QTS Realty Trust, Inc.

Investor Presentation

Second Quarter 2018

Powered by People

Forward Looking Statements

Some of the statements contained in this presentation constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In particular, statements pertaining to our capital resources, portfolio performance results of operations, anticipated growth in our funds from operations and anticipated market conditions contain forward-looking statements. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. 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:

- adverse economic or real estate developments in our markets or the technology industry;
- obsolescence or reduction in marketability of our infrastructure due to changing industry demands;
- global, national and local economic conditions;
- risks related to our international operations;
- our ability to successfully execute our strategic growth plan and realize its expected benefits;
- difficulties in identifying properties to acquire and completing acquisitions;
- our failure to successfully develop, redevelop and operate acquired properties or lines of business;
- significant increases in construction and development costs;
- the increasingly competitive environment in which we operate;
- defaults on, or termination or non-renewal of, leases by customers;
- decreased rental rates or increased vacancy rates;
- increased interest rates and operating costs, including increased energy costs;
- financing risks, including our failure to obtain necessary outside financing;
- dependence on third parties to provide Internet, telecommunications and network connectivity to our data centers;
- our failure to qualify and maintain our qualification as a REIT;
- environmental uncertainties and risks related to natural disasters;
- financial market fluctuations; and
- changes in real estate and zoning laws, revaluations for tax purposes and increases in real property tax rates.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. Any forward-looking statement speaks only as of the date on which it was made. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause our future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 (“10-K”) and in the other periodic reports we file with the Securities and Exchange Commission.

This presentation includes measures not derived in accordance with generally accepted accounting principles (“GAAP”), such as FFO, operating FFO, adjusted Operating FFO, EBITDA, adjusted EBITDA, NOI, ROIC and MRR. These measures should not be considered in isolation or as a substitute for any measure derived in accordance with GAAP, and may also be inconsistent with similar measures presented by other companies. Reconciliation of these measures to the most closely comparable GAAP measures are presented in the attached pages. We refer you to the appendix of this presentation for reconciliations of these measures and to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations--Non-GAAP Financial Measures" in our 10-K for further information regarding these measures..

Differentiated Capability to Drive Success in Both Hyperscale and Hybrid Colocation

Hyperscale

Customers Need

Scale | Speed | Economics | Secure & Compliant

QTS Solutions

World-Class Infrastructure & Mega Data Centers

- **Significant Growth Capacity –** 1.3M sq. ft. of powered shell capacity in top U.S. markets with ability to scale quickly and efficiently
- **Operating and Build Cost Advantage –** Low basis focus & mega scale approach provide permanent cost advantage
- **New Market Expansion in Ashburn, Phoenix and Hillsboro –** Provides future growth capacity in markets where hyperscale customers want to be
- **Premium Customer Experience and Service Delivery –** Software-defined platform and service delivery track record provide further differentiation for hyperscale customers

Hybrid Colocation

Customers Need

Integrated Hybrid Solutions | Seamless Connectivity | Premium Customer Service | Secure & Compliant

QTS Solutions

Hybrid Colocation Platform

- **Software-Defined Data Center Platform –** Provides infrastructure visibility and dynamic control to customers
- **Enhanced Hybrid Solutions through QTS CloudRamp –** Strategic partnerships with public cloud providers expand hybrid colocation opportunity
- **Seamless Connectivity –** SDN-enabled universal connectivity to carriers, service providers and CSP's
- **High-End Security and Compliance –** Dedicated team to help enterprises manage cybersecurity risks
- **Premium Customer Experience –** Portfolio of managed services and industry-leading customer service

Uniquely Positioned Where CIOs Are Investing The Most

Top Technology Areas Attracting New Spending

*What are the technology areas where your organization will be spending the highest amount of new or additional funding in 2018?**

QTS is able to solve Enterprises' top IT needs

#1 ***Hybrid Cloud Solutions***

SOFTWARE-DEFINED DATA CENTER PLATFORM delivers flexibility and product capability to provide Hybrid data center solutions

#2 ***Data Center Infrastructure***

WORLD-CLASS MEGA DATA CENTERS provide visibility into significant future growth capacity

#3 ***Cybersecurity***

INDUSTRY-LEADING SECURITY & COMPLIANCE capabilities enable QTS to be customers' trusted partner to help manage risk

*Reflects results from Gartner survey of 2,496 Enterprise CIOs published March 9, 2018 entitled, "2018 CIO Agenda: A U.S. Perspective."

