

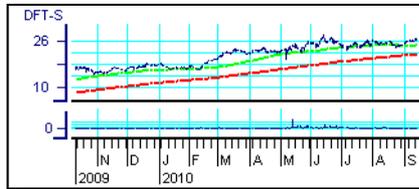
REIT Growth and Income Monitor

BUY

DuPont Fabros Technology DFT \$27

09/14/2010

Ranking: 2



Closing stock price and volume are shown in blue lines on top and bottom of chart. 200 day moving average stock price is shown in red and 50 day moving average stock price is shown in green.

Comments:

Development of wholesale data centers is driven by growing demand for Internet services and cloud computing.

Portfolio expansion for 2011 will add more than 20% to the operating portfolio.

Obama proposal for a new business investment tax credit may drive accelerated growth.

FFO for the second quarter of 2010 increased 18%.

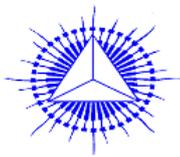
Guidance for FFO for 2010 indicates growth of 16%-25% (adjusted to exclude unusual items from the previous year).

Dividends were increased 50% for the third quarter of 2010, providing investors with current yield of 1.79%.

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REIT Growth and Income Monitor is a product of Atlantis Investment Co., Inc., founded in 1986. Research involves analysis of fundamental issues and discussion of critical variables that will determine stock price performance. Particular attention is paid to potential negative trends in business or to conflicts of interest in a company's insider ownership. BUY, SELL, and HOLD recommendations are provided with a ranking system of 1 to 5. Assignment of a 1 rank indicates expected total return of 50% within 18 months, a 2 indicates expected total return of more than 25%, a 3 indicates stock price performance in line with the market, a 4 indicates an expected stock price decline of more than 15%, and a 5 indicates expected stock price decline of more than 25%.

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REIT Growth and Income Monitor

DuPont Fabros Technology (DFT)

09/14/2010 BUY

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CEO, Hossein Fateh
Investor Questions, Mark L. Wetzel, CFO
dft.com/investor_relations

Quarterly Dividend
Ex Date 06/25/10
Record Date 06/29/10
Pay Date 07/09/10

Price	\$27
Dividend	\$0.48
Yield	1.79%

Annualized FFO / AFFO	\$1.32 / \$0.84
FFO / AFFO % of Dividend	275% / 175%
Total Cap/FFO/AFFO	34.9X / 54.9X

# Shares Out	75.2
Market Cap	\$2,019
Market Cap/ Annualized Rev	8.5X

Revenue Growth Rate	21%
Annualized Revenue	\$237
Sector	Office REIT

Description of Assets

- DuPont Fabros Technology owns, develops, manages and operates wholesale data centers that are secure facilities used by Internet and enterprise companies to house, power and cool computer servers and telecommunications equipment. DuPont Fabros Technology's operating portfolio includes 7 data centers with a total of 1.5 million square feet of gross building area and 752,000 "raised square feet" in VA and IL, providing tenants with a total of 118.8 million megawatts of "critical load".
- Significant tenants include Microsoft, Yahoo!, Facebook and Google. DuPont Fabros Technology has a total of 24 tenants with 44 different leases in its current operating portfolio, with the top 3 tenants representing 66% of annualized base rent.
- DuPont Fabros Technology came public in October, 2007 with an offering of 35.1 million shares at a price of \$21 per share, raising net proceeds of \$678 million. Lehman and UBS served as joint bookrunning managers, with co-managers Citi, KeyBanc, Wachovia, Banc of America and Raymond James.

Productivity of Assets

Total Assets	\$2,349,389
Total Space	1,532,000 sq. ft.
Revenue/Assets	9%
Revenue/Unit	NA
Occupancy Rate	100%
% of Leases Exp in 4 Years	9%

Capital Structure

Notes/Lines of Credit	\$550,000
Mortgages	\$347,500
Senior Debt	\$0
Preferred Stock	\$0
Minority Interest	\$551,379
Total Equity	\$809,160

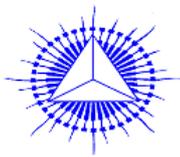
Average Cost of Debt	7.00%
Book Value	\$2.55

