

CyrusOne Inc.
Form 10-Q
November 06, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2015

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

For the transition period _____ to _____
Commission File Number: 001-35789 (CyrusOne Inc.)
Commission File Number: 333-188426 (CyrusOne LP)
CyrusOne Inc.

CyrusOne LP
(Exact name of registrant as specified in its charter)
Maryland (CyrusOne Inc.) 46-0691837
Maryland (CyrusOne LP) 46-0982896
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
1649 West Frankford Road, Carrollton, TX 75007

(Address of Principal Executive Offices) (Zip Code)
(972) 350-0060
(Registrant's telephone number, including area
code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

CyrusOne Inc. Yes No
CyrusOne LP Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

CyrusOne Inc. Yes No

CyrusOne LP Yes No

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

CyrusOne Inc.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

CyrusOne LP

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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

CyrusOne Inc. Yes No

CyrusOne LP Yes No

CyrusOne Inc.

There were 66,245,906 shares of common stock outstanding as of September 30, 2015 with a par value of \$0.01 per share.

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EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended September 30, 2015 of CyrusOne Inc., a Maryland corporation, and CyrusOne LP, a Maryland limited partnership, of which CyrusOne GP, a Maryland statutory trust of which CyrusOne Inc. is the sole beneficial owner and sole trustee, is the sole general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our,” “our Company” or “the Company” refer to CyrusOne Inc. together with its consolidated subsidiaries, including CyrusOne LP. Unless otherwise indicated or unless the context requires otherwise, all references to “our operating partnership” or “the operating partnership” refer to CyrusOne LP together with its consolidated subsidiaries.

CyrusOne Inc. is a real estate investment trust, or REIT, and the sole beneficial owner and sole trustee of CyrusOne GP, which is the sole general partner of CyrusOne LP. As of September 30, 2015, the total number of outstanding shares of common stock and operating partnership units was 72.6 million. As of September 30, 2015, our former parent, Cincinnati Bell Inc. (“CBI”) owned approximately 11.3% of CyrusOne through its 2.6% interest in the outstanding shares of common stock of CyrusOne Inc. and its 8.7% noncontrolling interest in the common units of the limited partnership interest of CyrusOne LP that may be exchanged by CBI for common stock. As the sole beneficial owner and sole trustee of CyrusOne GP, which is the sole general partner of CyrusOne LP, CyrusOne Inc. has the full, exclusive and complete responsibility for the operating partnership's day-to-day management and control.

We believe combining the quarterly reports of CyrusOne Inc. and CyrusOne LP into this single report on Form 10-Q results in the following benefits:

- enhancing investors' understanding of our Company and our operating partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;

- eliminating duplicative disclosure and providing a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the operating partnership; and

- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are a few differences between our Company and our operating partnership, which are reflected in the disclosures in this report. We believe it is important to understand the differences between our Company and our operating partnership in the context of how we operate as an interrelated consolidated company. CyrusOne Inc. is a REIT, whose only material asset is its ownership of operating partnership units of CyrusOne LP. As a result, CyrusOne Inc. does not conduct business itself, other than acting as the sole trustee of CyrusOne GP, issuing public equity from time to time and guaranteeing certain debt of CyrusOne LP. CyrusOne Inc. itself does not issue any indebtedness but guarantees the debt of CyrusOne LP, as disclosed in this report. CyrusOne LP holds substantially all the assets of the Company. CyrusOne LP conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by CyrusOne Inc., which are generally contributed to CyrusOne LP in exchange for operating partnership units, CyrusOne LP generates the capital required by the Company's business through CyrusOne LP's operations and by CyrusOne LP's incurrence of indebtedness or through the issuance of partnership units.

The presentation of noncontrolling interest, shareholders' equity and partnership capital are the main areas of difference between the condensed consolidated financial statements of CyrusOne Inc. and those of CyrusOne LP. The operating partnership units held by CBI in CyrusOne LP are presented as partnership capital in CyrusOne LP's condensed consolidated financial statements and as noncontrolling interest within equity in CyrusOne Inc.'s condensed consolidated financial statements. The operating partnership units held by CyrusOne Inc. in CyrusOne LP are presented as partnership capital in CyrusOne LP's condensed consolidated financial statements and as common stock and additional paid in capital within shareholders' equity in CyrusOne Inc.'s condensed consolidated financial statements. The differences in the presentations between shareholders' equity and partnership capital result from the differences in the equity issued at the CyrusOne Inc. and the CyrusOne LP levels.

To help the investors understand the significant differences between the Company and the operating partnership, this report presents the condensed consolidated financial statements separately for the Company and the operating partnership.

As sole beneficial owner and sole trustee of CyrusOne GP, which is the sole general partner with control of the operating partnership, CyrusOne Inc. consolidates the operating partnership for financial reporting purposes, and it

does not have significant assets other than its investment in the operating partnership. Therefore, the assets and liabilities of CyrusOne Inc. and CyrusOne LP are the same on their respective condensed consolidated financial statements. The separate discussions of CyrusOne Inc. and CyrusOne LP in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

In order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that the Company and the operating partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and with 18 U.S.C. §1350, this report also includes separate Item 4. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of the Company and the operating partnership.

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All other sections of this report, including select footnotes to the consolidated financial statements, Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures About Market Risk, are presented together for CyrusOne Inc. and CyrusOne LP.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CyrusOne Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited and amounts in millions, except for shares and per share amounts)

	As of September 30, 2015	As of December 31, 2014
Assets		
Investment in real estate:		
Land	\$93.0	\$89.7
Buildings and improvements	897.7	812.6
Equipment	555.6	349.1
Construction in progress	187.1	127.0
Subtotal	1,733.4	1,378.4
Accumulated depreciation	(404.4	) (327.0
Net investment in real estate	1,329.0	1,051.4
Cash and cash equivalents	39.8	36.5
Rent and other receivables, net of allowance for doubtful accounts of \$0.7 and \$1.0 as of September 30, 2015 and December 31, 2014, respectively	74.5	60.9
Restricted cash	7.1	—
Goodwill	453.4	276.2
Intangible assets, net of accumulated amortization of \$83.1 and \$72.1 as of September 30, 2015 and December 31, 2014, respectively	175.7	68.9
Due from affiliates	1.3	0.8
Other assets	100.8	91.8
Total assets	\$2,181.6	\$1,586.5
Liabilities and equity		
Accounts payable and accrued expenses	\$116.3	\$69.9
Deferred revenue	74.1	65.7
Due to affiliates	2.7	7.3
Capital lease obligations	12.8	13.4
Long-term debt	982.7	659.8
Other financing arrangements	151.9	53.4
Total liabilities	1,340.5	869.5
Commitment and contingencies		
Equity		
Preferred stock, \$.01 par value, 100,000,000 authorized; no shares issued or outstanding	—	—
Common stock, \$.01 par value, 500,000,000 shares authorized and 66,245,906 and 38,651,517 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	0.6	0.4
Additional paid in capital	912.3	516.5
Accumulated deficit	(124.3	) (55.9
Accumulated other comprehensive loss	(0.7	) (0.3
Total shareholders' equity	787.9	460.7
Noncontrolling interest	53.2	256.3
Total equity	841.1	717.0

Total liabilities and equity	\$2,181.6	\$1,586.5
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The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited and amounts in millions, except per share data)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Revenue	\$111.2	\$84.8	\$286.0	\$244.0
Costs and expenses:				
Property operating expenses	42.2	33.0	107.3	92.5
Sales and marketing	3.2	3.2	8.9	9.7
General and administrative	12.5	9.0	31.5	24.7
Depreciation and amortization	39.1	30.0	101.6	87.4
Transaction and acquisition integration costs	1.8	—	11.5	0.9
Asset impairments and loss on disposal	4.9	—	13.5	—
Total costs and expenses	103.7	75.2	274.3	215.2
Operating income	7.5	9.6	11.7	28.8
Interest expense	12.1	9.0	29.2	30.4
Net income (loss) before income taxes	(4.6	) 0.6	(17.5	) (1.6
Income tax expense	(0.7	) (0.4	) (1.5	) (1.1
Net income (loss)	(5.3	) 0.2	(19.0	) (2.7
Noncontrolling interest in net income (loss)	(0.7	) 0.1	(4.6	) (1.9
Net income (loss) attributed to common shareholders	\$(4.6	) \$0.1	\$(14.4	) \$(0.8
Basic weighted average common shares outstanding	64.3	36.9	50.6	26.5
Diluted weighted average common shares outstanding	64.3	36.9	50.6	26.5
Loss per share - basic and diluted	\$(0.08	) —	(0.30	) (0.06
Dividends declared per share	\$0.315	\$0.210	\$0.945	\$0.630

The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited and amounts in millions)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Net income (loss)	\$ (5.3)	\$ 0.2	\$ (19.0)	\$ (2.7)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(0.4)	—	(0.4)	—
Comprehensive income (loss)	(5.7)	0.2	(19.4)	(2.7)
Comprehensive income (loss) attributable to noncontrolling interests	(0.7)	0.1	(4.6)	(1.9)
Comprehensive income (loss) attributable to CyrusOne Inc.	\$ (5.0)	\$ 0.1	\$ (14.8)	\$ (0.8)

The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne Inc.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(unaudited and amounts in millions)

	Common Stock Issued Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity/ Parent's Net Investment	Non- controlling Interest	Total Equity
Balance January 1, 2014	22.0	\$ 0.2	\$ 340.7	\$ (18.9)	\$ —	\$ 322.0	\$ 455.6	\$ 777.6
Net loss	—	—	—	(2.7)	—	(2.7)	—	(2.7)
Noncontrolling interest allocated net loss	—	—	—	1.9	—	1.9	(1.9)	—
Stock issuance costs	—	—	(1.3)	—	—	(1.3)	—	(1.3)
Stock based compensation	0.7	—	7.6	—	—	7.6	—	7.6
Issuance of common stock	16.0	0.2	355.7	—	—	355.9	—	355.9
Redemption of noncontrolling interest	—	—	(189.0)	—	—	(189.0)	(166.9)	(355.9)
Dividends and distributions, \$0.63 per share	—	—	—	(21.1)	—	(21.1)	(20.1)	(41.2)
Balance at September 30, 2014	38.7	\$ 0.4	\$ 513.7	\$ (40.8)	\$ —	\$ 473.3	\$ 266.7	\$ 740.0
Balance January 1, 2015	38.7	\$ 0.4	\$ 516.5	\$ (55.9)	\$ (0.3)	\$ 460.7	\$ 256.3	\$ 717.0
Net loss	—	—	—	(19.0)	—	(19.0)	—	(19.0)
Noncontrolling interest allocated net loss	—	—	—	4.6	—	4.6	(4.6)	—
Stock issuance costs	—	—	(0.8)	—	—	(0.8)	—	(0.8)
Stock based compensation	0.3	—	10.5	—	—	10.5	—	10.5
Common stock repurchases	—	—	(0.8)	—	—	(0.8)	—	(0.8)
Issuance of common stock	27.3	0.2	799.1	—	—	799.3	—	799.3
Redemption of noncontrolling interest	—	—	(412.2)	—	—	(412.2)	(184.2)	(596.4)
Foreign currency translation adjustment	—	—	—	—	(0.4)	(0.4)	—	(0.4)
Dividends and distributions, \$0.945 per share	—	—	—	(54.0)	—	(54.0)	(14.3)	(68.3)
Balance at September 30, 2015	66.3	\$ 0.6	\$ 912.3	\$ (124.3)	\$ (0.7)	\$ 787.9	\$ 53.2	\$ 841.1

The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and amounts in millions)

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Cash flows from operating activities:		
Net loss	\$(19.0	) \$(2.7
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	101.6	87.4
Non-cash interest expense	2.3	2.7
Stock-based compensation expense	10.5	7.6
Provision for bad debt write off	0.3	0.9
Asset impairments and loss on disposal	13.5	—
Change in operating assets and liabilities:		
Rent receivables and other assets	(16.9	) (31.3
Accounts payable and accrued expenses	9.9	14.1
Deferred revenues	0.8	10.2
Due to affiliates	(1.5	) (0.6
Net cash provided by operating activities	101.5	88.3
Cash flows from investing activities:		
Capital expenditures – acquisitions of real estate	(17.3) —
Capital expenditures – other development	(140.9	) (194.9
Business acquisition, net of cash acquired	(398.4) —
Net cash used in investing activities	(556.6	) (194.9
Cash flows from financing activities:		
Issuance of common stock	799.3	355.9
Stock issuance costs	(0.8	) (1.3
Acquisition of operating partnership units	(596.4	) (355.9
Dividends paid	(58.3	) (37.4
Borrowings from credit facility	220.0	30.0
Proceeds from issuance of debt	103.8	—
Payments on capital leases and other financing arrangements	(3.8	) (3.1
Debt issuance costs	(5.4) —
Net cash provided by (used in) financing activities	458.4	(11.8
Net increase (decrease) in cash and cash equivalents	3.3	(118.4
Cash and cash equivalents at beginning of period	36.5	148.8
Cash and cash equivalents at end of period	\$39.8	\$30.4
Supplemental disclosures of cash flow information		
Cash paid for interest	\$21.4	\$22.4
Cash paid for income taxes	2.5	0.4
Supplemental disclosures of non-cash investing and financing activities		
Capitalized interest	\$4.2	\$3.0
Acquisition of property in accounts payable and other liabilities	37.9	50.1
Dividends declared	23.5	14.1
Debt issuance costs	0.3	—

The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne LP
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (unaudited and amounts in millions)

	As of September 30, 2015	As of December 31, 2014
Assets		
Investment in real estate:		
Land	\$93.0	\$89.7
Buildings and improvements	897.7	812.6
Equipment	555.6	349.1
Construction in progress	187.1	127.0
Subtotal	1,733.4	1,378.4
Accumulated depreciation	(404.4	) (327.0
Net investment in real estate	1,329.0	1,051.4
Cash and cash equivalents	38.1	36.5
Rent and other receivables, net of allowance for doubtful accounts of \$0.7 and \$1.0 as of September 30, 2015 and December 31, 2014, respectively	74.5	60.9
Restricted cash	7.1	—
Goodwill	453.4	276.2
Intangible assets, net of accumulated amortization of \$83.1 and \$72.1 as of September 30, 2015 and December 31, 2014, respectively	175.7	68.9
Due from affiliates and parent	3.0	0.8
Other assets	100.8	91.8
Total assets	\$2,181.6	\$1,586.5
Liabilities and parent's net investment		
Accounts payable and accrued expenses	\$116.3	\$69.9
Deferred revenue	74.1	65.7
Due to affiliates	2.7	7.3
Capital lease obligations	12.8	13.4
Long-term debt	982.7	659.8
Other financing arrangements	151.9	53.4
Total liabilities	1,340.5	869.5
Commitments and contingencies		
Parent's net investment:		
Partnership capital	841.1	717.0
Total liabilities and partnership capital	\$2,181.6	\$1,586.5
The accompanying notes are an integral part of the condensed consolidated financial statements.		

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CyrusOne LP

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited and amounts in millions)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Revenue	\$111.2	\$84.8	\$286.0	\$244.0
Costs and expenses:				
Property operating expenses	42.2	33.0	107.3	92.5
Sales and marketing	3.2	3.2	8.9	9.7
General and administrative	12.5	9.0	31.5	24.7
Depreciation and amortization	39.1	30.0	101.6	87.4
Transaction and acquisition integration costs	1.8	—	11.5	0.9
Asset impairments and loss on disposal	4.9	—	13.5	—
Total costs and expenses	103.7	75.2	274.3	215.2
Operating income	7.5	9.6	11.7	28.8
Interest expense	12.1	9.0	29.2	30.4
Net (loss) income before income taxes	(4.6	) 0.6	(17.5	) (1.6
Income tax expense	(0.7	) (0.4	) (1.5	) (1.1
Net (loss) income	\$(5.3	) \$0.2	\$(19.0	) \$(2.7

The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne LP

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited and amounts in millions)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Net (loss) income	\$ (5.3)	\$ 0.2	\$ (19.0)	\$ (2.7)
Other comprehensive loss:				
Foreign currency translation adjustments	(0.4)	—	(0.4)	—
Comprehensive income (loss) attributable to CyrusOne LP	\$ (5.7)	\$ 0.2	\$ (19.4)	\$ (2.7)

The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne LP

CONDENSED CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL
(unaudited and amounts in millions)

	Partnership Units	Partnership Capital
Balance January 1, 2014	64.6	\$777.6
Net loss	—	(2.7)
Compensation expense of CyrusOne Inc. allocated to operating partnership	—	7.6
Distributions to CyrusOne Inc.	—	(1.3)
Net partnership units issued to CyrusOne Inc.	0.7	—
Partnership units purchased by CyrusOne Inc.	16.0	355.9
Partnership units sold by CBI	(16.0)	(355.9)
Partnership distributions	—	(41.2)
Balance at September 30, 2014	65.3	\$740.0
Balance January 1, 2015	65.3	\$717.0
Net loss	—	(19.0)
Compensation expense of CyrusOne Inc. allocated to operating partnership	—	10.5
Distributions to CyrusOne, Inc.	—	(0.8)
Net partnership units issued to CyrusOne Inc.	0.3	—
Partnership units purchased by CyrusOne Inc.	27.3	798.5
Partnership units sold by CBI	(20.3)	(596.4)
Partnership distributions	—	(68.3)
Foreign currency translation adjustments	—	(0.4)
Balance at September 30, 2015	72.6	\$841.1

The accompanying notes are an integral part of the condensed consolidated financial statements.

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CyrusOne LP

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and amounts in millions)

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Cash flows from operating activities:		
Net loss	\$(19.0	) \$(2.7
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	101.6	87.4
Non-cash interest expense	2.3	2.7
Stock-based compensation expense	10.5	7.6
Provision for bad debt write off	0.3	0.9
Asset impairments and loss on disposal	13.5	—
Change in operating assets and liabilities:		
Rent receivables and other assets	(16.9	) (31.3
Accounts payable and accrued expenses	9.9	14.1
Deferred revenues	0.8	10.2
Due to affiliates and parent	(3.2	) (0.6
Net cash provided by operating activities	99.8	88.3
Cash flows from investing activities:		
Capital expenditures – acquisitions of real estate	(17.3) —
Capital expenditures – other development	(140.9	) (194.9
Business acquisition, net of cash acquired	(398.4) —
Net cash used in investing activities	(556.6	) (194.9
Cash flows from financing activities:		
Issuance of partnership units	202.9	—
Distributions to CyrusOne Inc.	(0.8	) (1.3
Distributions paid	(58.3	) (37.4
Borrowings from credit facility	220.0	30.0
Proceeds from issuance of debt	103.8	—
Payments on capital leases and other financing arrangements	(3.8	) (3.1
Debt issuance costs	(5.4) —
Net cash provided by (used in) financing activities	458.4	(11.8
Net increase (decrease) in cash and cash equivalents	1.6	(118.4
Cash and cash equivalents at beginning of period	36.5	148.8
Cash and cash equivalents at end of period	\$38.1	\$30.4
Supplemental disclosures of cash flow information		
Cash paid for interest	\$21.4	\$22.4
Cash paid for income taxes	2.5	0.4
Supplemental disclosures of non-cash investing and financing activities		
Capitalized interest	\$4.2	\$3.0
Acquisition of property in accounts payable and other liabilities	37.9	50.1
Distribution declared	23.5	14.1
Debt issuance costs	0.3	—

The accompanying notes are an integral part of the condensed consolidated financial statements.

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

1. Description of Business

CyrusOne Inc., together with CyrusOne GP, a wholly-owned subsidiary of CyrusOne Inc., through which CyrusOne Inc. holds a controlling interest in CyrusOne LP (the “operating partnership”) and the subsidiaries of the operating partnership (collectively, “CyrusOne”, “we”, “us”, “our”, and the “Company”) is an owner, operator and developer of enterprise-class, carrier-neutral, multi-tenant data center properties. Our customers operate in a number of industries, including energy, oil and gas, mining, medical, technology, finance and consumer goods and services. We currently operate 31 data centers and 2 recovery centers located in the United States, United Kingdom and Singapore.

2. Formation

Prior to November 20, 2012, CyrusOne was not an operative legal entity or a combination of legal entities.

On November 20, 2012, the operating partnership received a contribution of interests in real estate properties and the assumption of debt and other specified liabilities from CBI (“Predecessor”) in exchange for the issuance of 123.7 million operating partnership units to CBI.

On January 24, 2013, CyrusOne Inc. completed its initial public offering (“IPO”) of common stock, issuing approximately 19.0 million shares for \$337.1 million, net of underwriting discounts. At that time the operating partnership executed a 2.8 to 1.0 reverse unit split, resulting in CBI owning 44.1 million operating partnership units. In addition, CBI exchanged approximately 1.5 million of its operating partnership units for 1.5 million shares of CyrusOne Inc. common stock, and CBI was issued 0.4 million shares of CyrusOne Inc. common stock in repayment for transaction costs paid by CBI. CyrusOne Inc. also issued approximately 1.1 million shares of restricted stock to its directors and employees. In addition, on January 24, 2013, CyrusOne Inc., together with CyrusOne GP, purchased approximately 21.9 million, or 33.9%, of the operating partnership’s units for \$337.1 million and through CyrusOne GP assumed the controlling interest in the operating partnership. CBI retained a noncontrolling interest in the operating partnership of 66.1%.

