Digital Realty Trust, Inc.
Form 424B2
September 26, 2018
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Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-220576

CALCULATION OF REGISTRATION FEE

Title Of Each Class of Securities To Be Registered	**Amount To Be Registered**	**Maximum Offering Price Per Unit**	**Maximum Aggregate Offering Price**	**Amount of Registration Fee**
Common Stock, $0.01 par value per share	9,775,000	$113.00	$1,104,575,000	$137,519.59[(1)]

(1) The filing fee of $137,519.59 is calculated in accordance with Rules 457(o) and 457(r) of the Securities Act of 1933, as amended (the Securities Act), and reflects the potential additional issuance of shares of Common Stock, $0.01 par value per share (the Common Stock), pursuant to the underwriters option to purchase additional shares. In accordance with Rules 456(b) and 457(r), the registrant initially deferred payment of all of the registration fees for Registration Statement No. 333-203576 filed by the registrant on September 22, 2017.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated September 22, 2017)

8,500,000 Shares

Common Stock

We expect to enter into a forward sale agreement with each of Bank of America, N.A. and Citibank, N.A., which we refer to in this capacity as the forward purchasers. In connection with the forward sale agreements, the forward purchasers or their affiliates are borrowing from third parties and selling to the underwriters an aggregate of 8,500,000 shares of our common stock (or an aggregate of 9,775,000 shares of our common stock if the underwriters option to purchase additional shares is exercised in full) that will be delivered in this offering.

We will not initially receive any proceeds from the sale of shares of our common stock by the forward purchasers or their affiliates. We expect to physically settle the forward sale agreements (by the delivery of shares of our common stock) and receive proceeds from the sale of those shares of our common stock upon one or more forward settlement dates no later than September 27, 2019. We may also elect to cash settle or net share settle all or a portion of our obligations under a forward sale agreement if we conclude it is in our best interest to do so. If we elect to cash settle a forward sale agreement, we may not receive any proceeds and we may owe cash to the relevant forward purchaser in certain circumstances. If we elect to net share settle a forward sale agreement, we will not receive any proceeds, and we may owe shares of our common stock to the relevant forward purchaser in certain circumstances. See Underwriting (Conflicts of Interest) Forward Sale Agreements.

If any forward purchaser or its affiliates does not sell on the anticipated closing date of this offering all of the shares of our common stock to be sold by it to the underwriters, we will issue and sell to the underwriters a number of shares of our common stock equal to the number of shares of our common stock that the forward purchaser or its affiliate does not sell and the number of shares underlying the relevant forward sale agreement will be decreased in respect of the number of shares that we issue and sell.

We are organized and conduct our operations to qualify as a real estate investment trust, or REIT, for U.S. federal income tax purposes. To assist us in complying with certain federal income tax requirements applicable to REITs, our charter contains certain restrictions relating to the ownership and transfer of our stock, including an ownership limit of 9.8% (by value or by number of shares, whichever is more restrictive) on the outstanding shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol DLR . The last reported sale price of our common stock on the New York Stock Exchange on September 24, 2018 was $115.92 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-23 of this prospectus supplement.

Neither the U.S. Securities and Exchange Commission (the SEC) nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$ 113.00	$ 960,500,000
Underwriting discount[(1)]	$ 3.955	$ 33,617,500
Proceeds, before expenses, to us[(2)]	$ 109.045	$ 926,882,500

(1) See Underwriting (Conflicts of Interest).

(2) We expect to receive net proceeds from the sale of the shares of our common stock, before fees and estimated expenses, of approximately $926.9 million upon full physical settlement of the forward sale agreements, which we expect will occur no later than September 27, 2019. For the purposes of calculating the aggregate net proceeds to us, we have assumed that the forward sale agreements will be fully physically settled based on the initial forward sale price of $109.045 per share, which is the public offering price less the underwriting discount shown above. The forward sale price is subject to adjustment pursuant to the terms of each of the forward sale agreements, and the actual proceeds, if any, to us will be calculated as described in this prospectus supplement. Although we expect to settle the forward sale agreements entirely by the full physical delivery of shares of our common stock in exchange for cash proceeds, we may elect cash settlement or net share settlement for all or a portion of our obligations under any forward sale agreement. See Underwriting (Conflicts of Interest) Forward Sale Agreements for a description of the forward sale agreements.

The forward purchasers have granted the underwriters a 30-day option from the date of this prospectus supplement, exercisable in whole or in part from time to time, to purchase up to an additional 1,275,000 shares of our common stock at the initial price to the public less the underwriting discount. Upon any exercise of such option, the number of shares of our common stock underlying each forward sale agreement will be increased by the number of shares sold by the applicable forward purchaser or its affiliate in respect of such option exercise. In such event, if any forward purchaser or its affiliates does not deliver and sell all of the shares of our common stock to be sold by it in connection with the exercise of such option, we will issue and sell to the underwriters a number of shares of our common stock equal to the number of shares that the forward purchaser or its affiliates does not deliver and sell, and the number of shares underlying the relevant forward sale agreement will not be increased in respect of the number of shares that we issue and sell.

