CYRUSONE INC.

FORM 8-K
(Current report filing)

Filed 08/03/17 for the Period Ending 08/02/17

Address	2101 CEDAR SPRINGS ROAD SUITE 900 DALLAS, TX 75201
Telephone	(972) 350-0060
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SIC Code	6798 - Real Estate Investment Trusts
Industry	Specialized REITs
Sector	Financials
Fiscal Year	12/31

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

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): **August 2, 2017**

CYRUSONE INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland	**001-35789**	**46-0691837**
(State of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2101 Cedar Springs Road, Suite 900
Dallas, TX 75201
(Address of Principal Executive Office)

Registrant’s telephone number, including area code: **(972) 350-0060**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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. ☐

Item 2.02 Results of Operations and Financial Condition

On August 2, 2017, CyrusOne Inc. issued a press release announcing financial results and supplemental information for the second quarter ended June 30, 2017. A copy of the press release and supplemental information is furnished herewith as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure

During a webcast scheduled to be held at 11:00 a.m. Eastern time on August 3, 2017, Gary J. Wojtaszek, the Company's president and chief executive officer, and Diane M. Morefield, the Company's chief financial officer, will discuss the Company's second quarter 2017 results and outlook for 2017. The slide presentation for the webcast will be available on the investors page of the Company's website. To access the webcast and corresponding slide presentation, go to the investors page at http://investor.cyrusone.com/index.cfm . An audio replay of the webcast will also be available on the investors page at http://investor.cyrusone.com/index.cfm .

The information in Items 2.02 and 7.01 of this Current Report on Form 8-K and the exhibits furnished therewith shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, and shall not be or be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, regardless of any general incorporation language in such filing.

Item 9.01 — Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated August 2, 2017

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 hereunto duly authorized.

Date: August 2, 2017	CYRUSONE INC.	
	By:	/s/ Robert M. Jackson
		Robert M. Jackson
		Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated August 2, 2017

2Q 2017 Earnings Release and Supplemental Information

Northern Virginia – Sterling V
21350 Pacific Blvd. – Sterling, VA 20166

Quarter Ending June 30, 2017

CyrusOne
Built for Tomorrow. Ready Today.

CyrusOne Investor Relations
Michael Schafer
Vice President, Capital Markets & Investor Relations
972-350-0060
investorrelations@cyrusone.com

2Q 2017 Earnings Release and Supplemental Information

Table of Contents

Earnings Release.... 3
Company Profile and Analyst Coverage.... 8
Consolidated Statements of Operations.... 9
Consolidated Balance Sheets....10
Consolidated Statements of Operations (5 quarters)....11
Consolidated Balance Sheets (5 quarters)....12
Consolidated Statements of Cash Flow....13
NOI and Reconciliation of Net Income (Loss) to Adjusted EBITDA and NOI.. 14
Reconciliation of Net Income (Loss) to FFO and Normalized FFO....15
Market Cap Summary, Reconciliation of Net Debt, and Debt Schedule....16
Colocation Square Footage (CSF) and Utilization....17
2017 Guidance....18
Data Center Portfolio....19
NRSF Under Development / Land Available for Future Development....21
Leasing Statistics - Lease Signings....22
Customer Sector Diversification....23
Lease Distribution....24
Lease Expirations....25

Quarter Ending June 30, 2017

CyrusOne
Built for Tomorrow. Ready Today.

Exhibit 99.1

CyrusOne Reports Second Quarter 2017 Earnings

Signed $30 Million in Annualized GAAP Revenue
Year-over-Year Revenue Growth of 28%
Increasing Normalized FFO per share Guidance Range

DALLAS (August 2, 2017) - CyrusOne Inc. (NASDAQ: CONE), a premier global data center REIT, today announced second quarter 2017 earnings.

Highlights

Category	2Q'17	% Change vs. 2Q'16
Revenue	$166.9 million	28%
Net income / (loss)	$(0.8) million	n/m
Adjusted EBITDA	$90.8 million	30%
Normalized FFO	$67.9 million	28%
Net income / (loss) per share	$(0.01)	n/m
Normalized FFO per share	$0.77	15%

- Leased 17 megawatts (MW) and 136,000 colocation square feet (CSF) in the second quarter totaling $30 million in annualized GAAP revenue
  - Signed 451 leases in the second quarter, the second highest quarterly total in the Company's history
- Backlog of $49 million in annualized GAAP revenue as of the end of the second quarter, representing more than $390 million in total contract value
- Amended our senior unsecured credit agreement, increasing the total size of the facility by $450 million to $2.0 billion and gaining additional flexibility to pursue various initiatives, including joint ventures and international expansion
- Raised $197.5 million in net equity proceeds through our at-the-market equity program
- Closed the previously announced acquisition of 48 acres of land in Quincy, Washington, extending the Company's presence to the Pacific Northwest and positioning it to offer what it believes to be one of the lowest cost data center solutions in the country

"We had another outstanding quarter with continued strong financial results and growth rates significantly higher than those of most other REITs. The leasing volume of $30 million annualized reflects the tremendous efforts of our Sales team and the strength of our customer relationships across all industry verticals," said Gary Wojtaszek, president and chief executive officer of CyrusOne. "We believe this digital wave will continue for years to come as the secular demand drivers remain intact, and I am excited about the position we are in to capitalize on these opportunities and generate attractive returns for our shareholders."

Second Quarter 2017 Financial Results

Net loss was $(0.8) million for the second quarter, compared to net income of $9.1 million in the same period in 2016. Normalized Funds From Operations (Normalized FFO) [1] was $67.9 million for the second quarter, compared to $53.1 million in the same period in 2016, an increase of 28%. Net loss per basic and diluted common share [2] was $(0.01) in the second quarter of 2017, compared to net income of $0.11 per basic and diluted common share in the same period in 2016. Normalized FFO per basic and diluted common share was $0.77 in the second quarter of 2017, an increase of 15% over second quarter 2016.

Revenue was $166.9 million for the second quarter, compared to $130.1 million for the same period in 2016, an increase of 28%. The increase in revenue was driven primarily by a 35% increase in leased CSF and additional interconnection services. Net operating income (NOI) [3] was $107.3 million for the second quarter, compared to $85.3 million in the same period in 2016, an increase of 26%. Adjusted EBITDA [4] was $90.8 million for the second quarter, compared to $69.7 million in the same period in 2016, an increase of 30%.

Leasing Activity

CyrusOne leased approximately 17 MW of power and 136,000 CSF in the second quarter, representing $2.5 million in monthly recurring rent inclusive of the monthly impact of installation charges, or approximately $30 million in annualized GAAP revenue [5] excluding estimates for pass-through power. The weighted average lease term of the new leases based on square footage is 86 months (7.2 years), and the weighted average remaining lease term of CyrusOne's portfolio is 57 months (taking into account the impact of the backlog), an increase of 23 months compared to December 31, 2015. Recurring rent churn [6] for the second quarter was 0.8%, compared to 2.7% for the same period in 2016.

Portfolio Utilization and Development

In the second quarter, the Company completed construction on approximately 99,000 CSF and 21 MW of power capacity in Northern Virginia, Dallas and Cincinnati, increasing total CSF across 40 data centers to approximately 2,575,000 CSF. This represents an increase of 570,000 CSF, or 28%, from June 30, 2016. CSF utilization [7] as of the end of the second quarter was 93% for stabilized properties [8] and 89% overall. The Company has development projects underway in Phoenix, Northern Virginia, Chicago, Dallas, San Antonio, Austin and the New York Metro area that are expected to add approximately 477,000 CSF and 73 MW of power capacity.

Balance Sheet and Liquidity

As of June 30, 2017, the Company had gross assets [9] totaling approximately $4.5 billion, an increase of approximately 49% over gross assets as of June 30, 2016. CyrusOne had $1,857.7 million of long-term debt [10], cash and cash equivalents of $40.0 million, and $933.8 million available under its unsecured revolving credit facility as of June 30, 2017. Net debt [10] was $1,829.4 million as of June 30, 2017, representing approximately 26% of the Company's total enterprise value of $6.9 billion, or 5.0x Adjusted EBITDA for the last quarter annualized. Available liquidity [11] was $973.8 million as of June 30, 2017.

In June 2017, CyrusOne's operating partnership entered into an amendment to its senior unsecured credit agreement that increased the total size of the facility by $450 million to a total of $2.0 billion and provided additional flexibility to pursue various initiatives, including joint venture and international expansion. The amendment increased the size of the term loan maturing in January 2022 from $300 million to $650 million and expanded the revolving credit facility by $100 million to $1.1 billion. Proceeds from the $350 million term loan increase were used to pay down borrowings under the revolving credit facility.