On June 25, 2014, CyrusOne Inc. completed a public offering of approximately 16.0 million shares of its common stock, including 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting discounts of \$15.8 million, to acquire 16.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

On April 7, 2015, CyrusOne Inc. completed a public offering of approximately 14.3 million shares of its common stock, including approximately 1.9 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$31.12 per share, or \$443.8 million. CyrusOne Inc. used the proceeds of \$426.0 million, net of underwriting costs of \$17.8 million, to acquire approximately 14.3 million common units of limited partnership interests in the operating partnership from two subsidiaries of CBI.

On June 26, 2015, CyrusOne Inc. completed a public offering of approximately 13.0 million shares of its common stock, including 1.7 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$30.00 per share, or \$389.9 million. CyrusOne Inc. used \$203 million of the total proceeds of \$373.3 million, net of underwriting costs of \$16.6 million, to finance CyrusOne LP's acquisition of Cervalis Holdings LLC (“Cervalis”), to pay fees and expenses related to the Cervalis acquisition and for general corporate purposes. The balance of the purchase price was funded with proceeds from CyrusOne LP and CyrusOne Finance Corp.'s offering of 6.375% senior notes due 2022 in July 2015 and borrowings under its amended credit facility. See Note 7 below. In addition, CyrusOne used the remaining \$170.3 million of the net proceeds from the offering to acquire approximately 6.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI. The purchase of the partnership interests was completed on July 1, 2015. See Note 9 below.

On July 1, 2015, CyrusOne LP acquired four data center facilities and two work area recovery facilities serving the New York metropolitan area through the acquisition of Cervalis for approximately \$400 million, excluding transaction

related expenses.

As of September 30, 2015, the total number of outstanding shares of common stock and operating partnership units was 72.6 million. As of September 30, 2015, CBI owned approximately 11.3% of CyrusOne through its 2.6% interest in the outstanding shares of common stock of CyrusOne Inc. and its 8.7% noncontrolling interest in the common units of the limited partnership interest of CyrusOne LP that may be exchanged by CBI for common stock.

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

3. Basis of Presentation

The accompanying financial statements as of September 30, 2015 and December 31, 2014, and for the three and nine months ended September 30, 2015 and September 30, 2014, are prepared on a consolidated basis.

In addition, the accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and should be read in conjunction with the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the Securities and Exchange Commission (“SEC”) on February 27, 2015. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted from this report on Form 10-Q pursuant to the rules and regulations of the SEC.

It should also be noted that the results for the interim periods shown in this report are not necessarily indicative of future

financial results and have not been audited by our independent registered public accounting firm. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments necessary to present fairly our financial position as of September 30, 2015, and our results of operations for the three and nine months ended September 30, 2015 and 2014. These adjustments are of a normal recurring nature and consistent with the adjustments recorded to prepare the annual audited financial statements as of December 31, 2014.

4. Significant Accounting Policies

Use of Estimates—Preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. These estimates and assumptions are based on management’s knowledge of current events and actions that we may undertake in the future. Estimates are used in determining the fair value of leased real estate, including purchase price allocations for business combinations, the useful lives of real estate and other long-lived assets, future cash flows associated with goodwill and other long-lived asset impairment testing, deferred tax assets and liabilities and loss contingencies. Estimates were also utilized in the determination of historical allocations of shared employees’ payroll, benefits and incentives and management fees. Actual results may differ from these estimates and assumptions.

Investments in Real Estate—Investments in real estate consist of land, buildings, improvements and integral equipment utilized in our data center operations. Real estate acquired from third parties has been recorded at its acquisition cost. Real estate acquired from CBI and its affiliates has been recorded at its historical cost basis. Additions and improvements which extend an asset’s useful life or increase its functionality are capitalized and depreciated over the asset’s remaining life. Maintenance and repairs are expensed as incurred.

When we are involved in the construction of structural improvements to leased property, we are deemed the accounting owner of the leased real estate. In these instances, we bear substantially all the construction period risk, including managing or funding construction. As we have substantially all of the construction risks, we are deemed the “owner” of the asset under construction for accounting purposes during the construction period, and are therefore required to capitalize the construction costs on the accompanying condensed consolidated balance sheets. At inception, the fair value of the building (excluding land) is recorded as an asset and the construction and modification costs to the building, which are not funded by us, would be recorded as a liability. As construction progresses, the value of the asset and obligation increases by the fair value of the structural improvements. At completion of the construction, Sales-Leaseback Accounting under ASC 840-40-25 is also evaluated. Due to our continuing involvement with the lessor, Sales-Leaseback Accounting is precluded and the liability is not derecognized. When the asset is placed in service, depreciation commences, and the leased real estate is depreciated to the lesser of (i) its estimated fair value at the end of the term or (ii) the expected amount of the unamortized obligation at the end of the term. The associated obligation is presented as other financing arrangements in the accompanying condensed consolidated balance sheets.

When we are not deemed the accounting owner of leased real estate, we further evaluate the lease to determine whether it should be classified as a capital or operating lease. One of the following four characteristics must be present

to classify a lease as a capital lease: (i) the lease transfers ownership of the property to the lessee by the end of the lease term, (ii) the lease contains a bargain purchase option, (iii) the lease term is equal to 75% or more of the estimated economic life of the leased property or (iv) the net present value of the lease payments are at least 90% of the fair value of the leased property.

Construction in progress includes direct and indirect expenditures for the construction and expansion of our data centers and is stated at its acquisition cost. Independent contractors perform substantially all of the construction and expansion efforts of our data centers. Construction in progress includes costs incurred under construction contracts including project management services, engineering and schematic design services, design development, construction services and other construction-related fees and services. Interest, property taxes and certain labor costs are also capitalized during the construction of an asset.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Useful lives range from nine to forty-eight years for buildings, three to twenty-five years for building improvements, and three to five years for equipment. Leasehold improvements are amortized over the shorter of the asset's useful life or the remaining lease term, including renewal options which are reasonably assured.

Management reviews the carrying value of long-lived assets, including intangible assets with finite lives, when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Examples of such indicators may include a significant adverse change in the extent to which or manner in which the property is being used, an accumulation of costs significantly in excess of the amount originally expected for acquisition or development, or a history of operating or cash flow losses. When such indicators exist, we review an estimate of the undiscounted future cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition and compare such amount to its carrying amount. We consider factors such as future operating income, leasing demand, competition and other factors. If our undiscounted net cash flows indicate that we are unable to recover the carrying value of the asset, an impairment loss is recognized. An impairment loss is measured as the amount by which the asset's carrying value exceeds its estimated fair value.

Impairment exists when the Company's net book value of real estate assets is greater than the estimated fair value. For the nine months ended September 30, 2015, we recognized impairments of \$9.2 million related to the Austin 1 lease termination. There were no impairments recognized for the nine months ended September 30, 2014.

Business Combinations—The Company applies the purchase method for business combinations, where all tangible and identifiable intangible assets acquired and all liabilities assumed are recorded at fair value. Any excess purchase price is recorded as goodwill. Transaction costs associated with business combinations are expensed as incurred. Revenues and the results of operations of the acquired business are included in the accompanying Consolidated Financial Statements commencing on the date of acquisition.

Cash and Cash Equivalents—Cash and cash equivalents include all non-restricted cash held in financial institutions and other non-restricted highly liquid short-term investments with original maturities at acquisition of three months or less.

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

Goodwill—Goodwill represents the excess of the purchase price over the fair value of net assets acquired in connection with business acquisitions. We perform impairment testing of goodwill, at the reporting unit level, on an annual basis or more frequently if indicators of potential impairment exist. The fair value of our reporting unit was determined using a combination of market-based valuation multiples for comparable businesses and discounted cash flow analysis based on internal financial forecasts incorporating market participant assumptions. There were no impairments recognized for any of the periods presented.

Long-Lived and Intangible Assets—Intangible assets represent purchased assets that lack physical substance, but can be separately distinguished from goodwill because of contractual or other legal rights or because the asset is capable of being sold or exchanged, either on its own or in combination with a related contract, asset, or liability. Intangible assets with finite lives consist of trademarks, customer relationships, and a favorable leasehold interest.

Rent and Other Receivables—Receivables consist principally of trade receivables from customers and are generally unsecured and due within 30 to 120 days. Unbilled receivables arise from services rendered but not yet billed.

Expected credit

losses associated with trade receivables are recorded as an allowance for uncollectible accounts. The allowance for uncollectible accounts is estimated based upon historic patterns of credit losses for aged receivables as well as specific provisions for certain identifiable, potentially uncollectible balances. When internal collection efforts on accounts have been

exhausted, the accounts are written-off and the associated allowance for uncollectible accounts is reduced. The Company has receivables with one customer that exceeds 10% of the Company's outstanding accounts receivable balance at September 30, 2015 and December 31, 2014. In addition, our receivables include \$7.2 million of receivables as of September 30, 2015 which has not been billed to the customer. The amount is billed and payable in 36 monthly payments which started in April 2015 through March 2018. As of September 30, 2015, receivables were \$75.2 million, and the allowance for uncollectible accounts was \$0.7 million. The December 31, 2014 receivables were \$61.9 million, and the allowance for uncollectible accounts was \$1.0 million.

Deferred Costs—Deferred costs include both deferred leasing costs and deferred financing costs. Deferred costs are presented with other assets in the accompanying condensed consolidated balance sheets. Leasing commissions incurred at the commencement of a new lease are capitalized and amortized over the term of the customer lease.

Amortization of deferred

CyrusOne Inc. and CyrusOne LP

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leasing costs is presented with depreciation and amortization in the accompanying condensed consolidated statements of operations. If a lease terminates prior to the expected term of the lease, the remaining unamortized cost is written off to amortization expense.

Deferred financing costs include costs incurred in connection with issuance of debt and the Credit Agreement (as defined below). These financing costs are capitalized and amortized over the term of the debt or Credit Agreement and are included as a component of interest expense.

Revenue Recognition—Colocation rentals are generally billed monthly in advance, and some contracts have escalating payments over the term of the contract. If rents escalate without the lessee gaining access to or control over additional leased space or power, and the lessee takes possession of, or controls the physical use of the property (including all contractually committed power) at the beginning of the lease term, the rental payments by the lessee are recognized as revenue on a straight-line basis over the term of the lease. If rents escalate because the lessee gains access to and control over additional leased space or power, revenue is recognized in proportion to the additional space or power in the periods that the lessee has control over the use of the additional space or power. The excess of revenue recognized over amounts contractually due is recognized in other assets in the accompanying condensed consolidated balance sheets.

Some of our leases are structured on a full-service gross basis in which the customer pays a fixed amount for both colocation rent and power. Other leases provide that the customer will be billed for power based upon actual usage which is separately metered. In both cases, this revenue is presented as revenue in the accompanying condensed consolidated statements of operations. Power is generally billed one month in arrears, and an estimate of this revenue is accrued in the month that the associated costs are incurred. We generally are not entitled to reimbursements for real estate taxes, insurance or other operating expenses.

Revenue is recognized for services or products that are deemed separate units of accounting. When a customer makes an advance payment, which is not deemed a separate unit of accounting, deferred revenue is recorded. This revenue is recognized ratably over the expected term of the lease, unless the pattern of service suggests otherwise.

Certain customer leases require specified levels of service or performance. If we fail to meet these service levels, our customers may be eligible to receive credits on their contractual billings. These credits are recognized against revenue when an event occurs that gives rise to such credits.

Depreciation and Amortization Expense—Depreciation expense is recognized over the estimated useful lives of real estate applying the straight-line method. The useful life of leased real estate and leasehold improvements is the lesser of the economic useful life of the asset or the term of the lease, including optional renewal periods if renewal of the lease is reasonably assured. The residual value of leased real estate is estimated as the lesser of (i) the expected fair value of the asset at the end of the lease term or (ii) the expected amount of the unamortized liability at the end of the lease term. Estimated useful lives are periodically reviewed.

Amortization expense is recognized over the estimated useful lives of finite-lived intangibles. An accelerated method of amortization is utilized to amortize our customer relationship intangible, consistent with the benefit expected to be derived from this asset. We amortize trademarks, favorable leasehold interests, deferred leasing costs and deferred sales commissions over their estimated useful lives. The estimated useful life of trademarks and customer relationships is eight to 15 years. In addition, we have a favorable leasehold interest related to a land lease that is being amortized over the lease term of 56 years.

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

Income Taxes—The income tax provision consists of an amount for taxes currently payable and an amount for tax consequences deferred to future periods. CyrusOne Inc. has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our initial taxable year ending December 31, 2013.

Provided we continue to meet the various qualification tests mandated under the Code, we are generally not subject to

corporate level federal income tax on the earnings distributed currently to our shareholders. If we fail to qualify as a REIT in any taxable year, our taxable income will be subject to federal income tax at regular corporate rates and any applicable alternative minimum tax.

While CyrusOne Inc. and the operating partnership do not pay federal income taxes, we are still subject to foreign, state and local income taxes in the locations in which we conduct business. Our taxable REIT subsidiaries (each a “TRS”) are also subject to federal and state income taxes to the extent they earn taxable income.

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Deferred income taxes are recognized in certain entities. Deferred income taxes are provided for temporary differences in the bases between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at rates then in effect. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. The ultimate realization of the deferred tax assets depends upon our ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various foreign, state and local jurisdictions. The Company's previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires. With a few exceptions, the Company is no longer subject to U. S. federal, state or local examinations for years prior to 2010, and we have no liabilities for uncertain tax positions as of September 30, 2015.

Comprehensive Loss—Comprehensive loss represents the change in net assets of a company from transactions and other events from non-owner sources. Comprehensive income loss comprises all components of net income and all components of other comprehensive income.

Earnings Per Share—Basic EPS includes only the weighted average number of common shares outstanding during the period. Diluted EPS includes the weighted average number of common shares and the dilutive effect of stock options, restricted stock and share unit awards and convertible subordinated notes outstanding during the period, when such instruments are dilutive.

All outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends are treated as participating in undistributed earnings with common shareholders. Awards of this nature are considered participating securities and the two-class method of computing basic and diluted EPS must be applied.

Stock-Based Compensation—In conjunction with the IPO, our board of directors adopted the 2012 Long-Term Incentive Plan (“LTIP”). The LTIP is administered by the board of directors, or the plan administrator. Awards issuable under the LTIP include common stock, restricted stock, stock options and other incentive awards. The awards under the LTIP include the following:

Restricted Shares - On January 24, 2013, CyrusOne Inc. issued approximately 1 million restricted shares to its employees, officers and members of the Company's board of directors in conjunction with CyrusOne's IPO. These restricted shares generally vest over three years. The per share grant date price was \$19.00. In addition, from time to time, new employees and board of directors have been issued restricted shares. These restricted shares are issued at a price equal to share price on the grant date.

Performance and Market Based Awards - On April 17, 2013, and February 7, 2014, the Company issued performance and market based awards in the form of options and/or restricted stock to certain employees and officers of the Company. Fifty percent of the restricted shares and stock options will vest annually based upon achieving certain performance criteria. The other fifty percent of the restricted shares and stock options will vest at the end of three years if certain market conditions are met. The fair value of these awards was determined using the Black-Scholes or Monte-Carlo model which use assumptions such as volatility, risk-free interest rate, and expected term of the awards.

Time-Based, Performance and Market Based Awards - On February 10, 2015, the Company issued awards in the form of options and/or restricted stock to certain employees and officers of the Company. The stock options are time-based and vest annually on a pro-rata basis over three years. Twenty-five percent of the restricted stock is subject to time-based vesting and seventy-five percent of the restricted stock is subject to performance-based vesting. The time-based restricted stock will vest pro-rata annually over three years. The performance-based restricted stock will vest annually based upon the achievement of certain criteria for each year of the three-year measurement period. The first two years are capped at 100% of the target with a cumulative true-up in year three. The fair value of these awards was determined using the Black-Scholes or Monte-Carlo model which use assumptions such as volatility, risk-free interest rate, and expected term of the awards.

- Compensation expense for these awards is recognized over the vesting periods. See Note 11 for additional details relating to these awards.

- The board grants equity-based awards from time to time to new members of the management team.

Business Segments—Business segments are components of an enterprise for which separate financial information is available and regularly viewed by the chief operating decision maker to assess performance and allocate resources. Our chief operating decision maker, the Company's Chief Executive Officer, reviews our financial information on an aggregate basis.

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Furthermore, our data centers have similar economic characteristics and customers across all geographic locations, and our service offerings have similar production processes, deliver services in a similar manner and use the same types of facilities and similar technologies. As a result, we have concluded that we have one reportable business segment.

Recently Issued Accounting Standards—In May 2014, the FASB issued guidance that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This guidance requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures which are effective for interim and annual reporting periods in fiscal years that begin after December 15, 2016. In July 2015, the FASB voted to approve a one-year deferral of the effective date to December 15, 2017 for interim and annual reporting periods beginning after that date and permitted early adoption of the standard, but not before the original effective date of December 15, 2016. This guidance permits two implementation approaches, one requiring retrospective application of the new standard with restatement of prior years and one requiring prospective application of the new standard with disclosure of results under the old standards. We are currently evaluating the impact of the adoption of this guidance in our consolidated financial statements.

In June 2014, the FASB issued a guidance update for the presentation of stock compensation. This guidance requires an entity to treat performance targets that can be met after the requisite service period of a share based award has ended, as a performance condition that affects vesting which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2015. We are currently evaluating the impact of the adoption of this guidance in our consolidated financial statements.

In August 2014, the FASB issued guidance on determining when and how reporting entities must disclose going-concern uncertainties in their financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. This guidance is effective for annual periods ending after December 15, 2016, and interim periods thereafter; early adoption is permitted. We are currently evaluating the full impact of the new standard. In January 2015, the FASB issued guidance eliminating from U.S. GAAP the concept of an extraordinary item. An entity is no longer required to (1) segregate an extraordinary item from the results of ordinary operations; (2) separately present an extraordinary item on its income statement, net of tax, after income from continuing operations; and (3) disclose income taxes and earnings-per-share data applicable to an extraordinary item. This guidance does not affect the reporting and disclosure requirements for an event that is unusual in nature or that occurs infrequently. In February 2015, the FASB issued guidance which amended the consolidation requirements in ASC 810 and significantly changed the consolidation analysis required under U.S. GAAP. The amendments include (1) limited partnerships will be variable interest entities; (2) changes the effect that fees paid to a decision maker or service provider have on the consolidation analysis; (3) amends how variable interests held by a reporting entity's related parties or de facto agents affect its consolidation conclusion; (4) clarifies how to determine whether the equity holders have power over the entity, and (5) the deferral of ASU 2009-17 for investments in certain investment funds has been eliminated. This guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. We are currently evaluating the full impact of the new standard.

In April 2015, the FASB issued guidance to simplify the presentation of debt issuance costs. The amendments would require that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs would not be affected by this guidance. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. We are currently evaluating the full impact of the new standard.

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

In September 2015, the FASB issued ASU 2015-16 to simplify the accounting for measurement-period adjustments. Under the ASU, an acquirer must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The ASU also requires acquirers to present separately on the face of the income statement, or disclose in the notes, the portion of the amount recorded in the current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been

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recognized as of the acquisition date. This guidance is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. We are currently evaluating the full impact of the new standard.

5. Acquisitions

On July 1, 2015, CyrusOne LP acquired 100% of Cervalis, a privately-held owner and operator of data centers for approximately \$400 million, excluding transaction-related expenses, in an all cash transaction. Cervalis has four data center facilities and two work recovery facilities serving the New York metropolitan area. CyrusOne LP financed the acquisition with proceeds of CyrusOne Inc's June 2015 common stock offering and CyrusOne LP and CyrusOne Finance Corp.'s July 2015 senior notes offering as well as drawing under CyrusOne Inc's senior unsecured credit facility. The acquisition of Cervalis enhances the geographic diversification of CyrusOne, provides access to a high quality enterprise customer base and strengthens our product portfolio. The goodwill recorded for this acquisition relates to the incremental value that Cervalis brings to the existing CyrusOne operations. The customer relationships intangible is expected to be amortized over fifteen years. For the three and nine months ended September 30, 2015, transaction and integration costs related to the Cervalis acquisition were \$1.8 million and \$11.5 million, respectively.

