As filed with the Securities and Exchange Commission on September 3, 2010

Registration No. 333-167805

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

DIGITAL REALTY TRUST, INC.

DIGITAL REALTY TRUST, L.P.

(Exact name of registrants as specified in their charters)

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

560 Mission Street, Suite 2900

San Francisco, CA 94105

(415) 738-6500

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

A. William Stein

Chief Financial Officer & Chief Investment Officer

560 Mission Street, Suite 2900

San Francisco, CA 94105

(415) 738-6500

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

Copy to:

Keith Benson, Esq.

Julian T.H. Kleindorfer, Esq.

Latham & Watkins LLP

505 Montgomery Street, Suite 2000

San Francisco, CA 94111

(415) 391-0600

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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

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

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

SUBJECT TO COMPLETION, DATED SEPTEMBER 3, 2010

PROSPECTUS

DIGITAL REALTY TRUST, L.P.

OFFER TO EXCHANGE

$500,000,000 aggregate principal amount of its

5.875% Notes due 2020

which have been registered under the Securities Act,

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

Guaranteed by Digital Realty Trust, Inc.

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

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

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

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

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

We will not receive any proceeds from the exchange offer.

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

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

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

Our affiliates may not participate in the exchange offer.

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

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

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

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

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

The date of this prospectus is , 2010.

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

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

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer will acknowledge by participating in this exchange offer, as a condition to participating in this exchange offer, that it will deliver a prospectus in connection with any resale of such exchange notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding private notes where such outstanding private notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that for a period of up to one year after the date that the registration statement of which this prospectus forms a part is declared effective by the Securities and Exchange Commission, we will make this prospectus, as

amended or supplemented, available to any broker-dealer that requests it for use in connection with any such resale. See Plan of Distribution.

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PROSPECTUS SUMMARY

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

Explanatory Note

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

Digital Realty Trust, Inc. is a real estate investment trust and the general partner of Digital Realty Trust, L.P. As of June 30, 2010, Digital Realty Trust, Inc. owned an approximate 94.0% common general partnership interest in Digital Realty Trust, L.P. The remaining approximate 6.0% common limited partnership interests are owned by non-affiliated investors and certain directors and officers of Digital Realty Trust, Inc. As of June 30, 2010, Digital Realty Trust, Inc. owned all of the preferred limited partnership units of Digital Realty Trust, L.P. As the sole general partner of Digital Realty Trust, L.P., Digital Realty Trust, Inc. has the full, exclusive and complete responsibility for the operating partnership s day-to-day management and control.

There are few differences between our company and our operating partnership, which are reflected in the disclosure in this prospectus. We believe it is important to understand the differences between our company and our operating partnership in the context of how Digital Realty Trust, Inc. and Digital Realty Trust, L.P. operate as an interrelated consolidated company. Digital Realty Trust, Inc. is a real estate investment trust, whose only material asset is its ownership of partnership interests of Digital Realty Trust, L.P. As a result, Digital Realty Trust, Inc. does not conduct business itself, other than acting as the sole general partner of Digital Realty Trust, L.P., issuing public equity from time to time and guaranteeing certain debt of Digital Realty Trust, L.P. Digital Realty Trust, Inc. itself does not hold any indebtedness but guarantees some of the secured and unsecured debt of Digital Realty Trust, L.P., as disclosed in this prospectus. Digital Realty Trust, L.P. holds substantially all the assets of the company and holds the ownership interests in the company s joint ventures. Digital Realty Trust, L.P. conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by Digital Realty Trust, Inc., which are generally contributed to Digital Realty Trust, L.P. in exchange for partnership units, Digital Realty Trust, L.P. generates the capital required by the company s business through Digital Realty Trust, L.P. s operations, by Digital Realty Trust, L.P. s direct or indirect incurrence of indebtedness or through the issuance of partnership units.

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

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Our Company

Overview

We own, acquire, develop, redevelop and manage technology-related real estate. As of June 30, 2010, our portfolio consisted of 87 properties, excluding one property held as an investment in an unconsolidated joint venture, of which 73 are located throughout North America and 14 are located in Europe. Our properties are diversified in major markets where corporate datacenter and technology tenants are concentrated, including the Boston, Chicago, Dallas, Los Angeles, New York Metro, Northern Virginia, Phoenix, San Francisco and Silicon Valley metropolitan areas in the U.S. and the Amsterdam, Dublin, London and Paris markets in Europe. The portfolio consists of Internet gateway and corporate datacenter properties, technology manufacturing properties and regional or national headquarters of technology companies. Digital Realty Trust, Inc., a Maryland corporation, operates as a real estate investment trust, or REIT, for federal income tax purposes. Digital Realty Trust, L.P., a Maryland limited partnership, is the entity through which Digital Realty Trust, Inc. conducts its business and owns its assets.

As of June 30, 2010, our properties contained a total of approximately 15.2 million net rentable square feet, including approximately 1.9 million square feet held for redevelopment. As of June 30, 2010, our portfolio, excluding space held for redevelopment, was approximately 95.0% leased at an average annualized rent per occupied square foot of $44.08.

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

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THE EXCHANGE OFFER

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

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

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

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

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

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

We explain the exchange offer in greater detail beginning on page 34.

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THE EXCHANGE NOTES

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

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

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

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

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

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

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

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

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SUMMARY HISTORICAL FINANCIAL DATA

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

Digital Realty Trust, L.P.

The consolidated balance sheet data as of December 31, 2009 and 2008 and the consolidated statement of operations data for each of the years in the three-year period ended December 31, 2009 have been derived from the historical consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, which are included in this prospectus and which have been audited by KPMG LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2007, 2006 and 2005 and the consolidated statement of operations data for each of the years ended December 31, 2006 and 2005 have been derived from the historical consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, not audited by KPMG LLP. The consolidated balance sheet data as of June 30, 2010 and the consolidated statement of operations data for each of the six months ended June 30, 2010 and 2009 have been derived from the unaudited condensed consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, which are included elsewhere in this prospectus. The results for the six months ended June 30, 2010 are not necessarily indicative of the results to be expected for the full year.

	Six Months Ended June 30,		Year Ended December 31,				
(Dollars in thousands, except unit and per unit data)	2010 (unaudited)	2009 (unaudited)	2009	2008	2007	2006 (unaudited)	2005 (unaudited)
Statement of Operations Data:							
Operating Revenues:							
Rental	$ 310,588	$ 243,585	$ 510,772	$ 404,559	$ 319,603	$ 221,371	$ 150,072
Tenant reimbursements	78,655	60,455	125,308	107,503	75,003	50,340	35,720
Other		101	1,062	15,383	641	365	5,829
Total operating revenues	389,243	304,141	637,142	527,445	395,247	272,076	191,621
Operating Expenses:							
Rental property operating and maintenance	107,648	84,874	176,238	151,147	109,225	59,917	39,519
Property taxes	25,469	18,360	36,004	31,102	27,181	26,890	20,189
Insurance	3,581	2,944	6,111	4,988	5,527	3,682	2,653
Depreciation and amortization	117,392	95,487	198,052	172,378	134,419	86,129	55,702
General and administrative[1]	25,641	20,142	42,165	38,391	30,786	19,717	12,061
Other	167	285	783	1,084	431	449	1,355
Total operating expenses	279,898	222,092	459,353	399,090	307,569	196,784	131,479
Operating income	109,345	82,049	177,789	128,355	87,678	75,292	60,142
Other Income (Expenses):							
Equity in earnings of unconsolidated joint venture	2,933	1,857	2,172	2,369	449	177	
Interest and other income	65	646	753	2,106	2,287	1,270	1,274
Interest expense	(64,064)	(41,432)	(88,442)	(63,621)	(67,054)	(50,598)	(35,381)
Tax expense	(1,250)	(728)	(1,038)	(1,109)	(814)	(724)	(554)
Loss from early extinguishment of debt	(1,541)			(182)		(527)	(1,021)
Income from continuing operations	45,488	42,392	91,234	67,918	22,546	24,890	24,460
Net income (loss) from discontinued operations					1,395	314	(103)
Gain on sale of discontinued operations					18,049	18,096	

(1) General and administrative expense includes transactions expense.

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(Dollars in thousands, except unit and per unit data)	Six Months Ended June 30, 2010 (unaudited)	2009 (unaudited)	Year Ended December 31, 2009	2008	2007	2006 (unaudited)	2005 (unaudited)
Net income	45,488	42,392	91,234	67,918	41,990	43,300	24,357
Net (income) loss attributable to noncontrolling interests in consolidated joint ventures	82	(74)	(140)	(335)		15	12
Net income attributable to Digital Realty Trust, L.P.	45,570	42,318	91,094	67,583	41,990	43,315	24,369
Preferred units distributions	(20,202)	(20,202)	(40,404)	(38,564)	(19,330)	(13,780)	(10,014)
Net income available to common unitholders	$ 25,368	$ 22,116	$ 50,690	$ 29,019	$ 22,660	$ 29,535	$ 14,355
Per Unit Data:							
Basic income per unit available to common unitholders	$ 0.30	$ 0.27	$ 0.62	$ 0.39	$ 0.33	$ 0.47	$ 0.26
Diluted income per unit available to common unitholders	$ 0.29	$ 0.27	$ 0.61	$ 0.38	$ 0.32	$ 0.46	$ 0.26
Cash distribution per common unit	$ 0.96	$ 0.66	$ 1.47	$ 1.26	$ 1.17	$ 1.08	$ 1.00
Weighted average common units outstanding:							
Basic	84,699,431	81,278,297	81,715,226	75,160,263	68,754,024	62,562,820	55,525,443
Diluted	86,687,649	81,668,295	82,785,746	76,766,756	70,799,336	63,870,029	55,760,887

(in thousands)	June 30, 2010 (unaudited)	December 31, 2009	2008	2007 (unaudited)	2006 (unaudited)	2005 (unaudited)
Balance Sheet Data:						
Net investments in real estate	$ 3,548,642	$ 3,157,193	$ 2,748,220	$ 2,302,500	$ 1,736,979	$ 1,194,106
Total assets	4,501,032	3,745,059	3,281,045	2,809,791	2,185,783	1,529,170
Revolving credit facility	11,628	205,547	138,579	299,731	145,452	181,000
Unsecured senior notes	200,000	83,000	58,000			
Mortgages and other secured loans	1,023,255	1,063,663	1,026,594	895,507	804,686	568,067
5.875% Notes due 2020, net	491,746					
4.125% exchangeable senior debentures due 2026, net	131,681	165,834	161,901	158,224	154,786	
5.50% exchangeable senior debentures due 2029	266,400	266,400				
Total liabilities	2,469,143	2,110,258	1,705,969	1,673,361	1,320,317	880,228
General partner s capital	2,020,857	1,586,942	1,553,424	1,053,788	719,386	384,853
Limited partners capital	59,512	60,875	71,041	74,356	141,890	262,239
Accumulated other comprehensive income (loss)	(70,845)	(30,630)	(53,747)	3,358	4,190	1,644
Noncontrolling interests in consolidated joint venture	22,365	17,614	4,358	4,928		206
Total liabilities and capital	$ 4,501,032	$ 3,745,059	$ 3,281,045	$ 2,809,791	$ 2,185,783	$ 1,529,170

	Six Months Ended June 30, 2010	Year Ended December 31, 2009	2008	2007	2006	2005
Other Data:						
Ratio of earnings to fixed charges (unaudited)(1)	1.59	1.82	1.58	1.13	1.38	1.68

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

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Digital Realty Trust, Inc.

The consolidated balance sheet data as of December 31, 2009 and 2008 and the consolidated statement of operations data for each of the years in the three-year period ended December 31, 2009 have been derived from the historical consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, which are included in this prospectus and which have been audited by KPMG LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2007, 2006 and 2005 and the consolidated statement of operations data for each of the years ended December 31, 2006 and 2005 have been derived from the historical consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, audited by KPMG LLP, whose report with respect thereto is not included or incorporated by reference in this prospectus. The consolidated balance sheet data as of June 30, 2010 and the consolidated statement of operations data for each of the six months ended June 30, 2010 and 2009 have been derived from the unaudited condensed consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, which are included elsewhere in this prospectus. The results for the six months ended June 30, 2010 are not necessarily indicative of the results to be expected for the full year. Certain prior year amounts have been reclassified to conform to the current year presentation.

	Six Months Ended June 30,		Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
(Dollars in thousands, except share and per share data)	(unaudited)						
Statement of Operations Data:							
Operating Revenues:							
Rental	$ 310,588	$ 243,585	$ 510,772	$ 404,559	$ 319,603	$ 221,371	$ 150,072
Tenant reimbursements	78,655	60,455	125,308	107,503	75,003	50,340	35,720
Other		101	1,062	15,383	641	365	5,829
Total operating revenues	389,243	304,141	637,142	527,445	395,247	272,076	191,621
Operating Expenses:							
Rental property operating and maintenance	107,648	84,874	176,238	151,147	109,225	59,917	39,519
Property taxes	25,469	18,360	36,004	31,102	27,181	26,890	20,189
Insurance	3,581	2,944	6,111	4,988	5,527	3,682	2,653
Depreciation and amortization	117,392	95,487	198,052	172,378	134,419	86,129	55,702
General and administrative[(1)]	25,641	20,142	42,165	38,391	30,786	19,717	12,061
Other	167	285	783	1,084	431	449	1,355
Total operating expenses	279,898	222,092	459,353	399,090	307,569	196,784	131,479
Operating income	109,345	82,049	177,789	128,355	87,678	75,292	60,142
Other Income (Expenses):							
Equity in earnings of unconsolidated joint venture	2,933	1,857	2,172	2,369	449	177	
Interest and other income	65	646	753	2,106	2,287	1,270	1,274
Interest expense	(64,064)	(41,432)	(88,442)	(63,621)	(67,054)	(50,598)	(35,381)
Tax expense	(1,250)	(728)	(1,038)	(1,109)	(814)	(724)	(554)
Loss from early extinguishment of debt	(1,541)			(182)		(527)	(1,021)
Income from continuing operations	45,488	42,392	91,234	67,918	22,546	24,890	24,460
Net income (loss) from discontinued operations					1,395	314	(103)
Gain on sale of discontinued operations					18,049	18,096	
Net income	45,488	42,392	91,234	67,918	41,990	43,300	24,357
Net income attributable to noncontrolling interests	(1,451)	(1,624)	(3,572)	(2,664)	(3,753)	(12,570)	(8,256)
Net income attributable to Digital Realty Trust, Inc.	44,037	40,768	87,662	65,254	38,237	30,730	16,101
Preferred stock dividends	(20,202)	(20,202)	(40,404)	(38,564)	(19,330)	(13,780)	(10,014)
Net income available to common stockholders	$ 23,835	$ 20,566	$ 47,258	$ 26,690	$ 18,907	$ 16,950	$ 6,087

(1) General and administrative expense includes transactions expense.

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(Dollars in thousands, except share and per share data)	Six Months Ended June 30, 2010	2009	Year Ended December 31, 2009	2008	2007	2006	2005
	(unaudited)						
Per Share Data:							
Basic income per share available to common stockholders	$ 0.30	$ 0.27	$ 0.62	$ 0.39	$ 0.31	$ 0.47	$ 0.25
Diluted income per share available to common stockholders	$ 0.29	$ 0.27	$ 0.61	$ 0.38	$ 0.30	$ 0.45	$ 0.25
Cash dividend per common share	$ 0.96	$ 0.66	$ 1.47	$ 1.26	$ 1.17	$ 1.08	$ 1.00
Weighted average common shares outstanding:							
Basic	79,164,167	75,416,483	75,950,370	68,829,267	60,527,625	36,134,983	23,986,288
Diluted	81,450,636	75,806,481	77,020,890	70,435,760	62,572,937	37,442,192	24,221,732

(in thousands)	June 30, 2010 (unaudited)	December 31, 2009	2008	2007	2006	2005
Balance Sheet Data:						
Net investments in real estate	$ 3,548,642	$ 3,157,193	$ 2,748,220	$ 2,302,500	$ 1,736,979	$ 1,194,106
Total assets	4,501,032	3,745,059	3,281,045	2,809,791	2,185,783	1,529,170
Revolving credit facility	11,628	205,547	138,579	299,731	145,452	181,000
Unsecured senior notes	200,000	83,000	58,000			
Mortgages and other secured loans	1,023,255	1,063,663	1,026,594	895,507	804,686	568,067
5.875% Notes due 2020, net	491,746					
4.125% exchangeable senior debentures due 2026, net	131,681	165,834	161,901	158,224	154,786	
5.50% exchangeable senior debentures due 2029	266,400	266,400				
Total liabilities	2,469,143	2,110,258	1,705,969	1,673,361	1,320,317	880,228
Total stockholders equity	1,955,110	1,558,995	1,503,921	1,057,167	723,576	386,497
Noncontrolling interests in operating partnership	54,414	58,192	66,797	74,335	141,890	262,239
Noncontrolling interests in consolidated joint ventures	22,365	17,614	4,358	4,928		206
Total liabilities and equity	$ 4,501,032	$ 3,745,059	$ 3,281,045	$ 2,809,791	$ 2,185,783	$ 1,529,170

	Six Months Ended June 30, 2010	Year Ended December 31, 2009	2008	2007	2006	2005
Other Data:						
Ratio of earnings to fixed charges (unaudited)(1)	1.59	1.82	1.58	1.13	1.38	1.68

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

RISK FACTORS

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

Risks Related to Our Business and Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As of June 30, 2010, the 20 largest tenants in our property portfolio represented approximately 55% of the total annualized rent generated by our properties. Our largest tenants by annualized rent are Savvis Communications and Equinix Operating Company, Inc. Savvis Communications leased approximately 2.0 million square feet of net rentable space as of June 30, 2010, representing approximately 9.7% of the total annualized rent generated by our properties. Equinix Operating Company, Inc. leased approximately 700,000 square feet of net rentable space as of June 30, 2010, representing approximately 5.0% of the total annualized rent generated by our properties. In addition, 38 of our 87 properties are occupied by single tenants, including properties occupied solely by Savvis Communications and Equinix Operating Company, Inc. Many factors, including consequences of recent global economic conditions, may cause our tenants to experience a downturn in their businesses or otherwise experience a lack of liquidity, which may weaken their financial condition and result in their failure to make timely rental payments or their default under their leases. If any tenant defaults or fails to make timely rent payments, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment.

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

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

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

If any tenant becomes a debtor in a case under the federal Bankruptcy Code, we cannot evict the tenant solely because of the bankruptcy. In addition, the bankruptcy court might authorize the tenant to reject and terminate its lease with us. Our claim against the tenant for unpaid, future rent would be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease. In either case, our claim for unpaid rent would likely not be paid in full. As of June 30, 2010, we had no material tenants in bankruptcy.