Broad Footprint Focused On Top Data Center Markets

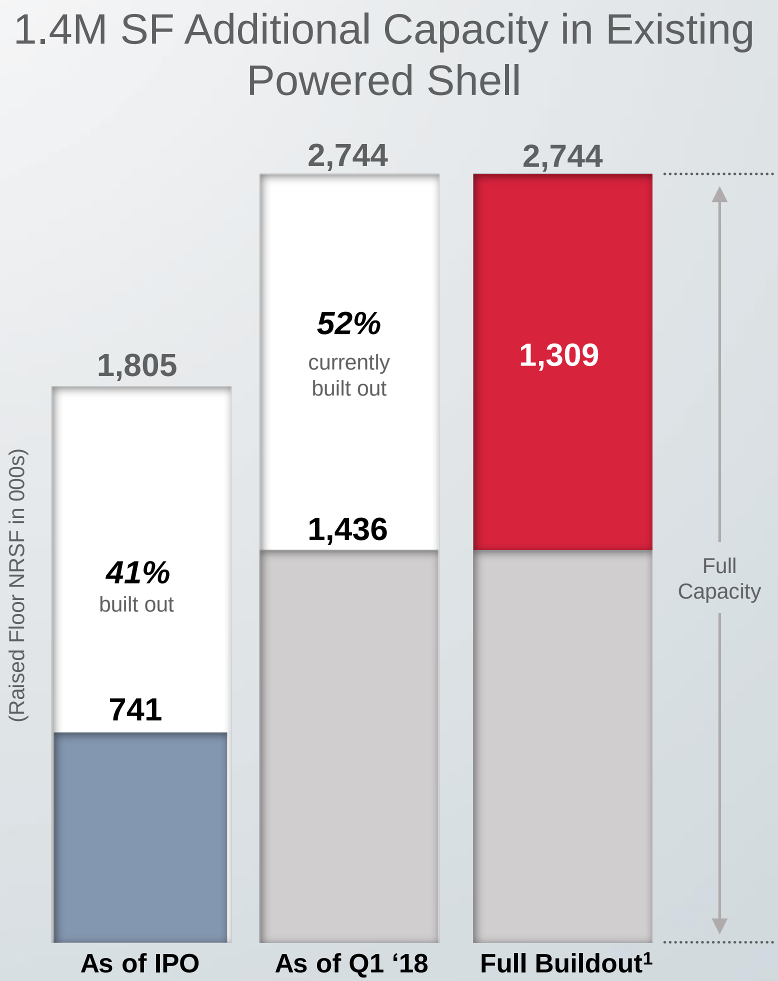
2.7 million SF of raised floor capacity[1] and 670+ MW of available utility power[2]

26 DATA CENTERS | **14** MARKETS | **95%** WHOLLY-OWNED[3]

International

1. Represents basis-of-design floor space as of March 31, 2018. The Company defines basis-of-design floor space as the total data center raised floor potential of its existing data center facilities.
2. Represents installed utility power and transformation capacity that is available for use by the facility as of March 31, 2018.
3. Based on data center raised floor. Does not include data centers subject to capital lease obligations. Includes Santa Clara, CA which is subject to a long-term ground lease.

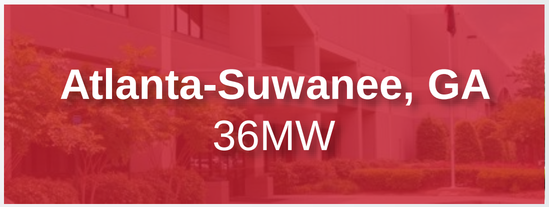
Powered Shell Capacity Represents 5+ Years of Growth



- Capacity to nearly double raised floor in existing powered shell and current developments
- Able to approximately double raised floor capacity again through development on 544 acres of adjacent, owned land and real estate
- De-risks future growth path at known build costs and higher incremental returns

1. Full Buildout reflects our "Basis of Design" NRSF at full buildout, including 178,000 basis-of-design square feet expected in Ashburn, VA facility and 66,324 basis-of-design square feet expected in Manassas, VA facility, both currently in development; does not include additional development which could take place on adjacent, owned land.

Best-in-Class “Mega” Data Centers



100% Built Out

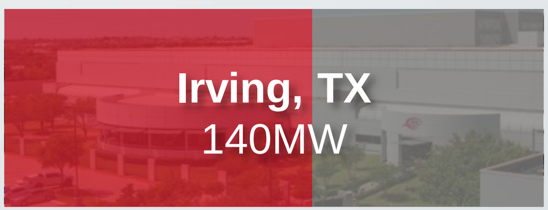
205,608 Sq. Ft. | 205,608 Sq. Ft.
ROIC: **27.9%**[2] | Occupied: 92.2%

88% Built Out

463,986 Sq. Ft. | 527,186 Sq. Ft.
ROIC: **17.4%**[2] | Occupied: *96.9%*

30% Built Out

167,309 Sq. Ft. | 557,309 Sq. Ft.
ROIC: **11.5%**[2] | Occupied: *71.4%*

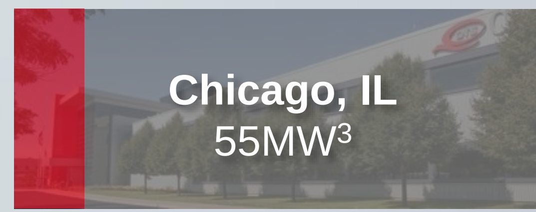


61% Built Out

168,160 Sq. Ft. | 275,701 Sq. Ft.
ROIC: ***12.5%***[2] | Occupied: *93.0%*

51% Built Out

88,820 Sq. Ft. | 176,000 Sq. Ft.
ROIC: ***10.4%***[2] | Occupied: *85.3%*



15% Built Out

33,000 Sq. Ft. | 215,855 Sq. Ft.
ROIC: ***7.7%***[2] | Occupied: *81.5%*

Note: Square footage reflects current Raised Floor Operating Net Rentable Square Feet (“NRSF”) as of March 31, 2018 (red shaded bars) and “Basis of Design” Raised Floor NRSF at full buildout. MW denotes available utility power as of March 31, 2018. Occupied percentage as of March 31, 2018.

1. Atlanta -Metro currently has 72 MW of available utility power based on current agreements with its utility provider but has transformer capacity for 120 MW.
2. ROIC calculated by dividing annualized core NOI for the quarter ended March 31, 2018 by the average total cost, less construction in progress for the quarters ended March 31, 2018 and December 31, 2017.
3. 8MW available utility power as of March 31, 2018, with an additional 47 MW available upon QTS request.