The Consolidated Financial Statements include the operating results of Cervalis from the date of acquisition. The following table summarizes the estimated fair values of all assets acquired and liabilities assumed at the date of acquisition:

Cash	\$1.1	
Rent and other receivables	9.6	
Restricted cash	7.1	
Net investment in real estate	198.4	
Goodwill	177.2	
Customer relationships	117.4	
Trade name	2.3	
Other long-term assets	6.7	
Total assets acquired	519.8	
Current liabilities	17.2	
Capital lease obligations	1.7	
Other financing arrangements	101.4	
Total liabilities	120.3	
Net assets acquired attributable to CyrusOne Inc.	399.5	
Cash acquired	(1.1)
Net cash paid at acquisition	398.4	

The Cervalis acquisition was consummated in the third quarter of 2015, and therefore, the amounts recorded for the acquisition of Cervalis are provisional as CyrusOne is in the process of finalizing the amounts recorded for assets and liabilities. The acquisition of Cervalis in July 2015 resulted in an increase in revenue of \$18.3 million for the three and the nine months ended September 30, 2015.

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

	Nine months ended September 30,	
	2015	2014
Revenue	325.3	295.2
Net loss	(20.4	) (6.3
Loss per share - basic and diluted	(0.40	) (0.24

These amounts have been calculated after applying CyrusOne's policies and adjusting the results to reflect changes to depreciation and amortization to property and equipment, amongst others, and amortizing intangible assets had been recorded as of January 1, 2014. These pro forma combined results of operation is presented for informative purposes only and they do

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not purport to be indicative of the results of operation that actually would have resulted had the acquisition occurred on the date indicated, or that may result in the future.

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6. Investment in Real Estate

A schedule of our gross investment in real estate follows:

(amounts in millions)	September 30, 2015			December 31, 2014		
	Land	Building and Improvements	Equipment	Land	Building and Improvements	Equipment
West Seventh St., Cincinnati, OH (7th Street)	\$0.9	\$110.6	\$19.1	\$0.9	\$110.6	\$12.7
Parkway Dr., Mason, OH (Mason)	—	20.2	0.9	—	20.2	0.9
Industrial Rd., Florence, KY (Florence)	2.2	41.5	3.2	2.2	41.4	3.0
Goldcoast Dr., Cincinnati, OH (Goldcoast)	0.6	6.7	0.1	0.6	6.7	0.1
Knightsbridge Dr., Hamilton, OH (Hamilton)	—	49.2	4.4	—	49.2	3.7
E. Monroe St., South Bend, IN (Monroe St.)	—	2.5	0.1	—	2.5	0.1
Springer St., Lombard, IL (Lombard)	0.7	4.7	7.4	0.7	4.7	5.7
Crescent Circle, South Bend, IN (Blackthorn)	—	3.3	0.1	—	3.3	0.1
Kingsview Dr., Lebanon, OH (Lebanon)	4.0	77.3	6.1	4.0	77.0	5.5
McAuley Place, Blue Ash, OH (Blue Ash)	—	0.6	0.1	—	0.6	0.1
Westway Park Blvd., Houston, TX (Houston West 1)	1.4	84.8	45.2	1.4	84.4	43.8
Westway Park Blvd., Houston, TX (Houston West 2)	2.0	22.6	46.8	2.0	22.5	45.1
Westway Park Blvd., Houston, TX (Houston West 3)	18.4	3.9	0.9	18.4	—	—
Southwest Fwy., Houston, TX (Galleria)	—	68.6	15.6	—	68.6	15.0
E. Ben White Blvd., Austin, TX (Austin 1)	—	13.6	1.2	—	22.5	1.2
S. State Highway 121 Business, Lewisville, TX (Lewisville)	—	76.6	23.4	—	76.7	22.8
Marsh Lane, Carrollton, TX (Marsh Ln)	—	0.1	0.6	—	0.1	0.5
Midway Rd., Carrollton, TX (Midway)	—	2.0	0.4	—	2.0	0.4
W. Frankford Rd., Carrollton, TX (Carrollton)	16.1	52.5	110.9	16.1	51.6	85.3
Bryan St., Dallas, TX (Bryan St)	—	0.1	0.2	—	0.1	0.2
North Freeway, Houston, TX (Greenspoint)	—	—	—	—	1.3	—
South Ellis Street, Chandler, AZ (Phoenix 1)	14.8	56.7	39.6	14.8	56.4	43.9
South Ellis Street, Chandler, AZ (Phoenix 2)	—	16.8	39.7	—	13.2	21.8
Westover Hills Blvd., San Antonio, TX (San Antonio 1)	4.6	32.1	32.7	4.6	32.1	32.4
Westover Hills Blvd., San Antonio, TX (San Antonio 2)	7.0	—	—	7.0	—	—
Metropolis Dr., Austin, TX (Austin 2)	2.0	23.2	5.0	2.0	23.2	4.0
Myer Connors Rd (Wappinger Falls)	—	9.9	13.4	—	—	—
Madison Road (Totowa)	—	28.3	48.9	—	—	—
Commerce Road (Totowa)	—	4.1	0.8	—	—	—
Norden Place (Norwalk)	—	18.3	25.3	—	—	—
Riverbend Drive South (Stamford)	—	4.3	13.2	—	—	—
Omega Drive (Stamford)	—	3.2	1.5	—	—	—
Kestral Way (London)	—	32.0	0.8	—	32.7	0.7

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Jurong East (Singapore)	—	8.3	0.1	—	9.0	0.1
Ridgetop Circle, Sterling, VA (Northern Virginia)	7.0	19.1	47.9	7.0	—	—
Metropolis Dr., Austin, TX (Austin 3)	8.0	—	—	8.0	—	—
Metropolis Dr. Austin, TX (Austin 4)	3.3	—	—	—	—	—
Total	\$93.0	\$897.7	\$555.6	\$89.7	\$812.6	\$349.1

Construction in progress was \$187.1 million and \$127.0 million as of September 30, 2015 and December 31, 2014, respectively. We continue to have high amounts of construction in progress as we continue to build data center facilities.

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During 2015, we are continuing to invest in the development of real estate property. Our capital expenditures have included the development of additional square footage and power in our Phoenix 2, Houston West 3, Carrollton and Northern Virginia data centers, and the purchase of Austin 4 in February of 2015. The total purchase price of the Austin 4 facility was \$17.3 million, of which \$3.3 million was allocated to land and the remaining amount remains in construction in process as of September 30, 2015.

Impairment is recorded when the Company's net book value of real estate assets is greater than the estimated fair value. For the period ended September 30, 2015, we recognized an impairment of \$9.2 million related to the exit of Austin 1, which is a leased facility. The effective date of our lease termination is March 31, 2016.

7. Debt and Other Financing Arrangements

Debt and other financing arrangements presented in the accompanying consolidated financial statements consist of the following:

(amounts in millions)	September 30, 2015	December 31, 2014
Revolving credit facility	\$205.0	\$135.0
Term loan	300.0	150.0
6.375% senior notes due 2022, including bond premium	477.7	374.8
Long-term debt	982.7	659.8
Capital lease obligations	12.8	13.4
Other financing arrangements	151.9	53.4
Total	\$1,147.4	\$726.6

Credit Facility— On October 9, 2014, CyrusOne LP entered into a new Credit Agreement which originally provided for a \$450 million senior unsecured revolving credit facility to replace CyrusOne LP's former \$225 million secured credit facility, and a \$150 million senior unsecured term loan.

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

On July 1, 2015, CyrusOne borrowed an additional \$150 million under the term loan facility which was used to partially finance the acquisition of Cervalis. As of September 30, 2015, the Company had borrowings of \$205 million under the \$650 million revolving credit facility and \$300 million under the \$300 million term loan facility. In addition, the Credit Agreement contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to \$250 million.

The revolving credit facility is scheduled to mature in October 2018 and includes a one-year extension option, which if exercised by CyrusOne LP would extend the maturity date to October 2019. The term loan is scheduled to mature in October 2019. The revolving credit facility currently bears interest at a rate per annum equal to LIBOR plus 1.70% and the term loan currently bears interest at a rate per annum equal to LIBOR plus 1.65%.

We pay commitment fees for the unused amount of borrowings on the revolving credit facility and term loan and letter of credit fees on any outstanding letters of credit. The commitment fees are equal to 0.25% per annum of the actual daily amount by which the aggregate revolving commitments exceed the sum of outstanding revolving loans and letter of credit obligations. Commitment fees related to the Credit Agreement were \$0.3 million and \$0.3 million for the three months ended September 30, 2015 and 2014, respectively. Commitment fees related to the Credit Agreement were \$0.6 million and \$0.9 million for the nine months ended September 30, 2015 and 2014, respectively.

6.375% Senior Notes due 2022—On November 20, 2012, CyrusOne LP and CyrusOne Finance Corp. (the "Issuers") issued \$525 million of 6.375% senior notes due 2022 (the "6.375% senior notes"). The 6.375% senior notes are senior unsecured obligations of the Issuers, which rank equally in right of payment with all existing and future unsecured

senior debt

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of the Issuers. The 6.375% senior notes are effectively subordinated to all existing and future secured indebtedness of the Issuers to the extent of the value of the assets securing such indebtedness. The 6.375% senior notes are fully and unconditionally and jointly and severally guaranteed by CyrusOne Inc., CyrusOne GP, and each of CyrusOne LP's existing and future domestic 100% owned subsidiaries, subject to certain exceptions. Each such guarantee is a senior unsecured obligation of the applicable guarantor, ranking equally with all existing and future unsecured senior debt of such guarantor and effectively subordinated to all existing and future secured indebtedness of such guarantor to the extent of the value of the assets securing that indebtedness. The 6.375% senior notes are structurally subordinated to all liabilities (including trade payables) of each subsidiary of the Issuers that does not guarantee the senior notes. The 6.375% senior notes bear interest at a rate of 6.375% per annum, payable semi-annually on May 15 and November 15 of each year.

The 6.375% senior notes will mature on November 15, 2022. However, prior to November 15, 2017, the Issuers may, at their option, redeem some or all of the 6.375% senior notes at a redemption price equal to 100% of the principal amount of the 6.375% senior notes being redeemed, together with accrued and unpaid interest, if any, to the date of redemption plus a "make-whole" premium. On or after November 15, 2017, the Issuers may, at their option, redeem some or all of the 6.375% senior notes at any time at declining redemption prices equal to (i) 103.188% beginning on November 15, 2017, (ii) 102.125% beginning on November 15, 2018, (iii) 101.063% beginning on November 15, 2019 and (iv) 100.000% beginning on November 15, 2020 and thereafter, plus, in each case, accrued and unpaid interest, if any, to the applicable redemption date. In addition, before November 15, 2015, and subject to certain conditions, the Issuers may, at their option, redeem up to 35% of the aggregate principal amount of the 6.375% senior notes with the net proceeds of certain equity offerings at a redemption price equal to 106.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption; provided that (i) at least 65% of the aggregate principal amount of the 6.375% senior notes remains outstanding after the redemption and (ii) the redemption occurs within 90 days of the closing of any such equity offering.

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

On July 1, 2015, the Issuers closed a private offering of \$100 million aggregate principal amount of the 6.375% senior notes (the "New Notes"). The New Notes were issued as additional notes under the Indenture dated November 20, 2012 as supplemented by the first supplemental indenture dated July 1, 2015, and the New Notes have terms substantially identical to those of the 6.375% senior notes issued in November 2012. The Issuers and guarantors of the New Notes entered into a registration rights agreement which requires them, at their cost, to use commercially reasonable efforts to file and cause to become effective a registration statement within 180 days of July 1, 2015, to be used in connection with the exchange of the New Notes for freely tradable notes with substantially identical terms in all material respects to the New Notes (which exchange must be completed on or prior to the 30th day after such registration statement is declared effective). The Company used the net proceeds from the offering of the New Notes to finance, in part, the operating partnership's acquisition of Cervalis, and to pay fees and expenses related to the acquisition. As of September 30, 2015, the outstanding balance on the 6.375% senior notes was \$477.7 million, including bond premium.

Capital lease obligations—We use leasing as a source of financing for certain of our data center facilities and related equipment. We currently operate four data center facilities recognized as capital leases. We have options to extend the initial lease term on all these leases and options to purchase the facility for one of these leases. Interest expense on capital lease obligations was \$2.5 million and \$1.6 million for the three months ended September 30, 2015 and 2014, respectively. Interest expense on capital lease obligations was \$5.2 million and \$4.6 million for the nine months ended September 30, 2015 and 2014, respectively.

Other financing arrangements—Other financing arrangements represent leases of real estate in which we are involved in the construction of structural improvements to develop buildings into data centers. When we bear substantially all the construction period risk, such as managing or funding construction, we are deemed to be the accounting owner of the leased property and, at the lease inception date, we are required to record at fair value the property and associated

liability on our balance sheet. These transactions generally do not qualify for sale-leaseback accounting due to our continued involvement in these data center operations.

Deferred financing costs—Deferred financing costs are costs incurred in connection with obtaining long-term financing. Deferred financing costs were incurred in connection with the issuance of the revolving credit facility and term loan and 6.375% senior notes due 2022. As of September 30, 2015 and 2014, deferred financing costs totaled \$18.6 million and \$11.5 million, respectively. Deferred financing costs related to the senior notes are amortized using the effective interest method over the term of the related indebtedness. Deferred financing costs related to the revolving credit facility and term loan are amortized using the straight-line method. Amortization of deferred financing costs, included in interest expense in the consolidated statements of operations totaled \$1.0 million and \$0.9 million for the three months ended September 30, 2015 and 2014,

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respectively. Amortization of deferred financing costs totaled \$2.4 million and \$2.7 million for the nine months ended September 30, 2015 and 2014, respectively.

Debt Covenants —The Credit Agreement governing the revolving credit facility and the term loan requires us to maintain certain financial covenants including the following, in each case on a consolidated basis:

- A minimum fixed charge ratio;
- Maximum total and secured leverage ratios;
- A minimum tangible net worth ratio;
- A maximum secured recourse indebtedness ratio;
- A minimum unencumbered debt yield ratio; and
- A maximum ratio of unsecured indebtedness to unencumbered asset value.

Notwithstanding these limitations, we will be permitted, subject to the terms and conditions of the Credit Agreement, to distribute to our shareholders cash dividends in an amount not to exceed 95% of our Funds From Operations ("FFO"), as defined in the Credit Agreement, for any period. Similarly, our indenture permits dividends and distributions necessary for us to maintain our status as a REIT.

The Company's most restrictive covenants are generally included in its Credit Agreement. In order to continue to have access to amounts available to it under the Credit Agreement, the Company must remain in compliance with all covenants.

The indenture governing the 6.375% senior notes contains affirmative and negative covenants customarily found in indebtedness of this type, including a number of covenants that, among other things, restrict, subject to certain exceptions, the Company's ability to: incur secured or unsecured indebtedness; pay dividends or distributions on its equity interests, or redeem or repurchase equity interests of the Company; make certain investments or other restricted payments; enter into transactions with affiliates; enter into agreements limiting the ability of the operating partnership's subsidiaries to pay dividends or make certain transfers and other payments to the operating partnership or to other subsidiaries; sell assets; and merge, consolidate or transfer all or substantially all of the operating partnership's assets. Notwithstanding the foregoing, the covenants contained in the indenture do not restrict the Company's ability to pay dividends or distributions to shareholders to the extent (i) no default or event of default exists or is continuing under the indenture and (ii) the Company believes in good faith that we qualify as a REIT under the Code and the payment of such dividend or distribution is necessary either to maintain its status as a REIT or to enable it to avoid payment of any tax that could be avoided by reason of such dividend or distribution. The Company and its subsidiaries are also required to maintain total unencumbered assets of at least 150% of their unsecured debt on a consolidated basis, provided that for the purposes of such calculation their revolving credit facility shall be treated as unsecured indebtedness, in each case subject to certain qualifications set forth in the indenture.

As of September 30, 2015, we believe we were in compliance with all covenants.

8. Fair Value of Financial Instruments

Fair value measurements are utilized in accounting for business combinations and testing of goodwill and other long-lived assets for impairment and disclosures. Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1—Observable inputs for identical instruments such as quoted market prices;

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs); and

Level 3—Unobservable inputs that reflect our determination of assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including our own data.

The fair value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses approximate their carrying value because of the short-term nature of these instruments.

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The carrying value and fair value of other financial instruments are as follows:

(amounts in millions)	September 30, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
6.375% senior notes due 2022, including bond premium	\$477.7	\$487.3	\$374.8	\$402.0
Revolving credit facility and term loan	505.0	505.0	285.0	285.0
Other financing arrangements	151.9	156.5	53.4	63.1

The fair value of our senior notes as of September 30, 2015 and December 31, 2014 was based on the quoted market price for these notes, which is considered Level 1 of the fair value hierarchy. The fair value of the revolving credit facility and term loan was based on par value as of September 30, 2015. The fair value of other financing arrangements at September 30, 2015 and December 31, 2014, was calculated using a discounted cash flow model that incorporates current borrowing rates for obligations of similar duration. These fair value measurements are considered Level 2 of the fair value hierarchy.

9. Noncontrolling Interest - Operating Partnership

The noncontrolling interest represents the limited partnership interest in the operating partnership held by CBI.

The following table shows the ownership interests as of September 30, 2015 and 2014, and the portion of net loss and distributions for the nine months ended September 30, 2015 and 2014:

(amounts in millions, except per unit amount)	September 30, 2015		September 30, 2014	
	The Company	CBI	The Company	CBI
Operating partnership units	66.3	6.3	38.7	26.6
Ownership %	91.3	% 8.7	% 59.2	% 40.8
Portion of net (loss) income	(14.4)	(4.6)	(0.8)	(1.9)
Distributions	(54.0)	(14.3)	(21.1)	(20.1)

CyrusOne LP issued 123.7 million operating partnership units to CBI on November 20, 2012 and CBI assumed certain of the Predecessor's intercompany payables and other liabilities of \$203.5 million. Subsequent to December 31, 2012, CyrusOne LP executed a 2.8 to 1.0 reverse unit split, resulting in CBI owning 44.1 million operating partnership units. On January 24, 2013, CBI exchanged approximately 1.5 million operating partnership units for common shares of CyrusOne Inc.

As stock is issued by CyrusOne Inc., CBI's ownership percentage will change. CyrusOne Inc. has issued shares in conjunction with the LTIP discussed in Note 11. Furthermore, on June 25, 2014, CyrusOne Inc. completed a public offering of approximately 16.0 million shares of its common stock, including 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting discounts of \$15.8 million, to acquire 16.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI. As a result, the Company's noncontrolling interest decreased by \$166.9 million and CBI's ownership decreased to 40.8% as of September 30, 2014. In addition, the Company's additional paid in capital decreased by \$412.2 million and \$189 million as of September 30, 2015 and 2014, respectively. This represents the difference between the proceeds and the noncontrolling interest redeemed by CBI.

On April 7, 2015, CyrusOne Inc. completed a public offering of approximately 14.3 million shares of its common stock, including approximately 1.9 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$31.12 per share, or \$443.8 million. CyrusOne Inc. used the proceeds of \$426.0 million, net of underwriting costs of \$17.8 million, to acquire approximately 14.3 million common units of limited partnership interests in the operating partnership from two subsidiaries of CBI.

On June 26, 2015, CyrusOne Inc. completed a public offering of approximately 13.0 million shares of its common stock, including approximately 1.7 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$30.00 per share, or \$389.9 million. CyrusOne Inc. used \$203 million of the total proceeds of \$373.3 million, net of underwriting costs of \$16.6

million, to finance the acquisition of Cervalis, to pay fees and expenses related to the Cervalis acquisition and for general corporate purposes. In addition, on July 1, 2015, CyrusOne used the remaining \$170.3 million of the offering proceeds to acquire approximately 6.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI at \$28.41 per unit.

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As of September 30, 2015, the total number of outstanding shares of common stock and operating partnership units was approximately 72.6 million. As of September 30, 2015, CBI owned approximately 11.3% of CyrusOne through its 2.6% interest in the outstanding shares of common stock of CyrusOne Inc. and its 8.7% noncontrolling interest in the common units of the limited partnership interest of CyrusOne LP that may be exchanged by CBI for common stock.

Under the Amended and Restated Agreement of Limited Partnership of the operating partnership (the "LP Agreement"), the limited partners of the operating partnership (including CBI) have certain redemption rights. The LP Agreement grants the limited partners the right to require the operating partnership to redeem part or all of their operating partnership units for cash based upon the fair market value of an equivalent number of shares of our common stock at the time of the redemption, determined in accordance with and subject to adjustment as provided in the LP Agreement. Alternatively, at our discretion, we may elect to acquire those operating partnership units in exchange for shares of our common stock. Our acquisition of partnership units in exchange for shares of our common stock would be on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, distributions of warrants or stock rights, specified extraordinary distributions and similar events. With each redemption or exchange, we increase our percentage ownership interest in our operating partnership.

The redemption value of the remaining noncontrolling interests was approximately \$207.3 million based on the closing price of our stock of \$32.66 on September 30, 2015.

