

Digital Realty Trust, Inc.  
Form 424B5  
June 02, 2010  
**Table of Contents**

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-158958**

**The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED JUNE 2, 2010**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated May 1, 2009)**

**4,250,000 Shares**

**Common Stock**

We are selling 4,250,000 shares of our common stock, par value \$0.01 per share.

We have granted the underwriters an option to purchase up to 637,500 additional shares of our common stock to cover over-allotments.

We are organized and conduct our operations to qualify as a real estate investment trust, or REIT, for federal income tax purposes. To assist us in complying with certain federal income tax requirements applicable to REITs, our charter contains certain restrictions relating to the ownership and transfer of our stock, including an ownership limit of 9.8% on our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol DLR . The last reported sale price of our common stock on the New York Stock Exchange on June 1, 2010 was \$56.32 per share.

**Investing in our common stock involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement and in Risk Factors beginning on page 2 of our Annual Report on Form 10-K for the year ended December 31, 2009.**

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

	<b>Per Share</b>	<b>Total</b>
Public Offering Price	\$	\$
Underwriting Discount	\$	\$
Proceeds to Digital Realty Trust, Inc. (before expenses)	\$	\$

The underwriters expect to deliver the shares to purchasers on or about \_\_\_\_\_, 2010 through the book-entry facilities of The Depository Trust Company.

**Credit Suisse**

**Citi**

**BofA Merrill Lynch**

, 2010

**Table of Contents**

**TABLE OF CONTENTS**

**PROSPECTUS SUPPLEMENT**

<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	<b>Page</b> S-1
<u>THE OFFERING</u>	S-6
<u>RISK FACTORS</u>	S-8
<u>FORWARD-LOOKING STATEMENTS</u>	S-11
<u>USE OF PROCEEDS</u>	S-13
<u>SUPPLEMENTAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	S-14
	<b>Page</b>
<u>UNDERWRITING</u>	S-16
<u>NOTICE TO CANADIAN RESIDENTS</u>	S-23
<u>LEGAL MATTERS</u>	S-25
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-25
<u>EXPERTS</u>	S-25
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	S-27

**PROSPECTUS**

	<b>Page</b>
<u>OUR COMPANY</u>	1
<u>RISK FACTORS</u>	2
<u>ABOUT THIS PROSPECTUS</u>	2
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	3
<u>FORWARD-LOOKING STATEMENTS</u>	4
<u>USE OF PROCEEDS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS</u>	7
<u>DESCRIPTION OF SECURITIES</u>	8
	<b>Page</b>
<u>RESTRICTIONS ON OWNERSHIP AND TRANSFER</u>	22
<u>DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF DIGITAL REALTY TRUST, L.P.</u>	26
<u>MATERIAL PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	32
<u>UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	38
<u>SELLING SECURITYHOLDERS</u>	57
<u>PLAN OF DISTRIBUTION</u>	57
<u>LEGAL MATTERS</u>	59
<u>EXPERTS</u>	59

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

Turn-Key Datacenter<sup>®</sup>, Powered Base Building<sup>®</sup>, POD Architecture<sup>®</sup> and Critical Facilities Management<sup>®</sup> are registered trademarks of Digital Realty Trust, Inc. All other service marks, trademarks or trade names appearing in this prospectus supplement are the property of their respective owners.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters 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 supplement and the accompanying prospectus, as well as information that we have previously filed with the United States 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. The descriptions set forth in this prospectus supplement replace and supplement, where inconsistent, the description of the general terms and provisions set forth in the accompanying prospectus.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. If you possess this prospectus supplement and the accompanying prospectus, you should find out about and observe these restrictions. This prospectus supplement and the accompanying prospectus are not an offer to sell the common stock and are not soliciting an offer to buy the common stock in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale.

**Table of Contents**

**PROSPECTUS SUPPLEMENT SUMMARY**

**Digital Realty Trust, Inc.**

**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. We operate as a real estate investment trust, or REIT, for federal income tax purposes.

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](http://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 supplement, the accompanying prospectus or any other report or document we file with or furnish to the United States Securities and Exchange Commission, or the SEC.

**Recent Developments**

On June 1, 2010, our operating partnership, Digital Realty Trust, L.P., entered into a definitive asset purchase agreement with unrelated third parties to acquire a five-property data center portfolio located in California, Arizona and Virginia, which we refer to as the Rockwood Capital/365 Main Portfolio. The Rockwood Capital/365 Main Portfolio, which comprises a total of approximately 919,000 square feet and consists of: 365 Main Street, San Francisco, California; 2260 East El Segundo Boulevard, El Segundo, California; 720 2<sup>nd</sup> Street, Oakland, California; 2121 South Price Road, Chandler, Arizona; and 4030-4050 Lafayette Center Drive, Chantilly, Virginia, is being purchased from joint ventures that are majority-owned by affiliates of Rockwood Capital, LLC and managed by 365 Main, Inc. All data centers in the Rockwood Capital/365 Main Portfolio were developed in 2000 or later. The Rockwood Capital/365 Main Portfolio is leased to a diverse roster of over 200 tenants in various industries. Based on information provided by the sellers, we believe that, as of March 31, 2010, approximately 94% of the total square feet available for lease at the buildings in the Rockwood Capital/365 Main Portfolio was occupied. The total square feet available for lease in the Rockwood Capital/365 Main Portfolio is based on a number of factors in addition to contractually leased square feet, including available power, required support space and common area. Our estimate of the percentage of occupied rentable square feet in the Rockwood Capital/365 Main Portfolio may change based on due diligence we conduct prior to closing as well as our experience operating the properties following the closing of the acquisition.

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

The purchase price, which was determined through negotiations between our operating partnership and the sellers, will be approximately \$725.0 million (subject to adjustment in limited circumstances), to be paid in cash at closing. The Rockwood Capital/365 Main Portfolio includes approximately 250,000 square feet of additional new datacenter development potential at 2121 South Price Road in Chandler, Arizona and approximately \$13.0 million of uninstalled datacenter infrastructure improvements. We expect to fund the purchase price with available cash, borrowings under our revolving credit facility or the sale of additional debt or equity securities. Our operating partnership will deposit \$15.0 million into an escrow account pending closing of the transaction.

S-1

## **Table of Contents**

The purchase of the Rockwood Capital/365 Main Portfolio is subject to our satisfactory completion of due diligence as well as satisfaction of various closing conditions, including the receipt of requisite estoppels and minimum satisfactory financing. The closing of the acquisition is expected to take place on or about July 2, 2010, and may be extended in limited circumstances. No financial information regarding the Rockwood Capital/365 Main Portfolio for any period subsequent to March 31, 2010 is currently available to us. In addition, we have not completed our due diligence review of the Rockwood Capital/365 Main Portfolio. Accordingly, we cannot make any assurances with respect to the financial condition or expected financial performance of the Rockwood Capital/365 Main Portfolio. We also cannot assure you that the acquisition will be consummated on the anticipated schedule, at the anticipated purchase price, or at all. If we fail to close the purchase as required after the satisfaction or waiver of all closing conditions, we may be liable to the sellers for liquidated damages in an amount equal to the deposit. There are no material relationships between us and the sellers.