Additionally, during the second quarter, the Company sold approximately 3.6 million shares of its common stock through its at-the-market equity program at an average price of $56.03, raising $197.5 million in net equity proceeds. The Company has approximately $93 million in remaining capacity under the original program authorization.

Dividend

On May 3, 2017, the Company announced a dividend of $0.42 per share of common stock for the second quarter of 2017. The dividend was paid on July 14, 2017, to stockholders of record at the close of business on June 30, 2017.

Additionally, today the Company is announcing a dividend of $0.42 per share of common stock for the third quarter of 2017. The dividend will be paid on October 13, 2017, to stockholders of record at the close of business on September 29, 2017.

Land Acquisition in Allen, TX

Subsequent to the end of the second quarter of 2017, CyrusOne purchased 66 acres of land in Allen, Texas, to support growth in the Dallas market. The Company also has an option to acquire an additional 24 acres of adjacent land.

Guidance

CyrusOne is updating guidance for full year 2017, increasing the ranges for Normalized FFO per diluted common share and Capital Expenditures. The annual guidance provided below represents forward-looking statements, which are based on current economic conditions, internal assumptions about the Company's existing customer base, and the supply and demand dynamics of the markets in which CyrusOne operates.

CyrusOne does not provide reconciliations for the non-GAAP financial measures included in the annual guidance provided below due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including net income (loss) and adjustments that could be made for transaction and acquisition integration costs, legal claim costs, lease exit costs, asset impairments and loss on disposals and other charges in its reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

Category	Previous 2017 Guidance [1]	Revised 2017 Guidance [1][2]
Total Revenue	$666 - 681 million	$666 - 681 million
Base Revenue	$591 - 601 million	$591 - 601 million
Metered Power Reimbursements	$75 - 80 million	$75 - 80 million
Adjusted EBITDA	$364 - 374 million	$364 - 374 million
Normalized FFO per diluted common share	$2.95 - 3.05	$3.00 - 3.10
Capital Expenditures	$600 - 650 million	$700 - 750 million
Development	$595 - 640 million	$695 - 740 million
Recurring	$5 - 10 million	$5 - 10 million

(1) Full year 2017 guidance includes the impact of the Sentinel data center acquisition from 3/1-12/31
(2) Includes impact of approximately 3.6 million shares issued in 2Q'17, with approximately 91.3 million shares outstanding as of June 30, 2017.

Upcoming Conferences and Events

- Cowen and Company 3rd Annual Communications Infrastructure Summit on August 7-8 in Boulder, Colorado

Conference Call Details

CyrusOne will host a conference call on August 3, 2017, at 11:00 AM Eastern Time (10:00 AM Central Time) to discuss its results for the second quarter of 2017. A live webcast of the conference call and the presentation to be made during the call will be available under the "Company" tab in the "Investors / Events and Presentations" section of the Company's website at http://investor.cyrusone.com/events.cfm . The U.S. conference call dial-in number is 1-844-492-3731, and the international dial-in number is 1-412-542-4121. A replay will be available one hour after the conclusion of the earnings call on August 3, 2017, through August 17, 2017. The U.S. toll-free replay dial-in number is 1-877-344-7529 and the international replay dial-in number is 1-412-317-0088. The replay access code is 10109684.

Safe Harbor

This release and the documents incorporated by reference herein contain forward-looking statements regarding future events and our future results that are subject to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "predicts," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "endeavors," "strives," "may," variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned these forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially and adversely from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this release and those discussed in other documents we file with the Securities and Exchange Commission (SEC). More information on potential risks and uncertainties is available in our recent filings with the SEC, including CyrusOne's Form 10-K report, Form 10-Q reports, and Form 8-K reports. Actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

Use of Non-GAAP Financial Measures

This press release contains certain non-GAAP financial measures that management believes are helpful in understanding the Company's business, as further discussed within this press release. These financial measures, which include Funds From Operations, Normalized Funds From Operations, Adjusted EBITDA, Net Operating Income, Adjusted Net Operating Income, and Net Debt should not be construed as being more important than comparable GAAP measures. Detailed reconciliations of these non-GAAP financial measures to comparable GAAP financial measures have been included in the tables that accompany this release and are available in the Investor Relations section of www.cyrusone.com .

Management uses FFO, Normalized FFO, Adjusted EBITDA, NOI, and Adjusted NOI as supplemental performance measures because they provide performance measures that, when compared year over year, capture trends in occupancy rates, rental rates and operating costs. The Company also believes that, as widely recognized measures of the performance of real estate investment trusts (REITs) and other companies, these measures will be used by investors as a basis to compare its operating performance with that of other companies. Other companies may not calculate these measures in the same manner, and, as presented, they may not be comparable to others. Therefore, FFO, Normalized FFO, NOI, Adjusted NOI, and Adjusted EBITDA should be considered only as supplements to net income as measures of our performance. FFO, Normalized FFO, NOI, Adjusted NOI, and Adjusted EBITDA should not be used as measures of liquidity or as indicative of funds available to fund the Company's cash needs, including the ability to pay dividends. These measures also should not be used as substitutes for cash flow from operating activities computed in accordance with U.S. GAAP.

[1] Normalized Funds From Operations (Normalized FFO) is defined as Funds From Operations (FFO) plus amortization of customer relationship intangibles, transaction and acquisition integration costs, legal claim costs and lease exit costs, and other special items including loss on extinguishment of debt, severance and management transition costs, and new accounting standards and systems implementation costs, as appropriate. FFO is net (loss) income computed in accordance with U.S. GAAP before real estate depreciation and amortization and Asset impairments and loss on disposal. Because the value of the customer relationship intangibles is inextricably connected to the real estate acquired, CyrusOne believes the amortization of such intangibles and impairments of such intangibles is analogous to real estate depreciation and impairments; therefore, the Company adds the customer relationship intangible amortization and impairments back for similar treatment with real estate depreciation and impairments. The Company believes its Normalized FFO calculation provides a comparable measure to that used by others in the industry. However, other REITs may not calculate Normalized FFO in the same manner. Accordingly, the Company’s Normalized FFO may not be comparable to others.

[2] Net loss per common share is defined as net loss divided by the weighted average common shares outstanding for the period, which were 88,097,529 for the second quarter of 2017.

[3] Net Operating Income (NOI) is defined as revenue less property operating expenses. Amortization of deferred leasing costs is presented in depreciation and amortization, which is excluded from NOI. CyrusOne has not historically incurred any tenant improvement costs. Our sales and marketing costs consist of salaries and benefits for our internal sales staff, travel and entertainment, office supplies, marketing and advertising costs. General and administrative costs include salaries and benefits of our senior management and support functions, legal and consulting costs, and other administrative costs. Marketing and advertising costs are not property-specific, rather these costs support our entire portfolio. As a result, we have excluded these marketing and advertising costs from our NOI calculation, consistent with the treatment of general and administrative costs, which also support our entire portfolio. From time to time, there may be non-recurring costs in property operating expenses, and as a result the Company may present Adjusted Net Operating Income (Adjusted NOI) to exclude the impacts of those costs.

[4] Adjusted EBITDA is defined as net income (loss) as defined by U.S. GAAP plus interest expense, income tax (benefit) expense, depreciation and amortization, stock-based compensation, transaction and integration costs, severance and management transition costs, asset impairments and (gain) loss on disposals, lease exit costs, legal claim costs and other special items. Other companies may not calculate Adjusted EBITDA in the same manner. Accordingly, the Company's Adjusted EBITDA as presented may not be comparable to others.

[5] Annualized GAAP revenue is equal to monthly recurring rent, defined as average monthly contractual rent during the term of the lease plus the monthly impact of installation charges, multiplied by 12. It can be shown both inclusive and exclusive of the Company’s estimate of customer reimbursements for metered power.

[6] Recurring rent churn is calculated as any reduction in recurring rent due to customer terminations, service reductions or net pricing decreases as a percentage of rent at the beginning of the period, excluding any impact from metered power reimbursements or other usage-based billing.

[7] Utilization is calculated by dividing CSF under signed leases for available space (whether or not the contract has commenced billing) by total CSF. CSF Utilized differs from CSF Leased presented in the Data Center Portfolio table because the utilization rate includes CSF for signed leases that have not commenced billing.

[8] Stabilized properties include data halls that have been in service for at least 24 months or are at least 85% utilized.