Mega Scale & Hybrid Colocation Platform Enable Premium ROIC Potential

Mega Data Center Lifecycle

ROIC
7.7%

ROIC
10.4%

ROIC
12.5%

ROIC
11.5%

ROIC
17.4%

ROIC
27.9%

% OF CAPACITY BUILT OUT

15% Built Out

Chicago, IL
1 Year

51% Built Out

Piscataway, NJ
1 Year

61% Built Out

Irving, TX
3 Years

30% Built Out

Richmond, VA
6 Years

88% Built Out

Atlanta, GA
10 Years

100% Built Out

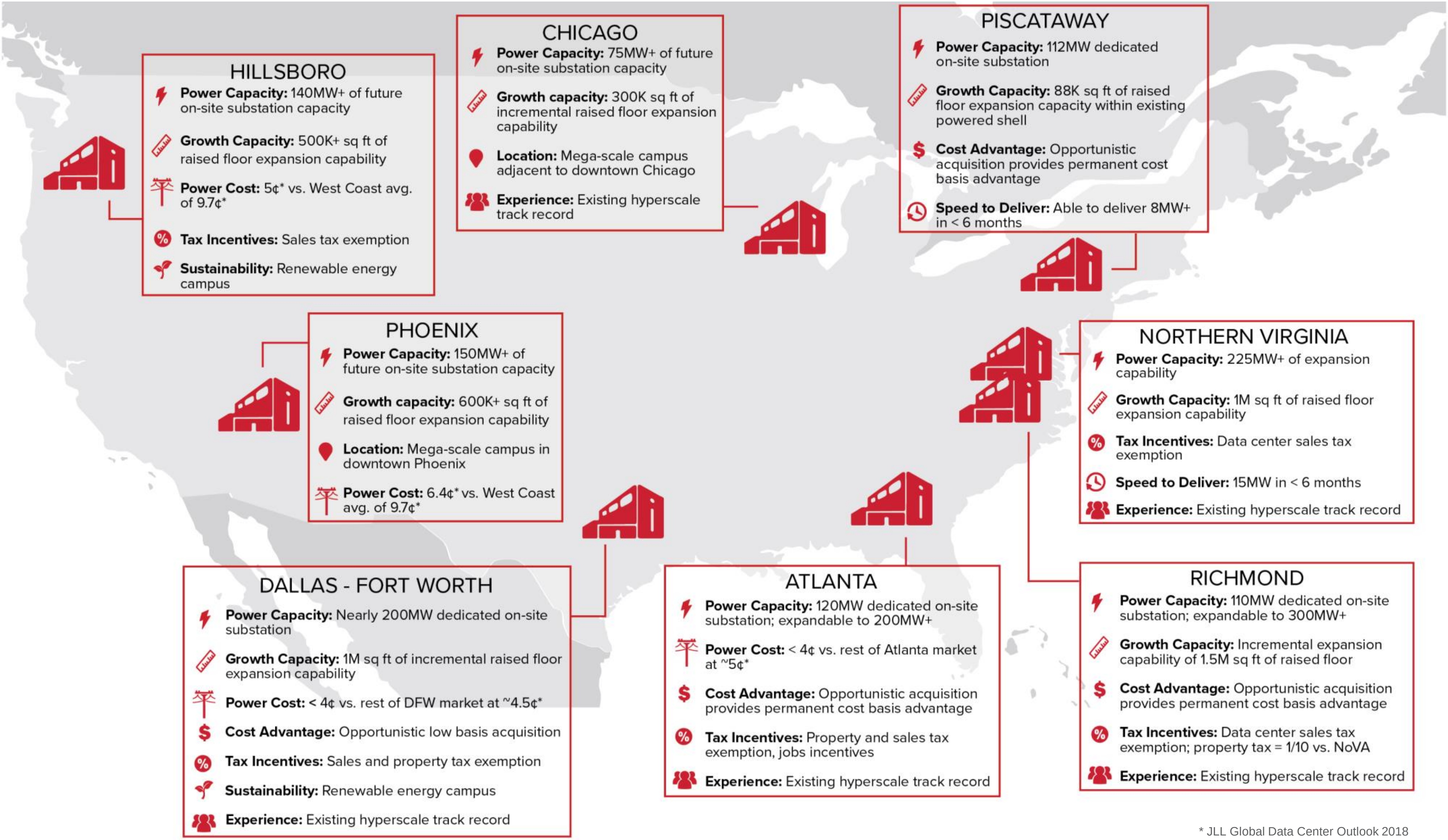
Suwanee, GA
11 Years

Years in Operation

Combination of operating leverage + higher Hybrid Colocation penetration over the life of a mega scale data center drives higher ROIC

Note: ROIC calculated by dividing annualized core NOI for the quarter ended March 31, 2018 by the average total cost, less construction in progress for the quarters ended March 31, 2018 and December 31, 2017.

The QTS Hyperscale Advantage



HILLSBORO

- **Power Capacity:** 140MW+ of future on-site substation capacity
- **Growth Capacity:** 500K+ sq ft of raised floor expansion capability
- **Power Cost:** 5¢* vs. West Coast avg. of 9.7¢*
- **Tax Incentives:** Sales tax exemption
- **Sustainability:** Renewable energy campus

CHICAGO

- **Power Capacity:** 75MW+ of future on-site substation capacity
- **Growth capacity:** 300K sq ft of incremental raised floor expansion capability
- **Location:** Mega-scale campus adjacent to downtown Chicago
- **Experience:** Existing hyperscale track record

PISCATAWAY

- **Power Capacity:** 112MW dedicated on-site substation
- **Growth Capacity:** 88K sq ft of raised floor expansion capacity within existing powered shell
- **Cost Advantage:** Opportunistic acquisition provides permanent cost basis advantage
- **Speed to Deliver:** Able to deliver 8MW+ in < 6 months

PHOENIX

- **Power Capacity:** 150MW+ of future on-site substation capacity
- **Growth capacity:** 600K+ sq ft of raised floor expansion capability
- **Location:** Mega-scale campus in downtown Phoenix
- **Power Cost:** 6.4¢* vs. West Coast avg. of 9.7¢*

