LANDandBUILDINGS

Land & Buildings Sends Letter to QTS Realty Trust Shareholders

– Believes QTS Intrinsic Value Substantially Above Current Depressed Share Price –

– Believes Value of Assets Not Impaired, Just the Reputation of Management –

– Calls on QTS Realty Trust to Avail itself of all Opportunities to Close the Massive Discount to Peers, Including Exploring Strategic Alternatives and Re-evaluation of Leadership –

Stamford, CT (February 22, 2018) – Land and Buildings Investment Management LLC ("Land and Buildings") issued the following letter to QTS Realty Trust's (NYSE: QTS) ("QTS", or the "Company") shareholders:

February 22, 2018

Dear Fellow QTS Shareholders:

Land & Buildings is a significant shareholder of QTS Realty Trust and believes that QTS's intrinsic value is substantially above the current depressed share price. Data centers continue to trade at high valuations in the private market, and we believe the QTS net asset value is well above the current share price based on both public market M&A as well as comparable private market transactions.

QTS has been a perennial underperformer, delivering inferior total shareholder returns to Data Center Peers[i] over several years, including underperforming by nearly 100% since the Company's October 2013 IPO. The stock's 23% drop yesterday following fourth quarter earnings results and 2018 guidance was emblematic of the problems plaguing the Company, as mismanagement and miscommunication overwhelmed excellent data center fundamentals.

Figure 1: QTS Total Shareholder Return Underperformance is Stark[ii]

Total Shareholder Returns	Since QTS IPO	Trailing 3 Years	Trailing 1 Year
QTS Realty Trust	**87%**	**-1%**	**-31%**
CyrusOne	*212%*	*79%*	*5%*
CoreSite	*225%*	*107%*	*7%*
Digital Realty Trust	*127%*	*64%*	*-3%*
Equinix	*170%*	*82%*	*6%*
Data Center Peer Average	*183%*	*83%*	*4%*
QTS Underperformance	**-97%**	**-84%**	**-35%**

We believe the root cause of the underperformance falls at the feet of management – specifically Chairman, CEO and Founder Chad Williams. Mr. Williams, who dominates investor presentations and earnings conference calls, has repeatedly overestimated the Company's future operating performance, presided over poor capital allocation decisions and created a misleading outlook for the profitability of QTS, opening the Company up to potential class action claims. Specific examples of note include:

1. In November 2017, Mr. Williams hosted an Investor Day outlining 2018 growth targets for revenue, EBITDA and FFO, only to slash them just three months later. Either Mr. Williams was aware of the challenges to his business at that time and failed to inform shareholders, or he did not know about them. Either is an indictment of his leadership of the Company.
2. QTS, in an about-face from its Investor Day, plans to essentially abandon the cloud and managed service business. Since the investment community had often questioned how QTS could compete given Amazon's dominance in the space, what took Mr. Williams so long, and how much shareholder money was wasted, to reach the same conclusion?
3. The Company's failure to pivot to hyperscale leasing earlier, despite its competitors clearly identifying this opportunity years ago, left significant money on the table.
4. In June 2015, the Company purchased Carpathia, a Virginia-based colocation, cloud and managed services, for $326 million, only to have a major tenant exit the portfolio shortly after the acquisition. How can investors be confident in Mr. Williams when the underwriting of this major acquisition so quickly turned against him?

Despite the announced restructuring, which may or may not turn out to be a value-creating endeavor, the one thing that is clear from yesterday's announcement is that management's credibility is gone. Yesterday, QTS stock dropped 23% and is now down 37% for the year as management missteps pile up. Yet, management now wants you to believe that QTS will meet or exceed its prior 2020 cash flow per share target announced last November, but with a higher growth, higher margin and higher quality portfolio. Investors are clearly not buying it.

Given the capital needs to complete developments, we believe that a pursuit of strategic alternatives is substantially more desirable than incurring the high cost of capital based on the Company's current share prices and recent track record. Public to public M&A would likely be highly accretive to the acquirer given the nearly 9 times multiple discount QTS trades at to peers on 2018 FFO, after giving effect of synergies[iii].

The Company's combination of unexpected churn events, uneven leasing, inability to translate excellent industry fundamentals to consistent growth, and messaging failures have been toxic to public investors. Shareholders should demand that the Board of Directors re-evaluate the senior leadership of the Company given the abysmal underperformance. Further, the Company must avail itself of all opportunities to close the massive discount to peers and net asset value, including immediately exploring strategic alternatives.

Sincerely,

Jonathan Litt

Founder & Chief Investment Officer

Land & Buildings

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About Land & Buildings:

Land & Buildings is a registered investment manager specializing in publicly traded real estate and real estate related securities. Land & Buildings seeks to deliver attractive risk adjusted returns by opportunistically investing in securities of global real estate and real estate related companies, leveraging its investment professionals' deep experience, research expertise and industry relationships.

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[i] Data Center Peers defined as CyrusOne (Nasdaq: CONE), CoreSite (NYSE: COR), Digital Realty Trust (NYSE: DLR), and Equinix (Nasdaq: EQIX)

[ii] Since QTS IPO defined as data range October 8, 2013 through February 21, 2018; Trailing 3 Years defined as February 21, 2015 through February 21, 2018; Trailing 1 Year defined as February 21, 2017 through February 21, 2018

[iii] Land & Buildings estimate; assumes 75% G&A synergies in an M&A transaction