Digital Realty Trust, Inc.
Form S-4/A
August 04, 2010
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As filed with the Securities and Exchange Commission on August 4, 2010

Registration No. 333-167805

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

DIGITAL REALTY TRUST, INC.

DIGITAL REALTY TRUST, L.P.

(Exact name of registrants as specified in their charters)

DIGITAL REALTY TRUST, INC.			DIGITAL REALTY TRUST, L.P.		
Maryland	**6798**	**26-0081711**	**Maryland**	**6798**	**20-2402955**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)	(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

560 Mission Street, Suite 2900

San Francisco, CA 94105

(415) 738-6500

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

A. William Stein

Chief Financial Officer & Chief Investment Officer

560 Mission Street, Suite 2900

San Francisco, CA 94105

(415) 738-6500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Keith Benson, Esq.

Julian T.H. Kleindorfer, Esq.

Latham & Watkins LLP

505 Montgomery Street, Suite 2000

San Francisco, CA 94111

(415) 391-0600

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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.

Digital Realty Trust, Inc.:	Large-accelerated filer x	Accelerated filer ¨	Non-accelerated filer ¨	Smaller reporting company ¨
Digital Realty Trust, L.P.:	Large-accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer x	Smaller reporting company ¨

The Registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 4, 2010

PROSPECTUS

DIGITAL REALTY TRUST, L.P.

OFFER TO EXCHANGE

$500,000,000 aggregate principal amount of its

5.875% Notes due 2020

which have been registered under the Securities Act,

for any and all of its outstanding 5.875% Notes due 2020

Guaranteed by Digital Realty Trust, Inc.

The exchange offer expires at 5:00 p.m., New York City time, on , 2010, unless extended.

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of a new series of notes which are registered under the Securities Act.

The exchange offer is not subject to any conditions other than that it not violate applicable law or any applicable interpretation of the staff of the SEC.

You may withdraw tenders of outstanding notes at any time before the exchange offer expires.

The exchange of notes will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The terms of the new series of notes are substantially identical to the outstanding notes, except for transfer restrictions and registration rights relating to the outstanding notes.

The outstanding notes are, and the new series of notes will be, fully and unconditionally guaranteed by Digital Realty Trust, Inc., a Maryland corporation, our sole general partner, which has no material assets other than its investment in us.

You may tender outstanding notes only in denominations of $1,000 and integral multiples thereof.

Our affiliates may not participate in the exchange offer.

No public market exists for the outstanding notes. We do not intend to list the new notes on any securities exchange and, therefore, no active public market is anticipated for the new notes.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal delivered with this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

Please refer to Risk Factors beginning on page 11 of this prospectus for a description of the risks you should consider when evaluating this investment.

We are not making this exchange offer in any state where it is not permitted.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2010.

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You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information contained in this prospectus, as well as information that we have previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate only as of the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus, and such information is available without charge to holders of the notes upon written or oral request to Investor Relations, Digital Realty Trust, Inc., 560 Mission Street, Suite 2900, San Francisco, California 94105-2712 (telephone: (415) 738-6500). In order to obtain timely delivery, note holders must request the information no later than five business days prior to the expiration of the exchange offer contemplated by this prospectus, or , 2010.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer will acknowledge by participating in this exchange offer, as a condition to participating in this exchange offer, that it will deliver a prospectus in connection with any resale of such exchange notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding private notes where such outstanding private notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date of the exchange offer and ending on the close of business one year after such expiration date, subject to extension in limited circumstances, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

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PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our company and the financial statements appearing elsewhere in this prospectus or incorporated by reference in this prospectus, including under the caption Risk Factors.

Explanatory Note

This prospectus includes combined disclosure for Digital Realty Trust, Inc. and Digital Realty Trust, L.P. Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to we, us, our or our company refer to Digital Realty Trust, Inc. together with its consolidated subsidiaries, including Digital Realty Trust, L.P., a Maryland limited partnership, of which Digital Realty Trust, Inc. is the sole general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to our operating partnership or the operating partnership refer to Digital Realty Trust, L.P. together with its consolidated subsidiaries.

Digital Realty Trust, Inc. is a real estate investment trust and the general partner of Digital Realty Trust, L.P. As of March 31, 2010, Digital Realty Trust, Inc. owned an approximate 93.5% common general partnership interest in Digital Realty Trust, L.P. The remaining approximate 6.5% common limited partnership interests are owned by non-affiliated investors and certain directors and officers of Digital Realty Trust, Inc. As of March 31, 2010, Digital Realty Trust, Inc. owned all of the preferred limited partnership units of Digital Realty Trust, L.P. As the sole general partner of Digital Realty Trust, L.P., Digital Realty Trust, Inc. has the full, exclusive and complete responsibility for the operating partnership s day-to-day management and control.