The underwriters expect to deliver the shares to purchasers on or about September 27, 2018 through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

BofA Merrill Lynch **Citigroup**

BTIG **J.P. Morgan** **SMBC** **Scotiabank** **TD Securities**

Barclays **Credit Suisse** **Deutsche Bank Securities** **MUFG** **Mizuho Securities**

Morgan Stanley **PNC Capital Markets LLC** **RBC Capital Markets**

Wells Fargo Securities

Senior Co-Manager

SunTrust Robinson Humphrey

Co-Managers

Raymond James **BB&T Capital Markets**

September 24, 2018

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we authorize to be delivered to you. We have not, and the underwriters and the forward purchasers (and their affiliates) have not, authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information you should not rely on it. We are not, and the underwriters and the forward purchasers (and their affiliates) are not, making an offer of these securities or soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, and any authorized free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. The descriptions set forth in this prospectus supplement replace and supplement, where inconsistent, the description of the general terms and provisions set forth in the accompanying prospectus.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of the shares and also adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the shares we are offering. To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus, the information included or incorporated by reference in this prospectus supplement updates and supersedes the information in the accompanying prospectus. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information contained in the documents identified under the heading Where You Can Find More Information.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to we, us, our, the company, our company or Digital Realty refer to Digital Rea Inc. together with our consolidated subsidiaries, including Digital Realty Trust, L.P., a Maryland limited partnership, of which Digital Realty Trust, Inc. is the sole general partner and which we refer to in this prospectus supplement and the accompanying prospectus as the operating partnership or our operating partnership .

All references in this prospectus supplement to our operating partnership s global revolving credit facility mean our operating partnership s $2.0 billion senior unsecured revolving credit facility and global senior credit agreement, and all references in this prospectus supplement to our operating partnership s term loan facility mean our operating partnership s senior unsecured multi-currency term loan facility and term loan agreement, which governs a $1.25 billion five-year senior unsecured term loan and a $300 million seven-year senior unsecured term loan.

Turn-Key Flex®, Powered Base Buildings® POD Architecture® and Critical Facilities Management® are trademarks of our company. All other trademarks or trade names appearing in this prospectus supplement and the accompanying prospectus are the property of their respective owners.

The distribution of this prospectus supplement, the accompanying prospectus, any authorized free writing prospectus and the offering of the shares may be restricted by law. If you possess this prospectus supplement, the accompanying prospectus or any authorized free writing prospectus, you should find out about and observe these restrictions. This prospectus supplement, the accompanying prospectus and any authorized free writing prospectus are not an offer to sell the shares and are not soliciting an offer to buy the shares in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. See Underwriting (Conflicts of Interest) in this prospectus supplement.

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PROSPECTUS SUPPLEMENT SUMMARY

You should read the following summary together with the more detailed information regarding our company and the financial statements appearing elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus, including under the caption Risk Factors.

Digital Realty Trust, Inc.

Overview

We are a leading global provider of data center, colocation and interconnection solutions for customers across a variety of industry verticals ranging from cloud and information technology services, communications and social networking to financial services, manufacturing, energy, healthcare, and consumer products. Our operating partnership is the entity through which we conduct our business of owning, acquiring, developing and operating data centers. Digital Realty Trust, Inc. operates as a real estate investment trust, or REIT, for U.S. federal income tax purposes. A summary of our data center portfolio as of June 30, 2018 and December 31, 2017 is as follows:

	Data Centers							
	As of June 30, 2018				As of December 31, 2017			
Region	**Operating**	**Held for Sale**	**Unconsolidated Joint Ventures**	**Total**	**Operating**	**Held for Sale**	**Unconsolidated Joint Ventures**	**Total**
United States	132		14	146	131	7	14	152
Europe	37			37	38			38
Asia	3		4	7	3		4	7
Australia	5			5	5			5
Canada	3			3	3			3
Total	**180**		**18**	**198**	**180**	**7**	**18**	**205**

We are diversified in major metropolitan areas where data center and technology customers are concentrated, including the Atlanta, Boston, Chicago, Dallas, Los Angeles, New York, Northern Virginia, Phoenix, San Francisco, Seattle, Silicon Valley and Toronto metropolitan areas in North America, the Amsterdam, Dublin, Frankfurt, London and Paris metropolitan areas in Europe and the Hong Kong, Melbourne, Osaka, Singapore, Sydney, and Tokyo metropolitan areas in the Asia Pacific region. Our portfolio consists of data centers, Internet gateway facilities and office and other non-data center space.