[9] Gross asset value is defined as total assets plus accumulated depreciation.

[10] Long-term debt and net debt exclude adjustments for deferred financing costs. Net debt provides a useful measure of liquidity and financial health. The Company defines net debt as long-term debt and capital lease obligations, offset by cash and cash equivalents.

[11] Liquidity is calculated as cash, cash equivalents, and temporary cash investments on hand, plus the undrawn capacity on CyrusOne's revolving credit facility.

About CyrusOne

CyrusOne (NASDAQ: CONE) is a high-growth real estate investment trust (REIT) specializing in highly reliable enterprise-class, carrier-neutral data center properties. The Company provides mission-critical data center facilities that protect and ensure the continued operation of IT infrastructure for nearly 1,000 customers, including 190 Fortune 1000 companies.

CyrusOne's data center offerings provide the flexibility, reliability, and security that enterprise and cloud customers require and are delivered through a tailored, customer service-focused platform designed to foster long-term relationships. CyrusOne is committed to full transparency in communication, management, and service delivery throughout its 40 data centers worldwide.

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Investor Relations:
Michael Schafer
Vice President, Capital Markets & Investor Relations
972-350-0060
investorrelations@cyrusone.com

Company Profile

CyrusOne (NASDAQ: CONE) specializes in highly reliable enterprise-class, carrier-neutral data center properties. The Company provides mission-critical data center facilities that protect and ensure the continued operation of IT infrastructure for nearly 1,000 customers, including 190 Fortune 1000 companies. CyrusOne's data center offerings provide the flexibility, reliability, and security that enterprise customers require and are delivered through a tailored, customer service-focused platform designed to foster long-term relationships. CyrusOne is committed to full transparency in communication, management, and service delivery throughout its 40 data centers worldwide.

- *Best-in-Class Sales Force*
- *Flexible Solutions that Scale as Customers Grow*
- *Massively Modular® Engineering with Data Hall Builds in 10-14 Weeks*
- *Focus on Operational Excellence and Superior Customer Service*
- *Proven Leading-Edge Technology Delivering Power Densities up to 900 Watts per Square Foot*
- *National IX Replicates Enterprise Data Center Architecture*

Corporate Headquarters	Senior Management	
2101 Cedar Springs Road, Ste. 900	Gary Wojtaszek, President and CEO	Robert Jackson, EVP General Counsel & Secretary
Dallas, Texas 75201	Diane Morefield, EVP & Chief Financial Officer	John Hatem, EVP Design, Construction & Operations
Phone: (972) 350-0060	Kevin Timmons, EVP & Chief Technology Officer	Blake Hankins, Chief Information Officer
Website: www.cyrusone.com	Tesh Durvasula, EVP & Chief Commercial Officer	John Gould, EVP Global Sales
	Jonathan Schildkraut, EVP & Chief Strategy Officer	Brent Behrman, EVP Strategic Sales
	Kellie Teal-Guess, EVP & Chief People Officer	Amitabh Rai, SVP & Chief Accounting Officer

Analyst Coverage

Firm	Analyst	Phone Number
Bank of America Merrill Lynch	Michael J. Funk	(646) 855-5664
Barclays	Amir Rozwadowski	(212) 526-4043
Citi	Mike Rollins	(212) 816-1116
Cowen and Company	Colby Synesael	(646) 562-1355
Credit Suisse	Sami Badri	(212) 538-1727
Deutsche Bank	Vin Chao	(212) 250-6799
Gabelli & Company	Sergey Dluzhevskiy	(914) 921-8355
Guggenheim Securities, LLC	Robert Gutman	(212) 518-9148
Jefferies	Jonathan Petersen	(212) 284-1705
J.P. Morgan	Richard Choe	(212) 622-6708
KeyBanc Capital Markets	Jordan Sadler	(917) 368-2280
Morgan Stanley	Simon Flannery	(212) 761-6432
Macquarie Capital (USA) Inc.	Andrew DeGasperi	(212) 231-0649
MUFG Securities	Stephen Bersey	(212) 405-7032
RBC Capital Markets	Jonathan Atkin	(415) 633-8589
Raymond James	Frank G. Louthan IV	(404) 442-5867
Stifel	Matthew S. Heinz, CFA	(443) 224-1382
SunTrust Robinson Humphrey	Greg Miller	(212) 303-4169
UBS	John C. Hodulik, CFA	(212) 713-4226
Wells Fargo	Eric Luebchow	(312) 630-2386

CyrusOne Inc.
Condensed Consolidated Statements of Operations
(Dollars in millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Change $	Change %	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Change $	Change %
Revenue:								
Base revenue and other	$ 151.1	$ 118.2	$ 32.9	28 %	$ 285.3	$ 224.7	$ 60.6	27 %
Metered power reimbursements	15.8	11.9	3.9	33 %	30.9	23.2	7.7	33 %
Revenue	**$ 166.9**	**$ 130.1**	**$ 36.8**	**28 %**	**316.2**	**247.9**	**68.3**	**28 %**
Costs and expenses:								
Property operating expenses	59.6	44.8	14.8	33 %	111.9	85.1	26.8	31 %
Sales and marketing	4.3	4.2	0.1	2 %	9.2	8.2	1.0	12 %
General and administrative	17.3	14.9	2.4	16 %	33.1	28.9	4.2	15 %
Depreciation and amortization	63.7	44.7	19.0	43 %	119.4	84.0	35.4	42 %
Transaction and acquisition integration costs	1.7	0.4	1.3	n/m	2.3	2.7	(0.4)	(15)%
Asset impairments and loss on disposal	3.6	—	3.6	n/m	3.8	—	3.8	n/m
Total costs and expenses	150.2	109.0	41.2	38 %	279.7	208.9	70.8	34 %
Operating income	**16.7**	**21.1**	**(4.4)**	**(21)%**	**36.5**	**39.0**	**(2.5)**	**(6)%**
Interest expense	16.5	11.5	5.0	43 %	30.1	23.6	6.5	28 %
Loss on extinguishment of debt	0.3	—	0.3	n/m	36.5	—	36.5	n/m
Net (loss) income before income taxes	**(0.1)**	**9.6**	**(9.7)**	**n/m**	**(30.1)**	**15.4**	**(45.5)**	**n/m**
Income tax expense	(0.7)	(0.5)	(0.2)	40 %	(1.1)	(0.7)	(0.4)	57 %
Net (loss) income	**$ (0.8)**	**$ 9.1**	**$ (9.9)**	**n/m**	**$ (31.2)**	**$ 14.7**	**$ (45.9)**	**n/m**
(Loss) income per share - basic and diluted	**$ (0.01)**	**$ 0.11**	**$ (0.12)**	**n/m**	**$ (0.37)**	**$ 0.19**	**$ (0.56)**	**n/m**

CyrusOne Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions)
(Unaudited)

	June 30, 2017	December 31, 2016	Change $	Change %
Assets				
Investment in real estate:				
Land	$ 160.0	$ 142.7	$ 17.3	12 %
Buildings and improvements	1,291.7	1,008.9	282.8	28 %
Equipment	1,525.3	1,042.9	482.4	46 %
Construction in progress	555.8	407.1	148.7	37 %
Subtotal	3,532.8	2,601.6	931.2	36 %
Accumulated depreciation	(679.6)	(578.5)	(101.1)	17 %
Net investment in real estate	2,853.2	2,023.1	830.1	41 %
Cash and cash equivalents	40.0	14.6	25.4	n/m
Rent and other receivables, net	93.4	83.3	10.1	12 %
Restricted cash	0.8	—	0.8	n/m
Goodwill	455.1	455.1	—	— %
Intangible assets, net	216.3	150.2	66.1	44 %
Other assets	157.8	126.1	31.7	25 %
Total assets	**$ 3,816.6**	**$ 2,852.4**	**$ 964.2**	**34 %**
Liabilities and Equity				
Accounts payable and accrued expenses	$ 276.0	$ 227.1	$ 48.9	22 %
Deferred revenue	96.5	76.7	19.8	26 %
Capital lease obligations	11.7	10.8	0.9	8 %
Long-term debt, net	1,832.5	1,240.1	592.4	48 %
Lease financing arrangements	134.0	135.7	(1.7)	(1)%
Total liabilities	2,350.7	1,690.4	660.3	39 %
Equity:				
Preferred stock, $.01 par value, 100,000,000 authorized; no shares issued or outstanding	—	—	—	— %
Common stock, $.01 par value, 500,000,000 shares authorized and 91,291,228 and 83,536,250 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	0.9	0.8	0.1	13 %
Additional paid in capital	1,821.9	1,412.3	409.6	29 %
Accumulated deficit	(355.7)	(249.8)	(105.9)	42 %
Accumulated other comprehensive loss	(1.2)	(1.3)	0.1	— %
Total stockholders' equity	1,465.9	1,162.0	303.9	26 %
Total liabilities and equity	**$ 3,816.6**	**$ 2,852.4**	**$ 964.2**	**34 %**