Other than normally recurring capital expenditures and tenant improvements, we have no present plans with respect to renovation, improvement or redevelopment of the Rockwood Capital/365 Main Portfolio.

The pre-acquisition real estate tax rate for the Rockwood Capital/365 Main Portfolio is \$13.36 per \$1,000 of assessed value for the most recently available tax years. The total pre-acquisition annual tax for the Rockwood Capital/365 Main Portfolio at this rate for the most recently available tax years is \$2,927,822 (at a taxable assessed value of \$219,080,243). There were total direct assessments of \$23,807 imposed on the Rockwood Capital/365 Main Portfolio by the City and County of San Francisco, Los Angeles County and Alameda County for the most recently available tax years. The Rockwood Capital/365 Main Portfolio is subject to periodic reassessment for property tax purposes in the future, including an anticipated reassessment of properties located in California upon the closing of the acquisition.

The federal tax basis of the Rockwood Capital/365 Main Portfolio will be determined as of the closing of the acquisition and will be based on the final purchase price. The depreciation method and life claimed will be determined by reference to the Internal Revenue Service-mandated method for depreciating assets placed into service after 1986, known as the Modified Accelerated Cost Recovery System.

The Rockwood Capital/365 Main Portfolio will be collectively insured, along with our other properties, under a blanket property, liability, fire, extended coverage, earthquake, terrorism and rental loss insurance policy that is renewed on an annual basis. We believe that the Rockwood Capital/365 Main Portfolio will be adequately insured under such policy.

On May 25, 2010, we acquired a redevelopment property consisting of two shell buildings at 3105 and 3115 Alfred Street in Santa Clara, California for approximately \$10 million. The property totals approximately 82,000 square feet. The acquisition was financed with borrowings under our revolving credit facility.

On May 10, 2010, we acquired a redevelopment property located at 1725 Comstock Street in Santa Clara, California for approximately \$9.7 million. The property totals approximately 40,300 square feet. The acquisition was financed with available cash.

As of May 31, 2010, we generated net proceeds of approximately \$67.5 million from the issuance of approximately 1.3 million common shares under our equity distribution agreements with each of Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC, and Morgan Stanley & Co. Incorporated after payment of approximately \$1.0 million of commissions to the sales agents. These shares were issued at an average price of \$51.87 per share. We have used and intend to use the proceeds from the sale of shares pursuant to the equity distribution agreements to temporarily repay borrowings under our revolving credit facility, to acquire additional properties, to fund development and redevelopment opportunities and for general corporate purposes.





## Table of Contents

### **Our Competitive Strengths**

We believe we distinguish ourselves from other owners, acquirers and managers of technology-related real estate through our competitive strengths, which include:

**High-Quality Portfolio that is Difficult to Replicate.** Our portfolio contains state-of-the-art datacenter facilities with extensive tenant improvements. Based on current market rents and the estimated replacement costs of our properties and their improvements, we believe that they could not be replicated today on a cost-competitive basis. Our portfolio of corporate and Internet gateway datacenter facilities is equipped to meet the power and cooling requirements for the most demanding corporate IT applications. Many of the properties in our portfolio are located on major aggregation points formed by the physical presence of multiple major telecommunications service providers, which reduces our tenants' costs and operational risks and increases the attractiveness of our buildings.

**Presence in Key Markets.** Our portfolio is located in 27 metropolitan areas, 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, and is diversified so that no one market represented more than 16.2% of the aggregate annualized rent of our portfolio as of March 31, 2010.

**Proven Ability to Sign New Leases.** We have considerable experience in identifying and leasing to new tenants. The combination of our specialized datacenter leasing team and customer referrals continues to provide a robust pipeline of new tenants. During the three months ended March 31, 2010, we commenced new leases totaling approximately 116,000 square feet, which represent approximately \$15.4 million in annualized GAAP rent. These leases were comprised of Powered Base Buildings<sup>®</sup>, Turn-Key Datacenters<sup>®</sup>, and ancillary office and other uses.

**Demonstrated Acquisition Capability.** As of March 31, 2010, our portfolio consisted of 84 technology-related real estate properties, excluding one property held through an investment in an unconsolidated joint venture, that we or our predecessor acquired beginning in 2002, for an aggregate of 15.0 million net rentable square feet, including approximately 1.8 million square feet held for redevelopment. We have developed detailed, standardized procedures for evaluating acquisitions, including income producing assets and vacant properties suitable for redevelopment, to ensure that they meet our financial, technical and other criteria. These procedures and our in-depth knowledge of the technology and datacenter industries allow us to identify strategically located properties and evaluate investment opportunities efficiently and, as appropriate, commit and close quickly. Our broad network of contacts within a highly fragmented universe of sellers and brokers of technology-related real estate enables us to capitalize on acquisition opportunities. As a result, we acquired more than half of our properties before they were broadly marketed by real estate brokers.

**Flexible Datacenter Solutions.** We provide flexible, customer oriented solutions designed to meet the needs of technology and corporate datacenter users, including Turn-Key Datacenter<sup>®</sup>, Powered Base Building<sup>®</sup> and build-to-suit options. Our Turn-Key Datacenters<sup>®</sup> are move-in ready, physically secure facilities with the power and cooling capabilities to support mission-critical IT enterprise applications. We believe our Turn-Key Datacenters<sup>®</sup> are effective solutions for tenants that lack the expertise, capital budget or desire to provide their own extensive datacenter infrastructure, management and security. For tenants that possess the ability to build and operate their own facility, our Powered Base Building<sup>®</sup> solution provides the physical location, required power and network access necessary to support a state-of-the-art datacenter. Our in-house engineering and design and construction professionals can also provide tenants with customized build-to-suit solutions to meet their unique specifications. Our Critical Facilities Management<sup>®</sup> services and team of technical engineers and datacenter operations experts provide 24/7 support for these mission-critical facilities.

**Table of Contents**

**Differentiating Development Advantages.** Our extensive development activity, operating scale and process-based approach to datacenter design, construction and operations result in significant cost savings and added value for our tenants. We have leveraged our purchasing power by securing global purchasing agreements and developing relationships with major equipment manufacturers, reducing costs and shortening delivery timeframes on key components, including major mechanical and electrical equipment. Utilizing our innovative modular datacenter design referred to as POD Architecture<sup>®</sup>, we deliver what we believe to be a technically superior datacenter environment at significant cost savings. In addition, by utilizing our POD Architecture<sup>®</sup> to develop new Turn-Key Datacenters<sup>®</sup> in our existing Powered Base Buildings<sup>®</sup>, on average we are able to deliver a fully commissioned facility in just under 30 weeks. Finally, our access to capital allows us to provide financing options for tenants that do not want to invest their own capital.

**Diverse Tenant Base Across a Variety of Industry Sectors.** We use our in-depth knowledge of the requirements and trends for Internet and data communications and corporate datacenter users to market our properties to domestic and international tenants with specific technology needs. At March 31, 2010, we had approximately 350 tenants across a variety of industry sectors, ranging from information technology and Internet enterprises to financial services, energy and manufacturing companies. No single tenant accounted for more than 10% of the aggregate annualized rent of our portfolio as of March 31, 2010.