As of June 30, 2018, our portfolio, including the 18 data centers held as investments in unconsolidated joint ventures, was approximately 89.4% leased, excluding approximately 3.3 million square feet of space under active development and approximately 1.5 million square feet of space held for development.

Our principal executive offices are located at Four Embarcadero Center, Suite 3200, San Francisco, California 94111. Our telephone number is (415) 738-6500. Our website is located at www.digitalrealty.com. The information found on, or accessible through, our website is not incorporated into, and does not form a part of, this prospectus supplement, the accompanying prospectus or any other report or document we file with or furnish to the SEC.

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Recent Developments

Pending Ascenty Acquisition

On September 21, 2018, our operating partnership and Stellar Participações Ltda., a Brazilian subsidiary of our operating partnership, or Acquisition Sub, entered into definitive agreements with ANH New Holdings LLC, Techno Park Holdings LLC and Ascenty LLC to acquire Ascenty, a leading data center provider in Brazil, for consideration that we currently estimate to be approximately $1,826.8 million (before contractual purchase price adjustments, transaction expenses, taxes and potential currency fluctuations) consisting of (i) $1,511.1 million in cash, (ii) $290.7 million of common units of limited partnership interest in our operating partnership, and (iii) $25.0 million of equity interests in an indirect subsidiary of our operating partnership and indirect parent of Acquisition Sub, which we refer to as Acquisition Holdco. In exchange for this consideration, Acquisition Holdco will ultimately own 100% of the entities that own Ascenty. We refer to this transaction as the Ascenty acquisition and the collective existing business of Ascenty LLC and its subsidiaries as Ascenty. Closing of the Ascenty acquisition is subject to customary closing conditions, including but not limited to the continuing accuracy of representations and warranties, subject to agreed upon materiality standards, and compliance with covenants and agreements in all material respects in the share purchase agreement relating to the Ascenty acquisition, or the Share Purchase Agreement. In connection with the Ascenty acquisition, our operating partnership has agreed to guarantee the obligations of Acquisition Sub under the definitive agreements related to the Ascenty acquisition. In the event that the Acquisition Sub is unable to complete the Ascenty acquisition due to a failure of Acquisition Sub to perform or otherwise, Ascenty may enforce our operating partnership s guarantee and require our operating partnership to complete the Ascenty acquisition. On September 21, 2018, we also entered into an independent bilateral equity commitment letter with Brookfield Infrastructure Group, Inc., an affiliate of Brookfield Asset Management, Inc., which we collectively refer to herein as Brookfield, pursuant to which Brookfield has committed to acquire an interest equal to ours in a joint venture entity that is expected to ultimately own Ascenty in an amount equal to the sum of (i) up to $725.0 million in respect of the equity portion of the purchase price for the Ascenty acquisition, plus (ii) an amount equal to 50% of any additional amounts up to a specified cap that we contribute to the joint venture entity after closing of the Ascenty acquisition but prior to Brookfield s investment in the joint venture entity, plus (iii) an amount equal to 50% of our and Brookfield s aggregate transaction expenses in connection with the Ascenty acquisition (which transaction expenses will be reimbursed by the joint venture entity to the applicable party). To the extent that their investment occurs after the closing of the Ascenty acquisition, Brookfield has also committed to pay interest on their committed amount at a rate of 8% for the first 90 days after the closing of the Ascenty acquisition and increasing to 10% thereafter until such time as their investment in the joint venture is made. The funding of the proposed joint venture is contingent on the satisfaction of customary conditions, which may not be satisfied prior to the closing of the Ascenty acquisition, on the terms described herein or at all. The joint venture entity may be Acquisition Holdco or a direct or indirect subsidiary of Acquisition Holdco. See Overview of Proposed Joint Venture below.

The Ascenty acquisition is comprised of eight almost fully leased in-service data centers, six partially pre-leased data centers currently under construction, and a significant pipeline of potential new data center expansion capacity, in addition to a proprietary fiber network that we believe provides Ascenty with significant strategic advantages. Ascenty s 14 in-service and under-construction data centers are located in four key Brazilian metropolitan areas: São Paulo, Campinas, Rio de Janeiro and Fortaleza.

We believe that Ascenty is the leading data center provider in Brazil with approximately 31% of the data center capacity as measured by megawatts, including the additional pre-leased capacity expected to be built at Ascenty s data centers under construction. All eight existing in-service data centers have been built within the last 10 years and offer customers a high-quality facility and state-of-the-art data center solution. Ascenty does not own any of its facilities, but instead operates its business as a lessee, with a current weighted average remaining lease term for all of its facilities of over 30 years, assuming the exercise of extension options.

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Ascenty has built a fully-integrated platform with strong operating, sales, marketing, technology, engineering, and development expertise, led by an experienced management team with a proven track record of scaling businesses throughout Latin America. Through this acquisition, we expect to establish Ascenty as the strategic platform through which we intend to operate and grow our data center business in Brazil and throughout Latin America. We believe there is significant strategic value in acquiring a leading, best-in-class data center platform in Brazil with a proven management team with significant experience in the region.