CyrusOne Inc.
Condensed Consolidated Statements of Operations
(Dollars in millions, except per share amounts)
(Unaudited)

For the three months ended:	**June 30, 2017**	**March 31, 2017**	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**
Revenue:					
Base revenue and other	$ 151.1	$ 134.2	$ 123.2	$ 128.8	$ 118.2
Metered power reimbursements	15.8	15.1	14.2	15.0	11.9
Revenue	**166.9**	**149.3**	**137.4**	**143.8**	**130.1**
Costs and expenses:					
Property operating expenses	59.6	52.3	47.8	54.6	44.8
Sales and marketing	4.3	4.9	4.0	4.7	4.2
General and administrative	17.3	15.8	17.9	13.9	14.9
Depreciation and amortization	63.7	55.7	49.3	50.6	44.7
Transaction and acquisition integration costs	1.7	0.6	0.4	1.2	0.4
Asset impairments and loss on disposal	3.6	0.2	5.3	—	—
Total costs and expenses	150.2	129.5	124.7	125.0	109.0
Operating income	**16.7**	**19.8**	**12.7**	**18.8**	**21.1**
Interest expense	16.5	13.6	11.4	13.8	11.5
Loss on extinguishment of debt	0.3	36.2	—	—	—
Net (loss) income before income taxes	**(0.1)**	**(30.0)**	**1.3**	**5.0**	**9.6**
Income tax expense	(0.7)	(0.4)	(0.5)	(0.6)	(0.5)
Net (loss) income	**$ (0.8)**	**$ (30.4)**	**$ 0.8**	**$ 4.4**	**$ 9.1**
(Loss) income per share - basic and diluted	**$ (0.01)**	**$ (0.36)**	**$ 0.01**	**$ 0.05**	**$ 0.11**

CyrusOne Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions)
(Unaudited)

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Assets					
Investment in real estate:					
Land	$ 160.0	$ 156.9	$ 142.7	$ 143.1	$ 122.9
Buildings and improvements	1,291.7	1,270.9	1,008.9	1,009.3	995.2
Equipment	1,525.3	1,438.0	1,042.9	976.9	917.8
Construction in progress	555.8	371.7	407.1	304.0	178.9
Subtotal	3,532.8	3,237.5	2,601.6	2,433.3	2,214.8
Accumulated depreciation	(679.6)	(625.9)	(578.5)	(546.4)	(503.2)
Net investment in real estate	2,853.2	2,611.6	2,023.1	1,886.9	1,711.6
Cash and cash equivalents	40.0	20.4	14.6	11.0	13.2
Rent and other receivables, net	93.4	89.4	83.3	73.0	66.4
Restricted cash	0.8	0.6	—	—	0.3
Goodwill	455.1	455.1	455.1	455.1	453.4
Intangible assets, net	216.3	223.1	150.2	155.8	160.6
Other assets	157.8	143.6	126.1	114.5	105.8
Total assets	**$ 3,816.6**	**$ 3,543.8**	**$ 2,852.4**	**$ 2,696.3**	**$ 2,511.3**
Liabilities and Equity					
Accounts payable and accrued expenses	$ 276.0	$ 268.2	$ 227.1	$ 214.6	$ 163.7
Deferred revenue	96.5	93.3	76.7	72.5	71.7
Capital lease obligations	11.7	12.4	10.8	11.9	10.9
Long-term debt, net	1,832.5	1,731.8	1,240.1	1,065.7	1,096.2
Lease financing arrangements	134.0	134.5	135.7	141.9	144.3
Total liabilities	2,350.7	2,240.2	1,690.4	1,506.6	1,486.8
Equity:					
Preferred stock, $.01 par value, 100,000,000 authorized; no shares issued or outstanding	—	—	—	—	—
Common stock, $.01 par value, 500,000,000 shares authorized and 91,291,228 and 83,536,250 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	0.9	0.9	0.8	0.8	0.8
Additional paid in capital	1,821.9	1,620.5	1,412.3	1,408.9	1,215.7
Accumulated deficit	(355.7)	(316.5)	(249.8)	(218.8)	(191.5)
Accumulated other comprehensive loss	(1.2)	(1.3)	(1.3)	(1.2)	(0.5)
Total stockholders' equity	1,465.9	1,303.6	1,162.0	1,189.7	1,024.5
Total liabilities and equity	**$ 3,816.6**	**$ 3,543.8**	**$ 2,852.4**	**$ 2,696.3**	**$ 2,511.3**

CyrusOne Inc.
Condensed Consolidated Statements of Cash Flow
(Dollars in millions)
(Unaudited)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
Cash flows from operating activities:				
Net (loss) income	$ (31.2)	$ 14.7	$ (0.8)	$ 9.1
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization	119.4	84.0	63.7	44.7
Non-cash interest expense and change in interest accrual	10.7	1.5	11.7	0.6
Stock-based compensation expense	7.7	6.2	4.0	3.2
Provision for bad debt	0.3	0.7	0.3	0.6
Loss on extinguishment of debt	36.5	—	0.3	—
Asset impairments and loss on disposal	3.8	—	3.6	—
Change in operating assets and liabilities:				
Rent receivables and other assets	(41.3)	(8.9)	(21.3)	(15.1)
Accounts payable and accrued expenses	(3.3)	1.7	1.6	1.7
Deferred revenues	18.9	(7.0)	3.2	(4.7)
Net cash provided by operating activities	**121.5**	**92.9**	**66.3**	**40.1**
Cash flows from investing activities:				
Capital expenditures – asset acquisitions, net of cash acquired	(492.3)	(131.1)	—	—
Capital expenditures – other development	(485.0)	(247.1)	(302.5)	(168.6)
Changes in restricted cash	(0.8)	1.2	(0.2)	0.4
Net cash used in investing activities	**(978.1)**	**(377.0)**	**(302.7)**	**(168.2)**
Cash flows from financing activities:				
Issuance of common stock	408.6	256.5	197.6	0.5
Stock issuance costs	—	(0.5)	—	(0.5)
Dividends paid	(69.1)	(52.9)	(36.7)	(30.1)
Borrowings from credit facility	1,010.0	415.0	570.0	95.0
Payments on credit facility	(737.3)	(315.0)	(467.3)	(10.0)
Payments on senior notes	(474.8)	—	—	—
Proceeds from issuance of debt	800.0	—	—	—
Payments on capital leases and lease financing arrangements	(4.8)	(4.4)	(2.5)	(1.3)
Debt issuance costs	(13.6)	(2.1)	(4.8)	—
Payment of debt extinguishment costs	(30.4)	—	(0.1)	—
Tax payment upon exercise of equity awards	(6.6)	(13.6)	(0.2)	—
Net cash provided by financing activities	**882.0**	**283.0**	**256.0**	**53.6**
Net increase (decrease) in cash and cash equivalents	25.4	(1.1)	19.6	(74.5)
Cash and cash equivalents at beginning of period	14.6	14.3	20.4	87.7
Cash and cash equivalents at end of period	**$ 40.0**	**$ 13.2**	**$ 40.0**	**$ 13.2**
Supplemental disclosures				
Cash paid for interest	$ 27.5	$ 27.2	$ 9.2	$ 21.0
Cash paid for income taxes	1.6	1.2	1.6	1.1
Capitalized interest	8.1	5.0	4.5	2.9
Non-cash investing and financing activities				
Acquisition and development of properties in accounts payable and other liabilities	163.4	77.4	163.4	77.4
Dividends payable	39.4	31.8	39.4	31.8
Debt issuance cost payable	0.1	—	0.1	—