There are few differences between our company and our operating partnership, which are reflected in the disclosure in this prospectus. We believe it is important to understand the differences between our company and our operating partnership in the context of how Digital Realty Trust, Inc. and Digital Realty Trust, L.P. operate as an interrelated consolidated company. Digital Realty Trust, Inc. is a real estate investment trust, whose only material asset is its ownership of partnership interests of Digital Realty Trust, L.P. As a result, Digital Realty Trust, Inc. does not conduct business itself, other than acting as the sole general partner of Digital Realty Trust, L.P., issuing public equity from time to time and guaranteeing certain debt of Digital Realty Trust, L.P. Digital Realty Trust, Inc. itself does not hold any indebtedness but guarantees some of the secured and unsecured debt of Digital Realty Trust, L.P., as disclosed in this prospectus. Digital Realty Trust, L.P. holds substantially all the assets of the company and holds the ownership interests in the company s joint ventures. Digital Realty Trust, L.P. 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 Digital Realty Trust, Inc., which are generally contributed to Digital Realty Trust, L.P. in exchange for partnership units, Digital Realty Trust, L.P. generates the capital required by the company s business through Digital Realty Trust, L.P. s operations, by Digital Realty Trust, L.P. s direct or indirect incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests and stockholder s equity and partners capital are the main areas of difference between the consolidated financial statements of Digital Realty Trust, Inc. and those of Digital Realty Trust, L.P. The common limited partnership interests in Digital Realty Trust, L.P. are accounted for as partners capital in Digital Realty Trust, L.P. s financial statements and as noncontrolling interests in Digital Realty Trust, Inc. s financial statements. The noncontrolling interests in Digital Realty Trust, L.P. s financial statements include the interests of joint venture partners. The noncontrolling interests in Digital Realty Trust, Inc. s financial statements include the same noncontrolling interests at the Digital Realty Trust, L.P. level and limited partnership unitholders of Digital Realty Trust, L.P. The differences between stockholders equity and partners capital result from the differences in the equity issued at the Digital Realty Trust, Inc. and the Digital Realty Trust, L.P. levels.

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Our Company

Overview

We own, acquire, develop, redevelop and manage technology-related real estate. As of March 31, 2010, our portfolio consisted of 84 properties, excluding one property held as an investment in an unconsolidated joint venture, of which 71 are located throughout North America and 13 are located in Europe. Our properties are diversified in major markets where corporate datacenter and technology tenants are concentrated, including the Boston, Chicago, Dallas, Los Angeles, New York Metro, Northern Virginia, Phoenix, San Francisco and Silicon Valley metropolitan areas in the U.S. and the Amsterdam, Dublin, London and Paris markets in Europe. The portfolio consists of Internet gateway and corporate datacenter properties, technology manufacturing properties and regional or national headquarters of technology companies. Digital Realty Trust, Inc,, a Maryland corporation, operates as a real estate investment trust, or REIT, for federal income tax purposes. Digital Realty Trust, L.P., a Maryland limited partnership, is the entity through which Digital Realty Trust, Inc. conducts its business and owns its assets.

As of March 31, 2010, our properties contained a total of approximately 15.0 million net rentable square feet, including approximately 1.8 million square feet held for redevelopment. As of March 31, 2010, our portfolio, excluding space held for redevelopment, was approximately 95.2% leased at an average annualized rent per occupied square foot of $44.10.

Our principal executive offices are located at 560 Mission Street, Suite 2900, San Francisco, California 94105. Our telephone number is (415) 738-6500. Our website is located at www.digitalrealtytrust.com. The information found on, or accessible through, our website is not incorporated into, and does not form a part of, this prospectus or any other report or document we file with or furnish to the United States Securities and Exchange Commission, or the SEC.

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THE EXCHANGE OFFER

The Exchange Offer	We are offering to exchange the 5.875% Notes due 2020 offered by this prospectus (the exchange notes) for the outstanding 5.875% Notes due 2020 (the private notes) that are properly tendered and accepted. You may tender outstanding private notes only in denominations of $1,000 and integral multiples thereof. We will issue the exchange notes on or promptly after the exchange offer expires. As of the date of this prospectus, $500,000,000 principal amount of private notes is outstanding.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2010 (the 21st business day following commencement of the exchange offer), unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.
Conditions to the Exchange Offer	The exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the SEC. The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement with respect to the private notes and the applicable requirements of the Securities Act, the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations of the SEC.

Procedures for Tendering Private Notes	If you wish to tender your private notes for the exchange notes pursuant to the exchange offer, you must complete and sign a letter of transmittal in accordance with the instructions contained in the letter and forward it by mail, facsimile or hand delivery, together with any other documents required by the letter of transmittal, to the Exchange Agent (as defined below), either with the private notes to be tendered or in compliance with the specified procedures for guaranteed delivery of notes. Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Holders of private notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such person promptly if they wish to tender private notes pursuant to the exchange offer. See The Exchange Offer Procedures for Tendering.