**Experienced and Committed Management Team and Organization.** Our senior management team, including our Chairman, has an average of over 25 years of experience in the technology or real estate industries, including experience as investors in, advisors to and founders of technology companies. We believe that our senior management team's extensive knowledge of both the real estate and the technology industries provides us with a key competitive advantage. At March 31, 2010, our senior management team collectively owned common equity interests in our company of approximately 1.4%, which aligns management's interests with those of our stockholders.

**Long-Term Leases that Complement Our Growth.** We have long-term leases with stable cash flows. As of March 31, 2010, our weighted-average lease term was in excess of 13 years, with a weighted-average of over seven years remaining, excluding renewal options. Our lease expirations through December 31, 2011 are 12.0% of our net rentable square feet, excluding space held for redevelopment as of March 31, 2010.

## Table of Contents

### **Business and Growth Strategies**

Our primary business objectives are to maximize sustainable long-term growth in earnings, funds from operations and cash flow per share and to maximize returns to our stockholders. Our business strategies to achieve these objectives are:

**Achieve Superior Returns on Redevelopment Inventory.** At March 31, 2010, we had approximately 1.8 million square feet held for redevelopment. At March 31, 2010, approximately 185,000 square feet of our space held for redevelopment was undergoing construction for Turn-Key Datacenter® space in four U.S. markets and one European market. These projects have sufficient power capacity to meet the power and cooling requirements of today's advanced datacenters. We will continue to build out our redevelopment portfolio when justified by anticipated returns.

**Capitalize on Acquisition Opportunities.** We believe that acquisitions enable us to increase cash flow and create long-term stockholder value. Our relationships with corporate information technology groups, technology tenants and real estate brokers who are dedicated to serving these tenants provide us with ongoing access to potential acquisitions and often enable us to avoid competitive bidding. Furthermore, the specialized nature of technology-related real estate makes it more difficult for traditional real estate investors to understand, which results in reduced competition for acquisitions relative to other property types. We believe this dynamic creates an opportunity for us to obtain better risk-adjusted returns on our capital.

**Access and Use Capital Efficiently.** We believe we can increase stockholder returns by effectively accessing and deploying capital. Since our initial public offering in 2004, we have raised over \$5.0 billion of capital through common, preferred and convertible preferred equity offerings, two exchangeable debt offerings, one senior unsecured notes offering, our revolving credit facility, secured mortgage financings and refinancings and sales of non-core assets. We will endeavor to maintain financial flexibility while using our liquidity and access to capital to support operations, including our acquisition, leasing, development and redevelopment programs, which are important sources of growth for our company.

**Maximize the Cash Flow of Our Properties.** We aggressively manage and lease our assets to increase their cash flow. We often acquire properties with substantial in-place cash flow and some vacancy, which enables us to create upside through lease-up. Moreover, many of our properties contain extensive in-place infrastructure or buildout that may result in higher rents when leased to tenants seeking these improvements. We control our costs by negotiating expense pass-through provisions in tenant leases for operating expenses, including power costs and certain capital expenditures. Leases covering approximately 74% of the leased net rentable square feet in our portfolio as of March 31, 2010 required tenants to pay all or a portion of increases in operating expenses, including real estate taxes, insurance, common area charges and other expenses.

**Leverage Strong Industry Relationships.** We use our strong industry relationships with national and regional corporate enterprise information technology groups and technology-intensive companies to identify and comprehensively respond to their real estate needs. Our leasing and sales professionals are real estate and technology industry specialists who can develop complex facility solutions for the most demanding corporate datacenter and other technology tenants.

**Table of Contents**

**THE OFFERING**

Issuer	Digital Realty Trust, Inc., a Maryland corporation.
Common Stock Offered by Us	4,250,000 shares (4,887,500 if the underwriters' option to purchase additional shares is exercised in full).
Common Stock to be Outstanding after this Offering	83,097,461 <sup>(1)</sup>
Common Stock and Operating Partnership Units to be Outstanding after this Offering	88,758,666 <sup>(1)(2)</sup>
NYSE Symbol	DLR
Use of Proceeds	We expect that the net proceeds from this offering will be approximately \$ _____ million after deducting our estimated expenses (or approximately \$ _____ million if the underwriters exercise in full their option to purchase additional shares of our common stock). We intend to contribute the net proceeds from this offering to our operating partnership, which intends to use the net proceeds from this offering to fund a portion of the acquisition of the Rockwood Capital/365 Main Portfolio, or to acquire additional properties, to fund development and redevelopment opportunities and for general working capital purposes, including potentially for the repurchase, redemption or retirement of outstanding debt or preferred securities. The purchase price for the Rockwood Capital/365 Main Portfolio will be approximately \$725.0 million (subject to adjustment in limited circumstances), to be paid in cash at closing. We expect to fund the purchase price with available cash, including potentially a portion of the proceeds from this offering, borrowings under our revolving credit facility or the sale of additional debt or equity securities. The purchase of the Rockwood Capital/365 Main Portfolio is subject to our satisfactory completion of due diligence and satisfaction of other closing conditions, including receipt of requisite estoppels and minimum satisfactory financing. The closing of the acquisition is expected to take place on or about July 2, 2010, and may be extended in limited circumstances. We cannot assure you that the acquisition will be consummated on the anticipated schedule or at all. See "Use of Proceeds" in this prospectus supplement.
Risk Factors	An investment in our common stock involves various risks, and prospective investors should carefully consider the matters discussed under the caption entitled "Risk Factors" beginning on page S-8 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement before making a decision to invest in our common stock.

**Table of Contents**

- (1) Based on shares outstanding as of May 27, 2010. Excludes 637,500 shares issuable upon exercise of the underwriters' over-allotment option, 3,944,005 shares available for future issuance under our incentive award plan, 541,601 shares underlying options granted under our incentive award plan, 431,711 shares issuable upon redemption of outstanding vested long-term incentive units issued under our incentive award plan, 549,953 shares issuable upon redemption of outstanding unvested long-term incentive units issued under our incentive award plan, 361,657 shares issuable upon redemption of outstanding vested class C units and 237,335 shares issuable upon redemption of outstanding unvested class C units issued under our incentive award plan. Also excludes 3,657,477 shares potentially issuable upon conversion of our series C cumulative convertible preferred stock, using the current conversion rate, 8,214,624 shares potentially issuable upon conversion of our series D cumulative convertible preferred stock, using the current conversion rate, 5,418,398 shares potentially issuable upon exchange of our 4.125% exchangeable senior debentures, using the current conversion rate, and 6,195,345 shares potentially issuable upon exchange of our 5.50% exchangeable senior debentures, using the current conversion rate.
- (2) Includes 4,080,549 units held by limited partners, 431,711 vested long-term incentive units granted under our incentive award plan, 549,953 shares issuable upon redemption of outstanding unvested long-term incentive units issued under our incentive award plan, 361,657 shares issuable upon redemption of outstanding vested class C units and 237,335 shares issuable upon redemption of outstanding unvested class C units granted under our incentive award plan that in each case may, subject to limits in the partnership agreement for our operating partnership, be exchanged for cash or, at our option, shares of our common stock on a one-for-one basis. Also excludes 3,657,477 shares potentially issuable upon conversion of our series C cumulative convertible preferred stock, using the current conversion rate, 8,214,624 shares potentially issuable upon conversion of our series D cumulative convertible preferred stock, using the current conversion rate, 5,418,398 shares potentially issuable upon exchange of our 4.125% exchangeable senior debentures, using the current conversion rate, and 6,195,345 shares potentially issuable upon exchange of our 5.50% exchangeable senior debentures, using the current conversion rate.