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

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Change $	Change %	Three Months Ended June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Net Operating Income									
Revenue	$ 316.2	$ 247.9	$ 68.3	28%	$ 166.9	$ 149.3	$ 137.4	$ 143.8	$ 130.1
Property operating expenses	111.9	85.1	26.8	31%	59.6	52.3	47.8	54.6	44.8
Net Operating Income (NOI)	**$ 204.3**	**$ 162.8**	**$ 41.5**	**25%**	**$ 107.3**	**$ 97.0**	**$ 89.6**	**$ 89.2**	**$ 85.3**
NOI as a % of Revenue	*64.6%*	*65.7%*			*64.3%*	*65.0%*	*65.2%*	*62.0%*	*65.6%*
Reconciliation of Net (Loss) Income to Adjusted EBITDA:									
Net (loss) income	$ (31.2)	$ 14.7	$ (45.9)	n/m	$ (0.8)	$ (30.4)	$ 0.8	$ 4.4	$ 9.1
Interest expense	30.1	23.6	6.5	28%	16.5	13.6	11.4	13.8	11.5
Income tax expense	1.1	0.7	0.4	57%	0.7	0.4	0.5	0.6	0.5
Depreciation and amortization	119.4	84.0	35.4	42%	63.7	55.7	49.3	50.6	44.7
Transaction and acquisition integration costs	2.3	2.7	(0.4)	(15)%	1.7	0.6	0.4	1.2	0.4
Legal claim costs	0.8	0.5	0.3	60%	0.6	0.2	0.4	0.2	0.3
Stock-based compensation	7.7	6.2	1.5	24%	4.0	3.7	3.0	2.3	3.2
Severance and management transition costs	0.5	—	0.5	n/m	—	0.5	1.9	—	—
Loss on extinguishment of debt	36.5	—	36.5	n/m	0.3	36.2	—	—	—
New accounting standards and system implementation costs	0.5	—	0.5	n/m	0.5	—	—	—	—
Asset impairments and loss on disposals	3.8	—	3.8	n/m	3.6	0.2	5.3	—	—
Adjusted EBITDA	**$ 171.5**	**$ 132.4**	**$ 39.1**	**30%**	**$ 90.8**	**$ 80.7**	**$ 73.0**	**$ 73.1**	**$ 69.7**
Adjusted EBITDA as a % of Revenue	*54.2%*	*53.4%*			*54.4%*	*54.1%*	*53.1%*	*50.8%*	*53.6%*

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

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Change $	Change %	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Change $	Change %
Revenue	$ 166.9	$ 130.1	$ 36.8	28%	$ 316.2	$ 247.9	$ 68.3	28 %
Property operating expenses	59.6	44.8	14.8	33%	111.9	85.1	26.8	31 %
Net Operating Income	**$ 107.3**	**$ 85.3**	**$ 22.0**	**26%**	**$ 204.3**	**$ 162.8**	**$ 41.5**	**25 %**
Sales and marketing	4.3	4.2	0.1	2%	9.2	8.2	1.0	12 %
General and administrative	17.3	14.9	2.4	16%	33.1	28.9	4.2	15 %
Depreciation and amortization	63.7	44.7	19.0	43%	119.4	84.0	35.4	42 %
Transaction and acquisition integration costs	1.7	0.4	1.3	n/m	2.3	2.7	(0.4)	(15)%
Asset impairments and loss on disposal	3.6	—	3.6	n/m	3.8	—	3.8	n/m
Interest expense	16.5	11.5	5.0	43%	30.1	23.6	6.5	28 %
Loss on extinguishment of debt	0.3	—	0.3	n/m	36.5	—	36.5	n/m
Income tax expense	0.7	0.5	0.2	40%	1.1	0.7	0.4	57 %
Net (loss) income	**$ (0.8)**	**$ 9.1**	**$ (9.9)**	**n/m**	**$ (31.2)**	**$ 14.7**	**$ (45.9)**	**n/m**

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

	Six Months Ended				Three Months Ended				
	June 30,		Change		June 30,	March 31,	December 31,	September 30,	June 30,
	2017	2016	$	%	2017	2017	2016	2016	2016
Reconciliation of Net (Loss) Income to FFO and Normalized FFO:									
Net (loss) income	$ (31.2)	$ 14.7	$ (45.9)	n/m	$ (0.8)	$ (30.4)	$ 0.8	$ 4.4	$ 9.1
Real estate depreciation and amortization	104.0	71.4	32.6	46 %	55.3	48.7	42.0	44.2	38.4
Asset impairments and loss on disposal	3.8	—	3.8	n/m	3.6	0.2	5.3	—	—
Funds from Operations (FFO)	**$ 76.6**	**$ 86.1**	**$ (9.5)**	**(11)%**	**$ 58.1**	**$ 18.5**	**$ 48.1**	**$ 48.6**	**$ 47.5**
Loss on extinguishment of debt	36.5	—	36.5	n/m	0.3	36.2	—	—	—
New accounting standards and system implementation costs	0.5	—	0.5	n/m	0.5	—	—	—	—
Amortization of customer relationship intangibles	11.9	9.7	2.2	23 %	6.7	5.2	5.6	4.8	4.9
Transaction and acquisition integration costs	2.3	2.7	(0.4)	(15)%	1.7	0.6	0.4	1.2	0.4
Severance and management transition costs	0.5	—	0.5	n/m	—	0.5	1.9	—	—
Legal claim costs	0.8	0.5	0.3	60 %	0.6	0.2	0.4	0.2	0.3
Normalized Funds from Operations (Normalized FFO)	**$ 129.1**	**$ 99.0**	**$ 30.1**	**30 %**	**$ 67.9**	**$ 61.2**	**$ 56.4**	**$ 54.8**	**$ 53.1**
Normalized FFO per diluted common share	**$ 1.49**	**$ 1.30**	**$ 0.19**	**15 %**	**$ 0.77**	**$ 0.72**	**$ 0.68**	**$ 0.67**	**$ 0.67**
Weighted Average diluted common shares outstanding	**86.5**	**76.0**	**10.5**	**14 %**	**88.5**	**84.5**	**82.9**	**81.3**	**79.0**
Additional Information:									
Amortization of deferred financing costs	2.2	2.0	0.2	10 %	1.2	1.0	1.1	1.0	1.1
Stock-based compensation	7.7	6.2	1.5	24 %	4.0	3.7	3.0	2.3	3.2
Non-real estate depreciation and amortization	3.5	2.9	0.6	21 %	1.7	1.8	1.7	1.6	1.4
Deferred revenue and straight line rent adjustments	(12.1)	(7.0)	(5.1)	73 %	(2.7)	(9.4)	(2.5)	(10.7)	(5.0)
Leasing commissions	(7.7)	(5.3)	(2.4)	45 %	(3.8)	(3.9)	(3.8)	(3.0)	(3.4)
Recurring capital expenditures	(2.2)	(1.8)	(0.4)	22 %	(0.7)	(1.5)	(1.9)	(1.7)	(0.9)

CyrusOne Inc.
Market Capitalization Summary, Reconciliation of Net Debt, and Debt Schedule
(Unaudited)

Market Capitalization

(dollars in millions)	Shares or Equivalents Outstanding	Market Price as of June 30, 2017	Market Value Equivalents (in millions)
Common shares	91,291,228	$ 55.75	$ 5,089.5
Net Debt			1,829.4
Total Enterprise Value (TEV)			**$ 6,918.9**

Reconciliation of Net Debt

(dollars in millions)	June 30, 2017	March 31 2017
Long-term debt [a]	$ 1,857.7	$ 1,755.0
Capital lease obligations	11.7	12.4
Less:		
Cash and cash equivalents	(40.0)	(20.4)
Net Debt	**$ 1,829.4**	**$ 1,747.0**

(a) Excludes adjustment for deferred financing costs.

Debt Schedule (as of June 30, 2017)

(dollars in millions) **Long-term debt:**	Amount	Interest Rate	Maturity Date
Revolving credit facility	$ 157.7	L + 155bps	November 2021 [a]
Term loan	250.0	2.72%	September 2021
Term loan	650.0	2.67%	January 2022
5.000% senior notes due 2024	500.0	5.000%	March 2024
5.375% senior notes due 2027	300.0	5.375%	March 2027
Total long-term debt [b]	**$ 1,857.7**	**3.74%**	
Weighted average term of debt:	**5.9 years**		

(a) Assuming exercise of one-year extension option.
(b) Excludes adjustment for deferred financing costs.