Letters of transmittal and certificates representing private notes should not be sent to us. Such documents should only be sent to the Exchange Agent. Questions regarding how to tender private notes and requests for information should be directed to the Exchange Agent. See The Exchange Offer Exchange Agent.

You do not have any appraisal or dissenters rights under the indenture in connection with the exchange offer.

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Acceptance of the Private Notes and Delivery of the Exchange Notes	Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes which are validly tendered in the exchange offer and not withdrawn before 5:00 p.m., New York City time, on the expiration date.
Withdrawal Rights	You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying with the procedures for withdrawal described in this prospectus under the heading The Exchange Offer Withdrawal of Tenders.
U.S. Federal Tax Considerations	The exchange of notes will not be a taxable event for U.S. federal income tax purposes. For a discussion of material federal tax considerations relating to the exchange of notes, see U.S. Federal Income Tax Consequences.
Exchange Agent	Wilmington Trust FSB, the registrar and paying agent for the notes under the indenture governing the notes, is serving as the exchange agent for the notes (the Exchange Agent).
Consequences of Failure to Exchange	If you do not exchange your private notes for the exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the resale of the private notes under the Securities Act.
Registration Rights Agreement	You are entitled to exchange your private notes for the exchange notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your private notes.

We explain the exchange offer in greater detail beginning on page 30.

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THE EXCHANGE NOTES

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes. For purposes of this section entitled The Exchange Notes and the section entitled Description of Notes, references to we, us, and our refer only to Digital Realty Trust, L.P. and not to its subsidiaries or Digital Realty Trust, Inc.

The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes, and both the private notes and the exchange notes are governed by the same indenture.

Issuer of Notes	Digital Realty Trust, L.P.
Securities Offered	$500,000,000 principal amount of 5.875% notes due 2020.
Maturity Date	February 1, 2020, unless earlier redeemed.
Interest	5.875% per year. Interest will be payable semi-annually in arrears on February 1 and August 1 of each year, beginning August 1, 2010.
Ranking of Notes	The notes will be our direct, senior unsecured obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. However, the notes will be effectively subordinated in right of payment to all of our existing and future secured indebtedness (to the extent of the collateral securing the same) and to all existing and future liabilities and preferred equity of our subsidiaries, including guarantees by certain of our subsidiaries of indebtedness under our revolving credit facility and the notes under the Prudential shelf facility.
Guarantee	The notes will be fully and unconditionally guaranteed by Digital Realty Trust, Inc. The guarantee will be a senior unsecured obligation of Digital Realty Trust, Inc. and will rank equally in right of payment with other senior unsecured obligations of Digital Realty Trust, Inc. from time to time outstanding. Digital Realty Trust, Inc. has no material assets other than its investment in us.
Optional Redemption	The notes will be redeemable in whole at any time or in part from time to time, at our option, at a redemption price equal to the sum of:

- an amount equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest up to, but not including, the redemption date; and
- a make-whole premium.

Notwithstanding the foregoing, if the notes are redeemed on or after 90 days prior to the maturity date, the redemption price will not include a make-whole premium. See Description of Notes Optional Redemption in this prospectus.

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Certain Covenants	The indenture governing the notes contains certain covenants that, among other things, limit our, our guarantor s and our subsidiaries ability to:
	consummate a merger, consolidation or sale of all or substantially all of our assets; and
	incur secured and unsecured indebtedness.

These covenants are subject to a number of important exceptions and qualifications. See Description of Notes.

Further Issuances	We may from time to time, without notice to or consent of existing noteholders, create and issue additional notes having the same terms and conditions as the exchange notes in all respects, except for the issue date and, under certain circumstances, the issue price and first payment of interest thereon. Additional notes issued in this manner will be consolidated with and will form a single series with the previously outstanding notes, provided, however, that such additional notes may not be fungible with the previously outstanding notes for U.S. federal income tax purposes.
No Public Market	The exchange notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the exchange notes on any securities exchange or for quotation of the exchange notes on any automated dealer quotation system.
Book-Entry Form	The exchange notes will be issued in book-entry only form and will be represented by one or more permanent global certificates deposited with a custodian for, and registered in the name of a nominee of, DTC, in New York, New York. Beneficial interests in the global certificates representing the exchange notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and such interests may not be exchanged for certificated notes, except in limited circumstances.
Risk Factors	You should read carefully the Risk Factors beginning on page 11 of this prospectus for certain considerations relevant to an investment in the notes.

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SUMMARY HISTORICAL FINANCIAL DATA

The following tables set forth summary historical consolidated financial and operating data for Digital Realty Trust, L.P. and Digital Realty Trust, Inc. and their respective subsidiaries. You should read the following summary historical financial data in conjunction with the consolidated historical financial statements and notes thereto of each of Digital Realty Trust, L.P. and Digital Realty Trust, Inc. and their respective subsidiaries and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

Digital Realty Trust, L.P.