**Table of Contents**

**RISK FACTORS**

In addition to other information contained in this prospectus supplement and the accompanying prospectus, you should carefully consider the risks described below and incorporated by reference to our Annual Report on Form 10-K for the year ended December 31, 2009, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act, in evaluating our company, our properties and our business before making a decision to invest in our common stock. These risks are not the only ones faced by us. Additional risks not presently known or that are currently deemed immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement and the accompanying prospectus, and the documents incorporated herein and therein by reference, also contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus, and the documents incorporated herein and therein by reference. Please refer to the section entitled "Forward-Looking Statements" in this prospectus supplement.

**Risks Related to this Offering**

**Market interest rates and other factors may affect the value of our common stock.**

One of the factors that will influence the price of our common stock will be the dividend yield on our common stock relative to market interest rates. Increases in market interest rates could cause the market price of our common stock to go down. The trading price of the shares of our common stock will also depend on many other factors, which may change from time to time, including:

the market for similar securities;

the attractiveness of REIT securities in comparison to the securities of other companies, taking into account, among other things, the higher tax rates imposed on dividends paid by REITs;

government action or regulation;

general economic conditions or conditions in the financial or real estate markets; and

our financial condition, performance and prospects.

**Our revolving credit facility may limit our ability to pay distributions to our common stockholders.**

Our revolving credit facility prohibits us from distributing to our stockholders more than 95% of our funds from operations (as defined in our revolving credit facility) during any four consecutive fiscal quarters, except as necessary to enable us to qualify as a REIT for federal income tax purposes. Consequently, if we do not generate sufficient funds from operations (as defined in our revolving credit facility) during the twelve

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

months preceding any dividend payment date for our common stock or preferred stock, we will not be able to pay all or a portion of the accumulated dividends payable to our stockholders on that payment date without causing a default under our revolving credit facility. In the event of a default under our revolving credit facility, we would be unable to borrow under our revolving credit facility and any amounts we have borrowed thereunder could become due and payable.

**The number of shares available for future sale could adversely affect the market price of our common stock.**

We cannot predict whether future issuances of shares of our common stock or the availability of shares for resale in the open market will decrease the market price per share of our common stock. Sales of a substantial

S-8

## **Table of Contents**

number of shares of our common stock in the public market, or upon exchange of units, or the perception that such sales might occur could materially adversely affect the market price of the shares of our common stock.

We have granted those persons who received units in the formation transactions related to our initial public offering certain registration rights with respect to the shares of our common stock for which their units may be redeemed or exchanged pursuant to the partnership agreement of our operating partnership. These registration rights required us to file a shelf registration statement covering all such shares of common stock. In addition, third parties who received units in the initial public offering formation transactions have the right, on one occasion, to require us to register all such shares of our common stock. Our executive officers have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of any shares of common stock or other securities convertible or exchangeable into our common stock for a period of 30 days after the date of this prospectus supplement. If any or all of these holders cause a large number of their shares to be sold in the public market, the sales could reduce the trading price of our common stock and could impede our ability to raise future capital.

The exercise of the underwriters' over-allotment option, the exchange of units for common stock, the exercise of any options granted to directors, executive officers and other employees under our incentive award plan, the issuance of our common stock or units in connection with property, portfolio or business acquisitions and other issuances of our common stock could have an adverse effect on the market price of the shares of our common stock, and the existence of units, options and shares of our common stock reserved for issuance as restricted shares of our common stock or upon exchange of units may materially adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future issuances of shares of our common stock may be dilutive to existing stockholders.

### **The market price and trading volume of our common stock may be volatile.**

The market price of our common stock may be volatile. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

actual or anticipated variations in our quarterly operating results or dividends;

changes in our funds from operations or earnings estimates;

publication of research reports about us, the real estate industry or the technology industry;

increases in market interest rates that lead purchasers of our shares to demand a higher yield;

changes in market valuations of similar companies;



## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

adverse market reaction to any additional debt we incur in the future;

additions or departures of key management personnel;

actions by institutional stockholders;

speculation in the press or investment community;

the realization of any of the other risk factors presented or incorporated by reference in this prospectus supplement;

any determination in the future to pay a dividend partially in shares of our own stock; and

general market and economic conditions.

S-9

## **Table of Contents**

**Future offerings of debt, which would be senior to our common stock upon liquidation, and/or preferred equity securities which may be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our common stock.**

In the future, we may increase our capital resources by making additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our series A preferred stock, series B preferred stock, series C convertible preferred stock and series D convertible preferred stock have a preference on liquidating distributions and a preference on dividend payments that could limit our ability to pay a dividend or make another distribution to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

**We may in the future choose to pay dividends in our own stock, in which case you may be required to pay tax in excess of the cash you receive.**

We may in the future elect to distribute taxable dividends that are partially payable in cash and partially payable in our stock. Under recent IRS guidance, up to 90% of any such taxable dividend for 2008 through 2011 could be payable in our stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits for United States federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of the cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. For more information on the tax consequences of distributions with respect to our common stock, see Supplemental United States Federal Income Tax Considerations. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

We make statements in this prospectus supplement and accompanying prospectus, and the documents incorporated by reference, that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated market conditions, demographics and results of operations are 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, pro forma, anticipates or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all).

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:

the impact of the recent deterioration in global economic, credit and market conditions;

current local economic conditions in our geographic markets;

decreases in information technology spending, including as a result of economic slowdowns or recession;

adverse economic or real estate developments in our industry or the industry sectors that we sell to (including risks relating to decreasing real estate valuations and impairment charges);

our dependence upon significant tenants;

bankruptcy or insolvency of a major tenant or a significant number of smaller tenants;

defaults on or non-renewal of leases by tenants;

our failure to obtain necessary debt and equity financing;

increased interest rates and operating costs;

our failure to repay debt when due or our breach of covenants or other terms contained in our loan facilities and agreements;

financial market fluctuations;

changes in foreign currency exchange rates;

our ability to manage our growth effectively;

difficulty acquiring or operating properties in foreign jurisdictions;

our failure to successfully operate acquired or redeveloped properties;

risks related to joint venture investments, including as a result of our lack of control of such investments;

delays or unexpected costs in development or redevelopment of properties;

decreased rental rates or increased vacancy rates;

increased competition or available supply of data center space;

our inability to successfully develop and lease new properties and space held for redevelopment;

difficulties in identifying properties to acquire and completing acquisitions;

S-11

**Table of Contents**

our inability to acquire off-market properties;

our inability to comply with the rules and regulations applicable to public companies;

our failure to maintain our status as a REIT;

potential adverse changes to tax laws;

restrictions on our ability to engage in certain business activities;

environmental uncertainties and risks related to natural disasters;

changes in foreign laws and regulations, including those related to taxation and real estate ownership and operation; and

changes in real estate and zoning laws and increases in real property tax rates.