10. Dividends

On August 5, 2015, we announced a regular cash dividend of \$0.315 per common share payable to shareholders of record at the close of business on September 25, 2015. In addition, holders of operating partnership units received a distribution of \$0.315 per unit. The dividends and distributions were paid on October 15, 2015.

11. Equity Incentive Plan

In conjunction with the IPO, our board of directors adopted the LTIP. The LTIP is administered by the board of directors, or the plan administrator. Awards issuable under the LTIP may include common stock, restricted stock, stock options and other incentive awards. We have reserved a total of 4 million shares of our common stock for issuance pursuant to the LTIP, which may be adjusted for changes in our capitalization and certain corporate transactions. To the extent that an award, if forfeitable, expires, terminates or lapses, or an award is otherwise settled in cash without the delivery of shares of common stock to the participant, then any unpaid shares subject to the award will be available for future grant or issuance under the LTIP. The payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the LTIP. The related stock compensation expense incurred by CyrusOne Inc. will be allocated to the operating partnership.

Time-Based Awards

The Company issued approximately 1 million time-based restricted shares to its employees, officers and directors in conjunction with the IPO. These restricted shares generally vest over three years. The per share grant date price was \$19.00. These restricted shares also earn non-forfeitable dividends throughout the vesting period. In addition, from time to time, new employees and directors have been issued restricted shares. These restricted shares are issued at a price equal to the share price on the grant date. The board also issued new time-based options and time-based restricted stock to certain of its employees and directors in February 2015.

The Company recognized stock-based compensation expense of approximately \$1.7 million and \$1.6 million for the three months ended September 30, 2015 and 2014, respectively. The Company recognized stock-based compensation expense of approximately \$5.1 million and \$4.7 million for the nine months ended September 30, 2015 and 2014, respectively. In addition, the Company had unrecognized compensation expense of approximately \$4.2 million as of September 30, 2015. This expense will be recognized over the remaining vesting period, or approximately 0.6 years.

Performance-Based Awards

On April 17, 2013, the Company approved grants of performance-based options and performance-based restricted stock under the LTIP. These awards generally vest over three years upon the achievement of certain performance-based objectives. These awards are expensed based on the grant date fair value if it is probable that the performance conditions will be achieved.

The Company recognized stock-based compensation expense related to the April 2013 grant of approximately \$0.1 million and \$0.3 million for the three months ended September 30, 2015 and 2014, respectively. The Company recognized stock-based compensation expense related to the April 2013 grant of approximately \$0.5 million and \$0.8 million for the nine months ended September 30, 2015 and 2014, respectively. In addition, the Company had unrecognized compensation expense of

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approximately \$0.3 million as of September 30, 2015. This expense will be recognized over the remaining vesting period, or approximately 0.6 years.

The performance criteria are based on achieving both an EBITDA and a relative stockholder return target by the end of the three-year period. The Company is recording a compensation charge based on achieving 62% of the EBITDA target and 100% of the relative return target.

On February 7, 2014, the Company approved grants of performance-based restricted stock under the LTIP. These awards generally vest over three years upon the achievement of certain performance-based objectives. These awards are expensed based on the grant date fair value if it is probable that the performance conditions will be achieved.

The Company recognized stock-based compensation expense related to the February 2014 grant of approximately \$0.4 million and \$0.7 million for the three months ended September 30, 2015 and 2014, respectively. The Company recognized stock-based compensation expense related to the February 2014 grant of approximately \$1.5 million and \$2.1 million for the nine months ended September 30, 2015 and 2014, respectively. In addition, the Company had unrecognized compensation expense of approximately \$2.4 million as of September 30, 2015. This expense will be recognized over the remaining vesting period, or approximately 1.2 years.

The performance criteria is based on achieving both an EBITDA and a relative return target by the end of the three-year period. The Company is recording a compensation charge based on achieving 92% of the EBITDA target and 100% of the relative return target.

On February 10, 2015, the Company approved grants of performance-based restricted stock under the LTIP. The performance-based restricted stock will vest annually based upon the achievement of certain criteria for each year of a three-year measurement period. Fifty percent of the awards is subject to performance measurement criteria based on achieving a targeted return on assets and the other fifty percent of the awards is subject to performance measurement criteria based on achieving total stockholder return on CyrusOne common stock on a cumulative basis that meets or exceeds the return of the MSCI REIT Index. The first two years are capped at 100% of the target with a cumulative true-up in year three, and a maximum of 200% of the target awards may be earned. These awards are expensed based on the grant date fair value if it is probable that the performance conditions will be achieved.

The Company recognized stock-based compensation expense related to the February 2015 grant of approximately \$1.2 million and \$2.3 million for the three and nine months ended September 30, 2015, respectively. The Company is recording a compensation charge based on achieving 122% of the return on assets target and 100% of the relative return target. In addition, the Company had unrecognized compensation expense of approximately \$3.1 million as of September 30, 2015. This expense will be recognized over the remaining vesting period, or approximately 1.3 years. In addition, the compensation expense mentioned above in aggregate, includes \$0.9 million due to the acceleration of equity awards on the termination of a senior executive.

12. Loss per Share

Basic loss per share is calculated using the weighted average number of shares of common stock outstanding during the period. In addition, net loss applicable to participating securities and the related participating securities are excluded from the computation of basic loss per share.

Diluted loss per share is calculated using the weighted average number of shares of common stock outstanding during the period, including restricted stock outstanding. If there is net income during the period, the dilutive impact of common stock equivalents outstanding would also be reflected.

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The following table reflects the computation of basic and diluted net loss per share for the three and nine months ended September 30, 2015 and September 30, 2014:

	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014		Nine Months Ended September 30, 2015		Nine Months Ended September 30, 2014	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
(amounts and shares in millions, except per share amount)								
Numerator:								
Net loss attributed to common shareholders	\$(4.6)	\$(4.6)	\$0.1	\$0.1	\$(14.4)	\$(14.4)	\$(0.8)	\$(0.8)
Less: Restricted stock dividends	(0.3)	(0.3)	(0.2)	(0.2)	(0.8)	(0.8)	(0.7)	(0.6)
Net loss available to shareholders	\$(4.9)	\$(4.9)	\$(0.1)	\$(0.1)	\$(15.2)	\$(15.2)	\$(1.5)	\$(1.4)
Denominator:								
Weighted average common outstanding-basic	64.3	64.3	36.9	36.9	50.6	50.6	26.5	26.5
Performance-based restricted stock ⁽¹⁾⁽²⁾		—		—		—		—
Convertible securities ⁽¹⁾⁽²⁾		—		—		—		—
Weighted average shares outstanding-diluted		64.3		36.9		50.6		26.5
EPS:								
Net loss per share-basic	\$(0.08)		\$—		\$(0.30)		\$(0.06)	
Effect of dilutive shares:								
Net loss per share-diluted	\$(0.08)		\$—		\$(0.30)		\$(0.06)	

⁽¹⁾ We have excluded 0.8 million shares of restricted stock, and 15.4 million of operating partnership units which are securities that are convertible into our common stock, from our diluted earnings per share as of September 30, 2015, as these securities were deemed anti-dilutive.

⁽²⁾ We have excluded 0.9 million shares of restricted stock, and 36.9 million of operating partnership units which are securities that are convertible into our common stock, from our diluted earnings per share as of September 30, 2014, as these securities were deemed anti-dilutive.

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13. Related Party Transactions

The condensed consolidated financial statements reflect the following transactions with CBI and its affiliated entities, including Cincinnati Bell Telephone (“CBT”) and Cincinnati Bell Technology Solutions (“CBTS”):

Revenue—The Company records revenues from CBI under contractual service arrangements. These services include leasing of data center space, power and cooling in certain areas of our data center facilities, network interface services and office space.

Operating Expenses—The Company records expenses from CBI incurred in relation to network support, services calls, monitoring and management, storage and backup, IT systems support, and connectivity services.

The following related party transactions are based on agreements and arrangements that were in place during the respective periods. Revenues and expenses for the periods presented were as follows:

(amounts in millions)	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Revenue:				
Data center colocation agreement provided to CBT and CBTS	\$2.0	\$1.7	\$5.7	\$4.7
229 West 7th Street lease provided to CBT	0.5	0.5	1.6	1.5
Goldcoast Drive/Parkway (Mason) lease	—	0.1	0.1	0.3
Transition services provided to CBTS (network interfaces)	0.1	0.1	0.2	0.3
Data center leases provided to CBTS	2.7	3.3	8.9	10.5
Total revenue	\$5.3	\$5.7	\$16.5	\$17.3
Operating costs and expenses:				
Transition services agreement by CBTS	\$0.1	\$0.2	\$0.4	\$0.8
Charges for services provided by CBT (connectivity)	0.2	0.3	0.7	0.8
209 West 7th Street rent provided by CBT	0.1	—	0.1	0.1
Total operating costs and expenses	\$0.4	\$0.5	\$1.2	\$1.7

As of September 30, 2015 and December 31, 2014, the amounts receivable from and payable to CBI were as follows:

(amounts in millions)	As of September 30, 2015	As of December 31, 2014
Accounts receivable from CBI	\$1.3	\$0.8
Accounts payable	\$0.7	\$1.7
Dividends/distributions payable	2.0	5.6
Total accounts payable	\$2.7	\$7.3

The dividends/distributions payable as of September 30, 2015, reflect the balance due to subsidiaries of CBI related to the dividend and distribution announced on August 5, 2015, of \$0.315 per share and operating partnership unit, based on CBI's ownership of common shares of CyrusOne Inc. and operating partnership units of CyrusOne LP as of the Record Date of September 25, 2015.

14. Income Taxes

CyrusOne Inc. has elected to be taxed as a REIT under the Code, commencing with our initial taxable year ended December 31, 2013. To qualify as a REIT, we are required to distribute at least 90% of our taxable income to our stockholders and meet various other requirements imposed by the Code relating to such matters as operating results,

asset holdings, distribution levels and diversity of stock ownership. Provided we qualify for taxation as a REIT, we are generally not subject to corporate level federal income tax on the earnings distributed currently to our shareholders. It is our policy and intent, subject

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

to change, to distribute 100% of our taxable income and therefore no provision is required in the accompanying financial statements for federal income taxes with regards to activities of CyrusOne Inc. and its subsidiary pass-through entities.

We have elected to designate two subsidiaries as taxable REIT subsidiaries (each a "TRS"). A TRS may perform services for our tenants that would otherwise be considered impermissible for REITs. The income generated from these services is taxed at federal and state corporate rates. While CyrusOne Inc. and the operating partnership do not pay federal income taxes, we are still subject to foreign, state, and local income taxes in the locations in which we conduct business. Income tax expense was \$0.7 million and \$0.4 million for the three months ended September 30, 2015 and 2014, respectively. Income tax expense was \$1.5 million and \$1.1 million for the nine months ended September 30, 2015 and 2014, respectively.

In conjunction with the Company's tax sharing arrangement with CBI, CBI may be required to file Texas margin tax returns on a consolidated, combined or unitary basis with the Company for any given year. If such return is prepared by CBI on a combined or consolidated basis to include the Company, the related Texas margin tax of the Company will be paid by CBI. The Company will then reimburse CBI for its portion of the related Texas margin tax. The Texas margin tax payable was \$0.7 million as of September 30, 2015 and \$1.7 million as of December 31, 2014. Effective June 26, 2014, CBI's ownership percentage in the operating partnership was reduced to below 50 percent. As a result, the Company files its own Texas margin tax return and therefore, reimbursements to CBI by the Company are no longer necessary.

For certain entities we calculate deferred tax assets and liabilities for temporary differences in the basis between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at rates then in effect. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. The ultimate realization of the deferred tax assets depends upon our ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards. Deferred tax assets (net of valuation allowance) and liabilities were accrued, as necessary, for the periods ended September 30, 2015 and December 31, 2014. As of September 30, 2015 and December 31, 2014, the net domestic and foreign deferred tax assets were zero.

15. Guarantors

CyrusOne Inc.

CyrusOne LP and CyrusOne Finance Corp., as "LP Co-issuer" and "Finance Co-issuer," respectively (together, the "Issuers"), had \$477.7 million aggregate principal amount of 6.375% senior notes outstanding, including bond premium, at September 30, 2015. As of September 30, 2015, the 6.375% senior notes are fully and unconditionally and jointly and severally guaranteed on a senior basis by CyrusOne Inc. (the "Parent Guarantor"), CyrusOne GP (the "General Partner"), and CyrusOne LP's 100% owned subsidiaries, CyrusOne LLC, CyrusOne TRS Inc. and CyrusOne Foreign Holdings LLC, Cervalis Holdings LLC, and Cervalis LLC (such subsidiaries, together the "Guarantors"). None of CyrusOne LP's subsidiaries organized outside of the United States (collectively, the "Non-Guarantors") guarantee the 6.375% senior notes. Subject to the provisions of the indenture governing the 6.375% senior notes, in certain circumstances, a Guarantor may be released from its guarantee obligation, including:

- upon the sale or other disposition (including by way of consolidation or merger) of such Guarantor or of all of the capital stock of such Guarantor such that such Guarantor is no longer a restricted subsidiary under the indenture,
- upon the sale or disposition of all or substantially all of the assets of the Guarantor,
- upon the LP Co-issuer designating such Guarantor as an unrestricted subsidiary under the terms of the indenture, if such Guarantor is no longer a guarantor or other obligor of any other indebtedness of the LP Co-issuer or the Parent Guarantor, and
- upon the defeasance or discharge of the 6.375% senior notes in accordance with the terms of the indenture.

As of September 30, 2015, the following provides information regarding the entity structure of each Issuer and guarantor of the 6.375% senior notes:

CyrusOne Inc. – CyrusOne Inc. was formed on July 31, 2012. As of January 23, 2013, CyrusOne Inc. was a wholly-owned subsidiary of CBI. Effective January 24, 2013, CyrusOne Inc. completed its IPO of common stock for net proceeds of \$337.1 million, and together with the General Partner, purchased a 33.9% ownership interest in CyrusOne LP. CyrusOne Inc. is a guarantor or Parent Guarantor and became a separate registrant with the SEC upon completion of its IPO.

CyrusOne GP – CyrusOne GP was formed on July 31, 2012, and was a 100% owned subsidiary of CyrusOne Inc. as of January 23, 2013. Effective upon completion of CyrusOne Inc.'s IPO, this entity became the general partner and 1% owner of

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

CyrusOne LP and has no other assets or operations. Prior to the IPO, this entity did not incur any obligations or record any transactions.

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

Guarantors – The guarantors include CyrusOne LLC, CyrusOne TRS Inc., and CyrusOne Foreign Holdings LLC. In addition, on July 2, 2015, following the completion of the Cervalis acquisition, Cervalis and its wholly owned subsidiary, Cervalis LLC (together with Cervalis, the "Cervalis Subsidiaries") agreed to provide unconditional guarantees of the issuers' obligations under the senior notes. The guarantee of each Cervalis Subsidiary is (i) a senior unsecured obligation of such Cervalis Subsidiary, (ii) pari passu in right of payment with any existing and future unsecured senior indebtedness of such Cervalis Subsidiary, (iii) senior in right of payment to any future subordinated indebtedness of such Cervalis Subsidiary and (iv) effectively subordinated in right of payment to all existing and future secured indebtedness of such Cervalis Subsidiary, to the extent of the value of the collateral securing that indebtedness. CyrusOne LLC, together with CyrusOne Foreign Holdings LLC, directly or indirectly owns 100% of the Non-Guarantors.

Non-Guarantors consist of 100% owned subsidiaries which conduct operations in the United Kingdom and Singapore. The following schedules present the balance sheets as of September 30, 2015 and December 31, 2014, and the statements of operations for the three and nine months ended September 30, 2015 and September 30, 2014, and the statements of cash flows for the nine months ended September 30, 2015 and September 30, 2014 for the Parent Guarantor, General Partner, LP Co-issuer, Finance Co-issuer, Guarantors, and Non-Guarantors.

For the three and nine months ended September 30, 2014, the Company has revised its Guarantor Condensed Consolidated Balance Sheets, Condensed Consolidating Statements of Income, and Condensed Consolidating Statements of Cash Flows to correct an immaterial error in the prior periods. Previously, the Investment in Subsidiaries and Equity Loss related to Investment in Subsidiaries reported by the Parent Guarantors included amounts related to noncontrolling interests. Those noncontrolling interest amounts are now reported in the Eliminations/Consolidations column. The impact of those changes was to reduce the dividends paid by the Parent Guarantor and return on investment by \$21.4 million in the Statement of Cash Flows for the period ended September 30, 2014. These errors had no effect on the consolidated financials of either CyrusOne Inc. or CyrusOne LP and is not material to the consolidated financial statements taken as a whole.

The Condensed Consolidating Statements of Cash Flows for the nine months ended September 30, 2015, includes the acquisition of Cervalis in July 2015. The results for Cervalis are included in the Guarantor financial statements subsequent to the acquisition.

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Balance Sheets

(amounts in millions)	As of September 30, 2015							Totals
	Parent Guarantor	General LP Partner	Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidation	
Land	\$—	\$—	\$—	\$—	\$93.0	\$—	\$—	\$93.0
Buildings and improvements	—	—	—	—	857.4	40.3	—	897.7
Equipment	—	—	—	—	552.1	0.9	2.6	555.6
Construction in progress	—	—	—	—	186.0	0.1	1.0	187.1
Subtotal	—	—	—	—	1,688.5	41.3	3.6	1,733.4
Accumulated depreciation	—	—	—	—	(395.3)	(9.1)	—	(404.4)
Net investment in real estate	—	—	—	—	1,293.2	32.2	3.6	1,329.0
Cash and cash equivalents	1.7	—	—	—	33.0	5.1	—	39.8
Investment in subsidiaries	784.3	8.4	878.5	—	1.6	—	(1,672.8)	—
Restricted cash	—	—	—	—	7.1	—	—	7.1
Rent and other receivables	—	—	—	—	73.2	1.3	—	74.5
Intercompany receivable	—	—	959.9	—	1.7	—	(961.6)	—
Goodwill	—	—	—	—	453.4	—	—	453.4
Intangible assets, net	—	—	—	—	175.7	—	—	175.7
Due from affiliates and parent	—	—	—	—	1.3	—	—	1.3
Other assets	—	—	19.4	—	78.3	3.1	—	100.8
Total assets	\$786.0	\$8.4	\$1,857.8	\$—	\$2,118.5	\$41.7	\$ (2,630.8)	\$2,181.6
Accounts payable and accrued expenses	\$—	\$—	\$35.6	\$—	\$78.9	\$1.8	\$—	\$116.3
Deferred revenue	—	—	—	—	73.5	0.6	—	74.1
Intercompany payable	1.7	—	—	—	959.9	—	(961.6)	—
Due to affiliates	—	—	2.0	—	0.7	—	—	2.7
Capital lease obligations	—	—	—	—	6.6	6.2	—	12.8
Long-term debt	—	—	982.7	—	—	—	—	982.7
Other financing arrangements	—	—	—	—	120.4	31.5	—	151.9
Total liabilities	1.7	—	1,020.3	—	1,240.0	40.1	(961.6)	1,340.5
Total shareholders' equity	784.3	8.4	837.5	—	878.5	1.6	(1,722.4)	787.9
Noncontrolling interest	—	—	—	—	—	—	53.2	53.2
Total equity	784.3	8.4	837.5	—	878.5	1.6	(1,669.2)	841.1
Total liabilities and equity	\$786.0	\$8.4	\$1,857.8	\$—	\$2,118.5	\$41.7	\$ (2,630.8)	\$2,181.6

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

(amounts in millions)	As of December 31, 2014							Totals
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidation	
Land	\$—	\$—	\$—	\$—	\$ 89.7	\$—	\$ —	\$ 89.7
Buildings and improvements	—	—	—	—	770.9	41.7	—	812.6
Equipment	—	—	—	—	348.3	0.8	—	349.1
Construction in progress	—	—	—	—	124.8	—	2.2	127.0
Subtotal	—	—	—	—	1,333.7	42.5	2.2	1,378.4
Accumulated depreciation	—	—	—	—	(319.7)	(7.3)	—	(327.0)
Net investment in real estate	—	—	—	—	1,014.0	35.2	2.2	1,051.4
Cash and cash equivalents	—	—	—	—	33.5	3.0	—	36.5
Investment in subsidiaries	458.5	7.1	734.3	—	3.6	—	(1,203.5)	—
Rent and other receivables	—	—	—	—	57.9	3.0	—	60.9
Intercompany receivable	—	—	642.9	—	—	—	(642.9)	—
Goodwill	—	—	—	—	276.2	—	—	276.2
Intangible assets, net	—	—	—	—	68.9	—	—	68.9
Due from affiliates and parent	—	—	—	—	0.8	—	—	0.8
Other assets	—	—	15.5	—	73.1	3.2	—	91.8
Total assets	\$458.5	\$7.1	\$1,392.7	\$—	\$1,528.0	\$44.4	\$ (1,844.2)	\$1,586.5
Accounts payable and accrued expenses	\$—	\$—	\$12.5	\$—	\$56.9	\$0.5	\$ —	\$69.9
Deferred revenue	—	—	—	—	65.1	0.6	—	65.7
Intercompany payable	—	—	—	—	642.9	—	(642.9)	—
Due to affiliates	—	—	5.6	—	1.7	—	—	7.3
Capital lease obligations	—	—	—	—	6.2	7.2	—	13.4
Long-term debt	—	—	659.8	—	—	—	—	659.8
Other financing arrangements	—	—	—	—	20.9	32.5	—	53.4
Total liabilities	—	—	677.9	—	793.7	40.8	(642.9)	869.5
Total shareholders' equity	458.5	7.1	714.8	—	734.3	3.6	(1,457.6)	460.7
Noncontrolling interest	—	—	—	—	—	—	256.3	256.3
Total equity	458.5	7.1	714.8	—	734.3	3.6	(1,201.3)	717.0
Total liabilities and equity	\$458.5	\$7.1	\$1,392.7	\$—	\$1,528.0	\$44.4	\$ (1,844.2)	\$1,586.5