NORTHERN VIRGINIA

- **Power Capacity:** 225MW+ of expansion capability
- **Growth Capacity:** 1M sq ft of raised floor expansion capability
- **Tax Incentives:** Data center sales tax exemption
- **Speed to Deliver:** 15MW in < 6 months
- **Experience:** Existing hyperscale track record

DALLAS - FORT WORTH

- **Power Capacity:** Nearly 200MW dedicated on-site substation
- **Growth Capacity:** 1M sq ft of incremental raised floor expansion capability
- **Power Cost:** < 4¢ vs. rest of DFW market at ~4.5¢*
- **Cost Advantage:** Opportunistic low basis acquisition
- **Tax Incentives:** Sales and property tax exemption
- **Sustainability:** Renewable energy campus
- **Experience:** Existing hyperscale track record

ATLANTA

- **Power Capacity:** 120MW dedicated on-site substation; expandable to 200MW+
- **Power Cost:** < 4¢ vs. rest of Atlanta market at ~5¢*
- **Cost Advantage:** Opportunistic acquisition provides permanent cost basis advantage
- **Tax Incentives:** Property and sales tax exemption, jobs incentives
- **Experience:** Existing hyperscale track record

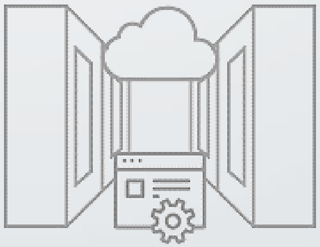
RICHMOND

- **Power Capacity:** 110MW dedicated on-site substation; expandable to 300MW+
- **Growth Capacity:** Incremental expansion capability of 1.5M sq ft of raised floor
- **Cost Advantage:** Opportunistic acquisition provides permanent cost basis advantage
- **Tax Incentives:** Data center sales tax exemption; property tax = 1/10 vs. NoVA
- **Experience:** Existing hyperscale track record

* JLL Global Data Center Outlook 2018

Software-Defined Platform Accelerates Differentiation in Hybrid Colocation

Cloud-Like Colocation	Integrated Hybrid Cloud Solutions	Software-Defined Control	Software-Defined Connectivity



NUTANIX aws

CISCO GDT

packetfabric

Megaport

Remote Hands & Data Center Logistics

Security & Compliance

Industry Leading Customer Service

Seamless Connectivity to Hyperscale CSP’s and Network Providers

Access to 500+ carriers and all major public clouds

~13,000 cross connects

Connectivity = 8% of revenue and growing 15%+ year-over-year

QTS

Peering Exchanges

- amsix amsterdam internet exchange
- LINX NoVA
- UNITED INTERNET EXCHANGE

On-Net Carriers

- Comcast
- verizon
- zayo
- Level(3) COMMUNICATIONS

On-Net Hyperscalers

- IBM SOFTLAYER
- aws
- ORACLE CLOUD

SD-WAN Providers

- Megaport
- packetfabric
- epsilon

Robust Security & Compliance Capabilities

The cyber threat landscape continues to grow with an increasing number and severity of attacks[1]

53% *cyber attacks resulting in damages* **$500K+**

55% *companies managing public scrutiny of a* **BREACH**

32% *of companies reporting breaches affecting* **50%+ OF SYSTEMS**

Differentiated QTS Approach is an Advantage

LOGICAL SECURITY

Data: Encryption, policy enforcement and security intelligence.

Network: Best-of-breed network infrastructure.

Host: Strict security policies, cutting-edge technology and premium support.

PHYSICAL SECURITY

Site access and monitoring systems.

24x7x365 on-site security professionals

Premium, state-of-the-art owned and operated data centers.

Integrated compliance coverage over a breadth of regulations

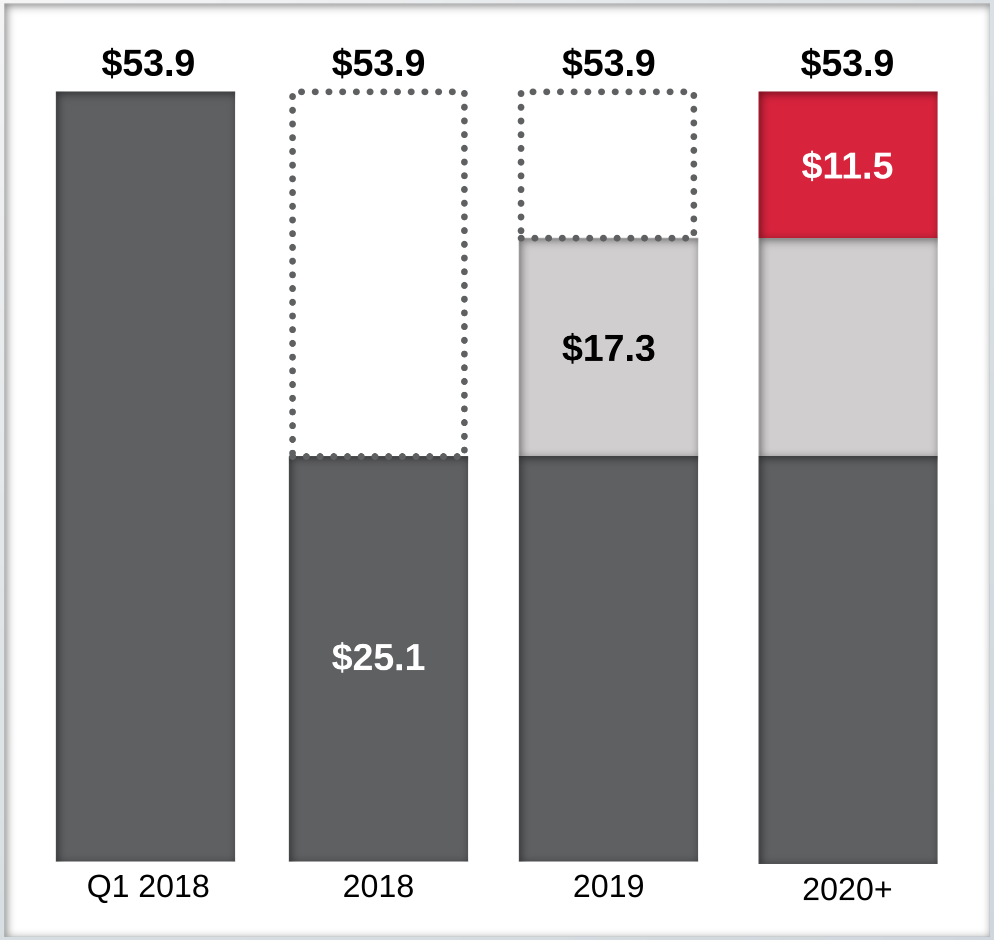
PCI DSS | HIPAA/HITECH ACT | SOC 1 | SOC 2 | FISMA | FEDRAMP | EU PRIVACY SHIELD