While forward-looking statements reflect our good faith beliefs, they are not guaranties of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled "Risk Factors" in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010.

**Table of Contents**

**USE OF PROCEEDS**

We expect that the net proceeds from this offering will be approximately \$            million after deducting our estimated expenses of approximately \$475,000 (or approximately \$            million if the underwriters' over-allotment option is exercised in full).

We intend to contribute the net proceeds from this offering to our operating partnership, which intends to use the net proceeds from this offering to fund a portion of the acquisition of the Rockwood Capital/365 Main Portfolio, or to acquire additional properties, to fund development and redevelopment opportunities and for general working capital purposes, including potentially for the repurchase, redemption or retirement of outstanding debt or preferred securities. The purchase price for the Rockwood Capital/365 Main Portfolio will be approximately \$725.0 million (subject to adjustment in limited circumstances), to be paid in cash at closing. We expect to fund the purchase price with available cash, including potentially a portion of the proceeds from this offering, borrowings under our revolving credit facility or the sale of additional debt or equity securities. The purchase of the Rockwood Capital/365 Main Portfolio is subject to our satisfactory completion of due diligence and satisfaction of other closing conditions, including receipt of requisite estoppels and minimum satisfactory financing. The closing of the acquisition is expected to take place on or about July 2, 2010, and may be extended in limited circumstances. We cannot assure you that the acquisition will be consummated on the anticipated schedule or at all.

S-13

**Table of Contents**

**SUPPLEMENTAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

This discussion is a supplement to, and is intended to be read together with, the discussion in the accompanying prospectus under the heading United States Federal Income Tax Considerations. This summary of material federal income tax considerations is for general information only and is not tax advice.

*The following discussion should be inserted after the fifth paragraph under the heading Taxation of Our Company Annual Distribution Requirements.*

**Certain Dividends Paid in Stock**

Recent guidance issued by the IRS extends and clarifies the application of the safe harbor set forth in Revenue Procedure 2009-15, described in the accompanying prospectus under the heading Taxation of Our Company Annual Distribution Requirements and Taxation of Taxable U.S. Stockholders Distributions Generally. This IRS guidance provides that certain part-stock and part-cash dividends distributed by publicly-traded REITs for calendar years 2008 through 2011 will satisfy the REIT distribution requirements. Under the terms of this guidance, up to 90% of our distributions could be paid in shares of our common stock. If we make such a distribution, taxable stockholders would be required to include the full amount of the dividend (*i.e.*, the cash and the stock portions) as ordinary income (subject to limited exceptions), to the extent of our current and accumulated earnings and profits for United States federal income tax purposes, as described in the accompanying prospectus under the headings Taxation of Taxable U.S. Stockholders Distributions Generally and Taxation of Non-U.S. Stockholders Distributions Generally. As a result, our stockholders generally would recognize taxable income in excess of the cash received and may be required to pay tax with respect to such dividends in excess of the cash received. If a taxable stockholder sells the stock it receives as a dividend, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of the stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders (as defined in the accompanying prospectus), we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock.

*The following discussion should be inserted immediately following the discussion under the heading Federal Income Tax Considerations for Holders of Our Capital Stock.*

**New Legislation Relating to Foreign Accounts**

Newly enacted legislation may impose withholding taxes on certain types of payments made to foreign financial institutions and certain other non-U.S. entities. Under this legislation, the failure to comply with additional certification, information reporting and other specified requirements could result in withholding tax being imposed on payments of dividends and sales proceeds to U.S. stockholders (as defined in the accompanying prospectus) who own the shares through foreign accounts or foreign intermediaries and certain non-U.S. stockholders (as defined in the accompanying prospectus). The legislation imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or other disposition of, our common stock paid to a foreign financial institution or to a foreign non-financial entity, unless (i) the foreign financial institution undertakes certain diligence and reporting obligations or (ii) the foreign non-financial entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner. If the payee is a foreign financial institution, it must enter into an agreement with the United States Treasury requiring, among other things, that it undertake to identify accounts held by certain United States persons or United States-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. The legislation applies to payments made after December 31, 2012. Prospective investors should consult their tax advisors regarding this legislation.





**Table of Contents**

*The following discussion should be inserted immediately following the discussion under the heading Federal Income Tax Considerations for Holders of Our Capital Stock Taxation of Taxable U.S. Stockholders Tax Rates.*

On March 30, 2010, President Obama signed into law the Health Care and Education Reconciliation Act of 2010, which requires U.S. stockholders who meet certain requirements and are individuals, estates or certain trusts to pay an additional 3.8% tax on, among other things, dividends on and capital gains from the sale or other disposition of stock for taxable years beginning after December 31, 2012. U.S. stockholders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our common stock.

S-15

**Table of Contents****UNDERWRITING**

Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as book-running managers of the offering and as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the number of shares set forth opposite the underwriter's name.

<b>Underwriter</b>	<b>Number of Shares</b>
Credit Suisse Securities (USA) LLC	
Citigroup Global Markets Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	4,250,000

The underwriting agreement provides that the obligations of the underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the shares (other than those covered by the over-allotment option described below) if they purchase any of the shares.

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any shares sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed \$ \_\_\_\_\_ per share. If all the shares are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

If the underwriters sell more shares than the total number set forth in the table above, we have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 637,500 additional shares at the public offering price less the underwriting discount. The underwriters may exercise the option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment. Any shares issued or sold under the option will be issued and sold on the same terms and conditions as the other shares that are the subject of this offering.

We and our operating partnership have agreed that, for a period of 30 days from the date of this prospectus supplement, we and it will not offer, sell, contract to sell, pledge or otherwise dispose of (or enter into a transaction that would have the same effect), directly or indirectly, including the filing with the SEC of a registration statement under the Securities Act of 1933, as amended, or the Securities Act (except a registration statement on Form S-4 relating to an acquisition of a real property company or a registration statement on Form 10 related to the voluntary registration of our operating partnership's common units under the reporting requirements of the Exchange Act), relating to, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any shares of any class of our capital stock or securities convertible into or exchangeable or exercisable for any shares of any class of our capital stock, or publicly announce the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, except that we may:

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

grant stock options, restricted stock or long-term incentive units to employees, consultants or directors pursuant to the terms of a plan in effect as of the date of this prospectus supplement and issue shares of common stock pursuant to the exercise of such options and long-term incentive units;

issue shares of common stock pursuant to the exercise of any employee stock options outstanding as of the date of this prospectus supplement;

S-16

**Table of Contents**

issue shares of common stock upon the redemption of operating partnership units outstanding as of the date of this prospectus supplement;

issue shares of common stock pursuant to any dividend reinvestment plan;

issue shares of common stock or securities convertible into or exchangeable or exercisable for shares of common stock in connection with acquisitions of real property or real property companies and shares of common stock issuable upon such conversion or exchange;

file a registration statement on Form S-4 relating to an acquisition of a real property company;

file a registration statement on Form S-8 (including any amendments or supplements thereto) in connection with shares of common stock authorized for issuance pursuant to the terms of any plan in effect as of the date of this prospectus supplement;

file shelf registration statements (including any amendments or supplements thereto) in connection with existing contractual commitments; and

(x) issue shares of common stock in exchange for our outstanding convertible preferred stock and outstanding exchangeable senior debentures of our operating partnership, in each case pursuant to the terms of the instruments governing such securities as in effect on the date hereof and (y) issue shares of common stock upon redemption or repurchase of, or in exchange for, outstanding exchangeable senior debentures of our operating partnership other than pursuant to clause (x), file one or more registration statements or supplements thereto with respect to the sale of such shares of common stock, and enter into agreements regarding the same; provided, however, that shares issued in accordance with clause (y) must be made subject to the same restrictions described in the immediately following paragraph (without regard to the exception for any transaction consummated in accordance with a valid contract, instruction or plan that satisfies the requirements of Rule 10b5-1 under the Exchange Act).