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Statements of Operations

(amounts in millions)	Three Months Ended September 30, 2015							Total
	Parent Guarantor	General LP Partner	Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidations	
Revenue	\$—	\$—	\$—	\$—	\$ 109.7	\$ 1.5	\$ —	\$ 111.2
Costs and expenses:								
Property operating expenses	—	—	—	—	41.6	0.6	—	42.2
Sales and marketing	—	—	—	—	3.2	—	—	3.2
General and administrative	—	—	—	—	12.4	0.1	—	12.5
Depreciation and amortization	—	—	—	—	38.3	0.8	—	39.1
Transaction and acquisition integration costs	—	—	—	—	1.8	—	—	1.8
Asset impairments and loss on disposal	—	—	—	—	4.9	—	—	4.9
Total costs and expenses	—	—	—	—	102.2	1.5	—	103.7
Operating income (loss)	—	—	—	—	7.5	—	—	7.5
Interest expense	—	—	11.2	—	—	0.8	0.1	12.1
Income (loss) before income taxes	—	—	(11.2)	—	7.5	(0.8)	(0.1)	(4.6)
Income tax expense	—	—	—	—	(0.7)	—	—	(0.7)
Equity earnings (loss) related to investment in subsidiaries	(4.5)	—	6.0	—	(0.8)	—	(0.7)	—
Net income (loss)	(4.5)	—	(5.2)	—	6.0	(0.8)	(0.8)	(5.3)
Noncontrolling interest in net loss	—	—	—	—	—	—	(0.7)	(0.7)
Net income (loss) attributed to common shareholders	\$(4.5)	\$—	\$(5.2)	\$—	\$ 6.0	\$(0.8)	\$(0.1)	\$(4.6)

(amounts in millions)	Three Months Ended September 30, 2014							Total
	Parent Guarantor	General LP Partner	Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidations	
Revenue	\$—	\$—	\$—	\$—	\$ 83.0	\$ 1.8	\$ —	\$ 84.8
Costs and expenses:								
Property operating expenses	—	—	—	—	32.2	0.8	—	33.0
Sales and marketing	—	—	—	—	3.2	—	—	3.2
General and administrative	—	—	—	—	8.9	0.1	—	9.0
Depreciation and amortization	—	—	—	—	29.2	0.8	—	30.0
Transaction costs	—	—	—	—	—	—	—	—
Total costs and expenses	—	—	—	—	73.5	1.7	—	75.2
Operating income (loss)	—	—	—	—	9.5	0.1	—	9.6
Interest expense	—	—	9.6	—	—	0.8	(1.4)	9.0
Income (loss) before income taxes	—	—	(9.6)	—	9.5	(0.7)	1.4	0.6
Income tax expense	—	—	—	—	(0.4)	—	—	(0.4)
Equity earnings (loss) related to investment in	(1.3)	—	8.4	—	(0.7)	—	(6.4)	—

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subsidiaries

Net income (loss)	(1.3)	—	(1.2)	—	8.4	(0.7)	(5.0)	0.2
Noncontrolling interest in net loss	—	—	—	—	—	—	0.1	0.1
Net income (loss) attributed to common shareholders	\$(1.3)	\$—	\$(1.2)	\$—	\$ 8.4	\$(0.7)	\$ (5.1)	\$0.1

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CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Statements of Operations

(amounts in millions)	Nine Months Ended September 30, 2015							Total
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidations	
Revenue	\$—	\$—	\$—	\$—	\$ 281.9	\$ 4.1	\$ —	\$286.0
Costs and expenses:								
Property operating expenses	—	—	—	—	105.4	1.9	—	107.3
Sales and marketing	—	—	—	—	8.8	0.1	—	8.9
General and administrative	—	—	—	—	31.5	—	—	31.5
Depreciation and amortization	—	—	—	—	99.5	2.1	—	101.6
Transaction and acquisition integration costs	—	—	—	—	11.5	—	—	11.5
Asset impairments and loss on disposal	—	—	—	—	13.5	—	—	13.5
Total costs and expenses	—	—	—	—	270.2	4.1	—	274.3
Operating income (loss)	—	—	—	—	11.7	—	—	11.7
Interest expense	—	—	28.1	—	—	2.4	(1.3)	29.2
Income (loss) before income taxes	—	—	(28.1)	—	11.7	(2.4)	1.3	(17.5)
Income tax expense	—	—	—	—	(1.5)	—	—	(1.5)
Equity earnings (loss) related to investment in subsidiaries	(15.7)	(0.2)	7.8	—	(2.4)	—	10.5	—
Net income (loss)	(15.7)	(0.2)	(20.3)	—	7.8	(2.4)	11.8	(19.0)
Noncontrolling interest in net loss	—	—	—	—	—	—	(4.6)	(4.6)
Net income (loss) attributed to common shareholders	\$(15.7)	\$(0.2)	\$(20.3)	\$—	\$ 7.8	\$(2.4)	\$ 16.4	\$(14.4)

(amounts in millions)	Nine Months Ended September 30, 2014							Total
	Parent Guarantor	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidations	
Revenue	\$—	\$—	\$—	\$—	\$ 239.6	\$ 4.4	\$ —	\$244.0
Costs and expenses:								
Property operating expenses	—	—	—	—	90.5	2.0	—	92.5
Sales and marketing	—	—	—	—	9.6	0.1	—	9.7
General and administrative	—	—	—	—	24.5	0.2	—	24.7
Depreciation and amortization	—	—	—	—	85.1	2.3	—	87.4
Transaction costs	—	—	—	—	0.9	—	—	0.9
Total costs and expenses	—	—	—	—	210.6	4.6	—	215.2
Operating income (loss)	—	—	—	—	29.0	(0.2)	—	28.8
Interest expense	—	—	28.9	—	—	2.6	(1.1)	30.4
Income (loss) before income taxes	—	—	(28.9)	—	29.0	(2.8)	1.1	(1.6)
Income tax expense	—	—	—	—	(1.1)	—	—	(1.1)
	(1.9)	—	25.1	—	(2.8)	—	(20.4)	—

Equity earnings (loss)
related to investment in
subsidiaries

Net income (loss)	(1.9)	—	(3.8)	—	25.1	(2.8)	(19.3)	(2.7)
Noncontrolling interest in net loss	—	—	—	—	—	—	(1.9)	(1.9)
Net income (loss) attributed to common shareholders	\$(1.9)	\$—	\$(3.8)	\$—	\$25.1	\$(2.8)	\$ (17.4)	\$(0.8)

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CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Statements of Cash Flows

(amounts in millions)	Nine Months Ended September 30, 2015							
	Parent Guarantor	General LP Partner	Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidations	Total
Cash flows from operating activities:								
Net (loss) income	\$(15.7)	\$(0.2)	(20.3)	\$ —	\$ 7.8	\$(2.4)	\$ 11.8	\$(19.0)
Equity income (loss) related to investment in subsidiaries	15.7	0.2	(7.8)	—	2.4	—	(10.5)	—
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:								
Depreciation and amortization	—	—	—	—	99.5	2.1	—	101.6
Non-cash interest expense	—	—	2.3	—	—	—	—	2.3
Stock-based compensation expense	—	—	—	—	10.5	—	—	10.5
Provision for bad debt write off	—	—	—	—	0.3	—	—	0.3
Asset impairments	—	—	—	—	13.5	—	—	13.5
Change in operating assets and liabilities, net of effects of acquisitions:								
Rent receivables and other assets	—	—	(0.8)	—	(17.9)	1.8	—	(16.9)
Accounts payable and accrued expenses	—	—	9.3	—	(0.7)	1.3	—	9.9
Deferred revenues	—	—	—	—	0.8	—	—	0.8
Advances to affiliates	—	—	—	—	(1.5)	—	—	(1.5)
Net cash provided by (used in) operating activities	—	—	(17.3)	—	114.7	2.8	1.3	101.5
Cash flows from investing activities:								
Capital expenditures - acquisitions of real estate	—	—	—	—	(17.3)	—	—	(17.3)
Capital expenditures - other development	—	—	—	—	(140.2)	(0.7)	—	(140.9)
Business acquisitions, net of cash acquired	—	—	—	—	(398.4)	—	—	(398.4)
Investment in and loans to subsidiaries	(202.9)	—	—	—	202.9	—	—	—
Return of investment	41.3	(2.0)	81.0	—	(23.0)	—	(97.3)	—
Intercompany contributions/distributions	1.7	—	(323.8)	—	(1.7)	—	323.8	—
Net cash provided by (used in) investing activities	(159.9)	(2.0)	(242.8)	—	(377.7)	(0.7)	226.5	(556.6)
Cash flows from financing activities:								
Issuance of common stock	799.3	—	—	—	—	—	—	799.3
	(596.4)	—	—	—	—	—	—	(596.4)

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Acquisition of operating partnership units								
Stock issuance costs	(0.8)	—	—	—	—	—		(0.8)
Dividends paid	(40.5)	—	(58.3)	—	(58.3)	—	98.8	(58.3)
Intercompany borrowings	—	—	—	—	323.8	—	(323.8)	—
Borrowings from credit facility	—	—	220.0	—	—	—	—	220.0
Proceeds from issuance of debt	—	—	103.8	—	—	—	—	103.8
Payments on capital leases and other financing arrangements	—	—	—	—	(3.0)	(0.8)	—	(3.8)
Debt issuance costs	—	—	(5.4)	—	—	—	—	(5.4)
Contributions/distributions from parent	—	2.0	—	—	—	0.8	(2.8)	—
Net cash provided by (used in) financing activities	161.6	2.0	260.1	—	262.5	—	(227.8)	458.4
Net increase in cash and cash equivalents	1.7	—	—	—	(0.5)	2.1	—	3.3
Cash and cash equivalents at beginning of period	—	—	—	—	33.5	3.0	—	36.5
Cash and cash equivalents at end of period	\$ 1.7	\$ —	\$ —	\$ —	\$ 33.0	\$ 5.1	\$ —	\$ 39.8

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CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

(amounts in millions)	Nine Months Ended September 30, 2014							Total
	Parent Guarantor (1)	General Partner	LP Co-issuer	Finance Co-issuer	Guarantors	Non-Guarantors	Eliminations/Consolidations	
Cash flows from operating activities:								
Net (loss) income	\$(1.9)	\$—	\$(3.8)	\$—	\$ 25.1	\$(2.8)	\$ (19.3)	\$(2.7)
Equity earnings (loss) related to investment in subsidiaries	1.9	—	(25.1)	—	2.8	—	20.4	—
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:								
Depreciation and amortization	—	—	—	—	85.1	2.3	—	87.4
Non-cash interest expense	—	—	2.6	—	0.1	—	—	2.7
Stock-based compensation expense	—	—	—	—	7.6	—	—	7.6
Provision for doubtful accounts	—	—	—	—	0.9	—	—	0.9
Change in operating assets and liabilities, net of effects of acquisitions:								
Rent receivables and other assets	—	—	—	—	(28.6)	(2.7)	—	(31.3)
Accounts payable and accrued expenses	—	—	13.4	—	0.5	0.2	—	14.1
Deferred revenues	—	—	—	—	10.3	(0.1)	—	10.2
Due to affiliates and parent	—	—	—	—	(0.6)	—	—	(0.6)
Net cash (used in) provided by operating activities	—	—	(12.9)	—	103.2	(3.1)	1.1	88.3
Cash flows from investing activities:								
Capital expenditures - other development	—	—	—	—	(194.7)	(0.2)	—	(194.9)
Intercompany borrowings	—	—	—	—	0.2	(0.2)	—	—
Return of investment	17.3	—	49.0	—	(13.1)	—	(53.2)	—
Net cash provided by (used in) investing activities	17.3	—	49.0	—	(207.6)	(0.4)	(53.2)	(194.9)
Cash flows from financing activities:								
Issuance of common stock	355.9	—	—	—	—	—	—	355.9
Stock issuance costs	(1.3)	—	—	—	—	—	—	(1.3)
Acquisition of partnership units	(355.9)	—	—	—	—	—	—	(355.9)
Dividends paid	(16.0)	—	(37.4)	—	(37.4)	—	53.4	(37.4)
	—	—	30.0	—	—	—	—	30.0

Borrowings from credit facility								
Payments on capital leases and other financing arrangements	—	—	—	—	(2.7)	(0.4)	—	(3.1)
Contributions (distributions) from parent guarantor	—	—	(28.7)	—	25.1	4.9	(1.3)	—
Net cash (used in) provided by financing activities	(17.3)	—	(36.1)	—	(15.0)	4.5	52.1	(11.8)
Net (decrease) increase in cash and cash equivalents	—	—	—	—	(119.4)	1.0	—	(118.4)
Cash and cash equivalents at beginning of period	—	—	—	—	146.8	2.0	—	148.8
Cash and cash equivalents at end of period	\$—	\$—	\$—	\$—	\$ 27.4	\$ 3.0	\$ —	\$30.4

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

CyrusOne LP

CyrusOne LP and CyrusOne Finance Corp., as “LP Co-issuer” and “Finance Co-issuer,” respectively (together, the “Issuers”), had \$477.7 million aggregate principal amount of 6.375% senior notes outstanding, including bond premium, at September 30, 2015. As of September 30, 2015, the 6.375% senior notes are fully and unconditionally and jointly and severally guaranteed on a senior basis by CyrusOne Inc. (the “Parent Guarantor”), CyrusOne GP (the “General Partner”), and CyrusOne LP’s 100% owned subsidiaries, CyrusOne LLC, CyrusOne TRS Inc., CyrusOne Foreign Holdings LLC, Cervalis Holdings LLC and Cervalis LLC (such subsidiaries, together the “Guarantors”). None of the subsidiaries organized outside of the United States (collectively, the “Non-Guarantors”) guarantee the 6.375% senior notes. Subject to the provisions of the indenture governing the 6.375% senior notes, in certain circumstances, a Guarantor may be released from its guarantee obligation, including:

- upon the sale or other disposition (including by way of consolidation or merger) of such Guarantor or of all of the capital stock of such Guarantor such that such Guarantor is no longer a restricted subsidiary under the indenture,
- upon the sale or disposition of all or substantially all of the assets of the Guarantor,
- upon the LP Co-issuer designating such Guarantor as an unrestricted subsidiary under the terms of the indenture, if such Guarantor is no longer a guarantor or other obligor of any other indebtedness of the LP Co-issuer or the Parent Guarantor, and
- upon the defeasance or discharge of the 6.375% senior notes in accordance with the terms of the indenture.

As of September 30, 2015, the following provides information regarding the entity structure of each Issuer and guarantor of the 6.375% senior notes:

CyrusOne Inc. – CyrusOne Inc. was formed on July 31, 2012. As of January 23, 2013, CyrusOne Inc. was a wholly-owned subsidiary of CBI. Effective January 24, 2013, CyrusOne Inc. completed its IPO of common stock for net proceeds of \$337.1 million, and together with the General Partner, purchased a 33.9% ownership interest in CyrusOne LP. CyrusOne Inc. is a guarantor or Parent Guarantor and became a separate registrant with the SEC upon completion of its IPO.

CyrusOne GP – CyrusOne GP was formed on July 31, 2012, and was a 100% owned subsidiary of CyrusOne Inc. as of January 23, 2013. Effective upon completion of CyrusOne Inc.’s IPO, this entity became the general partner and 1% owner of CyrusOne LP and has no other assets or operations. Prior to the IPO, this entity did not incur any obligations or record any transactions.

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

Guarantors – The guarantors include CyrusOne LLC, CyrusOne TRS Inc., and CyrusOne Foreign Holdings LLC. In addition, on July 2, 2015, following the completion of the Cervalis acquisition, Cervalis and its wholly owned subsidiary, Cervalis LLC (together with Cervalis, the “Cervalis Subsidiaries”) agreed to provide unconditional guarantees of the issuers’ obligations under the senior notes. The guarantee of each Cervalis Subsidiary is (i) a senior unsecured obligation of such Cervalis Subsidiary, (ii) *pari passu* in right of payment with any existing and future unsecured senior indebtedness of such Cervalis Subsidiary, (iii) senior in right of payment to any future subordinated indebtedness of such Cervalis Subsidiary and (iv) effectively subordinated in right of payment to all existing and future secured indebtedness of such Cervalis Subsidiary, to the extent of the value of the collateral securing that indebtedness. CyrusOne LLC, together with CyrusOne Foreign Holdings LLC, directly or indirectly owns 100% of the Non-Guarantors.

Non-Guarantors consist of 100% owned subsidiaries which conduct operations in the United Kingdom and Singapore. The following schedules present the balance sheets as of September 30, 2015 and December 31, 2014, and the statements of operations for the three and nine months ended September 30, 2015 and September 30, 2014, and the statements of cash flows for the nine months ended September 30, 2015 and September 30, 2014 for the LP Co-issuer,

Finance Co-issuer, Guarantors, and Non-Guarantors.