Ascenty has developed a reputation for providing global hyperscale cloud service providers and other customers with effective solutions to meet their IT infrastructure needs. We believe the Ascenty acquisition and the formation of the proposed joint venture will provide the following benefits:

Premier, High-Quality Portfolio: Ascenty has one of the largest data center portfolios in Brazil and its eight in-service and six under-construction data centers are strategically located, state-of-the-art facilities. Each of Ascenty s data center campuses provides a high capacity substation with redundant backup power. Most of Ascenty s facilities have been designed and built to Tier III standards and meet internationally recognized facility and service standards.

Significant Embedded Growth Pipeline: We believe that the Latin American region represents a compelling opportunity for future data center growth, driven by positive macro and demographic factors, including growth in the working age population and rapid digitization. Brazil is the fifth-largest country in the world by area and population as well as the eighth-largest economy by gross domestic product, or GDP, and we believe it is poised to become the hub of Latin America s future technological expansion. We believe Ascenty has a significant opportunity for growth through development in Brazil and we believe it is well-positioned to meet growing demand through expansion across the Latin American region. The Ascenty portfolio is comprised of 106.2 megawatts of total planned capacity, including 39.2 megawatts of capacity currently in-service, 34.0 megawatts of capacity under construction and 33.0 megawatts of potential additional capacity. In addition, Ascenty has options or leases on five separate sites representing up to an estimated incremental 66.5 megawatts of potential future growth capacity.

Proprietary Fiber Network Represents Competitive Advantage: Ascenty provides differentiated connectivity solutions to data center clients through its proprietary fiber network extending approximately 4,500 kilometers. The fiber network is owned by Ascenty, which provides Ascenty with flexibility for site selection. We believe the fiber network system is highly reliable and represents a key competitive advantage, providing customers direct access to the major Brazilian telecom operators, peering points and subsea cable networks within Brazil s primary technology, finance and population hubs of Rio de Janeiro, Fortaleza, and São Paulo.

Experienced Management Team: The Ascenty management team will remain in place and will maintain day-to-day responsibility for operations in the region. Ascenty s six-member senior management team has more than 100 years of combined data center experience and, as of the date of this prospectus supplement, Ascenty has more than 280 employees. The Ascenty management team is led by Chief Executive Officer, Christopher P. Torto, who co-founded Ascenty and previously founded Vivax, the second largest cable TV company in Brazil, which went public in 2006 and was sold in 2007. Mr. Torto is rolling over the substantial majority of his Ascenty equity into common units of limited partnership interest in our operating partnership and equity interests in the proposed new joint venture. Mr. Torto and the Ascenty management team have significant experience building and scaling businesses within Latin America and have built a leading network of data center facilities in Brazil.

Co-Investing Alongside an Experienced Partner: Brookfield is a leading global asset manager, with over $285 billion of assets under management. Brookfield has been investing in Brazil for over 100 years, and is now one of the largest investors in the country, with over $40 billion of assets under management, including: more than 3,500 kilometers of toll roads; an integrated rail and port logistics business; a 2,000-kilometer regulated natural gas pipeline system; 4,200 kilometers of electricity transmission lines (including lines built and to be constructed); the largest private sanitation company; and several commercial and retail properties, including a portfolio of high-quality commercial properties in São Paulo and Rio de Janeiro. We expect to benefit significantly from investing alongside a sophisticated partner with a long history of investing in the region. See Overview of Proposed Joint Venture below.

Potential for Significant Regional Cost Efficiencies and Financial Benefits: We believe the combination of the Ascenty business with Digital Realty s global operating platform will create potentially significant cost efficiencies, particularly with respect to the establishment of a regional operating platform in Latin America, supply chain management and financing costs. We believe the venture is prudently financed with ample liquidity from non-recourse debt facilities and expected equity investments from existing Ascenty management as well as a sophisticated financial investor in Brookfield along with us. We believe the Ascenty acquisition will initially be dilutive to financial metrics but will be accretive to Digital Realty s financial metrics over the intermediate term and is expected to be accretive to Digital Realty s long-term growth rate.

The Ascenty portfolio is concentrated in four key Brazilian metropolitan areas, which we believe provides us with significant future growth opportunities. The four metropolitan areas are:

São Paulo: São Paulo is the largest city in Brazil and Latin America and the fourth largest city in the world. With a population of 21.7 million in the broader São Paulo region, São Paulo s role as Brazil s financial center has made it an important international digital and connectivity hub, and we believe that it is poised to become the epicenter of Latin America s future technological expansion. Three of the in-service and two of the under-construction facilities are located in São Paulo.

Campinas: Located within 100 kilometers of São Paulo, Campinas has a population of 3.2 million people, is known as Brazil s Silicon Valley and is home to numerous multinational technology companies as well as several prestigious universities. Three of the in-service and four of the under-construction facilities are located in Campinas.