Our executive officers and certain of our directors have agreed, subject to certain limited exceptions (including an exception for any transaction consummated in accordance with a valid contract, instruction or plan that satisfies the requirements of Rule 10b5-1 under the Exchange Act), that, for a period of 30 days from the date of this prospectus supplement, they will not offer, sell, contract to sell, pledge or otherwise dispose of (or enter into a transaction that would have the same effect), directly or indirectly, including the filing with the SEC of a registration statement or make any demand for or exercise any registration right in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any class of our capital stock or limited partnership units of our operating partnership, or securities convertible into or exercisable or exchangeable for any of the foregoing, enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any of the foregoing, whether any of these transactions are to be settled by delivery of shares of our capital stock or other securities, or publicly announce an intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

The shares are listed on the New York Stock Exchange under the symbol `DLR`.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option.

Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

	Paid by Us	
	No Exercise	Full Exercise
Per share	\$	\$
Total	\$	\$

We estimate that our portion of the total expenses of this offering will be approximately \$475,000.

S-17

## **Table of Contents**

In connection with the offering, the underwriters may purchase and sell shares in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the over-allotment option, and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of shares than they are required to purchase in the offering.

Covered short sales are sales of shares in an amount up to the number of shares represented by the underwriters over-allotment option.

Naked short sales are sales of shares in an amount in excess of the number of shares represented by the underwriters over-allotment option.

Covering transactions involve purchases of shares either pursuant to the over-allotment option or in the open market after the distribution has been completed in order to cover short positions.

To close a naked short position, the underwriters must purchase shares in the open market after the distribution has been completed. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

To close a covered short position, the underwriters must purchase shares in the open market after the distribution has been completed or must exercise the over-allotment option. In determining the source of shares to close the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.

Stabilizing transactions involve bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the shares. They may also cause the price of the shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

The maximum discount to be received by any member of the Financial Industry Regulatory Authority or independent broker/dealer will not be greater than 8% for the sale of any shares of our common stock covered by this prospectus supplement.

The underwriters have performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. Affiliates of Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are lenders, and an affiliate of Citigroup Global Markets Inc. is the administrative agent, under our revolving credit facility. Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are also sales agents under our equity distribution

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

agreements, pursuant to which we can issue and sell shares of our common stock having an aggregate offering price of up to \$400,000,000 from time to time through them. As of May 31, 2010, we generated net proceeds of approximately \$67.5 million from the issuance of approximately 1.3 million common shares under these equity distribution agreements with each of our sales agents, including Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, after payment of approximately \$1.0 million of commissions to the sales agents.

S-18

## **Table of Contents**

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

### **Notice to Prospective Investors in the European Economic Area**

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares described in this prospectus supplement may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the shares that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined below) subject to obtaining the prior consent of the representatives for any such offer; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of shares described in this prospectus supplement located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an offer to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

The sellers of the shares have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus supplement. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of the sellers or the underwriters.

### **Notice to Prospective Investors in the United Kingdom**



## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

This prospectus supplement and the accompanying prospectus are only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

S-19

## **Table of Contents**

### **Notice to Prospective Investors in France**

Neither this prospectus supplement nor any other offering material relating to the shares described in this prospectus supplement has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement nor any other offering material relating to the shares has been or will be:

released, issued, distributed or caused to be released, issued or distributed to the public in France; or

used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;

to investment services providers authorized to engage in portfolio management on behalf of third parties; or

in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

### **Notice to Prospective Investors in Switzerland**

This prospectus supplement, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus supplement, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this prospectus supplement, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares may be offered in Switzerland by way of a private placement, *i.e.*, to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors may be individually approached by us from time to time. This prospectus supplement, as well as any other material relating to the shares, is personal and confidential and do not constitute an offer to any other person. This prospectus supplement may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

**Notice to Prospective Investors in the Dubai International Financial Centre**

This prospectus supplement relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This prospectus supplement is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this prospectus supplement nor taken steps to verify the information set out in it, and has no responsibility for it. The shares which are the subject of

S-20

## **Table of Contents**

the offering contemplated by this prospectus supplement may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorised financial adviser.

### **Notice to Prospective Investors in Hong Kong**

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### **Notice to Prospective Investors in Japan**

The shares offered in this prospectus supplement have not been registered under the Securities and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

### **Notice to Prospective Investors in Singapore**

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest

S-21

**Table of Contents**

in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

S-22

**Table of Contents**

**NOTICE TO CANADIAN RESIDENTS**

**Resale Restrictions**

The distribution of shares of our common stock in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of shares of our common stock are made. Any resale of shares of our common stock in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the shares of our common stock.

**Representations of Purchasers**

By purchasing shares of our common stock in Canada and accepting a purchase confirmation a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

the purchaser is entitled under applicable provincial securities laws to purchase shares of our common stock without the benefit of a prospectus qualified under those securities laws,

where required by law, that the purchaser is purchasing as principal and not as agent,

the purchaser has reviewed the text above under Resale Restrictions, and

the purchaser acknowledges and consents to the provision of specified information concerning its purchase of shares of our common stock to the regulatory authority that by law is entitled to collect the information.

Further details concerning the legal authority for this information is available on request.

**Rights of Action Ontario Purchasers Only**

Under Ontario securities legislation, certain purchasers who purchase a security offered by this prospectus supplement during the period of distribution will have a statutory right of action for damages, or while still the owner of the shares of our common stock, for rescission against us in the event that this prospectus supplement contains a misrepresentation without regard to whether the purchaser relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the shares of our common stock. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the shares of our common stock. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

us. In no case will the amount recoverable in any action exceed the price at which shares of our common stock were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we will have no liability. In the case of an action for damages, we will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of shares of our common stock as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

### **Enforcement of Legal Rights**

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or

S-23



**Table of Contents**

those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

**Taxation and Eligibility for Investment**

Canadian purchasers of shares of our common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the shares of our common stock in their particular circumstances and about the eligibility of the shares of our common stock for investment by the purchaser under relevant Canadian legislation.

S-24

**Table of Contents**

**LEGAL MATTERS**

Certain legal matters will be passed upon for us by Latham & Watkins LLP, Los Angeles, California, and for the underwriters by Goodwin Procter LLP, Boston, Massachusetts. Venable LLP, Baltimore, Maryland, will issue an opinion to us regarding certain matters of Maryland law, including the validity of the common stock offered hereby.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference rooms at 100 F Street, N.E. Room 1580, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The SEC also maintains a web site that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC at <http://www.sec.gov>. You can inspect reports and other information we file at the offices of the NYSE, 20 Broad Street, New York, New York 10005. In addition, we maintain a web site that contains information about us at <http://www.digitalrealtytrust.com>. The information on our website is not part of this prospectus supplement or the accompanying prospectus.