Breadth of compliance certifications & security capabilities enables QTS to be a trusted partner to Enterprises and Government entities looking to manage increasing cyber risks against their critical systems and data

1. Reflects results from the Cisco 2018 Annual Cybersecurity Report.

Visibility Into Future Growth Remains Strong

$54M Annualized Booked-Not-Billed Core MRR ($M)[1]



Highlights

Annualized booked-not-billed core MRR from signed but not yet commenced leases was $53.9 million as of March 31, 2018

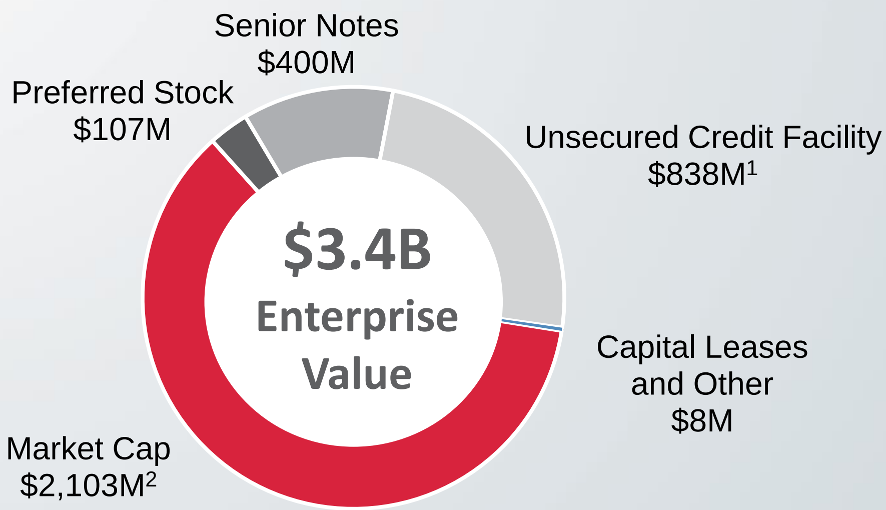
Of the $25.1 million in 2018, approximately $14.8 million is expected to be recognized in 2018 revenue

Of the $17.3 million in 2019, approximately $13.4 million is expected to be recognized in 2019 revenue

1. Represents annualized MRR associated with leases that have been signed but have not yet commenced; may not sum due to rounding

Well-capitalized Balance Sheet

Capital Structure[1]



Debt Maturities ($M)[3]

Highlights

Net Debt to LQA adj. EBITDA of 5.7x

Nearly $700 million of liquidity, including availability under credit facility and cash on hand

$54M booked-not-billed backlog of annualized core revenue provides enhanced visibility

65% of total debt outstanding subject to a fixed rate

Launched Series A Perpetual Preferred Stock offering in Q1 '18, which resulted in gross proceeds of $107M (net proceeds of $103M)

1. Includes two term loans ($700 million in aggregate) and $138 million of borrowings on revolving credit facility as of March 31, 2018
2. Market Cap calculated as follows: total Class A and Class B common stock and OP units of 58.1 million, multiplied by the March 31, 2018 stock price of $36.22 per share.
3. May not sum due to rounding

First Quarter 2018 Update

Strategic Plan to Accelerate Growth

Key Steps

Realign salesforce and organization

around
Hyperscale and
Hybrid Colocation

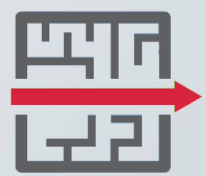
Further narrow C3 product portfolio

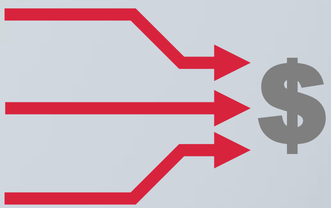
leveraging software-defined platform to enable access to cloud and IT solutions

Broader cost reduction initiative

to align cost structure with more simplified business model

Benefits





Increase leasing volume
+
Accelerate revenue growth

Reduce complexity
+
Improve predictability
+
Operating efficiencies

Increase margin
+
Increase profitability
+
Enhance OFFO/share growth & performance