Interest Coverage	4.6X
EBITDA	\$154,887

Key Issues

- Demand for data centers and cloud computing is driven by the growth in Internet services and by the trend towards cloud computing as a way for corporations to achieve higher productivity and lower technology costs. DuPont Fabros Technology provides the secure data facility and access to telecommunications and utilities, with lease terms measured in "raised square feet" and access to "critical load". Lease terms are typically set for more than 10 years (with average portfolio life of more than 7 years), and all leases are triple-net (with operating expenses fully passed on to tenants). Operation of computer servers and telecommunications connections are the responsibility of the tenants. DuPont Fabros Technology views Digital Realty Trust as similar REIT competitor serving corporations as well as Internet gateways and service providers, while managed services and networks provided by ATT, IBM, Equinix and Terremark serve as outsourced solutions for smaller customers. DuPont Fabros Technology believes the in-house operations of its large Internet tenants present its largest and most effective competition.
- Construction projects expected to be occupied during 2011, already 88% leased, will add more than 20% to the operating portfolio. Pipeline of new construction includes 4 projects for total investment of \$750 million nearing completion for a total of 330,000 square feet of gross building area, including ACC5 Phase II and ACC6 Phase I in Ashburn, VA as well as 2 new properties in Piscataway, NJ, and Santa Clara, CA. Future developments include \$80 million already invested for 332,000 square feet of gross building area in 4 additional expansion projects. Land held for development in Ashburn VA and Santa Clara CA would support another 883,000 square feet of gross building area for data centers. DuPont Fabros Technology expects to more than double operating capacity by 2014. Development costs average \$1,000 per gross square foot, including \$100 per square foot of land and base building costs and \$900 per square foot cost for data center infrastructure.
- DuPont Fabros Technology should benefit from President Obama's proposal for a new business investment tax credit. While demand drivers for Internet services and data centers are already in place, a business investment tax credit during 2010 or 2011 should accelerate existing investment plans by corporations. DuPont Fabros Technology's development pipeline provides the ability for rapid response to acceleration in demand trends.
- Co-founders Lamot J. duPont, Executive Chairman, and Hossein Fateh, President and CEO, acquired and developed all existing DuPont Fabros Technology properties through a predecessor company, starting in 1997. Mark L. Wetzel, CFO, joined DuPont Fabros Technology in 2008, with previous experience as a division CFO at Vornado Realty Trust's [Ticker: VNO] Merchandise Mart, as well as SVP and chief accounting officer at Equity Residential [Ticker: EQR]. Scott A Davis, EVP and SVP of Operations, joined DuPont Fabros Technology during 2006, after 8 years at AOL [Ticker: AOL] serving as Senior Director of Data Center Operations.
- DuPont Fabros has less than \$900 million in total debt as of June, 2010, with liquidity of \$490 million, including cash of \$405 million and an unused \$85 million unsecured line of credit. Completion of 4 construction projects will require \$430 million cash through the end of 2011. Debt maturities of \$199 million for 2011 include only \$8 million in secured loan principal amortization. DuPont Fabros raised \$305 million from a follow-on offering of 13.8 million shares at \$23 per share in May, 2010, through joint bookrunning managers KeyBanc, Raymond James, Macquarie, RBC, and Jeffries, with co-managers Stifel Nicolaus and TD Securities.
- FFO for the second quarter of 2010 was \$0.33 per share, up 18% from FFO of \$0.30 per share for the previous year. FFO for 2009 was \$1.12 per share (adjusted to exclude debt extinguishment and interest swap termination charges of (\$0.24) per share), down (14%) from \$1.30 per share for the previous year.
- Guidance for FFO for 2010 was increased to indicate a range of \$1.30-\$1.40 per share, up 16%-25% from FFO of \$1.12 per share for 2009, (adjusted to exclude unusual items of (\$0.24) per share).
- Quarterly dividend distributions were increased 50% to \$0.12 per share for the third quarter of 2010, to a new annual rate of \$0.48 per share. Dividends of \$0.08 per share for 2009 were taxed 100% as ordinary income.

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REIT Growth and Income Monitor

DuPont Fabros Technology (DFT)

09/14/2010 BUY

Table 1: Capitalization by Sector (Office REIT)

Company Name	Ticker	Yield	Market Capitalization	Total Capitalization	Debt and Non-Trading % of Total	Total Capitalization/ FFO Ratio
Boston Properties	BXP	2.32%	\$12,059	\$19,344	38%	30.9X
Brandywine Realty Trust	BDN	4.87%	\$1,620	\$4,068	60%	22.7X
Brookfield Properties Corp.	BPO	3.6%	\$7,888	\$14,887	47%	24.5X
CommonWealth REIT	CWH	7.39%	\$1,945	\$5,507	65%	20.8X
Corporate Office Properties Trust	OFC	4.13%	\$2,416	\$4,691	48%	34.2X
Digital Realty Trust	DLR	3.39%	\$6,654	\$8,856	25%	27.4X
DuPont Fabros Technology	DFT	1.79%	\$2,019	\$3,468	42%	34.9X
Highwoods Properties	HIW	5.25%	\$2,450	\$4,106	40%	21.2X
Kilroy Realty	KRC	4.15%	\$1,695	\$3,005	44%	29.9X
Mack-Cali Realty	CLI	5.45%	\$3,053	\$5,541	45%	21.1X
SL Green Realty Corp.	SLG	0.63%	\$5,035	\$10,480	52%	32.2X
Vornado Realty Trust	VNO	3.02%	\$15,804	\$29,260	46%	33.7X

NOTE: Total capitalization includes market capitalization plus non-trading components of capitalization, including debt, preferred stock, and minority interest. Total capitalization represents the total valuation an acquirer would have to pay to acquire the company. The ratio of total capitalization to FFO indicates the total current valuation relative to FFO (funds flow from operations), a consistent number reported by REITs according to the NAREIT definition.