We have filed with the SEC a registration statement on Form S-3 (File No. 333-158958), of which this prospectus supplement and the accompanying prospectus are a part, including exhibits, schedules and amendments filed with, or incorporated by reference in, such registration statement, under the Securities Act. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to our company, reference is made to the registration statement, including the exhibits to the registration statement. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other document referred to, or incorporated by reference, in this prospectus supplement and the accompanying prospectus are not necessarily complete and, where that contract or document is an exhibit to the registration statement, each statement is qualified in all respects by the exhibit to which the reference relates. Copies of the registration statement, including the exhibits and schedules to the registration statement, may be examined at the SEC's public reference rooms at 100 F Street, N.E. Room 1580, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Copies of all or a portion of the registration statement can be obtained from the public reference room of the SEC upon payment of prescribed fees. The registration statement is also available to you on the SEC's web site, <http://www.sec.gov>.

**EXPERTS**

The consolidated financial statements and financial statement schedule III of Digital Realty Trust, Inc. and subsidiaries as of December 31, 2009 and 2008, and for each of the years in the three-year period ended December 31, 2009, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2009, have all been incorporated by reference in this preliminary prospectus supplement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The combined statement of revenue and certain expenses of the New England Portfolio for the year ended December 31, 2008, incorporated by reference herein, from our current report on Form 8-K/A filed on March 24, 2010, in reliance upon the report of KPMG LLP, independent auditors, have been incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. KPMG LLP's report refers to



**Table of Contents**

the fact that the combined statement of revenue and certain expenses were prepared for the purpose of complying with the rules and regulations of the SEC and are not intended to be a complete presentation of revenue and expenses.

The combined statement of revenue and certain expenses of the Rockwood Predecessor Data Centers for the year ended December 31, 2009 included in our Current Report on Form 8-K filed with the SEC on June 2, 2010 has been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon, and incorporated herein by reference. Such combined statement of revenue and certain expenses of the Rockwood Predecessor Data Centers is incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

S-26

**Table of Contents**

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus supplement. The incorporated documents contain significant information about us, our business and our finances. Any statement contained in a document which is incorporated by reference in this prospectus supplement is automatically updated and superseded if information contained in this prospectus supplement, or information that we later file with the SEC, modifies or replaces this information. We incorporate by reference the following documents we filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2009;

our Definitive Proxy Statement on Schedule 14A filed with the SEC on February 26, 2010 (solely to the extent specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2009);

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010;

our Current Report on Form 8-K filed with the SEC on June 2, 2010;

our Current Report on Form 8-K filed with the SEC on May 6, 2010;

our Current Reports on Form 8-K filed with the SEC on May 3, 2010;

our Current Reports on Form 8-K and Form 8-K/A filed with the SEC on March 24, 2010;

our Current Report on Form 8-K/A filed with the SEC on March 1, 2010;

our Current Report on Form 8-K filed with the SEC on January 29, 2010;

our Current Reports on Form 8-K filed with the SEC on January 22, 2010;

our Current Report on Form 8-K filed with the SEC on January 21, 2010;

our Current Report on Form 8-K filed with the SEC on January 8, 2010;

the description of our common stock, par value \$0.01 per share, contained in our Registration Statement on Form 8-A filed on October 28, 2004 (file number 001-32336), including any amendment or reports filed for the purpose of updating this description; and

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

all documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this prospectus supplement and prior to the termination of the offering of the underlying securities (excluding any portions of such documents that are deemed furnished to the SEC pursuant to applicable rules and regulations).

We will provide without charge to each person to whom a prospectus supplement is delivered, on written or oral request of that person, a copy of any or all of the documents we are incorporating by reference into this prospectus supplement, other than exhibits to those documents unless those exhibits are specifically incorporated by reference into those documents. A written request should be addressed to Joshua A. Mills, General Counsel and Assistant Secretary, Digital Realty Trust, Inc., 560 Mission Street, Suite 2900, San Francisco, California 94105.

S-27

Table of Contents

PROSPECTUS

## Digital Realty Trust, Inc.

### Common Stock, Preferred Stock, Depositary Shares and Warrants

We may from time to time offer, in one or more series or classes, separately or together, and in amounts, at prices and on terms to be set forth in one or more supplements to this prospectus, the following securities:

shares of our common stock, par value \$0.01 per share;

shares of our preferred stock, par value \$0.01 per share;

depositary shares representing entitlement to all rights and preferences of fractions of shares of preferred stock of a specified series and represented by depositary receipts; or

warrants to purchase shares of our common stock or preferred stock or depositary shares.

This prospectus also covers delayed delivery contracts that may be issued by the registrant under which the counterparty may be required to purchase common stock, preferred stock, depositary shares or warrants to purchase common stock or preferred stock. Delayed delivery contracts may be issued together with the specific securities to which they relate. In addition, securities registered hereunder may be sold separately, together or as units with other securities registered hereunder.

We refer to the common stock, preferred stock, depositary shares and warrants registered hereunder collectively as the securities in this prospectus. We will offer our securities in amounts, at prices and on terms determined at the time of the offering of any such security.

The specific terms of each series or class of the securities will be set forth in the applicable prospectus supplement and will include, as applicable: (i) in the case of our common stock, any public offering price; (ii) in the case of our preferred stock, the specific title and any dividend, liquidation, redemption, conversion, voting and other rights and any public offering price; (iii) in the case of depositary shares, the fractional share of preferred stock represented by each such depositary share; and (iv) in the case of warrants, the duration, offering price, exercise price and detachability. In addition, because we are organized and conduct our operations so as to qualify as a real estate investment trust, or REIT, for federal income tax purposes, the specific terms of any securities may include limitations on actual or constructive ownership and restrictions on transfer of the securities, in each case as may be appropriate to preserve the status of our company as a REIT.

The applicable prospectus supplement will also contain information, where applicable, about certain United States federal income tax consequences relating to, and any listing on a securities exchange of, the securities covered by such prospectus supplement.

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

The securities may be offered directly by us, through agents designated from time to time by us or to or through underwriters or dealers. These securities also may be resold by securityholders, if so provided in a prospectus supplement hereto. We will provide specific information about any selling securityholders in one or more supplements to this prospectus. If any agents, dealers or underwriters are involved in the sale of any of the securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them will be set forth, or will be calculable from the information set forth, in the applicable prospectus supplement. See the sections entitled "Plan of Distribution and About this Prospectus" for more information. No securities may be sold without delivery of this prospectus and the applicable prospectus supplement describing the method and terms of the offering of such series of securities.

Our common stock currently trades on the New York Stock Exchange, or NYSE, under the symbol "DLR".

See **Risk Factors** beginning on page 2 for certain risk factors relevant to an investment in our securities.