Rio de Janeiro: Rio de Janeiro is the second most populous city in Brazil and the fourth most populous in Latin America with 13.3 million inhabitants, making it an important connectivity hub. In addition, Rio de Janeiro is one of the leading destinations for hyperscale data center deployments in Brazil, second only to São Paulo. One of the in-service facilities is located in Rio de Janeiro.

Fortaleza: Located in Northeast Brazil, Fortaleza has a population of 4.0 million people, is an important subsea cable hub, and is the capital of the Brazilian state of Ceará. One of the in-service facilities is located in Fortaleza.

Ascenty Portfolio Summary

Data Center Facilities

The Ascenty portfolio is comprised of 106.2 megawatts of total planned capacity, including 39.2 megawatts of capacity currently in-service, 34.0 megawatts of capacity under construction and 33.0 megawatts of potential additional capacity. As of the date of this prospectus supplement, the capacity currently in service was 97% leased, the capacity under construction was approximately 83% leased and the capacity in-service and under construction was approximately 90% leased, in each case, including signed but not yet commenced leases and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement. In addition, Ascenty has options or leases on five separate sites representing up to an estimated incremental 66.5 megawatts of potential future growth capacity.

As of the date of this prospectus supplement, Ascenty had more than 140 customers, including several leading global hyperscale cloud providers, which we expect to be complementary to our existing customer base. Approximately 120 of such customers are not Digital Realty customers.

As of the date of this prospectus supplement, leases representing approximately 75% of Ascenty s contractual cash rent (including signed but not yet commenced leases and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement) were denominated in U.S. dollars, substantially mitigating foreign currency exposure. In addition, over 90% of Ascenty s contractual cash rent (including signed but not yet commenced leases and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement) was derived from customers whose parent entities have investment grade or equivalent credit ratings. There can be no assurance that a customer s parent entity will satisfy such customer s lease obligations in the event of such customer s default.

Fiber Network

In addition, Ascenty owns an approximately 4,500-kilometer proprietary fiber network, which connects Brazil s primary technology, finance and population hubs of São Paulo, Campinas, Rio de Janeiro and Fortaleza. We believe the fiber optic system provides Ascenty with a competitive advantage in Brazil by allowing for strategic site selection and providing clients highly interconnected data centers. The fiber network strategically connects Ascenty s facilities with other data centers, major telecom operators, peering points and subsea cable networks. As of the date of this prospectus supplement, approximately 95% of Ascenty s revenue was generated from clients procuring both data center and fiber network services.

Expansion Opportunity

We believe Latin America in general and Brazil in particular represent a significant opportunity within the data center industry due to their robust growth prospects and favorable supply and demand fundamentals. We expect data center demand in Latin America to grow over the next several years, given the limited current availability of institutional quality data center inventory, particularly as compared to more developed regions such as North America, Europe and Asia Pacific. Ascenty is focused on capturing demand from global cloud service providers and other leading IT service providers, as these customers are expected to accelerate build-out of their respective footprints and time-to-market in Latin America by leasing capacity from third-party data center providers.

We believe the macroeconomic backdrop in Brazil is healthy, with stabilized inflation rates and all-time low interest rates, providing a strong opportunity for growth. Brazil has a current population of approximately 209 million, ranking as the fifth largest country in the world. Brazil has the world s eighth largest economy as measured by GDP, and the International Monetary Fund expects Brazil to exceed 2% annual GDP growth from 2018 through 2020, outpacing most of the world s largest economies.

Brazil s economy is becoming digitized, which, along with a large and growing population, is expected to drive increased data center demand, as internet traffic continues to experience rapid growth. We believe these favorable demographic and economic trends have and will continue to drive significant demand for reliable, state-of-the-art and comprehensive multi-tenant data center solutions in Brazil, especially for global cloud service providers, leading IT service providers and corporate enterprise customers. We believe this potential demand far exceeds the supply of institutional quality data center stock in Brazil, as many enterprises seeking domestic back-up data centers for disaster recovery and business continuity purposes are faced with obsolete and significantly under-powered facilities.