The consolidated balance sheet data as of December 31, 2009 and 2008 and the consolidated statement of operations data for each of the years in the three-year period ended December 31, 2009 have been derived from the historical consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, which are included in this prospectus and which have been audited by KPMG LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2007, 2006 and 2005 and the consolidated statement of operations data for each of the years ended December 31, 2006 and 2005 have been derived from the historical consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, not audited by KPMG LLP. The consolidated balance sheet data as of the three months ended March 31, 2010 and the consolidated statement of operations data for each of the three months ended March 31, 2010 and 2009 have been derived from the unaudited condensed consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, which are included elsewhere in this prospectus. The results for the three months ended March 31, 2010 are not necessarily indicative of the results to be expected for the full year.

	Three Months Ended March 31,		Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
(Dollars in thousands, except unit and per unit data)	(unaudited)					(unaudited)	
Statement of Operations Data:							
Operating Revenues:							
Rental	$ 152,574	$ 118,089	$ 510,772	$ 404,559	$ 319,603	$ 221,371	$ 150,072
Tenant reimbursements	39,205	31,027	125,308	107,503	75,003	50,340	35,720
Other		18	1,062	15,383	641	365	5,829
Total operating revenues	191,779	149,134	637,142	527,445	395,247	272,076	191,621
Operating Expenses:							
Rental property operating and maintenance	53,242	42,573	176,238	151,147	109,225	59,917	39,519
Property taxes	12,721	9,211	36,004	31,102	27,181	26,890	20,189
Insurance	1,735	1,456	6,111	4,988	5,527	3,682	2,653
Depreciation and amortization	57,532	46,304	198,052	172,378	134,419	86,129	55,702
General and administrative	11,352	10,102	42,165	38,391	30,786	19,717	12,061
Other	2	285	783	1,084	431	449	1,355
Total operating expenses	136,584	109,931	459,353	399,090	307,569	196,784	131,479
Operating income	55,195	39,203	177,789	128,355	87,678	75,292	60,142
Other Income (Expenses):							
Equity in earnings of unconsolidated joint venture	1,978	1,116	2,172	2,369	449	177	
Interest and other income	31	243	753	2,106	2,287	1,270	1,274
Interest expense	(30,902)	(18,937)	(88,442)	(63,621)	(67,054)	(50,598)	(35,381)
Tax expense	(716)	(436)	(1,038)	(1,109)	(814)	(724)	(554)
Loss from early extinguishment of debt				(182)		(527)	(1,021)
Income from continuing operations	25,586	21,189	91,234	67,918	22,546	24,890	24,460
Net income (loss) from discontinued operations					1,395	314	(103)
Gain on sale of discontinued operations					18,049	18,096	
Net income	25,586	21,189	91,234	67,918	41,990	43,300	24,357
Net (income) loss attributable to noncontrolling interests in consolidated joint ventures	232		(140)	(335)		15	12

Net income attributable to Digital Realty Trust, L.P.	25,818	21,189	91,094	67,583	41,990	43,315	24,369
Preferred unit distributions	(10,101)	(10,101)	(40,404)	(38,564)	(19,330)	(13,780)	(10,014)
Net income available to common unitholders	$ 15,717	$ 11,088	$ 50,690	$ 29,019	$ 22,660	$ 29,535	$ 14,355

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(Dollars in thousands, except unit and per unit data)	Three Months Ended March 31, 2010	2009	Year Ended December 31, 2009	2008	2007	2006	2005
	(unaudited)						(unaudited)
Per Unit Data:							
Basic income per unit available to common unitholders	$ 0.19	$ 0.14	$ 0.62	$ 0.39	$ 0.33	$ 0.47	$ 0.26
Diluted income per unit available to common unitholders	$ 0.18	$ 0.14	$ 0.61	$ 0.38	$ 0.32	$ 0.46	$ 0.26
Cash distribution per common unit	$ 0.48	$ 0.33	$ 1.47	$ 1.26	$ 1.17	$ 1.08	$ 1.00
Weighted average common units outstanding:							
Basic	83,233,100	80,550,025	81,715,226	75,160,263	68,754,024	62,562,820	55,525,443
Diluted	86,075,069	80,741,438	82,785,746	76,766,756	70,799,336	63,870,029	55,760,887

