	—	—	—	11,902	—	—	—	—
Units issued under equity plans, net of unit settlement to satisfy tax withholding upon vesting	—	—	—	—	(2,068)	—	—	—	—	(2,068)
Amortization of share-based compensation	—	—	—	—	22,739	—	—	—	—	22,739
Reclassification of vested share-based awards	—	—	—	—	(15,168)	—	15,168	—	—	—
Adjustment to redeemable partnership units	1,250	—	—	—	(1,250)	—	—	—	—	(1,250)
Distributions	(190)	—	(10,181)	—	(397,606)	—	(7,802)	—	—	(415,589)
Sale of noncontrolling interest in property to DCRU	—	—	—	—	39,960	—	—	—	12,115	52,075
Contributions from (distributions to) noncontrolling interests in consolidated entities	—	—	—	—	—	—	—	—	2,182	2,182
Net income (loss)	(4,825)	—	10,181	—	70,039	—	1,460	—	(2,187)	79,493
Other comprehensive income (loss)	52,918	—	—	—	(251)	—	(2,302)	(35,364)	(7,265)	(45,182)
Balance as of June 30, 2024	**$ 1,399,889**	**30,200,000**	**$ 731,690**	**325,885,279**	**$20,690,528**	**6,460,947**	**$ 458,481**	**$ (908,943)**	**$ 36,060**	**$ 21,007,816**

See accompanying notes to the condensed consolidated financial statement.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Six Months Ended June 30, 2024	Redeemable Limited Partner Common Units	General Partner Preferred Units		General Partner Common Units		Limited Partners Common Units		Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Capital
		Units	Amount	Units	Amount	Units	Amount			
Balance as of December 31, 2023	**$ 1,394,814**	**30,200,000**	**$731,690**	**311,607,580**	**$19,137,237**	**6,448,987**	**$459,356**	**$ (772,668)**	**$ 45,892**	**$ 19,601,507**
Conversion of limited partner common units to general partner common units	—	—	—	210,851	15,253	(210,851)	(15,253)	—	—	—
Vesting of restricted common units, net	—	—	—	105,671	—	—	—	—	—	—
Issuance of common units, net of costs	—	—	—	13,913,259	1,923,976	—	—	—	—	1,923,976
Issuance of limited partner common units, net	—	—	—	—	—	222,811	—	—	—	—
Units issued under equity plans, net of unit settlement to satisfy tax withholding upon vesting	—	—	—	47,918	834	—	—	—	—	834
Amortization of share-based compensation	—	—	—	—	41,116	—	—	—	—	41,116
Reclassification of vested share-based awards	—	—	—	—	(24,920)	—	24,920	—	—	—
Adjustment to redeemable partnership units	2,726	—	—	—	(2,726)	—	—	—	—	(2,726)
Distributions	(380)	—	(20,362)	—	(779,814)	—	(15,760)	—	—	(815,936)
Sale of noncontrolling interest in property to DCRU	—	—	—	—	39,960	—	—	—	12,115	52,075
Contributions from (distributions to) noncontrolling interests in consolidated entities	—	—	—	—	—	—	—	—	(19,244)	(19,244)
Deconsolidation of noncontrolling interest in consolidated entities	—	—	—	—	—	—	—	—	—	—
Net income (loss)	(12,334)	—	20,362	—	341,366	—	7,520	—	5,591	374,839
Other comprehensive income (loss)	15,063	—	—	—	(1,754)	—	(2,302)	(136,275)	(8,294)	(148,625)
Balance as of June 30, 2024	**$ 1,399,889**	**30,200,000**	**$731,690**	**325,885,279**	**$20,690,528**	**6,460,947**	**$458,481**	**$ (908,943)**	**$ 36,060**	**$ 21,007,816**

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended June 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income	$ 1,153,341	$ 362,505
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on disposition of properties, net	(932,941)	(451,496)
Provision for impairment	—	168,303
Equity in loss of unconsolidated entities	19,702	57,451
Distributions from unconsolidated entities	74,009	56,987
Depreciation and amortization	904,176	856,445
Amortization of share-based compensation	45,891	38,055
Loss on debt extinguishment and modifications	—	1,070
Straight-lined rents and amortization of above and below market leases	(46,015)	(1,699)
Amortization of deferred financing costs and debt discount / premium	15,186	18,658
Other operating activities, net	7,797	1,990
Changes in assets and liabilities:		
Increase in accounts receivable and other assets	(240,721)	(243,483)
Increase in accounts payable and other liabilities	39,897	60,701
Net cash provided by operating activities	1,040,322	925,487
Cash flows from investing activities:		
Improvements to investments in real estate	(1,491,626)	(1,314,800)
Cash paid for business combination / asset acquisitions, net of cash acquired	(217,883)	(69,869)
Investments in and advances to unconsolidated entities	(215,292)	(163,321)
Return of investment from unconsolidated entities	148,137	97,423
Proceeds from sale of assets	1,077,354	1,240,585
Other investing activities, net	(42,530)	(65,238)
Net cash used in investing activities	(741,840)	(275,220)
Cash flows from financing activities:		
Proceeds from credit facilities	821,522	715,966
Payments on credit facilities	(1,958,565)	(616,311)
Borrowings on secured / unsecured debt	1,868,893	46,951
Repayments on secured / unsecured debt	(495,800)	(877,440)
Capital (distribution to) contributions from noncontrolling interests, net	1,736	(19,244)
General partner contributions	605,163	1,923,976
Payments of dividends and distributions	(1,281,910)	(1,204,304)
Other financing activities, net	(23,205)	77,989
Net cash (used in) provided by financing activities	(462,166)	47,583
Net (decrease) increase in cash, cash equivalents and restricted cash	(163,684)	697,850
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(151,312)	(47,086)
Cash, cash equivalents and restricted cash at beginning of period	3,876,700	1,636,470
Cash, cash equivalents and restricted cash at end of period	$ 3,561,704	$ 2,287,234

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

Organization and Description of Business. Digital Realty Trust, Inc. (the Parent), through its controlling interest in Digital Realty Trust, L.P. (the Operating Partnership or the OP) and the subsidiaries of the OP (collectively, we, our, us or the Company), is a leading global provider of data center (including colocation and interconnection) solutions for customers across a variety of industry verticals ranging from cloud and information technology services, social networking and communications to financial services, manufacturing, energy, healthcare, and consumer products. The OP, a Maryland limited partnership, is the entity through which the Parent, a Maryland corporation, conducts its business of owning, acquiring, developing and operating data centers. The Parent operates as a REIT for U.S. federal income tax purposes.

The Parent's only material asset is its ownership of partnership interests of the OP. The Parent generally does not conduct business itself, other than acting as the sole general partner of the OP, issuing public securities from time to time and guaranteeing certain unsecured debt of the OP and certain of its subsidiaries and affiliates. The Parent has not issued any debt but guarantees the unsecured debt of the OP and certain of its subsidiaries and affiliates.

The OP holds substantially all the assets of the Company. The OP conducts the operations of the business and has no publicly traded equity. Except for net proceeds from public equity issuances by the Parent, which are generally contributed to the OP in exchange for partnership units, the OP generally generates capital required by the Company's business primarily through the OP's operations, by the OP's or its affiliates' direct or indirect incurrence of indebtedness or through the issuance of partnership units.

Accounting Principles and Basis of Presentation. The accompanying unaudited interim condensed consolidated financial statements and accompanying notes (the "Financial Statements") are prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and are presented in our reporting currency, the U.S. dollar. All of the accounts of the Parent, the OP, and the subsidiaries of the OP are included in the accompanying Financial Statements. All material intercompany transactions with consolidated entities have been eliminated. In the opinion of management, the unaudited interim consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair statement of the results for the interim periods presented. Interim results are not always indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024 ("2024 Form 10-K"), as filed with the U.S. Securities and Exchange Commission ("SEC"), our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, as filed with the SEC, and other filings with the SEC.

Management Estimates and Assumptions. U.S. GAAP requires us to make estimates and assumptions that affect reported amounts of revenue and expenses during the reporting period, reported amounts for assets and liabilities as of the date of the financial statements, and disclosures of contingent assets and liabilities as of the date of the financial statements. Although we believe the estimates and assumptions we made are reasonable and appropriate, as discussed in the applicable sections throughout the consolidated financial statements, different assumptions and estimates could materially impact our reported results. Actual results and outcomes may differ from our assumptions.

New Accounting Pronouncements. Recently issued accounting pronouncements that have yet to be adopted by the Company are not expected to have a material impact to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

2. Investments in Properties

A summary of our investments in properties is below (in thousands):

Property Type	As of June 30, 2025	As of December 31, 2024
Land	$ 1,192,039	$ 1,108,251
Acquired ground lease	97	86
Buildings and improvements	27,718,850	25,567,155
Tenant improvements	925,232	883,502
	29,836,218	27,558,994
Accumulated depreciation and amortization	(9,341,719)	(8,641,331)
Investments in operating properties, net	20,494,499	18,917,663
Construction in progress and space held for development	5,080,701	5,164,334
Land held for future development	73,665	38,785
Investments in properties, net	$ 25,648,865	$ 24,120,782

Acquisitions

During the quarter, we closed on land acquisitions for approximately $182 million in the aggregate.

Contributions

During the first half of 2025, the Company launched its first U.S. Hyperscale Data Center Fund (the "Fund"), successfully raising more than $3 billion of equity commitments to date. Fund commitments represent a 40% to 80% ownership interest in each individual asset, while the Company will maintain the remaining 20% to 60% stake in the assets and less than a 2% direct interest in the Fund. The initial portfolio includes five operating data centers plus three land sites with access to power for data center development. In May 2025, we received approximately $937 million of gross proceeds from the contribution of operating data centers and development projects to the Fund, recognized a gain on disposition of approximately $873 million, and recognized an investment in the assets of $661 million. The Company will serve as general partner, maintaining operational and management responsibilities for the assets, however, certain governance rights are granted to the limited partners. As such, we concluded we do not own a controlling interest and account for our interest in the assets under the equity method of accounting. These real estate assets were previously classified as held for sale and contribution. Additionally, as of June 30, 2025, one additional development project was classified within Assets held for sale and contribution on our condensed consolidated balance sheet as it is probable it will be contributed to the fund within one year. The disposition of a portion of our interest in the remaining development project met the criteria under ASC 360 for the assets to qualify as held for sale and contribution. However, the operations are not classified as discontinued operations as a result of our continuing interest in the assets. This development project was not representative of a significant component of our portfolio, nor will the contribution represent a significant shift in our strategy.

On April 3, 2025, we received approximately $77 million of gross proceeds from the contribution of our data centers to the joint venture with Blackstone. As a result of transferring control, we derecognized the data centers and recognized a gain on disposition of approximately $58 million.

As of June 30, 2025, real estate assets, including those mentioned above, that qualified as held for sale had an aggregate carrying value of $140.0 million within total assets and $1.1 million within total liabilities and are shown within Assets held for sale and contribution and Obligations associated with assets held for sale and contribution, respectively, on the

condensed consolidated balance sheets. Subsequent to quarter end, Digital Realty sold a non-core data center in the Atlanta metro area for gross proceeds of $66 million.

3. Leases

Lessor Accounting

We generate most of our revenue by leasing operating properties to customers under operating lease agreements. We recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term if we determine that it is probable that substantially all of the lease payments will be collected over the lease term. Otherwise, rental revenue is recognized based on the amount contractually due. Generally, under the terms of our leases, some of our rental expenses, including common area maintenance, real estate taxes and insurance, are recovered from our customers. We record amounts reimbursed by customers in the period the applicable expenses are incurred, which is generally ratably throughout the term of the lease. Reimbursements are recognized in rental and other services revenue in the condensed consolidated income statements as we are the primary obligor with respect to purchasing and selecting goods and services from third-party vendors and bearing the associated credit risk. Our largest customer's total revenue approximates 12% of our total revenue base. No other individual customer makes up more than 10% of our total revenue.

Lessee Accounting

We lease space at certain of our data centers from third parties and certain equipment under noncancelable lease agreements. Leases for our data centers expire at various dates through 2069. As of June 30, 2025, certain of our data centers, primarily in Europe and Singapore, are subject to ground leases. As of June 30, 2025, the termination dates of these ground leases generally range from 2038 to 2073. In addition, our corporate headquarters along with several regional office locations are subject to leases with termination dates ranging from 2025 to 2036.

The leases generally require us to make fixed rental payments that increase at defined intervals during the term of the lease, plus pay our share of common area, real estate and utility expenses as incurred. The leases neither contain residual value guarantees nor impose material restrictions or covenants on us. Further, the leases have been classified and accounted for as either operating or finance leases. Rent expense related to operating leases included in rental property operating and maintenance expense in the condensed consolidated income statements amounted to approximately $40.1 million and $36.4 million for the three months ended June 30, 2025 and 2024, respectively, and approximately $78.3 million and $73.4 million for the six months ended June 30, 2025 and 2024, respectively.

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4. Receivables

Accounts and Other Receivables, Net

Accounts and Other Receivables, net is primarily comprised of contractual rents and other lease-related obligations currently due from customers. These amounts (net of an allowance for estimated uncollectible amounts) are shown in the subsequent table as Accounts receivable – trade, net. The other receivables shown separately from Accounts receivable – trade, net consist primarily of value-added tax receivables, various management fees for functions provided to managed joint ventures, as well as amounts that have not yet been billed to customers, such as for utility reimbursements and installation fees.

(Amounts in thousands):	Balance as of June 30, 2025	Balance as of December 31, 2024
Accounts receivable – trade	$ 853,291	$ 629,250
Allowance for doubtful accounts	(80,832)	(59,224)
Accounts receivable – trade, net	772,459	570,026
Accounts receivable – customer recoveries	197,986	178,827
Value-added tax receivables	208,792	160,369
Accounts receivable – installation fees	212,044	157,409
Other receivables	194,865	190,833
Accounts and other receivables, net	$ 1,586,146	$ 1,257,464

Deferred Rent, Net

Deferred rent, net represents rental income that has been recognized as revenue under ASC 842, but which is not yet due from customers under their existing rental agreements. The Company recognizes an allowance against deferred rent receivables to the extent it becomes no longer probable that a customer or group of customers will be able to make substantially all of their required cash rental payments over the entirety of their respective lease terms.

(Amounts in thousands):	Balance as of June 30, 2025	Balance as of December 31, 2024
Deferred rent receivables	$ 682,852	$ 644,566
Allowance for deferred rent receivables	(1,477)	(2,110)
Deferred rent, net	$ 681,375	$ 642,456

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5. Investments in Unconsolidated Entities

A summary of the Company's investments in unconsolidated entities accounted for under the equity method of accounting is shown below (in thousands):

	Balance as of June 30, 2025	Balance as of December 31, 2024
Americas [1]	$ 2,200,289	$ 1,311,950
APAC [2]	710,017	615,687
EMEA [3]	239,720	252,791
Global [4]	472,651	459,372
Total	$ 3,622,677	$ 2,639,800

Includes the following unconsolidated entities along with our ownership percentage as of June 30, 2025:

(1) Ascenty (49%), Blackstone (ranging from 20% to 50%), Clise (50%), GI Partners (ranging from 20% to 25%), Mapletree (20%), Menlo (20%), Mitsubishi (20%), Realty Income (20%), TPG Real Estate (20%), Fund (ranging from 20% to 60%), and Walsh (87%).
(2) Digital Connexion (33%), Digital Realty Bersama (50%), Lumen (50%), and MC Digital Realty (50%).
(3) Blackstone (20%), Medallion (60%), and Mivne (50%).
(4) Digital Core REIT (39%).

Generally, we serve as the managing member responsible for operations in the ordinary course of business of the unconsolidated entities. We perform the day-to-day accounting and property management functions for the unconsolidated entities and, as such, will earn management fees. In certain unconsolidated entities, we may also earn incentive fees upon liquidation of individual unconsolidated entities' assets based primarily on the total return of the investments over certain financial hurdles. The incentive fee and financial hurdle vary by each entity. However, certain approval rights are granted through the terms of the operating agreements and require unanimous consent of both members with respect to any major decisions. Generally, major decisions are defined to include the annual plan which sets out unconsolidated entity and property level budgets, including lease revenues, operating expenses, and capital expenditures. As such, we concluded we do not own a controlling interest and accounted for our interest in the unconsolidated entities under the equity method of accounting.

U.S. Hyperscale Data Center Fund **–** During the first half of 2025, the Company launched the Fund, successfully raising more than $3 billion of equity commitments to date. Fund commitments represent a 40% to 80% ownership interest in each individual asset, while the Company will maintain the remaining 20% to 60% stake in the assets and less than a 2% direct interest in the Fund. The initial portfolio includes five operating data centers plus three land sites with access to power for data center development. In May 2025, we received approximately $937 million of gross proceeds from the contribution of operating data centers and development projects to the Fund, recognized a gain on disposition of approximately $873 million, and recognized an investment in the assets of $661 million.

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Blackstone Joint Ventures – On January 11, 2024, we formed joint ventures with Blackstone Inc. to develop four hyperscale data center campuses across Frankfurt, Paris and Northern Virginia. The first phase of the joint venture closed on hyperscale data center campuses in Paris and Northern Virginia, and we retained a 20% interest in the joint venture from the contribution of our data centers. In the fourth quarter of 2024, the second phase of the joint venture closed on a hyperscale data center campus in Frankfurt and at Digital Dulles campus in Northern Virginia. We retained a 20% interest in the joint venture from the contribution of our data centers. On April 3, 2025, we contributed an additional three development projects at Digital Dulles campus to the joint venture with Blackstone. We received approximately $77 million of gross proceeds from the contribution and as a result of transferring control, we derecognized the data centers and recognized a gain on disposition of approximately $58 million. In connection with the April transaction, we maintained a 50% interest in all four Blackstone joint venture properties at Digital Dulles campus.

Digital Realty Bersama Joint Venture – On March 18, 2025, we formed a joint venture with Bersama Digital Infrastructure Asia (BDIA) to develop and operate data centers across Indonesia. We acquired a 50% interest in the joint venture, which consists of two land parcels and two buildings in Jakarta, Indonesia for approximately $94.7 million. The 6 acres of land and two buildings can support up to approximately 32 megawatts of IT load.

Mitsubishi Joint Venture - On March 1, 2024, we formed a joint venture with Mitsubishi Corporation, or Mitsubishi, to support the development of two data centers in the Dallas metro area. We retained a 35% interest in the joint venture. Each partner funded its pro rata share of the remaining $140 million estimated development cost for the first phase of the project, of which one project was completed in June 2024 and another was completed in October 2024. On January 31, 2025, Mitsubishi made an additional cash capital contribution in the amount of $62 million, resulting in an additional 15% ownership in the joint venture. The transaction resulted in a gain of approximately $5.1 million. Currently, Mitsubishi has an 80% interest in the joint venture, and we have retained a 20% interest.

DCREIT – Digital Core REIT is a standalone real estate investment trust formed under Singapore law, which is publicly traded on the Singapore Exchange under the ticker symbol “DCRU”. DCREIT owns 10 operating data center properties. The Company has ownership interest in the units of DCREIT, as well as ownership interests in the operating properties of DCREIT.

As of June 30, 2025, the Company held 32% of the outstanding DCREIT units and separately owned a 10% direct retained interest in the underlying North American operating properties and a 35% direct retained interest in a Frankfurt asset.

The Company’s 32% interest in DCREIT consisted of 415 million units and 418 million units as of June 30, 2025 and December 31, 2024, respectively. Based on the closing price per unit of $0.53 and $0.58 as of June 30, 2025 and December 31, 2024, respectively, the fair value of the units the Company owned in DCREIT was approximately $220 million and $242 million as of June 30, 2025 and December 31, 2024, respectively.

Pursuant to contractual agreements with DCREIT and its operating properties, the Company will earn fees for asset and property management services as well as fees for aiding in future acquisition, disposition and development activities. Certain of these fees are payable to the Company in the form of additional units in DCREIT or in cash. The Company earned fees pursuant to these contractual agreements of approximately $3.4 million and $3.1 million for the three months ended June 30, 2025 and 2024, respectively, and $6.2 million and $6.0 million for the six months ended June 30, 2025 and 2024, respectively, which are recorded as fee income and other on the condensed consolidated income statements.

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Ascenty – In addition to the Company's 49% ownership interest in Ascenty, there is also an approximate 2% interest held by one of the Company's noncontrolling interest holders. This 2% interest had a carrying value of approximately $23 million as of June 30, 2025 and December 31, 2024. Ascenty is a variable interest entity ("VIE") and the Company's maximum exposure to loss related to this VIE is limited to our equity investment in the entity.

Debt – The debt of our unconsolidated entities generally is non-recourse to us, except for customary exceptions pertaining to matters such as intentional misuse of funds, environmental conditions, and material misrepresentations.

6. Goodwill

Goodwill represents the excess of the purchase price over the fair value of net tangible and intangible assets acquired in a business combination. Changes in the value of goodwill at June 30, 2025 as compared to December 31, 2024 were driven by changes in exchange rates associated with goodwill balances denominated in foreign currencies.

7. Acquired Intangible Assets and Liabilities

The following table summarizes our acquired intangible assets and liabilities:

	Balance as of					
	June 30, 2025			December 31, 2024		
(Amounts in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationship value	$ 2,887,825	$ (1,180,418)	$ 1,707,407	$ 2,783,428	$ (1,080,547)	$ 1,702,881
Acquired in-place lease value	1,004,470	(848,296)	156,174	1,043,706	(863,021)	180,685
Other	146,837	(41,933)	104,904	122,638	(36,038)	86,600
Acquired above-market leases	114,472	(111,781)	2,691	126,322	(122,714)	3,608
Acquired below-market leases	(254,581)	218,711	(35,870)	(258,243)	219,672	(38,571)
Total	$ 3,899,023	$ (1,963,717)	$ 1,935,306	$ 3,817,851	$ (1,882,648)	$ 1,935,203

Amortization of customer relationship value, acquired in-place lease value and other intangibles (a component of depreciation and amortization expense) was approximately $56.7 million and $57.4 million for the three months ended June 30, 2025 and 2024, respectively, and approximately $113.8 million and $116.5 million for the six months ended June 30, 2025 and 2024, respectively.

Amortization of acquired below-market leases, net of acquired above-market leases, resulted in an increase in rental and other services revenue of $1.3 million for the three months ended June 30, 2025 and 2024 and approximately $2.5 million and $2.7 million for the six months ended June 30, 2025 and 2024, respectively.

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Estimated annual amortization for each of the five succeeding years and thereafter, commencing July 1, 2025 is as follows:

(Amounts in thousands)	Customer relationship value	Acquired in-place lease value	Other [1]	Acquired above-market leases	Acquired below-market leases
2025	$ 118,589	$ 23,736	$ 1,447	$ 435	$ (3,690)
2026	213,045	46,404	2,895	595	(6,557)
2027	212,820	37,355	2,895	595	(5,926)
2028	191,892	19,802	2,913	595	(5,858)
2029	159,951	10,947	2,967	563	(5,858)
Thereafter	811,110	17,930	3,319	(92)	(7,981)
Total	$ 1,707,407	$ 156,174	$ 16,436	$ 2,691	$ (35,870)

(1) Excludes power grid rights in the amount of approximately $88.5 million that are currently not being amortized. Amortization of these assets will begin once the data centers associated with the power grid rights are placed into service.

8. Debt of the Operating Partnership

All debt is currently held by the OP or its consolidated subsidiaries, and the Parent is the guarantor or co-guarantor of the Global Revolving Credit Facility and the Yen Revolving Credit Facility, the unsecured term loans and the unsecured senior notes. A summary of outstanding indebtedness is as follows (in thousands):

	June 30, 2025		December 31, 2024	
	Weighted-average interest rate	Amount Outstanding	Weighted-average interest rate	Amount Outstanding
Global Revolving Credit Facilities	2.75 %	$ 590,690	3.81 %	$ 1,637,922
Unsecured term loans	2.88 %	442,013	3.23 %	388,275
Unsecured senior notes	2.36 %	16,760,675	2.26 %	14,059,415
Secured and other debt	8.74 %	810,009	8.52 %	761,263
Total	2.66 %	$ 18,603,387	2.72 %	$ 16,846,875

The weighted-average interest rates shown represent interest rates at the end of the periods for the debt outstanding and include the impact of designated interest rate swaps, which effectively fix the interest rates on certain variable rate debt, along with cross-currency interest rate swaps, which effectively convert a portion of our U.S. dollar-denominated fixed-rate debt to foreign currency-denominated fixed-rate debt in order to hedge the currency exposure associated with our net investment in foreign subsidiaries.

We primarily borrow in the functional currencies of the countries where we invest. Included in the outstanding balances were borrowings denominated in the following currencies (in thousands, U.S. dollars):

	June 30, 2025		December 31, 2024	
Denomination of Draw	Amount Outstanding	% of Total	Amount Outstanding	% of Total
U.S. dollar ($)	$ 2,920,089	15.7 %	$ 2,852,102	16.9 %
British pound sterling (£)	1,235,880	6.6 %	1,627,080	9.7 %
Euro (€)	12,265,430	65.9 %	10,327,404	61.3 %
Other	2,181,988	11.8 %	2,040,289	12.1 %
Total	$ 18,603,387		$ 16,846,875	

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The table below summarizes debt maturities and principal payments as of June 30, 2025 (in thousands):

	Global Revolving Credit Facilities [1][2]	Unsecured Term Loans[3]	Unsecured Senior Notes[4]	Secured and Other Debt	Total Debt
2025	$ —	$ 442,013	$ 766,155	$ 419	$ 1,208,587
2026	—	—	1,613,871	116,120	1,729,991
2027	—	—	1,189,146	240,298	1,429,444
2028	—	—	2,139,350	379,088	2,518,438
2029	590,690	—	2,871,083	17,709	3,479,482
Thereafter	—	—	8,181,070	56,375	8,237,445
Subtotal	$ 590,690	$ 442,013	$ 16,760,675	$ 810,009	$ 18,603,387
Unamortized net discounts	—	—	(43,010)	(3,892)	(46,902)
Unamortized deferred financing costs	(22,991)	(1,225)	(76,298)	(3,823)	(104,337)
Total	$ 567,699	$ 440,788	$ 16,641,367	$ 802,294	$ 18,452,148

(1) Includes amounts outstanding for the Global Revolving Credit Facilities.
(2) The Global Revolving Credit Facilities are subject to two six-month extension options exercisable by us; provided that the Operating Partnership must pay a 0.0625% extension fee based on each lender's revolving commitments then outstanding (whether funded or unfunded).
(3) The €375.0 million Euro Term Loan Facility is subject to two maturity extension options of one year each, provided that the Operating Partnership must pay a 0.125% extension fee based on the then-outstanding principal amount of such facility commitments then outstanding. In July 2025, we exercised a one-year maturity extension; the current maturity date is August 11, 2026.
(4) The €650 million 0.625% unsecured senior notes were paid at maturity on July 15, 2025.

On September 24, 2024, we refinanced our Global Revolving Credit Facilities. Below are key terms for our Global Revolving Credit Facility and Yen Revolving Credit Facility.

Global Revolving Credit Facility

We have a Global Revolving Credit Facility under which we may draw up to $4.2 billion equivalent on a revolving basis (subject to currency fluctuations). The Global Revolving Credit Facility can be drawn in Australian dollars, British pounds sterling, Canadian dollars, Euros, Hong Kong dollars, Indonesian rupiah, Japanese yen, Korean won, Singapore dollars, Swiss francs and U.S. dollars (with the ability to add other currencies in the future). As of June 30, 2025, approximately $93.7 million of letters of credit were issued.

We have the ability to increase the size of the Global Revolving Credit Facility by up to $1.8 billion, subject to the receipt of lender commitments and the satisfaction of certain customary conditions precedent. Other key terms of the Global Revolving Credit Facility are as follows:

- Maturity date: January 24, 2029, with two six-month extension options available. The bank group is obligated to grant the extension options provided we give proper notice, we make certain representations and warranties and no default exists under the Global Revolving Credit Facilities.

- Interest rate: the applicable index plus a margin which is based on the credit ratings of our long-term debt and is currently 85 basis points (subject to a sustainability-linked pricing component).

- Annual facility fee: based on the total commitment amount of the facility and the credit ratings of our long-term debt is currently 20 basis points (subject to a sustainability-linked pricing component) and is payable quarterly.

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- Sustainability-linked pricing component: pricing can increase by up to 5 basis points or decrease by up to 5 basis points depending on whether or not the OP or its subsidiaries meet certain sustainability performance targets.

Yen Revolving Credit Facility

In addition to the Global Revolving Credit Facility, we have a revolving credit facility that provides for borrowings in Japanese yen of up to ¥42.5 billion (approximately $295.2 million based on the exchange rate on June 30, 2025), hereafter referred to as the "Yen Revolving Credit Facility". We have the ability from time to time to increase the size of the Yen Revolving Credit Facility to up to ¥102.5 billion, subject to receipt of lender commitments and other conditions precedent. Other key terms of the Yen Revolving Credit Facility are as follows:

- Maturity date: January 24, 2029, with two six-month extension options available. The bank group is obligated to grant the extension options provided we give proper notice, we make certain representations and warranties and no default exists under the Global Revolving Credit Facilities.

- Interest rate: the applicable index plus a margin which is based on the credit ratings of our long-term debt and is currently 50 basis points (subject to a sustainability-linked pricing component).

- Quarterly unused commitment fee: currently is 10 basis points (subject to a sustainability-linked pricing component), calculated using the average daily unused revolving credit commitment and is based on the credit ratings of our long-term debt.

- Sustainability-linked pricing component: pricing can increase by up to 5 basis points or decrease by up to 5 basis points depending on whether or not the OP or its subsidiaries meet certain sustainability performance targets.

Restrictive Covenants in Global Revolving Credit Facility and Yen Revolving Credit Facility

The Global Revolving Credit Facility and the Yen Revolving Credit Facility both contain various restrictive covenants, including limitations on our ability to incur additional indebtedness, make certain investments, or merge with another company. In addition, we are required to maintain financial coverage ratios, including with respect to unencumbered assets. After the occurrence of and during the continuance of any event of default, these credit facilities restrict the Parent's ability to make distributions to stockholders or redeem or otherwise repurchase shares of its capital stock, except in limited circumstances (such as those necessary to enable Digital Realty Trust, Inc. to maintain its qualification as a REIT and to minimize the payment of income or excise tax). As of June 30, 2025, we were in compliance with all of such covenants for both of these revolving credit facilities.

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Unsecured Senior Notes

The following table provides details of our unsecured senior notes (balances in thousands):

	Aggregate Principal Amount at Issuance					Balance as of	
	Borrowing Currency		USD		Maturity Date	June 30, 2025	December 31, 2024
4.250% notes due 2025 (1)	£	400,000	$	634,480	Jan 17, 2025	$ —	500,640
0.625% notes due 2025 (2)	€	650,000	$	720,980	Jul 15, 2025	766,155	673,010
2.500% notes due 2026	€	1,075,000	$	1,224,640	Jan 16, 2026	1,267,103	1,113,055
0.200% notes due 2026	CHF	275,000	$	298,404	Dec 15, 2026	346,768	302,987
1.700% notes due 2027	CHF	150,000	$	162,465	Mar 30, 2027	189,146	165,265
3.700% notes due 2027 (3)	$	1,000,000	$	1,000,000	Aug 15, 2027	1,000,000	1,000,000
5.550% notes due 2028 (3)	$	900,000	$	900,000	Jan 15, 2028	900,000	900,000
1.125% notes due 2028	€	500,000	$	548,550	Apr 09, 2028	589,350	517,700
4.450% notes due 2028	$	650,000	$	650,000	Jul 15, 2028	650,000	650,000
0.550% notes due 2029	CHF	270,000	$	292,478	Apr 16, 2029	340,463	297,478
3.600% notes due 2029	$	900,000	$	900,000	Jul 01, 2029	900,000	900,000
3.300% notes due 2029	£	350,000	$	454,895	Jul 19, 2029	480,620	438,060
1.875% notes due 2029 (3)	$	1,150,000	$	1,150,000	Nov 15, 2029	1,150,000	1,150,000
1.500% notes due 2030	€	750,000	$	831,900	Mar 15, 2030	884,025	776,550
3.750% notes due 2030	£	550,000	$	719,825	Oct 17, 2030	755,260	688,380
1.250% notes due 2031	€	500,000	$	560,950	Feb 01, 2031	589,350	517,700
0.625% notes due 2031	€	1,000,000	$	1,220,700	Jul 15, 2031	1,178,700	1,035,400
1.000% notes due 2032	€	750,000	$	874,500	Jan 15, 2032	884,025	776,550
1.375% notes due 2032	€	750,000	$	849,375	Jul 18, 2032	884,025	776,550
3.875% notes due 2033	€	850,000	$	941,375	Sep 13, 2033	1,001,895	880,090
3.875% notes due 2034	€	850,000	$	991,015	Jul 15, 2034	1,001,895	—
3.875% notes due 2035	€	850,000	$	876,180	Mar 15, 2035	1,001,895	—
						$ 16,760,675	$ 14,059,415
Unamortized discounts, net of premiums						(43,010)	(27,476)
Deferred financing costs, net						(76,298)	(69,087)
Total unsecured senior notes, net of discount and deferred financing costs						$ 16,641,367	$ 13,962,852

(1) Paid at maturity on January 17, 2025.
(2) Paid at maturity on July 15, 2025.
(3) Subject to cross-currency swaps.

Issuance of Unsecured Senior Notes

On June 25, 2025, Digital Dutch Finco B.V., an indirect wholly owned finance subsidiary of the Operating Partnership, issued and sold €850 million aggregate principal amount of 3.875% Guaranteed Notes due 2034 (the "Euro Notes"). Net proceeds from the offering of the Euro Notes were approximately €836.6 million (approximately $975 million based on the exchange rate on June 25, 2025) after deducting managers' discounts and estimated offering expenses.

Restrictive Covenants in Unsecured Senior Notes

The indentures governing our senior notes contain certain covenants, including (1) a leverage ratio not to exceed 60%, (2) a secured debt leverage ratio not to exceed 40% and (3) an interest coverage ratio of greater than 1.50. The covenants also require us to maintain total unencumbered assets of not less than 150% of the aggregate principal amount of unsecured debt. At June 30, 2025, we were in compliance with each of these financial covenants.