Financial Overview

As a part of our underwriting of the Ascenty acquisition and business due diligence process, we developed an estimate of the annualized stabilized earnings before interest, income taxes and depreciation and amortization, or stabilized EBITDA, for Ascenty. The stabilized EBITDA estimate is comprised of (i) our estimate of annualized run-rate EBITDA for Ascenty based on Ascenty s EBITDA for the month ended July 31, 2018, which is the most recently completed full month for which Ascenty provided us with financial information as part of our underwriting and due diligence process, (ii) our forward estimate of the stabilized EBITDA contribution from signed leases with respect to approximately 12.6 megawatts and additional colocation space leases at Ascenty s in-service data centers that have been signed as of the date of this prospectus supplement but had not yet commenced as of July 31, 2018 and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement, (iii) our forward estimate of the stabilized EBITDA contribution from leases with respect to approximately 18.0 megawatts of additional capacity expected to be built at Ascenty s data centers under construction that have been signed as of the date of this prospectus supplement but had not yet commenced as of July 31, 2018 and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement, (iv) our forward estimate of the stabilized EBITDA contribution from the potential lease-up of approximately 38.6 megawatts of additional capacity expected to be built at Ascenty s under-construction data centers as of the date of this prospectus supplement, and (v) our forward estimate of the stabilized EBITDA contribution from fiber leases that have been signed as of the date of this prospectus supplement but had not yet commenced as of July 31, 2018. We have assumed that the EBITDA margins for signed but not yet commenced leases, leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement and future leases of additional capacity to be built at both the in-service and under-construction data centers will be consistent with the EBITDA margins of existing in-service data centers once they have been fully leased. In addition, in underwriting our estimate of stabilized EBITDA, we have straight-lined existing contractual rents and estimated future rents in accordance with U.S. generally accepted accounting principles, or GAAP. In our underwriting, we estimate that the gross purchase price for the Ascenty acquisition of approximately $1,826.8 million (subject to contractual purchase price adjustments, transaction expenses, taxes and potential currency fluctuations), in addition to approximately $424.5 million of capital expenditures to fund the completion of data center development currently under construction and to build out additional capacity to meet near-term customer demand, results in a total estimated cost of approximately $2,251.3 million and represents a multiple of approximately 15.0 - 15.5 times our underwritten forward stabilized EBITDA.

We caution you not to place undue reliance on our underwriting or our estimate of the stabilized EBITDA multiple because it is based on data made available to us in the diligence process in connection with the Ascenty acquisition and includes a number of assumptions, including the timely and on-budget completion of all space to be constructed, the timely leasing of all additional capacity, certain assumptions regarding currency exchange rates and the absence of customer defaults or early lease terminations. Furthermore, the estimated stabilized EBITDA is not calculated in accordance with GAAP and includes estimates of future rents and operating expenses based on our expectations for Ascenty going forward. Our experience operating Ascenty may change our expectations with respect to the estimated stabilized EBITDA. In addition, the actual stabilized EBITDA for Ascenty may differ from our expectations based on numerous other factors, including potential difficulties encountered in connection with the construction and lease-up of additional data center space, currency and inflation fluctuations, unanticipated incremental general and administrative expenses or operating expenses, the results of our final purchase price adjustments, difficulties in leasing incremental capacity or collecting anticipated revenue, customer bankruptcies and unanticipated expenses at the data centers that we cannot pass on to customers, as well as the risk factors set forth in this prospectus supplement and the accompanying prospectus and documents incorporated by reference herein and therein. See Risk Factors Risks Related to the Proposed Ascenty Acquisition The actual stabilized EBITDA for Ascenty may not be consistent with the estimated stabilized EBITDA used to estimate the total cost multiple set forth in this prospectus supplement.

We expect the Ascenty acquisition to be completed in the fourth quarter of 2018. We intend to finance the cash portion of the acquisition of the Ascenty portfolio with approximately $323 million in equity, approximately $613 million with either a committed short-term term loan or equity from Brookfield as described below under Overview of Proposed Joint Venture and with the balance of the purchase price funded with new Brazilian operating company level secured term loan indebtedness of approximately $575.0 million. These amounts will vary based on contractual purchase price adjustments, transaction expenses, taxes and potential currency fluctuations. We have obtained a commitment from Citigroup Global Markets Inc., ING Capital LLC and Natixis New York Branch to provide the following new credit facilities to the Brazilian operating company, which we refer to as the committed facilities: (i) a $50.0 million senior secured first lien revolving credit facility, (ii) a senior secured first lien term loan facility of up to $650.0 million and (iii) a $75.0 million senior secured first lien delayed draw term loan facility. Each of the committed facilities is expected to mature five years after the closing of the committed facilities. The funding of the committed facilities is contingent on the satisfaction of customary conditions, including but not limited to (i) the execution and delivery of definitive documentation with respect to the committed facilities in accordance with the terms set forth in the related commitment letter and (ii) the consummation of the Ascenty acquisition by Acquisition Sub. The actual documentation governing the committed facilities has not been finalized, and accordingly, the actual terms may differ from the description of such terms in the related commitment letter.

We cannot assure you that the Ascenty acquisition will be consummated on the anticipated schedule, pursuant to the foregoing terms or at all. See Risk Factors Risks Related to the Proposed Ascenty Acquisition We cannot assure you that the proposed Ascenty acquisition will be completed on a timely basis or at all. The closing of this offering is not conditioned upon the closing of the Ascenty acquisition. All the information in this prospectus supplement regarding the Ascenty acquisition is based on information provided by the sellers in connection with our due diligence related to the pending acquisition. We cannot guarantee the accuracy of such information.