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CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Balance Sheets

(amounts in millions)	As of September 30, 2015					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/Consolidation	
Land	\$—	\$—	\$93.0	\$—	\$ —	\$93.0
Buildings and improvements	—	—	857.4	40.3	—	897.7
Equipment	—	—	552.1	0.9	2.6	555.6
Construction in progress	—	—	186.0	0.1	1.0	187.1
Subtotal	—	—	1,688.5	41.3	3.6	1,733.4
Accumulated depreciation	—	—	(395.3)	(9.1)	—	(404.4)
Net investment in real estate	—	—	1,293.2	32.2	3.6	1,329.0
Cash and cash equivalents	—	—	33.0	5.1	—	38.1
Investment in subsidiaries	878.5	—	1.6	—	(880.1)	—
Rent and other receivables	—	—	73.2	1.3	—	74.5
Intercompany receivable	959.9	—	—	—	(959.9)	—
Restricted cash	—	—	7.1	—	—	7.1
Goodwill	—	—	453.4	—	—	453.4
Intangible assets, net	—	—	175.7	—	—	175.7
Due from affiliates and parent	—	—	3.0	—	—	3.0
Other assets	19.4	—	78.3	3.1	—	100.8
Total assets	\$1,857.8	\$—	\$2,118.5	\$41.7	\$ (1,836.4)	\$2,181.6
Accounts payable and accrued expenses	\$35.6	\$—	\$78.9	\$1.8	\$ —	\$116.3
Deferred revenue	—	—	73.5	0.6	—	74.1
Intercompany payable	—	—	959.9	—	(959.9)	—
Due to affiliates	2.0	—	0.7	—	—	2.7
Capital lease obligations	—	—	6.6	6.2	—	12.8
Long-term debt	982.7	—	—	—	—	982.7
Other financing arrangements	—	—	120.4	31.5	—	151.9
Total liabilities	1,020.3	—	1,240.0	40.1	(959.9)	1,340.5
Total partnership capital	837.5	—	878.5	1.6	(876.5)	841.1
Total liabilities and partnership capital	\$1,857.8	\$—	\$2,118.5	\$41.7	\$ (1,836.4)	\$2,181.6

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

(amounts in millions)	As of December 31, 2014					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/Consolidation	
Land	\$—	\$—	\$89.7	\$—	\$ —	\$89.7
Buildings and improvements	—	—	770.9	41.7	—	812.6
Equipment	—	—	348.3	0.8	—	349.1
Construction in progress	—	—	124.8	—	2.2	127.0
Subtotal	—	—	1,333.7	42.5	2.2	1,378.4
Accumulated depreciation	—	—	(319.7)	(7.3)	—	(327.0)
Net investment in real estate	—	—	1,014.0	35.2	2.2	1,051.4
Cash and cash equivalents	—	—	33.5	3.0	—	36.5
Investment in subsidiaries	734.3	—	3.6	—	(737.9)	—
Rent and other receivables	—	—	57.9	3.0	—	60.9
Intercompany receivable	642.9	—	—	—	(642.9)	—
Goodwill	—	—	276.2	—	—	276.2
Intangible assets, net	—	—	68.9	—	—	68.9
Due from affiliates and parent	—	—	0.8	—	—	0.8
Other assets	15.5	—	73.1	3.2	—	91.8
Total assets	\$1,392.7	\$—	\$1,528.0	\$44.4	\$ (1,378.6)	\$1,586.5
Accounts payable and accrued expenses	\$12.5	\$—	\$56.9	\$0.5	\$ —	\$69.9
Deferred revenue	—	—	65.1	0.6	—	65.7
Intercompany payable	—	—	642.9	—	(642.9)	—
Due to affiliates	5.6	—	1.7	—	—	7.3
Capital lease obligations	—	—	6.2	7.2	—	13.4
Long-term debt	659.8	—	—	—	—	659.8
Other financing arrangements	—	—	20.9	32.5	—	53.4
Total liabilities	677.9	—	793.7	40.8	(642.9)	869.5
Total partnership capital	714.8	—	734.3	3.6	(735.7)	717.0
Total liabilities and partnership capital	\$1,392.7	\$—	\$1,528.0	\$44.4	\$ (1,378.6)	\$1,586.5

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Statements of Operations

(amounts in millions)	Three Months Ended September 30, 2015					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	
Revenue	\$—	\$—	\$109.7	\$1.5	\$—	\$111.2
Costs and expenses:						
Property operating expenses	—	—	41.6	0.6	—	42.2
Sales and marketing	—	—	3.2	—	—	3.2
General and administrative	—	—	12.4	0.1	—	12.5
Depreciation and amortization	—	—	38.3	0.8	—	39.1
Transaction and acquisition integration costs	—	—	1.8	—	—	1.8
Asset impairments and loss on disposal	—	—	4.9	—	—	4.9
Total costs and expenses	—	—	102.2	1.5	—	103.7
Operating income (loss)	—	—	7.5	—	—	7.5
Interest expense	11.2	—	—	0.8	0.1	12.1
Income (loss) before income taxes	(11.2)	—	7.5	(0.8)	(0.1)	(4.6)
Income tax expense	—	—	(0.7)	—	—	(0.7)
Partnership earnings (loss) related to investment in subsidiaries	6.0	—	(0.8)	—	(5.2)	—
Noncontrolling interest in net loss	—	—	—	—	(0.7)	(0.7)
Net income (loss)	\$(5.2)	\$—	\$6.0	\$(0.8)	\$(4.6)	\$(4.6)

(amounts in millions)	Three Months Ended September 30, 2014					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	
Revenue	\$—	\$—	\$83.0	\$1.8	\$—	\$84.8
Costs and expenses:						
Property operating expenses	—	—	32.2	0.8	—	33.0
Sales and marketing	—	—	3.2	—	—	3.2
General and administrative	—	—	8.9	0.1	—	9.0
Depreciation and amortization	—	—	29.2	0.8	—	30.0
Transaction costs	—	—	—	—	—	—
Total costs and expenses	—	—	73.5	1.7	—	75.2
Operating income (loss)	—	—	9.5	0.1	—	9.6
Interest expense	9.6	—	—	0.8	(1.4)	9.0
Income (loss) before income taxes	(9.6)	—	9.5	(0.7)	1.4	0.6
Income tax expense	—	—	(0.4)	—	—	(0.4)
Partnership earnings (loss) related to investment in subsidiaries	8.4	—	(0.7)	—	(7.7)	—
Net income (loss)	\$(1.2)	\$—	\$8.4	\$(0.7)	\$(6.3)	\$0.2

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Statements of Operations

(amounts in millions)	Nine Months Ended September 30, 2015					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	
Revenue	\$—	\$—	\$281.9	\$4.1	\$—	\$286.0
Costs and expenses:						
Property operating expenses	—	—	105.4	1.9	—	107.3
Sales and marketing	—	—	8.8	0.1	—	8.9
General and administrative	—	—	31.5	—	—	31.5
Depreciation and amortization	—	—	99.5	2.1	—	101.6
Transaction and acquisition integration costs	—	—	11.5	—	—	11.5
Asset impairments and loss on disposal	—	—	13.5	—	—	13.5
Total costs and expenses	—	—	270.2	4.1	—	274.3
Operating income (loss)	—	—	11.7	—	—	11.7
Interest expense	28.1	—	—	2.4	(1.3)	29.2
Income (loss) before income taxes	(28.1)	—	11.7	(2.4)	1.3	(17.5)
Income tax expense	—	—	(1.5)	—	—	(1.5)
Partnership earnings (loss) related to investment in subsidiaries	7.8	—	(2.4)	—	(5.4)	—
Noncontrolling interest in net loss	—	—	—	—	(4.6)	(4.6)
Net income (loss)	\$(20.3)	\$—	\$7.8	\$(2.4)	\$0.5	\$(14.4)

(amounts in millions)	Nine Months Ended September 30, 2014					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/ Consolidations	
Revenue	\$—	\$—	\$239.6	\$4.4	\$—	\$244.0
Costs and expenses:						
Property operating expenses	—	—	90.5	2.0	—	92.5
Sales and marketing	—	—	9.6	0.1	—	9.7
General and administrative	—	—	24.5	0.2	—	24.7
Depreciation and amortization	—	—	85.1	2.3	—	87.4
Transaction costs	—	—	0.9	—	—	0.9
Total costs and expenses	—	—	210.6	4.6	—	215.2
Operating income (loss)	—	—	29.0	(0.2)	—	28.8
Interest expense	28.9	—	—	2.6	(1.1)	30.4
Income (loss) before income taxes	(28.9)	—	29.0	(2.8)	1.1	(1.6)
Income tax expense	—	—	(1.1)	—	—	(1.1)
Partnership earnings (loss) related to investment in subsidiaries	25.1	—	(2.8)	—	(22.3)	—
Net income (loss)	\$(3.8)	\$—	\$25.1	\$(2.8)	\$(21.2)	\$(2.7)

CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

Condensed Consolidating Statements of Cash Flows

(amounts in millions)	Nine Months Ended September 30, 2015					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/Consolidation	
Cash flows from operating activities:						
Net (loss) income	\$(20.3)	\$—	\$ 7.8	\$(2.4)	\$ (4.1)	\$(19.0)
Partnership income (loss) related to investment in subsidiaries	(7.8)	—	2.4	—	5.4	—
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:						
Depreciation and amortization	—	—	99.5	2.1	—	101.6
Non-cash interest expense	2.3	—	—	—	—	2.3
Stock-based compensation expense	—	—	10.5	—	—	10.5
Provision for bad debt write off	—	—	0.3	—	—	0.3
Asset impairments	—	—	13.5	—	—	13.5
Change in operating assets and liabilities, net of effects of acquisitions:						
Rent receivables and other assets	(0.8)	—	(17.9)	1.8	—	(16.9)
Accounts payable and accrued expenses	9.3	—	(0.7)	1.3	—	9.9
Deferred revenues	—	—	0.8	—	—	0.8
Due to affiliates and parent	—	—	(3.2)	—	—	(3.2)
Net cash (used in) provided by operating activities	(17.3)	—	113.0	2.8	1.3	99.8
Cash flows from investing activities:						
Capital expenditures - acquisitions of real estate	—	—	(17.3)	—	—	(17.3)
Capital expenditures - other development	—	—	(140.2)	(0.7)	—	(140.9)
Business acquisitions, net of cash acquired	—	—	(398.4)	—	—	(398.4)
Investments in and loans to subsidiaries	—	—	202.9	—	(202.9)	—
Intercompany borrowings	(323.8)	—	—	—	323.8	—
Return of investment	81.0	—	(23.0)	—	(58.0)	—
Net cash provided by (used in) investing activities	(242.8)	—	(376.0)	(0.7)	62.9	(556.6)
Cash flows from financing activities:						
Issuance of common stock	—	—	—	—	799.3	799.3
Stock issuance costs	—	—	—	—	(0.8)	(0.8)
Acquisition of partnership units	—	—	—	—	(596.4)	(596.4)
Distributions paid	(58.3)	—	(58.3)	—	58.3	(58.3)
Intercompany borrowings	—	—	323.8	—	(323.8)	—
Borrowings from credit facility	220.0	—	—	—	—	220.0
Proceeds from issuance of debt	103.8	—	—	—	—	103.8
Payments on capital leases and other financing arrangements	—	—	(3.0)	(0.8)	—	(3.8)
Debt issuance costs	(5.4)	—	—	—	—	(5.4)
Contributions/distributions from parent	—	—	—	0.8	(0.8)	—
	260.1	—	262.5	—	(64.2)	458.4

Net cash (used in) provided by financing activities

Net increase (decrease) in cash and cash equivalents	—	—	(0.5	) 2.1	—	1.6
Cash and cash equivalents at beginning of period	—	—	33.5	3.0	—	36.5
Cash and cash equivalents at end of period	\$—	\$—	\$ 33.0	\$ 5.1	\$ —	\$38.1

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CyrusOne Inc. and CyrusOne LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (unaudited)

(amounts in millions)	Nine Months Ended September 30, 2014					Total
	LP Co-issuer	Finance Co-issuer	Guarantors	Non- Guarantors	Eliminations/Consolidation	
Cash flows from operating activities:						
Net (loss) income	\$(3.8)	\$—	\$25.1	\$(2.8)	\$ (21.2)	\$(2.7)
Partnership income (loss) related to investment in subsidiaries	(25.1)	—	2.8	—	22.3	—
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:						
Depreciation and amortization	—	—	85.1	2.3	—	87.4
Non-cash interest expense	2.6	—	0.1	—	—	2.7
Stock-based compensation expense	—	—	7.6	—	—	7.6
Provision for bad debt write off	—	—	0.9	—	—	0.9
Change in operating assets and liabilities, net of effects of acquisitions:						
Rent receivables and other assets	—	—	(28.6)	(2.7)	—	(31.3)
Accounts payable and accrued expenses	13.4	—	0.5	0.2	—	14.1
Deferred revenues	—	—	10.3	(0.1)	—	10.2
Due to affiliates and parent	—	—	(0.6)	—	—	(0.6)
Net cash (used in) provided by operating activities	(12.9)	—	103.2	(3.1)	1.1	88.3
Cash flows from investing activities:						
Capital expenditures - other development	—	—	(194.7)	(0.2)	—	(194.9)
Intercompany borrowings	—	—	0.2	(0.2)	—	—
Return of investment	49.0	—	(13.1)	—	(35.9)	—
Net cash provided by (used in) investing activities	49.0	—	(207.6)	(0.4)	(35.9)	(194.9)
Cash flows from financing activities:						
Stock issuance costs	—	—	—	—	—	—
Distributions paid	(37.4)	—	(37.4)	—	37.4	(37.4)
Borrowings from credit facility	30.0	—	—	—	—	30.0
Payments on capital leases and other financing arrangements	—	—	(2.7)	(0.4)	—	(3.1)
Contributions (distributions) from parent guarantor	(28.7)	—	25.1	4.9	(2.6)	(1.3)
Net cash (used in) provided by financing activities	(36.1)	—	(15.0)	4.5	34.8	(11.8)
Net (decrease) increase in cash and cash equivalents	—	—	(119.4)	1.0	—	(118.4)
Cash and cash equivalents at beginning of period	—	—	146.8	2.0	—	148.8
Cash and cash equivalents at end of period	\$—	\$—	\$27.4	\$3.0	\$ —	\$30.4

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

This Report on Form 10-Q (this "Quarterly Report"), together with other statements and information publicly disseminated by our company, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions.

In particular, statements pertaining to our capital resources, portfolio performance, financial condition and results of operations contain certain forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates" or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. 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: (i) the geographic concentration of our data centers in certain markets and any adverse developments in local economic conditions or the demand for data center space in these markets; (ii) increased operating costs; (iii) difficulties in identifying properties to acquire and completing acquisitions; (iv) the significant competition in our industry and an inability to lease vacant space, renew existing leases or release space as leases expire; (v) lack of sufficient customer demand to realize expected returns on our investments to expand our property portfolio; (vi) decreased revenue from costs and disruptions associated with any failure of our physical infrastructure or services; (vii) our ability to lease available space to existing or new customers; (viii) our failure to obtain necessary outside financing; (ix) our failure to qualify as a REIT; (x) financial market fluctuations; (xi) changes in real estate and zoning laws and increases in real property tax rates; (xii) delays or disruptions in third-party network connectivity; (xiii) service failures or price increases by third party power suppliers; (xiv) inability to renew net leases on the data center properties we lease; and (xv) other factors affecting the real estate industry generally.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance, including factors and risks included in other sections of this Quarterly Report. Additional information concerning these and other risks and uncertainties is contained in our other periodic filings with the United States Securities and Exchange Commission, or SEC, pursuant to the Exchange Act. We discussed a number of material risks in Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2014. Those risks continue to be relevant to our performance and financial condition. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

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Overview

Our Company. We are an owner, operator and developer of enterprise-class, carrier-neutral, multi-tenant data center properties. Our enterprise-class, carrier-neutral, multi-tenant data centers are purpose-built facilities with redundant power, cooling and access to a range of telecommunications carriers. As of September 30, 2015, we provide mission-critical data center facilities that protect and ensure the continued operation of information technology (“IT”) infrastructure for 929 customers in 31 data centers and 2 recovery centers in 12 distinct markets (10 cities in the U.S., London and Singapore). We provide twenty-four hours-a-day, seven-days-a-week security guard monitoring with customizable security features.

Our goal is to be the preferred global data center provider to the Fortune 1000. As of September 30, 2015, our customers included 9 of the Fortune 20 and 169 of the Fortune 1000 or private or foreign enterprises of equivalent size. These 169 customers provided 63% of our annualized rent as of September 30, 2015. Additionally, as of September 30, 2015, our top 10 customers represented 30% of our annualized rent.

We cultivate long-term strategic relationships with our customers and provide them with solutions for their data center facilities and IT infrastructure challenges. Our offerings provide flexibility, reliability and security delivered through a tailored, customer service focused platform that is designed to foster long-term relationships. We focus on attracting customers that have not historically outsourced their data center needs and providing them with solutions that address their current and future needs. Our facilities and construction design allow us to offer flexibility in density, power resiliency and the opportunity for expansion as our customers' needs grow. We also offer high-performance, low-cost data transfer and accessibility for our customers through our interconnection platform, CyrusOne National IX, which delivers interconnection across states and between metro-enabled sites within the CyrusOne facility footprint and beyond.

Our Portfolio. As of September 30, 2015, our property portfolio included 31 data centers and 2 recovery centers in 12 distinct markets (10 cities in the U.S., London and Singapore) collectively providing approximately 2,850,236 net rentable square feet (“NRSF”), of which 86% was leased, and powered by approximately 235 MW of available critical load capacity. We own 17 of the buildings in which our data center facilities are located. We lease the remaining 16 buildings, which account for approximately 698,803 NRSF, or approximately 24.5% of our total operating NRSF. These leased buildings accounted for 33.1% of our total annualized rent as of September 30, 2015. As of September 30, 2015, we also had approximately 811,000 NRSF under development, as well as an aggregate of approximately 510,000 NRSF of additional powered shell space under roof available for development. In addition, we have approximately 190 acres of land that are available for future data center shell development. Along with our primary product offering, leasing of colocation space, our customers are increasingly interested in ancillary office and other space. We believe our existing operating portfolio and development pipeline will allow us to meet the evolving needs of our existing customers and continue to attract new customers. The following tables provide an overview of our operating and development properties as of September 30, 2015.

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CyrusOne Inc.
Data Center Portfolio
As of September 30, 2015
(Unaudited)

Facilities	Metro Area	Annualized Rent ^(b)	Colocation Space (CSF) ^(c)	Operating Net Rentable Square Feet (NRSF) ^(a)						Powered Shell Available for Future Development (NRSF) ^(j)	Available Capacity (MW) ⁽ⁱ⁾
				CSF Leased	CSF Utilized	Office & Other ^(f)	Office & Other Leased ^(g)	Supporting Infrastructure ^(h)	Total ⁽ⁱ⁾		
Westway Park Blvd., Houston, TX (Houston West 1)	Houston	\$48,358,121	112,133	96 %	96 %	10,563	98 %	36,756	159,452	3,000	28
West Seventh St., Cincinnati, OH (7th Street)***	Cincinnati	39,003,161	212,030	93 %	94 %	5,744	100 %	171,156	388,930	37,000	13
S. State Highway 121 Business, Lewisville, TX (Lewisville)*	Dallas	37,165,050	108,687	96 %	100 %	11,374	97 %	59,345	179,406	—	18
W. Frankford, Carrollton, TX (Carrollton)	Dallas	34,615,470	226,604	79 %	82 %	29,420	94 %	89,107	345,131	199,000	24
Madison Road (Totowa)**	New York	28,842,869	51,242	84 %	84 %	22,477	100 %	58,964	132,683	—	6
Southwest Fwy., Houston, TX (Galleria)	Houston	26,462,397	63,469	75 %	76 %	23,259	51 %	24,927	111,655	—	14
Myer Connors Rd (Wappingers Falls)**	New York	25,672,838	37,000	97 %	97 %	12,485	95 %	22,087	71,572	—	3
South Ellis Street Chandler, AZ (Phoenix 1)	Phoenix	22,982,062	77,504	100 %	100 %	34,501	11 %	38,697	150,702	31,000	27
Kingsview Dr., Lebanon, OH (Lebanon)	Cincinnati	22,337,333	65,303	86 %	87 %	44,886	72 %	52,950	163,139	65,000	14
Westover Hills Blvd, San Antonio, TX (San Antonio 1)	San Antonio	19,410,208	43,843	100 %	100 %	5,989	83 %	45,606	95,438	11,000	12

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Westway Park Blvd., Houston, TX (Houston West 2)	Houston	16,625,900	79,492	79 %	82 %	3,355	62 %	55,018	137,865	12,000	12
Industrial Rd., Florence, KY (Florence)	Cincinnati	14,946,370	52,698	100 %	100 %	46,848	87 %	40,374	139,920	—	9
Metropolis Dr., Austin, TX (Austin 2)	Austin	12,983,625	43,772	93 %	100 %	1,821	100 %	22,430	68,023	—	5
Riverbend Drive South (Stamford)**	New York	12,919,725	20,000	92 %	92 %	—	— %	8,484	28,484	—	2
South Ellis Street Chandler, AZ (Phoenix 2)	Phoenix	10,903,428	72,116	100 %	100 %	5,618	38 %	25,516	103,250	4,000	12
Knightsbridge Dr., Hamilton, OH (Hamilton)*	Cincinnati	9,536,675	46,565	77 %	79 %	1,077	100 %	35,336	82,978	—	10
Parkway Dr., Mason, OH (Mason)	Cincinnati	5,803,912	34,072	100 %	100 %	26,458	98 %	17,193	77,723	—	4
E. Ben White Blvd., Austin, TX (Austin 1)	Austin	5,765,200	16,223	87 %	87 %	21,476	100 %	7,517	45,216	—	2
Midway Rd., Carrollton, TX (Midway)**	Dallas	5,408,662	8,390	100 %	100 %	—	— %	—	8,390	—	1
Kestral Way (London)**	London	4,992,511	10,000	99 %	99 %	—	— %	514	10,514	—	1
Ridgetop Circle, Sterling, VA (Northern Virginia)	Sterling	4,946,915	74,653	47 %	69 %	1,901	100 %	52,605	129,159	3,000	12
Norden Place (Norwalk)**	New York	3,135,624	13,192	67 %	67 %	4,085	72 %	40,610	57,887	87,000	2
Marsh Lane, Carrollton, TX (Marsh Ln)**	Dallas	2,387,635	4,245	100 %	100 %	—	— %	—	4,245	—	1
Springer St., Lombard, IL (Lombard)	Chicago	2,307,326	13,516	71 %	71 %	4,115	100 %	12,230	29,861	29,000	3
Omega Drive (Stamford)**	New York	1,493,004	—	— %	— %	18,513	87 %	2,829	21,342	—	—
Bryan St., Dallas, TX (Bryan St)**	Dallas	934,154	3,020	51 %	51 %	—	— %	—	3,020	—	1

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McAuley Place, Blue Ash, OH (Blue Ash)*	Cincinnati	551,116	6,193	39 %	39 %	6,950	100 %	2,166	15,309	—	1
E. Monroe St., South Bend, IN (Monroe St.)	South Bend	475,740	6,350	22 %	22 %	—	— %	6,478	12,828	4,000	1
Crescent Circle, South Bend, IN (Blackthorn)*	South Bend	431,675	3,432	32 %	40 %	—	— %	5,125	8,557	11,000	1
Westway Park Blvd., Houston, TX (Houston West 3)	Houston	417,504	—	— %	— %	8,564	100 %	5,304	13,868	—	—
Commerce Road (Totowa)**	New York	296,520	—	— %	— %	20,460	30 %	5,540	26,000	—	—
Jurong East (Singapore)**	Singapore	290,529	3,200	19 %	19 %	—	— %	—	3,200	—	1
Goldcoast Dr., Cincinnati, OH (Goldcoast)	Cincinnati	95,700	2,728	— %	— %	5,280	100 %	16,481	24,489	14,000	1
Total		\$422,498,959	1,511,672	86 %	89 %	377,219	77 %	961,345	2,850,236	510,000	235

* 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.