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9. Earnings per Common Share or Unit

The following is a summary of basic and diluted earnings per share ("EPS") / earnings per unit ("EPU") (in thousands, except per share/unit amounts):

Digital Realty Trust, Inc. Earnings per Common Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income available to common stockholders	$ 1,021,975	$ 70,039	$ 1,121,768	$ 341,366
Loss attributable to redeemable noncontrolling interest [1]	(6,015)	(4,865)	(12,210)	(12,514)
Net income available to common stockholders - diluted EPS	$ 1,015,960	$ 65,174	$ 1,109,558	$ 328,852
Denominator:				
Weighted average shares outstanding—basic	337,589	319,537	337,139	315,915
Potentially dilutive common shares:				
Unvested incentive units	67	70	66	69
Unvested restricted stock	80	112	78	107
Market performance-based awards	216	222	219	292
Redeemable noncontrolling interest shares [1]	7,782	8,005	7,803	8,068
Weighted average shares outstanding—diluted	345,734	327,946	345,305	324,451
Income per share:				
Basic	$ 3.03	$ 0.22	$ 3.33	$ 1.08
Diluted	$ 2.94	$ 0.20	$ 3.21	$ 1.01

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Digital Realty Trust, L.P. Earnings per Unit

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income available to common unitholders	$ 1,042,975	$ 71,539	$ 1,145,768	$ 349,066
Loss attributable to redeemable noncontrolling interest [1]	(6,015)	(4,865)	(12,210)	(12,514)
Net income available to common unitholders - diluted EPS	$ 1,036,960	$ 66,674	$ 1,133,558	$ 336,552
Denominator:				
Weighted average units outstanding—basic	343,546	325,777	343,073	322,151
Potentially dilutive common units:				
Unvested incentive units	67	70	66	69
Unvested restricted units	80	112	78	107
Market performance-based awards	216	222	219	292
Redeemable noncontrolling interest shares [1]	7,782	8,005	7,803	8,068
Weighted average units outstanding—diluted	351,691	334,186	351,239	330,687
Income per unit:				
Basic	$ 3.04	$ 0.22	$ 3.34	$ 1.08
Diluted	$ 2.95	$ 0.20	$ 3.23	$ 1.01

(1) As part of the acquisition of Teraco in 2022, certain of Teraco's minority indirect shareholders (“Rollover Shareholders”) have the right to put their shares in an upstream parent company of Teraco (“Remaining Interest”) to the Company in exchange for cash or the equivalent value of shares of the Company common stock, or a combination thereof. Under U.S. GAAP, diluted earnings per share must be reflected in a manner that assumes such put right was exercised at the beginning of the respective periods and settled entirely in shares. The amounts shown represent the redemption value of the Remaining Interest of Teraco divided by Digital Realty Trust, Inc.’s average share price for the respective periods. The put right is exercisable by the Rollover Shareholders for a two-year period commencing on February 1, 2026.

In November 2024, Digital Realty Trust, L.P. issued $1,150,000,000 principal amount of its 1.875% Exchangeable Senior Notes due 2029 (the “Exchangeable Notes”). Net proceeds from the offering were approximately $1.13 billion after deducting managers’ discounts and offering expenses. As of June 30, 2025, the holders of the Exchangeable Notes will have an option on or after August 15, 2029, or at an earlier date under certain circumstances, to exchange the notes. The Company must always cash settle the principal amount of the Exchangeable Notes, while any excess may be settled via cash, common shares or a combination at the election of the Company. Accordingly, the Company applies the if converted method to determine the dilutive impact on EPS related to the Exchangeable Notes. There is no interest expense adjustment to the numerator as the principal will always be cash settled. In order to compute the dilutive effect, the number of shares included in the denominator of diluted EPS is determined by dividing the “conversion spread value” of the share-settled portion (value above principal and interest component) of the instrument by the average share price during the period. The “conversion spread value” is the value that would be delivered to the holders in shares based on the terms of the Exchangeable Notes upon an assumed conversion. As of June 30, 2025, the conversion spread value is currently zero, since the weighted average price of our common stock does not exceed the conversion rate (strike price) and is “out-of-the-money”, resulting in no impact on diluted EPS.

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The table below shows the securities that would be antidilutive or not dilutive to the calculation of earnings per share and unit. Common units of the Operating Partnership not owned by Digital Realty Trust, Inc. were excluded only from the calculation of earnings per share as they are not applicable to the calculation of earnings per unit. All other securities shown below were excluded from the calculation of both earnings per share and earnings per unit (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Exchangeable Notes	6,624	—	6,624	—
Weighted average of Operating Partnership common units not owned by Digital Realty Trust, Inc.	5,957	6,240	5,934	6,240
Potentially dilutive Series J Cumulative Redeemable Preferred Stock	1,160	1,364	1,257	1,364
Potentially dilutive Series K Cumulative Redeemable Preferred Stock	1,220	1,434	1,322	1,434
Potentially dilutive Series L Cumulative Redeemable Preferred Stock	2,001	2,352	2,168	2,352
Total	16,962	11,390	17,305	11,390

10. Equity and Capital

Equity Distribution Agreement

Digital Realty Trust, Inc. and Digital Realty Trust, L.P. are parties to an ATM Equity Offering^{SM} Sales Agreement dated December 23, 2024 (the "2024 Sales Agreement"). Pursuant to the 2024 Sales Agreement, Digital Realty Trust, Inc. can issue and sell common stock having an aggregate offering price of up to $3.0 billion through various named agents from time to time.

Since March 31, 2025, Digital Realty Trust, Inc. generated net proceeds of approximately $719 million from the issuance of approximately 4.15 million common shares under the 2024 Sales Agreement at an average price of $173.19 per share after payment of approximately $4.7 million of commissions to the agents. As of July 30, 2025, approximately $2.3 billion remains available for future sales under the 2024 Sales Agreement Amendment.

The sales of common stock made under the 2024 Sales Agreement will be made in "at the market" offerings as defined in Rule 415 of the Securities Act. Our Parent has used and intends to use the net proceeds from the program to temporarily repay borrowings under our Operating Partnership's Global Revolving Credit Facilities, to acquire additional properties or businesses, to fund development opportunities and for working capital and other general corporate purposes, including potentially for the repayment of other debt or the repurchase, redemption or retirement of outstanding debt securities.

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Noncontrolling Interests in Operating Partnership

Noncontrolling interests in the Operating Partnership relate to the proportion of entities consolidated by the Company that are owned by third parties. The following table shows the ownership interest in the Operating Partnership as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025		December 31, 2024	
(Units in thousands)	Number of units	Percentage of total	Number of units	Percentage of total
Digital Realty Trust, Inc.	340,372	98.2 %	336,637	98.2 %
Noncontrolling interests consist of:				
Common units held by third parties	4,046	1.2 %	4,049	1.2 %
Incentive units held by employees and directors (see Note 12. "Incentive Plans")	2,226	0.6 %	2,086	0.6 %
	346,644	**100.0 %**	**342,772**	**100.0 %**

Limited partners have the right to require the Operating Partnership to redeem all or a portion of their common units for cash based on the fair market value of an equivalent number of shares of Digital Realty Trust, Inc. common stock at the time of redemption. Alternatively, Digital Realty Trust, Inc. may elect to acquire those common units in exchange for shares of its common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, issuance of stock rights, specified extraordinary distributions and similar events. The common units and incentive units of the Operating Partnership are classified within equity, except for certain common units issued to certain former DuPont Fabros Technology, L.P. unitholders in the Company's acquisition of DuPont Fabros Technology, Inc., which are subject to certain restrictions and, accordingly, are not presented as permanent equity in the condensed balance sheets.

The redemption value of the noncontrolling Operating Partnership common units and the vested incentive units was approximately $1,086.0 million and $1,090.4 million based on the closing market price of Digital Realty Trust, Inc. common stock on June 30, 2025 and December 31, 2024, respectively.

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The following table shows activity for noncontrolling interests in the Operating Partnership for the six months ended June 30, 2025 (in thousands):

(Units in thousands)	Common Units	Incentive Units	Total
As of December 31, 2024	**4,049**	**2,086**	**6,135**
Conversion of incentive units held by employees and directors for shares of Digital Realty Trust, Inc. common stock [1]	(3)	(88)	(91)
Incentive units issued upon achievement of market performance condition	—	78	78
Grant of incentive units to employees and directors	—	154	154
Cancellation / forfeitures of incentive units held by employees and directors	—	(4)	(4)
As of June 30, 2025	**4,046**	**2,226**	**6,272**

(1) These redemptions and conversions were recorded as a reduction to noncontrolling interests in the Operating Partnership and an increase to common stock and additional paid-in capital based on the book value per unit in the accompanying consolidated balance sheets of Digital Realty Trust, Inc.

Dividends and Distributions

Digital Realty Trust, Inc. Dividends

We have declared and paid the following dividends on our common and preferred stock for the six months ended June 30, 2025 (in thousands, except per share data):

Date dividend declared	Dividend payment date	Series J Preferred Stock	Series K Preferred Stock	Series L Preferred Stock	Common Stock
February 26, 2025	March 31, 2025	$ 2,625	$ 3,071	$ 4,485	$ 411,925
May 29, 2025	June 30, 2025	2,625	3,071	4,485	415,365
		$ 5,250	$ 6,142	$ 8,970	$ 827,290
Annual rate of dividend per share		$ 1.31250	$ 1.46250	$ 1.30000	$ 4.88000

Digital Realty Trust, L.P. Distributions

All distributions on the Operating Partnership's units are at the discretion of Digital Realty Trust, Inc.'s Board of Directors. The table below shows the distributions declared and paid by the Operating Partnership on its common and preferred units for the six months ended June 30, 2025 (in thousands, except for per unit data):

Date distribution declared	Distribution payment date	Series J Preferred Units	Series K Preferred Units	Series L Preferred Units	Common Units
February 26, 2025	March 31, 2025	$ 2,625	$ 3,071	$ 4,485	$ 419,771
May 29, 2025	June 30, 2025	2,625	3,071	4,485	423,116
		$ 5,250	$ 6,142	$ 8,970	$ 842,887
Annual rate of distribution per unit		$ 1.31250	$ 1.46250	$ 1.30000	$ 4.88000

For U.S. federal income tax purposes, distributions out of Digital Realty Trust, Inc.'s current or accumulated earnings and profits are generally classified as dividends whereas distributions in excess of its current and accumulated earnings and profits, to the extent of a stockholder's tax basis in Digital Realty Trust, Inc.'s stock, are generally classified as a return of capital. Such distributions in excess of a stockholder's tax basis in Digital Realty Trust, Inc.'s stock are generally characterized as capital gain. Cash provided by operating activities has generally been sufficient to fund all distributions; however, in the future we may also need to utilize borrowings under the Global Revolving Credit Facility to fund all or a portion of distributions.

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11. Accumulated Other Comprehensive Income (Loss), Net

The accumulated balances for each item within accumulated other comprehensive income (loss) are shown below (in thousands) for Digital Realty Trust, Inc. and separately for Digital Realty Trust, L.P.:

Digital Realty Trust, Inc.

	Foreign currency translation adjustments	Increase (decrease) in fair value of derivatives, net of reclassification	Accumulated other comprehensive income (loss), net
Balance as of December 31, 2024	$ (1,189,649)	$ 7,366	$ (1,182,283)
Net current period change	629,132	9,395	638,527
Balance as of June 30, 2025	$ (560,517)	$ 16,761	$ (543,756)

Digital Realty Trust, L.P.

	Foreign currency translation adjustments	Increase (decrease) in fair value of derivatives, net of reclassification	Accumulated other comprehensive income (loss)
Balance as of December 31, 2024	$ (1,218,412)	$ 6,045	$ (1,212,367)
Net current period change	641,465	9,583	651,048
Balance as of June 30, 2025	$ (576,947)	$ 15,628	$ (561,319)

12. Incentive Plans

2014 Incentive Award Plan

The Company provides incentive awards in the form of common stock or awards convertible into common stock pursuant to the Digital Realty Trust, Inc., Digital Services, Inc. and Digital Realty Trust, L.P. 2014 Incentive Award Plan, as amended (the "Incentive Plan"). The major categories of awards that have been issued under the Incentive Plan include:

Long-Term Incentive Units ("LTIP Units"): LTIP Units, in the form of profits interest units of the Operating Partnership, may be issued to eligible participants for the performance of services to or for the benefit of the Operating Partnership. LTIP Units (other than Class D units), whether vested or not, receive the same quarterly per-unit distributions as Operating Partnership common units. Initially, LTIP Units do not have full parity with common units with respect to liquidating distributions. However, if such parity is reached, vested LTIP Units may be converted into an equal number of common units of the Operating Partnership at any time. The awards generally vest over periods between two and four years.

Service-Based Restricted Stock Units: Service-based Restricted Stock Units covering shares of Digital Realty Trust, Inc. common stock, which vest over periods between two and four years, are settled in shares of Digital Realty Trust, Inc.'s common stock upon vesting.

Performance-Based Awards ("the Performance Awards"): Performance-based Class D units of the Operating Partnership and performance-based Restricted Stock Units of Digital Realty Trust, Inc.'s common stock may be issued to officers and employees of the Company. The Performance Awards include performance-based and time-based vesting criteria. Depending on the type of award, the total number of units that qualify to fully vest is determined based on either a market performance criterion ("Market-Based Performance Awards") or financial performance criterion ("Financial-Based Performance Awards"), in each case, subject to time-based vesting.

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Market-Based Performance Awards.

The market performance criterion compares Digital Realty Trust, Inc.'s total shareholder return ("TSR") relative to the MSCI US REIT Index ("RMS") over a three-year performance period ("Market Performance Period"), subject to continued service, in order to determine the percentage of the total eligible pool of units that qualifies to be awarded. Following the completion of the Market Performance Period, the awards then have a time-based vesting element pursuant to which 50% of the performance-vested units will fully vest in the February immediately following the end of the Market Performance Period and 50% of the performance-vested units will fully vest in the subsequent February.

Vesting with respect to the market condition is measured based on the difference between Digital Realty Trust, Inc.'s TSR percentage and the TSR percentage of the RMS as is shown in the subsequent table (the "RMS Relative Market Performance").

Level	RMS Relative Market Performance	Market Performance Vesting Percentage
Below Threshold Level	≤ -500 basis points	0 %
Threshold Level	-500 basis points	25 %
Target Level	0 basis points	50 %
High Level	≥ 500 basis points	100 %

If the RMS Relative Market Performance falls between the levels specified in the above table, the percentage of the award that will vest with respect to the market condition will be determined using straight-line linear interpolation between such levels.

2022 Awards

- In January 2025, the RMS Relative Market Performance was achieved at the high level of performance for the 2022 awards and, accordingly, 61,661 Class D units and 5,654 Restricted Stock Units performance vested and qualified for time-based vesting.

- The Class D units included 6,997 distribution equivalent units that immediately vested on December 31, 2024.

- On February 27, 2025, 50% of the 2022 awards vested and the remaining 50% will vest on February 27, 2026, subject to continued employment through the vesting date.

The grant date fair value of the Market-Based Performance Awards was approximately $12.3 million and $9.8 million for the six months ended June 30, 2025 and 2024, respectively. This amount will be recognized as compensation expense on a straight-line basis over the expected service period of approximately four years.

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Financial-Based Performance Awards.

On January 1, 2025, the Company granted Financial-Based Performance Awards, which vest based on growth in same-store cash net operating income during the three-year period commencing on January 1, 2025. The awards have a time-based vesting element consistent with the Market-Based Performance Awards discussed above. For these awards, fair value is based on market value on the date of grant and compensation cost is recognized based on the probable achievement of the performance condition at each reporting period. The grant date fair value of these awards was $12.3 million, based on Digital Realty Trust, Inc.'s closing stock price at the grant date.

As of June 30, 2025, approximately 3.0 million shares of common stock, including awards that can be converted to or exchanged for shares of common stock, remained available for future issuance under the Incentive Plan.

Each LTIP unit and each Class D unit issued under the Incentive Plan counts as one share of common stock for purposes of calculating the limit on shares that may be issued under the Incentive Plan and the individual award limits set forth therein.

Below is a summary of our compensation expense and our unearned compensation (in millions):

	Deferred Compensation				Unearned Compensation		
	Expensed		Capitalized				
	Three Months Ended June 30,						
Type of incentive award	2025	2024	2025	2024	As of June 30, 2025	As of December 31, 2024	Expected period to recognize unearned compensation (in years)
Long-term incentive units	$ 5.3	$ 7.6	$ —	$ —	$ 39.0	$ 22.1	2.5
Performance-based awards	3.9	6.0	0.1	—	39.3	24.1	2.7
Service-based restricted stock units	10.5	17.9	2.0	1.3	106.8	70.3	2.8

	Six Months Ended June 30,			
	2025	2024	2025	2024
Long-term incentive units	$ 9.9	$ 11.3	$ 0.1	$ 0.1
Performance-based awards	7.4	8.2	0.2	0.1
Service-based restricted stock units	19.8	25.5	3.5	2.9

Activity for LTIP Units and Service-based Restricted Stock Units for the six months ended June 30, 2025 is shown below.

Unvested LTIP Units	Units	Weighted-Average Grant Date Fair Value
Unvested, beginning of period	263,130	$ 129.93
Granted	163,735	167.03
Vested	(112,561)	129.30
Cancelled or expired	(3,628)	130.14
Unvested, end of period	310,676	$ 147.77

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Unvested Restricted Stock Units	Shares	Weighted-Average Grant Date Fair Value
Unvested, beginning of period	591,797	$ 145.15
Granted	398,943	158.49
Vested	(158,771)	130.77
Cancelled or expired	(19,051)	132.86
Unvested, end of period	812,918	$ 142.60

13. Derivative Instruments

Derivatives Designated as Hedging Instruments

Net Investment Hedges

In September 2022 and November 2024, we entered into cross-currency interest rate swaps, which effectively convert a portion of our U.S. dollar-denominated fixed-rate debt to foreign currency-denominated fixed-rate debt in order to hedge the currency exposure associated with our net investment in foreign subsidiaries. As of June 30, 2025 and December 31, 2024, we had cross-currency interest rate swaps outstanding with notional amounts of $2.3 billion and maturity dates ranging through 2029. The effect of these net investment hedges on accumulated other comprehensive loss and the condensed consolidated income statements for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cross-currency interest rate swaps (included component) [1]	$ (134,076)	$ (25,978)	$ (226,415)	$ (78,008)
Cross-currency interest rate swaps (excluded component) [2]	5,210	(6,276)	33,616	(627)
Total	$ (128,866)	$ (32,254)	$ (192,799)	$ (78,635)

	Location of gain or (loss)	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Cross-currency interest rate swaps (excluded component) [2]	Interest expense	$ 6,195	$ 6,005	$ 13,794	$ 12,108

(1) Included component represents foreign exchange spot rates.
(2) Excluded component represents cross-currency basis spread and interest rates.

Cash Flow Hedges

As of June 30, 2025, we had a derivative designated as cash flow hedge on the Euro Term Loan Facility (€375 million notional amount). Amounts reported in Accumulated other comprehensive loss related to interest rate swaps are reclassified to interest expense as interest payments are made on our debt. As of June 30, 2025, we estimate that an additional $0.2 million will be reclassified as a decrease to interest expense during the twelve months ended June 30, 2026, when the hedged forecasted transactions impact earnings.

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The effect of these cash flow hedges on accumulated other comprehensive income and the condensed consolidated income statements for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest rate swaps	$ (1,521)	$ 1,124	$ (9,647)	$ (11,200)

	Location of gain or (loss)	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Interest rate swaps	Interest expense	$ (241)	$ 4,090	$ 817	$ 8,317

Fair Value of Derivative Instruments

The subsequent table presents the fair value of derivative instruments recognized in our condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025		December 31, 2024	
	Assets [1]	Liabilities [2]	Assets [1]	Liabilities [2]
Cross-currency interest rate swaps	$ 5,359	$ 285,720	$ 32,883	$ 75,597
Interest rate swaps	5,901	19,555	6,130	11,253
	$ 11,260	$ 305,275	$ 39,013	$ 86,850

(1) As presented in our condensed consolidated balance sheets within Other assets.
(2) As presented in our condensed consolidated balance sheets within Accounts payable and other accrued liabilities.

14. Fair Value

There have been no significant changes in our policy for fair value measurements from what was disclosed in our 2024 Form 10-K.

The carrying amounts for cash and cash equivalents, restricted cash, accounts and other receivables, accounts payable and other accrued liabilities, accrued dividends and distributions, security deposits and prepaid rents approximate fair value because of the short-term nature of these instruments. The carrying value of our Global Revolving Credit Facilities and the Euro Term Loan Facility approximates the estimated fair value, because these liabilities have variable interest rates and our credit ratings have remained stable. Differences between the carrying value and the fair value of our unsecured senior notes and secured and other debt are caused by differences in interest rates or borrowing spreads that were available to us on June 30, 2025 and December 31, 2024 as compared to those in effect when the debt was issued or assumed. As described in Note 13. "Derivative Instruments", outstanding derivative contracts are recorded at fair value.

We calculate the fair value of our secured and other debt and unsecured senior notes based on currently available market rates assuming the loans are outstanding through maturity and considering the collateral and other loan terms. In determining the current market rate for fixed rate debt, a market spread is added to the quoted yields on federal government treasury securities with similar maturity dates to our debt.

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The aggregate estimated fair value and carrying value of our Global Revolving Credit Facilities, Euro Term Loan Facilities, unsecured senior notes and secured and other debt as of the respective periods are shown below (in thousands):

	Categorization under the fair value hierarchy	As of June 30, 2025		As of December 31, 2024	
		Estimated Fair Value	Amount Outstanding	Estimated Fair Value	Amount Outstanding
Global Revolving Credit Facilities [1]	Level 2	$ 590,690	$ 590,690	$ 1,637,922	$ 1,637,922
Unsecured term loans [1]	Level 2	442,013	442,013	388,275	388,275
Unsecured senior notes [2]	Level 2	16,100,899	16,760,675	13,370,897	14,059,415
Secured and other debt [2]	Level 2	804,402	810,009	752,732	761,263
		$ 17,938,004	$ 18,603,387	$ 16,149,826	$ 16,846,875

(1) The carrying value of our Global Revolving Credit Facilities and unsecured term loans approximates estimated fair value, due to the variability of interest rates and the stability of our credit ratings.
(2) Valuations for our unsecured senior notes and secured and other debt are determined based on the expected future payments discounted at risk-adjusted rates and quoted market prices.

15. Commitments and Contingencies

Our properties require periodic investments of capital for tenant-related capital expenditures and for general capital improvements and from time to time in the normal course of our business, we enter into various construction contracts with third parties that may obligate us to make payments. At June 30, 2025, we had open commitments, including amounts reimbursable by customers of approximately $89.5 million, related to construction contracts of approximately $2.2 billion.

Legal Proceedings – Although the Company is involved in legal proceedings arising in the ordinary course of business, as of June 30, 2025, the Company is not currently a party to any legal proceedings nor, to its knowledge, is any legal proceeding threatened against it that it believes would have a material adverse effect on its financial position, results of operations or liquidity.

As disclosed previously, the Division of Enforcement of the U.S. Securities and Exchange Commission (SEC) is conducting an investigation into the adequacy of our disclosures of cybersecurity risks and our related disclosure controls and procedures. We are cooperating with the SEC and are not aware of any cybersecurity issue or event that caused the Staff to open this matter. Responding to an investigation of this type can be costly and time-consuming. While we are unable to predict the likely outcome of this matter or the potential cost or exposure or duration of the process, based on the information we currently possess, we do not expect the total potential cost to be material to our financial condition. If the SEC believes that violations occurred, it could seek remedies including, but not limited to, civil monetary penalties and injunctive relief, and/or file litigation against the Company.

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Insurance – In September 2024, an incident at one of our Singapore data centers resulted in damages to the facility. We believe this incident is substantially covered by our insurance policies, including coverage for the repair cost of the building, business interruption loss and potential third-party claims, subject to deductibles. Initial costs, including direct costs related to the incident and an estimated write-off of damage caused to existing fixed assets, totaling approximately $16 million were incurred during 2024. After factoring our expected insurance coverage and related deductible, we reported net expenses of approximately $5.0 million related to this incident for 2024. As of June 30, 2025, we have received total insurance proceeds of $26.7 million to date which includes $15.2 million received for property damage and initial direct costs and $11.5 million received for business interruption losses. We had insurance receivable balances of $10.8 million and $11.6 million, respectively, as of June 30, 2025 and December 31, 2024 for known losses for which insurance reimbursement is probable, which is included in Other assets in the condensed consolidated balance sheets. Insurance proceeds for business interruption losses are recognized in Other income, net in the condensed consolidated income statement as received. No gain contingencies have been recognized as our ability to realize those gains remains uncertain.

16. Supplemental Cash Flow Information

Cash, cash equivalents, and restricted cash balances as of June 30, 2025, and December 31, 2024:

	Balance as of	
(Amounts in thousands)	**June 30, 2025**	**December 31, 2024**
Cash and cash equivalents	$ 3,554,126	$ 3,870,891
Restricted cash (included in Other assets)	7,578	5,809
Total	$ 3,561,704	$ 3,876,700

We paid $161.2 million and $224.1 million for interest, net of amounts capitalized, for the six months ended June 30, 2025 and 2024, respectively.

We paid $72.5 million and $33.7 million for income taxes, net of refunds, for the six months ended June 30, 2025 and 2024, respectively.

Accrued construction related costs totaled $517.5 million and $450.7 million as of June 30, 2025 and 2024, respectively.

17. Segment and Geographic Information

A majority of the Company's largest customers are global entities that transact with the Company across multiple geographies worldwide. In order to better address the needs of these global customers, the Company manages critical decisions around development, operations, and leasing globally based on customer demand considerations. In this regard, the Company manages customer relationships globally in order to achieve consistent sales and delivery experience of our products for our customers throughout the global portfolio. The Company has reiterated its commitment to and implemented strategies to align itself as one global team to help power customers' digital ambitions.

In order to best accommodate the needs of global customers (and customers that might one day become global), the Company manages its operations as a single global business – with one operating segment and therefore one reporting segment.

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The Company's chief operating decision maker ("CODM") is the Chief Executive Officer, who uses net income as a primary measure of operating results on a consolidated basis in making decisions. Net income is computed in accordance with U.S. GAAP. Significant expense categories, including Rental property operating and maintenance, Property taxes and insurance, General and administrative and Interest expense, are regularly provided to the Company's CODM as components of net income, which are reflected on the condensed consolidated income statements.

The financial information disclosed herein represents all of the financial information related to our one reportable segment, and the segmental presentation is consistent with the information provided to our CODM. These metrics are collectively used to evaluate the performance of the Company's investments in real estate assets, its operating results and to allocate resources.

	Operating Revenues			
	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in millions)	2025	2024	2025	2024
Inside the United States	$ 780.7	$ 714.6	$ 1,542.3	$ 1,419.5
Outside the United States	712.5	642.1	1,358.5	1,268.4
Revenue Outside of U.S. %	47.7 %	47.3 %	46.8 %	47.2 %

	Investments in Properties, net		Operating lease right-of-use assets, net	
	As of June 30,	As of December 31,	As of June 30,	As of December 31,
(Amounts in millions)	2025	2024	2025	2024
Inside the United States	$ 10,088.7	$ 10,592.3	$ 518.9	$ 552.3
Outside the United States	15,560.2	13,528.5	661.8	626.6
Net Assets in Foreign Operations	$ 9,018.6	$ 7,744.8		

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this report and our Annual Report on Form 10-K for the year ended December 31, 2024, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, each as filed with the United States ("U.S.") Securities and Exchange Commission ("SEC"). This report contains forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, expected use of borrowings under our credit facilities, expected use of proceeds from our ATM equity program, litigation matters or legal proceedings, portfolio performance, leverage policy, acquisition and capital expenditure plans, capital recycling program, returns on invested capital, supply and demand for data center space, capitalization rates, rents to be received in future periods and expected rental rates on new or renewed data center space contain forward-looking statements. Likewise, all of our statements regarding anticipated market conditions, 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," "pro forma," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve numerous risks and uncertainties, and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and that we may not be able to realize. We do not guarantee that the transactions and events described will happen as described or that they will happen at all. 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: reduced demand for data centers or decreases in information technology spending; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; the suitability of our data centers and data center infrastructure, delays or disruptions in connectivity or availability of power, or failures or breaches of our physical and information security infrastructure or services; breaches of our obligations or restrictions under our contracts with our customers; our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties; the impact of current global and local economic, credit and market conditions; increased tariffs, global supply chain or procurement disruptions, or increased supply chain costs; the impact from periods of heightened inflation on our costs, such as operating and general and administrative expenses, interest expense and real estate acquisition and construction costs; the impact on our customers' and our suppliers' operations during an epidemic, pandemic, or other global events; our dependence upon significant customers, bankruptcy or insolvency of a major customer or a significant number of smaller customers, or defaults on or non-renewal of leases by customers; changes in political conditions, geopolitical turmoil, political instability, civil disturbances, restrictive governmental actions or nationalization in the countries in which we operate; our inability to retain data center space that we lease or sublease from third parties; information security and data privacy breaches; difficulties managing an international business and acquiring or operating properties in foreign jurisdictions and unfamiliar metropolitan areas; our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent and future acquisitions; our failure to successfully integrate and operate acquired or developed properties or businesses; difficulties in identifying properties to acquire and completing acquisitions; risks related to joint venture investments, including as a result of our lack of control of such investments; risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements; our failure to obtain necessary debt and equity financing, and our dependence on external sources of capital; financial market fluctuations and changes in foreign currency exchange rates; adverse economic or real estate developments in our industry or the industry sectors that we sell to, including risks relating to decreasing real estate valuations and impairment charges and goodwill and other intangible asset impairment charges; our inability to manage our growth effectively; losses in excess of our insurance coverage; our inability to attract and retain talent; environmental liabilities, risks related to natural disasters and our inability to achieve our sustainability goals; the expected operating performance of anticipated near-term acquisitions and descriptions relating to these expectations; our inability to comply with rules and regulations applicable to our Company; Digital Realty

Trust, Inc.'s failure to maintain its status as a REIT for U.S. federal income tax purposes; Digital Realty Trust, L.P.'s failure to qualify as a partnership for U.S. federal income tax purposes; restrictions on our ability to engage in certain business activities; changes in local, state, federal and international laws and regulations, including related to taxation, real estate and zoning laws, and increases in real property tax rates; the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us; and those additional risks and factors discussed in reports filed with the SEC by us from time to time, including those discussed under the heading "Risk Factors" in our most recently filed Annual Report on Form 10-K and in other sections of this report, including under Part II, Item 1A, Risk Factors.

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, new information, data or methods, future events or other changes.

The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance, including factors and risks included in our Annual Report on Form 10-K for the year ended December 31, 2024 and in other sections of this report, including under Part II, Item 1A, Risk Factors. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to identify all such risk factors, nor can we assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

Occupancy percentages included in the following discussion, for some of our properties, are calculated based on factors in addition to contractually leased square feet, including available power, required support space and common area.

As used in this report: "Ascenty entity" refers to the entity which owns and operates Ascenty, formed with Brookfield Infrastructure.

Business Overview and Strategy

Digital Realty Trust, Inc., through its controlling interest in Digital Realty Trust, L.P. and its subsidiaries, delivers comprehensive space, power, and interconnection solutions that enable its customers and partners to connect with each other and service their own customers on a global technology and real estate platform. We are a leading global provider of data center, colocation and interconnection solutions for customers across a variety of industry verticals. Digital Realty Trust, Inc. operates as a REIT for U.S. federal income tax purposes, and our Operating Partnership is the entity through which we conduct our business and own our assets.

Our primary business objectives are to maximize:

(i) sustainable long-term growth in earnings and funds from operations per share and unit;
(ii) cash flow and returns to our stockholders and Digital Realty Trust, L.P.'s unitholders through the payment of distributions; and
(iii) return on invested capital.

We expect to accomplish our objectives by achieving superior risk-adjusted returns, prudently allocating capital, diversifying our product offerings, accelerating our global reach and scale, and driving revenue growth and operating efficiencies. A significant component of our current and future internal growth is anticipated through the development of our existing space held for development, acquisition of land for future development, and acquisition of new properties.

We target high-quality, strategically located properties containing the physical and connectivity infrastructure that supports the applications and operations of data center and technology industry customers and properties that may be developed for such use. Most of our data center properties contain fully redundant electrical supply systems, multiple power feeds, above-standard cooling systems, raised floor areas, extensive in-building communications cabling and high-level security systems. Fundamentally, we bring together foundational real estate and innovative technology expertise around the world to deliver a comprehensive, dedicated product suite to meet customers' data and connectivity needs. We represent an important part of the digital economy that we believe will benefit from powerful, long-term growth drivers.

We have developed detailed, standardized procedures for evaluating new real estate investments to ensure that they meet our financial, technical and other criteria. We expect to continue to acquire additional assets as part of our growth strategy. We intend to aggressively manage and lease our assets to increase their cash flow. We may continue to build out our development portfolio when justified by anticipated demand and returns.

We may acquire properties subject to existing mortgage financing and other indebtedness or we may incur new indebtedness in connection with acquiring or refinancing these properties. Debt service on such indebtedness will have a priority over any cash dividends with respect to Digital Realty Trust, Inc.'s common stock and preferred stock. We are committed to maintaining a conservative capital structure. Our goal is to average through business cycles the following financial ratios: 1) a debt-to-Adjusted EBITDA ratio around 5.5x, 2) a fixed charge coverage of greater than three times, and 3) floating rate debt at less than 20% of total outstanding debt. In addition, we strive to maintain a well-laddered debt maturity schedule, and we seek to maximize the menu of our available sources of capital, while minimizing the cost.

Changes in political conditions, geopolitical turmoil, political instability, civil disturbances, restrictive governmental actions or nationalization in the countries in which we operate, including escalations in political and trade tensions involving the U.S. and regulatory and legislative changes, could potentially result in adverse effects on our, and our customers', operations.

On July 4, 2025, a budget reconciliation bill (the "Bill") was signed into law in the United States. The Bill includes several significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017 and other changes to the Internal Revenue Code of 1986, as amended (the "Code"), that affect REITs and their investors. We are currently evaluating the full potential impact of the provisions in the Bill, however, we do not expect it to have a material impact on our business.

Summary of 2025 Significant Activities

We completed the following significant activities during the six months ended June 30, 2025:

- In January 2025, Digital Dutch Finco B.V., an indirect wholly owned finance subsidiary of the Operating Partnership, issued and sold €850 million aggregate principal amount of 3.875% Guaranteed Notes due 2035. Net proceeds from the offering were approximately €838 million (approximately $864 million based on the exchange rate on January 14, 2025) after deducting managers' discounts and estimated offering expenses.

- In March 2025, we formed a joint venture with Bersama Digital Infrastructure Asia (BDIA) to develop and operate data centers across Indonesia. We acquired a 50% interest in the joint venture, which consists of two land parcels and two buildings in Jakarta, Indonesia for approximately $94.7 million. The 6 acres of land and two buildings can support up to approximately 32 megawatts of IT load.

- In April 2025, we received approximately $77 million of gross proceeds from the contribution of our data centers to the joint venture with Blackstone. As a result of transferring control, we derecognized the data centers and recognized a gain on disposition of approximately $58 million.

- During the first half of 2025, the Company launched the Fund, and in May 2025, we received approximately

$937 million of gross proceeds from the contribution of operating data centers and development projects to the Fund, recognized a gain on disposition of approximately $873 million, and recognized an investment in the assets of $661 million.