Overview of Proposed Joint Venture

On September 21, 2018, we entered into a bilateral equity commitment letter with Brookfield, pursuant to which Brookfield has committed to acquire an interest equal to ours in a joint venture entity that is expected to ultimately own Ascenty in an amount equal to the sum of (i) up to $725.0 million in respect of the equity portion of the purchase price for the Ascenty acquisition, plus (ii) an amount equal to 50% of any additional amounts up to a specified cap that we contribute to the joint venture entity after closing of the Ascenty acquisition but prior to Brookfield s investment in the joint venture entity, plus (iii) an amount equal to 50% of our and Brookfield s aggregate transaction expenses in connection with the Ascenty acquisition (which transaction expenses will be reimbursed by the joint venture entity to the applicable party). To the extent that their investment occurs after the closing of the Ascenty acquisition, Brookfield has also committed to pay interest on their committed amount at a rate of 8% for the first 90 days after the closing of the Ascenty acquisition and increasing to 10% thereafter until such time as their investment in the joint venture is made. We currently estimate that Brookfield s initial equity investment in the joint venture will be approximately $613 million, excluding Brookfield s portion of the transaction costs. We refer herein to the entity in which Brookfield will invest as the JV Entity. The JV Entity may be Acquisition Holdco or a direct or indirect subsidiary of Acquisition Holdco. If such investment occurs after the consummation of the Ascenty acquisition, we anticipate funding the portion of the equity to be provided by Brookfield with a $750.0 million short-term senior unsecured term loan. We have obtained commitments from Bank of America, N.A. and Citigroup Global Markets Inc. to provide such $750.0 million senior unsecured term loan facility to our operating partnership, which would then loan such amount to the JV Entity. The committed facility is expected to mature six months after the closing of the committed facility. The entire outstanding principal amount on the term loan facility will be due on the maturity date. Interest rates applicable to loans

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under the facility are expected to be payable at either (a) a fluctuating rate per annum equal to (i) the highest of (A) the administrative agent s base rate; (B) 0.5% above the federal funds rate; and (C) one-month LIBOR for U.S. Dollars plus 1% or (b) at the applicable LIBOR based on a one-, two-, three- or six-month LIBOR period, as elected by the operating partnership, plus the applicable margin as provided for in the related commitment letter which shall be based on the company s debt rating (which shall be, depending on such debt rating, 0.85%, 0.90%, 1.00%, 1.25% or 1.65%). The committed facilities are expected to contain customary affirmative and negative covenants that, among other things, may limit the operating partnership s ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions. The funding of the committed term loan is contingent on the satisfaction of customary conditions, including but not limited to (i) the execution and delivery of definitive documentation with respect to the term loan in accordance with the terms set forth in the related commitment letter and (ii) the consummation of the Ascenty acquisition by Acquisition Sub. The actual documentation governing the committed term loan has not been finalized, and accordingly, the actual terms may differ from the description of such terms in the related commitment letter.

From and after the date upon which Brookfield invests in the JV Entity, our operating partnership and Brookfield will each initially have approximately 49% of the equity interest (with 50% of the voting power) in the JV Entity, while Mr. Torto and certain related parties are expected to initially own an aggregate of approximately 2% of the equity interests in Acquisition Holdco, which interests will be non-voting.

From and after the date upon which Brookfield invests in the JV Entity, the JV Entity will be governed by a board of directors, and each equityholder of the JV Entity will be entitled to appoint one director per 20% of voting equity held by such member and its affiliates. Each of our operating partnership and Brookfield will initially have the right to appoint two directors to the board of directors, and each shall retain the right to appoint at least one director for so long as it holds at least 10% of the voting equity interests in the JV Entity. Directors appointed by equityholders will have the number of votes equal to the percentage voting equity interests held by the appointing equityholder. Certain major decisions involving the business of the JV Entity and Ascenty, including the approval of any amendments to the JV Entity s governing documents, the approval of business plans and annual budgets, appointment or dismissal of the chief executive officer or chief financial officer, related party transactions, material acquisitions and divestitures, any fundamental change in the business of the JV Entity and Ascenty, expansion into new countries, financings and winding up or dissolution of the JV Entity, will require the affirmative vote of directors or equityholders representing at least 75% of the voting equity interests in the JV Entity; provided, that so long as (i) our operating partnership (together with certain affiliates) owns 20% of the voting equity interests in the JV Entity, the approval of our operating partnership shall also be required for any matter otherwise requiring such super-majority approval; and (ii) Brookfield (together with certain affiliates) owns 20% of the voting equity interests in the JV Entity, the approval of Brookfield shall also be required for any matter otherwise requiring such super-majority approval.