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

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

Our properties are located in 27 metropolitan areas. We depend upon the local economic conditions in these markets, including local real estate conditions. Many of these markets experienced downturns in recent years and are currently experiencing downturns as a result of the global economic crisis or other factors. Our operations may also be affected if too many competing properties are built in any of these markets or supply otherwise increases or exceeds demand. Our operations and our revenue and cash available for distribution could be materially adversely affected by local economic conditions in these markets. We cannot assure you that these markets will grow or will remain favorable to technology-related real estate.

As of June 30, 2010, our portfolio was geographically concentrated in the following metropolitan markets.

Metropolitan Market	Percentage of 06/30/10 total annualized rent[(1)]
Silicon Valley	16.3%
New York Metro	12.2%
Chicago	11.2%
Northern Virginia	9.6%
Dallas	8.9%
Boston	7.3%
Phoenix	5.7%
San Francisco	4.6%
London, England	4.3%
Los Angeles	4.1%
Dublin, Ireland	3.1%
Paris, France	2.5%
Other	10.2%
	100.0%

(1) Annualized rent is monthly contractual rent under existing leases as of June 30, 2010, multiplied by 12.

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

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

We had approximately 1.9 million square feet held for redevelopment at June 30, 2010, including four vacant properties. We are and intend to continue building out a large portion of this space on a speculative basis at significant cost. Our successful development and redevelopment of these projects is subject to many risks, including those associated with:

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

increased prices for raw materials or building supplies;

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

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

increases in interest rates or credit spreads;

labor availability and costs;

- labor disputes and work stoppages with contractors, subcontractors or others that are constructing the project;
- failure of contractors to perform on a timely basis or at all, or other misconduct on the part of contractors;
- timing of the commencement of rental payments;
- access to sufficient power and related costs of providing such power to our tenants;
- environmental issues;
- fire, flooding, earthquakes and other national disasters;
- geological, construction, excavation and equipment problems; and
- delays or denials of entitlements or permits, including zoning and related permits or other delays resulting from our dependence on the cooperation of public agencies and utility companies.

While we intend to develop data center properties primarily in markets we are familiar with, we may in the future develop properties in new geographic regions where we expect the development of property to result in favorable risk-adjusted returns on our investment. We may not possess the same level of familiarity with development of other property types or other markets, which could adversely affect our ability to develop such properties successfully or at all or to achieve expected performance.

Development and redevelopment activities, regardless of whether they are ultimately successful, typically require a substantial portion of our company s management s time and attention. This may distract our company s management from focusing on other operational activities of our business. If we are unable to complete development or redevelopment projects successfully, our business may be adversely affected.

We may be unable to lease vacant or redevelopment space or renew leases, re-lease space as leases expire.

At June 30, 2010, we owned approximately 1.9 million square feet held for redevelopment. Of this space, we are currently redeveloping 128,000 square feet. We intend to continue to add new space to our redevelopment inventory and to continue to redevelop additional space from this inventory. A substantial portion of the space that we redevelop is, and will continue to be, redeveloped on a speculative basis, meaning that we do not have a signed lease for the space when we begin the redevelopment process. We also develop or redevelop space specifically for tenants pursuant to leases signed prior to beginning the development or redevelopment process. In those cases, if we failed to meet our development or redevelopment obligations under those leases, these tenants may be able to terminate the leases and we would be required to find a new tenant for this space. In addition, in certain circumstances we lease data center facilities prior to their completion. If we fail to complete the facilities in a timely manner, the tenant may be entitled to terminate its lease, seek damages or penalties against us or pursue other remedies and we may be required to find a new tenant for the space. We cannot assure you that once we have redeveloped a space we will be able to successfully lease it at all, or at rates we consider favorable or expected at the time we commenced redevelopment. If we are not able to successfully lease the space that we redevelop, if redevelopment costs are higher than we currently estimate, or if lease rates are lower than expected when we began the project or are otherwise undesirable, our revenue and operating results could be adversely affected.

In addition, as of June 30, 2010, leases representing 10.4% of the square footage of the properties in our portfolio, excluding space held for redevelopment, were scheduled to expire through 2011, and an additional 5.0% of the net rentable square footage excluding space held for redevelopment was available to be leased. Some of this space may require substantial capital investment to meet the power and cooling requirements of today s advanced data centers, or may no longer be suitable for this use. In addition, we cannot assure you that leases will be renewed or that our properties will be re-leased at all, or at net effective rental rates equal to or above the current average net effective rental rates. If the rental rates for our properties decrease, our existing tenants do not renew their leases, we do not re-lease our available space, including newly redeveloped space and space for

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which leases are scheduled to expire or it takes longer for us to lease or re-lease this space or for rents to commence on this space, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected.

We may be unable to identify and complete acquisitions on favorable terms or at all.

We continually evaluate the market of available properties and may acquire additional technology-related real estate when opportunities exist. Our ability to acquire properties on favorable terms may be exposed to the following significant risks:

- we may be unable to acquire a desired property because of competition from other real estate investors with significant capital, including both publicly traded REITs and institutional investment funds;
- even if we are able to acquire a desired property, competition from other potential acquirors may significantly increase the purchase price or result in other less favorable terms;
- even if we enter into agreements for the acquisition of technology-related real estate, these agreements are subject to customary conditions to closing, including completion of due diligence investigations to our satisfaction;
- we may be unable to finance acquisitions on favorable terms or at all; and
- we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If we cannot finance property acquisitions on favorable terms, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected.

We may be unable to successfully integrate and operate acquired properties.

Even if we are able to make acquisitions on advantageous terms, our ability to successfully operate them may be exposed to the following significant risks:

- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties;
- we may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into our existing operations, and our results of operations and financial condition could be adversely affected;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

If we cannot operate acquired properties to meet our financial expectations, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected.

We may be unable to source off-market deal flow in the future.

A component of our growth strategy is to continue to acquire additional technology-related real estate. To date, more than half of our acquisitions were acquired before they were widely marketed by real estate brokers, or off-market. Properties that are acquired off-market are typically more attractive to us as a purchaser because of the absence of competitive bidding, which could potentially lead to higher prices. We obtain access to off-market deal flow from numerous sources. If we cannot obtain off-market deal flow in the future, our ability to locate and acquire additional properties at attractive prices could be adversely affected.

We have substantial debt and face risks associated with the use of debt to fund our business activities, including refinancing and interest rate risks.

Our total consolidated indebtedness at June 30, 2010 was approximately $2.1 billion, and we may incur significant additional debt to finance future acquisition and development activities. We have a revolving credit facility, which has a borrowing limit based upon a percentage of the value of our unsecured properties included in the facility s borrowing base. At June 30, 2010, approximately $721.0 million was available under this facility, net of letters of credit. In addition, under our contribution agreement with respect to the 200 Paul Avenue 1-4 and 1100 Space Park Drive properties, we have agreed to make available for guarantee up to $17.8 million of indebtedness and may enter into similar agreements in the future.

Our substantial indebtedness has important consequences in that it currently requires us to dedicate a significant portion of our cash flow from operations to debt service payments, which reduces the availability of our cash flow to fund working capital, capital expenditures, expansion efforts, distributions and other general corporate purposes. Additionally, it could: make it more difficult for us to satisfy our obligations with respect to our indebtedness; limit our ability in the future to undertake refinancings of our debt or obtain financing for expenditures, acquisitions, development or other general corporate purposes on terms and conditions acceptable to us, if at all; or affect adversely our ability to compete effectively or operate successfully under adverse economic conditions.

In addition, we may default on our obligations and the lenders or mortgagees may foreclose on our properties or our interests in the entities that own the properties that secure their loans and receive an assignment of rents and leases. A foreclosure on one or more of our properties could adversely affect our financial condition, results of operations, cash flow and cash available for distribution. Further, our default under any one of our mortgage loans with cross default provisions could result in a default on other indebtedness. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, a circumstance which could hinder Digital Realty Trust, Inc. s ability to meet the REIT distribution requirements imposed by the Code.

Additional risks related to our indebtedness are described below.

We may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness. It is likely that we will need to refinance at least a portion of our outstanding debt as it matures. If we are unable to refinance or extend principal payments due at maturity or pay them with proceeds of other capital transactions, then our cash flow may not be sufficient in all years to repay all such maturing debt and to pay distributions. Further, if prevailing interest rates or other factors at the time of refinancing (such as the reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase.

Fluctuations in interest rates could materially affect our financial results and may increase the risk our counterparty defaults on our interest rate hedges. Because a significant portion of our debt bears interest at variable rates, increases in interest rates could materially increase our interest expense. If the United States Federal Reserve increases short-term interest rates, this would have a significant upward impact on shorter-term interest rates, including the interest rates that our variable rate debt is based upon. Potential future increases in interest rates and credit spreads may increase our interest expense and therefore negatively affect our financial condition and results of operations, and reduce our access to capital markets. We have entered into interest rate swap or cap agreements for a significant portion of our floating rate debt. Increased interest rates may increase the risk that the counterparties to our swap agreements will default on their obligations, which could further increase our exposure to interest rate fluctuations. Conversely, if interest rates are lower than our swapped fixed rates, we will be required to pay more for our debt than we would had we not entered into the swap agreements.

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Adverse changes in our company s credit ratings could negatively affect our financing activity. The credit ratings of our senior unsecured long-term debt and Digital Realty Trust, Inc. s preferred stock are based on our company s operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analyses of our company. Our company s credit ratings can affect the amount of capital we can access, as well as the terms and pricing of any debt we may incur. We cannot assure you that our company will be able to maintain our current credit ratings, and in the event our current credit ratings are downgraded, we would likely incur higher borrowing costs and may encounter difficulty in obtaining additional financing. Also, a downgrade in our company s credit ratings may trigger additional payments or other negative consequences under our current and future credit facilities and debt instruments. For example, if the credit ratings of our senior unsecured long-term debt are downgraded to below investment grade levels, we may not be able to obtain or maintain extensions on certain of our existing debt. Adverse changes in our credit ratings could negatively impact our refinancing and other capital market activities, our ability to manage our debt maturities, our future growth, our financial condition, the market price of Digital Realty Trust, Inc. s stock, and our development and acquisition activity.

Our revolving credit facility, Prudential shelf facility, 5.875% notes due 2020 and 4.50% notes due 2015 restrict our ability to engage in some business activities. Our revolving credit facility and Prudential shelf facility contain negative covenants and other financial and operating covenants that, among other things:

- restrict our ability to incur additional indebtedness;
- restrict our ability to make certain investments;
- restrict our ability to merge with another company;
- restrict our ability to create, incur or assume liens;
- restrict Digital Realty Trust, Inc. s ability to make distributions to its stockholders;
- require us to maintain financial coverage ratios; and
- require us to maintain a pool of unencumbered assets approved by the lenders.

In addition, our 5.875% notes due 2020, or the 2020 notes, and our 4.50% notes due 2015, or the 2015 notes, are governed by indentures, which contain various restrictive covenants, including limitations on our ability to incur indebtedness and requirements to maintain a pool of unencumbered assets. These restrictions, and the restrictions in our revolving credit facility and Prudential shelf facility, could cause us to default on our 2020 notes, 2015 notes, revolving credit facility or Prudential shelf facility, as applicable, or negatively affect our operations or our ability to pay dividends to Digital Realty Trust, Inc. s stockholders or distributions to Digital Realty Trust, L.P. s unitholders.

The exchange and repurchase rights of our exchangeable debentures may be detrimental to Digital Realty Trust, Inc. s stockholders or Digital Realty Trust, L.P. s unitholders. As of August 20, 2010, Digital Realty Trust, L.P. had outstanding $127.8 million aggregate principal amount of 4.125% Exchangeable Senior Debentures due 2026, which we refer to as the 2026 debentures. The 2026 debentures may under certain circumstances be exchanged for cash (up to the principal amount of the exchangeable debentures) and, with respect to any excess exchange value, into cash, shares of Digital Realty Trust, Inc. s common stock or a combination of cash and shares of Digital Realty Trust, Inc. s common stock. The exchange rate of the 2026 debentures is subject to adjustment for certain events, including, but not limited to, certain dividends on Digital Realty Trust, Inc. s common stock in excess of $0.265 per share per quarter, the issuance of certain rights, options or warrants to holders of Digital Realty Trust, Inc. s common stock, subdivisions or combinations of Digital Realty Trust, Inc. s common stock, certain distributions of assets, debt securities, capital stock or cash to holders of Digital Realty Trust, Inc. s common stock and certain tender or exchange offers. The 2026 debentures are redeemable at our option for cash at any time on or after August 18, 2011 and are subject to repurchase for cash at the option of the holder on August 15 in the years 2011, 2016 and 2021, or upon the occurrence of certain events.

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In addition, as of August 20, 2010, Digital Realty Trust, L.P. had outstanding $266.4 million aggregate principal amount of 5.50% Exchangeable Senior Debentures due 2029, which we refer to as the 2029 debentures. The 2029 debentures are exchangeable for Digital Realty Trust, Inc. s common stock. The exchange rate of the 2029 debentures is subject to adjustment for certain events, including, but not limited to, certain dividends on Digital Realty Trust, Inc. s common stock in excess of $0.33 per share per quarter, the issuance of certain rights, options or warrants to holders of Digital Realty Trust, Inc. s common stock, subdivisions or combinations of Digital Realty Trust, Inc. s common stock, certain distributions of assets, debt securities, capital stock or cash to holders of Digital Realty Trust, Inc. s common stock and certain tender or exchange offers. The 2029 debentures are redeemable at our option for cash at any time on or after April 18, 2014 and are subject to repurchase for cash at the option of the holder on April 15 in the years 2014, 2019 and 2024, or upon the occurrence of certain events.

If the 2026 debentures or 2029 debentures are not exchanged, the repurchase rights of holders of the exchangeable debentures may discourage or impede transactions that might otherwise be in the interest of Digital Realty Trust, Inc. s stockholders or Digital Realty Trust, L.P. s unitholders. Further, these exchange or repurchase rights might be triggered in situations where we need to conserve our cash reserves, in which event such repurchase might adversely affect us and Digital Realty Trust, Inc. s stockholders or Digital Realty Trust, L.P. s unitholders.

Failure to hedge effectively against interest rate changes may adversely affect results of operations. We seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest cap and interest rate swap agreements. These agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes and that a court could rule that such an agreement is not legally enforceable. Our policy is to use derivatives only to hedge interest rate risks related to our borrowings, not for speculative or trading purposes, and to enter into contracts only with major financial institutions based on their credit ratings and other factors. However, we may choose to change this policy in the future. Including loans currently subject to interest rate caps and swaps, approximately 99.5% of our total indebtedness as of June 30, 2010 was subject to fixed interest rates. We do not currently hedge our revolving credit facility and as our borrowings under our revolving credit facility increase, so will our percentage of indebtedness not subject to fixed rates and our exposure to interest rates increase. Hedging may reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations.

Volatility in and regulation of the commercial mortgage-backed securities market has limited and may continue to impact the pricing of secured debt. As a result of the recent crisis in the residential mortgage-backed securities markets, the recent global recession, and concerns over the ability to refinance or repay existing commercial mortgage-backed securities as they come due, liquidity previously provided by the commercial mortgage-backed securities and collateralized debt obligations markets has significantly decreased. In addition, the recently adopted Dodd-Frank Wall Street Reform and Consumer Protection Act imposes significant new regulations related to the mortgage-backed securities industry and market participants, which has contributed to uncertainty in the market. The volatility in the commercial mortgage-backed securities market could result in the following adverse effects on our incurrence of secured debt, which could have a materially negative impact on financial condition, results of operations, cash flow and cash available for distribution:

- higher loan spreads;
- tighter loan covenants;
- reduced loan to value ratios and resulting borrower proceeds; and
- higher amortization and reserve requirements.

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We have owned certain of our properties for a limited time.

We owned 87 properties at June 30, 2010, excluding one property held as an investment in an unconsolidated joint venture. These properties are primarily located throughout North America and 14 properties are located in Europe. The properties contain a total of approximately 15.2 million net rentable square feet, including 1.9 million square feet held for redevelopment. All the properties have been under our management for less than six years, and we have owned twelve of the properties for less than one year at June 30, 2010. The properties may have characteristics or deficiencies unknown to us that could affect their valuation or revenue potential. We cannot assure you that the operating performance of the properties will not decline under our management. In addition, we have a limited history operating Turn-Key Datacenters® that we have developed or redeveloped. Because we generally cannot pass operating expenses (other than energy costs) on to our tenants in Turn-Key Datacenters®, if we incur operating expenses greater than we anticipated based on our limited operating history, our results of operations could be negatively impacted.

We may have difficulty managing our growth.

We have significantly and rapidly expanded the size of our company. For example, during 2009, we acquired six properties and we increased the number and size of our redevelopment activities. Our growth may significantly strain our company s management, operational and financial resources and systems. In addition, as a reporting company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. The requirements of these rules and regulations will increase our accounting, legal and financial compliance costs and may strain our company s management and financial, legal and operational resources and systems. An inability to manage our growth effectively or the increased strain on our company s management of our resources and systems could result in deficiencies in our disclosure controls and procedures or our internal control over financial reporting and could negatively impact our cash available for distribution.

Tax protection provisions on certain properties could limit our operating flexibility.

We have agreed with the third-party contributors who contributed the direct and indirect interests in the 200 Paul Avenue 1-4 and 1100 Space Park Drive properties to indemnify them against adverse tax consequences if we were to sell, convey, transfer or otherwise dispose of all or any portion of these interests, in a taxable transaction, in these properties. However, we can sell these properties in a taxable transaction if we pay the contributors cash in the amount of their tax liabilities arising from the transaction and tax payments. The 200 Paul Avenue 1-4 and 1100 Space Park Drive properties represented 6.0% of our portfolio s annualized rent as of June 30, 2010. These tax protection provisions apply for a period expiring on the earlier of November 3, 2013 and the date on which these contributors (or certain transferees) hold less than 25% of the units issued to them in connection with the contribution of these properties to us. Although it may be in Digital Realty Trust, Inc. s stockholders and Digital Realty Trust, L.P. s unitholders best interest that we sell a property, it may be economically disadvantageous for us to do so because of these obligations. We have also agreed to make up to $17.8 million of debt available for these contributors to guarantee. We agreed to these provisions in order to assist these contributors in preserving their tax position after their contributions.

Potential losses may not be covered by insurance.