Efficient Execution on Strategic Growth Plan

March 2

Hyperscale Execution

24MW Hyperscale Lease Signing in Manassas, VA

March 8

Growth Funding

Launched $100M Preferred Equity Offering

March 15

Hyperscale Execution

Renewed 19MW with Hyperscale Anchor Tenants in Atlanta-Metro Data Center

April 2

Completion of Sales Realignment

Hired Clint Heiden as Chief Revenue Officer

April 19

Hybrid Colocation Execution

IBM Cloud Now Available Through QTS CloudRamp Platform

April 25

Cloud & Managed Services Transition; Exit of Non-Core Products

Strategic Partnership with GDT

GDT Partnership Supports Growth and Enhanced Profitability

Company Overview

- Headquartered in Dallas, TX, General Datatech ("GDT") is an international technology integration partner with nearly $1B in revenue and approximately 700 employees
- GDT specializes in designing, building and delivering best-of-breed technology solutions for service providers, enterprise networks, and data center companies
- GDT's offerings include hybrid cloud solutions, disaster recovery, network monitoring, Infrastructure as a Service, Backup as a Service, AWS optimization and process automation
- GDT is an existing QTS partner and CloudRamp customer

Partnership Overview

- As part of the previously announced plan to narrow the scope of Cloud and Managed Services that QTS delivers directly, QTS will transition certain non-core customer contracts and support to GDT
- GDT will expand its colocation presence within QTS facilities to support customers as they are migrated to GDT's platform.
- GDT will pay QTS a recurring partner channel fee of between 15-20% based on revenue that is transitioned as well as future growth on those accounts.
- QTS will recognize revenue from GDT as customers are transitioned
- Customer migration expected to be completed by end of 2018

Benefits to QTS

✓ **Agreement represents continued successful execution of QTS' strategic growth plan**

✓ **Maintains consistent world-class service and support for customers**

✓ **Supports future revenue growth and profitability without significant cost to QTS in 2019 and beyond**

✓ **Expands list of partners and solution capabilities integrated into QTS' Service Delivery Platform**

Q1 2018 Operating Performance Review

Signed new/modified leases totaling $21M of core incremental annualized rent

- Second highest leasing quarter in QTS history
- Booked-not-billed backlog strengthened to $54M of core annualized rent as of Q1 '18
- Renewal rates up 5.4%, partially driven by 19MW of hyperscale renewals in Atlanta-Metro

Hyperscale:

- Announced 24MW lease in Northern VA with leading SaaS provider
  - Capital efficient structure: customer leasing full 24MW powered shell and 5MW of turn-key data center capacity
  - Lease commencement in early 2019
  - Customer expected to ramp into full 24MW over approximately two year period

Hybrid Colocation:

- Approximately 50% of net leasing volume contributed by hybrid colocation business
- Demand strength in Atlanta, Dallas and Northern Virginia
- Previously announced contract signing by Federal sales team in a leased facility in NoVA
  - Validates focus on security and compliance, stemming from QTS' C3 efforts
- CloudRamp momentum continues to build
  - Activity in each of four markets where CloudRamp has been deployed with AWS
  - IBM Cloud added to CloudRamp platform
- Seeing increased pipeline of larger footprint opportunities (500kW – 2MW)
- Hired industry veteran Clint Heiden as Chief Revenue Officer to lead hybrid colocation sales and marketing organization

Improving Credit Profile and Business Visibility

	Consolidated (Core + Non-Core) Q4 '17	Core Business Only Q1 '18
Weighted Average Remaining Customer Lease Term (Months)	26	32
Weighted Average Remaining Top 10 Customer Lease Term (Months)	38	48
Lease Expirations as a % of Total Annualized MRR Through 2019	60%	43%
Signed Backlog as a % of Total Annualized MRR	12%	16%
Annual Churn[1]	8.4%	4.5%

1. Q4 '17 reflects full-year 2017 reported results for consolidated business (core + non-core); Q1 '18 reflects midpoint of 2018 annual churn guidance for core business of 3-6%

QTS 2020 Vision

Core QTS Long-Term Financial Growth Outlook[1]	
Revenue Growth	• Mid-Teens % Growth in Core Revenue in 2019 and 2020
Adjusted EBITDA Margin	• 50bp Margin Expansion Annually in 2019 and 2020 • Implies 54% Core Adj. EBITDA Margin by 2020
OFFO Per Share Growth[2]	• 300bp Below Revenue Growth • $3.50 OFFO per Share Run-Rate by End of 2020
Leverage	• Low to Mid 5x Range

1. Core business includes Hyperscale and Hybrid Colocation businesses
2. Excluding non-cash tax benefit

Strategic Growth Plan Execution Summary

Core year-over-year **revenue growth of 16%**	**1.0% churn** – consistent with 2018 core guidance
Second highest leasing performance in QTS history ($21M of core annualized rent signed)	**Leasing performance evenly distributed** across both Hyperscale and Hybrid Colocation businesses
Demonstrated ability to open up additional, shareholder-friendly **funding sources to support continued growth** through perpetual preferred offering	Added to **CloudRamp momentum** with addition of IBM Cloud
300+ basis point **core adjusted EBITDA margin improvement** year-over-year	Validated **differentiation in the Federal space** with significant lease in Northern Virginia
Strong booked-not-billed backlog of $54M of annualized core revenue	Hired industry veteran **Clint Heiden as Chief Revenue Officer** to lead QTS' hybrid colocation sales and marketing
Renewal rates up 5.4%, partially driven by significant hyperscale renewals in Atlanta-Metro	Signed **strategic partnership with GDT** to transition non-core cloud and managed services customers