Valuation Comments

DuPont Fabros Technology's yield of 1.79% is below the midpoint of the range for the Office REIT sector. Total capitalization relative to FFO of 34.9X is the highest of the range, as shown in Table 1, above. (Total capitalization represents the total valuation that would be paid for the company in an acquisition at today's price.) Debt as percentage of total capitalization for DuPont Fabros Technology is in the middle of the range, at 42%, as compared to a range of 25%-65% for all of the companies shown in the Office REIT sector.

REIT Rank and Target Price

REIT Growth and Income Monitor analysts assign ranks to each REIT on the basis of dividend yield, dividend growth, and expected stock price performance over a period of 18 months. BUY, SELL and HOLD recommendations are provided with a ranking system of 1 to 5. Assignment of a 1 BUY rank indicates expected total return of 50% within 18 months, a 2 BUY rank indicates expected total return of more than 25%, a 3 HOLD rank indicates stock price performance in line with the market, a 4 SELL rank indicates an expected stock price decline of more than 15% and a 5 SELL rank indicates expected stock price decline of more than 25%.

Our assignment of a rank of 2 BUY for DuPont Fabros Technology assesses the REIT's ability to maintain and increase dividend growth, as supported by FFO trends. Using the inputs of DuPont Fabros Technology's current dividend yield of 1.79%, guidance for FFO growth for the current year, and DuPont Fabros Technology's historical achievement of FFO growth, we estimate dividend growth in a range of 20%-30% and stock price appreciation in a range of 30%-40%. On this basis, our model suggests a target price for DuPont Fabros Technology of \$40 per share, implying the potential for stock price appreciation of 48%.

Table 2: Fundamental Comparisons

Company Name	Ticker	Yield	Total Assets	Revenue / Assets	Interest Coverage	Total Space	Occupancy Rate
Boston Properties	BXP	2.32%	\$12,787,701	13%	2.9X	37,800,000 sq. ft.	93%
Brandywine Realty Trust	BDN	4.87%	\$4,617,184	12%	2.4X	38,000,000 sq. ft.	86%
Brookfield Properties Corp.	BPO	3.60%	\$16,077,000	13%	2.4X	70,000,000 sq. ft.	95%
CommonWealth REIT	CWH	7.39%	\$6,205,018	14%	2.7X	67,500,000 sq. ft.	86%
Corporate Office Properties Trust	OFC	4.13%	\$3,467,283	24%	3.1X	20,600,000 sq. ft.	88%
Digital Realty Trust	DLR	3.39%	\$4,501,032	18%	4.3X	16,100,000 sq. ft.	95%
DuPont Fabros Technology	DFT	1.79%	\$2,349,389	9%	4.6X	1,532,000 sq. ft.	100%
Highwoods Properties	HIW	5.25%	\$2,855,112	16%	3.1X	32,000,000 sq. ft.	89%
Kilroy Realty	KRC	4.15%	\$2,556,509	13%	3.8X	13,800,000 sq. ft.	85%
Mack-Cali Realty	CLI	5.45%	\$4,517,670	17%	3.0X	32,900,000 sq. ft.	89%
SL Green Realty Corp.	SLG	0.63%	\$10,408,034	2%	2.3X	28,900,000 sq. ft.	92%
Vornado Realty Trust	VNO	3.02%	\$19,890,877	13%	1.9X	71,500,000 sq. ft.	93%

Description of FFO

REIT Growth and Income Monitor uses FFO (funds flow from operations) as a means of comparison among REITs in different sectors, because FFO has been defined by the National Association of Real Estate Investment Trusts (NAREIT). FFO is a number reported by almost all REITs according to a consistent definition. NAREIT defines FFO as follows: income available for common shareholders before depreciation and amortization of real estate assets, and before extraordinary items and significant nonrecurring events less gains on sale of real estate. Funds flow from operations does not replace net income as a measure of performance of net cash provided by operating activities as a measure of liquidity. Rather, funds from operations have been adopted by REITs to provide a consistent measure of operating performance in the industry. REIT Growth and Income Monitor adjusts FFO to exclude non-cash impairment charges, litigation settlements, and charges for debt redemption. The result is a number that represents the recurring funds flow from operations available to support operations and to pay dividends to shareholders. The ratio of FFO to the dividend may represent an indication of the REIT's ability to maintain and to increase dividend distributions. The ratio of total capitalization to annualized FFO indicates a consistent valuation measurement that may be used to compare the current valuation of a REIT to other REITs within the same sector.

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