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** Indicates properties in which we hold a leasehold interest in the building shell, land, and all data center infrastructure.

*** The information provided for the West Seventh Street (7th St.) property includes data for two facilities, one of which we lease and one of which we own.

- (a) Represents the total square feet of a building under lease or available for lease based on engineers' drawings and estimates but does not include space held for development or space used by CyrusOne.
Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of September 30, 2015, multiplied by 12. For the month of September 2015, customer reimbursements were \$49.5 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 October 1, 2013 through September 30, 2015, customer reimbursements under leases with separately metered power constituted between 9.0% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of September 30, 2015 was \$431.7 million. Our annualized effective rent was greater than our annualized rent as of September 30, 2015 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.
- (c) CSF represents the NRSF at an operating facility that is currently leased or readily available for lease as colocation space, where customers locate their servers and other IT equipment.
- (d) Percent leased is determined based on CSF being billed to customers under signed leases as of September 30, 2015 divided by total CSF. Leases signed but not commenced as of September 30, 2015 are not included.
- (e) Utilization is calculated by dividing CSF under signed leases for colocation space (whether or not the lease has commenced billing) by total CSF.
- (f) Represents the NRSF at an operating facility that is currently leased or readily available for lease as space other than CSF, which is typically office and other space.
Percent leased is determined based on Office & Other space being billed to customers under signed leases as of
- (g) September 30, 2015 divided by total Office & Other space. Leases signed but not commenced as of September 30, 2015 are not included.
- (h) Represents infrastructure support space, including mechanical, telecommunications and utility rooms, as well as building common areas.
- (i) Represents the NRSF at an operating facility that is currently leased or readily available for lease. This excludes existing vacant space held for development.
- (j) Represents space that is under roof that could be developed in the future for operating NRSF, rounded to the nearest 1,000.
Critical load capacity represents the aggregate power available for lease and exclusive use by customers expressed
- (k) 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 September 30, 2015
(Dollars in millions)
(Unaudited)

NRSF Under Development^(a)

Under Development
Costs^(b)

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Facilities	Metropolitan Area	Estimated Completion Date	Colocation Space (CSF)	Space Office & Other	Supporting Infrastructure	Powered Shell ^(c)	Total	UPS MW Capacity ^(d)	Actual to Date ^(e)	Estimated Costs to Completion	Total
Westover Hills Blvd. (San Antonio 2)	San Antonio	Q1 '16	30,000	20,000	25,000	49,000	124,000	3.0	28	12-15	40-43
Westway Park Blvd. (Houston West 3)	Houston	Q4 '15	53,000	—	32,000	213,000	298,000	6.0	45	8-11	53-56
Phoenix 3	Phoenix	Q2 '16	—	—	—	150,000	150,000	—	4	6-8	10-12
Metropolis Drive (Austin 4)	Austin	Q4 '15	62,000	15,000	22,000	67,000	166,000	3.0	36	7-10	43-46
W. Frankford (Carrollton)	Dallas	Q1 '16	55,000	—	18,000	—	73,000	6.0	3	23-27	26-30
Total			200,000	35,000	97,000	479,000	811,000	18.0	\$116	\$56-71	\$172-187

(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 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.

(c) Represents NRSF under construction that, upon completion, will be powered shell available for future development into operating NRSF.

(d) 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.

(e) Actual to date is the cash investment as of September 30, 2015. There may be accruals above this amount for work completed, for which cash has not yet been paid.

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Our portfolio is currently leased to 929 companies, many of which are leading global companies. The following table sets forth information regarding the 20 largest customers, including their affiliates, in our portfolio based on annualized rent as of September 30, 2015:

CyrusOne Inc.

Customer Sector Diversification^(a)

As of September 30, 2015

(Unaudited)

	Principal Customer Industry	Number of Locations	Annualized Rent ^(b)	Percentage of Portfolio Annualized Rent ^(c)	Weighted Average Remaining Lease Term in Months ^(d)
1	Information Technology	3	\$16,008,787	3.8	% 33.2
2	Telecommunication Services	2	14,844,397	3.5	% 36.2
3	Energy	1	14,345,726	3.4	% 30.0
4	Information Technology	1	14,328,254	3.4	% 42.0
5	Research and Consulting Services	3	13,937,240	3.3	% 26.6
6	Energy	5	13,475,409	3.2	% 32.9
7	Telecommunications (CBI) ^(e)	7	10,986,108	2.6	% 21.4
8	Information Technology	1	10,901,028	2.6	% 112.8
9	Industrials	4	8,644,858	2.0	% 17.7
10	Information Technology	2	7,948,270	1.9	% 21.8
11	Financials	1	6,600,225	1.6	% 56.0
12	Information Technology	1	6,253,109	1.5	% 3.1
13	Financials	1	6,048,439	1.4	% 74.0
14	Financials	2	5,903,924	1.4	% 30.0
15	Financials	6	5,780,160	1.4	% 57.1
16	Financials	3	5,642,101	1.3	% 9.2
17	Energy	3	5,633,730	1.3	% 9.9
18	Telecommunication Services	5	5,473,368	1.3	% 43.0
19	Consumer Staples	1	5,026,531	1.2	% 79.4
20	Energy	1	4,768,879	1.1	% 48.4
			\$182,550,543	43.2	% 38.5

(a) Customers and their affiliates are consolidated.

Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of September 30, 2015, multiplied by 12. For the month of September 2015, customer reimbursements were \$49.5 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 October 1, 2013 through September 30, 2015, customer reimbursements under leases with separately metered power constituted between 9.0% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of September 30, 2015 was \$431.7 million. Our annualized effective rent was greater than our annualized rent as of September 30, 2015 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

- (c) Represents the customer's total annualized rent divided by the total annualized rent in the portfolio as of September 30, 2015, which was approximately \$422.5 million.
Weighted average based on customer's percentage of total annualized rent expiring and is as of September 30, 2015, assuming that customers exercise no renewal options and exercise all early termination rights that require payment of less than 50% of the remaining rents. Early termination rights that require payment of 50% or more of the remaining lease payments are not assumed to be exercised because such payments approximate the profitability margin of leasing that space to the customer, such that we do not consider early termination to be economically detrimental to us.
- (d) Includes information for both Cincinnati Bell Technology Solutions (CBTS) and Cincinnati Bell Telephone and two customers that have contracts with CBTS. We expect the contracts for these two customers to be assigned to us, but the consents for such assignments have not yet been obtained. Excluding these customers, Cincinnati Bell Inc. and subsidiaries represented 2.1% of our annualized rent as of September 30, 2015.
- (e)

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Lease Distribution

The following table sets forth information relating to the distribution of customer leases in the properties in our portfolio, based on NRSF under lease as of September 30, 2015:

CyrusOne Inc.
Lease Distribution
As of September 30, 2015
(Unaudited)

NRSF Under Lease ^(a)	Number of Customers ^(b)	Percentage of All Customers	Total Leased NRSF ^(c)	Percentage of Portfolio Leased NRSF	Annualized Rent ^(d)	Percentage of Annualized Rent	
0-999	699	76	% 142,485	6	% \$69,355,155	16	%
1,000-2,499	83	9	% 131,283	5	% 29,129,408	7	%
2,500-4,999	54	6	% 193,165	8	% 38,347,173	9	%
5,000-9,999	30	3	% 215,101	9	% 54,280,915	13	%
10,000+	57	6	% 1,716,494	72	% 231,386,308	55	%
Total	923	100	% 2,398,528	100	% \$422,498,959	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 September 30, 2015. This may vary from total customer count as some customers may be under contract, but have yet to occupy space.

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

(d) Represents monthly contractual rent (defined as cash rent including customer reimbursements for metered power) under existing customer leases as of September 30, 2015, multiplied by 12. For the month of September 2015, customer reimbursements were \$49.5 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 October 1, 2013 through September 30, 2015, customer reimbursements under leases with separately metered power constituted between 9.0% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of September 30, 2015 was \$431.7 million. Our annualized effective rent was greater than our annualized rent as of September 30, 2015 because our positive straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

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Lease Expiration

The following table sets forth a summary schedule of the customer lease expirations for leases in place as of September 30, 2015 plus available space, for the properties in our portfolio. Customers whose leases have been auto-renewed prior to September 30, 2015 are shown in the calendar year in which their current auto-renewed term expires. Unless otherwise stated in the footnotes, the information set forth in the table assumes that customers exercise no renewal options and exercise all early termination rights that require payment of less than 50% of the remaining rents. Early termination rights that require payment of 50% or more of the remaining lease payments are not assumed to be exercised 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 Expirations

As of September 30, 2015

(Unaudited)

Year ^(a)	Number of Leases Expiring ^(b)	Total Operating NRSF Expiring	Percentage of Total NRSF	Annualized Rent ^(c)	Percentage of Annualized Rent	Annualized Rent	Percentage of Annualized Rent at Expiration ^(d)
Available		451,709	16 %				
Month-to-Month	240	23,335	1 %	\$4,982,351	1 %	\$4,982,351	1 %
2015	317	246,107	8 %	24,228,477	5 %	24,228,477	5 %
2016	1,453	368,734	13 %	91,695,918	22 %	92,544,807	21 %
2017	1,012	371,947	13 %	66,245,793	16 %	67,669,151	15 %
2018	885	369,096	13 %	99,039,525	23 %	103,985,611	23 %
2019	267	353,545	12 %	50,729,690	12 %	53,383,303	12 %
2020	226	303,510	11 %	37,330,002	9 %	40,033,892	9 %
2021	190	101,132	4 %	20,915,932	5 %	22,127,022	5 %
2022	17	43,890	2 %	5,577,548	1 %	5,966,909	2 %
2023	49	59,602	2 %	6,648,643	2 %	8,533,803	2 %
2024 - Thereafter	33	157,629	5 %	15,105,080	4 %	21,515,253	5 %
Total	4,689	2,850,236	100 %	\$422,498,959	100 %	\$444,970,579	100 %

Leases that were auto-renewed prior to September 30, 2015 are shown in the calendar year in which their current auto-renewed term expires. Unless otherwise stated in the footnotes, the information set forth in the table assumes (a) 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 September 30, 2015, multiplied by 12. For the month of September 2015, customer reimbursements were \$49.5 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 October 1, 2013 through September 30, 2015, customer reimbursements under leases with separately metered power constituted between 9.0% and 14.2% of annualized rent. After giving effect to abatements, free rent and other straight-line adjustments, our annualized effective rent as of September 30, 2015 was \$431.7 million. Our annualized effective rent was greater than our annualized rent as of September 30, 2015 because our positive

straight-line and other adjustments and amortization of deferred revenue exceeded our negative straight-line adjustments due to factors such as the timing of contractual rent escalations and customer prepayments for services.

(d) Represents the final monthly contractual rent under existing customer leases that had commenced as of September 30, 2015, multiplied by 12.

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Results of Operations

Three and Nine Months Ended September 30, 2015, Compared to Three and Nine Months Ended September 30, 2014
:

(amounts in millions, except per share data)	Three Months Ended September 30,				Nine Months Ended September 30,				
	2015	2014	\$ Change	% Change	2015	2014	\$ Change	% Change	
Revenue	\$111.2	\$84.8	\$26.4	31 %	\$286.0	\$244.0	\$42.0	17 %	
Costs and expenses:									
Property operating expenses	42.2	33.0	9.2	28 %	107.3	92.5	14.8	16 %	
Sales and marketing	3.2	3.2	—	n/m	8.9	9.7	(0.8)	(8)%	
General and administrative	12.5	9.0	3.5	39 %	31.5	24.7	6.8	28 %	
Depreciation and amortization	39.1	30.0	9.1	30 %	101.6	87.4	14.2	16 %	
Transaction and acquisition integration costs	1.8	—	1.8	n/m	11.5	0.9	10.6	n/m	
Asset impairments and loss on disposal	4.9	—	4.9	n/m	13.5	—	13.5	n/m	
Total costs and expenses	103.7	75.2	28.5	38 %	274.3	215.2	59.1	27 %	
Operating income	7.5	9.6	(2.1)	(22)%	11.7	28.8	(17.1)	(59)%	
Interest expense	12.1	9.0	3.1	34 %	29.2	30.4	(1.2)	(4)%	
Net (loss) income before income taxes	(4.6)	0.6	(5.2)	n/m	(17.5)	(1.6)	(15.9)	n/m	
Income tax expense	(0.7)	(0.4)	(0.3)	75 %	(1.5)	(1.1)	(0.4)	36 %	
Net (loss) income	(5.3)	0.2	(5.5)	n/m	(19.0)	(2.7)	(16.3)	n/m	
Noncontrolling interest in net (loss) income	(0.7)	0.1	(0.8)	n/m	(4.6)	(1.9)	(2.7)	n/m	
Net (loss) income attributed to common shareholders	\$(4.6)	\$0.1	\$(4.7)	n/m	\$(14.4)	\$(0.8)	\$(13.6)	n/m	
Operating margin	6.7 %	11.3 %			4.1 %	11.8 %			
Capital expenditures*:									
Acquisitions of real estate	\$—	\$—	\$—	n/m	\$17.3	\$—	\$17.3	n/m	
Development of real estate	66.7	75.9	(9.2)	(12)%	140.9	192.0	(51.1)	(27)%	
Recurring real estate	—	2.2	(2.2)	n/m	—	2.9	(2.9)	n/m	
Total	\$66.7	\$78.1	\$(11.4)	(15)%	\$158.2	\$194.9	\$(36.7)	(19)%	
Metrics information:									
Colocation square feet*	1,512,000	1,200,000	312,000	26 %	1,512,000	1,200,000	312,000	26 %	
Utilization rate*	89 %	88 %	1 %	1 %	89 %	88 %	1 %	1 %	
Loss per share - basic and diluted	\$(0.08)	\$—			\$(0.30)	\$(0.06)			
Dividend declared per share	\$0.315	\$0.210			\$0.945	\$0.630			

* See “Key Operating Metrics” set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 for a definition of capital expenditures, CSF and utilization rate.

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Revenue

Revenue for the three months ended September 30, 2015 was \$111.2 million, an increase of \$26.4 million, or 31%, compared to \$84.8 million for the corresponding quarter in 2014. Revenue for the nine months ended September 30, 2015 was \$286.0 million, an increase of \$42.0 million, or 17%, compared to \$244.0 million for the corresponding period in 2014. The acquisition of Cervalis in July 2015 resulted in an increase in revenue of \$18.3 million for the three and the nine months ended September 30, 2015. Revenue also increased due to the addition of new customers which resulted in increased revenue of \$8.1 million and \$23.7 million for the three and nine months ended September 30, 2015, respectively. As of September 30, 2015, we had approximately 2,850,236 leased NRSF, an increase of approximately 672,506 NRSF from September 30, 2014. As of September 30, 2015, we had 169 Fortune 1000 customers or private or foreign enterprises of equivalent size, compared to 141 Fortune 1000 customers or private or foreign enterprises of equivalent size as of September 30, 2014. As of September 30, 2015, we had a total of 929 customers as compared to approximately 656 customers as of September 30, 2014.

Our capacity at September 30, 2015 was approximately 1,512,000 CSF, which is an increase of 26% from September 30, 2014. The utilization rate of our data center facilities was 89% as of September 30, 2015, compared to 88% as of September 30, 2014.

Recurring rent churn was 0.7% for the three months ended September 30, 2015, compared to 2.9% for the three months ended September 30, 2014. Recurring rent churn was 4.5% for the nine months ended September 30, 2015, compared to 6.3% for the nine months ended September 30, 2014.

Costs and Expenses

Property operating expenses—Property operating expenses for the three months ended September 30, 2015 were \$42.2 million, an increase of \$9.2 million, or 28%, compared to \$33.0 million for the corresponding quarter in 2014. For the nine months ended September 30, 2015 property operating expenses were \$107.3 million, an increase of \$14.8 million, or 16%, compared to \$92.5 million for the corresponding period in 2014. The acquisition of Cervalis in July 2015 resulted in an increase in property operating expenses of \$7.8 million for the three and the nine months ended September 30, 2015. Property operating expenses increased \$1.1 million and \$1.9 million for the three and nine months ended September 30, 2015, respectively, due to cost of sales associated with the sale of equipment. We recorded \$0.3 million and \$1.1 million of lease exit costs at our Austin 1 facility for the three and nine months ended September 30, 2015, respectively. The remaining \$4.0 million of the increase for the nine months ended September 30, 2015, related to costs associated with operating our facilities.

Sales and marketing expenses—Sales and marketing expenses for the three months ended September 30, 2015 were \$3.2 million, consistent with the corresponding quarter in 2014. For the nine months ended September 30, 2015 sales and marketing expenses were \$8.9 million, a decrease of \$0.8 million, or 8%, compared to \$9.7 million for the corresponding period in 2014. The acquisition of Cervalis in July 2015 resulted in an increase in sales and marketing expenses of \$0.6 million for the three and the nine months ended September 30, 2015. The decrease was primarily related to lower advertising and marketing costs and lower salaries and wages.

General and administrative expenses—General and administrative expenses for the three months ended September 30, 2015 were \$12.5 million, an increase of \$3.5 million, or 39%, compared to \$9.0 million for the corresponding quarter in 2014. For the nine months ended September 30, 2015 general and administrative expenses were \$31.5 million, an increase of \$6.8 million, or 28%, compared to \$24.7 million for the corresponding period in 2014. The acquisition of Cervalis in July 2015 resulted in an increase in general and administrative expenses of \$0.8 million for the three and the nine months ended September 30, 2015. The current general and administrative expenses included severance related costs of \$1.9 million, of which \$0.9 million related to the acceleration of stock-based compensation. Total payroll and employee related costs increased \$1.6 million and \$3.5 million for the three and nine months ended September 30, 2015, respectively, due to the growth in business. IT license and facility costs increased \$0.4 million and \$0.9 million for three and nine months ended September 30, 2015, respectively. Consulting, legal and other costs accounted for the remaining increase.

Depreciation and amortization expense—Depreciation and amortization expense for the three months ended September 30, 2015 was \$39.1 million, an increase of \$9.1 million, or 30%, compared to \$30.0 million for the

corresponding quarter in 2014. For the nine months ended September 30, 2015, depreciation and amortization expense was \$101.6 million, an increase of \$14.2 million, or 16%, compared to \$87.4 million for the corresponding period in 2014. The acquisition of Cervalis in July 2015 resulted in an increase in depreciation and amortization expense of \$6.4 million for the three and the nine months ended September 30, 2015. The remainder of the increase was driven by assets that were placed in service since the fourth quarter of 2014. Depreciation and amortization expense is expected to increase in future periods as we acquire and develop new properties and expand our existing data center facilities.

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Transaction and acquisition integration costs—During the second quarter of 2015 the Company entered into an agreement to acquire Cervalis Inc. in a cash transaction which was consummated in the third quarter of 2015. As part of that process, we incurred expenses for outside professional services in the areas of legal, banking, financing, accounting and advisory services related to the consummation of the transaction and its integration. For the three and nine months ended September 30, 2015, transaction and integration costs related to the Cervalis acquisition were \$1.8 million and \$11.5 million, respectively. During 2014, the Company incurred \$0.9 million in transaction related expenses as it investigated various opportunities that were not completed.

Asset impairments and loss on disposal of assets—For the three months ended September 30, 2015, we recognized a loss of \$4.9 million primarily related to the disposal of assets. For the nine months ended September 30, 2015, we recognized a loss of \$13.5 million related to the exit of Austin 1, which is a leased facility, and a loss related to the disposal of assets. The effective date of this lease termination is March 31, 2016.

Operating Income

For the three months ended September 30, 2015, operating income was \$7.5 million, a decrease of \$2.1 million, or 22%, compared to \$9.6 million for the corresponding quarter in 2014. The decrease was mainly driven by increased transaction and integration costs of \$1.8 million primarily related to the Cervalis acquisition, asset impairments and loss on disposals of \$4.9 million and increased depreciation and amortization expense of \$9.1 million, partially offset by increased operating income due to increased revenue greater than costs, as explained above. For the nine months ended September 30, 2015, operating income was \$11.7 million, a decrease of \$17.1 million, or 59%, compared to \$28.8 million for the corresponding quarter in 2014. The decrease was mainly driven by increased transaction and integration costs of \$11.5 million primarily related to the Cervalis acquisition, asset impairments and loss on disposals of 13.5 million and increased depreciation and amortization expense of \$14.2 million, partially offset by increased operating income due to increased revenue greater than costs, as explained above.