Appendix

NOI Reconciliation

	Three Months Ended								
	March 31, 2018			December 31, 2017			March 31, 2017		
$ in thousands	Core	Non-Core	Total	Core	Non-Core	Total	Core	Non-Core	Total
Net Operating Income (NOI)									
Net income (loss)	$ 5,083	$ (5,335)	$ (252)	$ (11,011)	$ (5,102)	$ (16,113)	$ 1,621	$ 3,947	$ 5,568
Interest income	(1)	-	(1)	(1)	-	(1)	(1)	-	(1)
Interest expense	8,103	7	8,110	8,049	-	8,049	6,869	-	6,869
Depreciation and amortization	33,340	2,574	35,914	34,247	2,893	37,140	30,982	2,965	33,947
Debt restructuring costs	-	-	-	19,992	-	19,992	-	-	-
Tax benefit of taxable REIT subsidiaries	(767)	(1,635)	(2,402)	(3,879)	(495)	(4,374)	(1,893)	372	(1,521)
Transaction, integration and impairment costs	920	-	920	303	9,146	9,449	336	-	336
General and administrative expenses	18,114	4,119	22,233	16,763	4,057	20,820	17,317	4,881	22,198
Restructuring	-	8,530	8,530	-	-	-	-	-	-
NOI	**$ 64,792**	**$ 8,260**	**$ 73,052**	**$ 64,463**	**$ 10,499**	**$ 74,962**	**$ 55,231**	**$ 12,165**	**$ 67,396**

EBITDA*re* & Adjusted EBITDA Reconciliation

$ in thousands	Three Months Ended March 31, 2018 Core	March 31, 2018 Non-Core	March 31, 2018 Total	December 31, 2017 Core	December 31, 2017 Non-Core	December 31, 2017 Total	March 31, 2017 Core	March 31, 2017 Non-Core	March 31, 2017 Total
EBITDA*re* and Adjusted EBITDA									
Net income (loss)	$ 5,083	$ (5,335)	$ (252)	$ (11,011)	$ (5,102)	$ (16,113)	$ 1,621	$ 3,947	$ 5,568
Interest income	(1)	-	(1)	(1)	-	(1)	(1)	-	(1)
Interest expense	8,103	7	8,110	8,049	-	8,049	6,869	-	6,869
Tax benefit of taxable REIT subsidiaries	(767)	(1,635)	(2,402)	(3,879)	(495)	(4,374)	(1,893)	372	(1,521)
Depreciation and amortization	33,340	2,574	35,914	34,247	2,893	37,140	30,982	2,965	33,947
Impairment write-downs of depreciated property	-	4,017	4,017	-	4,219	4,219	-	-	-
EBITDA*re*	**$ 45,758**	**$ (372)**	**$ 45,386**	**$ 27,405**	**$ 1,515**	**$ 28,920**	**$ 37,578**	**$ 7,284**	**$ 44,862**
Debt restructuring costs	-	-	-	19,992	-	19,992	-	-	-
Equity-based compensation expense	3,481	-	3,481	2,933	423	3,356	2,730	352	3,082
Restructuring costs	-	4,513	4,513	-	-	-	-	-	-
Transaction, integration and impairment costs	920	-	920	303	4,927	5,230	336	-	336
Adjusted EBITDA	**$ 50,159**	**$ 4,141**	**$ 54,300**	**$ 50,633**	**$ 6,865**	**$ 57,498**	**$ 40,644**	**$ 7,636**	**$ 48,280**

FFO, Operating FFO and Adjusted Operating FFO Reconciliation

	Three Months Ended								
	March 31, 2018			December 31, 2017			March 31, 2017		
$ in thousands	Core	Non-Core	Total	Core	Non-Core	Total	Core	Non-Core	Total
FFO									
Net income (loss)	$ 5,083	$ (5,335)	$ (252)	$ (11,011)	$ (5,102)	$ (16,113)	$ 1,621	$ 3,947	$ 5,568
Real estate depreciation and amortization	31,192	865	32,057	31,676	863	32,539	28,697	807	29,504
FFO	**36,275**	**(4,470)**	**31,805**	**20,665**	**(4,239)**	**16,426**	**30,318**	**4,754**	**35,072**
Preferred stock dividends	(328)	-	(328)	-	-	-	-	-	-
FFO available to common shareholders & OP unit holders	**35,947**	**(4,470)**	**31,477**	**20,665**	**(4,239)**	**16,426**	**30,318**	**4,754**	**35,072**
Debt restructuring costs	-	-	-	19,992	-	19,992	-	-	-
Restructuring costs	-	8,530	8,530	-	-	-	-	-	-
Transaction, integration and impairment costs	920	-	920	303	9,146	9,449	336	-	336
Tax benefit associated with transaction and integration costs	-	(1,635)	(1,635)	-	-	-	-	-	-
Operating FFO available to common shareholders & OP unit holders*	**36,867**	**2,425**	**39,292**	**40,960**	**4,907**	**45,867**	**30,654**	**4,754**	**35,408**
Maintenance Capex	(930)	-	(930)	(848)	-	(848)	(796)	-	(796)
Leasing commissions paid	(5,839)	(71)	(5,910)	(5,840)	(459)	(6,299)	(3,749)	(420)	(4,169)
Amortization of deferred financing costs and bond discount	962	-	962	925	-	925	980	-	980
Non real estate depreciation and amortization	2,148	1,709	3,857	2,571	2,030	4,601	2,285	2,158	4,443
Straight line rent revenue and expense and other	(2,509)	(9)	(2,518)	(2,054)	-	(2,054)	(1,127)	-	(1,127)
Tax benefit from operating results	(767)	-	(767)	(3,879)	(495)	(4,374)	(1,893)	372	(1,521)
Equity-based compensation expense	3,481	-	3,481	2,933	423	3,356	2,730	352	3,082
Adjusted Operating FFO available to common shareholders & OP unit holders*	**$ 33,413**	**$ 4,054**	**$ 37,467**	**$ 34,768**	**$ 6,406**	**$ 41,174**	**$ 29,084**	**$ 7,216**	**$ 36,300**

**The company's calculations of Operating FFO and Adjusted Operating FFO may not be comparable to Operating FFO and Adjusted Operating FFO as calculated by other REITs that do not use the same definition*