- In June 2025, Digital Dutch Finco B.V., an indirect wholly owned finance subsidiary of the Operating Partnership, issued and sold €850 million aggregate principal amount of 3.875% Guaranteed Notes due 2034 (the "Euro Notes"). Net proceeds from the offering of the Euro Notes were approximately €836.6 million (approximately $975 million based on the exchange rate on June 25, 2025) after deducting managers' discounts and estimated offering expenses.

- Since March 31, 2025, Digital Realty Trust, Inc. generated net proceeds of approximately $719 million from the issuance of approximately 4.15 million common shares under the 2024 Sales Agreement at an average price of $173.19 per share after payment of approximately $4.7 million of commissions to the agents. As of July 30, 2025, approximately $2.3 billion remains available for future sales under the 2024 Sales Agreement Amendment.

Revenue Base

Most of our revenue consists of rental income generated by the data centers in our portfolio. Our ability to generate and grow revenue depends on several factors, including our ability to maintain or improve occupancy rates. A summary of our data center portfolio and related occupied square feet (in thousands) (excluding space under development or held for development) is shown below. Unconsolidated portfolios shown below consist of assets owned by unconsolidated entities in which we have invested. We often provide management services for these entities under management agreements and receive management fees. These are shown as Managed Unconsolidated Portfolio. Entities for which we do not provide such services are shown as Non-Managed Unconsolidated Portfolio.

	As of June 30, 2025					As of December 31, 2024				
Region	Data Center Buildings	Net Rentable Square Feet [1]	Space Under Active Development [2]	Space Held for Development [3]	Occupancy	Data Center Buildings	Net Rentable Square Feet [1]	Space Under Active Development [2]	Space Held for Development [3]	Occupancy
North America	93	18,706	1,569	1,007	84.7 %	101	20,004	2,775	1,025	85.5 %
Europe	107	9,297	2,344	717	78.4 %	106	8,836	2,833	717	77.3 %
Asia Pacific	11	1,577	1,091	289	81.4 %	11	1,577	66	289	81.2 %
Africa	12	1,889	1,237	21	83.3 %	12	1,704	1,422	21	82.8 %
Consolidated Portfolio	223	31,469	6,240	2,034	82.6 %	230	32,120	7,096	2,052	82.9 %
Managed Unconsolidated Portfolio	38	6,958	2,483	409	94.5 %	31	5,552	1,022	400	91.8 %
Non-Managed Unconsolidated Portfolio	49	4,102	1,124	2,173	85.3 %	47	3,654	787	2,234	83.0 %
Total Portfolio	**310**	**42,529**	**9,848**	**4,616**	**84.8 %**	**308**	**41,326**	**8,904**	**4,686**	**84.1 %**

Note: Table excludes data centers held for sale. Individual items may not add up to total due to rounding.

(1) Net rentable square feet represent the current square feet under lease as specified in the applicable lease agreement plus management's estimate of space available for lease based on engineering drawings. The amount includes customers' proportional share of common areas but excludes space held for the intent of or under active development.

(2) Space under active development includes current base building and data center projects in progress, and excludes space held for development. For additional information on the current and future investment for space under active development, see "Liquidity and Capital Resources—Development Projects".

(3) Space held for development includes space held for future data center development and excludes space under active development. For additional information on the current investment for space held for development, see "Liquidity and Capital Resources—Development Projects".

Leasing Activities

Due to the capital-intensive and long-term nature of the operations we support, our lease terms with customers are generally longer than standard commercial leases. As of June 30, 2025, our average remaining lease term was approximately five years.

Our ability to re-lease expiring space at rental rates equal to or in excess of current rental rates will impact our results of operations. The subsequent table summarizes our leasing activity in the six months ended June 30, 2025 (square feet in thousands):

	Rentable Square Feet [1]	Expiring Rates [2]	New Rates [2]	Rental Rate Changes	TI's/Lease Commissions Per Square Foot	Weighted Average Lease Terms (years)
Leasing Activity [3][4]						
Renewals Signed						
0 — 1 MW	934	$ 264	$ 276	4.6 %	$ 1	1.2
> 1 MW	291	$ 133	$ 159	19.4 %	$ 1	4.2
Other [6]	342	$ 44	$ 64	47.3 %	$ 2	4.5
New Leases Signed [5]						
0 — 1 MW	426	—	$ 297	—	$ 7	4.5
> 1 MW	694	—	$ 313	—	$ —	11.0
Other [6]	33	—	$ 56	—	$ 1	8.7
Leasing Activity Summary						
0 — 1 MW	1,360		$ 283			
> 1 MW	985		$ 267			
Other [6]	375		$ 64			

(1) For some of our properties, we calculate square footage based on factors in addition to contractually leased square feet, including power, required support space and common area.
(2) Rental rates represent average annual estimated base cash rent per rentable square foot – calculated for each contract based on total cash base rent divided by the total number of years in the contract (including any tenant concessions). All rates were calculated in the local currency of each contract and then converted to USD based on average exchange rates for the period presented.
(3) Excludes short-term leases.
(4) Commencement dates for the leases signed range from 2025 to 2026.
(5) Includes leases signed for new and re-leased space.
(6) Other includes Powered Base Building shell capacity as well as storage and office space within fully improved data center facilities.

We continue to see strong demand in most of our key metropolitan areas for data center space and, subject to the supply of available data center space in these metropolitan areas, we expect average aggregate rental rates on renewed data center leases for 2025 expirations to be positive as compared with the rates currently being paid for the same space on a GAAP basis and on a cash basis. Our past performance may not be indicative of future results, and we cannot assure you that leases will be renewed or that our data centers will be re-leased at all or at rental rates equal to or above the current average rental rates. Further, re-leased/renewed rental rates in a particular metropolitan area may not be consistent with rental rates across our portfolio as a whole and may fluctuate from one period to another due to a number of factors, including local economic conditions, local supply and demand for data center space, competition from other data center developers or operators, the condition of the property and whether the property, or space within the property, has been developed.

Geographic Concentration

We depend on the market for data centers in specific geographic regions and significant changes in these regional or metropolitan areas can impact our future results. The following table shows the geographic concentration based on annualized rent from our portfolio, including data centers held as investments in unconsolidated entities.

Metropolitan Area	Percentage of June 30, 2025 Total annualized rent [1]
Northern Virginia	20.3 %
Chicago	7.2 %
Frankfurt	6.1 %
London	5.0 %
Dallas	4.7 %
Singapore	4.5 %
New York	4.2 %
Amsterdam	4.1 %
Paris	3.8 %
Sao Paulo	3.8 %
Silicon Valley	3.7 %
Johannesburg	3.2 %
Portland	3.2 %
Tokyo	2.4 %
Marseille	1.7 %
Other	22.1 %
Total	100.0 %

(1) Annualized rent is monthly contractual rent (defined as cash base rent before abatements) under existing leases as of the end of the period presented, multiplied by 12. Includes consolidated portfolio and unconsolidated entities at the entities' 100% ownership level. The aggregate amount of abatements for the six months ended June 30, 2025 was approximately $12.0 million.

Operating Expenses

Operating expenses primarily consist of utilities, property and ad valorem taxes, property management fees, insurance and site maintenance costs, and rental expenses on our ground and building leases. Our buildings require significant power to support data center operations and the cost of electric power and other utilities is a significant component of operating expenses.

Many of our leases contain provisions under which tenants reimburse us for all or a portion of property operating expenses and real estate taxes incurred by us. However, in some cases we are not entitled to reimbursement of property operating expenses, other than utility expense, and real estate taxes under our leases for Turn-Key Flex® facilities. We expect to incur additional operating expenses as we continue to expand.

Costs pertaining to our asset management function, legal, accounting, corporate governance, reporting and compliance are categorized as general and administrative costs within operating expenses.

Other key components of operating expenses include: depreciation of our fixed assets, amortization of intangible assets, and transaction and integration costs.

Other Income / (Expenses)

Equity in earnings of unconsolidated entities, gain on disposition of properties, interest expense, and income tax expense make up the majority of Other income/(expenses). Equity in earnings of unconsolidated entities represents our share of the income/(loss) of entities in which we invest, but do not consolidate under U.S. GAAP. Refer to additional discussion of Digital Core REIT and Ascenty in the Notes to the Condensed Consolidated Financial Statements.

Results of Operations

As a result of the consistent and significant growth in our business since the first property acquisition in 2002, we evaluate period-to-period results for revenue and property level operating expenses on a stabilized versus non-stabilized portfolio basis.

Stabilized: The stabilized portfolio includes properties owned as of the beginning of all periods presented with less than 5% of total rentable square feet under development.

Non-stabilized: The non-stabilized portfolio includes: (1) properties that were undergoing, or were expected to undergo, development activities during any of the periods presented; (2) any properties contributed to joint ventures, sold, or held for sale during the periods presented; and (3) any properties that were acquired or delivered at any point during the periods presented.

A roll forward showing changes in the stabilized and non-stabilized portfolios for the six months ended June 30, 2025 as compared to December 31, 2024 is shown below (in thousands):

Net Rentable Square Feet	Stabilized	Non-Stabilized	Total
As of December 31, 2024	23,866	8,256	32,122
New development and space reconfigurations	17	798	815
Transfers to stabilized from non-stabilized	1,904	(1,904)	—
Transfers to non-stabilized from stabilized	(1,119)	996	(123)
Dispositions / Sales	(1,345)	—	(1,345)
Acquisitions	—	—	—
As of June 30, 2025	23,323	8,146	31,469

Comparison of the Results of Operations for the Three and Six Months Ended June 30, 2025 to the Three and Six Months Ended June 30, 2024

Revenues

Total operating revenues as shown on our condensed consolidated income statements was as follows (in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Stabilized	$ 1,080,712	$ 1,030,017	$ 50,695	4.9 %	2,127,799	$ 2,045,854	$ 81,945	4.0 %
Non-Stabilized	376,648	308,951	67,697	21.9 %	716,422	610,385	106,037	17.4 %
Rental and other services	1,457,360	1,338,968	118,392	8.8 %	2,844,221	2,656,239	187,982	7.1 %
Fee income and other	35,790	17,781	18,009	101.3 %	56,566	31,653	24,913	78.7 %
Total operating revenues	$ 1,493,150	$ 1,356,749	$ 136,401	10.1 %	$ 2,900,787	$ 2,687,892	$ 212,895	7.9 %

Total operating revenues increased by approximately $136.4 million and $212.9 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024.

Stabilized rental and other services revenue increased by approximately $50.7 million and $81.9 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024 primarily due to increases in new leasing and renewals across all regions.

Non-stabilized rental and other services revenue increased by approximately $67.7 million and $106.0 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024 primarily due to:

(i) increases of $108.0 million and $180.6 million, respectively, due to the completion of our global development pipeline and related lease up operating activities (with the biggest contributions in Northern Virginia, Portland, London, Johannesburg and Paris); and
(ii) offset by decreases of $40.3 million and $74.5 million, respectively, related to properties sold or contributed after June 30, 2024.

Operating Expenses — Property Level

Property level operating expenses as shown in our condensed consolidated income statements were as follows (in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Stabilized	$ 258,096	$ 250,651	$ 7,445	3.0 %	$ 508,102	$ 511,234	$ (3,132)	(0.6)%
Non-Stabilized	81,192	64,597	16,595	25.7 %	144,571	128,584	15,987	12.4 %
Total Utilities	339,288	315,248	24,040	7.6 %	652,673	639,818	12,855	2.0 %
Stabilized	194,551	183,449	11,102	6.1 %	370,305	347,951	22,354	6.4 %
Non-Stabilized	73,173	54,204	18,969	35.0 %	136,019	114,071	21,948	19.2 %
Total Rental property operating and maintenance (excluding utilities)	267,724	237,653	30,071	12.7 %	506,324	462,022	44,302	9.6 %
Total Rental property operating and maintenance	607,012	552,901	54,111	9.8 %	1,158,997	1,101,840	57,157	5.2 %
Stabilized	43,019	44,437	(1,418)	(3.2)%	83,548	80,732	2,816	3.5 %
Non-Stabilized	11,497	9,938	1,559	15.7 %	24,307	17,493	6,814	39.0 %
Total Property taxes and insurance	54,516	54,375	141	0.3 %	107,855	98,225	9,630	9.8 %
Total property level operating expenses	$ 661,528	$ 607,276	$ 54,252	8.9 %	$ 1,266,852	$ 1,200,065	$ 66,787	5.6 %

Property level operating expenses include costs to operate and maintain the properties in our portfolio as well as taxes and insurance.

Total Utilities

Total stabilized utilities expenses increased by approximately $7.4 million and decreased by approximately $3.1 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024. The increase was primarily due to higher power pricing at certain properties in the stabilized portfolio, mainly in EMEA and APAC, whereas the decrease was primarily due to rebates received mainly in EMEA.

Total non-stabilized utilities expenses increased by approximately $16.6 million and $16.0 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024 primarily due to:

(i) an increase of approximately $32.2 million and $46.2 million, respectively, due to higher utility consumption in a growing portfolio of recently completed development sites (with the biggest contributions in Portland, Johannesburg and London); offset by
(ii) an increase in power agreement credits by $5.8 million and $8.4 million, respectively; and
(iii) a decrease of $9.8 million and $21.8 million, respectively, related to properties sold or contributed after June 30, 2024.

The cost of electric power comprises a significant component of our operating expenses. Any additional taxation or regulation of energy use, including as a result of (i) new legislation that the U.S. Congress may pass, (ii) the regulations that the U.S. EPA has proposed or finalized, (iii) regulations under legislation that states have passed or may pass, or (iv) any further legislation or regulations in EMEA, APAC or other regions where we operate could significantly increase our costs, and we may not be able to effectively pass all of these costs on to our customers. These matters could adversely impact our business, results of operations, or financial condition.

Total Rental Property Operating and Maintenance (Excluding Utilities)

Total stabilized rental property operating and maintenance expenses (excluding utilities) increased by approximately $11.1 million and $22.4 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024 primarily due to increases in building operations expense, common area maintenance expense and data center labor.

Total non-stabilized rental property operating and maintenance expenses (excluding utilities) increased by approximately $19.0 million and $21.9 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024 primarily due to increases in data center labor expense throughout the portfolio.

Total Property Taxes and Insurance

Total stabilized property taxes and insurance decreased by approximately $1.4 million and increased by approximately $2.8 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024, primarily due to timing of property tax assessments throughout our North American portfolio.

Total non-stabilized property taxes and insurance increased by approximately $1.6 million and $6.8 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024, primarily related to property tax reassessments for certain properties located in Chicago, Northern Virginia and Portland in the non-stabilized portfolio.

Other Operating Expenses

Other operating expenses include costs which are either non-cash in nature (such as depreciation and amortization) or which do not directly pertain to operation of data center properties. A comparison of other operating expenses for the respective periods is shown below (in thousands).

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
Depreciation and amortization	$ 461,167	$ 425,343	$ 35,824	8.4 %	$ 904,176	$ 856,445	$ 47,731	5.6 %
General and administrative	136,017	120,395	15,622	13.0 %	259,557	235,605	23,952	10.2 %
Transaction, integration and other expense	22,546	26,072	(3,526)	(13.5)%	62,448	57,911	4,537	7.8 %
Provision for impairment	—	168,303	(168,303)	100.0 %	—	168,303	(168,303)	(100.0)%
Other	195	(529)	724	n/m %	307	10,307	(10,000)	n/m %
Total other operating expenses	619,925	739,584	(119,659)	(16.2)%	1,226,488	1,328,571	(102,083)	(7.7)%
Total property level operating expenses	661,528	607,276	54,252	8.9 %	1,266,852	1,200,065	66,787	5.6 %
Total operating expenses	$ 1,281,453	$ 1,346,860	(65,407)	(4.9)%	$ 2,493,340	$ 2,528,636	$ (35,296)	(1.4)%

Equity in Earnings (Loss) of Unconsolidated Entities

The change in Equity in earnings (loss) of unconsolidated entities was approximately $29.4 million and $37.7 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024. The foreign exchange remeasurement of debt associated with our unconsolidated Ascenty entity creates volatility in our equity in earnings and drove this fluctuation.

Gain on Disposition of Properties, Net

Gain on disposition of properties increased $758.1 million and $481.4 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024.

In May 2025, we received approximately $937 million of gross proceeds from the contribution of operating data centers and development projects to the Fund, recognized a gain on disposition of approximately $873 million, and recognized an investment in the assets of $661 million.

In April 2025, we contributed an additional three development projects at the Digital Dulles campus to the joint venture with Blackstone. We received approximately $77 million of gross proceeds from the contribution and as a result of transferring control, we derecognized the data centers and recognized a gain on disposition of approximately $58 million.

In January 2024, we closed on the sale of our interest in four data centers to Brookfield Infrastructure Partners L.P., or Brookfield, for approximately $271 million. As a result of the sale, we recognized a total gain on disposition of approximately $194.2 million.

In March 2024, we recognized a total gain of $74.4 million from the sale of an easement to a local power provider in Northern Virginia.

Loss on Debt Extinguishment and Modifications

We incurred no losses on debt extinguishment and debt modifications in the three and six months ended June 30, 2025.

In January 2024, we paid down $240 million on the U.S. term loan facility, leaving $500 million outstanding. The paydown resulted in an early extinguishment charge of approximately $1.1 million.

Interest Expense

Interest expense decreased approximately $5.4 million and $16.4 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024 driven primarily by lower average balances on our Global Revolving Credit Facilities and term loan facilities offset by issuances of unsecured senior notes (€850 million of 3.875% Guaranteed Notes due 2033 (issued in September 2024), $1.15 billion of 1.875% Exchangeable Senior Notes due 2029 (issued in November 2024), €850 million of 3.875% Guaranteed Notes due 2035 (issued in January 2025) and €850 million of 3.875% Guaranteed Notes due 2034 (issued in June 2025).

Income Tax Expense

Income tax expense decreased approximately $2.1 million and $7.4 million in the three and six months ended June 30, 2025, respectively, compared to the same periods in 2024 due to jurisdictional rate mix in foreign jurisdictions and internal restructuring within the global group. We carried out an analysis for the purposes of the Model GloBE Rules for Pillar Two and no material top-up tax is expected.

As of June 30, 2025, we are under examination for various years in Australia, Germany, Kenya, Mauritius, Singapore, Switzerland, United Kingdom, and the United States.

Liquidity and Capital Resources

The sections “Analysis of Liquidity and Capital Resources — Parent” and “Analysis of Liquidity and Capital Resources — Operating Partnership” should be read in conjunction with one another to understand our liquidity and capital resources on a consolidated basis. The term “Parent” refers to Digital Realty Trust, Inc. on an unconsolidated basis, excluding our Operating Partnership. The term “Operating Partnership” or “OP” refers to Digital Realty Trust, L.P. on a consolidated basis.

Analysis of Liquidity and Capital Resources — Parent

Our Parent does not conduct business itself, other than acting as the sole general partner of the Operating Partnership, issuing public equity from time to time, incurring certain expenses in operating as a public company (which are fully reimbursed by the Operating Partnership) and guaranteeing certain unsecured debt of the Operating Partnership and certain of its subsidiaries and affiliates. If our Operating Partnership or such subsidiaries fail to fulfill their debt requirements, which trigger Parent guarantee obligations, then our Parent will be required to fulfill its cash payment commitments under such guarantees. Our Parent's only material asset is its investment in our Operating Partnership.

Our Parent's principal funding requirement is the payment of dividends on its common and preferred stock. Our Parent's principal source of funding is the distributions it receives from our Operating Partnership.

As the sole general partner of our Operating Partnership, our Parent has the full, exclusive and complete responsibility for our Operating Partnership's day-to-day management and control. Our Parent causes our Operating Partnership to distribute such portion of its available cash as our Parent may in its discretion determine, in the manner provided in our Operating Partnership's partnership agreement.

As circumstances warrant, our Parent may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. Any proceeds from such equity issuances would generally be contributed to our Operating Partnership in exchange for additional equity interests in our Operating Partnership. Our Operating Partnership may use the proceeds to acquire additional properties, to fund development opportunities and for general working capital purposes, including potentially for the repurchase, redemption or retirement of outstanding debt or equity securities.

Our Parent and our Operating Partnership are parties to an ATM Equity Offering^{SM} Sales Agreement dated December 23, 2024 (the "2024 Sales Agreement"). Pursuant to the 2024 Sales Agreement, Digital Realty Trust, Inc. can issue and sell common stock having an aggregate offering price of up to $3.0 billion through various named agents from time to time.

The sales of common stock made under the 2024 Sales Agreement Amendment will be made in "at the market" offerings as defined in Rule 415 of the Securities Act. Our Parent has used and intends to use the net proceeds from the program to temporarily repay borrowings under our Operating Partnership's Global Revolving Credit Facilities, to acquire additional properties or businesses, to fund development opportunities and for working capital and other general corporate purposes, including potentially for the repayment of other debt or the repurchase, redemption or retirement of outstanding debt securities. Since March 31, 2025, Digital Realty Trust, Inc. generated net proceeds of approximately $719 million from the issuance of approximately 4.15 million common shares under the 2024 Sales Agreement at an average price of $173.19 per share after payment of approximately $4.7 million of commissions to the agents. As of July 30, 2025, approximately $2.3 billion remains available for future sales under the 2024 Sales Agreement Amendment.

We believe our Operating Partnership's sources of working capital, specifically its cash flow from operations, and funds available under its Global Revolving Credit Facility are adequate for it to make its distribution payments to our Parent and, in turn, for our Parent to make its dividend payments to its stockholders. However, we cannot assure you that our Operating Partnership's sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including making distribution payments to our Parent. The lack of availability of capital could adversely affect our Operating Partnership's ability to pay its distributions to our Parent, which would, in turn, adversely affect our Parent's ability to pay cash dividends to its stockholders.

Future Uses of Cash — Parent

Our Parent may from time to time seek to retire, redeem or repurchase its equity or the debt securities of our Operating Partnership or its subsidiaries through cash purchases and/or exchanges for equity securities in open market purchases, privately negotiated transactions or otherwise. Such repurchases, redemptions or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions or other factors. The amounts involved may be material.

Dividends and Distributions — Parent

Our Parent is required to distribute 90% of its taxable income (excluding capital gains) on an annual basis to continue to qualify as a REIT for U.S. federal income tax purposes. Our Parent intends to make, but is not contractually bound to make, regular quarterly distributions to its common stockholders from cash flow from our Operating Partnership's operating activities. While historically our Parent has satisfied this distribution requirement by making cash distributions to its stockholders, it may choose to satisfy this requirement by making distributions of cash or other property. All such distributions are at the discretion of our Parent's Board of Directors. Our Parent considers market factors and our Operating Partnership's performance in addition to REIT requirements in determining distribution levels. Our Parent has distributed at least 100% of its taxable income annually since inception to minimize corporate level federal and state income taxes. Amounts accumulated for distribution to stockholders are invested primarily in interest-bearing accounts and short-term interest-bearing securities, in a manner consistent with our intention to maintain our Parent's status as a REIT.

As a result of this distribution requirement, our Operating Partnership cannot rely on retained earnings to fund its ongoing operations to the same extent that other companies whose parent companies are not REITs can. Our Parent may need to continue to raise capital in the debt and equity markets to fund our Operating Partnership's working capital needs, as well as potential developments at new or existing properties, acquisitions or investments in existing or newly created joint ventures. In addition, our Parent may be required to use borrowings under the Operating Partnership's Global Revolving Credit Facility (which is guaranteed by our Parent), if necessary, to meet REIT distribution requirements and maintain our Parent's REIT status.

Distributions out of our Parent's current or accumulated earnings and profits are generally classified as ordinary income whereas distributions in excess of our Parent's current and accumulated earnings and profits, to the extent of a stockholder's U.S. federal income tax basis in our Parent's stock, are generally classified as a return of capital. Distributions in excess of a stockholder's U.S. federal income tax basis in our Parent's stock are generally characterized as capital gain. Cash provided by operating activities has been generally sufficient to fund distributions on an annual basis. However, we may also need to utilize borrowings under the Global Revolving Credit Facility to fund distributions.

For additional information regarding dividends declared and paid by our Parent on its common and preferred stock for the six months ended June 30, 2025, see Note 10. "Equity and Capital" to our condensed consolidated financial statements contained herein.

Analysis of Liquidity and Capital Resources — Operating Partnership

As of June 30, 2025, we had $3,554.1 million of cash and cash equivalents, excluding $7.6 million of restricted cash. Restricted cash primarily consists of contractual capital expenditures plus other deposits. As circumstances warrant, our Operating Partnership may dispose of assets or enter into joint venture arrangements with institutional investors or strategic partners, on an opportunistic basis dependent upon market conditions. Our Operating Partnership may use the proceeds from such dispositions to acquire additional properties, to fund development opportunities and for general working capital purposes, including the repayment of indebtedness. Our liquidity requirements primarily consist of:

- operating expenses;
- development costs and other expenditures associated with our properties;
- distributions to our Parent to enable it to make dividend payments;
- distributions to unitholders of common limited partnership interests in Digital Realty Trust, L.P.;
- debt service; and
- potentially, acquisitions.

On September 24, 2024, we refinanced our Global Revolving Credit Facility and Yen Revolving Credit Facility. The Global Revolving Credit Facilities provide for borrowings up to $4.5 billion (including approximately $0.3 billion available to be drawn on the Yen Revolving Credit Facility) based on currency commitments and foreign exchange rates as of June 30, 2025. The Global Revolving Credit Facility provides for borrowings in a variety of currencies and can be increased by an additional $1.8 billion, subject to receipt of lender commitments and other conditions precedent. Both facilities mature on January 24, 2029, with two six-month extension options available.

These facilities also feature a sustainability-linked pricing component, with pricing subject to adjustment based on annual performance targets, further demonstrating our continued leadership and commitment to sustainable business practices.

The Global Revolving Credit Facility provides for borrowings in a variety of currencies and includes the ability to add additional currencies in the future. We have used and intend to use available borrowings under the Global Revolving Credit Facilities to acquire additional properties, fund development opportunities and for general working capital and other corporate purposes, including potentially for the repurchase, redemption or retirement of outstanding debt or equity securities. For additional information regarding our Global Revolving Credit Facility, see Note 8. “Debt of the Operating Partnership” in the Notes to our Condensed Consolidated Financial Statements.

Future Uses of Cash

Our properties require periodic investments of capital for customer-related capital expenditures and for general capital improvements. Depending upon customer demand, we expect to incur significant improvement costs to build out and develop additional capacity. At June 30, 2025, we had open commitments, related to construction contracts of approximately $2.2 billion, including amounts reimbursable of approximately $89.5 million.

For the remainder of 2025, we currently expect to incur approximately $1.7 billion to $2.2 billion of capital expenditures, which includes our share of joint venture contributions and is net of partner contributions for our development programs. This amount could go up or down, potentially materially, based on numerous factors, including changes in demand, leasing results and availability of debt or equity capital.

Development Projects

The costs we incur to develop our properties are a key component of our liquidity requirements. The following table summarizes our cumulative investments in current development projects as well as expected future investments in these projects as of the periods presented, excluding square feet held in and costs incurred or to be incurred by unconsolidated entities.

Construction Projects in Progress	As of June 30, 2025			As of December 31, 2024		
(in thousands)	Current Investment (1)	Future Investment (2)	Total Cost	Current Investment (3)	Future Investment (2)	Total Cost
Future Development Capacity (4)	$ 2,420,814	$ 1,337,662	$ 3,758,476	$ 2,129,342	$ 1,550,645	$ 3,679,987
Data Center Construction	2,230,694	2,511,666	4,742,360	2,610,305	2,857,313	5,467,618
Equipment Pool and Other Inventory (5)	282,595	—	282,595	192,429	—	192,429
Campus, Tenant Improvements and Other (6)	294,520	147,972	442,492	271,042	157,976	429,018
Consolidated Land Held and Development Construction in Progress	**$ 5,228,623**	**$ 3,997,300**	**$ 9,225,923**	**$ 5,203,119**	**$ 4,565,934**	**$ 9,769,052**

(1) Represents cost incurred through June 30, 2025. Includes approximately $74 million that is categorized within assets held for sale and contribution on the condensed consolidated balance sheets.
(2) Represents estimated cost to complete scope of work pursuant to approved development budget.
(3) Represents costs incurred through December 31, 2024.
(4) Includes land and space held or actively under construction in preparation for future data center fit-out.
(5) Represents long-lead equipment and materials required for timely deployment and delivery of data center fit-out.
(6) Represents improvements in progress, which benefit space recently converted to our operating portfolio and is composed primarily of shared infrastructure projects and first-generation tenant improvements.

Future development reflects cumulative cost spent pending future development and includes ongoing improvements to building infrastructure in preparation for future data center fit-out. We expect to deliver the space within 12 months; however, lease commencement dates may significantly impact final delivery schedules.

Capital Expenditures (Cash Basis)

The table below summarizes our capital expenditure activity for the six months ended June 30, 2025 and 2024 (in thousands):

	Six Months Ended June 30,	
	2025	2024
Development projects	$ 1,251,790	$ 1,081,425
Enhancement and improvements	15,822	14,789
Recurring capital expenditures	97,388	108,159
Total capital expenditures (excluding indirect costs)	$ 1,365,000	$ 1,204,373

Our development capital expenditures are generally funded by our available cash and equity and debt capital.

Indirect costs, including interest, capitalized in the six months ended June 30, 2025 and 2024 were $126.6 million and $110.4 million, respectively. Capitalized interest comprised approximately $59.5 million and $56.1 million of the total indirect costs capitalized for the six months ended June 30, 2025 and 2024, respectively. Capitalized interest in the six months ended June 30, 2025 increased, compared to the same period in 2024, due to an increase in qualifying activities and higher interest rates.

Excluding capitalized interest, indirect costs in the six months ended June 30, 2025 increased compared to the same period in 2024 due primarily to capitalized amounts relating to compensation expense of employees directly engaged in construction activities. See “Future Uses of Cash” for a discussion of the amount of capital expenditures we expect to incur during the year ending December 31, 2025.

Consistent with our growth strategy, we actively pursue potential acquisition opportunities, with due diligence and negotiations often at different stages at different times. The dollar value of acquisitions for the year ending December 31, 2025 will depend upon numerous factors, including customer demand, leasing results, availability of debt or equity capital and acquisition opportunities. Further, the growing acceptance by private institutional investors of the data center asset class has generally pushed capitalization rates lower, as such private investors may often have lower return expectations than us. As a result, we anticipate near-term single asset acquisitions activity to comprise a smaller percentage of our growth while this market dynamic persists.

We may from time to time seek to retire or repurchase our outstanding debt or the equity of our Parent through cash purchases and/or exchanges for equity securities of our Parent in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend upon prevailing market conditions, our liquidity requirements, contractual restrictions or other factors. The amounts involved may be material.

Sources of Cash

We expect to meet our short-term and long-term liquidity requirements, including payment of scheduled debt maturities and funding of acquisitions and non-recurring capital improvements, with net cash from operations, future long-term secured and unsecured indebtedness and the issuance of equity and debt securities and the proceeds of equity issuances by our Parent. We also may fund future short-term and long-term liquidity requirements, including acquisitions and non-recurring capital improvements, using our Global Revolving Credit Facilities pending permanent financing. As of July 30, 2025, we had approximately $3.3 billion of borrowings available under our Global Revolving Credit Facilities.

On March 1, 2024, we formed a joint venture with Mitsubishi Corporation, or Mitsubishi, to support the development of two data centers in the Dallas metro area. The facilities were 100% pre-leased prior to construction. We contributed the two data center buildings at a contribution value of approximately $261 million. In 2024, we received approximately $153 million of gross proceeds from the contribution of our data centers to the joint venture and retained a 35% interest in the joint venture. Mitsubishi contributed such cash in exchange for a 65% interest in the joint venture. Each partner funded its pro rata share of the remaining $140 million estimated development cost for the first phase of the project, of which one project was completed in June 2024 and another was completed in October 2024. On January 31, 2025, Mitsubishi made an additional cash capital contribution in the amount of $62 million, resulting in an additional 15% ownership in the joint venture. The transaction resulted in a gain of approximately $5.1 million. Currently, Mitsubishi has an 80% interest in the joint venture, and we have retained a 20% interest.

During the first half of 2025, the Company launched its first U.S. Hyperscale Data Center Fund (the "Fund"), successfully raising more than $3 billion of equity commitments to date. Fund commitments represent a 40% to 80% ownership interest in each individual asset, while the Company will maintain the remaining 20% to 60% stake in the assets and less than a 2% direct interest in the Fund. The initial portfolio includes five operating data centers plus three land sites with access to power for data center development. In May 2025, we received approximately $937 million of gross proceeds from the contribution of operating data centers and development projects to the Fund, recognized a gain on disposition of approximately $873 million, and recognized an investment in the assets of $661 million. The Company will serve as general partner, maintaining operational and management responsibilities for the assets, however, certain governance rights are granted to the limited partners. As such, we concluded we do not own a controlling interest and account for our interest in the assets under the equity method of accounting. These real estate assets were previously classified as held for sale and contribution. Additionally, as of June 30, 2025, one additional development project was classified within Assets held for sale and contribution on our condensed consolidated balance sheet as it is probable it will be contributed to the fund within one year. The disposition of a portion of our interest in the remaining development project met the criteria under ASC 360 for the assets to qualify as held for sale and contribution. However, the operations are not classified as discontinued operations as a result of our continuing interest in the assets. This development project was not representative of a significant component of our portfolio, nor will the contribution represent a significant shift in our strategy.

On April 3, 2025, we received approximately $77 million of gross proceeds from the contribution of our data centers to the joint venture with Blackstone. As a result of transferring control, we derecognized the data centers and recognized a gain on disposition of approximately $58 million.

Distributions

All distributions on our units are at the discretion of our Parent's Board of Directors. For additional information regarding distributions paid on our common and preferred units for the three and six months ended June 30, 2025, see Note 10. "Equity and Capital" to our condensed consolidated financial statements contained herein.

Outstanding Consolidated Indebtedness

The table below summarizes our outstanding debt as of June 30, 2025 (in millions):

Debt Summary:		
Fixed rate	$	14,863
Variable rate debt subject to interest rate swaps		2,635
Total fixed rate debt (including interest rate swaps)		17,498
Variable rate—unhedged		1,105
Total	$	18,603
Percent of Total Debt:		
Fixed rate (including swapped debt)		94.1 %
Variable rate		5.9 %
Total		100.0 %
Effective Interest Rate as of June 30, 2025		
Fixed rate (including hedged variable rate debt)		2.70 %
Variable rate		2.10 %
Effective interest rate		2.66 %

Our ratio of debt to total enterprise value was approximately 23.2% (based on the closing price of Digital Realty Trust, Inc.'s common stock on June 30, 2025 of $174.33). For this purpose, our total enterprise value is defined as the sum of the market value of Digital Realty Trust, Inc.'s outstanding common stock (which may decrease, thereby increasing our debt to total enterprise value ratio), plus the liquidation value of Digital Realty Trust, Inc.'s preferred stock, plus the aggregate value of Digital Realty Trust, L.P. units not held by Digital Realty Trust, Inc. (with the per unit value equal to the market value of one share of Digital Realty Trust, Inc.'s common stock and excluding long-term incentive units, Class C units and Class D units), plus the book value of our total consolidated indebtedness.