Non-Operating Expenses

Interest expense—Interest expense for the three months ended September 30, 2015 was \$12.1 million, an increase of \$3.1 million, or 34%, as compared to \$9.0 million for the corresponding quarter in 2014. Interest expense for the nine months ended September 30, 2015 was \$29.2 million, a decrease of \$1.2 million, or 4%, as compared to \$30.4 million for the corresponding period in 2014. The increase for the three months ended September 30, 2015 was due to increased borrowings under our credit agreement and other financing arrangements. The decrease for the nine months ended September 30, 2015 was primarily a result of a reduction in interest expense due to our bond repurchase program in the fourth quarter of 2014 and an increase in capitalized interest, partially offset by the impact of additional borrowings under our credit agreement and the issuance of 6.375% senior notes in July 2015.

Income tax expense—Income tax expense for the three months ended September 30, 2015 was \$0.7 million, an increase of \$0.3 million, or 75%, as compared to \$0.4 million for the corresponding quarter in 2014. Income tax expense for the nine months ended September 30, 2015 was \$1.5 million, an increase of \$0.4 million, or 36%, as compared to \$1.1 million for the corresponding period in 2014.

Capital Expenditures

Capital expenditures for the nine months ended September 30, 2015 were \$158.2 million, as compared to \$194.9 million for the nine months ended September 30, 2014. Our capital expenditures for 2015 relate primarily to the development of additional square footage and power in our Phoenix 2, Houston West 3, Carrollton and Northern Virginia data centers and the purchase of an additional powered shell in Austin's Met Center in February of 2015.

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Key Performance Indicators

Funds from Operations and Normalized Funds from Operations

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

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

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

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

The following table reflects the computation of FFO and Normalized FFO for the three and nine months ended September 30, 2015 and September 30, 2014:

CyrusOne Inc.

Reconciliation of Net (Loss) Income to FFO and Normalized FFO

(Dollars in millions)

(Unaudited)

	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
	2015	2014	\$	%	2015	2014	\$	%
Net (loss) income	\$(5.3)	\$0.2	\$(5.5)	n/m	\$(19.0)	\$(2.7)	\$(16.3)	n/m
Adjustments:								
Real estate depreciation and amortization	31.9	24.5	7.4	30 %	84.2	70.8	13.4	19 %
Asset impairments and loss on disposal	4.9	—	4.9	n/m	13.5	—	13.5	n/m
Funds from Operations (FFO)	\$31.5	\$24.7	\$6.8	28 %	\$78.7	\$68.1	\$10.6	16 %
Amortization of customer relationship intangibles	5.6	4.2	1.4	33 %	12.9	12.7	0.2	2 %
Transaction and acquisition integration costs	1.9	—	1.9	n/m	11.6	0.9	10.7	n/m

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Severance	1.9	—	1.9	n/m	1.9	—	1.9	n/m
Legal claim costs	—	—	—	n/m	0.3	—	0.3	n/m
Lease exit costs	0.3	—	0.3	n/m	1.1	—	1.1	n/m
Normalized Funds from Operations (Normalized FFO)	\$41.2	\$28.9	\$12.3	43 %	\$106.5	\$81.7	\$24.8	30 %

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Net Operating Income

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

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

The following table reflects the computation of NOI and Net Income (Loss) for the three and nine months ended September 30, 2015 and September 30, 2014:

CyrusOne Inc.

Reconciliation of Net Operating Income to Net Income (Loss)

(Dollars in millions)

(Unaudited)

	Three Months Ended					Nine Months Ended				
	September 30,		Change		September 30,	2014		Change		
	2015	2014	\$	%		2015	2014	\$	%	
Revenue	\$111.2	\$84.8	\$26.4	31 %	\$286.0	\$244.0	\$42.0	17 %		
Property operating expenses	42.2	33.0	9.2	28 %	107.3	92.5	14.8	16 %		
Net Operating Income	\$69.0	\$51.8	\$17.2	33 %	\$178.7	\$151.5	\$27.2	18 %		
Sales and marketing	3.2	3.2	—	— %	8.9	9.7	(0.8)	(8)%		
General and administrative	12.5	9.0	3.5	39 %	31.5	24.7	6.8	28 %		
Depreciation and amortization	39.1	30.0	9.1	30 %	101.6	87.4	14.2	16 %		
Transaction and acquisition integration costs	1.8	—	1.8	n/m	11.5	0.9	10.6	n/m		
Asset impairments and loss on disposal	4.9	—	4.9	n/m	13.5	—	13.5	n/m		
Interest expense	12.1	9.0	3.1	34 %	29.2	30.4	(1.2)	(4)%		
Income tax expense	0.7	0.4	0.3	75 %	1.5	1.1	0.4	36 %		
Net Income (Loss)	\$(5.3)	\$0.2	\$(5.5)	n/m	\$(19.0)	\$(2.7)	\$(16.3)	n/m		

Financial Condition, Liquidity and Capital Resources

Liquidity and Capital Resources

We are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, to our stockholders on an annual basis in order to maintain our status as a REIT for federal income tax purposes. Accordingly, we intend to make, but are not contractually bound to make, regular quarterly distributions to common stockholders and operating partnership unit holders from cash flow from operating activities. All such distributions are at the discretion of our board of directors.

We have an effective shelf registration statement that allows us to offer for sale unspecified amounts of various classes of equity and debt securities and warrants. As circumstances warrant, we may issue debt, equity and/or warrants from time to time on an opportunistic basis, dependent upon market conditions and available pricing.

On June 25, 2014, CyrusOne Inc. completed a public offering of approximately 16.0 million shares of its common stock, including approximately 2.1 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$23.25 per share, or \$371.7 million. CyrusOne Inc. used the proceeds of \$355.9 million, net of underwriting discounts of \$15.8 million, to acquire approximately 16.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI.

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On April 7, 2015, CyrusOne Inc. completed a public offering of approximately 14.3 million shares of its common stock, including approximately 1.9 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$31.12 per share, or \$443.8 million. CyrusOne Inc. used the proceeds of \$426.0 million, net of underwriting costs of \$17.8 million, to acquire approximately 14.3 million common units of limited partnership interests in the operating partnership from two subsidiaries of CBI.

On June 26, 2015, CyrusOne Inc. completed a public offering of approximately 13.0 million shares of its common stock, including 1.7 million shares of common stock issued upon the exercise in full by the underwriters of their option to purchase additional shares, at a price to the public of \$30.00 per share, or \$389.9 million. CyrusOne Inc. used a portion of the proceeds to finance CyrusOne LP's acquisition of Cervalis, to pay fees and expenses related to the Cervalis acquisition and for general corporate purposes. In addition, CyrusOne used the remaining \$170.3 million of the net proceeds from the offering to acquire approximately 6.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI. The purchase of the partnership interests was completed on July 1, 2015.

As of September 30, 2015, the total number of outstanding shares of common stock and operating partnership units was 72.6 million. As of September 30, 2015, CBI owned approximately 11.3% of CyrusOne through its 2.6% interest in the outstanding shares of common stock of CyrusOne Inc. and its 8.7% noncontrolling interest in the common units of the limited partnership interest of CyrusOne LP that may be exchanged by CBI for common stock.

On October 9, 2014, CyrusOne LP entered into a new Credit Agreement which originally provided for a \$450 million senior unsecured revolving credit facility to replace CyrusOne LP's former \$225 million secured credit facility, and a \$150 million senior unsecured term loan. The Credit Agreement originally provided for an accordion feature, which gave the operating partnership the ability to request an increase in the total commitment under the Credit Agreement by up to \$300 million.

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

On July 1, 2015, CyrusOne borrowed an additional \$150 million under the term loan facility which was used to partially finance the acquisition of Cervalis. As of September 30, 2015, the Company had borrowings of \$205 million under the \$650 million revolving credit facility and \$300 million under the \$300 million term loan facility. In addition, the Credit Agreement contains an accordion feature that allows CyrusOne LP to increase the aggregate commitment by up to \$250 million.

On July 1, 2015, the Issuers closed a private offering of \$100 million aggregate principal amount of the 6.375% senior notes. The New Notes were issued as additional notes under the Indenture dated November 20, 2012 as supplemented by the first supplemental indenture dated July 1, 2015, and the New Notes have terms substantially identical to those of the 6.375% senior notes issued in November 2012. The Issuers and guarantors of the New Notes entered into a registration rights agreement which requires them, at their cost, to use commercially reasonable efforts to file and cause to become effective a registration statement within 180 days of July 1, 2015, to be used in connection with the exchange of the New Notes for freely tradable notes with substantially identical terms in all material respects to the New Notes (which exchange must be completed on or prior to the 30th day after such registration statement is declared effective). The Company used the net proceeds from the offering of the New Notes to finance, in part, the operating partnership's acquisition of Cervalis, and to pay fees and expenses related to the acquisition. As of September 30, 2015, the outstanding balance on the 6.375% senior notes was \$477.7 million, including bond premium.

On July 1, 2015, CyrusOne LP acquired four data center facilities and two work area recovery facilities serving the New York metropolitan area through the acquisition of Cervalis for approximately \$400 million, excluding transaction

related expenses. The purchase price was funded with a portion of the proceeds from CyrusOne Inc.'s June 26, 2015 offering of its common stock, proceeds from CyrusOne LP and CyrusOne Finance Corp.'s offering of 6.375% senior notes due 2022 on July 1, 2015 and borrowings under CyrusOne LP's senior unsecured term loan facility. As of September 30, 2015, and December 31, 2014, we had \$39.8 million and \$36.5 million, respectively, of cash and cash equivalents.

Short-term Liquidity

Our short-term liquidity requirements primarily consist of operating expenses, dividend payments and capital expenditures composed primarily of acquisition and development costs for data center properties. For the nine months ended September 30,

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2015, our capital expenditures were \$158.2 million. Our capital expenditures are largely discretionary and will be applied to expand our existing data center properties, acquire or construct new facilities, or both. We intend to continue to pursue additional growth opportunities and are prepared to commit additional resources to support this growth. We expect to fund future capital expenditures from the cash available on our balance sheet and borrowings under our revolving credit facility. Our total estimated capital expenditures for 2015 will be between \$260 million and \$275 million.

Long-term Liquidity

Our long-term liquidity requirements primarily consist of operating expenses, distributions to stockholders and the acquisition and development of additional data center properties. We expect to meet our long-term liquidity requirements with cash flows from our operations, issuances of debt and equity securities and borrowings under our revolving credit facility.

As of September 30, 2015, our debt and other financing arrangements were \$1,147.4 million, consisting of \$477.7 million of senior notes due 2022, including bond premium, a revolving credit facility outstanding of \$205.0 million, a term loan outstanding of \$300.0 million, capital lease obligations of \$12.8 million and other financing arrangements of \$151.9 million. As of September 30, 2015, we had the ability to borrow an additional \$437.9 million under the revolving credit facility.

On July 1, 2015 CyrusOne Inc. used \$203 million of the total proceeds of \$373.3 million, net of underwriting costs of \$16.6 million, from the June 2015 equity offering to finance the acquisition of Cervalis, to pay fees and expenses related to the Cervalis acquisition and for general corporate purposes. The balance of the purchase price was funded with proceeds from CyrusOne Inc.'s offering of 6.375% senior notes and borrowings under its amended credit facility. In addition, CyrusOne used the remaining \$170.3 million of the net proceeds from the offering to acquire approximately 6.0 million common units of limited partnership interests in the operating partnership from a subsidiary of CBI. The purchase of the partnership interests was completed on July 1, 2015.

As of September 30, 2015, the total number of outstanding shares of common stock and operating partnership units was approximately 72.6 million. As of September 30, 2015, CBI owned approximately 11.3% of CyrusOne through its 2.6% interest in the outstanding shares of common stock of CyrusOne Inc. and its 8.7% noncontrolling interest in the common units of the limited partnership interest of CyrusOne LP that may be exchanged by CBI for common stock.

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

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

Cash Flows

Comparison of Nine Months Ended September 30, 2015 and September 30, 2014

Cash provided by operations was \$101.5 million for the nine months ended September 30, 2015, compared to \$88.3 million for the nine months ended September 30, 2014. The increase is primarily driven by the change in operating assets and liabilities during the two comparable periods.

Cash used in investing activities was \$556.6 million for the nine months ended September 30, 2015, compared to \$194.9 million for the nine months ended September 30, 2014. The increase was primarily due to the acquisition of

Cervalis in July 2015 for \$398.4 million. Additional capital expenditures for 2015 includes the development of additional square footage and power in our Phoenix 2, Houston West 3, Carrollton and Northern Virginia data centers and the purchase of Austin 4 in February 2015. Capital expenditures for 2014 related to the continued development of power and space through expansions of our existing properties in primarily the same locations, in order to meet increased customer demands for IT infrastructure.

Cash provided by financing activities was \$458.4 million for the nine months ended September 30, 2015, compared to cash used in financing activities of \$11.8 million for the nine months ended September 30, 2014. The change is primarily attributed

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to the June 2015 equity offering, borrowings of \$190.0 million and proceeds from debt issuance of \$103.8 million during the nine months ended September 30, 2015, partially offset by an increase in dividends paid of \$20.9 million as the Company has increased its quarterly dividend payment rate.

Distribution Policy

CyrusOne Inc. is required to distribute 90% of its taxable income (determined without regard to the dividend paid deduction and excluding any net capital gains) on an annual basis in order to continue to qualify as a REIT for federal income tax purposes. Accordingly, we intend to make, but are not contractually bound to make, regular quarterly distributions to our common shareholders from cash flow from our operating partnership's operating activities. In addition, the Operating Partnership Agreement requires ratable distributions to partners, and therefore, similar distributions will be made to all holders of operating partnership units. All such distributions are at the discretion of our parent company's board of directors. We consider market factors and our operating partnership's performance in addition to REIT requirements in determining distribution levels. While we plan to continue to make quarterly distributions, no assurances can be made as to the frequency or amounts of any future distributions. The payment of common share distributions is dependent upon our financial condition, operating results and REIT distribution requirements and may be adjusted at the discretion of the board of directors during the year.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We have exposure to interest rate risk, arising from variable-rate borrowings under our revolving credit agreement and our fixed-rate long-term debt.

The following table sets forth the carrying value and fair value face amounts, maturity dates, and average interest rates at September 30, 2015, for our fixed-rate debt, including bond premium, and variable-rate debt, excluding capital leases and other financing arrangements:

(amounts in millions)	2015	2016	2017	2018	2019	Thereafter	Total Carrying Value	Total Fair Value	
Fixed-rate debt	\$—	\$—	\$—	\$—	\$—	\$477.7	\$477.7	\$487.3	
Average interest rate on fixed-rate debt	—	—	—	—	—	6.375	% 6.375	% —	
Variable-rate debt (revolver)	\$—	\$—	\$—	\$205.0	\$—	\$—	\$205.0	\$205.0	
Average interest rate on variable-rate debt (revolver)	—	—	—	1.932	% —	—	1.932	% 1.932	%
Variable-rate debt (term loan)	\$—	\$—	\$—	\$—	\$300.0	\$—	\$300.0	\$300.0	
Average interest rate on variable-rate debt (term loan)	—	—	—	—	1.894	% —	1.894	% 1.894	%

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for a description of the Company's market risks. There were no material changes for the period ended September 30, 2015.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of the Effectiveness of Disclosure Controls and Procedures (CyrusOne Inc.)

As of September 30, 2015, we carried out an evaluation required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2015, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and were effective to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting (CyrusOne Inc.)

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 of the Exchange Act that occurred during the quarter ended September 30, 2015 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of the Effectiveness of Disclosure Controls and Procedures (CyrusOne LP)

As of September 30, 2015, we carried out an evaluation required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2015, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and were effective to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting (CyrusOne LP)

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 of the Exchange Act that occurred during the quarter ended September 30, 2015 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of our business, from time to time we are subject to claims and administrative proceedings. We do not believe any currently outstanding matters would have, individually or in the aggregate, a material adverse effect on our business, financial condition and results of operations, liquidity and cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors included in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 27, 2015, which is accessible on the SEC’s website at www.sec.gov.

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

During the three months ended September 30, 2015, the Company had no unregistered sales of equity securities or purchases of its common stock.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description
3.1	Articles of Amendment and Restatement of CyrusOne Inc. (Incorporated by reference to Exhibit 3.1 of Form 8-K, filed by CyrusOne Inc. on January 25, 2013 (Registration No. 001-35789)).
3.2	Amended and Restated Bylaws of CyrusOne Inc. (Incorporated by reference to Exhibit 3.2 of Form 8-K, filed by CyrusOne Inc. on January 25, 2013 (Registration No. 001-35789)).
3.3	Certificate of Limited Partnership of CyrusOne LP (Incorporated by reference to Exhibit 3.3 of Form S-4, filed by CyrusOne LP on October 28, 2015 (Registration No. 333-207647)).
3.4	Amended and Restated Agreement of Limited Partnership of CyrusOne LP (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by CyrusOne Inc. on January 25, 2013 (Registration No. 001-35789)).
4.1	First Supplemental Indenture dated July 1, 2015, among CyrusOne LP, CyrusOne Finance Corp., the guarantors party thereto and Wells Fargo Bank N.A., as trustee (Incorporated by reference to Exhibit 4.1 of Form 8-K, filed by CyrusOne Inc. on July 1, 2015 (Registration No. 001-35789)).
4.2	Registration Rights Agreement dated July 1, 2015, among the CyrusOne LP, CyrusOne Finance Corp., the guarantors party thereto and Barclays Capital Inc., RBC Capital Markets, LLC and TD Securities (USA) LLC (Incorporated by reference to Exhibit 4.2 of Form 8-K, filed by CyrusOne Inc. on July 1, 2015 (Registration No. 001-35789)).
4.3	Second Supplemental Indenture dated July 2, 2015, among CyrusOne LP, CyrusOne Finance Corp., Cervalis Holdings LLC, Cervalis LLC, the other guarantors party thereto and Wells Fargo Bank N.A., as trustee (Incorporated by reference to Exhibit 4.1 of Form 8-K, filed by CyrusOne Inc. on July 6, 2015 (Registration No. 001-35789)).
4.4	Registration Rights Agreement Joinder dated July 2, 2015 by Cervalis Holdings LLC and Cervalis LLC (Incorporated by reference to Exhibit 4.2 of Form 8-K, filed by CyrusOne Inc. on July 6, 2015 (Registration No. 001-35789)).
10.1	Joinder Agreement dated July 2, 2015 by the Cervalis Holdings LLC and Cervalis LLC and acknowledged by KeyBank National Association (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by CyrusOne Inc. on July 6, 2015 (Registration No. 001-35789)).
10.2	Employment Agreement, dated as of July 31, 2015, by and between Robert M. Jackson and CyrusOne LLC (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by CyrusOne Inc. on August 3, 2015 (Registration No. 001-35789)).
10.3	

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Employment Agreement, dated as of July 31, 2015, by and between Amitabh Rai and CyrusOne LLC (Incorporated by reference to Exhibit 10.3 of Form 8-K, filed by CyrusOne Inc. on August 3, 2015 (Registration No. 001-35789)).

10.4 Separation Agreement, dated as of July 31, 2015, by and between Thomas W. Bosse and CyrusOne LLC (Incorporated by reference to Exhibit 10.2 of Form 8-K, filed by CyrusOne Inc. on August 3, 2015 (Registration No. 001-35789)).

10.5 Employment Agreement dated as of October 19, 2015 by and between Gregory R. Andrews and CyrusOne LLC (Incorporated by reference to Exhibit 10.1 of Form 8-K, filed by CyrusOne Inc. on September 29, 2015 (Registration No. 001-35789)).

10.6 Transition Services and Separation Agreement dated September 28, 2015 by and between CyrusOne LLC and Kimberly H. Sheehy. (Incorporated by reference to Exhibit 10.2 of Form 8-K, filed by CyrusOne Inc. on September 29, 2015 (Registration No. 001-35789)).

31.1+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)

31.2+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)

31.3+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)

31.4+ Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)

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32.1+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)
32.2+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne Inc.)
32.3+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)
32.4+	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (CyrusOne LP)
(101.INS)*	XBRL Instance Document.
(101.SCH)*	XBRL Taxonomy Extension Schema Document.
(101.CAL)*	XBRL Taxonomy Extension Calculation Linkbase Document.
(101.DEF)*	XBRL Taxonomy Extension Definition Linkbase Document.
(101.LAB)*	XBRL Taxonomy Extension Label Linkbase Document.
(101.PRE)*	XBRL Taxonomy Extension Presentation Linkbase Document.
+	Filed herewith.
*	Submitted electronically with this report.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on the 6th day of November, 2015.

CyrusOne Inc.

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

By: /s/ Kimberly H. Sheehy
Kimberly H. Sheehy
Chief Financial and Administrative Officer

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on the 6th day of November, 2015.

CyrusOne LP

By: CyrusOne Inc., as sole trustee of CyrusOne GP, sole general partner of CyrusOne LP

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

By: /s/ Kimberly H. Sheehy
Kimberly H. Sheehy
Chief Financial and Administrative Officer of CyrusOne Inc.

By: /s/ Amitabh Rai
Amitabh Rai
Senior Vice President and Chief Accounting Officer of CyrusOne Inc.