(in thousands)	March 31, 2010 (unaudited)	December 31, 2009	2008	2007 (unaudited)	2006 (unaudited)	2005 (unaudited)
Balance Sheet Data:						
Net investments in real estate	$ 3,501,382	$ 3,157,193	$ 2,748,220	$ 2,302,500	$ 1,736,979	$ 1,194,106
Total assets	4,147,586	3,745,059	3,281,045	2,809,791	2,185,783	1,529,170
Revolving credit facility		205,547	138,579	299,731	145,452	181,000
Unsecured senior notes	200,000	83,000	58,000			
Mortgages and other secured loans	1,043,361	1,063,663	1,026,594	895,507	804,686	568,067
5.875% Notes due 2020, net	491,589					
4.125% exchangeable senior debentures due 2026, net	166,859	165,834	161,901	158,224	154,786	
5.50% exchangeable senior debentures due 2029	266,400	266,400				
Total liabilities	2,499,081	2,110,258	1,705,969	1,673,361	1,320,317	880,228
General partner s capital	1,622,244	1,586,942	1,553,424	1,053,788	719,386	384,853
Limited partners capital	60,361	60,875	71,041	74,356	141,890	262,239
Accumulated other comprehensive income (loss)	(51,534)	(30,630)	(53,747)	3,358	4,190	1,644
Noncontrolling interests in consolidated joint venture	17,434	17,614	4,358	4,928		206
Total liabilities and capital	$ 4,147,586	$ 3,745,059	$ 3,281,045	$ 2,809,791	$ 2,185,783	$ 1,529,170

	Three Months Ended March 31, 2010	Year Ended December 31, 2009	2008	2007	2006	2005
Other Data:						
Ratio of earnings to fixed charges (unaudited)(1)	1.72	1.82	1.58	1.13	1.38	1.68

(1) The ratios of earnings to fixed charges are computed by dividing earnings by fixed charges. Earnings consist of net income (loss) before noncontrolling interests and fixed charges, and fixed charges consist of interest expense, capitalized interest and amortization of deferred financing fees, whether expensed or capitalized, and interest within rental expense. Earnings and fixed charges exclude 7979 East Tufts Avenue (sold in July 2006), 100 Technology Center Drive (sold in March 2007) and 4055 Valley View Lane (sold in March 2007).

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Digital Realty Trust, Inc.

The consolidated balance sheet data as of December 31, 2009 and 2008 and the consolidated statement of operations data for each of the years in the three-year period ended December 31, 2009 have been derived from the historical consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, which are included in this prospectus and which have been audited by KPMG LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2007, 2006 and 2005 and the consolidated statement of operations data for each of the years ended December 31, 2006 and 2005 have been derived from the historical consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, audited by KPMG LLP, whose report with respect thereto is not included or incorporated by reference in this prospectus. The consolidated balance sheet data and consolidated statement of operations data as of and for each of the three months ended March 31, 2010 and 2009 have been derived from the unaudited condensed consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, which are included elsewhere in this prospectus. The results for the three months ended March 31, 2010 are not necessarily indicative of the results to be expected for the full year. Certain prior year amounts have been reclassified to conform to the current year presentation.

	Three Months Ended March 31,		Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
(Dollars in thousands except share and per share data)	(unaudited)						
Statement of Operations Data:							
Operating Revenues:							
Rental	$ 152,574	$ 118,089	$ 510,772	$ 404,559	$ 319,603	$ 221,371	$ 150,072
Tenant reimbursements	39,205	31,027	125,308	107,503	75,003	50,340	35,720
Other		18	1,062	15,383	641	365	5,829
Total operating revenues	191,779	149,134	637,142	527,445	395,247	272,076	191,621
Operating Expenses:							
Rental property operating and maintenance	53,242	42,573	176,238	151,147	109,225	59,917	39,519
Property taxes	12,721	9,211	36,004	31,102	27,181	26,890	20,189
Insurance	1,735	1,456	6,111	4,988	5,527	3,682	2,653
Depreciation and amortization	57,532	46,304	198,052	172,378	134,419	86,129	55,702
General and administrative	11,352	10,102	42,165	38,391	30,786	19,717	12,061
Other	2	285	783	1,084	431	449	1,355
Total operating expenses	136,584	109,931	459,353	399,090	307,569	196,784	131,479
Operating income	55,195	39,203	177,789	128,355	87,678	75,292	60,142
Other Income (Expenses):							
Equity in earnings of unconsolidated joint venture	1,978	1,116	2,172	2,369	449	177	
Interest and other income	31	243	753	2,106	2,287	1,270	1,274
Interest expense	(30,902)	(18,937)	(88,442)	(63,621)	(67,054)	(50,598)	(35,381)
Tax expense	(716)	(436)	(1,038)	(1,109)	(814)	(724)	(554)
Loss from early extinguishment of debt				(182)		(527)	(1,021)
Income from continuing operations	25,586	21,189	91,234	67,918	22,546	24,890	24,460
Net income (loss) from discontinued operations					1,395	314	(103)
Gain on sale of discontinued operations					18,049	18,096	
Net income	25,586	21,189	91,234	67,918	41,990	43,300	24,357
Net income attributable to noncontrolling interests	(741)	(793)	(3,572)	(2,664)	(3,753)	(12,570)	(8,256)
Net income attributable to Digital Realty Trust, Inc.	24,845	20,396	87,662	65,254	38,237	30,730	16,101
Preferred stock dividends	(10,101)	(10,101)	(40,404)	(38,564)	(19,330)	(13,780)	(10,014)