We carry comprehensive liability, fire, extended coverage, earthquake, business interruption and rental loss insurance covering all of the properties in our portfolio under various insurance policies. We select policy specifications and insured limits which we believe to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. We do not carry insurance for generally uninsured losses such as loss from riots, terrorist threats, war or nuclear reaction. Most of our policies, like those covering losses due to floods, are insured subject to limitations involving large deductibles or co-payments and policy limits which may not be sufficient to cover losses. A large portion of the properties we own are located in California, an area especially subject to earthquakes. Together, these properties represented approximately 25% of our portfolio s annualized rent as of June 30, 2010. While we carry earthquake insurance on our properties, the amount of our earthquake insurance coverage may not be sufficient to fully cover losses from earthquakes. In addition, we may discontinue earthquake or other insurance on some or all of our properties in the future if the cost of premiums for any of these policies exceeds, in our judgment, the value of the coverage relative to the risk of loss.

In addition, many of our buildings contain extensive and highly valuable technology-related improvements. Under the terms of our leases, tenants generally retain title to such improvements and are obligated to maintain adequate insurance coverage applicable to such improvements and under most circumstances use their insurance proceeds to restore such improvements after a casualty. In the event of a casualty or other loss involving one of our buildings with extensive installed tenant improvements, our tenants may have the right to terminate their leases if we do not rebuild the base building within prescribed times. In such cases, the proceeds from tenants insurance will not be available to us to restore the improvements, and our insurance coverage may be insufficient to replicate the technology-related improvements made by such tenants. Furthermore, the terms of our mortgage indebtedness at certain of our properties may require us to pay insurance proceeds over to our lenders under certain circumstances, rather than use the proceeds to repair the property.

If we or one or more of our tenants experiences a loss which is uninsured or which exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged.

We face significant competition, which may decrease or prevent increases of the occupancy and rental rates of our properties.

We compete with numerous developers, owners and operators of real estate and datacenters, many of which own properties similar to ours in the same markets in which our properties are located, including DuPont Fabros Technology, Inc., CRG West and various local developers in the U.S., and Global Switch and various regional operators in Europe. In addition, we may in the future face competition from new entrants into the datacenter market, including new entrants who may acquire our current competitors. Some of our competitors and potential competitors have significant advantages over us, including greater name recognition, longer operating histories, pre-existing relationships with current or potential customers, significantly greater financial, marketing and other resources and more ready access to capital which allow them to respond more quickly to new or changing opportunities. If our competitors offer space that our tenants or potential tenants perceive to be superior to ours based on numerous factors, including available power, security considerations, location, or connectivity, or if they offer rental rates below current market rates, or below the rental rates we are offering, we may lose tenants or potential tenants or be required to incur costs to improve our properties or reduce our rental rates. In addition, recently many of our competitors have developed or redeveloped additional datacenter space. If the supply of datacenter space continues to increase as a result of these activities or otherwise, rental rates may be reduced or we may face delays in or be unable to lease our vacant space, including space that we develop or redevelop. Finally, if tenants or potential tenants desire services that we do not offer, we may not be able to lease our space to those tenants. Our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected as a result of any or all of these factors.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers financial condition and disputes between us and our co-venturers.

We currently, and may in the future, co-invest with third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. In that event, we would not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures, or other entities may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic, tax or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Our joint venture partners may take actions that are not within our control, which would require us to dispose of the joint venture asset or transfer it to a taxable REIT subsidiary in order for Digital Realty Trust, Inc. to maintain its status as a REIT. Such investments may also lead to impasses, for example, as to whether to sell a property, because neither we nor the partner or co-venturer would have full control over the partnership or joint venture. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our day-to-day business. Consequently, actions by or disputes with partners or co-venturers may subject properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers. Finally, we may share information with our third-party partners or co-venturers. Each of these factors may result in returns on these investments being less than we expect or in losses and our financial and operating results may be adversely affected.

Our success depends on key personnel whose continued service is not guaranteed.

We depend on the efforts of key personnel of our company, particularly Michael Foust, Digital Realty Trust, Inc. s Chief Executive Officer, A. William Stein, Digital Realty Trust, Inc. s Chief Financial Officer and Chief Investment Officer, Scott Peterson, Digital Realty Trust, Inc. s Senior Vice President, Acquisitions and Christopher Crosby, Digital Realty Trust, Inc. s Senior Vice President, Corporate Development. They are important to our success for many reasons, including that each has a national or regional reputation in our industry and the investment community that attracts investors and business and investment opportunities and assists us in negotiations with investors, lenders, existing and potential tenants and industry personnel. If we lost their services, our business and investment opportunities and our relationships with lenders and other capital markets participants, existing and prospective tenants and industry personnel could suffer. Many of our company s other senior employees also have strong technology, finance and real estate industry reputations. As a result, we have greater access to potential acquisitions, financing, leasing and other opportunities, and are better able to negotiate with tenants. As our number of competitors increases, it becomes more likely that a competitor would attempt to hire certain of these individuals away from our company. The loss of any of these key personnel would result in the loss of these and other benefits and could materially and adversely affect our results of operations.

Our properties may not be suitable for lease to datacenter or traditional technology office tenants without significant expenditures or renovations.

Because many of our properties contain tenant improvements installed at our tenants expense, they may be better suited for a specific corporate enterprise datacenter user or technology industry tenant and could require modification in order for us to re-lease vacant space to another corporate enterprise datacenter user or technology industry tenant. The tenant improvements may also become outdated or obsolete as the result of technological change, the passage of time or other factors. In addition, our redevelopment space will generally require substantial improvement to be suitable for datacenter use. For the same reason, our properties also may not be suitable for lease to traditional office tenants without significant expenditures or renovations. As a result, we may be required to invest significant amounts or offer significant discounts to tenants in order to lease or re-lease that space, either of which could adversely affect our financial and operating results.

Ownership of properties located outside of the United States subjects us to foreign currency and related risks which may adversely impact our ability to make distributions.

We owned 15 properties located outside of the United States at June 30, 2010. In addition, we are currently considering, and will in the future consider, additional international acquisitions.

The ownership of properties located outside of the United States subjects us to risk from fluctuations in exchange rates between foreign currencies and the U.S. dollar. We expect that our principal foreign currency exposure will be to the British Pound and the Euro. Changes in the relation of these currencies to the U.S. dollar will affect our revenues and operating margins, may materially adversely impact our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt obligations.

We may attempt to mitigate some or all of the risk of currency fluctuation by financing our properties in the local currency denominations, although we cannot assure you that we will be able to do so or that this will be effective. We may also engage in direct hedging activities to mitigate the risks of exchange rate fluctuations.

Our international activities are subject to special risks different than those faced by us in the United States and we may not be able to effectively manage our international business.

We have acquired and developed, and may continue to acquire and develop, properties outside the United States. Our foreign operations involve risks not generally associated with investments in the United States, including:

- our limited knowledge of and relationships with sellers, tenants, contractors, suppliers or other parties in these markets;
- complexity and costs associated with managing international development, redevelopment and operations;
- difficulty in hiring qualified management, sales and construction personnel and service providers in a timely fashion;
- multiple, conflicting and changing legal, regulatory, entitlement and permitting, tax and treaty environments;
- exposure to increased taxation, confiscation or expropriation;
- currency transfer restrictions and limitations on our ability to distribute cash earned in foreign jurisdictions to the United States;
- difficulty in enforcing agreements in non-U.S. jurisdictions, including those entered into in connection with our acquisitions or in the event of a default by one or more of our tenants, suppliers or contractors; and
- political and economic instability, including sovereign credit risk, in certain geographic regions.

Our inability to overcome these risks could adversely affect our foreign operations and could harm our business and results of operations.

We face risks with our international acquisitions associated with investing in unfamiliar markets.

We have acquired and may continue to acquire properties on a strategic and selective basis in international markets that are new to us. When we acquire properties located in these markets, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures, In addition, due diligence, transaction and structuring costs may be higher than those we may face in the United States. We work to mitigate such risks through extensive diligence and research and associations with experienced partners; however, we cannot assure you that all such risks will be eliminated.

Future consolidation in the technology industry could materially adversely affect our revenues by eliminating some of our potential tenants and could make us more dependent on a more limited number of tenants.

Mergers or consolidations of technology companies in the future could reduce the number of our tenants and potential tenants. If our tenants merge with or are acquired by other entities that are not our tenants, they may discontinue or reduce the use of our data centers in the future. Any of these developments could have a material adverse effect on our revenues and results of operations.

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We depend on third parties to provide Internet connectivity to the tenants in our data centers and any delays or disruptions in connectivity may materially adversely affect our operating results and cash flow.

We are not a telecommunications carrier. Although our tenants are responsible for providing their own network connectivity, we still depend upon the presence of telecommunications carriers fiber networks serving the locations of our data centers in order to attract and retain tenants. We believe that the availability of carrier capacity will directly affect our ability to achieve our projected results. Any carrier may elect not to offer its services within our data centers. Any carrier that has decided to provide Internet connectivity to our data centers may not continue to do so for any period of time. Further, some carriers are experiencing business difficulties or have announced consolidations. As a result, some carriers may be forced to downsize or terminate connectivity within our data centers, which could have an adverse effect on the business of our tenants and, in turn, our own operating results.

Our new data centers require construction and operation of a sophisticated redundant fiber network. The construction required to connect multiple carrier facilities to our data centers is complex and involves factors outside of our control, including regulatory requirements and the availability of construction resources. If the establishment of highly diverse Internet connectivity to our data centers does not occur, is materially delayed or is discontinued, or is subject to failure, our operating results and cash flow may be materially adversely affected. Any hardware or fiber failures on this network may result in significant loss of connectivity to our data centers. This could negatively affect our ability to attract new tenants or retain existing tenants.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

Because real estate investments are relatively illiquid and because there may be even fewer buyers for our specialized real estate, our ability to promptly sell properties in our portfolio in response to adverse changes in their performance may be limited, which may harm our financial condition. Further, Digital Realty Trust, Inc. is subject to provisions in the Code that limit a REIT s ability to dispose of properties, which limitations are not applicable to other types of real estate companies. In addition, the parties who contributed the 200 Paul Avenue 1-4 and 1100 Space Park Drive properties to us would incur adverse tax consequences upon the sale of these properties. While Digital Realty Trust, Inc. has exclusive authority under Digital Realty Trust, L.P. s limited partnership agreement to determine whether, when, and on what terms to sell a property, any such decision would require the approval of Digital Realty Trust, Inc. s board of directors. See Risks Related to Our Organizational Structure Tax consequences upon sale or refinancing. These limitations may affect our ability to sell properties. This lack of liquidity and the Code restrictions may limit our ability to vary our portfolio promptly in response to changes in economic or other conditions and, as a result, could adversely affect our financial condition, results of operations, cash flow, cash available for distribution and ability to access capital necessary to meet our debt payments and other obligations.

We could incur significant costs related to government regulation and private litigation over environmental matters.

Under various laws relating to the protection of the environment, a current or previous owner or operator of real estate may be liable for contamination resulting from the presence or discharge of hazardous or toxic substances at that property, and may be required to investigate and clean up such contamination at or emanating from that property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the liability may be joint and several. Previous owners used some of our properties for industrial and retail purposes, so those properties may contain some level of environmental contamination. The presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability or materially adversely affect our ability to sell, lease or develop the real estate or to borrow using the real estate as collateral.

Some of the properties may contain asbestos-containing building materials. Environmental laws require that asbestos-containing building materials be properly managed and maintained, and may impose fines and penalties on building owners or operators for failure to comply with these requirements. These laws may also allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos-containing building materials.

In addition, some of our tenants, particularly those in the biotechnology and life sciences industry and those in the technology manufacturing industry, routinely handle hazardous substances and wastes as part of their operations at our properties. Environmental laws and regulations subject our tenants, and potentially us, to liability resulting from these activities or from previous industrial or retail uses of those properties. Environmental liabilities could also affect a tenant s ability to make rental payments to us.

Existing conditions at some of our properties may expose us to liability related to environmental matters.

Independent environmental consultants have conducted Phase I or similar environmental site assessments on all of the properties in our portfolio. Site assessments are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties. These assessments do not generally include soil samplings, subsurface investigations or an asbestos survey and the assessments may fail to reveal all environmental conditions, liabilities or compliance concerns. In addition, material environmental conditions, liabilities or compliance concerns may arise after these reviews are completed or may arise in the future. Future laws, ordinances or regulations may impose additional material environmental liability.

We cannot assure you that costs of future environmental compliance will not affect our ability to pay dividends to Digital Realty Trust, Inc. s stockholders and distributions to Digital Realty Trust, L.P. s unitholders or that such costs or other remedial measures will not have a material adverse effect on our business, assets or results of operations.

Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs to remedy the problem.

When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants and others if property damage or health concerns arise.

We may incur significant costs complying with the Americans with Disabilities Act and similar laws.

Under the Americans with Disabilities Act of 1990, or the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. We have not conducted an audit or investigation of all of our properties to determine our compliance with the ADA. If one or more of the properties in our portfolio does not comply with the ADA, then we would be required to incur additional costs to bring the property into compliance. Additional federal, state and local laws also may require modifications to our properties, or restrict our ability to renovate our properties. We cannot predict the ultimate cost of compliance with the ADA or other legislation. If we incur substantial costs to comply with the ADA and any other similar legislation, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected.

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Risks Related to Digital Realty Trust, Inc. s Status as a REIT

Failure to qualify as a REIT would have significant adverse consequences to Digital Realty Trust, Inc. and its stockholders and to Digital Realty Trust, L.P. and its unitholders.

Digital Realty Trust, Inc. has operated and intends to continue operating in a manner that it believes will allow it to qualify as a REIT for federal income tax purposes under the Code. Digital Realty Trust, Inc. has not requested and does not plan to request a ruling from the IRS that it qualifies as a REIT. If Digital Realty Trust, Inc. loses its REIT status, it will face serious tax consequences that would substantially reduce its cash available for distribution, including cash available to pay dividends to its preferred stockholders or make distributions to its common stockholders, for each of the years involved because:

- Digital Realty Trust, Inc. would not be allowed a deduction for distributions to stockholders in computing its taxable income and would be subject to federal income tax at regular corporate rates;

- Digital Realty Trust, Inc. also could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and

- unless Digital Realty Trust, Inc. is entitled to relief under applicable statutory provisions, it could not elect to be taxed as a REIT for four taxable years following the year during which it was disqualified.

In addition, if Digital Realty Trust, Inc. fails to qualify as a REIT, it will not be required to make distributions to stockholders, and accordingly, distributions Digital Realty Trust, L.P. makes to its unitholders could be similarly reduced. As a result of all these factors, Digital Realty Trust, Inc. s failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and would materially adversely affect the value of Digital Realty Trust, Inc. s stock and Digital Realty Trust, L.P. s units.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations that have been promulgated under the Code is greater in the case of a REIT that, like Digital Realty Trust, Inc., holds its assets through a partnership. Digital Realty Trust, Inc. s ability to qualify as a REIT may be affected by facts and circumstances that are not entirely within its control. In order to qualify as a REIT, Digital Realty Trust, Inc. must satisfy a number of requirements, including requirements regarding the composition of its assets and a requirement that at least 95% of its gross income in any year must be derived from qualifying sources, such as rents from real property. Also, Digital Realty Trust, Inc. must make distributions to stockholders aggregating annually at least 90% of its net taxable income, excluding net capital gains. In addition, legislation, new regulations, administrative interpretations or court decisions may materially adversely affect its investors, its ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if Digital Realty Trust, Inc. qualifies as a REIT for federal income tax purposes, it may be subject to some federal, state and local taxes on its income or property and, in certain cases, a 100% penalty tax, in the event it sells property as a dealer. In addition, our domestic corporate subsidiary, Digital Services, Inc., which is a taxable REIT subsidiary of Digital Realty Trust, Inc., could be subject to federal and state taxes, and our foreign properties and companies are subject to tax in the jurisdictions in which they operate and are located.

To maintain Digital Realty Trust, Inc. s REIT status, we may be forced to borrow funds on a short-term basis during unfavorable market conditions.

To qualify as a REIT, Digital Realty Trust, Inc. generally must distribute to its stockholders at least 90% of its net taxable income each year, excluding capital gains, and Digital Realty Trust, Inc. will be subject to regular corporate income taxes to the extent that it distributes less than 100% of its net taxable income each year. In addition, Digital Realty Trust, Inc. will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by Digital Realty Trust, Inc. in any calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from prior years.

While historically Digital Realty Trust, Inc. has satisfied these distribution requirements by making cash distributions to its stockholders, a REIT is permitted to satisfy these requirements by making distributions of cash or other property, including, in limited circumstances, its own stock. Assuming Digital Realty Trust, Inc. continues to satisfy these distributions requirements with cash, we may need to borrow funds for Digital Realty Trust, Inc. to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments.

The power of Digital Realty Trust, Inc. s board of directors to revoke Digital Realty Trust, Inc. s REIT election without stockholder approval may cause adverse consequences to Digital Realty Trust, Inc. s stockholders and Digital Realty Trust, L.P. s unitholders.

Digital Realty Trust, Inc. s charter provides that its board of directors may revoke or otherwise terminate its REIT election, without the approval of its stockholders, if it determines that it is no longer in Digital Realty Trust, Inc. s best interests to continue to qualify as a REIT. If Digital Realty Trust, Inc. ceases to qualify as a REIT, it would become subject to U.S. federal income tax on its taxable income and it would no longer be required to distribute most of its taxable income to its stockholders and accordingly, distributions Digital Realty Trust, L.P. makes to its unitholders could be similarly reduced.

Risks Related to this Offering

Our substantial indebtedness could adversely affect our financial condition and ability to fulfill our obligations under the notes and otherwise adversely impact our business and growth prospects.

We have a substantial amount of debt. At June 30, 2010, our total indebtedness was approximately $2.1 billion (exclusive of trade payables, distributions payable, accrued expenses and committed letters of credit), and we may incur significant additional debt to finance future acquisition and development and redevelopment activities. We have a revolving credit facility, which has a borrowing limit based upon a percentage of the value of our unsecured properties included in the facility s borrowing base. $721.0 million, net of issued letters of credit, was available under this facility at June 30, 2010. In addition, under our contribution agreement with respect to the 200 Paul Avenue 1-4 and 1100 Space Park Drive properties, we have agreed to make available for guarantee up to $17.8 million of indebtedness and may enter into similar agreements in the future.

Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences to holders of the notes, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments with respect the notes and our other indebtedness;

- we may be unable to borrow additional funds as needed or on favorable terms;

- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;

- because a significant portion of our debt bears interest at variable rates, increases in interest rates could materially increase our interest expense;

- we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms;

we may default on our obligations and the lenders or mortgagees may foreclose on our properties or our interests in the entities that own the properties that secure their loans and receive an assignment of rents and leases;

we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and our default under any one of our mortgage loans with cross default provisions could result in a default on other indebtedness.

If any one of these events were to occur, our financial condition, results of operations, cash flow, cash available for distribution and our ability to satisfy our debt service obligations could be materially adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, a circumstance which could hinder Digital Realty Trust, Inc. s ability to meet the REIT distribution requirements imposed by the Code.

The effective subordination of the notes may limit our ability to satisfy our obligations under the notes.

The notes will be senior unsecured obligations of Digital Realty Trust, L.P. and will rank equally in right of payment with all of our other senior unsecured indebtedness. However, the notes will be effectively subordinated in right of payment to all of the secured indebtedness of Digital Realty Trust, L.P. to the extent of the value of the collateral securing such indebtedness. While the indenture governing the notes limits our ability to incur additional secured indebtedness in the future, it does not prohibit us from incurring such indebtedness if we meet certain ratios and other requirements. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to us, the holders of any secured indebtedness will be entitled to proceed directly against the collateral that secures the secured indebtedness. Therefore, such collateral will not be available for satisfaction of any amounts owed under our unsecured indebtedness, including the notes, until such secured indebtedness is satisfied in full. As of June 30, 2010, Digital Realty Trust, L.P. had $1.1 billion of senior unsecured indebtedness (exclusive of trade payables, distributions payable, accrued expenses and committed letters of credit).

The notes also will be effectively subordinated in right of payment to all liabilities and preferred equity of the subsidiaries of Digital Realty Trust, L.P. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to any such subsidiary, Digital Realty Trust, L.P., as a common equity owner of such subsidiary, and therefore holders of our debt, including the notes, will be subject to the prior claims of such subsidiary s creditors, including trade creditors and preferred equity holders. As of June 30, 2010, the total indebtedness of Digital Realty Trust, L.P. s subsidiaries was approximately $1.0 billion, excluding intercompany debt, guarantees of debt of Digital Realty Trust, L.P., accrued expenses and trade payables. In addition, except for subsidiaries of Digital Realty Trust, L.P. which are prohibited from doing so by the terms of secured indebtedness, substantially all of the domestic subsidiaries of Digital Realty Trust, L.P., together with Digital Realty Trust, Inc., guarantee our obligations under the revolving credit facility and the notes under the Prudential shelf facility. As of June 30, 2010, there was $11.6 million outstanding under the revolving credit facility, excluding $17.2 million of letters of credit, and $200.0 million in outstanding notes under the Prudential shelf facility. While the indenture governing the notes limits the ability of our subsidiaries to incur additional unsecured indebtedness in the future, it does not prohibit our subsidiaries from incurring such indebtedness if such subsidiaries meet certain ratios and other requirements.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to make payments on and to refinance our indebtedness, including the notes, and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. To a certain extent, our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control.

Holders of our currently outstanding exchangeable debentures have the right to require us to repurchase such debentures for cash on specified dates or upon the occurrence of designated events. In addition, with respect to our 4.125% exchangeable senior debentures due 2026, we are required to settle exchanges of such debentures in cash up to the aggregate principal amount of such debentures. Any of our future debt agreements or securities may contain similar provisions. We may not have sufficient funds to make the required repurchase or settlement of such debentures in cash at the applicable time and, in such circumstances, may not be able to arrange the necessary financing on favorable terms or at all. In addition, our ability to make the required repurchase or settlement may be limited by law or the terms of other debt agreements or securities. However, our failure to make the required repurchase or settlement would constitute an event of default under the applicable indentures governing our currently outstanding exchangeable notes which, in turn, could constitute an event of default under other debt agreements, including the indenture that governs the notes offered hereby, thereby resulting in their acceleration and required prepayment and further restrict our ability to make such payments and repurchases.

We cannot assure you that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us in an amount sufficient to enable us to pay amounts due on our indebtedness, including the notes, or to fund our other liquidity needs. Additionally, if we incur additional indebtedness in connection with future acquisitions or development projects or for any other purpose, our debt service obligations could increase.

We may need to refinance all or a portion of our indebtedness, including the notes, on or before maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things, our financial condition and market conditions at the time and restrictions in the agreements governing our indebtedness.

As a result, we may not be able to refinance any of our indebtedness, including the notes, on commercially reasonable terms, or at all. If we do not generate sufficient cash flow from operations, and additional borrowings or refinancings or proceeds of asset sales or other sources of cash are not available to us, we may not have sufficient cash to enable us to meet all of our obligations, including payments on the notes. Accordingly, if we cannot service our indebtedness, we may have to take actions, such as seeking additional equity or delaying capital expenditures, or strategic acquisitions and alliances, any of which could have a material adverse effect on our operations. We cannot assure you that we will be able to effect any of these actions on commercially reasonable terms, or at all.

Despite our substantial indebtedness, we may still incur significantly more debt, which could exacerbate any or all of the risks described above.

We may be able to incur substantial additional indebtedness in the future. Although the agreements governing our revolving credit facility and certain other indebtedness and the indenture governing the notes limit our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. To the extent that we incur additional indebtedness or such other obligations, the risks associated with our substantial leverage described above, including our possible inability to service our debt, would increase. In addition, the credit agreement governing our revolving credit facility and the indenture governing the notes do not prevent us from incurring obligations that do not constitute indebtedness.

Digital Realty Trust, Inc. has no significant operations, other than as Digital Realty Trust, L.P. s general partner, and no material assets, other than its investment in Digital Realty Trust, L.P.

The notes will be fully and unconditionally guaranteed by Digital Realty Trust, Inc. However, Digital Realty Trust, Inc. has no significant operations, other than as Digital Realty Trust, L.P. s general partner, and no material assets, other than its investment in Digital Realty Trust, L.P. Furthermore, Digital Realty Trust, Inc. s guarantee of the notes will be effectively subordinated in right of payment to all unsecured and secured liabilities and preferred equity of its subsidiaries (including Digital Realty Trust, L.P. and any entity Digital Realty Trust, Inc. accounts for under the equity method of accounting). As of June 30, 2010, the total indebtedness of Digital Realty Trust, Inc. s subsidiaries was approximately $2.1 billion (exclusive of trade payables, distributions payable, accrued expenses and committed letters of credit). In addition, except for subsidiaries of Digital Realty Trust, L.P. which are prohibited from doing so by the terms of secured indebtedness, substantially all of the domestic subsidiaries of Digital Realty Trust, L.P., together with Digital Realty Trust, Inc., guarantee our obligations under the revolving credit facility and the notes under the Prudential shelf facility. As of June 30, 2010, there was $11.6 million outstanding under the revolving credit facility, excluding $17.2 million of letters of credit, and $200.0 million in outstanding notes under the Prudential shelf facility.

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Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of notes to return payments received from guarantors.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee, such as the guarantee provided by Digital Realty Trust, Inc., could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee;
- was insolvent or rendered insolvent by reason of the incurrence of the guarantee;
- was engaged in a business or transaction for which the guarantor s remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or
- it could not pay its debts as they become due.

The court might also void such guarantee, without regard to the above factors, if it found that a guarantor entered into its guarantee with actual or deemed intent to hinder, delay, or defraud its creditors.

A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee unless it benefited directly or indirectly from the issuance of the notes. If a court voided such guarantee, holders of the notes would no longer have a claim against such guarantor or the benefit of the assets of such guarantor constituting collateral that purportedly secured such guarantee. In addition, the court might direct holders of the notes to repay any amounts already received from a guarantor. If the court were to void Digital Realty Trust, Inc. s guarantee, we cannot assure you that funds would be available to pay the notes from any of our subsidiaries or from any other source.

The indenture governing the notes contains restrictive covenants that limit our operating flexibility.

The indenture governing the notes contains financial and operating covenants that, among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including restrictions on our ability to:

- consummate a merger, consolidation or sale of all or substantially all of our assets; and incur secured and unsecured indebtedness.

In addition, our revolving credit facility requires us to meet specified financial ratios and the indenture governing the notes requires us to maintain at all times a specified ratio of unencumbered assets to unsecured debt. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of the indenture governing the notes and our revolving credit facility may

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be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events beyond our control. The breach of any of these covenants, including those contained in our credit facility and the indenture governing the notes, could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it.

We cannot assure you that an active trading market will develop for the notes, and if an active trading market does not develop for the notes, you may not be able to resell them.

We cannot assure you that an active trading market will ever develop for the notes. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. The lack of a trading market could adversely affect your ability to sell the notes and the price at which you may be able to sell the notes. The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. It is possible that the market for the notes will be subject to disruptions which may have a negative effect on the holders of the notes, regardless of our operating results, financial performance or prospects.

If the procedures for tendering your private notes in this exchange offer are not followed, you may not receive notes in exchange for your private notes.

We will issue the notes in exchange for your private notes only if you tender the private notes and deliver a properly completed and duly executed letter of transmittal and other required documents before expiration of the exchange offer. You should allow sufficient time to ensure timely delivery of the necessary documents. Neither the Exchange Agent nor we are under any duty to give notification of defects or irregularities with respect to the tenders of private notes for exchange. If you are the beneficial holder of private notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender private notes in the exchange offer, you should promptly contact the person in whose name your private notes are registered and instruct that person to tender your private notes on your behalf.

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FORWARD-LOOKING STATEMENTS

We make statements in this prospectus 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, estimates or anticipates or the negative of these words and phrases or similar words or phrases v 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 inability 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;

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

difficulties in identifying properties to acquire and completing acquisitions;

our inability to acquire off-market properties;

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

Digital Realty Trust, Inc. s failure to maintain its status as a REIT;

possible 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 sections above.

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THE EXCHANGE OFFER

Purpose of the Exchange Offer

On January 28, 2010, our operating partnership issued $500.0 million of the private notes to 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, the initial purchasers, pursuant to a purchase agreement. The initial purchasers subsequently sold the private notes to qualified institutional buyers, as defined in Rule 144A under the Securities Act, in reliance on Rule 144A, and outside the United States under Regulation S of the Securities Act. As a condition to the sale of the private notes, we entered into a registration rights agreement with the initial purchasers on January 28, 2010. Pursuant to the registration rights agreement, we agreed that we would:

(1) file an exchange offer registration statement with the SEC on or prior to June 27, 2010;

(2) use our reasonable efforts to have the exchange offer registration statement declared effective by the SEC on or prior to September 25, 2010;

(3) unless the exchange offer would not be permitted by applicable law or SEC policy, we will:

   (a) commence the exchange offer; and

   (b) use reasonable efforts to issue on or prior to 45 business days, or longer, if required by the federal securities laws, after the date on which the exchange offer registration statement was declared effective by the SEC, exchange notes in exchange for all notes tendered prior thereto in the exchange offer; and

(4) if obligated to file the shelf registration statement, we will use reasonable efforts to file the shelf registration statement with the SEC on or prior to 90 days after such filing obligation arises and to cause the shelf registration statement to be declared effective by the SEC on or prior to 180 days after such obligation arises.

Upon the effectiveness of the exchange offer registration statement of which this prospectus forms a part, we will offer the exchange notes in exchange for the private notes. We filed a copy of the registration rights agreement as an exhibit to the registration statement.

Resale of the Exchange Notes

Based upon an interpretation by the staff of the SEC contained in no-action letters issued to third parties, we believe that you may exchange private notes for exchange notes in the ordinary course of business. For further information on the SEC s position, see *Exxon Capital Holdings Corporation*, available May 13, 1988, *Morgan Stanley & Co. Incorporated*, available June 5, 1991, and *Shearman & Sterling*, available July 2, 1993, and other interpretive letters to similar effect. You will be allowed to resell exchange notes to the public without further registration under the Securities Act and without delivering to purchasers of the exchange notes a prospectus that satisfies the requirements of Section 10 of the Securities Act so long as you do not participate, do not intend to participate, and have no arrangement with any person to participate, in a distribution of the exchange notes. However, the foregoing does not apply to you if you are: a broker-dealer who purchased the exchange notes directly from us to resell pursuant to Rule 144A or any other available exemption under the Securities Act; or you are an affiliate of ours within the meaning of Rule 405 under the Securities Act.

In addition, if you are a broker-dealer, or you acquire exchange notes in the exchange offer for the purpose of distributing or participating in the distribution of the exchange notes, you cannot rely on the position of the staff of the SEC contained in the no-action letters mentioned above or other interpretive letters to similar effect and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, unless an exemption from registration is otherwise available.

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Each broker-dealer that receives exchange notes for its own account in exchange for private notes, which the broker-dealer acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. By delivering a prospectus, a broker-dealer may be deemed to be an underwriter within the meaning of the Securities Act. A broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of exchange notes received in exchange for private notes which the broker-dealer acquired as a result of market-making or other trading activities.

Terms of the Exchange Offer

Upon the terms and subject to the conditions described in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept any and all private notes validly tendered and not withdrawn before the expiration date. We will issue $1,000 principal amount of exchange notes in exchange for each $1,000 principal amount of outstanding private notes surrendered pursuant to the exchange offer. You may tender private notes only in integral multiples of $1,000.

The form and terms of the exchange notes are the same as the form and terms of the private notes except that:

- we will register the exchange notes under the Securities Act and, therefore, the exchange notes will not bear legends restricting their transfer; and

- holders of the exchange notes will not be entitled to any of the rights of holders of private notes under the registration rights agreement, which rights will terminate upon the completion of the exchange offer.

The exchange notes will evidence the same debt as the private notes and will be issued under the same indenture, so the exchange notes and the private notes will be treated as a single class of debt securities under the indenture.

As of the date of this prospectus, $500.0 million in aggregate principal amount of the private notes are outstanding and registered in the name of Cede & Co., as nominee for DTC. Only registered holders of the private notes, or their legal representative or attorney-in-fact, as reflected on the records of the trustee under the indenture, may participate in the exchange offer. We will not set a fixed record date for determining registered holders of the private notes entitled to participate in the exchange offer.

You do not have any appraisal or dissenters rights under the indenture in connection with the exchange offer. We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the SEC.

We will be deemed to have accepted validly tendered private notes when, as and if we have given written notice of acceptance to the Exchange Agent. The Exchange Agent will act as your agent for the purposes of receiving the exchange notes from us.

If you tender private notes in the exchange offer you will not be required to pay brokerage commissions or fees with respect to the exchange of private notes pursuant to the exchange offer. We will pay all charges and expenses, other than the applicable taxes described below, in connection with the exchange offer.

Expiration Date; Extensions; Amendments

The term expiration date will mean 5:00 p.m., New York City time on , 2010 (the 21st business day following commencement of the exchange offer), unless we, in our sole discretion, extend the exchange offer, in which case the term expiration date will mean the latest date and time to which we extend the exchange offer.

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To extend the exchange offer, we will notify the Exchange Agent and each registered holder of any extension in writing by a press release or other public announcement before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. The notice of extension will disclose the aggregate principal amount of the private notes that have been tendered as of the date of such notice.

We reserve the right, in our reasonable discretion:

- to delay accepting any private notes due to an extension of the exchange offer; or
- if any conditions listed below under Conditions are not satisfied, to terminate the exchange offer,

in each case by written notice of the delay, extension or termination to the Exchange Agent and by press release or other public announcement.

We will follow any delay in acceptance, extension or termination as promptly as practicable by written notice to the registered holders by a press release or other public announcement. If we amend the exchange offer in a manner we determine constitutes a material change, we will promptly disclose the amendment in a prospectus supplement that we will distribute to the registered holders. We will also extend the exchange offer for a period of five to ten business days, depending upon the significance of the amendment and the manner of disclosure, if the exchange offer would otherwise expire during the five to ten business day period.

Interest on the Exchange Notes

The exchange notes will bear interest at the same rate and on the same terms as the private notes. Consequently, the exchange notes will bear interest at a rate equal to 5.875% per year (calculated using a 360-day year). Interest will be payable on the exchange notes semi-annually on each February 1 and August 1.

Interest on the exchange notes will accrue from the last interest payment date on which interest was paid on the private notes or, if no interest has been paid on the private notes, from the date of initial issuance of the private notes. We will deem the right to receive any interest accrued but unpaid on the private notes waived by you if we accept your private notes for exchange.

Procedures for Tendering

Valid Tender

Except as described below, a tendering holder must, prior to the expiration date, transmit to the Exchange Agent, at the address listed under the heading Exchange Agent :

- a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal; or
- if the private notes are tendered in accordance with the book-entry procedures listed below, an agent s message.

In addition, a tendering holder must:

- deliver certificates, if any, for the private notes to the Exchange Agent at or before the expiration date; or
- deliver a timely confirmation of book-entry transfer of the private notes into the Exchange Agent s account at DTC, the book-entry transfer facility, along with the letter of transmittal or an agent s message; or

comply with the guaranteed delivery procedures described below.

The term agent s message means a message, transmitted by DTC to and received by the Exchange Agent and forming a part of a book-entry confirmation, that states that DTC has received an express acknowledgment that the tendering holder agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this holder.

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If the letter of transmittal is signed by a person other than the registered holder of private notes, the letter of transmittal must be accompanied by a written instrument of transfer or exchange in satisfactory form duly executed by the registered holder with the signature guaranteed by an eligible institution. The private notes must be endorsed or accompanied by appropriate powers of attorney. In either case, the private notes must be signed exactly as the name of any registered holder appears on the private notes.

If the letter of transmittal or any private notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless waived by us, proper evidence satisfactory to us of their authority to so act must be submitted.

By tendering private notes pursuant to the exchange offer, each holder will represent to us that, among other things, the exchange notes are being acquired in the ordinary course of business of the person receiving the exchange notes, whether or not that person is the holder, and neither the holder nor the other person has any arrangement or understanding with any person to participate in the distribution of the exchange notes. In the case of a holder that is not a broker-dealer, that holder, by tendering private notes pursuant to the exchange offer, will also represent to us that the holder is not engaged in and does not intend to engage in a distribution of the exchange notes.

The method of delivery of private notes, letters of transmittal and all other required documents is at your election and risk. If the delivery is by mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send letters of transmittal or private notes to us.

If you are a beneficial owner whose private notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and wish to tender, you should promptly instruct the registered holder to tender on your behalf. Any registered holder that is a participant in DTC s book-entry transfer facility system may make book-entry delivery of the private notes by causing DTC to transfer the private notes into the Exchange Agent s account, including by means of DTC s Automated Tender Offer Program.