Each equityholder of the JV Entity is also expected to agree that the JV Entity will be its exclusive vehicle for development, management, ownership and operation of data centers and/or fiber optic businesses that primarily serve data centers in South America, subject to certain exceptions.

The JV Entity is expected to make quarterly distributions to its equityholders of all cash available for distribution, after reserving appropriate amounts for working capital, capital expenditures and other amounts. Distributions by the JV Entity are expected to be made pro rata in proportion to each equityholder s respective ownership interests in the JV Entity.

Transfers of voting equity interests in the JV Entity, other than to affiliates, are expected to be prohibited until the fifth anniversary of the closing of the Ascenty acquisition. After the fifth anniversary, equityholders are expected to be able to transfer their voting equity interests in the JV Entity, subject to the other voting equityholders right of first offer to purchase such voting equity interests. In addition, if an equityholder transfers equity interests in the JV Entity representing at least 10% of the total equity interests in the JV Entity, then the remaining equityholders are expected to have tag-along rights to participate in such sale. At any time after the fifth anniversary of the closing of the Ascenty acquisition, an equityholder holding more than 40% of the JV Entity s total voting equity interests is expected to have the right to unilaterally force the JV Entity to conduct an initial public offering (either of itself or a subsidiary), subject to the other voting equityholders right to purchase the triggering equityholder s interest in the JV Entity. At any time after the seventh anniversary of the closing of the Ascenty acquisition, an equityholder holding more than 40% of the JV Entity s total voting equity interests is expected to have the right to unilaterally force the JV Entity to commence a sale process for the sale of the company, subject to the other voting equityholders right of first offer to purchase the triggering equityholder s interest in the JV Entity (with such seven-year holding period reduced to five years upon the occurrence of certain limited deadlock events). The equity interests held by Mr. Torto and certain related parties in Acquisition Holdco will be subject to call rights that allow the voting equityholders in Acquisition Holdco to purchase their interests, and put rights that allow Mr. Torto and certain related parties to sell their interests to the voting equityholders in Acquisition Holdco, in each case after the fifth anniversary of the Ascenty acquisition, with certain exceptions. The call or put price will be based on the fair market value of Acquisition Holdco, as determined by an independent appraisal.

We cannot assure you that Brookfield will complete its committed investment in the JV Entity prior to the completion of the Ascenty acquisition, pursuant to the foregoing terms or at all. The closing of Brookfield s investment in the JV Entity is conditioned upon, among other things, receipt by Brookfield of Brazilian regulatory approvals for the joint venture and is expected to close in the fourth quarter of 2018. See Risk Factors Risks Related to the Proposed Joint Venture We cannot assure you that Brookfield will complete its committed investment in the JV Entity prior to the completion of the Ascenty acquisition or at all. The closing of this offering is not conditioned upon the closing of Brookfield s investment in the JV Entity.

Virginia Acquisition

We entered into a definitive agreement which became binding on September 12, 2018, to acquire 424 acres of undeveloped land in Loudoun County, Virginia for a total purchase price of $236.5 million. The site is adjacent to Washington Dulles International Airport and located near bulk transmission lines as well as a major fiber path. The site is also located less than four miles from Digital Realty s existing data center campuses in Ashburn, Virginia. Commencement of development is expected to be subject to market demand, and delivery is expected to be phased to meet future customer growth requirements upon buildout and lease-up of the company s existing Ashburn campus capacity. The transaction is expected to close in the fourth quarter of 2018 and is subject to customary closing conditions.

Our Competitive Strengths

We believe we distinguish ourselves from other owners, acquirors and managers of technology-related real estate through our competitive strengths, which include:

- **Global Platform.** We believe that a high-quality, highly interconnected global portfolio such as ours could not be easily replicated today on a cost-competitive basis.

  - ***Presence in Key Metropolitan Areas.*** Our portfolio comprises a network of 198 state-of-the-art, interconnected data centers, which are concentrated in 32 major metropolitan areas across 12 countries on four continents. Our portfolio is geographically diversified, so that no single metropolitan area represented more than approximately 22.7% of the aggregate annualized rent of our portfolio as of June 30, 2018. Through strategic investments, we have grown our presence in key metropolitan areas throughout North America, Europe, Asia and Australia. Our acquisition of

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DuPont Fabros Technology, Inc., which we refer to as the DFT Merger, in 2017 enhanced our data center offerings in strategic and complementary U.S. metropolitan areas. Our acquisition of Telx Holdings, Inc., or the Telx Acquisition, in 2015 established our colocation and interconnection platform in the United States and our acquisition of a portfolio of eight carrier-neutral data centers in Europe, which we refer to as the European Portfolio Acquisition, in 2016 expanded our colocation and interconnection platform in Europe, each transaction enhancing our presence in top-tier locations throughout the United States and Europe.

Secure and Network-Rich Data Centers. Our data centers are physically secure, network-rich and equipped to meet the power and cooling requirements for customers with smalle