Net income available to common stockholders	$ 14,744	$ 10,295	$ 47,258	$ 26,690	$ 18,907	$ 16,950	$ 6,087

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(Dollars in thousands, except share and per share data)	Three Months Ended March 31, 2010 (unaudited)	2009	Year Ended December 31, 2009	2008	2007	2006	2005
Per Share Data:							
Basic income per share available to common stockholders	$ 0.19	$ 0.14	$ 0.62	$ 0.39	$ 0.31	$ 0.47	$ 0.25
Diluted income per share available to common stockholders	$ 0.18	$ 0.14	$ 0.61	$ 0.38	$ 0.30	$ 0.45	$ 0.25
Cash dividend per common share	$ 0.48	$ 0.33	$ 1.47	$ 1.26	$ 1.17	$ 1.08	$ 1.00
Weighted average common shares outstanding:							
Basic	77,770,691	74,703,755	75,950,370	68,829,267	60,527,625	36,134,983	23,986,288
Diluted	80,612,660	74,895,168	77,020,890	70,435,760	62,572,937	37,442,192	24,221,732

(in thousands)	March 31, 2010 (unaudited)	December 31, 2009	2008	2007	2006	2005
Balance Sheet Data:						
Net investments in real estate	$ 3,501,382	$ 3,157,193	$ 2,748,220	$ 2,302,500	$ 1,736,979	$ 1,194,106
Total assets	4,147,586	3,745,059	3,281,045	2,809,791	2,185,783	1,529,170
Revolving credit facility		205,547	138,579	299,731	145,452	181,000
Unsecured senior notes	200,000	83,000	58,000			
Mortgages and other secured loans	1,043,361	1,063,663	1,026,594	895,507	804,686	568,067
5.875% Notes due 2020, net	491,589					
4.125% exchangeable senior debentures due 2026, net	166,859	165,834	161,901	158,224	154,786	
5.50% exchangeable senior debentures due 2029	266,400	266,400				
Total liabilities	2,499,081	2,110,258	1,705,969	1,673,361	1,320,317	880,228
Total stockholders equity	1,574,687	1,558,995	1,503,921	1,057,167	723,576	386,497
Noncontrolling interests in operating partnership	56,384	58,192	66,797	74,335	141,890	262,239
Noncontrolling interests in consolidated joint ventures	17,434	17,614	4,358	4,928		206
Total liabilities and equity	$ 4,147,586	$ 3,745,059	$ 3,281,045	$ 2,809,791	$ 2,185,783	$ 1,529,170

	Three Months Ended March 31, 2010	Year Ended December 31, 2009	2008	2007	2006	2005
Other Data:						
Ratio of earnings to fixed charges (unaudited)(1)	1.72	1.82	1.58	1.13	1.38	1.68

(1) The ratios of earnings to fixed charges are computed by dividing earnings by fixed charges. Earnings consist of net income (loss) before noncontrolling interests and fixed charges, and fixed charges consist of interest expense, capitalized interest and amortization of deferred financing fees, whether expensed or capitalized, and interest within rental expense. Earnings and fixed charges exclude 7979 East Tufts Avenue (sold in July 2006), 100 Technology Center Drive (sold in March 2007) and 4055 Valley View Lane (sold in March 2007).

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RISK FACTORS

You should carefully consider the risks described below as well as other information and data included in this prospectus before making a decision to exchange your private notes for the exchange notes in the exchange offer. If any of the events described in the risk factors below occur, our business, financial condition, operating results and prospects could be materially adversely affected, which in turn could adversely affect our ability to repay the notes. The risk factors set forth below are generally applicable to the private notes as well as the exchange notes.

Risks Related to Our Business and Operations

Global economic conditions could adversely affect our liquidity and financial condition.

Recent U.S., European and other international market and economic conditions have been unprecedented and challenging. Significantly tighter credit conditions and recession in all markets in which we own properties and conduct our operations persisted throughout 2009 and such markets have not fully recovered. Continued concerns about the systemic impact of potential wide-spread and long-term recession, energy costs, geopolitical issues, the availability and cost of credit, global financial and mortgage markets, corporate and consumer debt levels and declining residential and commercial real estate markets have contributed to increased market volatility and diminished expectations for the U.S., European and other economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, continue to contribute to substantial global volatility.