Any registered holder that holds the private notes through Euroclear Bank S.A./N.V., or Euroclear, or Clearstream Banking, S.A., or Clearstream, must comply with the procedures of Euroclear or Clearstream, as applicable, before the expiration date.

Signature Guarantees

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed, unless the private notes surrendered for exchange are tendered:

- by a registered holder of the private notes who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or

- for the account of an eligible institution.

If signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, the guarantees must be by an eligible institution. An eligible institution is an eligible guarantor institution meeting the requirements of the registrar for the notes, which requirements include membership or participation in the Security Transfer Agent Medallion Program, or STAMP, or such other signature guarantee program as may be determined by the registrar for the notes in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act.

Book-Entry Transfer

The Exchange Agent will make a request to establish an account for the private notes at DTC for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a

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participant in DTC s systems must make book-entry delivery of private notes by causing DTC to transfer those private notes into the Exchange Agent s account at DTC in accordance with DTC s procedure for transfer. The participant should transmit its acceptance to DTC at or prior to the expiration date or comply with the guaranteed delivery procedures described below. DTC will verify this acceptance, execute a book-entry transfer of the tendered private notes into the Exchange Agent s account at DTC and then send to the Exchange Agent confirmation of this book-entry transfer. The confirmation of this book-entry transfer will include an agent s message confirming that DTC has received an express acknowledgment from this participant that this participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this participant.

Participants in Euroclear s or Clearstream s book-entry transfer facility system must electronically transmit their acceptance of the exchange to Euroclear or Clearstream. The receipt of such electronic acceptance instruction by Euroclear or Clearstream will be acknowledged in accordance with the standard practices of such book-entry transfer facility and will result in the blocking of such private notes in that book-entry transfer facility. By blocking such private notes in the relevant book-entry transfer facility, each holder of private notes will be deemed to consent to have the relevant book-entry transfer facility provide details concerning such holder s identity to the Exchange Agent. The receipt of an electronic instruction by Euroclear or Clearstream shall mean: Euroclear or Clearstream, as applicable, has received an express acknowledgment from a participant in Euroclear or Clearstream, as the case may be, that such participant is tendering private notes that are the subject of the book-entry confirmation; and the participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against the participant.

Delivery of exchange notes issued in the exchange offer may be effected through book-entry transfer at DTC. However, the letter of transmittal or facsimile of it or an agent s message, with any required signature guarantees and any other required documents, must:

- be transmitted to and received by the Exchange Agent at the address listed under Exchange Agent at or prior to the expiration date; or

- comply with the guaranteed delivery procedures described below.

Delivery of documents to DTC in accordance with DTC s procedures does not constitute delivery to the Exchange Agent.

Guaranteed Delivery

If a registered holder of private notes desires to tender the private notes, and the private notes are not immediately available, or time will not permit the holder s private notes or other required documents to reach the Exchange Agent before the expiration date, or the procedure for book-entry transfer described above cannot be completed on a timely basis, a tender may nonetheless be made if:

- the tender is made through an eligible institution;

- prior to the expiration date, the Exchange Agent received from an eligible institution a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us, by facsimile transmission, mail or hand delivery:

  1. stating the name and address of the holder of private notes and the amount of private notes tendered;

  2. stating that the tender is being made; and

  3. guaranteeing that within three New York Stock Exchange trading days after the expiration date, the certificates for all physically tendered private notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed and duly executed letter of transmittal, or an agent s message, and any other documents required by the letter of

transmittal will be deposited by the eligible institution with the exchange agent; and

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the certificates for all physically tendered private notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed and duly executed letter of transmittal, or any agent s message, and all other documents required by the letter of transmittal, are received by the Exchange Agent within three New York Stock Exchange trading days after the expiration date.

Determination of Validity

We will determine in our sole discretion all questions as to the validity, form and eligibility of private notes tendered for exchange. This discretion extends to the determination of all questions concerning the time of receipt, acceptance and withdrawal of tendered private notes. These determinations will be final and binding. We reserve the absolute right to reject any and all private notes not properly tendered or any private notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to any particular private note either before or after the expiration date, including the right to waive the ineligibility of any tendering holder. Our interpretation of the terms and conditions of the exchange offer as to any particular private note either before or after the expiration date, including the letter of transmittal and the instructions to the letter of transmittal, shall be final and binding on all parties. Unless waived, you must cure any defects or irregularities with respect to tenders of private notes within the time we determine. Although we intend to notify you of defects or irregularities with respect to tenders of private notes, neither we, the Exchange Agent nor any other person will incur any liability for failure to give you that notification. Unless waived, we will not deem tenders of private notes to have been made until you cure the defects or irregularities.

Other Rights

While we have no present plan to acquire any private notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any private notes that are not tendered in the exchange offer, we reserve the right in our sole discretion to purchase or make offers for any private notes that remain outstanding after the expiration date. We also reserve the right to terminate the exchange offer, as described below under Conditions, and, to the extent permitted by applicable law, purchase private notes in the open market, in privately negotiated transactions or otherwise. The terms of any of those purchases or offers could differ from the terms of the exchange offer.

Acceptance of Private Notes for Exchange; Issuance of Exchange Notes

Upon the terms and subject to the conditions of the exchange offer, we will accept, promptly after the expiration date, all private notes properly tendered. We will issue the exchange notes promptly after acceptance of the private notes. For purposes of the exchange offer, we will be deemed to have accepted properly tendered private notes for exchange when, as and if we have given oral or written notice to the Exchange Agent, with prompt written confirmation of any oral notice.

In all cases, issuance of exchange notes for private notes will be made only after timely receipt by the Exchange Agent of:

certificates for the private notes, or a timely book-entry confirmation of the private notes, into the Exchange Agent s account at the book-entry transfer facility;

a properly completed and duly executed letter of transmittal or an agent s message; and

all other required documents.

For each private note accepted for exchange, the holder of the private note will receive an exchange note having a principal amount equal to that of the surrendered private note.

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Return of Notes

Unaccepted or non-exchanged private notes will be returned without expense to the tendering holder of the private notes. In the case of private notes tendered by book-entry transfer in accordance with the book-entry procedures described above, the non-exchanged private notes will be credited to an account maintained with DTC as promptly as practicable after the expiration or termination of the exchange offer.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw tenders of private notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, the Exchange Agent must receive a written notice of withdrawal at the address or, in the case of eligible institutions, at the facsimile number, indicated under Exchange Agent before the expiration date. Any notice of withdrawal must:

- specify the name of the person, referred to as the depositor, having tendered the private notes to be withdrawn;
- identify the private notes to be withdrawn, including the certificate number or numbers and principal amount of the private notes;
- contain a statement that the holder is withdrawing its election to have the private notes exchanged;
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which the private notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the private notes register the transfer of the private notes in the name of the person withdrawing the tender; and
- specify the name in which the private notes are registered, if different from that of the depositor.

If certificates for private notes have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of these certificates the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and signed notice of withdrawal with signatures guaranteed by an eligible institution, unless this holder is an eligible institution. If private notes have been tendered in accordance with the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn private notes.

We will determine in our sole discretion all questions as to the validity, form and eligibility of the notices, and our determination will be final and binding on all parties. We will not deem any properly withdrawn private notes to have been validly tendered for purposes of the exchange offer, and we will not issue exchange notes with respect to those private notes, unless you validly retender the withdrawn private notes. You may retender properly withdrawn private notes by following the procedures described above under Procedures for Tendering at any time before 5:00 p.m., New York City time, on the expiration date.

Conditions

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange the exchange notes for, any private notes, and may terminate the exchange offer as provided in this prospectus before the expiration of the exchange offer, if, in our reasonable judgment, the exchange offer violates applicable law, rules or regulations or an applicable interpretation of the staff of the SEC.

If we determine in our reasonable discretion that any of these conditions are not satisfied, we may:

refuse to accept any private notes and return all tendered private notes to you;

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- extend the exchange offer and retain all private notes tendered before the exchange offer expires, subject, however, to your rights to withdraw the private notes; or

- waive the unsatisfied conditions with respect to the exchange offer and accept all properly tendered private notes that have not been withdrawn.

If the waiver constitutes a material change to the exchange offer, we will promptly disclose the waiver by means of a prospectus supplement that we will distribute to the registered holders of the private notes, and we will extend the exchange offer for a period of five to ten business days, depending upon the significance of the waiver and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during the five to ten business day period.

Termination of Rights

All of your rights under the registration rights agreement will terminate upon consummation of the exchange offer, except with respect to our continuing obligations:

- to indemnify you and parties related to you against liabilities, including liabilities under the Securities Act; and

- to provide, upon your request, the information required by Rule 144A(d)(4) under the Securities Act to permit resales of the notes pursuant to Rule 144A.

Shelf Registration

If:

(1) we are not:

 (a) required to file the exchange offer registration statement; or

 (b) permitted to consummate the exchange offer because the exchange offer is not permitted by applicable law or SEC policy; or

(2) any holder of transfer restricted securities notifies us prior to the 20^{th} business day following consummation of the exchange offer that:

 (a) it is prohibited by law or SEC policy from participating in the exchange offer;

 (b) it may not resell the exchange notes acquired by it in the exchange offer to the public without delivering a prospectus and the prospectus contained in the exchange offer registration statement is not appropriate or available for such resales; or

 (c) it is a broker-dealer and owns notes acquired directly from us or one of our affiliates,

we will file with the SEC a shelf registration statement (as defined in the registration rights agreement) to cover resales of the notes by the holders of the notes who satisfy certain conditions relating to the provision of information in connection with the shelf registration statement.

For purposes of the foregoing, transfer restricted securities means each note until the earliest to occur of:

(1) the date on which such note has been exchanged by a person other than a broker-dealer for an exchange note in the exchange offer;

(2) following the exchange by a broker-dealer in the exchange offer of a note for an exchange note, the date on which such exchange note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the exchange offer registration statement;

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(3) the date on which such note has been effectively registered under the Securities Act and disposed of in accordance with the shelf registration statement; or

(4) the date on which such note is distributed to the public pursuant to Rule 144 under the Securities Act, provided that on or prior to such date either (x) the exchange offer has been consummated or (y) a shelf registration statement has been declared effective by the SEC.

If:

(1) we fail to file any of the registration statements required by the registration rights agreement on or prior to the date specified for such filing;

(2) any of such registration statements is not declared effective by the SEC on or prior to the date specified for such effectiveness (the effectiveness target date);

(3) we fail to consummate the exchange offer within 45 business days of the effectiveness target date with respect to the exchange offer registration statement; or

(4) the shelf registration statement or the exchange offer registration statement is declared effective but thereafter ceases to be effective or usable in connection with resales of transfer restricted securities during the periods specified in the registration rights agreement (each such event referred to in clauses (1) through (4) above, a registration default),

then we will pay liquidated damages (liquidated damages) to each holder of transfer restricted securities and notify the trustee that liquidated damages apply to the transfer restricted securities.

With respect to the first 90-day period immediately following the occurrence of the first registration default, liquidated damages will be paid in an amount equal to one quarter of one percent (0.25%) per annum of the principal amount of transfer restricted securities. The amount of the liquidated damages will increase by an additional one quarter of one percent (0.25%) per annum of the principal amount of transfer restricted securities with respect to the subsequent 90-day period until all registration defaults have been cured, up to a maximum amount of liquidated damages for all registration defaults of one half of one percent (0.5%) per annum of the principal amount of transfer restricted securities.

All accrued liquidated damages will be paid by us on the next scheduled interest payment date to DTC or its nominee by wire transfer of immediately available funds or by federal funds check and to holders of transfer restricted securities in the form of certificated notes by wire transfer to the accounts specified by them or by mailing checks to their registered addresses if no such accounts have been specified.

Following the cure of all registration defaults, the accrual of liquidated damages will cease.

Exchange Agent

We have appointed Wilmington Trust FSB as Exchange Agent for the exchange offer of notes. All executed letters of transmittal and any other required documents should be directed to the Exchange Agent at the address or facsimile number set forth below. You should direct questions and requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery to the Exchange Agent addressed as follows:

Wilmington Trust FSB

c/o Wilmington Trust Company

Rodney Square North

1100 North Market Street

Wilmington, DE 19890-1626

Facsimile: (302) 636-4139

Attention: Sam Hamed

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Fees and Expenses

We will bear the expenses of soliciting tenders. We have not retained any dealer manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We will, however, pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

We will pay the cash expenses incurred in connection with the exchange offer. These expenses include registration fees, fees and expenses of the Exchange Agent and the trustee, accounting and legal fees and printing costs, among others.

We will pay all transfer taxes, if any, applicable to the exchange of notes pursuant to the exchange offer. If, however, a transfer tax is imposed for any reason other than the exchange of the private notes pursuant to the exchange offer, then you must pay the amount of the transfer taxes. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to you.

Consequence of Failures to Exchange

Participation in the exchange offer is voluntary. We urge you to consult your financial and tax advisors in making your decisions on what action to take. Private notes that are not exchanged for exchange notes pursuant to the exchange offer will remain restricted securities. Accordingly, those private notes may be resold only:

- to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A;
- in a transaction meeting the requirements of Rule 144 under the Securities Act;
- outside the United States to a foreign person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act;
- in accordance with another exemption from the registration requirements of the Securities Act and based upon an opinion of counsel if we so request;
- to us; or
- pursuant to an effective registration statement.

In each case, the private notes may be resold only in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the original notes, as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized.

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USE OF PROCEEDS

The exchange offer satisfies an obligation under the registration rights agreement. We will not receive any cash proceeds from the exchange offer.

The net proceeds from the sale of the private notes after deducting discounts, commissions and offering expenses, were approximately $487.6 million. We used the net proceeds from the sale of the private notes to temporarily repay all or a portion of our borrowings under our revolving credit facility, to acquire additional properties, to fund development and redevelopment opportunities and for general corporate purposes. We intend to reborrow amounts under our revolving credit facility from time to time to acquire additional properties, to fund development and redevelopment opportunities and for general corporate purposes.

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SELECTED CONSOLIDATED FINANCIAL DATA

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

Digital Realty Trust, L.P.

The consolidated balance sheet data as of December 31, 2009 and 2008 and the consolidated statement of operations data for each of the years in the three-year period ended December 31, 2009 have been derived from the historical consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, which are included in this prospectus and which have been audited by KPMG LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2007, 2006 and 2005 and the consolidated statement of operations data for each of the years ended December 31, 2006 and 2005 have been derived from the historical consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, not audited by KPMG LLP. The consolidated balance sheet data as of June 30, 2010 and the consolidated statement of operations data for each of the three and six months ended June 30, 2010 and 2009 have been derived from the unaudited condensed consolidated financial statements of Digital Realty Trust, L.P. and subsidiaries, which are included elsewhere in this prospectus. The results for the three and six months ended June 30, 2010 are not necessarily indicative of the results to be expected for the full year.

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	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Year Ended December 31, 2009	2008	2007	2006	2005
	(unaudited)		(unaudited)					(unaudited)	
(Dollars in thousands, except unit and per unit data)									
Statement of Operations Data:									
Operating Revenues:									
Rental	$ 157,867	$ 125,490	$ 310,588	$ 243,585	$ 510,772	$ 404,559	$ 319,603	$ 221,371	$ 150,072
Tenant reimbursements	39,597	29,434	78,655	60,455	125,308	107,503	75,003	50,340	35,720
Other		83		101	1,062	15,383	641	365	5,829
Total operating revenues	197,464	155,007	389,243	304,141	637,142	527,445	395,247	272,076	191,621
Operating Expenses:									
Rental property operating and maintenance	54,406	42,301	107,648	84,874	176,238	151,147	109,225	59,917	39,519
Property taxes	12,748	9,149	25,469	18,360	36,004	31,102	27,181	26,890	20,189
Insurance	1,846	1,488	3,581	2,944	6,111	4,988	5,527	3,682	2,653
Depreciation and amortization	59,860	49,183	117,392	95,487	198,052	172,378	134,419	86,129	55,702
General and administrative(1)	14,289	10,040	25,641	20,142	42,165	38,391	30,786	19,717	12,061
Other	165		167	285	783	1,084	431	449	1,355
Total operating expenses	143,314	112,161	279,898	222,092	459,353	399,090	307,569	196,784	131,479
Operating income	54,150	42,846	109,345	82,049	177,789	128,355	87,678	75,292	60,142
Other Income (Expenses):									
Equity in earnings of unconsolidated joint venture	955	741	2,933	1,857	2,172	2,369	449	177	
Interest and other income	34	403	65	646	753	2,106	2,287	1,270	1,274
Interest expense	(33,162)	(22,495)	(64,064)	(41,432)	(88,442)	(63,621)	(67,054)	(50,598)	(35,381)
Tax expense	(534)	(292)	(1,250)	(728)	(1,038)	(1,109)	(814)	(724)	(554)
Loss from early extinguishment of debt	(1,541)		(1,541)			(182)		(527)	(1,021)
Income from continuing operations	19,902	21,203	45,488	42,392	91,234	67,918	22,546	24,890	24,460
Net income (loss) from discontinued operations							1,395	314	(103)
Gain on sale of discontinued operations							18,049	18,096	
Net income	19,902	21,203	45,488	42,392	91,234	67,918	41,990	43,300	24,357
	(150)	(74)	82	(74)	(140)	(335)		15	12

Net (income) loss attributable to noncontrolling interests in consolidated joint ventures									
Net income attributable to Digital Realty Trust, L.P.	19,752	21,129	45,570	42,318	91,094	67,583	41,990	43,315	24,369
Preferred units distributions	(10,101)	(10,101)	(20,202)	(20,202)	(40,404)	(38,564)	(19,330)	(13,780)	(10,014)
Net income available to common unitholders	$ 9,651	$ 11,028	$ 25,368	$ 22,116	$ 50,690	$ 29,019	$ 22,660	$ 29,535	$ 14,355
Per Unit Data:									
Basic income per unit available to common unitholders	$ 0.11	$ 0.13	$ 0.30	$ 0.27	$ 0.62	$ 0.39	$ 0.33	$ 0.47	$ 0.26
Diluted income per unit available to common unitholders	$ 0.11	$ 0.13	$ 0.29	$ 0.27	$ 0.61	$ 0.38	$ 0.32	$ 0.46	$ 0.26
Cash distribution per common unit	$ 0.48	$ 0.33	$ 0.96	$ 0.66	$ 1.47	$ 1.26	$ 1.17	$ 1.08	$ 1.00
Weighted average common units outstanding:									
Basic	86,149,647	81,998,567	84,699,431	81,278,297	81,715,226	75,160,263	68,754,024	62,562,820	55,525,443
Diluted	88,295,639	82,728,389	86,687,649	81,668,295	82,785,746	76,766,756	70,799,336	63,870,029	55,760,887

(1) General and administrative expense includes transactions expense.