The variable rate debt shown above bears interest based on various one-month SOFR, EURIBOR, HIBOR, TIBOR, JIBAR, SARON and Base CD Rate rates, depending on the respective agreement governing the debt, including our Global Revolving Credit Facilities and unsecured term loans. As of June 30, 2025, our debt had a weighted average term to initial maturity of approximately 4.5 years (or approximately 4.6 years assuming exercise of extension options).

As of June 30, 2025, our pro-rata share of secured debt of unconsolidated entities was approximately $2.0 billion.

Cash Flows

The following summary discussion of our cash flows is based on the condensed consolidated statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

Comparison of Six Months Ended June 30, 2025 to Six Months Ended June 30, 2024

The following table shows cash flows and ending cash, cash equivalents and restricted cash balances for the respective periods (in thousands).

	Six Months Ended June 30,		
	2025	2024	Change
Net cash provided by operating activities	$ 1,040,322	$ 925,487	$ 114,835
Net cash used in investing activities	(741,840)	(275,220)	(466,620)
Net cash (used in) provided by financing activities	(462,166)	47,583	(509,749)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (163,684)	$ 697,850	$ (861,534)

Cash provided by operating activities in 2025 increased $114.8 million over 2024. The increase was driven by:

(i) an increase in revenues due to the completion of our global development pipeline and related lease up operating activities;
(ii) an increase in interest income as a result of carrying higher cash balances;
(iii) a decrease in interest expense due to lower average balances on our Global Revolving Credit Facilities and unsecured term loans;
(iv) offset by the net impact of properties sold and contributed in 2024 and 2025.

The changes in the activities that comprise the increase in net cash used in investing activities for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024 consisted of the following amounts (in thousands).

	Change
	2025 vs 2024
Increase in net cash used in business combinations / asset acquisitions	$ (148,014)
Increase in cash used for improvements to investments in real estate	(176,826)
Increase in cash contributed to investments in unconsolidated entities, net	(1,257)
Decrease in net cash provided by proceeds from sale of real estate	(163,231)
Other changes	22,708
Increase in net cash used in investing activities	**$** (466,620)

The increase in net cash used in investing activities was primarily due to:

(i) an increase in spend due to the acquisition of land parcels for $218 million in 2025 offset by the acquisition of land parcels in Paris for $80 million in 2024;
(ii) an increase in spend on development projects of approximately $177 million;
(iii) an increase in cash contributed to various investments in unconsolidated entities;
(iv) a decrease in cash provided by the sale or contributions of data centers due to:
- approximately $1.2 billion provided for the six months ended June 30, 2024:
  i. cash provided by the contribution of data centers to our joint ventures with Blackstone and Mitsubishi, for gross proceeds of approximately $231 million and $153 million, respectively;
  ii. the sale of four data centers to Brookfield for gross proceeds of approximately $271 million, the sale of a land parcel in Sydney for gross proceeds of approximately $68 million and the sale of an easement to a local power provider in Northern Virginia for gross proceeds of approximately $92 million;
  iii. the sale to GI Partners of a 75% interest in a third facility in Chicago. We received approximately $386 million of net proceeds and retained a 25% interest in the joint venture;
- offset by approximately $1.1 billion provided for the six months ended June 30, 2025:
  iv. a $62 million cash contribution made by Mitsubishi in January 2025, which increased their ownership in the joint venture from 65% to 80%;
  v. cash provided by the contribution of development projects at the Digital Dulles campus to the joint venture with Blackstone in April 2025, for gross proceeds of approximately $77 million; and
  vi. cash provided by the contribution of data centers and development projects to the Fund in May 2025, for gross proceeds of approximately $937 million.

The changes in the activities that comprise the increase in net cash used in financing activities for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024 consisted of the following amounts (in thousands).

	Change 2025 vs 2024
Decrease in cash provided by short-term borrowings	$ (1,236,698)
Increase in cash provided by proceeds from secured / unsecured debt	1,821,942
Decrease in cash used for repayment on secured / unsecured debt	381,640
Decrease in cash provided by proceeds from issuance of common stock, net of costs	(1,318,813)
Increase in cash used for dividend and distribution payments	(77,606)
Other changes, net	(80,214)
Increase in net cash used in financing activities	$ (509,749)

The increase in net cash used in financing activities was primarily due to:

(i) an increase in cash payments on short-term borrowings;

(ii) an increase in cash provided by proceeds from secured / unsecured debt due to the issuance of the 3.875% Guaranteed Notes due 2035 in January 2025 and the issuance of the 3.875% Guaranteed Notes due 2034 in June 2025;

(iii) a decrease in cash used for repayment:

- $496 million on the GBP notes (4.250% notes due 2025) in January 2025; more than offset by
- repayment of $240 million on the U.S. term loan facility and $637 million on the Euro notes (2.625% notes due 2024) in 2024;

(iv) a decrease in cash provided by proceeds from the issuance of:

- approximately 3.5 million shares of common stock, net of costs, of approximately $605 million under our ATM program in 2025; more than offset by
- an increase in cash provided by proceeds from the issuance of approximately 1.8 million shares of common stock, net of costs, of approximately $276 million under our ATM program and the issuance of approximately 12.1 million shares of common stock, net of costs, of approximately $1.7 billion from our equity offering in May 2024; and

(v) an increase in dividend and distribution payments due to an increased number of common shares and common units outstanding.

Noncontrolling Interests in Operating Partnership

Noncontrolling interests relate to the common units in Digital Realty Trust, L.P. that are not owned by Digital Realty Trust, Inc., which, as of June 30, 2025, amounted to 1.8% of Digital Realty Trust, L.P. common units. Historically, Digital Realty Trust, L.P. has issued common units to third party sellers in connection with our acquisition of real estate interests from such third parties.

Limited partners have the right to require Digital Realty Trust, L.P. to redeem part or all of their common units for cash based on the fair market value of an equivalent number of shares of Digital Realty Trust, Inc. common stock at the time of redemption. Alternatively, Digital Realty Trust, Inc. may elect to acquire those common units in exchange for shares of its common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, issuance of stock rights, specified extraordinary distributions and similar events. As of June 30, 2025, common units and incentive units of Digital Realty Trust, L.P. are classified within equity, except for certain common units of approximately 0.2 million issued to certain former DuPont Fabros Technology, L.P. unitholders in the Company's acquisition of DuPont Fabros Technology, Inc., which are subject to certain restrictions and, accordingly, are not presented as permanent equity in the condensed consolidated balance sheet.

Inflation

Many of our leases provide for separate real estate tax and operating expense escalations. In addition, many of the leases provide for fixed base rent increases. We believe that inflationary increases may be at least partially offset by the contractual rent increases and expense escalations described above. A period of inflation, however, could cause an increase in the cost of our variable-rate borrowings, including borrowings under our Global Revolving Credit Facilities, borrowings under our Euro Term Loan Facility and issuances of unsecured senior notes.

Funds from Operations

We calculate funds from operations, or FFO, in accordance with the standards established by the National Association of Real Estate Investment Trusts (Nareit) in the Nareit Funds From Operations White Paper - 2018 Restatement. FFO is a non-GAAP financial measure and represents net income (loss) (computed in accordance with GAAP), excluding gain (loss) from the disposition of real estate assets, provision for impairment, real estate related depreciation and amortization (excluding amortization of deferred financing costs), our share of unconsolidated JV real estate related depreciation & amortization, net income attributable to noncontrolling interests in operating partnership and, reconciling items related to noncontrolling interests. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions and after adjustments for unconsolidated partnerships and joint ventures, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our data centers that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our data centers, all of which have real economic effect and could materially impact our financial condition and results from operations, the utility of FFO as a measure of our performance is limited. Other REITs may not calculate FFO in accordance with the Nareit definition and, accordingly, our FFO may not be comparable to other REITs' FFO. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

Reconciliation of Net Income Available to Common Stockholders to Funds From Operations (FFO)
(unaudited, in thousands, except per share and unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
GAAP Net Income Available to Common Stockholders	$ 1,021,975	$ 70,039	$ 1,121,768	$ 341,366
Non-GAAP Adjustments:				
Net income attributable to non-controlling interests in operating partnership	21,000	1,500	24,000	7,700
Real estate related depreciation and amortization [1]	451,050	414,920	883,702	835,511
Depreciation related to non-controlling interests	(21,038)	(17,317)	(40,518)	(25,335)
Unconsolidated JV real estate related depreciation and amortization	59,172	47,117	115,033	94,993
Gain from the disposition of real estate assets	(931,830)	(173,709)	(932,941)	(460,413)
Provision for impairment	—	168,303	—	168,303
FFO available to common stockholders and unitholders [2]	$ 600,329	$ 510,853	$ 1,171,044	$ 962,125
Basic FFO per share and unit	$ 1.75	$ 1.57	$ 3.41	$ 2.99
Diluted FFO per share and unit [2][3]	$ 1.75	$ 1.57	$ 3.42	$ 2.98
Weighted average common stock and units outstanding				
Basic	343,546	325,777	343,073	322,151
Diluted [2][3]	351,691	334,186	351,239	330,687

(1) Real estate related depreciation and amortization was computed as follows:

Depreciation and amortization per income statements	$ 461,167	$ 425,343	$ 904,175	$ 856,445
Non-real estate depreciation	(10,117)	(10,423)	(20,473)	(20,935)
	$ 451,050	$ 414,920	$ 883,702	$ 835,511

(2) As part of the acquisition of Teraco in 2022, certain of Teraco's minority indirect shareholders have the right to put their shares in an upstream parent company of Teraco to the Company in exchange for cash or the equivalent value of shares of the Company common stock, or a combination thereof. U.S. GAAP requires the Company to assume the put right is settled in shares for purposes of calculating diluted EPS. This same approach was utilized to calculate FFO per share. When calculating diluted FFO, Teraco related minority interest is added back to the FFO numerator as the denominator assumes all shares have been put back to the Company. The Teraco noncontrolling share of FFO was $15,022 and $12,453 for the three months ended June 30, 2025 and 2024, respectively, and $28,308 and $22,220 for the six months ended June 30, 2025 and 2024, respectively.

(3) For all periods presented, we have excluded the effect of the series J, series K and series L preferred stock, as applicable, that may be converted into common stock upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series J, series K and series L preferred stock, as applicable, as they would be anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted average common stock and units outstanding	343,546	325,777	343,073	322,151
Add: Effect of dilutive securities	8,145	8,409	8,166	8,536
Weighted average common stock and units outstanding—diluted	351,691	334,186	351,239	330,687

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our future income, cash flows and fair values relevant to financial instruments depend upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We do not use derivatives for trading or speculative purposes and only enter into contracts with major financial institutions based on their credit ratings and other factors.

Analysis of Debt between Fixed and Variable Rate

We use interest rate swap agreements and fixed rate debt to reduce our exposure to interest rate movements. As of June 30, 2025, our consolidated debt was as follows (in millions):

	Outstanding Balance	Estimated Fair Value
Fixed rate debt	$ 14,863	$ 14,198
Variable rate debt subject to interest rate swaps	2,635	2,635
Total fixed rate debt (including interest rate swaps)	17,498	16,833
Variable rate debt	1,105	1,105
Total outstanding debt	$ 18,603	$ 17,938

Sensitivity to Changes in Interest Rates

The following table shows the effect if assumed changes in interest rates occurred, based on fair values and interest expense as of June 30, 2025:

Assumed event	Change ($ millions)
Increase in fair value of interest rate swaps following an assumed 10% increase in interest rates	$ 0
Decrease in fair value of interest rate swaps following an assumed 10% decrease in interest rates	(0)
Increase in annual interest expense on our debt that is variable rate and not subject to swapped interest following a 10% increase in interest rates	3
Decrease in annual interest expense on our debt that is variable rate and not subject to swapped interest following a 10% decrease in interest rates	(3)
Increase in fair value of fixed rate debt following a 10% decrease in interest rates	(177)
Decrease in fair value of fixed rate debt following a 10% increase in interest rates	(165)

Interest risk amounts were determined by considering the impact of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur in that environment. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

Foreign Currency Exchange Risk

We are subject to risk from the effects of exchange rate movements of a variety of foreign currencies, which may affect future costs and cash flows. Our primary currency exposures are to the Euro, Japanese yen, British pound sterling, Singapore dollar, South African rand and Brazilian real. Our exposure to foreign exchange risk related to the Brazilian real is limited to the impact that currency has on our share of the Ascenty entity's operations and financial position. We attempt to mitigate a portion of the risk of currency fluctuations by financing our investments in local currency denominations in order to reduce our exposure to any foreign currency transaction gains or losses resulting from transactions entered into in currencies other than the functional currencies of the associated entities. We also utilize cross-currency interest rate swaps, designated as net investment hedges, which effectively convert a portion of our U.S. dollar-denominated fixed-rate debt to foreign currency-denominated fixed-rate debt, to hedge the currency exposure associated with our net investment in our foreign subsidiaries. In addition, we may also hedge well-defined transactional exposures with foreign currency forwards or options, although there can be no assurances that these will be effective. As a result, changes in the relation of any such foreign currency to U.S. dollar may affect our revenues, operating margins and distributions and may also affect the book value of our assets and the amount of stockholders' equity.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures (Digital Realty Trust, Inc.)

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to its management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Company's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and its management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Also, the Company has investments in certain unconsolidated entities, which are accounted for using the equity method of accounting. As the Company does not control or manage these entities, its disclosure controls and procedures with respect to such entities may be substantially more limited than those it maintains with respect to its consolidated subsidiaries.

As required by Rule 13a-15(b) or Rule 15d-15(b) of the Securities Exchange Act of 1934, as amended, management of the Company carried out an evaluation, under the supervision and with participation of its chief executive officer and chief financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures that were in effect as of the end of the quarter covered by this report. Based on the foregoing, the Company's chief executive officer and chief financial officer concluded that its disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during its most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures (Digital Realty Trust, L.P.)

The Operating Partnership maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to its management, including the chief executive officer and chief financial officer of its general partner, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Operating Partnership's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and its management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Also, the Operating Partnership has investments in certain unconsolidated entities, which are accounted for using the equity method of accounting. As the Operating Partnership does not control or manage these entities, its disclosure controls and procedures with respect to such entities may be substantially more limited than those it maintains with respect to its consolidated subsidiaries.

As required by Rule 13a-15(b) or Rule 15d-15(b) of the Securities Exchange Act of 1934, as amended, management of the Operating Partnership carried out an evaluation, under the supervision and with participation of the chief executive officer and chief financial officer of its general partner, of the effectiveness of the design and operation of its disclosure controls and procedures that were in effect as of the end of the quarter covered by this report. Based on the foregoing, the chief executive officer and chief financial officer of the Operating Partnership's general partner concluded that its disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in the Operating Partnership's internal control over financial reporting during its most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

In the ordinary course of our business, we may become subject to various legal proceedings. As of June 30, 2025, we were not a party to any legal proceedings which we believe would have a material adverse effect on our operations or financial position.

ITEM 1A. RISK FACTORS.

The risk factors discussed under the heading "Risk Factors" and elsewhere in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2024 continue to apply to our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Digital Realty Trust, Inc.

None.

Digital Realty Trust, L.P.

During the three months ended June 30, 2025, Digital Realty Trust, L.P. issued partnership units in private placements in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, in the amounts and for the consideration set forth below:

During the three months ended June 30, 2025, Digital Realty Trust, Inc. issued an aggregate of 14,714 shares of its common stock in connection with restricted stock unit awards for no cash consideration. For each share of common stock issued by Digital Realty Trust, Inc. in connection with such an award, Digital Realty Trust, L.P. issued a restricted common unit to Digital Realty Trust, Inc. During the three months ended June 30, 2025, Digital Realty Trust, L.P. issued an aggregate of 14,714 common units to Digital Realty Trust, Inc., as required by Digital Realty Trust, L.P.'s partnership agreement. During the three months ended June 30, 2025, an aggregate of 15,139 shares of its common stock were forfeited to Digital Realty Trust, Inc. in connection with restricted stock unit awards for a net forfeiture of 425 shares of common stock.

For these issuances of common units to Digital Realty Trust, Inc., Digital Realty Trust, L.P. relied on Digital Realty Trust, Inc.'s status as a publicly traded NYSE-listed company with approximately $48.7 billion in total consolidated assets and as Digital Realty Trust, L.P.'s majority owner and general partner as the basis for the exemption under Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Securities Trading Plans of Directors and Executive Officers

On May 5, 2025, Andrew P. Power, Digital Realty Trust, Inc.'s President and Chief Executive Officer, entered into a "Rule 10b5-1 trading arrangement" (as defined in Item 408(a) of Regulation S-K) that provides for the sale of 58,000 shares of Digital Realty Trust, Inc. common stock. The plan will start on August 4, 2025 and expire February 27, 2026, subject to early termination for certain specified events as set forth in the plan.

Federal Income Tax Considerations

As a result of recent changes in applicable tax law, the discussion under the heading "United States Federal Income Tax Considerations" in Exhibit 99.1 hereto (incorporated herein by reference), supersedes and replaces in its entirety the discussion under the heading "United States Federal Income Tax Considerations" in the prospectus dated March 16, 2023, which is a part of Digital Realty Trust, Inc.'s and Digital Realty Trust, L.P.'s Registration Statement on Form S-3 (File Nos. 333-270596 and 333-270596-01) filed with the SEC on March 16, 2023.

As a result of recent changes in applicable tax law, the discussion under the heading "United States Federal Income Tax Considerations" in Exhibit 99.2 hereto (incorporated herein by reference), supersedes and replaces in its entirety the discussion under the heading "United States Federal Income Tax Considerations" in the prospectus dated April 7, 2025, which is a part of Digital Realty Trust, Inc.'s Registration Statement on Form S-3 (File No. 333-286425) filed with the SEC on April 7, 2025, the prospectus dated October 10, 2017, which is a part of Digital Realty Trust, Inc.'s Registration Statement on Form S-3 (File No. 333-220887) filed with the SEC on October 10, 2017 and the prospectus dated November 14, 2005, which is a part of Digital Realty Trust, Inc.'s Registration Statement on Form S-3 (File No. 333-129688) filed with the SEC on November 14, 2005.

ITEM 6. EXHIBITS.

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File Number	Date	Number	
3.1	Articles of Amendment and Restatement of Digital Realty Trust, Inc., as amended	10-K	001-32336 and 000-54023	02/24/2025	3.1	
3.2	Ninth Amended and Restated Bylaws of Digital Realty Trust, Inc.	8-K	001-32336 and 000-54023	04/03/2023	3.1	
3.3	Certificate of Limited Partnership of Digital Realty Trust, L.P.	10	000-54023	06/25/2010	3.1	
3.4	Nineteenth Amended and Restated Agreement of Limited Partnership of Digital Realty Trust, L.P.	8-K	001-32336 and 000-54023	10/10/2019	3.1	
4.1	Indenture, dated as of June 25, 2025, among Digital Dutch Finco B.V., Digital Realty Trust, Inc., Digital Realty Trust, L.P., Deutsche Trustee Company Limited, as trustee, Deutsche Bank AG, London Branch, as paying agent and a transfer agent, and Deutsche Bank Luxembourg S.A., as registrar, including the form of the 3.875% Guaranteed Notes due 2034.	8-K	001-32336	06/25/2025	4.1	
10.1	Digital Realty Trust, Inc. Amended and Restated Employee Stock Purchase Plan.					X
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer for Digital Realty Trust, Inc.					X
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer for Digital Realty Trust, Inc.					X
31.3	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer for Digital Realty Trust, L.P.					X
31.4	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer for Digital Realty Trust, L.P.					X
32.1	18 U.S.C. § 1350 Certification of Chief Executive Officer for Digital Realty Trust, Inc.					X
32.2	18 U.S.C. § 1350 Certification of Chief Financial Officer for Digital Realty Trust, Inc.					X
32.3	18 U.S.C. § 1350 Certification of Chief Executive Officer for Digital Realty Trust, L.P.					X
32.4	18 U.S.C. § 1350 Certification of Chief Financial Officer for Digital Realty Trust, L.P.					X
99.1	United States Federal Income Tax Considerations					X
99.2	United States Federal Income Tax Considerations					X
101	The following financial statements from Digital Realty Trust, Inc.'s and Digital Realty Trust, L.P.'s Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL interactive data files: (i) Condensed Consolidated Balance Sheets as of June 30, 2025 and December 31, 2024; (ii) Condensed Consolidated Income Statements for the three and six months ended June 30, 2025 and 2024; (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2025 and 2024; (iv) Condensed Consolidated Statements of Equity/Capital for the three and six months ended June 30, 2025 and 2024; (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2024; and (vi) Notes to Condensed Consolidated Financial Statements.					
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					

SIGNATURES

Pursuant to the requirements 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.

DIGITAL REALTY TRUST, INC.

August 1, 2025	/S/ ANDREW P. POWER **Andrew P. Power** **President & Chief Executive Officer** **(principal executive officer)**
August 1, 2025	/S/ MATTHEW R. MERCIER **Matthew R. Mercier** **Chief Financial Officer** **(principal financial officer)**
August 1, 2025	/s/ CHRISTINE B. KORNEGAY **Christine B. Kornegay** **Chief Accounting Officer** **(principal accounting officer)**

SIGNATURES

Pursuant to the requirements 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.

DIGITAL REALTY TRUST, L.P.

By: Digital Realty Trust, Inc.
Its general partner

By:

August 1, 2025	/S/ ANDREW P. POWER **Andrew P. Power** **President & Chief Executive Officer** **(principal executive officer)**
August 1, 2025	/S/ MATTHEW R. MERCIER **Matthew R. Mercier** **Chief Financial Officer** **(principal financial officer)**
August 1, 2025	/s/ CHRISTINE B. KORNEGAY **Christine B. Kornegay** **Chief Accounting Officer** **(principal accounting officer)**

Exhibit 10.1

DIGITAL REALTY TRUST, INC.
AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

ARTICLE I.
PURPOSE, SCOPE AND ADMINISTRATION OF THE PLAN

1.1 Purpose and Scope. The purpose of the Digital Realty Trust, Inc. Amended and Restated Employee Stock Purchase Plan (as amended from time to time, the "Plan") is to assist employees of Digital Realty Trust, Inc., a Maryland corporation (the "Company") and its Participating Subsidiaries in acquiring a stock ownership interest in the Company pursuant to a plan which is intended to help such employees provide for their future security and to encourage them to remain in the employment of the Company and its Subsidiaries. The Plan is not intended to qualify as an "employee stock purchase plan" under Section 423 of the Code.

ARTICLE II.
DEFINITIONS

Whenever the following terms are used in the Plan, they shall have the meaning specified below unless the context clearly indicates to the contrary. The singular pronoun shall include the plural where the context so indicates.

2.1 "Administrator" shall mean the Committee, or such individuals to which authority to administer the Plan has been delegated under Section 8.1 hereof.

2.2 "Affiliate" shall mean the Company, the Services Company, and any Parent or Subsidiary.

2.3 "Agent" shall mean the brokerage firm, bank or other financial institution, entity or person(s), if any, engaged, retained, appointed or authorized to act as the agent of the Company or an Employee with regard to the Plan.

2.4 "Applicable Law" means any applicable law, including (without limitation): (a) the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, (b) the applicable rules of any stock exchange or quotation system on which Shares are listed or quoted and (c) the other applicable laws, statutes, regulations, requirements and rules, whether U.S. or non-U.S., and whether federal, state or local.

2.5 "Board" shall mean the Board of Directors of the Company.

2.6 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.7 "Committee" shall mean the Talent and Compensation Committee of the Board, or another committee or subcommittee of the Board or the Talent and Compensation Committee described in Article VIII hereof.

2.8 "Common Stock" shall mean common stock, par value $0.01, of the Company.

2.9 "Company" shall have the meaning set forth in Section 1.1 hereof.

2.10 "Compensation" of an Employee shall mean, unless otherwise determined by the Administrator and specified in the applicable Offering Document, the regular straight-time earnings, base salary, annual cash bonus, commissions, vacation pay, holiday pay, jury duty pay, funeral leave pay or military pay paid to the Employee from the Company or any Participating Subsidiary or any Affiliate on each Payday as compensation for services to the Company or any Participating Subsidiary or any Affiliate before deduction for any salary deferral contributions made by the Employee to any tax-qualified or nonqualified deferred compensation plan of the Company, any Participating Subsidiary or any Affiliate, including prior week adjustments and overtime, but excluding incentive compensation (other than annual cash bonus and commissions), one-time bonuses (e.g., retention or sign-on bonuses), fringe benefits (including, without limitation, employer gifts), education or tuition reimbursements, imputed income arising under any Company, Participating Subsidiary or Affiliate group insurance or benefit program, travel expenses, business and moving reimbursements, income received in connection with any stock options, stock appreciation rights, restricted stock, restricted stock units or other compensatory equity awards and all contributions made by the Company, any Participating Subsidiary or any Affiliate for the Employee's benefit under any employee benefit plan now or hereafter established. Such Compensation shall be calculated before deduction of any income or employment tax withholdings, but shall be withheld from the Employee's net income.

2.11 "Designated Beneficiary" means the beneficiary or beneficiaries the Participant designates, in a manner the Administrator determines, to receive amounts due or exercise the Participant's rights if the Participant dies or becomes incapacitated. Without a Participant's effective designation, "Designated Beneficiary" will mean the Participant's estate.

2.12 "Designated Offering Period" shall have the meaning set forth in Section 4.1 hereof.

2.13 "Effective Date" shall mean the date on which the Plan is approved by the Company's stockholders.

2.14 "Eligible Employee" shall mean an Employee of the Company or any Participating Subsidiary. The Administrator may, in its discretion, provide in an Offering Document that the definition of Eligible Employee shall be subject to additional eligibility requirements as determined by the Administrator (subject to Applicable Law).

2.15 "Employee" shall mean any person who renders services to the Company or a Participating Subsidiary in the status of an employee within the meaning of Section 3401(c) of the Code. "Employee" shall not include any director of the Company or a Participating Subsidiary who does not render services to the Company or a Participating Subsidiary in the status of an employee within the meaning of Section 3401(c) of the Code.

2.16 "Enrollment Date" shall mean the first date of each Offering Period, unless otherwise specified in the applicable Offering Document.

2.17 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

2.18 "Exercise Date" shall mean the last Trading Day of each Purchase Period, except as provided in Section 6.2 hereof and unless otherwise specified in the applicable Offering Document.

2.19 "Fair Market Value" shall mean, as of any date, the value of a Share determined as follows:

(a) If the Common Stock is (i) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Global Market and the NASDAQ Global Select Market), (ii) listed on any national market system or (iii) listed, quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(b) If the Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(c) If the Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.

2.20 "Grant Date" shall mean the first Trading Day of an Offering Period.

2.21 "New Exercise Date" shall have such meaning as set forth in Section 5.2(b) hereof.

2.22 "Non-U.S. Subsidiary" shall mean any Subsidiary that is incorporated in, or otherwise organized under the laws of, any jurisdiction outside of the United States.

2.23 "Offering Document" shall have such meaning as set forth in Section 4.1 hereof.

2.24 "Offering Period" shall mean each twenty-four (24)-month period commencing on each September 1 and each March 1 to occur during the term of the Plan, except as otherwise provided under Section 5.3 hereof or as otherwise specified in the applicable Offering Document; provided that, in no event shall any Offering Period exceed twenty-seven (27) months.

2.25 "Option" shall mean the right to purchase Shares pursuant to the Plan during any Offering Period.

2.26 "Option Price" shall mean the purchase price of a Share hereunder designated by the Administrator in the applicable Offering Document; provided, however, that, if no such purchase price is designated by the Administrator in the applicable Offering Document, the purchase price of a Share hereunder shall be determined in accordance with Section 5.2 hereof; provided, further, that the Option Price may be adjusted by the Administrator pursuant to Section 6.2 and shall not be less than the par value of a Share.

2.27 "Parent" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities ending with the Company if each of the entities other than the Company beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.28 "Participant" shall mean any Eligible Employee who elects to participate in the Plan pursuant to Section 4.2 hereof.

2.29 "Participating Subsidiary" shall mean (i) each U.S. Subsidiary and (ii) each Non-U.S. Subsidiary that has been designated by the Administrator in its sole discretion as eligible to participate in the Plan in accordance with Section 8.2 hereof, in each case, including any Subsidiary in existence on the Effective Date and any Subsidiary formed or acquired following the Effective Date.

2.30 "Partnership" shall mean Digital Realty Trust, L.P.

2.31 "Payday" shall mean the regular and recurring established day for payment of Compensation to an Employee of the Company or any Participating Subsidiary.

2.32 "Plan" shall have the meaning set forth in Section 1.1 hereof.

2.33 "Plan Account" shall mean a bookkeeping account established and maintained by the Company in the name of each Participant.

2.34 "Purchase Period" shall mean, with respect to any Offering Period, unless otherwise specified in the applicable Offering Document, each approximately six (6)-month period (i) commencing on March 1 and ending on August 31 and (ii) commencing on each September 1 and ending on February 28 (or, if applicable, February 29).

2.35 "REIT" shall mean a real estate investment trust within the meaning of Sections 856 through 860 of the Code.

2.36 "Section 409A" shall have the meaning set forth in Section 8.15 hereof.

2.37 "Services Company" shall mean Digital Services, Inc.

2.38 "Share" shall mean a share of Common Stock.

2.39 "Subsidiary" shall mean (a) a corporation, association or other business entity of which fifty percent (50%) or more of the total combined voting power of all classes of

capital stock is owned, directly or indirectly, by the Company, the Services Company, the Partnership and/or by one or more Subsidiaries, (b) any partnership or limited liability company of which fifty percent (50%) or more of the equity interests are owned, directly or indirectly, by the Company, the Partnership, the Services Company and/or by one or more Subsidiaries, and (c) any other entity not described in clauses (a) or (b) above of which fifty percent (50%) or more of the ownership and the power (whether voting interests or otherwise), pursuant to a written contract or agreement, to direct the policies and management or the financial and the other affairs thereof, are owned or controlled by the Company, the Partnership, the Services Company and/or by one or more Subsidiaries.

2.40 "Trading Day" shall mean a day on which the principal securities exchange on which the Common Stock is listed is open for trading or, if the Common Stock is not listed on a securities exchange, shall mean a business day, as determined by the Administrator in good faith.

2.41 "U.S. Subsidiary" shall mean any Subsidiary that is incorporated in, or otherwise organized under the laws of, the United States.

2.42 "Withdrawal Election" shall have such meaning as set forth in Section 7.1(a) hereof.

ARTICLE III.
OFFERING PERIODS; OFFERING DOCUMENTS

3.1 Offering Periods. The Administrator may from time to time grant or provide for the grant of Options under the Plan to Eligible Employees during one or more Offering Periods selected by the Administrator. The terms and conditions applicable to each Offering Period shall be set forth in an "Offering Document" adopted by the Administrator, which Offering Document shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate. The Administrator shall establish in each Offering Document one or more Purchase Periods during such Offering Period during which Options granted under the Plan shall be exercised and purchases of Shares carried out in accordance with such Offering Document and the Plan. The provisions of separate Offering Periods under the Plan need not be identical.

3.2 Offering Documents. Each Offering Document with respect to an Offering Period shall specify (through incorporation of the provisions of this Plan by reference or otherwise): (a) the length of the Offering Period; (b) the length of the Purchase Period(s) within the Offering Period; (c) in connection with each Offering Period that contains more than one Purchase Period, the maximum aggregate number of Shares which may be purchased by any Eligible Employee during each Purchase Period (if applicable), which, in the absence of a contrary designation by the Administrator, shall be six hundred (600) Shares (subject to adjustment pursuant to Section 6.2 hereof); (d) the maximum number of Shares that may be purchased by any Eligible Employee during such Offering Period (if applicable), which, in the absence of a contrary designation by the Administrator, shall be two thousand four hundred (2,400) Shares (subject to adjustment pursuant to Section 6.2 hereof); and (e) such other provisions as the Administrator determines are appropriate, subject to the Plan.

ARTICLE IV.
PARTICIPATION

4.1 Eligibility. Any Eligible Employee who is employed by the Company or a Participating Subsidiary on a given Enrollment Date for an Offering Period shall be eligible to participate in the Plan during such Offering Period, subject to the requirements of Articles V and VI hereof; provided, however, that an Eligible Employee may not participate in more than one Offering Period at a time, and no Eligible Employee participating in an Offering Period (the "Designated Offering Period") may participate in any subsequent Offering Period that commences prior to the completion of the Designated Offering Period.

4.2 Election to Participate; Payroll Deductions.

(a) Except as provided in Section 4.3 hereof or in an Offering Document or as otherwise determined by the Administrator, an Eligible Employee may become a Participant in the Plan only by means of payroll deduction. Subject to the proviso of Section 3.1 above, and except as otherwise set forth herein or as determined by the Administrator and set forth in an Offering Document, each individual who is an Eligible Employee as of the Enrollment Date of the applicable Offering Period may elect to participate in such Offering Period and the Plan by delivering to the Company a payroll deduction authorization no later than the tenth (10^{th}) calendar day (or such other date specified in the Offering Document) prior to the applicable Enrollment Date.

(b) Payroll deductions with respect to an Offering Period (i) shall be equal to at least one percent (1%) of the Participant's Compensation as of each Payday during the applicable Offering Period, but not more than the maximum percentage specified by the Administrator in the applicable Offering Document (which maximum percentage shall, in the absence of any such designation, be fifteen percent (15%) of the Participant's Compensation as of each Payday during the applicable Offering Period) and (ii) may be expressed either as (A) a whole number percentage or (B) a fixed dollar amount (as determined by the Administrator). Notwithstanding the foregoing, (x) in no event shall the aggregate amount of a Participant's payroll deductions under the Plan during any calendar year exceed $25,000, and (y) in no event shall the actual amount withheld through payroll deduction on any Payday exceed the net amount payable to the Participant on such Payday after taxes and any other applicable deductions therefrom (and if amounts to be withheld hereunder would otherwise result in a negative payment to the Participant on such Payday, the amount to be withheld hereunder shall instead be reduced by the least amount necessary to avoid a negative payment amount for the Participant on such Payday, as determined by the Administrator). Except as otherwise set forth in an Offering Document, amounts deducted from a Participant's Compensation with respect to an Offering Period pursuant to this Section 3.2 shall be deducted each Payday through payroll deduction and credited to the Participant's Plan Account starting on the first Payday following the Enrollment Date and ending on the last Payday in the applicable Offering Period (unless sooner terminated pursuant to Article VII or suspended by the Participant as provided in Section 4.2(c)).