As a result of these conditions, general economic conditions and the cost and availability of capital have been and may continue to be adversely affected in all markets in which we own properties and conduct our operations. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease, to provide credit to businesses and consumers. Continued turbulence in the U.S., European and other international markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our tenants. If these market and economic conditions continue, they may limit our ability, and the ability of our tenants, to replace or renew maturing liabilities on a timely basis, access the capital markets to meet liquidity and capital expenditure requirements and may result in adverse effects on our, and our tenants , financial condition and results of operations.

In addition, our access to funds under our revolving credit facility depends on the ability of the lenders that are parties to such facilities to meet their funding commitments to us. We cannot assure you that continuing long-term disruptions in the global economy and the continuation of tighter credit conditions among, and potential failures or nationalizations of, third party financial institutions as a result of such disruptions will not have an adverse effect on our lenders. If our lenders are not able to meet their funding commitments to us, our business, results of operation, cash flows and financial condition could be adversely affected.

If we do not have sufficient cash flow to continue operating our business and are unable to borrow additional funds, access our revolving credit facility or raise equity or debt capital, we may need to find alternative ways to increase our liquidity. Such alternatives may include, without limitation, curtailing development or redevelopment activity, disposing of one or more of our properties possibly on disadvantageous terms or entering into or renewing leases on less favorable terms than we otherwise would.

Our growth depends on external sources of capital which are outside of our control.

In order for Digital Realty Trust, Inc. to maintain its qualification as a REIT, it is required under the Internal Revenue Code of 1986, as amended, which we refer to as the Code, to annually distribute at least 90% of its net taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, Digital Realty Trust, Inc. will be subject to income tax at regular corporate rates to the extent that it distributes less than 100% of its net taxable income, including any net capital gains. Digital Realty Trust, L.P. is required to make distributions to Digital Realty Trust, Inc. that will enable the latter to satisfy this distribution requirement and avoid tax liability. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition or redevelopment financing, from operating cash flow. Consequently, we rely on third-party sources to fund our capital needs. We may not be able to obtain equity or debt financing on favorable terms or at all. Any additional debt we incur will increase our leverage. Our access to third-party sources of capital depends on a number of factors, including general market conditions, the market s perception of our business prospects and growth potential, our current and expected future earnings, funds from operations and growth thereof, our cash flow and cash distributions, and the market price per share of Digital Realty Trust, Inc. s common stock.

We cannot assure you that we will be able to obtain debt financing at all or on terms favorable or acceptable to us. Further, equity markets have experienced high volatility recently and we cannot assure you that we will be able to raise capital through the sale of equity securities at all or on favorable terms. Sales of equity on unfavorable terms could result in substantial dilution to Digital Realty Trust, Inc. s common stockholders and Digital Realty Trust, L.P. s unitholders. In addition, we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms.

If we cannot obtain capital from third-party sources, we may not be able to acquire or develop properties when strategic opportunities exist, satisfy our debt service obligations, pay cash dividends to Digital Realty Trust, Inc. s stockholders or make distributions to Digital Realty Trust, L.P. s unitholders.

Declining real estate valuations and impairment charges could adversely affect our earnings and financial condition.

We review the carrying value of our properties when circumstances, such as adverse market conditions (including conditions resulting from the recent global economic recession), indicate potential impairment may exist. We base our review on an estimate of the future cash flows (excluding interest charges) expected to result from the real estate investment s use and eventual disposition. We consider factors such as future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If our evaluation indicates that we may be unable to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property. These losses have a direct impact on our net income because recording an impairment loss results in an immediate negative adjustment to net income. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A worsening real estate market may cause us to reevaluate the assumptions used in our impairment analysis. Impairment charges could adversely affect our financial condition, results of operations, cash available for distribution and the value of our securities.

Our properties depend upon the demand for technology-related real estate.

Our portfolio of properties consists primarily of technology-related real estate and datacenter real estate in particular. A decrease in the demand for datacenter space, Internet gateway facilities or other technology-related real estate would have a greater adverse effect on our business and financial condition than if we owned a portfolio with a more diversified tenant base or less specialized use. Our substantial redevelopment activities make us particularly susceptible to general economic slowdowns, including recessions, as well as adverse developments in the corporate datacenter, Internet and data communications and broader technology industries. Any such slowdown or adverse development could lead to reduced corporate IT spending or reduced demand for datacenter space. Reduced demand could also result from business relocations, including to markets that we do not currently serve such as Asia. Changes in industry practice or in technology, such as virtualization technology, more efficient or miniaturization of computing or networking devices, or devices that require higher power densities than today s devices, could also reduce demand for the physical datacenter space we provide or make the tenant improvements in our facilities obsolete or in need of significant upgrades to remain viable. In addition,

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the development of new technologies, the adoption of new industry standards or other factors could render many of our tenants current products and services obsolete or unmarketable and contribute to a downturn in their businesses, thereby increasing the likelihood that they default under their leases, become insolvent or file for bankruptcy.