(in thousands)	June 30, 2010 (unaudited)	December 31, 2009	2008	2007 (unaudited)	2006 (unaudited)	2005 (unaudited)
Balance Sheet Data:						
Net investments in real estate	$ 3,548,642	$ 3,157,193	$ 2,748,220	$ 2,302,500	$ 1,736,979	$ 1,194,106
Total assets	4,501,032	3,745,059	3,281,045	2,809,791	2,185,783	1,529,170
Revolving credit facility	11,628	205,547	138,579	299,731	145,452	181,000
Unsecured senior notes	200,000	83,000	58,000			
Mortgages and other secured loans	1,023,255	1,063,663	1,026,594	895,507	804,686	568,067
5.875% notes due 2020, net	491,746					
4.125% exchangeable senior debentures due 2026, net	131,681	165,834	161,901	158,224	154,786	
5.50% exchangeable senior debentures due 2029	266,400	266,400				
Total liabilities	2,469,143	2,110,258	1,705,969	1,673,361	1,320,317	880,228
General partner s capital	2,020,857	1,586,942	1,553,424	1,053,788	719,386	384,853
Limited partners capital	59,512	60,875	71,041	74,356	141,890	262,239
Accumulated other comprehensive income (loss)	(70,845)	(30,630)	(53,747)	3,358	4,190	1,644
Noncontrolling interests in consolidated joint venture	22,365	17,614	4,358	4,928		206
Total liabilities and capital	$ 4,501,032	$ 3,745,059	$ 3,281,045	$ 2,809,791	$ 2,185,783	$ 1,529,170

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Digital Realty Trust, Inc.

The consolidated balance sheet data as of December 31, 2009 and 2008 and the consolidated statement of operations data for each of the years in the three-year period ended December 31, 2009 have been derived from the historical consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, which are included in this prospectus and which have been audited by KPMG LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2007, 2006 and 2005 and the consolidated statement of operations data for each of the years ended December 31, 2006 and 2005 have been derived from the historical consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, audited by KPMG LLP, whose report with respect thereto is not included or incorporated by reference in this prospectus. The consolidated balance sheet data as of June 30, 2010 and the consolidated statement of operations data for each of the three and six months ended June 30, 2010 and 2009 have been derived from the unaudited condensed consolidated financial statements of Digital Realty Trust, Inc. and subsidiaries, which are included elsewhere in this prospectus. The results for the three and six months ended June 30, 2010 are not necessarily indicative of the results to be expected for the full year. Certain prior year amounts have been reclassified to conform to the current year presentation.

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,				
	2010	2009	2010	2009	2009	2008	2007	2006	2005
(Dollars in thousands, except share and per share data)	**(unaudited)**		**(unaudited)**						
Statement of Operations Data:									
Operating Revenues:									
Rental	$ 157,867	$ 125,490	$ 310,588	$ 243,585	$ 510,772	$ 404,559	$ 319,603	$ 221,371	$ 150,072
Tenant reimbursements	39,597	29,434	78,655	60,455	125,308	107,503	75,003	50,340	35,720
Other		83		101	1,062	15,383	641	365	5,829
Total operating revenues	197,464	155,007	389,243	304,141	637,142	527,445	395,247	272,076	191,621
Operating Expenses:									
Rental property operating and maintenance	54,406	42,301	107,648	84,874	176,238	151,147	109,225	59,917	39,519
Property taxes	12,748	9,149	25,469	18,360	36,004	31,102	27,181	26,890	20,189
Insurance	1,846	1,488	3,581	2,944	6,111	4,988	5,527	3,682	2,653
Depreciation and amortization	59,860	49,183	117,392	95,487	198,052	172,378	134,419	86,129	55,702
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Other	165		167	285	783	1,084	431	449	1,355
Total operating expenses	143,314	112,161	279,898	222,092	459,353	399,090	307,569	196,784	131,479
Operating income	54,150	42,846	109,345	82,049	177,789	128,355	87,678	75,292	60,142
Other Income (Expenses):									
Equity in earnings of unconsolidated joint venture	955	741	2,933	1,857	2,172	2,369	449	177	
Interest and other income	34	403	65	646	753	2,106	2,287	1,270	1,274
Interest expense	(33,162)	(22,495)	(64,064)	(41,432)	(88,442)	(63,621)	(67,054)	(50,598)	(35,381)
Tax expense	(534)	(292)	(1,205)	(728)	(1,038)	(1,109)	(814)	(724)	(554)

Loss from early extinguishment of debt	(1,541)		(1,541)			(182)		(527)	(1,021)
Income from continuing operations	19,902	21,203	45,488	42,392	91,234	67,918	22,546	24,890	24,460
Net income (loss) from discontinued operations							1,395	314	(103)
Gain on sale of discontinued operations							18,049	18,096	
Net income	19,902	21,203	45,488	42,392	91,234	67,918	41,990	43,300	24,357
Net income attributable to noncontrolling interests	(710)	(831)	(1,451)	(1,624)	(3,572)	(2,664)	(3,753)	(12,570)	(8,256)
Net income attributable to Digital Realty Trust, Inc.	19,192	20,372	44,037	40,768	87,662	65,254	38,237	30,730	16,101
Preferred stock dividends	(10,101)	(10,101)	(20,202)	(20,202)	(40,404)	(38,564)	(19,330)	(13,780)	(10,014)
Net income available to common stockholders	$ 9,091	$ 10,271	$ 23,835	$ 20,566	$ 47,258	$ 26,690	$ 18,907	$ 16,950	$ 6,087
Per Share Data:									
Basic income per share available to common stockholders	$ 0.11	$ 0.13	$ 0.30	$ 0.27	$ 0.62	$ 0.39	$ 0.31	$ 0.47	$ 0.25
Diluted income per share available to common stockholders	$ 0.11	$ 0.13	$ 0.29	$ 0.27	$ 0.61	$ 0.38	$ 0.30	$ 0.45	$ 0.25
Cash dividend per common share	$ 0.48	$ 0.33	$ 0.96	$ 0.66	$ 1.47	$ 1.26	$ 1.17	$ 1.08	$ 1.00
Weighted average common shares outstanding:									
Basic	80,542,329	76,121,380	79,164,167	75,416,483	75,950,370	68,829,267	60,527,625	36,134,983	23,986,288
Diluted	83,021,817	76,851,202	81,450,636	75,806,481	77,020,890	70,435,760	62,572,937	37,442,192	24,221,732

(1) General and administrative expense includes transactions expense.

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(in thousands)	June 30, 2010 (unaudited)	December 31, 2009	2008	2007	2006	2005
Balance Sheet Data:						
Net investments in real estate	$ 3,548,642	$ 3,157,193	$ 2,748,220	$ 2,302,500	$ 1,736,979	$ 1,194,106
Total assets	4,501,032	3,745,059	3,281,045	2,809,791	2,185,783	1,529,170
Revolving credit facility	11,628	205,547	138,579	299,731	145,452	181,000
Unsecured senior notes	200,000	83,000	58,000			
Mortgages and other secured loans	1,023,255	1,063,663	1,026,594	895,507	804,686	568,067
5.875% notes due 2020	491,746					
4.125% exchangeable senior debentures due 2026, net	131,681	165,834	161,901	158,224	154,786	
5.50% exchangeable senior debentures due 2029	266,400	266,400				
Total liabilities	2,469,143	2,110,258	1,705,969	1,673,361	1,320,317	880,228
Total stockholders equity	1,955,110	1,558,995	1,503,921	1,057,167	723,576	386,497
Noncontrolling interests in operating partnership	54,414	58,192	66,797	74,335	141,890	262,239
Noncontrolling interests in consolidated joint ventures	22,365	17,614	4,358	4,928		206
Total liabilities and equity	$ 4,501,032	$ 3,745,059	$ 3,281,045	$ 2,809,791	$ 2,185,783	$ 1,529,170

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Our company. Digital Realty Trust, Inc. completed its initial public offering of common stock, or our IPO, on November 3, 2004. We believe that we have operated in a manner that has enabled us to qualify, and have elected to be treated, as a Real Estate Investment Trust (REIT) under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, or the Code. Our company was formed on March 9, 2004. During the period from our formation until we commenced operations in connection with the completion of our IPO, we did not have any corporate activity other than the issuance of shares of Digital Realty Trust, Inc. common stock in connection with the initial capitalization of the company. Our operating partnership was formed on July 21, 2004.

Business and strategy. Our primary business objectives are to maximize: (i) sustainable long-term growth in earnings and funds from operations per share and unit and (ii) cash flow and returns to our stockholders and our operating partnership s unitholders, including through the payment of distributions. We expect to achieve our objectives by focusing on our core business of investing in and redeveloping technology-related real estate. A significant component of our current and future internal growth is anticipated through the development of our existing space held for redevelopment and new properties. We target high quality, strategically located properties containing applications and operations critical to the day-to-day operations of corporate enterprise datacenter and technology industry tenants and properties that may be redeveloped for such use. Most of our properties contain fully redundant electrical supply systems, multiple power feeds, above-standard precision cooling systems, raised floor areas, extensive in-building communications cabling and high-level security systems. We focus solely on technology-related real estate because we believe that the growth in corporate datacenter adoption and the technology-related real estate industry generally will continue to be superior to that of the overall economy.

As of June 30, 2010, we owned an aggregate of 87 technology-related real estate properties, excluding one property held as an investment in an unconsolidated joint venture, with approximately 15.2 million rentable square feet including approximately 1.9 million square feet of space held for redevelopment. At June 30, 2010, approximately 128,000 square feet of our space held for redevelopment was under construction for Turn-Key Datacenter® space in three U.S. markets and one European market.

We have developed detailed, standardized procedures for evaluating acquisitions to ensure that they meet our financial, technical and other criteria. We expect to continue to acquire additional assets as a part of our growth strategy. We intend to aggressively manage and lease our assets to increase their cash flow. We intend to continue to build out our redevelopment portfolio when justified by anticipated returns.

We may acquire properties subject to existing mortgage financing and other indebtedness or we may incur new indebtedness in connection with acquiring or refinancing these properties. Debt service on such indebtedness will have a priority over any cash dividends with respect to Digital Realty Trust, Inc. s common stock and preferred stock. We currently intend to limit our indebtedness to 60% of our total enterprise value and, based on the closing price of Digital Realty Trust, Inc. s common stock on June 30, 2010 of $57.68, our ratio of debt to total enterprise value was approximately 26% as of June 30, 2010. Our total enterprise value is defined as the sum of the market value of Digital Realty Trust, Inc. s outstanding common stock (which may decrease, thereby increasing our debt to total enterprise value ratio), excluding options issued under our company s incentive award plan, plus the liquidation value of Digital Realty Trust, Inc. s preferred stock, plus the aggregate value of our operating partnership s units not held by Digital Realty Trust, Inc. (with the per unit value equal to the market value of one share of its common stock and excluding long-term incentive units and Class C units), plus the book value of its total consolidated indebtedness.

Revenue base. As of June 30, 2010, we owned 87 properties through our operating partnership, excluding one property held as an investment in an unconsolidated joint venture. These properties are mainly located throughout the U.S., with 14 properties located in Europe and one property in Canada. We acquired our first portfolio property in January 2002 and have added properties as follows:

Year Ended December 31:	Properties Acquired(1)	Net Rentable Square Feet(2)	Square Feet of Space Held for Redevelopment as of June 30, 2010(3)
2002	5	1,125,292	19,890
2003	6	1,028,185	30,175
2004	10	2,533,199	153,270
2005	20	3,323,357	186,940
2006	16	2,104,209	117,389
2007(4)	13	1,671,142	235,697
2008	5	247,301	316,947
2009	6	687,060	710,247
2010	6	550,290	145,473
Properties owned as of June 30, 2010	87	13,270,035	1,916,028

(1) Excludes properties sold in 2007 and 2006: 100 Technology Center Drive (March 2007), 4055 Valley View Lane (March 2007) and 7979 East Tufts Avenue (July 2006). Also excludes a leasehold interest acquired in March 2007 related to an acquisition made in 2006.

(2) Current net rentable square feet as of June 30, 2010, which represents the current square feet at buildings under lease as specified in the applicable lease agreements plus management s estimate of space available for lease based on engineering drawings. Includes tenants proportional share of common areas but excludes space held for redevelopment.

(3) Redevelopment space is unoccupied space that requires significant capital investment in order to develop datacenter facilities that are ready for use. Most often this is shell space. However, in certain circumstances this may include partially built datacenter space that was not completed by previous ownership and requires a large capital investment in order to build out the space. The amounts included in this table represent current redevelopment space as of June 30, 2010 in the properties acquired during the relevant period.

(4) Includes a developed building (43915 Devin Shafron Drive) placed into service in 2010 that is being included with a property (Devin Shafron buildings) that was acquired in 2007.

As of June 30, 2010, the properties in our portfolio were approximately 95.0% leased excluding 1.9 million square feet held for redevelopment. Due to the capital intensive and long term nature of the operations being supported, our lease terms are generally longer than standard commercial leases. As of June 30, 2010, our original average lease term was approximately 14 years, with an average of over seven years remaining. The majority of our leasing since the completion of Digital Realty Trust, Inc. s initial public offering in November 2004 has been at lease terms shorter than 12 years. Our lease expirations through December 31, 2011 are 10.4% of net rentable square feet excluding space held for redevelopment as of June 30, 2010.

Operating revenues from properties outside the United States were $22.4 million and $19.9 million for the three months ended June 30, 2010 and 2009, respectively, and $45.5 million and $39.4 million for the six months ended June 30, 2010 and 2009, respectively.

Factors Which May Influence Future Results of Operations

Global economic conditions

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

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

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

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

Rental income. The amount of rental income generated by the properties in our portfolio depends principally on our ability to maintain the occupancy rates of currently leased space and to lease currently available space and space available from lease terminations. Excluding 1.9 million square feet held for redevelopment, as of June 30, 2010, the occupancy rate of the properties in our portfolio was approximately 95.0% of our net rentable square feet.

The amount of rental income generated by us also depends on our ability to maintain or increase rental rates at our properties. Included in our approximately 13.3 million net rentable square feet, excluding redevelopment space, at June 30, 2010 is approximately 151,000 net rentable square feet of space with extensive datacenter improvements that is currently, or will shortly be, available for lease. Since our IPO, we have leased approximately 2,167,000 square feet of similar space. These Turn-Key Datacenters® are effective solutions for tenants who lack the expertise or capital budget to provide their own extensive datacenter infrastructure and security. Our expertise in datacenter construction and operations enables us to lease space to these tenants at a significant premium over other uses. Negative trends in one or more of these factors, including as a result of the conditions described above under Global market and economic conditions, could adversely affect our rental income in future periods.

In addition, as of June 30, 2010, we had approximately 1.9 million square feet of redevelopment space, or approximately 13% of the total rentable space in our portfolio, including four vacant properties comprising approximately 289,000 square feet. Redevelopment space requires significant capital investment in order to develop datacenter facilities that are ready for use and, in addition, we may require additional time or encounter delays in securing tenants for redevelopment space. We will require additional capital to finance our redevelopment activities, which may not be available or may not be available on terms acceptable to us,

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including as a result of the conditions described above under Global market and economic conditions. Our ability to grow earnings depends in part on our ability to redevelop space and lease redevelopment space at favorable rates, which we may not be able to obtain. We may purchase additional vacant properties and properties with vacant redevelopment space in the future.

Economic downturns, including as a result of the conditions described above under Global market and economic conditions, or regional downturns affecting our sub-markets or downturns in the technology-related real estate industry that impair our ability to lease or renew or re-lease space, otherwise reduce returns on our investments or the ability of our tenants to fulfill their lease commitments, as in the case of tenant bankruptcies, could adversely affect our ability to maintain or increase rental rates at our properties. As of June 30, 2010, we had no material tenants in bankruptcy.

Scheduled lease expirations. Our ability to re-lease expiring space at rental rates equal to or in excess of current rental rates will impact our results of operations. In addition to approximately 0.7 million square feet of available space in our portfolio, which excludes approximately 1.9 million square feet available for redevelopment as of June 30, 2010, leases representing approximately 1.4% and 9.0% of the net rentable square footage of our portfolio are scheduled to expire during the six months ending December 31, 2010 and the year ending December 31, 2011, respectively.

Market concentration. We depend on the market for technology based real estate in specific geographic regions and significant changes in these regional markets can impact our future results. As of June 30, 2010, our portfolio was geographically concentrated in the following metropolitan markets:

Metropolitan Market	**Percentage of 6/30/10 total annualized rent(1)**
Silicon Valley	16.3%
New York Metro	12.2%
Chicago	11.2%
Northern Virginia	9.6%
Dallas	8.9%
Boston	7.3%
Phoenix	5.7%
San Francisco	4.6%
London, England	4.3%
Los Angeles	4.1%
Dublin, Ireland	3.1%
Paris, France	2.5%
Other	10.2%
	100.0%

(1) Annualized rent is monthly contractual rent under existing leases as of June 30, 2010 multiplied by 12.

Operating expenses. Our operating expenses generally consist of utilities, property and ad valorem taxes, property management fees, insurance and site maintenance costs, as well as rental expenses on our ground and building leases. In particular, our buildings require significant power to support the datacenter operations contained in them. Many of our leases contain provisions under which the tenants reimburse us for a portion of property operating expenses and real estate taxes incurred by us. However, we generally are not entitled to reimbursement of property operating expenses and real estate taxes under our leases for Turn-Key Datacenters®. We also incur general and administrative expenses, including expenses relating to our asset management function, as well as significant legal, accounting and other expenses related to corporate governance, SEC reporting and compliance with the various provisions of the Sarbanes-Oxley Act. Increases or decreases in such operating expenses will impact our overall performance. We expect to incur additional operating expenses as we continue to expand.

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In June 2009, the U.S. House of Representatives approved comprehensive clean energy and climate change legislation that is intended to cut greenhouse gas, or GHG, emissions, create new clean energy jobs and enhance the energy independence of the United States. This legislation would reduce GHG emissions in the United States through an economy-wide cap-and-trade program. The U.S. Senate has been working for many months on preparing its own version of clean energy and climate change legislation; most recently, that legislative effort has been narrowed to focus solely on the utility sector. Moreover, the U.S. Environmental Protection Agency, or EPA, is moving aggressively to regulate GHG emissions from large stationary sources, including electricity producers, using its own authority under the Clean Air Act. Some of those regulations have been finalized and currently are in litigation. In addition, since 2005 the European Union (including the United Kingdom) has been operating under a cap-and-trade program, which directly affects the largest emitters of greenhouse gases, including electricity producers from whom we purchase power. Any additional taxation or regulation of energy use, including as a result of (i) new legislation that Congress may pass, (ii) the regulations that the U.S. EPA has proposed or finalized, or (iii) any further reductions in the EU greenhouse gas cap could significantly increase our costs, and we may not be able to effectively pass all of these costs on to our tenants.