(c) Unless otherwise specified in the applicable Offering Document, following at least one (1) payroll deduction, a Participant may (i) decrease (to as low as 0%) the amount deducted from such Participant's Compensation, (ii) increase (to the maximum percentage

specified by the Administrator in the applicable Offering Document (which maximum percentage shall, in the absence of any such designation, be fifteen percent (15%))) the amount deducted from such Participant's Compensation, or (iii) suspend his or her payroll deductions, in any case, at any time during an Offering Period upon ten (10) calendar days' prior written or electronic notice to the Company (or such shorter or longer notice period as may be specified in the applicable Offering Document); provided, however, that, unless otherwise specified in the Offering Document, a Participant (x) may not decrease or increase the amount deducted more than two (2) times, in the aggregate, per Purchase Period and (y) may not suspend his or her payroll deductions more than once per Offering Period. In the event a Participant suspends his or her payroll deductions, except as otherwise specified in the applicable Offering Document or as required by Applicable Law, such Participant's Option shall be exercised for the maximum number of Shares on the next on the next occurring Exercise Date to occur during the applicable Offering Period and such Participant's remaining Plan Account balance (if any) shall not be paid to such Participant unless he or she withdraws from participation in the Plan pursuant to Article VII.

(d) Notwithstanding the foregoing, upon the completion of an Offering Period, each Participant in such Offering Period shall automatically participate in the Offering Period that commences immediately following the completion of such Offering Period at the same payroll deduction percentage as in effect at the completion of the prior Offering Period, unless such Participant delivers to the Company a different election with respect to the successive Offering Period in accordance with Section 4.1 hereof, or unless such Participant becomes ineligible for participation in the Plan.

4.3 Leave of Absence. During leaves of absence approved by the Company meeting the requirements of Treasury Regulation Section 1.421-1(h)(2) under the Code, an individual shall be treated as an Employee of the Company or Participating Subsidiary that employs such individual immediately prior to such leave, and, unless otherwise specified in the applicable Offering Document, may continue participation in the Plan by making cash payments to the Company on his or her normal Payday equal to his or her authorized payroll deduction.

4.4 Foreign Employees. In order to facilitate participation in the Plan, the Administrator may provide for such special terms, rules and procedures applicable to Participants who are citizens or residents of a foreign jurisdiction, or who are employed by a Participating Subsidiary outside of the United States, as the Administrator may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Administrator may approve such supplements, addendums, appendices or sub-plans to this Plan as it may consider necessary or appropriate for such purposes and, to the extent that the terms and conditions set forth in any supplements, addendums, appendices or sub-plans conflict with any provisions of the Plan, the provisions of such supplements, addendums, appendices or sub-plans shall control except as otherwise set forth herein. The adoption of any such supplement, addendum, appendix or sub-plan shall be pursuant to Section 8.1(d) and any other applicable provision herein. Without limiting the foregoing, the Administrator is specifically authorized to adopt rules and procedures, with respect to Participants who are foreign nationals or employed in non-U.S. jurisdictions, regarding the exclusion of particular Subsidiaries from participation in the Plan, eligibility to participate, the definition of Compensation, handling of payroll deductions or other contributions by Participants, payment of interest, conversion of local currency, data privacy

security, payroll tax, withholding procedures, handling of stock certificates, and establishment of bank or trust accounts to hold payroll deductions or contributions.

ARTICLE V.
GRANT OF OPTIONS; PURCHASE OF SHARES

5.1 Grant of Options. Each Participant shall be granted an Option with respect to an Offering Period on the applicable Grant Date. The number of Shares subject to a Participant's Option shall be determined as of each applicable Exercise Date occurring during an Offering Period by dividing (a) such Participant's payroll deductions accumulated prior to such Exercise Date and retained in the Participant's Plan Account on such Exercise Date by (b) the applicable Option Price (but shall not exceed the maximum number of Shares permitted pursuant to the terms of the Plan and the applicable Offering Document). Each Option shall expire on the last Exercise Date to occur during the applicable Offering Period immediately after the automatic exercise of the Option in accordance with Section 5.3 hereof, unless such Option terminates earlier in accordance with Article VII hereof.

5.2 Option Price. Unless otherwise determined by the Administrator and set forth in an Offering Document, the Option Price per Share to be paid by a Participant upon exercise of the Participant's Option on each applicable Exercise Date for an Offering Period shall be equal to eighty-five percent (85%) of the lesser of the Fair Market Value of a Share on (a) the applicable Grant Date and (b) such Exercise Date; provided that in no event shall the Option Price per Share be less than the par value per Share.

5.3 Purchase of Shares.

(a) On each Exercise Date occurring during an Offering Period, subject to Participant remaining an Eligible Employee through such Exercise Date, each Participant shall automatically and without any action on such Participant's part be deemed to have exercised his or her Option to purchase at the applicable Option Price the largest number of Shares which can be purchased with the amount in the Participant's Plan Account, subject to Sections 5.1 and 6.3 hereof. Unless otherwise specified in the applicable Offering Document, fractional Shares shall be issued upon the exercise of Options. The balance, if any, remaining in the Participant's Plan Account (after exercise of such Participant's Option) as of such Exercise Date shall be carried forward to the next Purchase Period, unless the Participant has elected to withdraw from the Plan pursuant to Section 7.1 hereof or, pursuant to Section 7.2 hereof, such Participant has ceased to be an Eligible Employee.

(b) As soon as practicable following each applicable Exercise Date (but in no event more than thirty (30) days thereafter), the number of Shares purchased by such Participant pursuant to Section 5.3(a) hereof shall be delivered (either in share certificate or book entry form), in the Company's sole discretion, to either (i) the Participant or (ii) an account established in the Participant's name at a stock brokerage or other financial services firm designated by the Company. If the Company is required to obtain from any commission or agency authority to issue any such Shares, the Company shall seek to obtain such authority. Inability of the Company to obtain from any such commission or agency authority which counsel for the

Company deems necessary for the lawful issuance of any such Shares shall relieve the Company from liability to any Participant except to refund to the Participant such Participant's Plan Account balance, without interest thereon.

5.4 Transferability of Rights. An Option granted under the Plan shall not be transferable, other than by will or the Applicable Laws of descent and distribution, and shall be exercisable during the Participant's lifetime only by the Participant. No Option or interest or right to the Option shall be available to pay off any debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempt at disposition of the Option shall have no effect.

ARTICLE VI.
PROVISIONS RELATING TO COMMON STOCK

6.1 Common Stock Reserved. Subject to adjustment as provided in Section 6.2 hereof, the maximum number of Shares that may be issued pursuant to Options granted under the Plan shall be 3,613,958 Shares. Shares made available for sale under the Plan may be authorized but unissued shares or reacquired shares reserved for issuance under the Plan.

6.2 Adjustments Upon Changes in Capitalization, Dissolution, Liquidation, Merger or Asset Sale.

(a) Changes in Capitalization. Subject to any required action by the stockholders of the Company, the number of Shares which have been authorized for issuance under the Plan and the maximum Share limits established in each Offering Document pursuant to Section 3.2, as well as the Option Price per Share and the number of Shares covered by each outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock or any other increase or decrease in the number of Shares effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to or Option Price per Share of an Option.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Offering Period then in progress shall be shortened by setting a new Exercise Date (the "New Exercise Date"), and such Offering Period shall terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date shall be before the date of the Company's proposed dissolution or liquidation. The Administrator shall notify each Participant in writing, at least ten (10) business days prior to the New Exercise Date, that the next Exercise

Date for the Participant's Option has been changed to the New Exercise Date and that the Participant's Option shall be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 7.1(a) hereof or the Participant has ceased to be an Eligible Employee as provided in Section 7.2 hereof.

(c) Merger or Asset Sale. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that outstanding Options are not assumed or substituted, any Offering Periods then in progress shall be shortened by setting a New Exercise Date and any Offering Periods then in progress shall end on the New Exercise Date. The New Exercise Date shall be before the date of the Company's proposed sale or merger. The Administrator shall notify each Participant in writing, at least ten (10) business days prior to the New Exercise Date, that the next Exercise Date for the Participant's Option has been changed to the New Exercise Date and that the Participant's Option shall be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Periods as provided in Section 7.1(a)(i) hereof or the Participant has ceased to be an Eligible Employee as provided in Section 7.2 hereof.

6.3 Insufficient Shares. If the Administrator determines that, on a given Exercise Date, the number of Shares with respect to which Options are to be exercised may exceed the number of Shares remaining available for sale under the Plan on such Exercise Date, the Administrator shall make a pro rata allocation of the Shares available for issuance on such Exercise Date in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all Participants exercising Options to purchase Shares on such Exercise Date, and unless additional shares are authorized for issuance under the Plan, no further Offering Periods shall take place and the Plan shall terminate pursuant to Section 8.5 hereof. If an Offering Period is so terminated, then the balance of the amount credited to the Participant's Plan Account which has not been applied to the purchase of Shares shall be paid to such Participant in one (1) lump sum in cash within thirty (30) days after such Exercise Date, without any interest thereon.

6.4 Rights as Stockholders. With respect to Shares subject to an Option, no Participant or Designated Beneficiary shall be deemed to be a stockholder of the Company or have any of the rights or privileges of a stockholder. A Participant or Designated Beneficiary shall have the rights and privileges of a stockholder of the Company when, but not until, Shares have been deposited in the designated brokerage account following exercise of the Participant's Option.

ARTICLE VII.
TERMINATION OF PARTICIPATION

7.1 Cessation of Contributions; Voluntary Withdrawal.

(a) A Participant may cease payroll deductions during an Offering Period and elect to withdraw from the Plan by delivering written or electronic notice of such election (a "Withdrawal Election") to the Company in such form as may be established by the Administrator and not later than ten (10) days prior to the final Exercise Date for such Offering Period (or such other period of time as may be established by the Administrator and specified in

the Offering Document). With respect to a Participant that has elected to withdraw from the Plan, unless otherwise required by Applicable Law, such Participant may elect to either (i) withdraw all of the funds then credited to the Participant's Plan Account as of the date on which the Withdrawal Election is received by the Company, in which case any remaining Plan Account balance shall be returned to the Participant in one (1) lump-sum payment in cash within thirty (30) days after such election is received by the Company, without any interest thereon, and the Participant shall cease to participate in the Plan and the Participant's Option for such Offering Period shall terminate; or (ii) subject to Section 7.2 below, exercise the Option for the maximum number of Shares on the next Exercise Date to occur during the applicable Offering Period with any remaining Plan Account balance returned to the Participant in one (1) lump-sum payment in cash within thirty (30) days after such Exercise Date, without any interest thereon, and after such exercise the Participant shall cease to participate in the Plan and his or her Option for such Offering Period shall terminate. As soon as practicable following the Company's receipt of a notice of withdrawal from the Plan, the Participant's payroll deduction authorization under the Plan shall terminate.

(b) A Participant's withdrawal from the Plan shall not have any effect upon his or her eligibility to participate in any similar plan which may hereafter be adopted by the Company or in succeeding Offering Periods which commence after the termination of the Offering Periods from which the Participant withdraws.

(c) A Participant who ceases contributions to the Plan during any Offering Periods shall not be permitted to resume contributions to the Plan during such Offering Period.

7.2 Termination of Eligibility. Upon a Participant's ceasing to be an Eligible Employee for any reason, such Participant's Option for the applicable Offering Period shall automatically terminate, he or she shall be deemed to have elected to withdraw from the Plan, and such Participant's Plan Account shall be paid to such Participant or, in the case of his or her death, to the Participant's Designated Beneficiary, within thirty (30) days after such cessation of being an Eligible Employee, without any interest thereon.

ARTICLE VIII.
GENERAL PROVISIONS

8.1 Administration.

(a) The Plan shall be administered by the Committee (or another committee or a subcommittee of the Board assuming the functions of the Committee under the Plan), which, unless otherwise determined by the Board, shall consist solely of two or more members of the Board, each of whom is intended to qualify as a "non-employee director" as defined by Rule 16b-3 of the Exchange Act and an "independent director" under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded, in each case, to the extent required under such provision. The Committee may delegate administrative tasks under the Plan to the services of an Agent and/or Employees to assist in the administration of the Plan, including establishing and maintaining an individual securities account under the Plan for each Participant.

(b) It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with the provisions of the Plan. The Administrator shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To establish and terminate Offering Periods and Purchase Periods;

(ii) To determine when and how Options shall be granted and the provisions and terms of each Offering Period and Purchase Period (which need not be identical);

(iii) To select those Non-U.S. Subsidiaries that will be Participating Subsidiaries in accordance with Section 8.2 hereof; and

(iv) To construe and interpret the Plan, the terms of any Offering Period or Purchase Period under the Plan and the terms of the Options and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. The Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, any Offering Document, any Offering Period, any Purchase Period or any Option, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(c) The Administrator may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Administrator under the Plan.

(d) The Administrator may adopt supplements, addendums, appendices or sub-plans applicable to particular Participating Subsidiaries or locations. The rules of such supplements, addendums, appendices or sub-plans may take precedence over other provisions of this Plan, with the exception of Section 6.1 hereof, but unless otherwise superseded by the terms of such supplement, addendum, appendix or sub-plan, the provisions of this Plan shall govern the operation of such supplement, addendum, appendix or sub-plan.

(e) All expenses and liabilities incurred by the Administrator in connection with the administration of the Plan shall be borne by the Company. The Administrator may, with the approval of the Committee, employ attorneys, consultants, accountants, appraisers, brokers or other persons. The Administrator, the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon all Participants, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law and the Company's charter and bylaws, (i) no member of the Board or Administrator shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the options, and (ii) all members of the Board or Administrator shall be fully protected by the Company in respect to any such action, determination or interpretation.

8.2 Designation of Participating Subsidiaries. The Administrator shall have the right, without the approval of the stockholders of the Company, to designate the Non-U.S. Subsidiaries that shall constitute Participating Subsidiaries from time to time. In addition, the Administrator may, without the approval of the stockholders of the Company, terminate the designation of a Subsidiary as a Participating Subsidiary at any time or from time to time.

8.3 Accounts. Individual accounts shall be maintained for each Participant in the Plan.

8.4 No Right to Employment. Nothing in the Plan shall be construed to give any person (including any Participant) the right to remain in the employ of the Company, a Parent or a Subsidiary or to affect the right of the Company, any Parent or any Subsidiary to terminate the employment of any person (including any Participant) at any time, with or without cause, which right is expressly reserved.

8.5 Amendment, Suspension and Termination of the Plan

(a) The Committee may, in its sole discretion, amend, suspend or terminate the Plan at any time and from time to time; provided, however, that without approval of the Company's stockholders given within twelve (12) months before or after action by the Committee, the Plan may not be amended to increase the maximum number of Shares that may be issued pursuant to the Plan (other than adjustments permitted pursuant to Section 6.2) or in any other manner that requires the approval of the Company's stockholders under Applicable Law. No Option may be granted during any period of suspension of the Plan or after termination of the Plan. For the avoidance of doubt, without the approval of the Company's stockholders and without regard to whether any Participant rights may be considered to have been "adversely affected," the Administrator shall be entitled to change the terms of an Offering Period and/or Offering Document, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Shares for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Administrator, as applicable, determines in its sole discretion advisable which are consistent with the Plan.

(b) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) altering the Option Price for any Offering Period, including an Offering Period underway at the time of the change in Option Price;

(ii) shortening any Offering Period and/or Purchase Period so that the Offering Period and/or Purchase Period ends on a new Exercise Date, including an

Offering Period and/or Purchase Period underway at the time of the Administrator action; and

(iii) allocating Shares.

Such modifications or amendments shall not require stockholder approval or the consent of any Participant.

(c) Upon termination of the Plan, the balance in each Participant's Plan Account shall be refunded in a lump-sum cash payment as soon as practicable after such termination (but in no event later than thirty (30) days thereafter), without any interest thereon or, if the Administrator so determines, the Offering Period(s) that are underway may be shortened so that the exercise of Options and purchase of Shares occurs prior to the termination of the Plan.

8.6 Use of Funds; No Interest Paid. All funds received by the Company by reason of purchase of Shares under the Plan shall be included in the general funds of the Company free of any trust or other restriction and may be used for any corporate purpose. No interest shall be paid to any Participant or credited under the Plan.

8.7 Term; Approval by Stockholders. The Plan shall be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan and shall become effective on the Effective Date and continue until terminated by the Committee in accordance with to Section 8.5(a). Options may be granted prior to such stockholder approval; provided, however, that such Options shall not be exercisable prior to the time when the Plan is approved by the stockholders; provided further that if such approval has not been obtained by the end of said twelve (12)-month period, all Options previously granted under the Plan shall thereupon terminate and be canceled and become null and void without being exercised.

8.8 Effect Upon Other Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company, any Parent or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company, any Parent or any Subsidiary (a) to establish any other forms of incentives or compensation for Employees of the Company or any Parent or any Subsidiary or (b) to grant or assume Options otherwise than under the Plan in connection with any proper corporate purpose, including, but not by way of limitation, the grant or assumption of options in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, firm or association.

8.9 Conformity to Securities Laws. Notwithstanding any other provision of the Plan, the Plan and the participation in the Plan by any individual who is then subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemption rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

8.10 Tax Withholding. The Company or any Parent or any Subsidiary shall be entitled to require payment in cash of, or deduct from any compensation payable to each Participant

(or withhold from his or her Shares received pursuant to the Plan), any sums required by federal, state or local tax law to be withheld with respect to any purchase of Shares under the Plan or any sale of such Shares.

8.11 Governing Law. The Plan and all rights and obligations thereunder shall be construed and enforced in accordance with the laws of the State of Delaware.

8.12 Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof (including without limitation the Company's stock plan administrator).

8.13 Conditions To Issuance of Shares.

(a) Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of an Option by a Participant, unless and until the Board or the Committee has determined, with advice of counsel, that the issuance of such Shares is in compliance with all Applicable Laws, including any applicable regulations of governmental authorities and, if applicable, the requirements of any securities exchange or automated quotation system on which the Shares are listed or traded, and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Board or the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Board or the Committee, in its discretion, deems advisable in order to comply with any such Applicable Laws.

(b) All certificates for Shares delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state or foreign securities or other Applicable Laws, including the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded. The Committee may place legends on any certificate or book entry evidencing Shares to reference restrictions applicable to the Shares.

(c) The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Option, including a window-period limitation, as may be imposed in the sole discretion of the Committee.

(d) Notwithstanding any other provision of the Plan, unless otherwise determined by the Committee or required by any Applicable Law, the Company may, in lieu of delivering to any Participant certificates evidencing Shares issued in connection with any Option, record the issuance of Shares in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

8.14 REIT Status. The Plan shall be interpreted and construed in a manner consistent with the Company's status as a REIT. No Option shall be granted or awarded, and with

respect to any Option granted under the Plan, such Option shall not be exercised, exercisable or settled:

(a) to the extent that the grant, exercise or settlement of such Option could cause the Participant or any other person to be in violation of the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit (each as defined in the Company's charter, as amended from time to time) or any other provision of Section 6.2.1 of the Company's charter; or

(b) if, in the discretion of the Administrator, the grant, exercise or settlement of such Option could impair the Company's status as a REIT.

8.15 Section 409A. Neither the Plan nor any Option granted hereunder is intended to constitute or provide for "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance issued after the Effective Date (together, "Section 409A"). Notwithstanding any provision of the Plan to the contrary, if the Administrator determines that any Option may be or become subject to Section 409A of the Code, the Administrator may adopt such amendments to the Plan and/or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions as the Administrator determines are necessary or appropriate to avoid the imposition of taxes under Section 409A of the Code, either through compliance with the requirements of Section 409A of the Code or with an available exemption therefrom.

8.16 Severability. If any portion of the Plan or any action taken under it is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

8.17 Titles and Headings. The titles and headings in the Plan are for convenience of reference only and, if any conflict, the Plan's text, rather than such titles or headings, will control.

8.18 Relationship to Other Benefits. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary or Affiliate except as expressly provided in writing in such other plan or an agreement thereunder.

8.19 Data Privacy. As a condition for participation in the Plan, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this section by and among the Company and its Subsidiaries and Affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Subsidiaries and Affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Subsidiaries and Affiliates; and participation details, to implement, manage and administer the Plan and any Offering Period(s) (the "Data"). The Company and its Subsidiaries and Affiliates may transfer the Data amongst

themselves as necessary to implement, administer and manage a Participant's participation in the Plan and any Offering Period(s), and the Company and its Subsidiaries and Affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. By participating in any Offering Period under the Plan, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 8.19 in writing, without cost, by contacting the local human resources representative. If the Participant refuses or withdraws the consents in this Section 8.19, and the Company may cancel Participant's ability to participate in the Plan or any Offering Period(s). For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

8.20 Electronic Forms. To the extent permitted by Applicable Law and in the discretion of the Administrator, an Eligible Employee may submit any form or notice as set forth herein by means of an electronic form approved by the Administrator. Before the commencement of an Offering Period, the Administrator shall prescribe the time limits within which any such electronic form shall be submitted to the Administrator with respect to such Offering Period in order to be a valid election.

* * * * * *

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Andrew P. Power, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Digital Realty Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2025

By: /s/ ANDREW P. POWER

Andrew P. Power
President & Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew R. Mercier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Digital Realty Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2025

By: /s/ MATTHEW R. MERCIER

Matthew R. Mercier
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.3

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Andrew P. Power, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Digital Realty Trust, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2025

By: /s/ ANDREW P. POWER

Andrew P. Power
President & Chief Executive Officer
(Principal Executive Officer)
Digital Realty Trust, Inc., sole general partner of
Digital Realty Trust, L.P.

Exhibit 31.4

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew R. Mercier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Digital Realty Trust, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2025

By: /s/ MATTHEW R. MERCIER

Matthew R. Mercier
Chief Financial Officer
(Principal Financial Officer)
Digital Realty Trust, Inc., sole general partner of
Digital Realty Trust, L.P.

Exhibit 32.1

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: August 1, 2025

/s/ ANDREW P. POWER

Andrew P. Power

President & Chief Executive Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: August 1, 2025

/s/ MATTHEW R. MERCIER

Matthew R. Mercier

Chief Financial Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.3

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc., in its capacity as the sole general partner of Digital Realty Trust, L.P. (the "Operating Partnership"), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the quarterly period ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership at the dates and for the periods indicated.

Date: August 1, 2025

/s/ ANDREW P. POWER

Andrew P. Power

President & Chief Executive Officer
Digital Realty Trust, Inc., sole general partner of
Digital Realty Trust, L.P.

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Operating Partnership filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Operating Partnership and will be retained by the Operating Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.4

Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc., in its capacity as the sole general partner of Digital Realty Trust, L.P. (the "Operating Partnership"), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the quarterly period ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership at the dates and for the periods indicated.

Date: August 1, 2025

/s/ MATTHEW R. MERCIER

Matthew R. Mercier

Chief Financial Officer
Digital Realty Trust, Inc., sole general partner of
Digital Realty Trust, L.P.

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Operating Partnership filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Operating Partnership and will be retained by the Operating Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations regarding our company's election to be taxed as a real estate investment trust, or a REIT, the exercise of redemption rights with respect to the common units, and the acquisition, ownership or disposition of our capital stock or the operating partnership's debt securities. Supplemental U.S. federal income tax considerations relevant to holders of the securities offered by the prospectus dated March 16, 2023, or the Prospectus, may be provided in the prospectus supplement that relates to those securities. This summary replaces and supersedes in all respects the information contained under the heading "United States Federal Income Tax Considerations" that is contained in the Prospectus. For purposes of this discussion, references to "we," "our" and "us" mean only Digital Realty Trust, Inc., and do not include any of its subsidiaries, except as otherwise indicated. This summary is for general information only and is not tax advice. The information in this summary is based on:

- the Internal Revenue Code of 1986, as amended, or the Code;
- current, temporary and proposed Treasury regulations promulgated under the Code, or the Treasury Regulations;
- the legislative history of the Code;
- administrative interpretations and practices of the Internal Revenue Service, or the IRS; and
- court decisions;

in each case, as of the date of this Quarterly Report on Form 10-Q. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS except with respect to the particular taxpayers who requested and received those rulings. The sections of the Code and the corresponding Treasury Regulations that relate to qualification and taxation as a REIT are highly technical and complex. The following discussion sets forth certain material aspects of the sections of the Code that govern the U.S. federal income tax treatment of a REIT and its stockholders and the holders of the operating partnership's debt securities. This summary is qualified in its entirety by the applicable Code provisions, Treasury Regulations, and administrative and judicial interpretations thereof. Potential tax reforms may result in significant changes to the rules governing U.S. federal income taxation. New legislation, Treasury Regulations, administrative interpretations and practices and/or court decisions may significantly and adversely affect our ability to qualify as a REIT, the U.S. federal income tax consequences of such qualification, or the U.S. federal income tax consequences of an investment in us, including those described in this discussion. Moreover, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT. Any such changes could apply retroactively to transactions preceding the date of the change. We have not requested, and do not plan to request, any rulings from the IRS that we qualify as a REIT, and the statements in the Prospectus and Exhibit 99.1 to this Quarterly Report on Form 10-Q are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or non-U.S. tax consequences, or any tax consequences arising under any U.S. federal tax laws other than U.S. federal income tax laws, associated with the purchase, ownership or disposition of our capital stock or the operating partnership's debt securities, or our election to be taxed as a REIT.

You are urged to consult your tax advisors regarding the tax consequences to you of:

- **the exercise of redemption rights with respect to the common units;**
- **the purchase, ownership and disposition of our capital stock or the operating partnership's debt securities, including the U.S. federal, state, local, non-U.S. and other tax consequences;**
- **our election to be taxed as a REIT for U.S. federal income tax purposes; and**
- **potential changes in applicable tax laws.**

Tax Consequences of the Exercise of Redemption Rights

If you are a holder of common units and you exercise your right to require our operating partnership to redeem all or part of your common units, and we elect to acquire some or all of your common units in exchange for our common stock, the exchange will be a taxable transaction. You generally will recognize gain in an amount equal to the value of our common stock that you receive, plus the amount of liabilities of the operating partnership allocable to your common units being exchanged, less your tax basis in those common units. The recognition of any loss may be subject to a number of limitations set forth in the Code. The character of any gain or loss as capital or ordinary, or any gain as recapture gain under Section 1250 of the Code, will generally depend on the nature of the assets of the operating partnership at the time of the exchange. The tax treatment of any redemption of your common units by the operating partnership in exchange for cash may be similar, depending on your circumstances.

Taxation of Our Company

General. We have elected to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ended December 31, 2004. We believe that we have been organized and have operated in a manner that has allowed us to qualify for taxation as a REIT under the Code commencing with such taxable year, and we intend to continue to be organized and operate in this manner. However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, including through actual operating results, asset composition, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that we have been organized and have operated, or will continue to be organized and operate, in a manner so as to qualify or remain qualified as a REIT. See "— Failure to Qualify" for potential tax consequences if we fail to qualify as a REIT.

Latham & Watkins LLP has acted as our tax counsel in connection with the Prospectus and our election to be taxed as a REIT. Latham & Watkins LLP has rendered an opinion to us, as of the date of the Prospectus, to the effect that, commencing with our taxable year ended December 31, 2004, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and our proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Code. It must be emphasized that this opinion was based on various assumptions and representations as to factual matters, including representations made by us in a factual certificate provided by one or more of our officers. In addition, this opinion was based upon our factual representations set forth in the Prospectus. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, which are discussed below, including through actual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which have not been and will not be reviewed by Latham & Watkins LLP. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year have satisfied or will satisfy those requirements. Further, the anticipated U.S. federal income tax treatment described herein may be changed, perhaps retroactively, by legislative, administrative or judicial action at any time. Latham & Watkins LLP has no obligation to update its opinion subsequent to the date of such opinion.

Provided we qualify for taxation as a REIT, we generally will not be required to pay U.S. federal corporate income taxes on our REIT taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the "double taxation" that ordinarily results from investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. We will, however, be required to pay U.S. federal income tax as follows:

- First, we will be required to pay regular U.S. federal corporate income tax on any undistributed REIT taxable income, including undistributed capital gain.

- Second, if we have (1) net income from the sale or other disposition of "foreclosure property" held primarily for sale to customers in the ordinary course of business or (2) other nonqualifying income from foreclosure property, we will be required to pay regular U.S. federal corporate income tax on this income. To the extent that income from foreclosure property is otherwise qualifying income for purposes of the 75% gross income test, this tax is not applicable. Subject to certain other requirements, foreclosure property generally is defined as property we acquired through foreclosure or after a default on a loan secured by the property or a lease of the property.

- Third, we will be required to pay a 100% tax on any net income from prohibited transactions. Prohibited transactions are, in general, sales or other taxable dispositions of property, other than foreclosure property, held as inventory or primarily for sale to customers in the ordinary course of business.

- Fourth, if we fail to satisfy the 75% gross income test or the 95% gross income test, as described below, but have otherwise maintained our qualification as a REIT because certain other requirements are met, we will be required to pay a tax equal to (1) the greater of (A) the amount by which we fail to satisfy the 75% gross income test and (B) the amount by which we fail to satisfy the 95% gross income test, multiplied by (2) a fraction intended to reflect our profitability.

- Fifth, if we fail to satisfy any of the asset tests (other than a de minimis failure of the 5% or 10% asset test), as described below, due to reasonable cause and not due to willful neglect, and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of $50,000 or the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets that caused us to fail such test.

- Sixth, if we fail to satisfy any provision of the Code that would result in our failure to qualify as a REIT (other than a violation of the gross income tests or certain violations of the asset tests, as described below) and the violation is due to reasonable cause and not due to willful neglect, we may retain our REIT qualification but we will be required to pay a penalty of $50,000 for each such failure.

- Seventh, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of (1) 85% of our ordinary income for the year, (2) 95% of our capital gain net income for the year, and (3) any undistributed taxable income from prior periods.

- Eighth, if we acquire any asset from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, and we subsequently recognize gain on the disposition of the asset during the five-year period beginning on the date on which we acquired the asset, then we generally will be required to pay regular U.S. federal corporate income tax on this gain to the extent of the excess of (1) the fair market value of the asset over (2) our adjusted tax basis in the asset, in each case determined as of the date on which we acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which we acquire the asset from the C corporation. Under applicable Treasury Regulations, any gain from the sale of property we acquired in an exchange under Section 1031 (a like-kind exchange) or Section 1033 (an involuntary conversion) of the Code generally is excluded from the application of this built-in gains tax.

- Ninth, our subsidiaries that are C corporations and are not qualified REIT subsidiaries (described below), including our "taxable REIT subsidiaries" described below, generally will be required to pay regular U.S. federal corporate income tax on their earnings.

- Tenth, we will be required to pay a 100% tax on any "redetermined rents," "redetermined deductions," "excess interest," or "redetermined TRS service income," as described below under "—Penalty Tax." In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of our tenants by a taxable REIT subsidiary of ours. Redetermined deductions and excess interest generally represent amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations. Redetermined TRS service income generally represents income of a taxable REIT subsidiary that is understated as a result of services provided to us or on our behalf.

- Eleventh, we may elect to retain and pay income tax on our net capital gain. In that case, a stockholder would include its proportionate share of our undistributed capital gain (to the extent we make a timely designation of such gain to the stockholder) in its income, would be deemed to have paid the tax that we paid on such gain, and would be allowed a credit for its proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the tax basis of the stockholder in our capital stock.

- Twelfth, if we fail to comply with the requirement to send annual letters to our stockholders holding at least a certain percentage of our stock, as determined under applicable Treasury Regulations, requesting information regarding the actual ownership of our stock, and the failure is not due to reasonable cause or is due to willful neglect, we will be subject to a $25,000 penalty, or if the failure is intentional, a $50,000 penalty.

We and our subsidiaries may be subject to a variety of taxes other than U.S. federal income tax, including payroll taxes and state and local income, property and other taxes on our assets and operations.

We own properties in other countries, which impose taxes on our operations within their jurisdictions. To the extent possible, we will structure our activities to minimize our non-U.S. tax liability. However, there can be no assurance that we will be able to eliminate our non-U.S. tax liability or reduce it to a specified level. Furthermore, as a REIT, both we and our stockholders will derive little or no benefit from foreign tax credits arising from those non-U.S. taxes.

Requirements for Qualification as a REIT. The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) that issues transferable shares or transferable certificates to evidence its beneficial ownership;

(3) that would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;

(4) that is not a financial institution or an insurance company within the meaning of certain provisions of the Code;

(5) that is beneficially owned by 100 or more persons;

(6) not more than 50% in value of the outstanding stock of which is owned, actually or constructively, by five or fewer individuals, including certain specified entities, during the last half of each taxable year; and

(7) that meets other tests, described below, regarding the nature of its income and assets and the amount of its distributions.

The Code provides that conditions (1) to (4), inclusive, must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Conditions (5) and (6) do not apply until after the first taxable year for which an election is made to be taxed as a REIT. For purposes of condition (6), the term “individual” includes a supplemental unemployment compensation benefit plan, a private foundation or a portion of a trust permanently set aside or used exclusively for charitable purposes, but generally does not include a qualified pension plan or profit sharing trust.

We believe that we have been organized and have operated in a manner that has allowed us, and will continue to allow us, to satisfy conditions (1) through (7), inclusive, during the relevant time periods. In addition, our charter provides for restrictions regarding ownership and transfer of our shares that are intended to assist us in continuing to satisfy the share ownership requirements described in conditions (5) and (6) above. A description of the share ownership and transfer restrictions relating to our capital stock is contained in the discussion in the Prospectus under the heading “Restrictions on Ownership and Transfer.” These restrictions, however, do not ensure that we have previously satisfied, and may not ensure that we will, in all cases, be able to continue to satisfy, the share ownership requirements described in conditions (5) and (6) above. If we fail to satisfy these share ownership requirements, then except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury Regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirement described in condition (6) above, we will be treated as having met this requirement. See “— Failure to Qualify.”

In addition, we may not maintain our status as a REIT unless our taxable year is the calendar year. We have and will continue to have a calendar taxable year.

Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries. In the case of a REIT that is a partner in a partnership (for purposes of this discussion, references to “partnership” include a limited liability company treated as a partnership for U.S. federal income tax purposes, and references to “partner”

include a member in such limited liability company), Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership based on its interest in partnership capital, subject to special rules relating to the 10% asset test described below. Also, the REIT will be deemed to be entitled to its proportionate share of the income of that entity. The assets and gross income of the partnership retain the same character in the hands of the REIT for purposes of Section 856 of the Code, including satisfying the gross income tests and the asset tests. Thus, our pro rata share of the assets and items of income of our operating partnership, including our operating partnership's share of these items of any partnership or disregarded entity for U.S. federal income tax purposes in which it owns an interest, is treated as our assets and items of income for purposes of applying the requirements described in this discussion, including the gross income and asset tests described below. A brief summary of the rules governing the U.S. federal income taxation of partnerships is set forth below in "—Tax Aspects of Our Operating Partnership and its Subsidiary Partnerships and Limited Liability Companies."