MRR Reconciliation

$ in thousands	Three Months Ended March 31, 2018 Core	March 31, 2018 Non-Core	March 31, 2018 Total	December 31, 2017 Core	December 31, 2017 Non-Core	December 31, 2017 Total	March 31, 2017 Core	March 31, 2017 Non-Core	March 31, 2017 Total
Recognized MRR in the period									
Total period revenues (GAAP basis)	$ 100,390	$ 13,307	$ 113,697	$ 100,617	$ 18,294	$ 118,911	$ 86,876	$ 19,088	$ 105,964
Less: Total period recoveries	(11,513)	-	(11,513)	(11,052)	-	(11,052)	(8,360)	-	(8,360)
Total period deferred setup fees	(2,888)	(5)	(2,893)	(2,979)	-	(2,979)	(2,616)	-	(2,616)
Total period straight line rent and other	(3,899)	(552)	(4,451)	(7,287)	(2,156)	(9,443)	(2,086)	(1,033)	(3,119)
Recognized MRR in the period	**82,090**	**12,750**	**94,840**	**79,299**	**16,138**	**95,437**	**73,814**	**18,055**	**91,869**
MRR at period end									
Total period revenues (GAAP basis)	$ 100,390	$ 13,307	$ 113,697	$ 100,617	$ 18,294	$ 118,911	$ 86,876	$ 19,088	$ 105,964
Less: Total revenues excluding last month	(66,790)	(8,871)	(75,661)	(66,550)	(12,196)	(78,746)	(58,214)	(12,725)	(70,939)
Total revenues for last month of period	33,600	4,436	38,036	34,067	6,098	40,165	28,662	6,363	35,025
Less: Last month recoveries	(3,107)	-	(3,107)	(3,175)	-	(3,175)	(2,760)	-	(2,760)
Last month deferred setup fees	(962)	(2)	(964)	(1,123)	-	(1,123)	(898)	-	(898)
Last month straight line rent and other	(1,669)	(382)	(2,051)	(2,594)	(1,565)	(4,159)	357	(1,290)	(933)
MRR at period end	**$ 27,862**	**$ 4,052**	**$ 31,914**	**$ 27,175**	**$ 4,533**	**$ 31,708**	**$ 25,361**	**$ 5,073**	**$ 30,434**

Core & Non-Core Reconciliation[1]

$ in thousands	Three Months Ended March 31, 2018			Three Months Ended December 31, 2017			Three Months Ended March 31, 2017		
Selected Income Statement Data	**Core**	**Non-Core**	**Total**	**Core**	**Non-Core**	**Total**	**Core**	**Non-Core**	**Total**
Total Revenues	$ 100,390	$ 13,307	$ 113,697	$ 100,617	$ 18,294	$ 118,911	$ 86,876	$ 19,088	$ 105,964
Less: Operating costs	35,598	5,047	40,645	36,154	7,795	43,949	31,645	6,923	38,568
Net operating income	**64,792**	**8,260**	**73,052**	**64,463**	**10,499**	**74,962**	**55,231**	**12,165**	**67,396**
Less: General & administrative expenses (excluding equity-based compensation expense)	14,633	4,119	18,752	13,830	3,634	17,464	14,587	4,529	19,116
Adjusted EBITDA	**50,159**	**4,141**	**54,300**	**50,633**	**6,865**	**57,498**	**40,644**	**7,636**	**48,280**
Less:									
Equity-based compensation expense	3,481	—	3,481	2,933	423	3,356	2,730	352	3,082
Interest income	(1)	—	(1)	(1)	—	(1)	(1)	—	(1)
Interest expense	8,103	7	8,110	8,049	—	8,049	6,869	—	6,869
Tax benefit from operating results	(767)	—	(767)	(3,879)	(495)	(4,374)	(1,893)	372	(1,521)
Non real estate depreciation and amortization	2,148	1,709	3,857	2,571	2,030	4,601	2,285	2,158	4,443
Preferred stock dividends	328	—	328	—	—	—	—	—	—
Operating FFO available to common shareholders & OP unit holders	**36,867**	**2,425**	**39,292**	**40,960**	**4,907**	**45,867**	**30,654**	**4,754**	**35,408**
OFFO per share	**$ 0.64**	**$ 0.04**	**$ 0.68**	**$ 0.71**	**$ 0.08**	**$ 0.79**	**$ 0.55**	**$ 0.09**	**$ 0.64**
Adjustments:									
Transaction, integration and impairment costs	(920)	—	(920)	(303)	(9,146)	(9,449)	(336)	—	(336)
Restructuring costs	—	(8,530)	(8,530)	—	—	—	—	—	—
Debt restructuring costs	—	—	—	(19,992)	—	(19,992)	—	—	—
Tax benefit associated with transaction and integration costs	—	1,635	1,635	—	—	—	—	—	—
Real estate depreciation and amortization	(31,192)	(865)	(32,057)	(31,676)	(863)	(32,539)	(28,697)	(807)	(29,504)
Preferred stock dividends	328	—	328	—	—	—	—	—	—
Net income (loss)	$ 5,083	$ (5,335)	$ (252)	$ (11,011)	$ (5,102)	$ (16,113)	$ 1,621	$ 3,947	$ 5,568

1. In conjunction with its previously announced strategic growth plan, QTS has realigned its product offerings around Hyperscale and Hybrid Colocation, while exiting certain of its C3-Cloud and Managed Services offerings, as well as colocation revenue attached to certain customers in the Cloud and Managed Services business that we expect will not remain with QTS post transition (collectively "Non-Core" operations). QTS has realigned various information included in this presentation to focus its guidance and key performance metrics around its Core business, which primarily consists of its Hyperscale and Hybrid Colocation businesses, along with technology and services from its Cloud and Managed Services business that support Hyperscale and Hybrid Colocation customers, which together will be the Company's primary business following the completion of the strategic growth plan.