Interest rates. As of June 30, 2010, we had approximately $238.5 million of variable rate debt, all of which was mortgage debt subject to interest rate cap or swap agreements. We can also borrow up to $750.0 million of variable rate debt under our revolving credit facility, none of which would be subject to interest rate hedging. The availability of debt and equity capital has significantly decreased as a result of the circumstances described above under Global market and economic conditions. The effects on commercial real estate mortgages, if available, include, but may not be limited to: higher loan spreads, tightened loan covenants, reduced loan to value ratios resulting in lower borrower proceeds and higher principal payments. Potential future increases in interest rates and credit spreads may increase our interest expense and fixed charges and negatively affect our financial condition and results of operations, potentially impacting our future access to the debt and equity capital markets. Increased interest rates may also increase the risk that the counterparties to our swap agreements will default on their obligations, which could further increase our interest expense. If we cannot obtain capital from third party sources, we may not be able to acquire or develop properties when strategic opportunities exist, satisfy our debt service obligations or pay the cash dividends to Digital Realty Trust, Inc. s stockholders necessary to maintain its qualification as a REIT.

Demand for datacenter space. Our portfolio of properties consists primarily of technology-related real estate and datacenter real estate in particular. A decrease in the demand for, or increase in supply of, datacenter space, Internet gateway facilities or other technology-related real estate would have a greater adverse effect on our business and financial condition than if we owned a portfolio with a more diversified tenant base or less specialized use. Our redevelopment activities make us particularly susceptible to general economic slowdowns, including recessions and the other circumstances described above under Global market and economic conditions, as well as adverse developments in the corporate datacenter, Internet and data communications and broader technology industries. Any such slowdown or adverse development could lead to reduced corporate IT spending or reduced demand for datacenter space. Reduced demand could also result from business relocations, including to markets that we do not currently serve such as Asia. Changes in industry practice or in technology, such as virtualization technology, more efficient or miniaturization of computing or networking devices, or devices that require higher power densities than today s devices, could also reduce demand for the physical datacenter space we provide or make the tenant improvements in our facilities obsolete or in need of significant upgrades to remain viable. In addition, the development of new technologies, the adoption of new industry standards or other factors could render many of our tenants current products and services obsolete or unmarketable and contribute to a downturn in their businesses, thereby increasing the likelihood that they default under their leases, become insolvent or file for bankruptcy.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these financial statements in conformity with GAAP

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requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses in the reporting period. Our actual results may differ from these estimates. We have provided a summary of our significant accounting policies in note 2 to our consolidated financial statements included elsewhere in this prospectus. We describe below those accounting policies that require material subjective or complex judgments and that have the most significant impact on our financial condition and consolidated results of operations. Our management evaluates these estimates on an ongoing basis, based upon information currently available and on various assumptions management believes are reasonable as of the date on the front cover of this prospectus.

Investments in Real Estate

Acquisition of real estate. The price that we pay to acquire a property is impacted by many factors including the condition of the property and improvements, the occupancy of the building, the existence of above and below market tenant leases, the creditworthiness of the tenants, favorable or unfavorable financing, above or below market ground leases and numerous other factors. Accordingly, we are required to make subjective assessments to allocate the purchase price paid to acquire investments in real estate among the assets acquired and liabilities assumed based on our estimate of the fair values of such assets and liabilities. This includes determining the value of the property and improvements, land, any ground leases, tenant improvements, in-place tenant leases, tenant relationships, the value (or negative value) of above (or below) market leases, any debt assumed from the seller or loans made by the seller to us and any building leases assumed from the seller. Each of these estimates requires a great deal of judgment and some of the estimates involve complex calculations. These allocation assessments have a direct impact on our results of operations. For example, if we were to allocate more value to land, there would be no depreciation with respect to such amount. If we were to allocate more value to the property as opposed to allocating to the value of tenant leases, this amount would be recognized as an expense over a much longer period of time. This potential effect occurs because the amounts allocated to property are depreciated over the estimated lives of the property whereas amounts allocated to tenant leases are amortized over the terms of the leases. Additionally, the amortization of the value (or negative value) assigned to above (or below) market rate leases is recorded as an adjustment to rental revenue as compared to amortization of the value of in-place leases and tenant relationships, which is included in depreciation and amortization in our consolidated statements of operations.

Useful lives of assets. We are required to make subjective assessments as to the useful lives of our properties for purposes of determining the amount of depreciation to record on an annual basis with respect to our investments in real estate. These assessments have a direct impact on our net income because if we were to shorten the expected useful lives of our investments in real estate we would depreciate such investments over fewer years, resulting in more depreciation expense and lower net income on an annual basis.

Asset impairment evaluation. We review the carrying value of our properties when circumstances, such as adverse market conditions, indicate potential impairment may exist. We base our review on an estimate of the future cash flows (excluding interest charges) expected to result from the real estate investment s use and eventual disposition. We consider factors such as future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If our evaluation indicates that we may be unable to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property. These losses have a direct impact on our net income because recording an impairment loss results in an immediate negative adjustment to net income. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. Since cash flows on properties considered to be long-lived assets to be held and used are considered on an undiscounted basis to determine whether an asset has been impaired, our strategy of holding properties over the long-term directly decreases the likelihood of recording an impairment loss. If our strategy changes or market conditions otherwise dictate an earlier sale date, an impairment loss may be recognized and such loss could be material. If we determine that impairment has occurred, the affected assets must be reduced to their fair value. No such impairment losses have been recognized to date.

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We estimate the fair value of rental properties utilizing a discounted cash flow analysis that includes projections of future revenues, expenses and capital improvement costs, similar to the income approach that is commonly utilized by appraisers.

Capitalization of Costs

We capitalize direct and indirect costs related to leasing, construction, development and redevelopment, including property taxes, insurance, financing and employee costs relating to space under development. We capitalize costs on redevelopment space until construction is substantially complete and the space is held available for occupancy. The determination of when a development project is substantially complete and when capitalization must cease involves a degree of judgment. We consider a construction project as substantially complete and held available for occupancy upon the completion of landlord-owned tenant improvements or when the lessee takes possession of the unimproved space for construction of its own improvements, but no later than one year from cessation of major construction activity. We cease capitalization on the portion substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with any remaining portion under construction.

Revenue Recognition

Rental income is recognized using the straight-line method over the terms of the tenant leases. Deferred rents included in our balance sheets represent the aggregate excess of rental revenue recognized on a straight-line basis over the contractual rental payments that would be received under the remaining terms of the leases. Many of our leases contain provisions under which the tenants reimburse us for a portion of property operating expenses and real estate taxes incurred by us. However, we generally are not entitled to reimbursement of property operating expenses, other than utility expense, and real estate taxes under our leases for Turn-Key Datacenters®. Such reimbursements are recognized in the period that the expenses are incurred. Lease termination fees are recognized over the remaining term of the lease, effective as of the date the lease modification is finalized, assuming collection is not considered doubtful. As discussed above, we recognize amortization of the value of acquired above or below market tenant leases as a reduction of rental income in the case of above market leases or an increase to rental revenue in the case of below market leases.

We must make subjective estimates as to when our revenue is earned and the collectability of our accounts receivable related to minimum rent, deferred rent, expense reimbursements, lease termination fees and other income. We specifically analyze accounts receivable and historical bad debts, tenant concentrations, tenant creditworthiness and current economic trends when evaluating the adequacy of the allowance for bad debts. These estimates have a direct impact on our net income because a higher bad debt allowance would result in lower net income, and recognizing rental revenue as earned in one period versus another would result in higher or lower net income for a particular period.

Share-Based Awards

We recognize compensation expense related to share-based awards. We generally amortize this compensation expense over the vesting period of the award. The calculation of the fair value of share-based awards is subjective and requires several assumptions over such items as expected stock volatility, dividend payments and future company results. These assumptions have a direct impact on our net income because a higher share-based awards amount would result in lower net income for a particular period.

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Results of Operations

Three and Six Months Ended June 30, 2010 and June 30, 2009

The discussion below relates to our financial condition and results of operations for the three and six months ended June 30, 2010 and 2009. A summary of our operating results from continuing operations for the three and six months ended June 30, 2010 and 2009 is as follows (in thousands):

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Statement of Operations Data:				
Total operating revenues	$ 197,464	$ 155,007	$ 389,243	$ 304,141
Total operating expenses	(143,314)	(112,161)	(279,898)	(222,092)
Operating income	54,150	42,846	109,345	82,049
Other expenses, net	(34,248)	(21,643)	(63,857)	(39,657)
Net income	$ 19,902	$ 21,203	$ 45,488	$ 42,392

Our property portfolio has experienced consistent and significant growth since the first property acquisition in January 2002. As a result of this growth, our period-to-period comparison of our financial performance focuses on the impact on our revenues and expenses resulting both from the new property additions to our portfolio, as well as on a same store property basis (same store properties are properties that were owned and operated for the entire current period and the entire immediate preceding year). The following table identifies each of the properties in our portfolio acquired from January 1, 2009 through June 30, 2010.

Acquired Buildings	Acquisition Date	Redevelopment Space as of June 30, 2010(1)	Net Rentable Square Feet Excluding Redevelopment Space(2)	Square Feet Including Redevelopment Space	Occupancy Rate as of June 30, 2010(3)
As of December 31, 2008 (75 Properties)		986,633	11,974,080	12,960,713	95.0%
January 1, 2009 through June 30, 2010					
1525 Comstock Street	Sep-09		42,385	42,385	100.0
444 Toyama Drive	Sep-09		42,083	42,083	100.0
904 Quality Way(4)	Sep-09	46,750		46,750	
905 Security Row(4)	Sep-09	249,657		249,657	
1232 Alma Road(4)	Sep-09	34,147	71,579	105,726	77.3
900 Quality Way(4)	Sep-09	112,253		112,253	
1400 N. Bowser Road(4)	Sep-09	246,940		246,940	
1301 International Parkway(4)	Sep-09	20,500		20,500	
908 Quality Way(4)	Sep-09		14,400	14,400	100.0
1350 Duane Avenue/3080 Raymond Street	Oct-09		185,000	185,000	100.0
45901 & 45845 Nokes Boulevard	Dec-09		167,160	167,160	100.0
21561 & 21571 Beaumeade Circle	Dec-09		164,453	164,453	100.0
128 First Avenue	Jan-10		274,750	274,750	95.7
55 Middlesex Turnpike	Jan-10		106,000	106,000	87.9
60 & 80 Merritt Boulevard	Jan-10		169,540	169,540	100.0
43915 Devin Shafron Drive(5)	Jan-10	73,675	58,605	132,280	49.6
1725 Comstock Street	Apr-10	39,643		39,643	
3105 and 3115 Alfred Street	May-10	49,858		49,858	
Cateringweg 5	Jun-10	55,972		55,972	

Subtotal	929,395	1,295,955	2,225,350	94.6%
Total	1,916,028	13,270,035	15,186,063	95.0%

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(1) Redevelopment space requires significant capital investment in order to develop datacenter facilities that are ready for use. Most often this is shell space. However, in certain circumstances this may include partially built datacenter space that was not completed by previous ownership and requires a large capital investment in order to build out the space.

(2) Net rentable square feet at a building represents the current square feet at that building under lease as specified in the lease agreements plus management s estimate of space available for lease based on engineering drawings. Net rentable square feet includes tenants proportional share of common areas but excludes space held for redevelopment.

(3) Occupancy rates exclude redevelopment space.

(4) The seven buildings at Digital Realty Trust Datacenter Park Dallas are considered one property for our property count.

(5) Represents a developed building placed into service in 2010 that is being included with a property (Devin Shafron buildings) that was acquired in 2007.

In May 2008, we acquired 701 & 717 Leonard Street, a parking garage in Dallas, Texas; however, we exclude the acquisition from our property count because it is located adjacent to our internet gateway datacenter located at 2323 Bryan Street and is not considered a separate property.

Comparison of the Three Months Ended June 30, 2010 to the Three Months Ended June 30, 2009 and the Six Months Ended June 30, 2010 to the Six Months Ended June 30, 2009

Portfolio

As of June 30, 2010, our portfolio consisted of 87 properties, excluding one property held as an investment in an unconsolidated joint venture, with an aggregate of 15.2 million net rentable square feet including 1.9 million square feet held for redevelopment compared to a portfolio consisting of 75 properties, excluding one property held as an investment in an unconsolidated joint venture, with an aggregate of 13.0 million net rentable square feet including 1.1 million square feet held for redevelopment as of June 30, 2009. The increase in our portfolio reflects the acquisition of 12 properties in the twelve months ended June 30, 2010.

Operating Revenues

Operating revenues during the three and six months ended June 30, 2010 and 2009 were as follows (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2010	**2009**	**Change**	**2010**	**2009**	**Change**
Rental	$ 157,867	$ 125,490	$ 32,377	$ 310,588	$ 243,585	$ 67,003
Tenant reimbursements	39,597	29,434	10,163	78,655	60,455	18,200
Other		83	(83)		101	(101)
Total operating revenues	$ 197,464	$ 155,007	$ 42,457	$ 389,243	$ 304,141	$ 85,102

As shown by the same store and new properties table below, the increases in rental revenues and tenant reimbursement revenues for the three and six month periods ended June 30, 2010 compared to the same periods in 2009 were primarily due to new leasing at our same store properties and acquisition of properties. We acquired 12 properties during the twelve months ended June 30, 2010.

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The following table shows operating revenues for new properties (properties that were not owned for each of the full three and six months ended June 30, 2010 and 2009) and same store properties (all other properties) (in thousands):

	Same Store Three Months Ended June 30,			New Properties Three Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
Rental	$ 136,109	$ 125,490	$ 10,619	$ 21,758	$	$ 21,758
Tenant reimbursements	34,954	29,434	5,520	4,643		4,643
Other		83	(83)			
Total operating revenues	$ 171,063	$ 155,007	$ 16,056	$ 26,401	$	$ 26,401

	Same Store Six Months Ended June 30,			New Properties Six Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
Rental	$ 272,218	$ 243,585	$ 28,633	$ 38,370	$	$ 38,370
Tenant reimbursements	70,087	60,455	9,632	8,568		8,568
Other		101	(101)			
Total operating revenues	$ 342,305	$ 304,141	$ 38,164	$ 46,938	$	$ 46,938

Same store rental revenues increased for the three and six months ended June 30, 2010 compared to the same periods in 2009 primarily as a result of new leases at our properties during the twelve months ended June 30, 2010 due to strong demand for datacenter space, including leases of completed redevelopment space, the largest of which was for space in 350 East Cermak Road, 1525 Comstock Street, 2440 Marsh Lane, St. Anne s Boulevard (3 buildings) and 365 South Randolphville Road. Rental revenue included amounts earned from leases with tel(x), a related party, of approximately $5.8 million and $5.0 million for the three months ended June 30, 2010 and 2009, respectively, and $10.9 million and $9.2 million for the six months ended June 30, 2010 and 2009, respectively. Same store tenant reimbursement revenues increased for the three and six months ended June 30, 2010 as compared to the same periods in 2009 primarily as a result of new leasing and higher utility and operating expenses being billed to our tenants, the largest occurrences of which were at 350 East Cermak Road , 3 Corporate Place, 1525 Comstock Street and 600 West Seventh Street.

For the three and six months ended June 30, 2010, 128 First Avenue, 60 & 80 Merritt Boulevard, 55 Middlesex Turnpike and 1350 Duane Avenue/3080 Raymond Street contributed $20.3 million, or approximately 77% and $36.4 million, or approximately 78%, respectively, of the total new properties increase in revenues compared to the same periods in 2009.

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Operating Expenses and Interest Expense

Operating expenses and interest expense during the three and six months ended June 30, 2010 and 2009 were as follows (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
Rental properly operating and	$ 54,406	$ 42,301	$ 12,105	$ 107,648	$ 84,874	$ 22,774
Properly taxes	12,748	9,149	3,599	25,469	18,360	7,109
Insurance	1,846	1,488	358	3,581	2,944	637
Depreciation and amortization	59,860	49,183	10,677	117,392	95,487	21,905
General and administrative	12,574	9,958	2,616	23,093	19,630	3,463
Transactions	1,715	82	1,633	2,548	512	2,036
Other	165		165	167	285	(118)
Total operating expenses	$ 143,314	$ 112,161	$ 31,153	$ 279,898	$ 222,092	$ 57,806
Interest expense	$ 33,162	$ 22,495	$ 10,667	$ 64,064	$ 41,432	$ 22,632

As shown in the same store expense and new properties expense table below, total expenses for the three and six months ended June 30, 2010 increased compared to the same periods in 2009 primarily as a result of higher same store utility and maintenance costs as well as increased depreciation from additional redevelopment projects placed into service and from recently acquired properties.

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The following table shows expenses for new properties (properties that were not owned for each of the full three and six months ended June 30, 2010 and 2009) and same store properties (all other properties) (in thousands):

	Same Store Three Months Ended June 30,			New Properties Three Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
Rental property operating and maintenance	$ 46,637	$ 42,301	$ 4,336	$ 7,769	$	$ 7,769
Property taxes	10,381	9,149	1,232	2,367		2,367
Insurance	1,612	1,488	124	234		234
Depreciation and amortization	52,760	49,183	3,577	7,100		7,100
General and administrative[(1)]	12,574	9,958	2,616			
Transactions				1,715	82	1,633
Other	165		165			
Total operating expenses	$ 124,129	$ 112,079	$ 12,050	$ 19,185	$ 82	$ 19,103
Interest expense	$ 32,418	$ 22,495	$ 9,923	$ 744	$	$ 744

	Same Store Six Months Ended June 30,			New Properties Six Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
Rental property operating and maintenance	$ 94,216	$ 84,874	$ 9,342	$ 13,432	$	$ 13,432
Property taxes	21,210	18,360	2,850	4,259		4,259
Insurance	3,142	2,944	198	439		439
Depreciation and amortization	105,179	95,487	9,692	12,213		12,213
General and administrative[(1)]	23,093	19,630	3,463			
Transactions				2,548	512	2,036
Other	167	285	(118)			
Total operating expenses	$ 247,007	$ 221,580	$ 25,427	$ 32,891	$ 512	$ 32,379
Interest expense	$ 62,450	$ 41,432	$ 21,018	$ 1,614	$	$ 1,614

(1) General and administrative expenses are included in same store as they are not allocable to specific properties.