We have control of our operating partnership and most of its subsidiary partnerships and intend to operate them in a manner consistent with the requirements for our qualification as a REIT. If we become a limited partner or non-managing member in any partnership and such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or take other corrective action on a timely basis. In such a case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

We may from time to time own and operate certain properties through wholly-owned subsidiaries that we intend to be treated as "qualified REIT subsidiaries" under the Code. A corporation (or other entity treated as a corporation for U.S. federal income tax purposes) will qualify as our qualified REIT subsidiary if we own 100% of the corporation's outstanding stock and do not elect with the subsidiary to treat it as a "taxable REIT subsidiary," as described below. A qualified REIT subsidiary is not treated as a separate corporation, and all assets, liabilities and items of income, gain, loss, deduction and credit of a qualified REIT subsidiary are treated as assets, liabilities and items of income, gain, loss, deduction and credit of the parent REIT for all purposes under the Code, including all REIT qualification tests. Thus, in applying the U.S. federal income tax requirements described in this discussion, any qualified REIT subsidiaries we own are ignored, and all assets, liabilities and items of income, gain, loss, deduction and credit of such corporations are treated as our assets, liabilities and items of income, gain, loss, deduction and credit. A qualified REIT subsidiary is not subject to U.S. federal income tax, and our ownership of the stock of a qualified REIT subsidiary will not violate the restrictions on ownership of securities, as described below under "—Asset Tests."

Ownership of Interests in Taxable REIT Subsidiaries. We, through our operating partnership, own interests in companies that have elected, together with us, to be treated as our taxable REIT subsidiaries, and we may acquire securities in additional taxable REIT subsidiaries in the future. A taxable REIT subsidiary is a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a taxable REIT subsidiary. Other than some activities relating to lodging and health care facilities, a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A taxable REIT subsidiary is subject to U.S. federal income tax as a regular C corporation. A REIT is not treated as holding the assets of a taxable REIT subsidiary or as receiving any income that the taxable REIT subsidiary earns. Rather, the stock issued by the taxable REIT subsidiary is an asset in the hands of the REIT, and the REIT generally recognizes as income the dividends, if any, that it receives from the taxable REIT subsidiary. A REIT's ownership of securities of a taxable REIT subsidiary is not subject to the 5% or 10% asset test described below. See "—Asset Tests." Taxpayers are subject to a limitation on their ability to deduct net business interest generally equal to 30% of adjusted taxable income, subject to certain exceptions. See "—Annual Distribution Requirements." While not certain, this provision may limit the ability of our taxable REIT subsidiaries to deduct interest, which could increase their taxable income.

Ownership of Interests in Subsidiary REITs. We own and may acquire direct or indirect interests in one or more entities that have elected or will elect to be taxed as REITs under the Code (each, a "Subsidiary REIT"). A Subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If a Subsidiary REIT were to fail to qualify as a REIT, then (i) that Subsidiary REIT would become subject to U.S. federal income tax and (ii) the Subsidiary REIT's failure to qualify could have an adverse effect on

our ability to comply with the REIT income and asset tests, and thus could impair our ability to qualify as a REIT unless we could avail ourselves of certain relief provisions.

Income Tests. We must satisfy two gross income requirements annually to maintain our qualification as a REIT. First, in each taxable year we must derive directly or indirectly at least 75% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions and certain foreign currency gains) from investments relating to real property or mortgages on real property, including "rents from real property," dividends from other REITs and, in certain circumstances, interest, or certain types of temporary investments. Second, in each taxable year we must derive at least 95% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions, and certain foreign currency gains) from the real property investments described above or dividends, interest and gain from the sale or disposition of stock or securities, or from any combination of the foregoing. For these purposes, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the following conditions are met:

- The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed percentage or percentages of receipts or sales or if it is based on the net income of a tenant which derives substantially all of its income with respect to such property from subleasing of substantially all of such property, to the extent that the rents paid by the subtenants would qualify as rents from real property if we earned such amounts directly;

- Neither we nor an actual or constructive owner of 10% or more of our capital stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Rents we receive from such a tenant that is a taxable REIT subsidiary of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the taxable REIT subsidiary are substantially comparable to rents paid by our other tenants for comparable space. Whether rents paid by a taxable REIT subsidiary are substantially comparable to rents paid by other tenants is determined at the time the lease with the taxable REIT subsidiary is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled taxable REIT subsidiary" is modified and such modification results in an increase in the rents payable by such taxable REIT subsidiary, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled taxable REIT subsidiary" is a taxable REIT subsidiary in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such taxable REIT subsidiary;

- Rent attributable to personal property, leased in connection with a lease of real property, is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property." To the extent that rent attributable to personal property, leased in connection with a lease of real property, exceeds 15% of the total rent received under the lease, we may transfer a portion of such personal property to a taxable REIT subsidiary; and

- We generally may not operate or manage the property or furnish or render services to our tenants, subject to a 1% de minimis exception and except as provided below. We may, however, perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these services include the provision of light, heat, or other utilities, trash removal, general maintenance of common areas, interconnection services and certain basic server services that do not require logical access to our tenants' equipment. In addition, we may employ an independent contractor from whom we derive no revenue to

provide customary services to our tenants, or a taxable REIT subsidiary (which may be wholly or partially owned by us) to provide both customary and non-customary services to our tenants, without causing the rent we receive from those tenants to fail to qualify as "rents from real property."

We generally do not intend, and as the general partner of our operating partnership, we do not intend to permit our operating partnership, to take actions we believe will cause us to fail to satisfy the rental conditions described above. However, we may intentionally fail to satisfy some of these conditions to the extent we determine, based on the advice of our tax counsel, that the failure will not jeopardize our tax status as a REIT. In addition, with respect to the limitation on the rental of personal property, we generally have not obtained appraisals of the real property and personal property leased to tenants. Accordingly, there can be no assurance that the IRS will not disagree with our determinations of value.

Income we receive that is attributable to the rental of parking spaces at the properties generally will constitute rents from real property for purposes of the gross income tests if certain services provided with respect to the parking spaces are performed by independent contractors from whom we derive no revenue, either directly or indirectly, or by a taxable REIT subsidiary, and certain other conditions are met. We believe that the income we receive that is attributable to parking spaces will meet these tests and, accordingly, will constitute rents from real property for purposes of the gross income tests.

From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase these items, and futures and forward contracts. Income from a hedging transaction, including gain from the sale or disposition of such a transaction, that is clearly identified as a hedging transaction as specified in the Code will not constitute gross income under, and thus will be exempt from, the 75% and 95% gross income tests. The term "hedging transaction," as used above, generally means (A) any transaction we enter into in the normal course of our business primarily to manage risk of (1) interest rate changes or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets, or (2) currency fluctuations with respect to an item of qualifying income under the 75% or 95% gross income test or any property which generates such income and (B) new transactions entered into to hedge the income or loss from prior hedging transactions, where any portion of the property or indebtedness which was the subject of the prior hedging transaction was extinguished or disposed of. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

We have investments in entities located outside the United States and from time to time may invest in additional entities or properties located outside the United States, through a taxable REIT subsidiary or otherwise. These acquisitions could cause us to incur foreign currency gains or losses. Any foreign currency gains, to the extent attributable to specified items of qualifying income or gain, or specified qualifying assets, however, generally will not constitute gross income for purposes of the 75% and 95% gross income tests, and therefore will be excluded from these tests.

To the extent our taxable REIT subsidiaries pay dividends or interest, our allocable share of such dividend or interest income will qualify under the 95%, but (subject to certain exceptions) not the 75%, gross income test. Notwithstanding the foregoing, our allocable share of such interest would also qualify under the 75% gross income test to the extent the interest is paid on a loan that is adequately secured by real property.

We will monitor the amount of the dividend and other income from our taxable REIT subsidiaries and will take actions intended to keep this income, and any other nonqualifying income, within the limitations of the gross income tests. Although we expect these actions will be sufficient to prevent a violation of the gross income tests, we cannot guarantee that such actions will in all cases prevent such a violation.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for the year if we are entitled to relief under certain provisions of the Code. We generally may make use of the relief provisions if:

- following our identification of the failure to meet the 75% or 95% gross income tests for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75%

or 95% gross income tests for such taxable year in accordance with Treasury Regulations to be issued; and

- our failure to meet these tests was due to reasonable cause and not due to willful neglect.

It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally accrue or receive exceeds the limits on nonqualifying income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to a particular set of circumstances, we will not qualify as a REIT. See "—Failure to Qualify" below. As discussed above in "—General," even if these relief provisions apply, and we retain our status as a REIT, a tax would be imposed with respect to our nonqualifying income. We may not always be able to comply with the gross income tests for REIT qualification despite periodic monitoring of our income.

Prohibited Transaction Income. Any gain that we realize on the sale of property (other than any foreclosure property) held as inventory or otherwise held primarily for sale to customers in the ordinary course of business, including our share of any such gain realized by our operating partnership, either directly or through its subsidiary partnerships, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax, unless certain safe harbor exceptions apply. This prohibited transaction income may also adversely affect our ability to satisfy the gross income tests for qualification as a REIT. Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. As the general partner of our operating partnership, we intend to cause our operating partnership to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our investment objectives. We do not intend, and do not intend to permit our operating partnership or its subsidiary partnerships, to enter into any sales that are prohibited transactions. However, the IRS may successfully contend that some or all of the sales made by our operating partnership or its subsidiary partnerships are prohibited transactions. We would be required to pay the 100% penalty tax on our allocable share of the gains resulting from any such sales. The 100% penalty tax will not apply to gains from the sale of assets that are held through a taxable REIT subsidiary, but such income will be subject to regular U.S. federal corporate income tax.

Penalty Tax. Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a taxable REIT subsidiary of ours, redetermined deductions and excess interest represent any amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations, and redetermined TRS service income is income of a taxable REIT subsidiary that is understated as a result of services provided to us or on our behalf. Rents we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

From time to time, our taxable REIT subsidiaries provide services to our tenants. We believe we have set, and we intend to set in the future, any fees paid to our taxable REIT subsidiaries for such services at arm's length rates, although the fees paid may not satisfy the safe harbor provisions referenced above. These determinations are inherently factual, and the IRS has broad discretion to assert that amounts paid between related parties should be reallocated to clearly reflect their respective incomes. If the IRS successfully made such an assertion, we would be required to pay a 100% penalty tax on any overstated rents paid to us, or any excess deductions or understated income of our taxable REIT subsidiaries.

Asset Tests. At the close of each calendar quarter of our taxable year, we must also satisfy certain tests relating to the nature and diversification of our assets. First, at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and U.S. government securities. For purposes of this test, the term "real estate assets" generally means real property (including interests in real property and interests in mortgages on real property or on both real property and, to a limited extent, personal property), shares (or transferable certificates of beneficial interest) in other REITs, any stock or debt instrument attributable to the investment of the proceeds of a stock offering or a public offering of debt with a term of at least five years (but only for the one-year period beginning on the date the REIT receives such proceeds), debt instruments of publicly offered REITs, and personal property leased in connection

with a lease of real property for which the rent attributable to personal property is not greater than 15% of the total rent received under the lease.

Second, not more than 25% of the value of our total assets may be represented by securities (including securities of taxable REIT subsidiaries), other than those securities includable in the 75% asset test.

Third, of the investments included in the 25% asset class, and except for certain investments in other REITs, our qualified REIT subsidiaries and taxable REIT subsidiaries, the value of any one issuer's securities may not exceed 5% of the value of our total assets, and we may not own more than 10% of the total vote or value of the outstanding securities of any one issuer. Certain types of securities we may own are disregarded as securities solely for purposes of the 10% value test, including, but not limited to, securities satisfying the "straight debt" safe harbor, securities issued by a partnership that itself would satisfy the 75% income test if it were a REIT, any loan to an individual or an estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, solely for purposes of the 10% value test, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code. From time to time we may own securities (including debt securities) of issuers that do not qualify as a REIT, a qualified REIT subsidiary or a taxable REIT subsidiary. We intend that our ownership of any such securities will be structured in a manner that allows us to comply with the asset tests described above.

Fourth, not more than 20% (25% for taxable years beginning after July 30, 2008 and before January 1, 2018 and taxable years beginning after December 31, 2025) of the value of our total assets may be represented by the securities of one or more taxable REIT subsidiaries. We, through our operating partnership, own interests in companies that have elected, together with us, to be treated as our taxable REIT subsidiaries, and we may acquire securities in additional taxable REIT subsidiaries in the future. So long as each of these companies qualifies as a taxable REIT subsidiary of ours, we will not be subject to the 5% asset test, the 10% voting power limitation or the 10% value limitation with respect to our ownership of the securities of such companies. We believe that the aggregate value of our taxable REIT subsidiaries has not exceeded, and in the future will not exceed, 20% (25% for taxable years beginning after July 30, 2008 and before January 1, 2018 and taxable years beginning after December 31, 2025) of the aggregate value of our gross assets. We generally do not obtain independent appraisals to support these conclusions. In addition, there can be no assurance that the IRS will not disagree with our determinations of value.

Fifth, not more than 25% of the value of our total assets may be represented by debt instruments of publicly offered REITs to the extent those debt instruments would not be real estate assets but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets, as described above (e.g., a debt instrument issued by a publicly offered REIT that is not secured by a mortgage on real property).

The asset tests must be satisfied at the close of each calendar quarter of our taxable year in which we (directly or through any partnership or qualified REIT subsidiary) acquire securities in the applicable issuer, and also at the close of each calendar quarter in which we increase our ownership of securities of such issuer (including as a result of an increase in our interest in any partnership that owns such securities). For example, our indirect ownership of securities of each issuer will increase as a result of our capital contributions to our operating partnership or as limited partners exercise any redemption/exchange rights. Also, after initially meeting the asset tests at the close of any quarter, we will not lose our status as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If we fail to satisfy an asset test because we acquire securities or other property during a quarter (including as a result of an increase in our interest in any partnership), we may cure this failure by disposing of sufficient nonqualifying assets within 30 days after the close of that quarter. We believe that we have maintained, and we intend to maintain, adequate records of the value of our assets to ensure compliance with the asset tests. If we fail to cure any noncompliance with the asset tests within the 30-day cure period, we would cease to qualify as a REIT unless we are eligible for certain relief provisions discussed below.

Certain relief provisions may be available to us if we discover a failure to satisfy the asset tests described above after the 30-day cure period. Under these provisions, we will be deemed to have met the 5% and 10% asset tests if the value of our nonqualifying assets (i) does not exceed the lesser of (a) 1% of the total value of our assets at the end of the applicable quarter or (b) $10,000,000, and (ii) we dispose of the nonqualifying assets or otherwise satisfy such tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued. For violations of any of the asset tests due to reasonable cause and not due to willful neglect and that are, in the case of the 5% and 10% asset tests, in excess of the

de minimis exception described above, we may avoid disqualification as a REIT after the 30-day cure period by taking steps including (i) the disposition of sufficient nonqualifying assets, or the taking of other actions, which allow us to meet the asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued, (ii) paying a tax equal to the greater of (a) $50,000 or (b) the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets, and (iii) disclosing certain information to the IRS.

Although we believe we have satisfied the asset tests described above and plan to take steps to ensure that we satisfy such tests for any quarter with respect to which retesting is to occur, there can be no assurance that we will always be successful, or will not require a reduction in our operating partnership's overall interest in an issuer (including in a taxable REIT subsidiary). If we fail to cure any noncompliance with the asset tests in a timely manner, and the relief provisions described above are not available, we would cease to qualify as a REIT.

Annual Distribution Requirements. To maintain our qualification as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders each year in an amount at least equal to the sum of:

- 90% of our "REIT taxable income"; and
- 90% of our after-tax net income, if any, from foreclosure property; minus
- the excess of the sum of certain items of non-cash income over 5% of our "REIT taxable income."

For these purposes, our "REIT taxable income" is computed without regard to the dividends paid deduction and our net capital gain. In addition, for purposes of this test, non-cash income generally means income attributable to leveled stepped rents, original issue discount, cancellation of indebtedness, or a like-kind exchange that is later determined to be taxable.

In addition, our "REIT taxable income" will be reduced by any taxes we are required to pay on any gain we recognize from the disposition of any asset we acquired from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, within the five-year period following our acquisition of such asset, as described above under "—General."

Except as provided below, a taxpayer's deduction for net business interest expense will generally be limited to 30% of its taxable income, as adjusted for certain items of income, gain, deduction or loss. Any business interest deduction that is disallowed due to this limitation may be carried forward to future taxable years, subject to special rules applicable to partnerships. If we or any of our subsidiary partnerships (including our operating partnership) are subject to this interest expense limitation, our REIT taxable income for a taxable year may be increased. Taxpayers that conduct certain real estate businesses may elect not to have this interest expense limitation apply to them, provided that they use an alternative depreciation system to depreciate certain property. We believe that we or any of our subsidiary partnerships that are subject to this interest expense limitation will be eligible to make this election. If such election is made, although we or such subsidiary partnership, as applicable, would not be subject to the interest expense limitation described above, depreciation deductions may be reduced and, as a result, our REIT taxable income for a taxable year may be increased.

We generally must pay, or be treated as paying, the distributions described above in the taxable year to which they relate. At our election, a distribution will be treated as paid in a taxable year if it is declared before we timely file our tax return for such year and paid on or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such year. These distributions are treated as received by our stockholders in the year in which they are paid. This is so even though these distributions relate to the prior year for purposes of the 90% distribution requirement. In order to be taken into account for purposes of our distribution requirement, except as provided below, the amount distributed must not be preferential—i.e., every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated other than according to its dividend rights as a class. This preferential dividend limitation will not apply to distributions made by us, provided we qualify as a "publicly offered REIT." We believe that we are, and expect we will continue to be, a "publicly offered REIT." However, Subsidiary REITs we may own from time to time may not be publicly offered REITs. To the extent that we do not distribute all of our net

capital gain, or distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be required to pay regular U.S. federal corporate income tax on the undistributed amount. We believe that we have made, and we intend to continue to make, timely distributions sufficient to satisfy these annual distribution requirements and to minimize our corporate tax obligations. In this regard, the partnership agreement of our operating partnership authorizes us, as the general partner of our operating partnership, to take such steps as may be necessary to cause our operating partnership to distribute to its partners an amount sufficient to permit us to meet these distribution requirements and to minimize our corporate tax obligation.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt or for other reasons. If these timing differences occur, we may borrow funds to pay dividends or pay dividends in the form of taxable stock distributions in order to meet the distribution requirements, while preserving our cash.

Under some circumstances, we may be able to rectify an inadvertent failure to meet the 90% distribution requirement for a year by paying "deficiency dividends" to our stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. In that case, we may be able to avoid being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described below. However, we will be required to pay interest to the IRS based upon the amount of any deduction claimed for deficiency dividends. While the payment of a deficiency dividend will apply to a prior year for purposes of our REIT distribution requirements, it will be treated as an additional distribution to our stockholders in the year such dividend is paid.

Furthermore, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of 85% of our ordinary income for such year, 95% of our capital gain net income for the year and any undistributed taxable income from prior periods. Any ordinary income and net capital gain on which U.S. federal corporate income tax is imposed for any year is treated as an amount distributed during that year for purposes of calculating this excise tax.

For purposes of the 90% distribution requirement and excise tax described above, dividends declared during the last three months of the taxable year, payable to stockholders of record on a specified date during such period and paid during January of the following year, will be treated as paid by us and received by our stockholders on December 31 of the year in which they are declared.

Like-Kind Exchanges. We may dispose of real property that is not held primarily for sale in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay U.S. federal income tax, possibly including the 100% prohibited transaction tax, or deficiency dividends, depending on the facts and circumstances surrounding the particular transaction.

Tax Liabilities and Attributes Inherited in Connection with Acquisitions. From time to time, we or our operating partnership may acquire other corporations or entities and, in connection with such acquisitions, we may succeed to the historical tax attributes and liabilities of such entities. For example, if we acquire a C corporation and subsequently dispose of its assets within five years of the acquisition, we could be required to pay the built-in gain tax described above under "— General." In addition, in order to qualify as a REIT, at the end of any taxable year, we must not have any earnings and profits accumulated in a non-REIT year. As a result, if we acquire a C corporation, we must distribute the corporation's earnings and profits accumulated prior to the acquisition before the end of the taxable year in which we acquire the corporation. We also could be required to pay the acquired entity's unpaid taxes even though such liabilities arose prior to the time we acquired the entity.

Moreover, we or one of our subsidiaries may from time to time acquire other REITs through a merger or acquisition. If any such REIT failed to qualify as a REIT for any of its taxable years, such REIT would be liable for (and we or our subsidiary, as applicable, as the surviving corporation in the merger or acquisition, would be obligated to pay) regular U.S. federal corporate income tax on its taxable income for such taxable years. In addition, if such REIT was

a C corporation at the time of the merger or acquisition, the tax consequences described in the preceding paragraph generally would apply. If such REIT failed to qualify as a REIT for any of its taxable years, but qualified as a REIT at the time of such merger or acquisition, and we acquired such REIT's assets in a transaction in which our tax basis in the assets of such REIT is determined, in whole or in part, by reference to such REIT's tax basis in such assets, we generally would be subject to tax on the built-in gain on each asset of such REIT as described above if we were to dispose of the asset in a taxable transaction during the five-year period following such REIT's requalification as a REIT, subject to certain exceptions. Moreover, even if such REIT qualified as a REIT at all relevant times, we would similarly be liable for other unpaid taxes (if any) of such REIT (such as the 100% tax on gains from any sales treated as "prohibited transactions" as described above under "—Prohibited Transaction Income").

Furthermore, after our acquisition of another corporation or entity, the asset and income tests will apply to all of our assets, including the assets we acquire from such corporation or entity, and to all of our income, including the income derived from the assets we acquire from such corporation or entity. As a result, the nature of the assets that we acquire from such corporation or entity and the income we derive from those assets may have an effect on our tax status as a REIT.

Failure to Qualify. If we discover a violation of a provision of the Code that would result in our failure to qualify as a REIT, certain specified cure provisions may be available to us. Except with respect to violations of the gross income tests and asset tests (for which the cure provisions are described above), and provided the violation is due to reasonable cause and not due to willful neglect, these cure provisions generally impose a $50,000 penalty for each violation in lieu of a loss of REIT status. If we fail to satisfy the requirements for taxation as a REIT in any taxable year, and the relief provisions do not apply, we will be required to pay regular U.S. federal corporate income tax, including any applicable alternative minimum tax, on our taxable income. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us. As a result, we anticipate that our failure to qualify as a REIT would reduce the cash available for distribution by us to our stockholders. In addition, if we fail to qualify as a REIT, we will not be required to distribute any amounts to our stockholders and all distributions to stockholders will be taxable as regular corporate dividends to the extent of our current and accumulated earnings and profits. In such event, corporate stockholders may be eligible for the dividends-received deduction. In addition, non-corporate stockholders, including individuals, may be eligible for the preferential tax rates on qualified dividend income. Non-corporate stockholders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations. If we fail to qualify as a REIT, such stockholders may not claim this deduction with respect to dividends paid by us. Unless entitled to relief under specific statutory provisions, we would also be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lose our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

Tax Aspects of Our Operating Partnership and its Subsidiary Partnerships and Limited Liability Companies

General. All of our investments are held indirectly through our operating partnership. In addition, our operating partnership holds certain of its investments indirectly through subsidiary partnerships and limited liability companies that we believe are and will continue to be treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for U.S. federal income tax purposes are "pass-through" entities which are not required to pay U.S. federal income tax. Rather, partners of such partnerships are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership, and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership. We will include in our income our share of these partnership items for purposes of the various gross income tests, the computation of our REIT taxable income, and the REIT distribution requirements. Moreover, for purposes of the asset tests, we will include our pro rata share of assets held by our operating partnership, including its share of the assets of its subsidiary partnerships, based on our capital interests in each such entity. See "—Taxation of Our Company—Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries." A disregarded entity is not treated as a separate entity for U.S. federal income tax purposes, and all assets, liabilities and items of income, gain, loss, deduction and credit of a disregarded entity are treated as assets, liabilities and items of income, gain, loss, deduction and credit of its parent that is not a disregarded entity (e.g., our operating partnership) for all purposes under the Code, including all REIT qualification tests.

Entity Classification. Our interests in our operating partnership and its subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships or disregarded entities for U.S. federal income tax purposes. For example, an entity that would otherwise be treated as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership will be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. We do not anticipate that our operating partnership or any of its subsidiary partnerships will be treated as a publicly traded partnership that is taxable as a corporation. However, if any such entity were treated as a corporation, it would be required to pay an entity-level tax on its income. In this situation, the character of our assets and items of gross income would change and could prevent us from satisfying the REIT asset tests and possibly the REIT income tests. See "—Taxation of Our Company—Asset Tests" and "—Income Tests." This, in turn, could prevent us from qualifying as a REIT. See "—Taxation of Our Company—Failure to Qualify" for a discussion of the effect of our failure to meet these tests. In addition, a change in the tax status of our operating partnership, or a subsidiary treated as a partnership or disregarded entity, to a corporation might be treated as a taxable event. If so, we might incur a tax liability without any related cash payment. We believe our operating partnership and each of its subsidiary partnerships and limited liability companies are and will continue to be treated as partnerships or disregarded entities for U.S. federal income tax purposes.

Allocations of Income, Gain, Loss and Deduction. The operating partnership agreement generally provides that items of operating income will be allocated to us to the extent of the accrued preferred return on our preferred units and then to the holders of common units in proportion to the number of common units held by each such unitholder. Items of operating loss will generally be allocated first to the holders of common units in proportion to the number of common units held, and then to us with respect to our preferred units. Certain limited partners may, from time to time, guarantee debt of our operating partnership, indirectly through an agreement to make capital contributions to our operating partnership under limited circumstances. As a result of these guaranties or contribution agreements, and notwithstanding the foregoing discussion of allocations of income and loss of our operating partnership to holders of units, such limited partners could under limited circumstances be allocated a disproportionate amount of net loss upon a liquidation of our operating partnership, which net loss would have otherwise been allocable to us. In addition, the partnership agreement further provides that holders of long-term incentive units, class C units and class D units may be entitled to receive special allocations of gain in the event of a sale or hypothetical sale of assets of our operating partnership prior to the allocation of gain to holders of common units. This special allocation of gain is intended to enable the holders of long-term incentive units, class C units and class D units to convert such units into common units.

If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The allocations of taxable income and loss of our operating partnership and any subsidiaries that are treated as partnerships for U.S. federal income tax purposes are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder.

Tax Allocations With Respect to the Properties. Under Section 704(c) of the Code, items of income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated in a manner so that the contributing partner is charged with the unrealized gain or benefits from the unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution (this difference is referred to as a book-tax difference), as adjusted from time to time. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Appreciated property was contributed to our operating partnership in exchange for interests in our operating partnership in connection with the formation transactions. In addition, our operating partnership may, from time to time, acquire interests in property in exchange for interests in our operating partnership. In that case, the tax basis of these property interests generally will carry over to the operating partnership, notwithstanding their different book

(i.e., fair market) value. The partnership agreement requires that income and loss allocations with respect to these properties be made in a manner consistent with Section 704(c) of the Code. Treasury Regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. Depending on the method we choose in connection with any particular contribution, the carryover basis of each of the contributed interests in the properties in the hands of our operating partnership (i) could cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if any of the contributed properties were to have a tax basis equal to its respective fair market value at the time of the contribution and (ii) could cause us to be allocated taxable gain in the event of a sale of such contributed interests or properties in excess of the economic or book income allocated to us as a result of such sale, with a corresponding benefit to the other partners in our operating partnership. An allocation described in clause (ii) above might cause us or the other partners to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which might adversely affect our ability to comply with the REIT distribution requirements. See "—Taxation of Our Company—Requirements for Qualification as a REIT" and "—Annual Distribution Requirements."

Any property acquired by our operating partnership in a taxable transaction will initially have a tax basis equal to its fair market value, and Section 704(c) of the Code generally will not apply.

Partnership Audit Rules. Under current tax law, subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. It is possible that these rules could result in partnerships in which we directly or indirectly invest, including our operating partnership, being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though we, as a REIT, may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment. Investors are urged to consult their tax advisors with respect to these rules and their potential impact on their investment in our capital stock.

Material U.S. Federal Income Tax Consequences to Holders of Our Capital Stock and the Operating Partnership's Debt Securities

The following discussion is a summary of certain material U.S. federal income tax consequences to you of purchasing, owning and disposing of our capital stock or the operating partnership's debt securities. This discussion is limited to holders who hold shares of our capital stock or the operating partnership's debt securities as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances, including the alternative minimum tax. In addition, except where specifically noted, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- banks, insurance companies, and other financial institutions;
- tax-exempt organizations or governmental organizations;
- S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- persons who hold or receive our capital stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- REITs or regulated investment companies;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers, dealers or traders in securities;
- U.S. expatriates and former citizens or long-term residents of the United States;

- persons holding our capital stock or the operating partnership's debt securities as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our capital stock or the operating partnership's debt securities being taken into account in an "applicable financial statement" (as defined in the Code);
- persons deemed to sell our capital stock or the operating partnership's debt securities under the constructive sale provisions of the Code;
- tax-qualified retirement plans; and
- U.S. holders (as defined below) whose functional currency is not the U.S. dollar.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED AS TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR CAPITAL STOCK OR THE OPERATING PARTNERSHIP'S DEBT SECURITIES ARISING UNDER OTHER U.S. FEDERAL TAX LAWS (INCLUDING ESTATE AND GIFT TAX LAWS), UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of shares of our capital stock or the operating partnership's debt securities that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

For purposes of this discussion, a "non-U.S. holder" is any beneficial owner of our capital stock or the operating partnership's debt securities that is neither a U.S. holder nor an entity treated as a partnership for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds shares of our capital stock or the operating partnership's debt securities, the tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding shares of our capital stock or the operating partnership's debt securities and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

Taxation of Taxable U.S. Holders of Our Capital Stock

Distributions Generally. Distributions out of our current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax, as discussed below, will be taxable to our taxable U.S. holders as ordinary income when actually or constructively received. See "—Tax Rates" below. As long as we qualify as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. holders that are corporations or, except to the extent described in "—Tax Rates" below, the preferential rates on qualified dividend income applicable to non-corporate U.S. holders, including individuals. For purposes of determining whether distributions to holders of our capital stock are out of our current or accumulated earnings and profits, our earnings and profits will be allocated first to our outstanding preferred stock and then to our outstanding common stock.

To the extent that we make distributions on our capital stock in excess of our current and accumulated earnings and profits allocable to such stock, these distributions will be treated first as a tax-free return of capital to a U.S. holder to the extent of the U.S. holder's adjusted tax basis in such shares of stock. This treatment will reduce the U.S. holder's adjusted tax basis in such shares of stock by such amount, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a U.S. holder's adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends we declare in October, November, or December of any year and which are payable to a holder of record on a specified date in any of these months will be treated as both paid by us and received by the holder on December 31 of that year, provided we actually pay the dividend on or before January 31 of the following year. U.S. holders may not include in their own income tax returns any of our net operating losses or capital losses.

U.S. holders that receive taxable stock distributions, including distributions partially payable in our capital stock and partially payable in cash, would be required to include the full amount of the distribution (i.e., the cash and the stock portion) as a dividend (subject to limited exceptions) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes, as described above. The amount of any distribution payable in our capital stock generally is equal to the amount of cash that could have been received instead of the capital stock. Depending on the circumstances of a U.S. holder, the tax on the distribution may exceed the amount of the distribution received in cash, in which case such U.S. holder would have to pay the tax using cash from other sources. If a U.S. holder sells the capital stock it received in connection with a taxable stock distribution in order to pay this tax and the proceeds of such sale are less than the amount required to be included in income with respect to the stock portion of the distribution, such U.S. holder could have a capital loss with respect to the stock sale that could not be used to offset such income. A U.S. holder that receives capital stock pursuant to such distribution generally has a tax basis in such capital stock equal to the amount of cash that could have been received instead of such capital stock as described above, and has a holding period in such capital stock that begins on the day immediately following the payment date for the distribution.

Capital Gain Dividends. Dividends that we properly designate as capital gain dividends will generally be taxable to our taxable U.S. holders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed our actual net capital gain for the taxable year, and may not exceed our dividends paid for the taxable year, including dividends paid the following year that are treated as paid in the current year. U.S. holders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income. If we properly designate any portion of a dividend as a capital gain dividend, then, except as otherwise required by law, we presently intend to allocate a portion of the total capital gain dividends paid or made available to holders of all classes of our capital stock for the year to the holders of each class of our capital stock in proportion to the amount that our total dividends, as determined for U.S. federal income tax purposes, paid or made available to the holders of each such class of our capital stock for the year bears to the total dividends, as determined for U.S. federal income tax purposes, paid or made available to holders of all classes of our capital stock for the year. In addition, except as otherwise required by law, we will make a similar allocation with respect to any undistributed long-term capital gains which are to be included in our stockholders' long-term capital gains, based on the allocation of the capital gain amount which would have resulted if those undistributed long-term capital gains had been distributed as "capital gain dividends" by us to our stockholders.

Retention of Net Capital Gains. We may elect to retain, rather than distribute as a capital gain dividend, all or a portion of our net capital gains. If we make this election, we would pay tax on our retained net capital gains. In addition, to the extent we so elect, our earnings and profits (determined for U.S. federal income tax purposes) would be adjusted accordingly, and a U.S. holder generally would:

- include its pro rata share of our undistributed capital gain in computing its long-term capital gains in its U.S. federal income tax return for its taxable year in which the last day of our taxable year falls, subject to certain limitations as to the amount that is includable;
- be deemed to have paid its share of the capital gains tax imposed on us on the designated amounts included in the U.S. holder's income as long-term capital gain;
- receive a credit or refund for the amount of tax deemed paid by it;
- increase the adjusted tax basis of its capital stock by the difference between the amount of includable gains and the tax deemed to have been paid by it; and

- in the case of a U.S. holder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be promulgated by the IRS.

Passive Activity Losses and Investment Interest Limitations. Distributions we make and gain arising from the sale or exchange of our capital stock by a U.S. holder will not be treated as passive activity income. As a result, U.S. holders generally will not be able to apply any "passive losses" against this income or gain. A U.S. holder generally may elect to treat capital gain dividends, capital gains from the disposition of our capital stock and income designated as qualified dividend income, as described in "—Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the holder will be taxed at ordinary income rates on such amount. Other distributions made by us, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Dispositions of Our Capital Stock. Except as described below under "—Taxation of Taxable U.S. Holders of Our Capital Stock—Redemption or Repurchase by Us," if a U.S. holder sells or disposes of shares of our capital stock, it will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the holder's adjusted tax basis in the shares. This gain or loss, except as provided below, will be long-term capital gain or loss if the holder has held such capital stock for more than one year. However, if a U.S. holder recognizes a loss upon the sale or other disposition of capital stock that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. holder received distributions from us which were required to be treated as long-term capital gains. The deductibility of capital losses is subject to limitations.