CyrusOne Inc.
Colocation Square Footage (CSF) and Utilization
(Unaudited)

	As of June 30, 2017		As of December 31, 2016		As of June 30, 2016	
Market	**Colocation Space (CSF) [(a)]**	**CSF Utilized [(b)]**	**Colocation Space (CSF) [(a)]**	**CSF Utilized [(b)]**	**Colocation Space (CSF) [(a)]**	**CSF Utilized [(b)]**
Northern Virginia	437,847	90%	277,629	100%	236,863	99%
Dallas	431,287	93%	431,287	83%	431,119	78%
Cincinnati	404,207	92%	386,508	92%	386,484	91%
Houston	308,074	75%	308,074	73%	308,074	70%
San Antonio	239,879	100%	108,112	99%	108,064	99%
New York Metro	218,448	83%	121,530	79%	121,530	89%
Phoenix	215,964	100%	215,892	94%	183,511	94%
Chicago	136,306	88%	111,660	82%	95,024	89%
Austin	105,610	64%	105,610	50%	121,833	49%
Raleigh-Durham	64,559	80%	—	n/a	—	n/a
International	13,200	77%	13,200	70%	13,200	80%
Total	**2,575,381**	**89%**	**2,079,502**	**85%**	**2,005,702**	**84%**
Stabilized Properties [(c)]	**2,379,515**	**93%**	**1,895,867**	**92%**	**1,822,067**	**92%**

(a) CSF represents the NRSF at an operating facility that is currently leased or readily available for lease as colocation space, where customers locate their servers and other IT equipment.
(b) Utilization is calculated by dividing CSF under signed leases for colocation space (whether or not the lease has commenced billing) by total CSF.
(c) Stabilized properties include data halls that have been in service for at least 24 months or are at least 85% utilized.

CyrusOne Inc.
2017 Guidance

Category	Previous 2017 Guidance [1]	Revised 2017 Guidance [1][2]
Total Revenue	$666 - 681 million	$666 - 681 million
Base Revenue	$591 - 601 million	$591 - 601 million
Metered Power Reimbursements	$75 - 80 million	$75 - 80 million
Adjusted EBITDA	$364 - 374 million	$364 - 374 million
Normalized FFO per diluted common share	$2.95 - 3.05	$3.00 - 3.10
Capital Expenditures	$600 - 650 million	$700 - 750 million
Development	$595 - 640 million	$695 - 740 million
Recurring	$5 - 10 million	$5 - 10 million

[1] Full year 2017 guidance includes the impact of the Sentinel data center acquisition from 3/1-12/31
[2] Includes impact of approximately 3.6 million shares issued in 2Q’17, with approximately 91.3 million shares outstanding as of June 30, 2017.

The annual guidance provided above represents forward-looking statements, which are based on current economic conditions, internal assumptions about the Company's existing customer base and the supply and demand dynamics of the markets in which CyrusOne operates.

CyrusOne does not provide reconciliations for the non-GAAP financial measures included in the annual guidance provided above due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including net income (loss) and adjustments that could be made for transaction and acquisition integration costs, legal claim costs, lease exit costs, asset impairments and loss on disposals and other charges in its reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

CyrusOne Inc.
Data Center Portfolio
As of June 30, 2017
(Unaudited)

			Operating Net Rentable Square Feet (NRSF) [a]								
Stabilized Properties [b]	Metro Area	Annualized Rent [c]	Colocation Space (CSF) [d]	CSF Leased [e]	CSF Utilized [f]	Office & Other [g]	Office & Other Leased [h]	Supporting Infrastructure [i]	Total [j]	Powered Shell Available for Future Development (NRSF) [k]	Available Critical Load Capacity (MW) [l]
Dallas - Carrollton	Dallas	$ 60,409,360	304,598	80%	93%	64,317	61%	111,383	480,298	68,000	38
Houston - Houston West I	Houston	45,067,350	112,133	96%	97%	11,163	99%	37,243	160,539	3,000	28
Dallas - Lewisville*	Dallas	36,677,714	114,054	94%	94%	11,374	89%	54,122	179,550	—	21
Cincinnati - 7th Street***	Cincinnati	35,566,063	196,648	92%	92%	5,744	100%	175,148	377,540	46,000	16
Northern Virginia - Sterling II	Northern Virginia	30,650,020	158,998	100%	100%	8,651	100%	55,306	222,955	—	30
Somerset I	New York Metro	27,501,179	96,918	86%	86%	26,613	85%	88,991	212,522	2,000	11
Totowa - Madison**	New York Metro	25,766,445	51,290	84%	84%	22,477	100%	58,964	132,731	—	6
Cincinnati - North Cincinnati	Cincinnati	25,218,325	65,303	97%	97%	44,886	72%	52,950	163,139	65,000	14
Wappingers Falls I**	New York Metro	24,976,582	37,000	96%	97%	20,167	97%	15,077	72,244	—	3
Chicago - Aurora I	Chicago	24,748,318	113,008	96%	96%	34,008	100%	223,478	370,494	27,000	71
Houston - Houston West II	Houston	23,697,450	79,540	93%	93%	3,355	74%	55,023	137,918	12,000	12
San Antonio I	San Antonio	21,991,617	43,891	99%	100%	5,989	83%	45,650	95,530	11,000	12
Phoenix - Chandler II	Phoenix	21,297,731	74,082	100%	100%	5,639	38%	25,519	105,240	—	12
Houston - Galleria	Houston	17,828,949	63,469	62%	62%	23,259	51%	24,927	111,655	—	14
Phoenix - Chandler I	Phoenix	17,193,070	73,969	100%	100%	34,582	12%	38,524	147,075	31,000	16
San Antonio III	San Antonio	16,261,404	131,767	100%	100%	9,309	100%	43,126	184,202	—	24
Raleigh-Durham I	Raleigh-Durham	15,782,996	64,559	80%	80%	9,507	100%	82,119	156,185	257,000	10
Phoenix - Chandler III	Phoenix	15,583,970	67,913	100%	100%	2,440	—%	30,415	100,768	—	14
Northern Virginia - Sterling I	Northern Virginia	15,001,443	77,961	98%	99%	5,618	77%	48,598	132,177	—	12
Austin II	Austin	14,630,041	43,772	94%	94%	1,821	100%	22,433	68,026	—	5
Northern Virginia - Sterling III	Northern Virginia	14,502,400	79,122	100%	100%	7,264	100%	33,603	119,989	—	15
San Antonio II	San Antonio	13,807,583	64,221	100%	100%	11,255	100%	41,127	116,603	—	12
Florence	Cincinnati	13,315,702	52,698	100%	100%	46,848	87%	40,374	139,920	—	9
Cincinnati - Hamilton*	Cincinnati	8,880,542	46,565	77%	77%	1,077	100%	35,336	82,978	—	10
Cincinnati - Mason	Cincinnati	5,401,402	34,072	100%	100%	26,458	98%	17,193	77,723	—	4
Dallas - Midway**	Dallas	5,356,920	8,390	100%	100%	—	—%	—	8,390	—	1
Stamford - Riverbend**	New York Metro	5,051,087	20,000	30%	31%	—	—%	8,484	28,484	—	2
London - Great Bridgewater**	International	4,094,117	10,000	85%	94%	—	—%	514	10,514	—	1
Norwalk I**	New York Metro	3,476,288	13,240	88%	90%	4,085	72%	40,610	57,935	87,000	2
Northern Virginia - Sterling IV	Northern Virginia	2,589,764	40,670	100%	100%	5,523	100%	32,433	78,626	—	6
Dallas - Marsh**	Dallas	2,534,506	4,245	100%	100%	—	—%	—	4,245	—	1
Chicago - Lombard	Chicago	2,268,093	13,516	61%	61%	4,115	100%	12,230	29,861	29,000	3
Stamford - Omega**	New York Metro	1,315,757	—	—%	—%	18,552	87%	3,796	22,348	—	—
Totowa - Commerce**	New York Metro	691,429	—	—%	—%	20,460	43%	5,540	26,000	—	—
Cincinnati - Blue Ash*	Cincinnati	575,172	6,193	36%	36%	6,821	100%	2,165	15,179	—	1
South Bend - Crescent*	Chicago	555,137	3,432	43%	43%	—	—%	5,125	8,557	11,000	1
Houston - Houston West III	Houston	493,602	—	—%	—%	9,095	100%	10,652	19,747	209,000	—
Singapore - Inter Business Park**	International	344,565	3,200	22%	22%	—	—%	—	3,200	—	1
South Bend - Monroe	Chicago	167,576	6,350	22%	22%	—	—%	6,478	12,828	4,000	1
Cincinnati - Goldcoast	Cincinnati	96,089	2,728	—%	—%	5,280	100%	16,481	24,489	14,000	1
Stabilized Properties - Total		**$ 601,367,758**	**2,379,515**	**91%**	**93%**	**517,752**	**78%**	**1,601,137**	**4,498,404**	**876,000**	**435**
Pre-Stabilized Properties [b]											
Austin III	Austin	7,061,018	61,838	33%	42%	15,055	83%	20,629	97,522	67,000	3
Northern Virginia - Sterling V	Northern Virginia	4,594,400	81,096	45%	48%	—	—%	31,365	112,461	380,000	12
Houston - Houston West III (DH #1)	Houston	1,844,688	52,932	11%	20%	—	—%	21,992	74,924	—	6
All Properties - Total		**$ 614,867,864**	**2,575,381**	**87%**	**89%**	**532,807**	**78%**	**1,675,123**	**4,783,311**	**1,323,000**	**456**

* Indicates properties in which we hold a leasehold interest in the building shell and land. All data center infrastructure has been constructed by us and owned by us.
** Indicates properties in which we hold a leasehold interest in the building shell, land, and all data center infrastructure.
*** The information provided for the Cincinnati - 7th Street property includes data for two facilities, one of which we lease and one of which we own.

