

Digital Realty Trust, Inc.
Form 8-K
January 29, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 28, 2010

DIGITAL REALTY TRUST, INC.

(Exact name of registrant as specified in charter)

Maryland
(State or other jurisdiction

of incorporation)

001-32336
(Commission File Number)

26-0081711
(I.R.S. Employer

Identification Number)

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560 Mission Street, Suite 2900
San Francisco, California
(Address of principal executive offices)

(415) 738-6500

94105
(Zip Code)

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On January 28, 2010, our operating partnership, Digital Realty Trust, L.P., issued \$500.0 million aggregate principal amount of its 5.875% Notes due 2020, to Citigroup Global Markets Inc., Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as representatives of the several initial purchasers. The terms of the notes are governed by an indenture, dated as of January 28, 2010, by and among our operating partnership, as issuer, us, as guarantor, and Wilmington Trust FSB, as trustee. The indenture contains various restrictive covenants, including limitations on our ability to incur additional indebtedness and requirements to maintain a pool of unencumbered assets. A copy of the indenture, including the form of the notes, the terms of which are incorporated herein by reference, is attached as Exhibit 4.1 to this report. See Item 2.03 below for additional information.

The notes have not been registered under the Securities Act of 1933, as amended, or the Securities Act. Our operating partnership offered and sold the notes to the initial purchasers in reliance on the exemption from registration provided by Section 4(2) of the Securities Act. The initial purchasers then sold the notes to qualified institutional buyers within the United States pursuant to the exemption from registration provided by Rule 144A under the Securities Act, and to non-United States persons outside the United States pursuant to the exemption from registration provided by Regulation S under the Securities Act.

On January 28, 2010, in connection with the issuance and sale of the notes, we and our operating partnership also entered into a registration rights agreement with the representatives of the initial purchasers. A copy of the registration rights agreement, the terms of which are incorporated herein by reference, is attached as Exhibit 4.2 to this report.

Pursuant to the registration rights agreement, we and our operating partnership have agreed to:

file a registration statement with the United States Securities and Exchange Commission within 150 days after the issue date of the notes registering exchange notes with nearly identical terms to the notes;

use reasonable efforts to cause the registration statement to become effective within 240 days after the issue date of the notes;

use reasonable efforts to consummate the exchange offer within 45 business days after the registration statement is declared effective; and

in some circumstances, file a shelf registration statement that would allow some or all of the notes to be offered to the public. If we and our operating partnership do not fulfill certain of our respective obligations under the registration rights agreement with respect to the notes, we will be required to pay liquidated damages to the holders of the notes.

We intend to utilize the net proceeds from the issuance and sale of the notes to temporarily repay all or a portion of our borrowings under our revolving credit facility, as well as to acquire additional properties, to fund development and redevelopment opportunities and for general corporate purposes. Affiliates of Citigroup Global Markets Inc., Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., KeyBanc Capital Markets Inc., Morgan Stanley & Co. Incorporated, RBC Capital Markets Corporation, RBS Securities Inc. and UBS Securities LLC are lenders, and an affiliate of Citigroup Global Markets Inc. is the administrative agent, under our revolving credit facility. In addition, affiliates of Morgan Stanley & Co. Incorporated have entered into several leases with us as well as an agreement pursuant to which we will provide management, consulting and other services in connection with a datacenter construction project for a management fee.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On January 28, 2010, our operating partnership issued \$500.0 million aggregate principal amount of notes. The purchase price paid by the initial purchasers was 98.296% of the principal amount thereof. The notes are general unsecured senior obligations of our operating partnership and rank equally in right of payment with all other senior unsecured indebtedness of our operating partnership. The notes bear interest at 5.875% per

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annum. Interest is payable on February 1 and August 1 of each year beginning August 1, 2010 until the maturity date of February 1, 2020. Our operating partnership's obligations under the notes are fully and unconditionally guaranteed by us.

The notes will be redeemable in whole at any time or in part from time to time, at our operating partnership's option, at a redemption price equal to the sum of:

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

a make-whole premium calculated in accordance with the indenture.

Notwithstanding the foregoing, if the notes are redeemed on or after 90 days prior to the maturity date, the redemption price will not include a make-whole premium.

Certain events are considered events of default, which may result in the accelerated maturity of the notes, including:

a default for 30 days in payment of any installment of interest under the notes;

a default in the payment of the principal amount or redemption price due with respect to the notes, when the same becomes due and payable;

each of our operating partnership's and our failure to comply with any of our respective agreements contained in the notes or the indenture upon receipt by our operating partnership of notice of such default by the trustee or by holders of not less than 25% in aggregate principal amount of the notes then outstanding and our operating partnership's or our, as applicable, failure to cure (or obtain a waiver of) such default within 60 days after our operating partnership receives such notice;

failure to pay any indebtedness for money borrowed by our operating partnership, us, any subsidiary in which our operating partnership has invested at least \$50 million in capital, which we refer to as a Significant Subsidiary, or any entity in which our operating partnership is the general partner in an outstanding principal amount in excess of \$50 million at final maturity or upon acceleration after the expiration of any applicable grace period, which indebtedness is not discharged, or such default in payment or acceleration is not cured or rescinded, within 30 days after written notice to our operating partnership from the trustee (or to our operating partnership and the trustee from holders of at least 25% in principal amount of the outstanding notes); and

certain events of bankruptcy, insolvency or reorganization or court appointment of a receiver, liquidator or trustee of our operating partnership, us or any Significant Subsidiary or any substantial part of our or their respective property.

Item 8.01 Other Events.

On January 21, 2010, we announced that our operating partnership commenced a private placement to qualified institutional buyers of the notes. The press release announcing the commencement of the private placement is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On January 21, 2010, we announced that our operating partnership priced the private placement of the notes. The press release announcing the pricing of the private placement is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

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| Exhibit Number | Description |
|---------------------------|--|
| 4.1 | Indenture, dated as of January 28, 2010, among Digital Realty Trust, L.P., as issuer, Digital Realty Trust, Inc., as guarantor, and Wilmington Trust FSB, as trustee, including the form of 5.875% Notes due 2020. |
| 4.2 | Registration Rights Agreement, dated January 28, 2010, among Digital Realty Trust, L.P., Digital Realty Trust, Inc., Citigroup Global Markets Inc., Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. |
| 99.1 | Press Release dated January 21, 2010 regarding the commencement of a private placement of notes due 2020. |
| 99.2 | Press Release dated January 21, 2010 regarding the pricing of a private placement of notes due 2020. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Digital Realty Trust, Inc.

By: */s/* JOSHUA A. MILLS
Joshua A. Mills
General Counsel and Assistant Secretary

Date: January 29, 2010

EXHIBIT INDEX

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