Redemption or Repurchase by Us. A redemption or repurchase of shares of our capital stock will be treated under Section 302 of the Code as a distribution (and taxable as a dividend to the extent of our current and accumulated earnings and profits as described above under "—Distributions Generally") unless the redemption or repurchase satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemed or repurchased shares. The redemption or repurchase generally will be treated as a sale or exchange if it:

- is "substantially disproportionate" with respect to the U.S. holder;
- results in a "complete redemption" of the U.S. holder's stock interest in us; or
- is "not essentially equivalent to a dividend" with respect to the U.S. holder,

all within the meaning of Section 302(b) of the Code.

In determining whether any of these tests has been met, shares of our capital stock, including common stock and other equity interests in us, considered to be owned by the U.S. holder by reason of certain constructive ownership rules set forth in the Code, as well as shares of our capital stock actually owned by the U.S. holder, generally must be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the Code will be satisfied with respect to the U.S. holder depends upon the facts and circumstances at the time that the determination must be made, U.S. holders are advised to consult their tax advisors to determine such tax treatment.

If a redemption or repurchase of shares of our capital stock is treated as a distribution, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received. See "—Distributions Generally." A U.S. holder's adjusted tax basis in the redeemed or repurchased shares generally will be transferred to the holder's remaining shares of our capital stock, if any. If a U.S. holder owns no other shares of our capital stock, under certain circumstances, such basis may be transferred to a related person or it may be lost entirely. Prospective investors should consult their tax advisors regarding the U.S. federal income tax consequences of a redemption or repurchase of our capital stock.

If a redemption or repurchase of shares of our capital stock is not treated as a distribution, it will be treated as a taxable sale or exchange in the manner described under "—Dispositions of Our Capital Stock."

Tax Rates. The maximum tax rate for non-corporate taxpayers for (1) long-term capital gains, including certain "capital gain dividends," generally is 20% (although depending on the characteristics of the assets which produced

these gains and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate) and (2) "qualified dividend income" generally is 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding period requirements have been met and the REIT's dividends are attributable to dividends received from taxable corporations (such as its taxable REIT subsidiaries) or to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year). Capital gain dividends will only be eligible for the rates described above to the extent that they are properly designated by the REIT as "capital gain dividends." U.S. holders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income. In addition, non-corporate U.S. holders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations.

Taxation of Tax-Exempt Holders of Our Capital Stock

Dividend income from us and gain arising upon a sale of shares of our capital stock generally should not be unrelated business taxable income, or UBTI, to a tax-exempt holder, except as described below. This income or gain will be UBTI, however, to the extent a tax-exempt holder holds its shares as "debt-financed property" within the meaning of the Code. Generally, "debt-financed property" is property the acquisition or holding of which was financed through a borrowing by the tax-exempt holder.

For tax-exempt holders that are social clubs, voluntary employee benefit associations or supplemental unemployment benefit trusts exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9) or (c)(17) of the Code, respectively, income from an investment in our shares will constitute UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our shares. These prospective investors should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" may be treated as UBTI as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a "pension-held REIT" if it is able to satisfy the "not closely held" requirement without relying on the "look-through" exception with respect to certain trusts or if such REIT is not "predominantly held" by "qualified trusts." As a result of restrictions on ownership and transfer of our stock contained in our charter, we do not expect to be classified as a "pension-held REIT," and as a result, the tax treatment described above should be inapplicable to our holders. However, because our stock is (and, we anticipate, will continue to be) publicly traded, we cannot guarantee that this will always be the case.

Taxation of Non-U.S. Holders of Our Capital Stock

The following discussion addresses the rules governing U.S. federal income taxation of the purchase, ownership and disposition of our capital stock by non-U.S. holders. These rules are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of U.S. federal income taxation and does not address other federal, state, local or non-U.S. tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. We urge non-U.S. holders to consult their tax advisors to determine the impact of U.S. federal, state, local and non-U.S. income and other tax laws and any applicable tax treaty on the purchase, ownership and disposition of shares of our capital stock, including any reporting requirements.

Distributions Generally. Distributions (including any taxable stock distributions) that are neither attributable to gains from sales or exchanges by us of United States real property interests, or USRPIs, nor designated by us as capital gain dividends (except as described below) will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. Such distributions ordinarily will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable). Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied for a non-U.S. holder to be exempt from withholding under

the effectively connected income exemption. Dividends that are treated as effectively connected with a U.S. trade or business generally will not be subject to withholding but will be subject to U.S. federal income tax on a net basis at the regular rates, in the same manner as dividends paid to U.S. holders are subject to U.S. federal income tax. Any such dividends received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting U.S. federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, we expect to withhold U.S. federal income tax at the rate of 30% on any distributions made to a non-U.S. holder unless:

(1) a lower treaty rate applies and the non-U.S. holder furnishes an IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. holder furnishes an IRS Form W-8ECI (or other applicable documentation) claiming that the distribution is income effectively connected with the non-U.S. holder's trade or business.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a non-U.S. holder to the extent that such distributions do not exceed the adjusted tax basis of the holder's capital stock, but rather will reduce the adjusted tax basis of such stock. To the extent that such distributions exceed the non-U.S. holder's adjusted tax basis in such capital stock, they generally will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below. However, such excess distributions may be treated as dividend income for certain non-U.S. holders. For withholding purposes, we expect to treat all distributions as made out of our current or accumulated earnings and profits. However, amounts withheld may be refundable if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, provided that certain conditions are met.

Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of United States Real Property Interests. Distributions to a non-U.S. holder that we properly designate as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation, unless:

(1) the investment in our capital stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax of up to 30%, as discussed above; or

(2) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of such non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Pursuant to the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of USRPIs, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. holders generally would be taxed at the regular rates applicable to U.S. holders, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. We also will be required to withhold and to remit to the IRS 21% of any distribution to non-U.S. holders attributable to gain from sales or exchanges by us of USRPIs. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. The amount withheld is creditable against the non-U.S. holder's U.S. federal income tax liability. However, any distribution with respect to any class of stock that is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market located in the United States is not subject to FIRPTA, and therefore, not subject to the 21% U.S. withholding tax described above, if the non-U.S. holder did not own more than 10% of such class of stock at any time during the

one-year period ending on the date of the distribution. Instead, such distributions generally will be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends. In addition, distributions to certain non-U.S. publicly traded shareholders that meet certain record-keeping and other requirements ("qualified shareholders") are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, distributions to certain "qualified foreign pension funds" or entities all of the interests of which are held by such "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Retention of Net Capital Gains. Although the law is not clear on the matter, it appears that amounts we designate as retained net capital gains in respect of our capital stock should be treated with respect to non-U.S. holders as actual distributions of capital gain dividends. Under this approach, the non-U.S. holders may be able to offset as a credit against their U.S. federal income tax liability their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual U.S. federal income tax liability. If we were to designate any portion of our net capital gain as retained net capital gain, non-U.S. holders should consult their tax advisors regarding the taxation of such retained net capital gain.

Sale of Our Capital Stock. Except as described below under "—Redemption or Repurchase by Us," gain realized by a non-U.S. holder upon the sale, exchange or other taxable disposition of our capital stock generally will not be subject to U.S. federal income tax unless such stock constitutes a USRPI. In general, stock of a domestic corporation that constitutes a "United States real property holding corporation," or USRPHC, will constitute a USRPI. We believe that we are a USRPHC. Our capital stock will not, however, constitute a USRPI so long as we are a "domestically controlled qualified investment entity." A "domestically controlled qualified investment entity" includes a REIT in which at all times during a five-year testing period less than 50% in value of its stock is held directly or indirectly by non-United States persons, subject to certain ownership rules. For purposes of determining whether a REIT is a "domestically controlled qualified investment entity," ownership by non-United States persons generally will be determined by looking through certain pass-through entities and U.S. corporations, including non-public REITs and certain non-public foreign-controlled domestic C corporations, and treating a public qualified investment entity as a non-United States person unless such entity is a "domestically controlled qualified investment entity." Notwithstanding the foregoing ownership rules, a person who at all applicable times holds less than 5% of a class of a REIT's stock that is "regularly traded" on an established securities market in the United States is treated as a United States person unless the REIT has actual knowledge that such person is not a United States person or is a foreign-controlled person. We believe, but cannot guarantee, that we are a "domestically controlled qualified investment entity." Because our stock is (and, we anticipate, will continue to be) publicly traded, no assurance can be given that we will continue to be a "domestically controlled qualified investment entity."

Even if we do not qualify as a "domestically controlled qualified investment entity" at the time a non-U.S. holder sells our capital stock, gain realized from the sale or other taxable disposition by a non-U.S. holder of such capital stock would not be subject to U.S. federal income tax under FIRPTA as a sale of a USRPI if:

(1) such class of capital stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market such as the NYSE; and

(2) such non-U.S. holder owned, actually and constructively, 10% or less of such class of capital stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period.

In addition, dispositions of our capital stock by qualified shareholders are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, dispositions of our capital stock by certain "qualified foreign pension funds" or entities all of the interests of which are held by such "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Notwithstanding the foregoing, gain from the sale, exchange or other taxable disposition of our capital stock not otherwise subject to FIRPTA will be taxable to a non-U.S. holder if either (a) the investment in our capital stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the

United States to which such gain is attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to the 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty) on such gain, as adjusted for certain items, or (b) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our capital stock, a non-U.S. holder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. holder (1) disposes of such stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1), unless such class of stock is "regularly traded" and the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the distribution described in clause (1).

If gain on the sale, exchange or other taxable disposition of our capital stock were subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to regular U.S. federal income tax with respect to such gain in the same manner as a taxable U.S. holder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In addition, if the sale, exchange or other taxable disposition of our capital stock were subject to taxation under FIRPTA, and if shares of the applicable class of our capital stock were not "regularly traded" on an established securities market, the purchaser of such capital stock generally would be required to withhold and remit to the IRS 15% of the purchase price.

Redemption or Repurchase by Us. A redemption or repurchase of shares of our capital stock will be treated under Section 302 of the Code as a distribution (and taxable as a dividend to the extent of our current and accumulated earnings and profits) unless the redemption or repurchase satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemed or repurchased shares. See "—Taxation of Taxable U.S. Holders of Our Capital Stock —Redemption or Repurchase by Us." Qualified shareholders and their owners may be subject to different rules, and should consult their tax advisors regarding the application of such rules. If the redemption or repurchase of shares is treated as a distribution, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received. See "—Taxation of Non-U.S. Holders of Our Capital Stock—Distributions Generally" above. If the redemption or repurchase of shares is not treated as a distribution, it will be treated as a taxable sale or exchange in the manner described above under "—Sale of Our Capital Stock."

Taxation of Holders of the Operating Partnership's Debt Securities

The following summary describes certain material U.S. federal income tax consequences of purchasing, owning and disposing of debt securities issued by the operating partnership. This discussion assumes the debt securities will be issued with less than a statutory de minimis amount of original issue discount for U.S. federal income tax purposes. In addition, this discussion is limited to persons purchasing the debt securities for cash at original issue and at their original "issue price" within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of the debt securities is sold to the public for cash).

U.S. Holders

Payments of Interest. Interest on a debt security generally will be taxable to a U.S. holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

Sale or Other Taxable Disposition. A U.S. holder will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a debt security. The amount of such gain or loss generally will be equal to the difference between the amount received for the debt security in cash or other property valued at fair market value

(less amounts attributable to any accrued but unpaid interest, which will be taxable as interest to the extent not previously included in income) and the U.S. holder's adjusted tax basis in the debt security. A U.S. holder's adjusted tax basis in a debt security generally will be equal to the amount the U.S. holder paid for the debt security. Any gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. holder has held the debt security for more than one year at the time of such sale or other taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, generally will be taxable at reduced rates. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

Payments of Interest. Interest paid on a debt security to a non-U.S. holder that is not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income tax or withholding, provided that:

- the non-U.S. holder does not, actually or constructively, own 10% or more of the operating partnership's capital or profits;
- the non-U.S. holder is not a controlled foreign corporation related to the operating partnership through actual or constructive stock ownership; and
- either (1) the non-U.S. holder certifies in a statement provided to the applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the debt security on behalf of the non-U.S. holder certifies to the applicable withholding agent under penalties of perjury that it, or the financial institution between it and the non-U.S. holder, has received from the non-U.S. holder a statement under penalties of perjury that such holder is not a United States person and provides the applicable withholding agent with a copy of such statement; or (3) the non-U.S. holder holds its debt security directly through a "qualified intermediary" (within the meaning of the applicable Treasury Regulations) and certain conditions are satisfied.

If a non-U.S. holder does not satisfy the requirements above, such non-U.S. holder will be subject to withholding tax of 30%, subject to a reduction in or an exemption from withholding on such interest as a result of an applicable tax treaty. To claim such entitlement, the non-U.S. holder must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax under the benefit of an income tax treaty between the United States and the country in which the non-U.S. holder resides or is established.

If interest paid to a non-U.S. holder is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such interest is attributable), the non-U.S. holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the non-U.S. holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on a debt security is not subject to withholding tax because it is effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States.

Any such effectively connected interest generally will be subject to U.S. federal income tax at the regular rates. A non-U.S. holder that is a corporation may also be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected interest, as adjusted for certain items.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Taxable Disposition. A non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange, redemption, retirement or other taxable disposition of a debt security (such amount excludes any amount allocable to accrued and unpaid interest, which generally will be treated as interest and may be subject to the rules discussed above in "—Taxation of Holders of the Operating Partnership's Debt Securities—Non-U.S. Holders—Payments of Interest") unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable); or

- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of a debt security, which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

U.S. Holders. A U.S. holder may be subject to information reporting and backup withholding when such holder receives payments on our capital stock or the operating partnership's debt securities or proceeds from the sale or other taxable disposition of such stock or debt securities (including a redemption or retirement of a debt security). Certain U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;

- the holder furnishes an incorrect taxpayer identification number;

- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or

- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. Holders. Payments of dividends on our capital stock or interest on the operating partnership's debt securities generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our capital stock or interest on the operating partnership's debt securities paid to the non-U.S. holder, regardless of whether such

distributions constitute a dividend or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of such stock or debt securities (including a retirement or redemption of a debt security) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of such stock or debt securities conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Medicare Contribution Tax on Unearned Income

Certain U.S. holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends on stock, interest on debt obligations, and capital gains from the sale or other disposition of stock or debt obligations, subject to certain limitations. U.S. holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of our capital stock or the operating partnership's debt securities.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on our capital stock, interest on the operating partnership's debt securities, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of our capital stock or the operating partnership's debt securities, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our capital stock or interest on the operating partnership's debt securities. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock or debt securities on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we may treat the entire distribution as a dividend.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our capital stock or the operating partnership's debt securities.

Other Tax Consequences

State, local and non-U.S. income tax laws may differ substantially from the corresponding U.S. federal income tax laws, and this discussion does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction, or any U.S. federal tax other than income tax. You should consult your tax advisors regarding the effect of state, local and non-U.S. tax laws with respect to our tax treatment as a REIT and on an investment in our capital stock or our operating partnership's debt securities.

Exhibit 99.2

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion replaces and supersedes in all respects the information contained under the headings titled "United States Federal Income Tax Considerations" that are contained in the prospectuses filed with the Securities and Exchange Commission on April 7, 2025, October 10, 2017, and November 14, 2005, each, a Prospectus, and collectively, the Prospectuses.

The following is a general summary of certain material U.S. federal income tax considerations regarding our election to be taxed as a real estate investment trust, or a REIT, the exercise of redemption rights with respect to the common units (as defined in the Prospectus filed on October 10, 2017 and the Prospectus filed on November 14, 2005) and the ownership and disposition of shares of our common stock issued upon (1) the exchange of the notes (as defined in the Prospectus filed on April 7, 2025) or (2) the redemption of the common units. For purposes of this discussion, references to "we," "our" and "us" mean only Digital Realty Trust, Inc., and do not include any of its subsidiaries, except as otherwise indicated. This summary is for general information only and is not tax advice. The information in this summary is based on:

- the Internal Revenue Code of 1986, as amended, or the Code;
- current, temporary and proposed Treasury regulations promulgated under the Code, or the Treasury Regulations;
- the legislative history of the Code;
- administrative interpretations and practices of the Internal Revenue Service, or the IRS; and
- court decisions;

in each case, as of the date of this Quarterly Report on Form 10-Q. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS except with respect to the particular taxpayers who requested and received those rulings. The sections of the Code and the corresponding Treasury Regulations that relate to qualification and taxation as a REIT are highly technical and complex. The following discussion sets forth certain material aspects of the sections of the Code that govern the U.S. federal income tax treatment of a REIT and its stockholders. This summary is qualified in its entirety by the applicable Code provisions, Treasury Regulations, and administrative and judicial interpretations thereof. Potential tax reforms may result in significant changes to the rules governing U.S. federal income taxation. New legislation, Treasury Regulations, administrative interpretations and practices and/or court decisions may significantly and adversely affect our ability to qualify as a REIT, the U.S. federal income tax consequences of such qualification, or the U.S. federal income tax consequences of an investment in us, including those described in this discussion. Moreover, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT. Any such changes could apply retroactively to transactions preceding the date of the change. We have not requested, and do not plan to request, any rulings from the IRS that we qualify as a REIT or otherwise with respect to the matters contained in this discussion, and the statements in the Prospectuses and Exhibit 99.2 to this Quarterly Report on Form 10-Q are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or non-U.S. tax consequences, or any tax consequences arising under any U.S. federal tax laws other than U.S. federal income tax laws, associated with our election to be taxed as a REIT and the ownership and disposition of shares of our common stock issued upon (1) the exchange of the notes or (2) the redemption of the common units.

You are urged to consult your tax advisors regarding the tax consequences to you of:

- **the exercise of redemption rights with respect to the common units;**
- **the ownership and disposition of shares of our common stock, including the U.S. federal, state, local, non-U.S. and other tax consequences;**

- **our election to be taxed as a REIT for U.S. federal income tax purposes; and**
- **potential changes in applicable tax laws.**

Tax Consequences of the Exercise of Redemption Rights

If you are a holder of common units and you exercise your right to require our operating partnership to redeem all or part of your common units, and we elect to acquire some or all of your common units in exchange for our common stock, the exchange will be a taxable transaction. You generally will recognize gain in an amount equal to the value of our common stock that you receive, plus the amount of liabilities of the operating partnership allocable to your common units being exchanged, less your tax basis in those common units. The recognition of any loss may be subject to a number of limitations set forth in the Code. The character of any gain or loss as capital or ordinary, or any gain as recapture gain under Section 1250 of the Code, will depend on the nature of the assets of the operating partnership at the time of the exchange. The tax treatment of any redemption of your common units by the operating partnership in exchange for cash may be similar, depending on your circumstances.

Taxation of Our Company

General. We have elected to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ended December 31, 2004. We believe that we have been organized and have operated in a manner that has allowed us to qualify for taxation as a REIT under the Code commencing with such taxable year, and we intend to continue to be organized and operate in this manner. However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, including through actual operating results, asset composition, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that we have been organized and have operated, or will continue to be organized and operate, in a manner so as to qualify or remain qualified as a REIT. See "— Failure to Qualify" for potential tax consequences if we fail to qualify as a REIT.

Latham & Watkins LLP has acted as our tax counsel in connection with the Prospectuses and our election to be taxed as a REIT. Latham & Watkins LLP has rendered an opinion to us, as of the date of each Prospectus, to the effect that, commencing with the taxable year referenced in the applicable Prospectus, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and our proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Code. It must be emphasized that these opinions were based on various assumptions and representations as to factual matters, including representations made by us in a factual certificate provided by one or more of our officers. In addition, these opinions were based upon our factual representations set forth in the applicable Prospectus. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, which are discussed below, including through actual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which have not been and will not be reviewed by Latham & Watkins LLP. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year have satisfied or will satisfy those requirements. Further, the anticipated U.S. federal income tax treatment described herein may be changed, perhaps retroactively, by legislative, administrative or judicial action at any time. Latham & Watkins LLP has no obligation to update its opinion subsequent to the date of such opinion.

Provided we qualify for taxation as a REIT, we generally will not be required to pay U.S. federal corporate income taxes on our REIT taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the "double taxation" that ordinarily results from investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. We will, however, be required to pay U.S. federal income tax as follows:

- First, we will be required to pay regular U.S. federal corporate income tax on any undistributed REIT taxable income, including undistributed capital gain.

- Second, if we have (1) net income from the sale or other disposition of "foreclosure property" held primarily for sale to customers in the ordinary course of business or (2) other nonqualifying income from foreclosure property, we will be required to pay regular U.S. federal corporate income tax on this income. To the extent that income from foreclosure property is otherwise qualifying income for purposes of the 75% gross income test, this tax is not applicable. Subject to certain other requirements, foreclosure property generally is defined as property we acquired through foreclosure or after a default on a loan secured by the property or a lease of the property.

- Third, we will be required to pay a 100% tax on any net income from prohibited transactions. Prohibited transactions are, in general, sales or other taxable dispositions of property, other than foreclosure property, held as inventory or primarily for sale to customers in the ordinary course of business.

- Fourth, if we fail to satisfy the 75% gross income test or the 95% gross income test, as described below, but have otherwise maintained our qualification as a REIT because certain other requirements are met, we will be required to pay a tax equal to (1) the greater of (A) the amount by which we fail to satisfy the 75% gross income test and (B) the amount by which we fail to satisfy the 95% gross income test, multiplied by (2) a fraction intended to reflect our profitability.

- Fifth, if we fail to satisfy any of the asset tests (other than a de minimis failure of the 5% or 10% asset test), as described below, due to reasonable cause and not due to willful neglect, and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of $50,000 or the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets that caused us to fail such test.

- Sixth, if we fail to satisfy any provision of the Code that would result in our failure to qualify as a REIT (other than a violation of the gross income tests or certain violations of the asset tests, as described below) and the violation is due to reasonable cause and not due to willful neglect, we may retain our REIT qualification but we will be required to pay a penalty of $50,000 for each such failure.

- Seventh, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of (1) 85% of our ordinary income for the year, (2) 95% of our capital gain net income for the year, and (3) any undistributed taxable income from prior periods.

- Eighth, if we acquire any asset from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, and we subsequently recognize gain on the disposition of the asset during the five-year period beginning on the date on which we acquired the asset, then we generally will be required to pay regular U.S. federal corporate income tax on this gain to the extent of the excess of (1) the fair market value of the asset over (2) our adjusted tax basis in the asset, in each case determined as of the date on which we acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which we acquire the asset from the C corporation. Under applicable Treasury Regulations, any gain from the sale of property we acquired in an exchange under Section 1031 (a like-kind exchange) or Section 1033 (an involuntary conversion) of the Code generally is excluded from the application of this built-in gains tax.

- Ninth, our subsidiaries that are C corporations and are not qualified REIT subsidiaries (described below), including our "taxable REIT subsidiaries" described below, generally will be required to pay regular U.S. federal corporate income tax on their earnings.

- Tenth, we will be required to pay a 100% tax on any "redetermined rents," "redetermined deductions," "excess interest," or "redetermined TRS service income," as described below under "—Penalty Tax." In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of our tenants by a taxable REIT subsidiary of ours. Redetermined deductions and excess interest generally represent amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's

length negotiations. Redetermined TRS service income generally represents income of a taxable REIT subsidiary that is understated as a result of services provided to us or on our behalf.

- Eleventh, we may elect to retain and pay income tax on our net capital gain. In that case, a stockholder would include its proportionate share of our undistributed capital gain (to the extent we make a timely designation of such gain to the stockholder) in its income, would be deemed to have paid the tax that we paid on such gain, and would be allowed a credit for its proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the tax basis of the stockholder in our common stock.

- Twelfth, if we fail to comply with the requirement to send annual letters to our stockholders holding at least a certain percentage of our stock, as determined under applicable Treasury Regulations, requesting information regarding the actual ownership of our stock, and the failure is not due to reasonable cause or is due to willful neglect, we will be subject to a $25,000 penalty, or if the failure is intentional, a $50,000 penalty.

We and our subsidiaries may be subject to a variety of taxes other than U.S. federal income tax, including payroll taxes and state and local income, property and other taxes on our assets and operations.

We own properties in other countries, which impose taxes on our operations within their jurisdictions. To the extent possible, we will structure our activities to minimize our non-U.S. tax liability. However, there can be no assurance that we will be able to eliminate our non-U.S. tax liability or reduce it to a specified level. Furthermore, as a REIT, both we and our stockholders will derive little or no benefit from foreign tax credits arising from those non-U.S. taxes.

Requirements for Qualification as a REIT. The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) that issues transferable shares or transferable certificates to evidence its beneficial ownership;

(3) that would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;

(4) that is not a financial institution or an insurance company within the meaning of certain provisions of the Code;

(5) that is beneficially owned by 100 or more persons;

(6) not more than 50% in value of the outstanding stock of which is owned, actually or constructively, by five or fewer individuals, including certain specified entities, during the last half of each taxable year; and

(7) that meets other tests, described below, regarding the nature of its income and assets and the amount of its distributions.

The Code provides that conditions (1) to (4), inclusive, must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Conditions (5) and (6) do not apply until after the first taxable year for which an election is made to be taxed as a REIT. For purposes of condition (6), the term “individual” includes a supplemental unemployment compensation benefit plan, a private foundation or a portion of a trust permanently set aside or used exclusively for charitable purposes, but generally does not include a qualified pension plan or profit sharing trust.

We believe that we have been organized and have operated in a manner that has allowed us, and will continue to allow us, to satisfy conditions (1) through (7), inclusive, during the relevant time periods. In addition, our charter provides for restrictions regarding ownership and transfer of our shares that are intended to assist us in continuing to satisfy the share ownership requirements described in conditions (5) and (6) above. A description of the share ownership and transfer restrictions relating to our capital stock (including our common stock) is contained in the discussion in the Prospectuses under the heading “Restrictions on Ownership and Transfer.” These restrictions, however, do not ensure that we have previously satisfied, and may not ensure that we will, in all cases, be able to continue to satisfy, the share ownership requirements described in conditions (5) and (6) above. If we fail to satisfy these share ownership requirements, then except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply

with the rules contained in applicable Treasury Regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirement described in condition (6) above, we will be treated as having met this requirement. See "—Failure to Qualify."

In addition, we may not maintain our status as a REIT unless our taxable year is the calendar year. We have and will continue to have a calendar taxable year.

Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries. In the case of a REIT that is a partner in a partnership (for purposes of this discussion, references to "partnership" include a limited liability company treated as a partnership for U.S. federal income tax purposes, and references to "partner" include a member in such a limited liability company), Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership based on its interest in partnership capital, subject to special rules relating to the 10% asset test described below. Also, the REIT will be deemed to be entitled to its proportionate share of the income of that entity. The assets and gross income of the partnership retain the same character in the hands of the REIT for purposes of Section 856 of the Code, including satisfying the gross income tests and the asset tests. Thus, our pro rata share of the assets and items of income of our operating partnership, including our operating partnership's share of these items of any partnership or disregarded entity for U.S. federal income tax purposes in which it owns an interest, is treated as our assets and items of income for purposes of applying the requirements described in this discussion, including the gross income and asset tests described below. A brief summary of the rules governing the U.S. federal income taxation of partnerships is set forth below in "—Tax Aspects of Our Operating Partnership and its Subsidiary Partnerships and Limited Liability Companies."

We have control of our operating partnership and most of its subsidiary partnerships and intend to operate them in a manner consistent with the requirements for our qualification as a REIT. If we become a limited partner or non-managing member in any partnership and such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or take other corrective action on a timely basis. In such a case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

We may from time to time own and operate certain properties through wholly-owned subsidiaries that we intend to be treated as "qualified REIT subsidiaries" under the Code. A corporation (or other entity treated as a corporation for U.S. federal income tax purposes) will qualify as our qualified REIT subsidiary if we own 100% of the corporation's outstanding stock and do not elect with the subsidiary to treat it as a "taxable REIT subsidiary," as described below. A qualified REIT subsidiary is not treated as a separate corporation, and all assets, liabilities and items of income, gain, loss, deduction and credit of a qualified REIT subsidiary are treated as assets, liabilities and items of income, gain, loss, deduction and credit of the parent REIT for all purposes under the Code, including all REIT qualification tests. Thus, in applying the U.S. federal income tax requirements described in this discussion, any qualified REIT subsidiaries we own are ignored, and all assets, liabilities and items of income, gain, loss, deduction and credit of such corporations are treated as our assets, liabilities and items of income, gain, loss, deduction and credit. A qualified REIT subsidiary is not subject to U.S. federal income tax, and our ownership of the stock of a qualified REIT subsidiary will not violate the restrictions on ownership of securities, as described below under "—Asset Tests."

Ownership of Interests in Taxable REIT Subsidiaries. We, through our operating partnership, own interests in companies that have elected, together with us, to be treated as our taxable REIT subsidiaries, and we may acquire securities in additional taxable REIT subsidiaries in the future. A taxable REIT subsidiary is a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a taxable REIT subsidiary. Other than some activities relating to lodging and health care facilities, a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A taxable REIT subsidiary is subject to U.S. federal income tax as a regular C corporation. A REIT is not treated as holding the assets of a taxable REIT subsidiary or as receiving any income that the taxable REIT subsidiary earns. Rather, the stock issued by the taxable REIT subsidiary is an asset in the hands of the REIT, and the REIT generally recognizes as income the dividends, if any, that it receives from the taxable REIT subsidiary. A REIT's ownership of securities of a

taxable REIT subsidiary is not subject to the 5% or 10% asset test described below. See "—Asset Tests." Taxpayers are subject to a limitation on their ability to deduct net business interest generally equal to 30% of adjusted taxable income, subject to certain exceptions. See "—Annual Distribution Requirements." While not certain, this provision may limit the ability of our taxable REIT subsidiaries to deduct interest, which could increase their taxable income.

Ownership of Interests in Subsidiary REITs. We own and may acquire direct or indirect interests in one or more entities that have elected or will elect to be taxed as REITs under the Code (each, a "Subsidiary REIT"). A Subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If a Subsidiary REIT were to fail to qualify as a REIT, then (i) that Subsidiary REIT would become subject to U.S. federal income tax and (ii) the Subsidiary REIT's failure to qualify could have an adverse effect on our ability to comply with the REIT income and asset tests, and thus could impair our ability to qualify as a REIT unless we could avail ourselves of certain relief provisions.

Income Tests. We must satisfy two gross income requirements annually to maintain our qualification as a REIT. First, in each taxable year we must derive directly or indirectly at least 75% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions and certain foreign currency gains) from investments relating to real property or mortgages on real property, including "rents from real property," dividends from other REITs and, in certain circumstances, interest, or certain types of temporary investments. Second, in each taxable year we must derive at least 95% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions, and certain foreign currency gains) from the real property investments described above or dividends, interest and gain from the sale or disposition of stock or securities, or from any combination of the foregoing. For these purposes, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the following conditions are met:

- The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed percentage or percentages of receipts or sales or if it is based on the net income of a tenant which derives substantially all of its income with respect to such property from subleasing of substantially all of such property, to the extent that the rents paid by the subtenants would qualify as rents from real property if we earned such amounts directly;

- Neither we nor an actual or constructive owner of 10% or more of our capital stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Rents we receive from such a tenant that is a taxable REIT subsidiary of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the taxable REIT subsidiary are substantially comparable to rents paid by our other tenants for comparable space. Whether rents paid by a taxable REIT subsidiary are substantially comparable to rents paid by other tenants is determined at the time the lease with the taxable REIT subsidiary is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled taxable REIT subsidiary" is modified and such modification results in an increase in the rents payable by such taxable REIT subsidiary, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled taxable REIT subsidiary" is a taxable REIT subsidiary in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such taxable REIT subsidiary;

- Rent attributable to personal property, leased in connection with a lease of real property, is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property." To the extent that rent attributable to personal property, leased in connection with a lease of real property, exceeds 15% of

the total rent received under the lease, we may transfer a portion of such personal property to a taxable REIT subsidiary; and

- We generally may not operate or manage the property or furnish or render services to our tenants, subject to a 1% de minimis exception and except as provided below. We may, however, perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these services include the provision of light, heat, or other utilities, trash removal, general maintenance of common areas, interconnection services and certain basic server services that do not require logical access to our tenants' equipment. In addition, we may employ an independent contractor from whom we derive no revenue to provide customary services to our tenants, or a taxable REIT subsidiary (which may be wholly or partially owned by us) to provide both customary and non-customary services to our tenants, without causing the rent we receive from those tenants to fail to qualify as "rents from real property."

We generally do not intend, and as the general partner of our operating partnership, we do not intend to permit our operating partnership, to take actions we believe will cause us to fail to satisfy the rental conditions described above. However, we may intentionally fail to satisfy some of these conditions to the extent we determine, based on the advice of our tax counsel, that the failure will not jeopardize our tax status as a REIT. In addition, with respect to the limitation on the rental of personal property, we generally have not obtained appraisals of the real property and personal property leased to tenants. Accordingly, there can be no assurance that the IRS will not disagree with our determinations of value.

Income we receive that is attributable to the rental of parking spaces at the properties generally will constitute rents from real property for purposes of the gross income tests if certain services provided with respect to the parking spaces are performed by independent contractors from whom we derive no revenue, either directly or indirectly, or by a taxable REIT subsidiary, and certain other conditions are met. We believe that the income we receive that is attributable to parking spaces will meet these tests and, accordingly, will constitute rents from real property for purposes of the gross income tests.

From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase these items, and futures and forward contracts. Income from a hedging transaction, including gain from the sale or disposition of such a transaction, that is clearly identified as a hedging transaction as specified in the Code will not constitute gross income under, and thus will be exempt from, the 75% and 95% gross income tests. The term "hedging transaction," as used above, generally means (A) any transaction we enter into in the normal course of our business primarily to manage risk of (1) interest rate changes or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets, or (2) currency fluctuations with respect to an item of qualifying income under the 75% or 95% gross income test or any property which generates such income and (B) new transactions entered into to hedge the income or loss from prior hedging transactions, where any portion of the property or indebtedness which was the subject of the prior hedging transaction was extinguished or disposed of. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

We have investments in entities located outside the United States and from time to time may invest in additional entities or properties located outside the United States, through a taxable REIT subsidiary or otherwise. These acquisitions could cause us to incur foreign currency gains or losses. Any foreign currency gains, to the extent attributable to specified items of qualifying income or gain, or specified qualifying assets, however, generally will not constitute gross income for purposes of the 75% and 95% gross income tests, and therefore will be excluded from these tests.

To the extent our taxable REIT subsidiaries pay dividends or interest, our allocable share of such dividend or interest income will qualify under the 95%, but (subject to certain exceptions) not the 75%, gross income test. Notwithstanding the foregoing, our allocable share of such interest would also qualify under the 75% gross income test to the extent the interest is paid on a loan that is adequately secured by real property.

We will monitor the amount of the dividend and other income from our taxable REIT subsidiaries and will take actions intended to keep this income, and any other nonqualifying income, within the limitations of the gross income tests. Although we expect these actions will be sufficient to prevent a violation of the gross income tests, we cannot guarantee that such actions will in all cases prevent such a violation.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for the year if we are entitled to relief under certain provisions of the Code. We generally may make use of the relief provisions if:

- following our identification of the failure to meet the 75% or 95% gross income tests for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income tests for such taxable year in accordance with Treasury Regulations to be issued; and
- our failure to meet these tests was due to reasonable cause and not due to willful neglect.