(a) Represents the total square feet of a building under lease or available for lease based on engineers' drawings and estimates but does not include space held for development or space used by CyrusOne.
(b) Stabilized properties include data halls that have been in service for at least 24 months or are at least 85% utilized. Pre-stabilized properties include data halls that have been in service for less than 24 months and are less than 85% utilized.
(c) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of June 30, 2017 , multiplied by 12. For the month of June 2017 , customer reimbursements were $ 70.4 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From July 1, 2015 through June 30, 2017 , customer reimbursements under leases with separately metered power constituted between 10.6% and 12.6% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of June 30, 2017 was $634.0 million . Our annualized effective rent was greater than our annualized rent as of June 30, 2017 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.
(d) CSF represents the NRSF at an operating facility that is currently leased or readily available for lease as colocation space, where customers locate their servers and other IT equipment.
(e) Percent leased is determined based on CSF being billed to customers under signed leases as of June 30, 2017 divided by total CSF. Leases signed but not commenced as of June 30, 2017 are not included.
(f) Utilization is calculated by dividing CSF under signed leases for colocation space (whether or not the lease has commenced billing) by total CSF.
(g) Represents the NRSF at an operating facility that is currently leased or readily available for lease as space other than CSF, which is typically office and other space.
(h) Percent leased is determined based on Office & Other space being billed to customers under signed leases as of June 30, 2017 divided by total Office & Other space. Leases signed but not commenced as of June 30, 2017 are not included.
(i) Represents infrastructure support space, including mechanical, telecommunications and utility rooms, as well as building common areas.
(j) Represents the NRSF at an operating facility that is currently leased or readily available for lease. This excludes existing vacant space held for development.
(k) Represents space that is under roof that could be developed in the future for operating NRSF, rounded to the nearest 1,000.
(l) Critical load capacity represents the aggregate power available for lease and exclusive use by customers expressed in terms of megawatts. The capacity reported is for non-redundant megawatts, as we can develop flexible solutions to our customers at multiple resiliency levels. Does not sum to total due to rounding.

CyrusOne Inc.
NRSF Under Development
As of June 30, 2017
(Dollars in millions)
(Unaudited)

			NRSF Under Development [a]						Under Development Costs [b]		
Facilities	**Metropolitan Area**	**Estimated Completion Date**	**Colocation Space (CSF)**	**Office & Other**	**Supporting Infrastructure**	**Powered Shell [b]**	**Total**	**Critical Load MW Capacity [c]**	**Actual to Date [d]**	**Estimated Costs to Completion [e]**	**Total**
San Antonio IV	San Antonio	3Q'17	60,000	16,000	21,000	—	97,000	12.0	$36	$23-25	$59-61
Phoenix - Chandler IV	Phoenix	3Q'17	73,000	3,000	27,000	—	103,000	12.0	56	1	56-57
Phoenix - Chandler V	Phoenix	3Q'17	—	—	—	185,000	185,000	—	10	10-11	20-21
Northern Virginia - Sterling IV	Northern Virginia	3Q'17	41,000	—	2,000	—	43,000	9.0	24	19-21	43-45
Northern Virginia - Sterling V	Northern Virginia	3Q'17	77,000	1,000	69,000	—	147,000	6.0	11	24-27	35-38
Chicago - Aurora II	Chicago	3Q'17	77,000	10,000	14,000	272,000	373,000	16.0	49	48-53	97-102
Dallas - Carrollton	Dallas	3Q'17	75,000	—	21,000	—	96,000	3.0	3	22-25	25-28
Phoenix - Chandler VI	Phoenix	4Q'17	74,000	—	23,000	96,000	193,000	12.0	26	27-30	53-56
Austin III	Austin	4Q'17	—	—	—	—	—	3.0	—	11-13	11-13
Somerset II	New York Metro	1Q'18	—	—	—	210,000	210,000	—	10	14-15	24-25
Total			**477,000**	**30,000**	**177,000**	**763,000**	**1,447,000**	**73.0**	**$225**	**$199-221**	**$424-446**

(a) Represents NRSF at a facility for which activities have commenced or are expected to commence in the next 2 quarters to prepare the space for its intended use. Estimates and timing are subject to change.
(b) Represents NRSF under construction that, upon completion, will be powered shell available for future development into operating NRSF.
(c) Critical load capacity represents the aggregate power available for lease and exclusive use by customers expressed in terms of megawatts. The capacity reported is for non-redundant megawatts, as we can develop flexible solutions to our customers at multiple resiliency levels.
(d) Actual to date is the cash investment as of June 30, 2017 . There may be accruals above this amount for work completed, for which cash has not yet been paid.
(e) Represents management's estimate of the total costs required to complete the current NRSF under development. There may be an increase in costs if customers require greater power density.

CyrusOne Inc.
Land Available for Future Development (Acres)
As of June 30, 2017
(Unaudited)

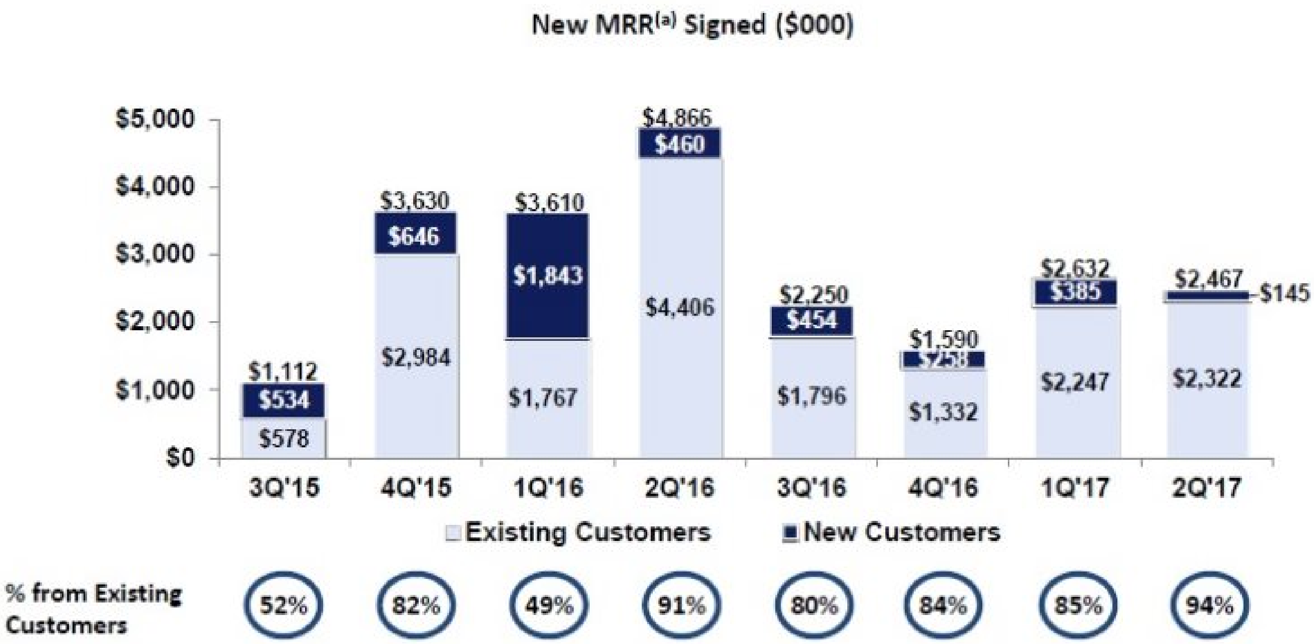
Market	**As of June 30, 2017**
Austin	22
Chicago	23
Cincinnati	98
Dallas	—
Houston	20
International	—
New York Metro	—
Northern Virginia	16
Phoenix	39
Quincy, Washington	48
Raleigh-Durham	—
San Antonio	—
Total Available	**266**