**Neither the United States 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 May 1, 2009.



**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>OUR COMPANY</u>	1
<u>RISK FACTORS</u>	2
<u>ABOUT THIS PROSPECTUS</u>	2
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	3
<u>FORWARD-LOOKING STATEMENTS</u>	4
<u>USE OF PROCEEDS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS</u>	7
<u>DESCRIPTION OF SECURITIES</u>	8
<u>RESTRICTIONS ON OWNERSHIP AND TRANSFER</u>	22
	<b>Page</b>
<u>DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF DIGITAL REALTY TRUST, L.P.</u>	26
<u>MATERIAL PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	32
<u>UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	38
<u>SELLING SECURITYHOLDERS</u>	57
<u>PLAN OF DISTRIBUTION</u>	57
<u>LEGAL MATTERS</u>	59
<u>EXPERTS</u>	59

You should rely only on the information contained in this prospectus, in an accompanying prospectus supplement or incorporated by reference herein or therein. We have not authorized anyone to provide you with information or make any representation that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and any accompanying prospectus supplement do not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which they relate, and this prospectus and any accompanying prospectus supplement do not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or solicitation. You should not assume that the information contained in this prospectus and any accompanying prospectus supplement is correct on any date after the respective dates of the prospectus and such prospectus supplement or supplements, as applicable, even though this prospectus and such prospectus supplement or supplements are delivered or shares are sold pursuant to the prospectus and such prospectus supplement or supplements at a later date. Since the respective dates of the prospectus contained in this registration statement and any accompanying prospectus supplement, our business, financial condition, results of operations and prospects may have changed. We may only use this prospectus to sell the securities if it is accompanied by a prospectus supplement.

**Table of Contents**

**OUR COMPANY**

We own, acquire, develop, redevelop and manage technology-related real estate. Our properties are diversified in major markets where corporate datacenter and technology tenants are concentrated, including the Chicago, Dallas, Los Angeles, New York, Northern Virginia, Phoenix, San Francisco and Silicon Valley metropolitan areas in the U.S. and the London, Dublin, Paris and Amsterdam markets in Europe. Our portfolio consists of Internet gateway and corporate datacenter properties, technology manufacturing properties and regional or national headquarters of technology companies. We operate as a real estate investment trust, or REIT, for U.S. federal income tax purposes.

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](http://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.

**Table of Contents**

**RISK FACTORS**

Investment in any securities offered pursuant to this prospectus involves risks. You should carefully consider the risk factors incorporated by reference to our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and the other information contained or incorporated by reference in this prospectus, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the risk factors and other information contained in the applicable prospectus supplement before acquiring any of such securities.

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the United States Securities and Exchange Commission, or SEC, using a shelf registration process. Under this process, we may sell common stock, preferred stock, depositary shares and warrants in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement containing specific information about the terms of the applicable offering. Such prospectus supplement may add, update or change information contained in this prospectus. To the extent that this prospectus is used by any securityholder to resell any securities, information with respect to the securityholder and the terms of the securities being offered will be contained in a prospectus supplement. You should read this prospectus and the applicable prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

We or any selling securityholders may offer the securities directly, through agents, or to or through underwriters. The applicable prospectus supplement will describe the terms of the plan of distribution and set forth the names of any underwriters involved in the sale of the securities. See **Plan of Distribution** for more information on this topic. No securities may be sold without delivery of a prospectus supplement describing the method and terms of the offering of those securities.

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 our consolidated subsidiaries, including Digital Realty Trust, L.P., a Maryland limited partnership of which we are the sole general partner and which we refer to in this prospectus as our operating partnership.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E. Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at <http://www.sec.gov>. You can inspect reports and other information we file at the offices of the NYSE, 20 Broad Street, New York, New York 10005. In addition, we maintain a website that contains information about us at <http://www.digitalrealtytrust.com>. The information found on, or otherwise 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 SEC.

We have filed with the SEC a registration statement on Form S-3, of which this prospectus is a part, including exhibits, schedules and amendments filed with, or incorporated by reference in, this registration statement, under the Securities Act of 1933, as amended, or the

## Edgar Filing: Digital Realty Trust, Inc. - Form 424B5

Securities Act, with respect to the securities registered hereby. This prospectus and any accompanying prospectus supplement do not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to our company and the securities registered hereby, reference is made to the registration statement, including the exhibits to the registration statement. Statements contained in this prospectus and any accompanying prospectus supplement as to the contents of any contract or other document referred to in, or incorporated by reference in, this prospectus and any accompanying prospectus supplement are not necessarily complete and, where that contract is an exhibit to the registration statement, each statement is qualified in all respects by the exhibit to which the reference relates. Copies of the registration statement, including the exhibits and schedules to the registration statement, may be examined at the SEC's public reference room. Copies of all or a portion of the registration statement can be obtained from the public reference room of the SEC upon payment of prescribed fees. This registration statement is also available to you on the SEC's website.

**Table of Contents**

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus. The incorporated documents contain significant information about us, our business and our finances. Any statement contained in a document which is incorporated by reference in this prospectus is automatically updated and superseded if information contained in this prospectus, or information that we later file with the SEC, modifies or replaces this information. We incorporate by reference the following documents we filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2008;

our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 6, 2009 (solely to the extent specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2008);

our Current Report on Form 8-K filed with the SEC on February 13, 2009;

our Current Report on Form 8-K filed with the SEC on March 19, 2009;

our Current Report on Form 8-K filed with the SEC on April 13, 2009;

our Current Report on Form 8-K filed with the SEC on April 22, 2009;

the description of our Series B Cumulative Redeemable Preferred Stock, par value \$0.01 per share, contained in our Registration Statement on Form 8-A filed on July 20, 2005 (file number 001-32336), including any amendment or reports filed for the purpose of updating this description;

the description of our Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, contained in our Registration Statement on Form 8-A filed on February 2, 2005 (file number 001-32336), including any amendment or reports filed for the purpose of updating this description;

the description of our common stock, par value \$0.01 per share, contained in our Registration Statement on Form 8-A filed on October 28, 2004 (file number 001-32336), including any amendment or reports filed for the purpose of updating this description; and

all documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this prospectus and prior to the termination of the offering of the underlying securities (excluding any portions of such documents that are deemed furnished to the SEC pursuant to applicable rules and regulations).

We will provide without charge to each person, including any beneficial owner, to whom a prospectus is delivered, on written or oral request of that person, a copy of any or all of the documents we are incorporating by reference into this prospectus, other than exhibits to those documents unless those exhibits are specifically incorporated by reference into those documents. A written request should be addressed to Joshua A. Mills, General Counsel and Assistant Secretary, Digital Realty Trust, Inc., 560 Mission Street, Suite 2900, San Francisco, California 94105.



**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

This prospectus, including the documents that we incorporate by reference, contains forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act and Section 21E of the Exchange Act). Also, documents we subsequently file with the SEC and incorporate by reference will contain forward-looking statements. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, pro forma financial statements and other pro forma information incorporated by reference and all our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, pro forma, estimates or anticipates or the negative of these words and phrases or similar phrases. You can also identify forward-looking statements by discussions of strategies, plans or intentions. 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:

the impact of the current deterioration in global economic and market conditions;

adverse economic or real estate developments in our markets or the industry sectors that we sell to;

decreases in information technology spending;

our dependence upon significant tenants;

bankruptcy or insolvency of a major tenant or a significant number of smaller tenants;

downturn of local economic conditions in our geographic markets;

our inability to comply with the rules and regulations applicable to public companies or to manage our growth effectively;