We depend on significant tenants, and many of our properties are single-tenant properties or are currently occupied by single tenants.

As of March 31, 2010, the 20 largest tenants in our property portfolio represented approximately 54% of the total annualized rent generated by our properties. Our largest tenants by annualized rent are Savvis Communications and Equinix Operating Company, Inc. Savvis Communications leased approximately 1.9 million square feet of net rentable space as of March 31, 2010, representing approximately 9.4% of the total annualized rent generated by our properties. Equinix Operating Company, Inc. leased approximately 607,000 square feet of net rentable space as of March 31, 2010, representing approximately 4.5% of the total annualized rent generated by our properties. In addition, 38 of our 84 properties are occupied by single tenants, including properties occupied solely by Savvis Communications and Equinix Operating Company, Inc. Many factors, including consequences of recent global economic conditions, may cause our tenants to experience a downturn in their businesses or otherwise experience a lack of liquidity, which may weaken their financial condition and result in their failure to make timely rental payments or their default under their leases. If any tenant defaults or fails to make timely rent payments, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment.

Our tenants may choose to develop new data centers or expand their own existing data centers, which could result in the loss of one or more key tenants or reduce demand for our newly developed data centers, which could have a material adverse effect on our revenues and results of operations.

Our tenants may choose to develop new data centers or expand or consolidate into data centers that we do not own in the future. In the event that any of our key tenants were to do so, it could result in a loss of business to us or put pressure on our pricing. If we lose a tenant, we cannot assure you that we would be able to replace that tenant at a competitive rate or at all, which could have a material adverse effect on our revenues and results of operations.

The bankruptcy or insolvency of a major tenant may adversely affect the income produced by our properties.

If any tenant becomes a debtor in a case under the federal Bankruptcy Code, we cannot evict the tenant solely because of the bankruptcy. In addition, the bankruptcy court might authorize the tenant to reject and terminate its lease with us. Our claim against the tenant for unpaid, future rent would be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease. In either case, our claim for unpaid rent would likely not be paid in full. As of March 31, 2010, we had no material tenants in bankruptcy.

Our revenue and cash available for distribution could be materially adversely affected if any of our significant tenants were to become bankrupt or insolvent, or suffer a downturn in its business, or fail to renew its lease or renew on terms less favorable to us than its current terms.

Our portfolio of properties depends upon local economic conditions and is geographically concentrated in certain locations.

Our properties are located in 27 metropolitan areas. We depend upon the local economic conditions in these markets, including local real estate conditions. Many of these markets experienced downturns in recent years and are currently experiencing downturns as a result of the global economic crisis or other factors. Our operations may also be affected if too many competing properties are built in any of these markets or supply otherwise

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increases or exceeds demand. Our operations and our revenue and cash available for distribution could be materially adversely affected by local economic conditions in these markets. We cannot assure you that these markets will grow or will remain favorable to technology-related real estate.

As of March 31, 2010, our portfolio was geographically concentrated in the following metropolitan markets.

Metropolitan Market	Percentage of 03/31/10 total annualized rent(1)
Silicon Valley	16.2%
New York Metro	11.3%
Chicago	11.1%
Northern Virginia	9.6%
Dallas	9.2%
Boston	7.2%
Phoenix	5.9%
San Francisco	4.4%
London, England	4.3%
Los Angeles	4.2%
Dublin, Ireland	3.4%
Paris, France	2.8%
Other	10.4%
	100.0%

(1) Annualized rent is monthly contractual rent under existing leases as of March 31, 2010, multiplied by 12.

In addition, we are currently developing or redeveloping properties in certain of these markets. Any negative changes in real estate, technology or economic conditions in these markets in particular could negatively impact our performance.

Our growth depends upon the successful development of our existing space held for redevelopment and new properties acquired for redevelopment and any delays or unexpected costs in such development may delay and harm our growth prospects, future operating results and financial condition.

We had approximately 1.8 million square feet held for redevelopment at March 31, 2010, including three vacant properties. We are and intend to continue building out a large portion of this space on a speculative basis at significant cost. Our successful development and redevelopment of these projects is subject to many risks, including those associated with:

- delays in construction;
- budget overruns;
- changes to the plans or specifications;
- construction site accidents and other casualties;

increased prices for raw materials or building supplies;

lack of availability and/or increased costs for specialized data center components, including long lead time items such as generators;

financing availability, including our ability to obtain construction financing and permanent financing;

increases in interest rates or credit spreads;

labor availability and costs;

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labor disputes and work stoppages with contractors, subcontractors or others that are constructing the project;

failure of contractors to perform on a timely basis or at all, or other misconduct on the part of contractors;

timing of the commencement of rental payments;

access to sufficient power and related costs of providing such power to our tenants;

environmental issues;