CyrusOne Inc.
Leasing Statistics - Lease Signings
As of June 30, 2017
(Dollars in thousands)
(Unaudited)

Period	Number of Leases [(a)]	Total CSF Signed [(b)]	Total kW Signed [(c)]	Total MRR Signed ($000) [(d)]	Weighted Average Lease Term [(e)]
2Q'17	451	136,000	16,673	$2,467	86
Prior 4Q Avg.	398	152,250	21,125	$2,835	85
1Q'17	480	148,000	18,259	$2,632	103
4Q'16	358	74,000	9,038	$1,590	63
3Q'16	389	105,000	16,930	$2,250	63
2Q'16	363	282,000	40,272	$4,866	112

(a) Number of leases represents each agreement with a customer. A lease agreement could include multiple spaces, and a customer could have multiple leases.
(b) CSF represents the NRSF at an operating facility that is leased as colocation space, where customers locate their servers and other IT equipment.
(c) Represents maximum contracted kW that customers may draw during lease period. Additionally, we can develop flexible solutions for our customers at multiple resiliency levels, and the kW signed is unadjusted for this factor.
(d) Monthly recurring rent is defined as the average monthly contractual rent during the term of the lease. It includes the monthly impact of installation charges of approximately $0.2 million in 2Q'17 and $0.1 million in each of the other quarters.
(e) Calculated on a CSF-weighted basis.

CyrusOne Inc.
New MRR Signed - Existing vs. New Customers
As of June 30, 2017
(Dollars in thousands)
(Unaudited)



(a) Monthly recurring rent is defined as the average monthly contractual rent during the term of the lease. It includes the monthly impact of installation charges of approximately $0.2 million in 2Q'17 and $0.1 million in each of the other quarters.

CyrusOne Inc.
Customer Sector Diversification [(a)]
As of June 30, 2017
(Unaudited)

	Principal Customer Industry	Number of Locations		Annualized Rent [(b)]	Percentage of Portfolio Annualized Rent [(c)]	Weighted Average Remaining Lease Term in Months [(d)]
1	Information Technology	8	$	99,972,920	16.3%	93.0
2	Information Technology	2		21,299,785	3.5%	92.7
3	Financial Services	1		19,954,132	3.2%	165.0
4	Information Technology	7		17,878,391	2.9%	49.5
5	Telecommunication Services	2		16,260,032	2.6%	15.3
6	Healthcare	2		14,437,506	2.3%	126.0
7	Research and Consulting Services	3		14,307,523	2.3%	43.1
8	Energy	5		13,578,787	2.2%	14.1
9	Energy	1		13,452,122	2.2%	33.3
10	Telecommunication Services	7		12,271,232	2.0%	17.0
11	Industrials	4		11,329,208	1.8%	26.6
12	Financial Services	2		8,886,662	1.4%	74.5
13	Energy	2		7,314,286	1.2%	13.6
14	Information Technology	3		6,850,232	1.1%	126.8
15	Information Technology	2		6,672,237	1.1%	85.1
16	Financial Services	1		6,600,225	1.1%	35.0
17	Telecommunication Services	5		5,838,748	1.0%	22.1
18	Consumer Staples	4		5,225,591	0.9%	43.9
19	Financial Services	7		5,036,533	0.9%	46.8
20	Financial Services	1		4,991,418	0.8%	53.0
			$	**312,157,570**	**50.8%**	**72.3**

(a) Customers and their affiliates are consolidated.

(b) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of June 30, 2017 , multiplied by 12. For the month of June 2017 , customer reimbursements were $ 70.4 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From July 1, 2015 through June 30, 2017 , customer reimbursements under leases with separately metered power constituted between 10.6% and 12.6% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of June 30, 2017 was $634.0 million . Our annualized effective rent was greater than our annualized rent as of June 30, 2017 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

(c) Represents the customer’s total annualized rent divided by the total annualized rent in the portfolio as of June 30, 2017 , which was approximately $614.9 million .

(d) Weighted average based on customer’s percentage of total annualized rent expiring and is as of June 30, 2017 , assuming that customers exercise no renewal options and exercise all early termination rights that require payment of less than 50% of the remaining rents. Early termination rights that require payment of 50% or more of the remaining lease payments are not assumed to be exercised because such payments approximate the profitability margin of leasing that space to the customer, such that we do not consider early termination to be economically detrimental to us.

CyrusOne Inc.
Lease Distribution
As of June 30, 2017
(Unaudited)

NRSF Under Lease [a]	Number of Customers [b]	Percentage of All Customers	Total Leased NRSF [c]	Percentage of Portfolio Leased NRSF	Annualized Rent [d]	Percentage of Annualized Rent
0-999	672	70%	144,748	4%	$ 66,197,193	11%
1,000-2,499	112	12%	173,614	4%	37,858,066	6%
2,500-4,999	67	7%	234,795	6%	43,983,353	7%
5,000-9,999	43	4%	296,184	7%	61,211,783	10%
10,000+	70	7%	3,251,762	79%	405,617,469	66%
Total	**964**	**100%**	**4,101,103**	**100%**	**$ 614,867,864**	**100%**

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

(b) Represents the number of customers occupying data center, office and other space as of June 30, 2017 . This may vary from total customer count as some customers may be under contract, but have yet to occupy space.

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

(d) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of June 30, 2017 , multiplied by 12. For the month of June 2017 , customer reimbursements were $ 70.4 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From July 1, 2015 through June 30, 2017 , customer reimbursements under leases with separately metered power constituted between 10.6% and 12.6% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of June 30, 2017 was $634.0 million . Our annualized effective rent was greater than our annualized rent as of June 30, 2017 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

CyrusOne Inc.
Lease Expirations
As of June 30, 2017
(Unaudited)

Year [(a)]	Number of Leases Expiring [(b)]	Total Operating NRSF Expiring	Percentage of Total NRSF	Annualized Rent [(c)]	Percentage of Annualized Rent	Annualized Rent at Expiration [(d)]	Percentage of Annualized Rent at Expiration
Available		682,208	14%				
Month-to-Month	446	37,262	1%	$ 9,591,436	2%	$ 9,631,636	1%
2017	956	282,202	6%	40,388,824	7%	40,420,017	6%
2018	1,922	469,568	10%	131,657,070	21%	132,947,225	19%
2019	1,114	453,337	10%	73,086,437	12%	75,037,921	11%
2020	911	442,871	9%	59,226,721	10%	63,643,461	9%
2021	525	437,759	9%	74,251,311	12%	86,867,565	13%
2022	131	261,353	5%	26,738,875	4%	34,387,446	5%
2023	72	103,305	2%	9,465,633	2%	12,365,117	2%
2024	37	204,653	4%	27,900,551	4%	32,938,784	5%
2025	38	179,083	4%	26,724,022	4%	32,002,840	5%
2026	22	577,274	12%	74,169,754	12%	84,452,779	12%
2027 - Thereafter	30	652,436	14%	61,667,230	10%	84,860,253	12%
Total	**6,204**	**4,783,311**	**100%**	**$ 614,867,864**	**100%**	**$ 689,555,044**	**100%**

(a) Leases that were auto-renewed prior to June 30, 2017 are shown in the calendar year in which their current auto-renewed term expires. Unless otherwise stated in the footnotes, the information set forth in the table assumes that customers exercise no renewal options and exercise all early termination rights that require payment of less than 50% of the remaining rents. Early termination rights that require payment of 50% or more of the remaining lease payments are not assumed to be exercised.

(b) Number of leases represents each agreement with a customer. A lease agreement could include multiple spaces and a customer could have multiple leases.

(c) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of June 30, 2017 , multiplied by 12. For the month of June 2017 , customer reimbursements were $ 70.4 million annualized and consisted of reimbursements by customers across all facilities with separately metered power. Customer reimbursements under leases with separately metered power vary from month-to-month based on factors such as our customers' utilization of power and the suppliers' pricing of power. From July 1, 2015 through June 30, 2017 , customer reimbursements under leases with separately metered power constituted between 10.6% and 12.6% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of June 30, 2017 was $634.0 million . Our annualized effective rent was greater than our annualized rent as of June 30, 2017 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

(d) Represents the final monthly contractual rent under existing customer leases that had commenced as of June 30, 2017 , multiplied by 12.