It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally accrue or receive exceeds the limits on nonqualifying income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to a particular set of circumstances, we will not qualify as a REIT. See "—Failure to Qualify" below. As discussed above in "—General," even if these relief provisions apply, and we retain our status as a REIT, a tax would be imposed with respect to our nonqualifying income. We may not always be able to comply with the gross income tests for REIT qualification despite periodic monitoring of our income.

Prohibited Transaction Income. Any gain that we realize on the sale of property (other than any foreclosure property) held as inventory or otherwise held primarily for sale to customers in the ordinary course of business, including our share of any such gain realized by our operating partnership, either directly or through its subsidiary partnerships, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax, unless certain safe harbor exceptions apply. This prohibited transaction income may also adversely affect our ability to satisfy the gross income tests for qualification as a REIT. Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. As the general partner of our operating partnership, we intend to cause our operating partnership to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our investment objectives. We do not intend, and do not intend to permit our operating partnership or its subsidiary partnerships, to enter into any sales that are prohibited transactions. However, the IRS may successfully contend that some or all of the sales made by our operating partnership or its subsidiary partnerships are prohibited transactions. We would be required to pay the 100% penalty tax on our allocable share of the gains resulting from any such sales. The 100% penalty tax will not apply to gains from the sale of assets that are held through a taxable REIT subsidiary, but such income will be subject to regular U.S. federal corporate income tax.

Penalty Tax. Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a taxable REIT subsidiary of ours, redetermined deductions and excess interest represent any amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations, and redetermined TRS service income is income of a taxable REIT subsidiary that is understated as a result of services provided to us or on our behalf. Rents we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

From time to time, our taxable REIT subsidiaries provide services to our tenants. We believe we have set, and we intend to set in the future, any fees paid to our taxable REIT subsidiaries for such services at arm's length rates, although the fees paid may not satisfy the safe harbor provisions referenced above. These determinations are inherently factual, and the IRS has broad discretion to assert that amounts paid between related parties should be reallocated to clearly reflect their respective incomes. If the IRS successfully made such an assertion, we would be required to pay

a 100% penalty tax on any overstated rents paid to us, or any excess deductions or understated income of our taxable REIT subsidiaries.

Asset Tests. At the close of each calendar quarter of our taxable year, we must also satisfy certain tests relating to the nature and diversification of our assets. First, at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and U.S. government securities. For purposes of this test, the term "real estate assets" generally means real property (including interests in real property and interests in mortgages on real property or on both real property and, to a limited extent, personal property), shares (or transferable certificates of beneficial interest) in other REITs, any stock or debt instrument attributable to the investment of the proceeds of a stock offering or a public offering of debt with a term of at least five years (but only for the one-year period beginning on the date the REIT receives such proceeds), debt instruments of publicly offered REITs, and personal property leased in connection with a lease of real property for which the rent attributable to personal property is not greater than 15% of the total rent received under the lease.

Second, not more than 25% of the value of our total assets may be represented by securities (including securities of taxable REIT subsidiaries), other than those securities includable in the 75% asset test.

Third, of the investments included in the 25% asset class, and except for certain investments in other REITs, our qualified REIT subsidiaries and taxable REIT subsidiaries, the value of any one issuer's securities may not exceed 5% of the value of our total assets, and we may not own more than 10% of the total vote or value of the outstanding securities of any one issuer. Certain types of securities we may own are disregarded as securities solely for purposes of the 10% value test, including, but not limited to, securities satisfying the "straight debt" safe harbor, securities issued by a partnership that itself would satisfy the 75% income test if it were a REIT, any loan to an individual or an estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, solely for purposes of the 10% value test, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code. From time to time we may own securities (including debt securities) of issuers that do not qualify as a REIT, a qualified REIT subsidiary or a taxable REIT subsidiary. We intend that our ownership of any such securities will be structured in a manner that allows us to comply with the asset tests described above.

Fourth, not more than 20% (25% for taxable years beginning after July 30, 2008 and before January 1, 2018 and taxable years beginning after December 31, 2025) of the value of our total assets may be represented by the securities of one or more taxable REIT subsidiaries. We, through our operating partnership, own interests in companies that have elected, together with us, to be treated as our taxable REIT subsidiaries, and we may acquire securities in additional taxable REIT subsidiaries in the future. So long as each of these companies qualifies as a taxable REIT subsidiary of ours, we will not be subject to the 5% asset test, the 10% voting power limitation or the 10% value limitation with respect to our ownership of the securities of such companies. We believe that the aggregate value of our taxable REIT subsidiaries has not exceeded, and in the future will not exceed, 20% (25% for taxable years beginning after July 30, 2008 and before January 1, 2018 and taxable years beginning after December 31, 2025) of the aggregate value of our gross assets. We generally do not obtain independent appraisals to support these conclusions. In addition, there can be no assurance that the IRS will not disagree with our determinations of value.

Fifth, not more than 25% of the value of our total assets may be represented by debt instruments of publicly offered REITs to the extent those debt instruments would not be real estate assets but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets, as described above (e.g., a debt instrument issued by a publicly offered REIT that is not secured by a mortgage on real property).

The asset tests must be satisfied at the close of each calendar quarter of our taxable year in which we (directly or through any partnership or qualified REIT subsidiary) acquire securities in the applicable issuer, and also at the close of each calendar quarter in which we increase our ownership of securities of such issuer (including as a result of an increase in our interest in any partnership that owns such securities). For example, our indirect ownership of securities of each issuer will increase as a result of our capital contributions to our operating partnership or as limited partners exercise any redemption/exchange rights. Also, after initially meeting the asset tests at the close of any quarter, we will not lose our status as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If we fail to satisfy an asset test because we acquire securities or other property during a quarter (including as a result of an increase in our interest in any partnership), we may cure this failure by disposing of sufficient nonqualifying assets within 30 days after the close of that quarter. We believe that we have maintained,

and we intend to maintain, adequate records of the value of our assets to ensure compliance with the asset tests. If we fail to cure any noncompliance with the asset tests within the 30-day cure period, we would cease to qualify as a REIT unless we are eligible for certain relief provisions discussed below.

Certain relief provisions may be available to us if we discover a failure to satisfy the asset tests described above after the 30-day cure period. Under these provisions, we will be deemed to have met the 5% and 10% asset tests if the value of our nonqualifying assets (i) does not exceed the lesser of (a) 1% of the total value of our assets at the end of the applicable quarter or (b) $10,000,000, and (ii) we dispose of the nonqualifying assets or otherwise satisfy such tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued. For violations of any of the asset tests due to reasonable cause and not due to willful neglect and that are, in the case of the 5% and 10% asset tests, in excess of the de minimis exception described above, we may avoid disqualification as a REIT after the 30-day cure period by taking steps including (i) the disposition of sufficient nonqualifying assets, or the taking of other actions, which allow us to meet the asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued, (ii) paying a tax equal to the greater of (a) $50,000 or (b) the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets, and (iii) disclosing certain information to the IRS.

Although we believe we have satisfied the asset tests described above and plan to take steps to ensure that we satisfy such tests for any quarter with respect to which retesting is to occur, there can be no assurance that we will always be successful, or will not require a reduction in our operating partnership's overall interest in an issuer (including in a taxable REIT subsidiary). If we fail to cure any noncompliance with the asset tests in a timely manner, and the relief provisions described above are not available, we would cease to qualify as a REIT.

Annual Distribution Requirements. To maintain our qualification as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders each year in an amount at least equal to the sum of:

- 90% of our "REIT taxable income"; and
- 90% of our after-tax net income, if any, from foreclosure property; minus
- the excess of the sum of certain items of non-cash income over 5% of our "REIT taxable income."

For these purposes, our "REIT taxable income" is computed without regard to the dividends paid deduction and our net capital gain. In addition, for purposes of this test, non-cash income generally means income attributable to leveled stepped rents, original issue discount, cancellation of indebtedness, or a like-kind exchange that is later determined to be taxable.

In addition, our "REIT taxable income" will be reduced by any taxes we are required to pay on any gain we recognize from the disposition of any asset we acquired from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, within the five-year period following our acquisition of such asset, as described above under "—General."

Except as provided below, a taxpayer's deduction for net business interest expense will generally be limited to 30% of its taxable income, as adjusted for certain items of income, gain, deduction or loss. Any business interest deduction that is disallowed due to this limitation may be carried forward to future taxable years, subject to special rules applicable to partnerships. If we or any of our subsidiary partnerships (including our operating partnership) are subject to this interest expense limitation, our REIT taxable income for a taxable year may be increased. Taxpayers that conduct certain real estate businesses may elect not to have this interest expense limitation apply to them, provided that they use an alternative depreciation system to depreciate certain property. We believe that we or any of our subsidiary partnerships that are subject to this interest expense limitation will be eligible to make this election. If such election is made, although we or such subsidiary partnership, as applicable, would not be subject to the interest expense limitation described above, depreciation deductions may be reduced and, as a result, our REIT taxable income for a taxable year may be increased.

We generally must pay, or be treated as paying, the distributions described above in the taxable year to which they relate. At our election, a distribution will be treated as paid in a taxable year if it is declared before we timely file our tax return for such year and paid on or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such year. These distributions are treated as received by our stockholders in the year in which they are paid. This is so even though these distributions relate to the prior year for purposes of the 90% distribution requirement. In order to be taken into account for purposes of our distribution requirement, except as provided below, the amount distributed must not be preferential—i.e., every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated other than according to its dividend rights as a class. This preferential dividend limitation will not apply to distributions made by us, provided we qualify as a "publicly offered REIT." We believe that we are, and expect we will continue to be, a "publicly offered REIT." However, Subsidiary REITs we may own from time to time may not be publicly offered REITs. To the extent that we do not distribute all of our net capital gain, or distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be required to pay regular U.S. federal corporate income tax on the undistributed amount. We believe that we have made, and we intend to continue to make, timely distributions sufficient to satisfy these annual distribution requirements and to minimize our corporate tax obligations. In this regard, the partnership agreement of our operating partnership authorizes us, as the general partner of our operating partnership, to take such steps as may be necessary to cause our operating partnership to distribute to its partners an amount sufficient to permit us to meet these distribution requirements and to minimize our corporate tax obligation.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt or for other reasons. If these timing differences occur, we may borrow funds to pay dividends or pay dividends in the form of taxable stock distributions in order to meet the distribution requirements, while preserving our cash.

Under some circumstances, we may be able to rectify an inadvertent failure to meet the 90% distribution requirement for a year by paying "deficiency dividends" to our stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. In that case, we may be able to avoid being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described below. However, we will be required to pay interest to the IRS based upon the amount of any deduction claimed for deficiency dividends. While the payment of a deficiency dividend will apply to a prior year for purposes of our REIT distribution requirements, it will be treated as an additional distribution to our stockholders in the year such dividend is paid.

Furthermore, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of 85% of our ordinary income for such year, 95% of our capital gain net income for the year and any undistributed taxable income from prior periods. Any ordinary income and net capital gain on which U.S. federal corporate income tax is imposed for any year is treated as an amount distributed during that year for purposes of calculating this excise tax.

For purposes of the 90% distribution requirement and excise tax described above, dividends declared during the last three months of the taxable year, payable to stockholders of record on a specified date during such period and paid during January of the following year, will be treated as paid by us and received by our stockholders on December 31 of the year in which they are declared.

Like-Kind Exchanges. We may dispose of real property that is not held primarily for sale in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay U.S. federal income tax, possibly including the 100% prohibited transaction tax, or deficiency dividends, depending on the facts and circumstances surrounding the particular transaction.

Tax Liabilities and Attributes Inherited in Connection with Acquisitions. From time to time, we or our operating partnership may acquire other corporations or entities and, in connection with such acquisitions, we may succeed to

the historical tax attributes and liabilities of such entities. For example, if we acquire a C corporation and subsequently dispose of its assets within five years of the acquisition, we could be required to pay the built-in gain tax described above under "—General." In addition, in order to qualify as a REIT, at the end of any taxable year, we must not have any earnings and profits accumulated in a non-REIT year. As a result, if we acquire a C corporation, we must distribute the corporation's earnings and profits accumulated prior to the acquisition before the end of the taxable year in which we acquire the corporation. We also could be required to pay the acquired entity's unpaid taxes even though such liabilities arose prior to the time we acquired the entity.

Moreover, we or one of our subsidiaries may from time to time acquire other REITs through a merger or acquisition. If any such REIT failed to qualify as a REIT for any of its taxable years, such REIT would be liable for (and we or our subsidiary, as applicable, as the surviving corporation in the merger or acquisition, would be obligated to pay) regular U.S. federal corporate income tax on its taxable income for such taxable years. In addition, if such REIT was a C corporation at the time of the merger or acquisition, the tax consequences described in the preceding paragraph generally would apply. If such REIT failed to qualify as a REIT for any of its taxable years, but qualified as a REIT at the time of such merger or acquisition, and we acquired such REIT's assets in a transaction in which our tax basis in the assets of such REIT is determined, in whole or in part, by reference to such REIT's tax basis in such assets, we generally would be subject to tax on the built-in gain on each asset of such REIT as described above if we were to dispose of the asset in a taxable transaction during the five-year period following such REIT's requalification as a REIT, subject to certain exceptions. Moreover, even if such REIT qualified as a REIT at all relevant times, we would similarly be liable for other unpaid taxes (if any) of such REIT (such as the 100% tax on gains from any sales treated as "prohibited transactions" as described above under "—Prohibited Transaction Income").

Furthermore, after our acquisition of another corporation or entity, the asset and income tests will apply to all of our assets, including the assets we acquire from such corporation or entity, and to all of our income, including the income derived from the assets we acquire from such corporation or entity. As a result, the nature of the assets that we acquire from such corporation or entity and the income we derive from those assets may have an effect on our tax status as a REIT.

Failure to Qualify. If we discover a violation of a provision of the Code that would result in our failure to qualify as a REIT, certain specified cure provisions may be available to us. Except with respect to violations of the gross income tests and asset tests (for which the cure provisions are described above), and provided the violation is due to reasonable cause and not due to willful neglect, these cure provisions generally impose a $50,000 penalty for each violation in lieu of a loss of REIT status. If we fail to satisfy the requirements for taxation as a REIT in any taxable year, and the relief provisions do not apply, we will be required to pay regular U.S. federal corporate income tax, including any applicable alternative minimum tax, on our taxable income. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us. As a result, we anticipate that our failure to qualify as a REIT would reduce the cash available for distribution by us to our stockholders. In addition, if we fail to qualify as a REIT, we will not be required to distribute any amounts to our stockholders and all distributions to stockholders will be taxable as regular corporate dividends to the extent of our current and accumulated earnings and profits. In such event, corporate stockholders may be eligible for the dividends-received deduction. In addition, non-corporate stockholders, including individuals, may be eligible for the preferential tax rates on qualified dividend income. Non-corporate stockholders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations. If we fail to qualify as a REIT, such stockholders may not claim this deduction with respect to dividends paid by us. Unless entitled to relief under specific statutory provisions, we would also be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lose our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

Tax Aspects of Our Operating Partnership and its Subsidiary Partnerships and Limited Liability Companies

General. All of our investments are held indirectly through our operating partnership. In addition, our operating partnership holds certain of its investments indirectly through subsidiary partnerships and limited liability companies that we believe are and will continue to be treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for U.S. federal income tax purposes are "pass-through" entities which are not required to pay U.S. federal income tax. Rather, partners of such partnerships are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership, and

are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership. We will include in our income our share of these partnership items for purposes of the various gross income tests, the computation of our REIT taxable income, and the REIT distribution requirements. Moreover, for purposes of the asset tests, we will include our pro rata share of assets held by our operating partnership, including its share of the assets of its subsidiary partnerships, based on our capital interests in each such entity. See "—Taxation of Our Company—Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries." A disregarded entity is not treated as a separate entity for U.S. federal income tax purposes, and all assets, liabilities and items of income, gain, loss, deduction and credit of a disregarded entity are treated as assets, liabilities and items of income, gain, loss, deduction and credit of its parent that is not a disregarded entity (e.g., our operating partnership) for all purposes under the Code, including all REIT qualification tests.

Entity Classification. Our interests in our operating partnership and its subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships or disregarded entities for U.S. federal income tax purposes. For example, an entity that would otherwise be treated as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership will be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. We do not anticipate that our operating partnership or any of its subsidiary partnerships will be treated as a publicly traded partnership that is taxable as a corporation. However, if any such entity were treated as a corporation, it would be required to pay an entity-level tax on its income. In this situation, the character of our assets and items of gross income would change and could prevent us from satisfying the REIT asset tests and possibly the REIT income tests. See "—Taxation of Our Company—Asset Tests" and "—Income Tests." This, in turn, could prevent us from qualifying as a REIT. See "—Taxation of Our Company—Failure to Qualify" for a discussion of the effect of our failure to meet these tests. In addition, a change in the tax status of our operating partnership, or a subsidiary treated as a partnership or disregarded entity, to a corporation might be treated as a taxable event. If so, we might incur a tax liability without any related cash payment. We believe our operating partnership and each of its subsidiary partnerships and limited liability companies are and will continue to be treated as partnerships or disregarded entities for U.S. federal income tax purposes.

Allocations of Income, Gain, Loss and Deduction. The operating partnership agreement generally provides that items of operating income will be allocated to us to the extent of the accrued preferred return on our preferred units and then to the holders of common units in proportion to the number of common units held by each such unitholder. Items of operating loss will generally be allocated first to the holders of common units in proportion to the number of common units held, and then to us with respect to our preferred units. Certain limited partners may, from time to time, guarantee debt of our operating partnership, indirectly through an agreement to make capital contributions to our operating partnership under limited circumstances. As a result of these guaranties or contribution agreements, and notwithstanding the foregoing discussion of allocations of income and loss of our operating partnership to holders of units, such limited partners could under limited circumstances be allocated a disproportionate amount of net loss upon a liquidation of our operating partnership, which net loss would have otherwise been allocable to us. In addition, the partnership agreement further provides that holders of long-term incentive units, class C units and class D units may be entitled to receive special allocations of gain in the event of a sale or hypothetical sale of assets of our operating partnership prior to the allocation of gain to holders of common units. This special allocation of gain is intended to enable the holders of long-term incentive units, class C units and class D units to convert such units into common units.

If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The allocations of taxable income and loss of our operating partnership and any subsidiaries that are treated as partnerships for U.S. federal income tax purposes are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder.

Tax Allocations With Respect to the Properties. Under Section 704(c) of the Code, items of income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an

interest in the partnership must be allocated in a manner so that the contributing partner is charged with the unrealized gain or benefits from the unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution (this difference is referred to as a book-tax difference), as adjusted from time to time. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Appreciated property was contributed to our operating partnership in exchange for interests in our operating partnership in connection with the formation transactions. In addition, our operating partnership may, from time to time, acquire interests in property in exchange for interests in our operating partnership. In that case, the tax basis of these property interests generally will carry over to the operating partnership, notwithstanding their different book (i.e., fair market) value. The partnership agreement requires that income and loss allocations with respect to these properties be made in a manner consistent with Section 704(c) of the Code. Treasury Regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. Depending on the method we choose in connection with any particular contribution, the carryover basis of each of the contributed interests in the properties in the hands of our operating partnership (i) could cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if any of the contributed properties were to have a tax basis equal to its respective fair market value at the time of the contribution and (ii) could cause us to be allocated taxable gain in the event of a sale of such contributed interests or properties in excess of the economic or book income allocated to us as a result of such sale, with a corresponding benefit to the other partners in our operating partnership. An allocation described in clause (ii) above might cause us or the other partners to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which might adversely affect our ability to comply with the REIT distribution requirements. See "—Taxation of Our Company—Requirements for Qualification as a REIT" and "—Annual Distribution Requirements."

Any property acquired by our operating partnership in a taxable transaction will initially have a tax basis equal to its fair market value, and Section 704(c) of the Code generally will not apply.

Partnership Audit Rules. Under current tax law, subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. It is possible that these rules could result in partnerships in which we directly or indirectly invest, including our operating partnership, being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though we, as a REIT, may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment. Investors are urged to consult their tax advisors with respect to these rules and their potential impact on their investment in our common stock.

Material U.S. Federal Income Tax Consequences to Holders of Our Common Stock

The following discussion is a summary of certain material U.S. federal income tax consequences to you of owning and disposing of shares of our common stock issued upon (1) the exchange of the notes or (2) the redemption of the common units. This discussion is limited to holders who hold shares of our common stock as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances, including the alternative minimum tax. In addition, except where specifically noted, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- banks, insurance companies, and other financial institutions;
- tax-exempt organizations or governmental organizations;
- S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;

- REITs or regulated investment companies;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers, dealers or traders in securities;
- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account in an "applicable financial statement" (as defined in the Code);
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- tax-qualified retirement plans; or
- U.S. holders (as defined below) whose functional currency is not the U.S. dollar.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED AS TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER OTHER U.S. FEDERAL TAX LAWS (INCLUDING ESTATE AND GIFT TAX LAWS), UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of our common stock that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

For purposes of this discussion, a "non-U.S. holder" is any beneficial owner of our common stock that is neither a U.S. holder nor an entity treated as a partnership for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

Taxation of Taxable U.S. Holders of Our Common Stock

Distributions Generally. Distributions out of our current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax, as discussed below, will be taxable to our taxable U.S. holders as ordinary income when actually or constructively received. See "—Tax Rates" below. As long as we qualify as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. holders that are corporations or, except to

the extent described in "—Tax Rates" below, the preferential rates on qualified dividend income applicable to non-corporate U.S. holders, including individuals. For purposes of determining whether distributions to holders of our common stock are out of our current or accumulated earnings and profits, our earnings and profits will be allocated first to our outstanding preferred stock and then to our outstanding common stock.

To the extent that we make distributions on our common stock in excess of our current and accumulated earnings and profits allocable to such stock, these distributions will be treated first as a tax-free return of capital to a U.S. holder to the extent of the U.S. holder's adjusted tax basis in such shares of stock. This treatment will reduce the U.S. holder's adjusted tax basis in such shares by such amount, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a U.S. holder's adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends we declare in October, November, or December of any year and which are payable to a holder of record on a specified date in any of these months will be treated as both paid by us and received by the holder on December 31 of that year, provided we actually pay the dividend on or before January 31 of the following year. U.S. holders may not include in their own income tax returns any of our net operating losses or capital losses.

U.S. holders that receive taxable stock distributions, including distributions partially payable in our common stock and partially payable in cash, would be required to include the full amount of the distribution (i.e., the cash and the stock portion) as a dividend (subject to limited exceptions) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes, as described above. The amount of any distribution payable in our common stock generally is equal to the amount of cash that could have been received instead of the common stock. Depending on the circumstances of a U.S. holder, the tax on the distribution may exceed the amount of the distribution received in cash, in which case such U.S. holder would have to pay the tax using cash from other sources. If a U.S. holder sells the common stock it received in connection with a taxable stock distribution in order to pay this tax and the proceeds of such sale are less than the amount required to be included in income with respect to the stock portion of the distribution, such U.S. holder could have a capital loss with respect to the stock sale that could not be used to offset such income. A U.S. holder that receives common stock pursuant to such distribution generally has a tax basis in such common stock equal to the amount of cash that could have been received instead of such common stock as described above, and has a holding period in such common stock that begins on the day immediately following the payment date for the distribution.

Capital Gain Dividends. Dividends that we properly designate as capital gain dividends will generally be taxable to our taxable U.S. holders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed our actual net capital gain for the taxable year, and may not exceed our dividends paid for the taxable year, including dividends paid the following year that are treated as paid in the current year. U.S. holders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income. If we properly designate any portion of a dividend as a capital gain dividend, then, except as otherwise required by law, we presently intend to allocate a portion of the total capital gain dividends paid or made available to holders of all classes of our capital stock for the year to the holders of each class of our capital stock in proportion to the amount that our total dividends, as determined for U.S. federal income tax purposes, paid or made available to the holders of each such class of our capital stock for the year bears to the total dividends, as determined for U.S. federal income tax purposes, paid or made available to holders of all classes of our capital stock for the year. In addition, except as otherwise required by law, we will make a similar allocation with respect to any undistributed long-term capital gains which are to be included in our stockholders' long-term capital gains, based on the allocation of the capital gain amount which would have resulted if those undistributed long-term capital gains had been distributed as "capital gain dividends" by us to our stockholders.

Retention of Net Capital Gains. We may elect to retain, rather than distribute as a capital gain dividend, all or a portion of our net capital gains. If we make this election, we would pay tax on our retained net capital gains. In addition, to the extent we so elect, our earnings and profits (determined for U.S. federal income tax purposes) would be adjusted accordingly, and a U.S. holder generally would:

- include its pro rata share of our undistributed capital gain in computing its long-term capital gains in its U.S. federal income tax return for its taxable year in which the last day of our taxable year falls, subject to certain limitations as to the amount that is includable;

- be deemed to have paid its share of the capital gains tax imposed on us on the designated amounts included in the U.S. holder's income as long-term capital gain;
- receive a credit or refund for the amount of tax deemed paid by it;
- increase the adjusted tax basis of its common stock by the difference between the amount of includable gains and the tax deemed to have been paid by it; and
- in the case of a U.S. holder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be promulgated by the IRS.

Passive Activity Losses and Investment Interest Limitations. Distributions we make and gain arising from the sale or exchange of our common stock by a U.S. holder will not be treated as passive activity income. As a result, U.S. holders generally will not be able to apply any "passive losses" against this income or gain. A U.S. holder generally may elect to treat capital gain dividends, capital gains from the disposition of our common stock and income designated as qualified dividend income, as described in "—Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the holder will be taxed at ordinary income rates on such amount. Other distributions made by us, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Dispositions of Our Common Stock. If a U.S. holder sells or disposes of shares of our common stock, it will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the holder's adjusted tax basis in the shares. This gain or loss, except as provided below, will be long-term capital gain or loss if the holder has held such common stock for more than one year. However, if a U.S. holder recognizes a loss upon the sale or other disposition of common stock that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. holder received distributions from us which were required to be treated as long-term capital gains. The deductibility of capital losses is subject to limitations.

Tax Rates. The maximum tax rate for non-corporate taxpayers for (1) long-term capital gains, including certain "capital gain dividends," generally is 20% (although depending on the characteristics of the assets which produced these gains and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate) and (2) "qualified dividend income" generally is 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding period requirements have been met and the REIT's dividends are attributable to dividends received from taxable corporations (such as its taxable REIT subsidiaries) or to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year). Capital gain dividends will only be eligible for the rates described above to the extent that they are properly designated by the REIT as "capital gain dividends." U.S. holders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income. In addition, non-corporate U.S. holders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations.

Taxation of Tax-Exempt Holders of Our Common Stock

Dividend income from us and gain arising upon a sale of shares of our common stock generally should not be unrelated business taxable income, or UBTI, to a tax-exempt holder, except as described below. This income or gain will be UBTI, however, to the extent a tax-exempt holder holds its shares as "debt-financed property" within the meaning of the Code. Generally, "debt-financed property" is property the acquisition or holding of which was financed through a borrowing by the tax-exempt holder.

For tax-exempt holders that are social clubs, voluntary employee benefit associations or supplemental unemployment benefit trusts exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9) or (c)(17) of the Code, respectively, income from an investment in our shares will constitute UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated

by its investment in our shares. These prospective investors should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" may be treated as UBTI as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a "pension-held REIT" if it is able to satisfy the "not closely held" requirement without relying on the "look-through" exception with respect to certain trusts or if such REIT is not "predominantly held" by "qualified trusts." As a result of restrictions on ownership and transfer of our stock contained in our charter, we do not expect to be classified as a "pension-held REIT," and as a result, the tax treatment described above should be inapplicable to our holders. However, because our stock is (and, we anticipate, will continue to be) publicly traded, we cannot guarantee that this will always be the case.

Taxation of Non-U.S. Holders of Our Common Stock

The following discussion addresses the rules governing U.S. federal income taxation of the ownership and disposition of shares of our common stock issued upon (1) the exchange of the notes or (2) the redemption of the common units by non-U.S. holders. These rules are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of U.S. federal income taxation and does not address other federal, state, local or non-U.S. tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. We urge non-U.S. holders to consult their tax advisors to determine the impact of U.S. federal, state, local and non-U.S. income and other tax laws and any applicable tax treaty on the ownership and disposition of shares of our common stock, including any reporting requirements.

Distributions Generally. Distributions (including any taxable stock distributions) that are neither attributable to gains from sales or exchanges by us of United States real property interests, or USRPIs, nor designated by us as capital gain dividends (except as described below) will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. Such distributions ordinarily will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable). Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied for a non-U.S. holder to be exempt from withholding under the effectively connected income exemption. Dividends that are treated as effectively connected with a U.S. trade or business generally will not be subject to withholding but will be subject to U.S. federal income tax on a net basis at the regular rates, in the same manner as dividends paid to U.S. holders are subject to U.S. federal income tax. Any such dividends received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting U.S. federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, we expect to withhold U.S. federal income tax at the rate of 30% on any distributions made to a non-U.S. holder unless:

(1) a lower treaty rate applies and the non-U.S. holder furnishes an IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. holder furnishes an IRS Form W-8ECI (or other applicable documentation) claiming that the distribution is income effectively connected with the non-U.S. holder's trade or business.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a non-U.S. holder to the extent that such distributions do not exceed the adjusted tax basis of the holder's common stock, but rather will reduce the adjusted tax basis of such stock. To the extent that such distributions exceed the non-U.S. holder's adjusted tax basis in such common stock, they generally will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below. However, such excess distributions may be treated as dividend income for certain non-U.S. holders. For withholding purposes, we expect to treat all distributions as made out of our current or accumulated earnings and profits. However, amounts withheld may be refundable if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, provided that certain conditions are met.

Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of United States Real Property Interests. Distributions to a non-U.S. holder that we properly designate as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation, unless:

(1) the investment in our common stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax of up to 30%, as discussed above; or

(2) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of such non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Pursuant to the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of USRPIs, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. holders generally would be taxed at the regular rates applicable to U.S. holders, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. We also will be required to withhold and to remit to the IRS 21% of any distribution to non-U.S. holders attributable to gain from sales or exchanges by us of USRPIs. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. The amount withheld is creditable against the non-U.S. holder's U.S. federal income tax liability. However, any distribution with respect to any class of stock that is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market located in the United States is not subject to FIRPTA, and therefore, not subject to the 21% U.S. withholding tax described above, if the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the distribution. Instead, such distributions generally will be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends. In addition, distributions to certain non-U.S. publicly traded shareholders that meet certain record-keeping and other requirements ("qualified shareholders") are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, distributions to certain "qualified foreign pension funds" or entities all of the interests of which are held by such "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Retention of Net Capital Gains. Although the law is not clear on the matter, it appears that amounts we designate as retained net capital gains in respect of our common stock should be treated with respect to non-U.S. holders as actual distributions of capital gain dividends. Under this approach, the non-U.S. holders may be able to offset as a credit against their U.S. federal income tax liability their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual U.S. federal income tax liability. If we were to designate any portion of our net capital gain as retained net capital gain, non-U.S. holders should consult their tax advisors regarding the taxation of such retained net capital gain.

Sale of Our Common Stock. Gain realized by a non-U.S. holder upon the sale, exchange or other taxable disposition of our common stock generally will not be subject to U.S. federal income tax unless such stock constitutes a USRPI. In general, stock of a domestic corporation that constitutes a "United States real property holding corporation," or USRPHC, will constitute a USRPI. We believe that we are a USRPHC. Our common stock will not, however, constitute a USRPI so long as we are a "domestically controlled qualified investment entity." A "domestically controlled qualified investment entity" includes a REIT in which at all times during a five-year testing period less than 50% in value of its stock is held directly or indirectly by non-United States persons, subject to certain ownership rules. For purposes of determining whether a REIT is a "domestically controlled qualified investment entity," ownership by

non-United States persons generally will be determined by looking through certain pass-through entities and U.S. corporations, including non-public REITs and certain non-public foreign-controlled domestic C corporations, and treating a public qualified investment entity as a non-United States person unless such entity is a "domestically controlled qualified investment entity." Notwithstanding the foregoing ownership rules, a person who at all applicable times holds less than 5% of a class of a REIT's stock that is "regularly traded" on an established securities market in the United States is treated as a United States person unless the REIT has actual knowledge that such person is not a United States person or is a foreign-controlled person. We believe, but cannot guarantee, that we are a "domestically controlled qualified investment entity." Because our stock is (and, we anticipate, will continue to be) publicly traded, no assurance can be given that we will continue to be a "domestically controlled qualified investment entity."

Even if we do not qualify as a "domestically controlled qualified investment entity" at the time a non-U.S. holder sells our common stock, gain realized from the sale or other taxable disposition by a non-U.S. holder of such common stock would not be subject to U.S. federal income tax under FIRPTA as a sale of a USRPI if:

(1) our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market such as the NYSE; and

(2) such non-U.S. holder owned, actually and constructively, 10% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period.

In addition, dispositions of our common stock by qualified shareholders are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, dispositions of our common stock by certain "qualified foreign pension funds" or entities all of the interests of which are held by such "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Notwithstanding the foregoing, gain from the sale, exchange or other taxable disposition of our common stock not otherwise subject to FIRPTA will be taxable to a non-U.S. holder if either (a) the investment in our common stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to the 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty) on such gain, as adjusted for certain items, or (b) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our common stock, a non-U.S. holder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. holder (1) disposes of such stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1), unless our common stock is "regularly traded" and the non-U.S. holder did not own more than 10% of our common stock at any time during the one-year period ending on the date of the distribution described in clause (1).

If gain on the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to regular U.S. federal income tax with respect to such gain in the same manner as a taxable U.S. holder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In addition, if the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, and if shares of our common stock were not "regularly traded" on an established securities market, the purchaser of our common stock generally would be required to withhold and remit to the IRS 15% of the purchase price.

Information Reporting and Backup Withholding

U.S. Holders. A U.S. holder may be subject to information reporting and backup withholding when such holder receives payments on our common stock or proceeds from the sale or other taxable disposition of such stock. Certain U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. Holders. Payments of dividends on our common stock generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock paid to the non-U.S. holder, regardless of whether such distributions constitute a dividend or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of such stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of such stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Medicare Contribution Tax on Unearned Income

Certain U.S. holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends on stock and capital gains from the sale or other disposition of stock, subject to certain limitations. U.S. holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of our common stock.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on our common stock or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or

other disposition of our common stock, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we may treat the entire distribution as a dividend.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

Other Tax Consequences

State, local and non-U.S. income tax laws may differ substantially from the corresponding U.S. federal income tax laws, and this discussion does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction, or any U.S. federal tax other than income tax. You should consult your tax advisors regarding the effect of state, local and non-U.S. tax laws with respect to our tax treatment as a REIT and on an investment in our common stock.