Same store rental property operating and maintenance expenses increased in the three and six months ended June 30, 2010 compared to the same periods in 2009 primarily as a result of higher utility rates in several of our properties along with redevelopment projects being placed into service leading to higher utility expense in 2010. We capitalized amounts relating to compensation expense of employees directly engaged in construction and leasing activities of $4.6 million and $3.5 million for the three months ended June 30, 2009 and 2008, respectively, and $8.8 million and $6.7 million for the six months ended June 30, 2009 and 2008, respectively.

Same store depreciation and amortization expense increased in the three and six months ended June 30, 2010 compared to the same periods in 2009, principally because of depreciation of redevelopment projects that were placed into service in the final six months of 2009 and during 2010.

General and administrative expenses for the three and six months ended June 30, 2010 increased compared to the same periods in 2009 primarily due to the growth of our company, which resulted in more employees, additional incentive compensation, and higher professional fees and marketing expenses.

Same store interest expense increased for the three and six months ended June 30, 2010 as compared to the same period in 2009 primarily as a result of higher average outstanding debt balances during 2010 compared to

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2009 primarily due to the issuance of our 5.875% Notes due 2020, the issuance of our 5.50% Exchangeable Senior Debentures due 2029 and draws on our Prudential shelf facility. During the three months ended June 30, 2010 and 2009, we capitalized interest of approximately $2.5 million and $2.1 million, respectively, and for the six months ended June 30, 2010 and 2009, we capitalized interest of approximately $4.4 million and $5.2 million, respectively.

New property increases were caused by properties acquired during the period from January 1, 2009 to June 30, 2010. For the three and six months ended June 30, 2010, 128 First Avenue, 60 & 80 Merritt Boulevard, 55 Middlesex Turnpike and 1350 Duane Avenue/3080 Raymond Street contributed $14.0 million, or approximately 73%, and $24.6 million, or approximately 76%, respectively, of the total new properties increase in total operating expenses compared to the same periods in 2009.

Transactions expense increased in the three and six months ended June 30, 2010 compared to the same periods in 2009, principally because of acquisition related expenses related to the acquisitions of the New England Portfolio and 365 Main Portfolio.

Years Ended December 31, 2009, 2008 and 2007

The discussion below relates to our financial condition and results of operations for the years ended December 31, 2009, 2008 and 2007. A summary of our operating results from continuing operations for the years ended December 31, 2009, 2008 and 2007 was as follows (in thousands).

Year Ended December 31,	2009	2008	2007
Statement of Operations Data:			
Total operating revenues	$ 637,142	$ 527,445	$ 395,247
Total operating expenses	(459,353)	(399,090)	(307,569)
Operating income	177,789	128,355	87,678
Other expenses, net	(86,555)	(60,437)	(65,132)
Income from continuing operations	$ 91,234	$ 67,918	$ 22,546

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Our property portfolio has experienced consistent and significant growth since the first property acquisition in January 2002. As a result of such growth, a period-to-period comparison of our financial performance focuses on the impact on our revenues and expenses resulting both from the new property additions to our portfolio, as well as on a same store property basis (same store properties are properties that were owned and operated for the entire current period and the entire immediate preceding year). The following table identifies each of the properties in our portfolio acquired from January 1, 2007 through December 31, 2009.

Acquired Buildings	Acquisition Date	Redevelopment Space as of December 31, 2009(1)	Net Rentable Square Feet Excluding Redevelopment Space	Square Feet Including Redevelopment Space	Occupancy Rate as of December 31, 2009(2)
As of December 31, 2006 (57 properties)		462,540	10,159,366	10,621,906	94.3%
Year Ended December 31, 2007					
21110 Ridgetop Circle	Jan-07		135,513	135,513	100.0
3011 LaFayette Street	Jan-07		90,780	90,780	100.0
44470 Chillum Place	Feb-07		95,440	95,440	100.0
43791 Devin Shafron Drive(3)	Mar-07	2,194	132,806	135,000	100.0
43831 Devin Shafron Drive(3)	Mar-07		117,071	117,071	100.0
43881 Devin Shafron Drive(3)	Mar-07		180,000	180,000	98.5
Mundells Roundabout	Apr-07		113,464	113,464	100.0
210 N Tucker Boulevard	Aug-07	62,000	139,588	201,588	78.4
900 Walnut Street	Aug-07		112,266	112,266	97.3
1 Savvis Parkway	Aug-07		156,000	156,000	100.0
Clonshaugh Industrial Estate II(4)	Sep-07		124,500	124,500	100.0
1500 Space Park Drive	Sep-07		51,615	51,615	100.0
Cressex 1	Dec-07		50,847	50,847	90.6
Naritaweg 52	Dec-07		63,260	63,260	100.0
1 St. Anne s Boulevard(5)	Dec-07		20,219	20,219	100.0
2 St. Anne s Boulevard(5)	Dec-07	30,612		30,612	
3 St. Anne s Boulevard(5)	Dec-07	76,494	19,890	96,384	100.0
Subtotal		171,300	1,603,259	1,774,559	97.5%
Year Ended December 31, 2008					
365 South Randolphville Road	Feb-08	226,530	38,262	264,792	50.6
650 Randolph Road	Jun-08	127,790		127,790	
1201 Comstock Street	Jun-08		24,000	24,000	100.0
Manchester Technopark	Jun-08		38,016	38,016	100.0
7505 Mason King Court	Nov-08		109,650	109,650	100.0
Subtotal		354,320	209,928	564,248	91.0%
Year Ended December 31, 2009					
1525 Comstock Street	Sep-09		42,385	42,385	100.0
444 Toyama Drive	Sep-09		42,083	42,083	100.0
904 Quality Way(6)	Sep-09	46,750		46,750	
905 Security Row(6)	Sep-09	249,657		249,657	
1232 Alma Road(6)	Sep-09	105,726		105,726	
900 Quality Way(6)	Sep-09	112,253		112,253	
1400 N. Bowser Road(6)	Sep-09	246,940		246,940	
1301 International Parkway(6)	Sep-09	20,500		20,500	
908 Quality Way(6)	Sep-09	14,400		14,400	
1350 Duane Avenue/3080 Raymond Street	Oct-09		185,000	185,000	100.0
45901 & 45845 Nokes Boulevard	Dec-09		167,160	167,160	100.0
21561 & 21571 Beaumeade Circle	Dec-09		164,453	164,453	100.0
Subtotal		796,226	601,081	1,397,307	100.0%

Total	1,784,386	12,573,634	14,358,020	95.0%

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(1) Redevelopment space requires significant capital investment in order to develop datacenter facilities that are ready for use. Most often this is shell space. However, in certain circumstances this may include partially built datacenter space that was not completed by previous ownership and requires a large capital investment in order to build out the space.
(2) Occupancy rates exclude space held for redevelopment. For some of our properties, we calculate occupancy based on factors in addition to contractually leased square feet, including available power, required support space and common area.
(3) The three buildings at Devin Shafron Drive are considered one property for our property count.
(4) Building completed and placed into service in September 2007 on a land parcel acquired in 2006.
(5) The three buildings at St. Anne s Boulevard are considered one property for our property count.
(6) The seven buildings at Digital Realty Trust Datacenter Park Dallas are considered one property for our property count.

In May 2008, we acquired 701 & 717 Leonard Street, a parking garage in Dallas, Texas; however, we exclude the acquisition from our property count because it is located adjacent to our internet gateway datacenter located at 2323 Bryan Street and is not considered a separate property.

In May 2009, we acquired three parcels of land in Ashburn, Virginia to be developed. The parcels are not included in our property count.

Comparison of the Year Ended December 31, 2009 to the Year Ended December 31, 2008 and Comparison of the Year Ended December 31, 2008 to the Year Ended December 31, 2007

Portfolio

As of December 31, 2009, our portfolio consisted of 81 properties with an aggregate of 14.4 million net rentable square feet including 1.8 million square feet held for redevelopment compared to a portfolio consisting of 75 properties with an aggregate of 13.0 million net rentable square feet including 1.6 million square feet held for redevelopment as of December 31, 2008 and a portfolio consisting of 70 properties with an aggregate of 12.3 million net rentable square feet including 1.8 million square feet held for redevelopment as of December 31, 2007. The increase in our portfolio reflects the acquisition of 13 properties in 2007, 5 properties in 2008 and 6 properties in 2009. For all periods above, the number of properties excludes one property held as an investment in an unconsolidated joint venture.

Revenues

Total operating revenues from continuing operations for the years ended December 31, 2009, 2008 and 2007 were as follows (in thousands):

	Year Ended December 31,			Change		Percentage Change	
	2009	2008	2007	2009 v 2008	2008 v 2007	2009 v 2008	2008 v 2007
Rental	$ 510,772	$ 404,559	$ 319,603	$ 106,213	$ 84,956	26.3%	26.6%
Tenant reimbursements	125,308	107,503	75,003	17,805	32,500	16.6%	43.3%
Other	1,062	15,383	641	(14,321)	14,742	(93.1)%	2,299.8%
Total operating revenues	$ 637,142	$ 527,445	$ 395,247	$ 109,697	$ 132,198	20.8%	33.4%

As shown by the same store and new properties table shown below, the increases in rental revenues and tenant reimbursement revenues in the year ended December 31, 2009 compared to 2008 were primarily due to new leasing at our same store properties, including completed and leased redevelopment space, and acquisitions of properties. These factors also caused the increases in rental revenues and tenant reimbursements in the year ended December 31, 2008 compared to 2007. Other revenues changes in the years presented were primarily due to the timing of varying tenant termination revenues. We acquired 6, 5 and 13 properties during the years ended December 31, 2009, 2008 and 2007, respectively.

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The following table shows total operating revenues from continuing operations for same store properties and new properties (in thousands).

	Same Store Year Ended December 31,			New Properties Year Ended December 31,		
	2009	2008	Change	2009	2008	Change
Rental	$ 495,928	$ 402,905	$ 93,023	$ 14,844	$ 1,654	$ 13,190
Tenant reimbursements	120,431	105,870	14,561	4,877	1,633	3,244
Other	1,062	15,383	(14,321)			
Total operating revenues	$ 617,421	$ 524,158	$ 93,263	$ 19,721	$ 3,287	$ 16,434

Same store rental revenues increased for the year ended December 31, 2009 compared to the same period in 2008 primarily as a result of new leases at our properties during 2009, the largest of which were for space in Devin Shafron Drive (three buildings), 350 East Cermak Road, 114 Rue Ambroise Croizat, 2440 Marsh Lane and Cressex 1. Same store tenant reimbursement revenues increased for the year ended December 31, 2009 compared to the same period in 2008 primarily as a result of higher utility and operating expenses being billed to our tenants in connection with new leasing, the largest occurrences of which were at 3011 Lafayette Street, Devin Shafron Drive (three buildings), 111 8th Avenue (2nd and 6th floors), 1500 Space Park Drive and 114 Rue Ambroise Croizat. The decrease in other revenue for the year ended December 31, 2009 compared to the same period in 2008 was primarily due to lease termination revenue related to an early termination of a tenant lease during the latter half of 2008.

New property increases were caused by properties acquired during the period from January 1, 2008 to December 31, 2009. For the year ended December 31, 2009, 1201 Comstock Street, Manchester Technopark, 7505 Mason King Court and 1350 Duane Avenue/3080 Raymond Street contributed $12.9 million, or approximately 78% of the total new properties increase in revenues compared to the same period in 2008.

(in thousands)	Same Store Year Ended December 31,			New Properties Year Ended December 31,		
	2008	2007	Change	2008	2007	Change
Rental	$ 348,724	$ 302,473	$ 46,251	$ 55,835	$ 17,130	$ 38,705
Tenant reimbursements	97,420	73,343	24,077	10,083	1,660	8,423
Other	15,383	641	14,742			
Total operating revenues	$ 461,527	$ 376,457	$ 85,070	$ 65,918	$ 18,790	$ 47,128

Same store rental revenues increased for the year ended December 31, 2008 compared to the same period in 2007 primarily as a result of new leases at our properties during 2008, the largest of which were for space in 350 East Cermak Road, 3 Corporate Place, 4025 Midway Road, and 200 Paul Avenue 1-4. Same store tenant reimbursement revenues increased for the year ended December 31, 2008 compared to the same period in 2007 primarily as a result of higher utility and operating expenses being billed to our tenants, the largest occurrences of which were at 3 Corporate Place, 350 East Cermak Road, 200 Paul Avenue 1-4, and 600 West Seventh Street. The increase in other revenue for the year ended December 31, 2008 compared to the same period in 2007 was primarily due to lease termination revenue related to an early termination of a tenant lease during the latter half of 2008.

New property increases were caused by properties acquired during the period from January 1, 2007 to December 31, 2008. For the year ended December 31, 2008, 3011 Lafayette Street, Devon Shafron Drive properties (3 buildings), 1500 Space Park Drive, 900 Walnut Street and Manchester Technopark contributed $31.9 million, or approximately 68% of the total new properties increase in revenues compared to the same period in 2007.

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Expenses

Total expenses from continuing operations were as follows (in thousands):

	Year Ended December 31,			Change		Percentage Change	
	2009	2008	2007	2009 v 2008	2008 v 2007	2009 v 2008	2008 v 2007
Rental property operating and maintenance	$ 176,238	$ 151,147	$ 109,225	$ 25,091	$ 41,922	16.6%	38.4%
Property taxes	36,004	31,102	27,181	4,902	3,921	15.8%	14.4%
Insurance	6,111	4,988	5,527	1,123	(539)	22.5%	(9.8)%
Depreciation and amortization	198,052	172,378	134,419	25,674	37,959	14.9%	28.2%
General and administrative	42,165	38,391	30,786	3,774	7,605	9.8%	24.7%
Other	783	1,084	431	(301)	653	(27.8)%	151.5%
Total operating expenses	$ 459,353	$ 399,090	$ 307,569	$ 60,263	$ 91,521	15.1%	29.8%
Interest expense	$ 88,442	$ 63,621	$ 67,054	$ 24,821	$ (3,433)	39.0%	(5.1)%

As shown in the same store expense and new properties table below, total expenses in the year ended December 31, 2009 increased compared to 2008 primarily as a result of higher same store utility and maintenance costs as well as increased depreciation from additional redevelopment projects placed into service and from recently acquired properties. The following table shows expenses from continuing operations for same store properties and new properties (in thousands).

	Same Store Year Ended December 31,			New Properties Year Ended December 31,		
	2009	2008	Change	2009	2008	Change
Rental property operating and maintenance	$ 168,182	$ 149,120	$ 19,062	$ 8,056	$ 2,027	$ 6,029
Property taxes	34,847	31,019	3,828	1,157	83	1,074
Insurance	5,909	4,974	935	202	14	188
Depreciation and amortization	192,622	171,826	20,796	5,430	552	4,878
General and administrative(1)	42,165	38,391	3,774			
Other	783	1,084	(301)			
Total operating expenses	$ 444,508	$ 396,414	$ 48,094	$ 14,845	$ 2,676	$ 12,169
Interest expense	$ 87,041	$ 63,618	$ 23,423	$ 1,401	$ 3	$ 1,398

(1) General and administrative expenses are included in same store as they are not allocable to specific properties.

Same store rental property operating and maintenance expenses increased for the year ended December 31, 2009 compared to the same period in 2008 primarily as a result of higher utility rates in several of our properties along with redevelopment projects being placed into service leading to higher utility and operating expense in 2009. We capitalized amounts relating to compensation expense of employees directly engaged in construction and successful leasing activities of $13.9 million and $10.6 million in the years ended December 31, 2009 and 2008, respectively.

Same store property taxes increased in the year ended December 31, 2009 compared to 2008, primarily as a result of newly completed redevelopment space offset by favorable property tax reassessment at 350 East Cermak Road.

Same store insurance increased in the year ended December 31, 2009 compared to 2008, primarily as a result of an increase in insurance rates on our renewal of our insurance program.

Same store depreciation and amortization expense increased in the year ended December 31, 2009 compared to 2008, principally because of depreciation of redevelopment projects that were placed into service in late 2008 and during 2009.

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General and administrative expenses for the year ended December 31, 2009 increased compared to the same period in 2008 primarily due to the growth of our company, which resulted in higher employee cost, travel expenses and higher professional fees and marketing expenses offset by $1.6 million of compensation expense in 2008 related to the acceleration of the 2005 OPP Grant. For a further discussion of the acceleration of the 2005 OPP Grant, please refer to note 9 in the notes to the consolidated financial statements included elsewhere in this prospectus.

Other expenses are primarily comprised of write-offs of the carrying amounts for tenant improvements, acquired in place lease value and acquired above market lease values as a result of the early termination of tenant leases.

Same store interest expense increased for the year ended December 31, 2009 as compared to the same period in 2008 primarily as a result of higher average outstanding debt balances during 2009 compared to 2008 due to issuance of our 2029 debentures, draws on our Prudential shelf facility, and secured financings on 3 Corporate Place, 1500 Space Park Drive, Mundells Roundabout, Cressex 1, Manchester Technopark and Clonshaugh Industrial Estate II, partially offset by a decrease in interest expense at 350 East Cermak Road due to a lower effective rate after considering impact of interest rate swap agreement and early paydown of the loan in March 2009. Interest capitalized during the years ended December 31, 2009 and 2008 was $9.2 million and $18.4 million, respectively.

New property increases were caused by properties acquired during the period from January 1, 2008 to December 31, 2009. For the year ended December 31, 2009, 1201 Comstock Street, Manchester Technopark, 365 S. Randolphville Road, 1350 Duane Avenue/3080 Raymond Street and 7505 Mason King Court contributed $10.7 million, or approximately 88% in total operating expenses compared to the same period in 2008.

	Same Store Year Ended December 31,			New Properties Year Ended December 31,		
(in thousands)	**2008**	**2007**	**Change**	**2008**	**2007**	**Change**
Rental property operating and maintenance	$ 133,706	$ 104,171	$ 29,535	$ 17,441	$ 5,054	$ 12,387
Property taxes	28,546	26,408	2,138	2,556	773	1,783
Insurance	4,683	5,490	(807)	305	37	268
Depreciation and amortization	147,119	127,079	20,040	25,259	7,340	17,919
General and administrative[(1)]	38,391	30,786	7,605			
Other	1,022	431	591	62		62
Total operating expenses	$ 353,467	$ 294,365	$ 59,102	$ 45,623	$ 13,204	$ 32,419
Interest expense	$ 61,371	$ 67,049	$ (5,678)	$ 2,250	$ 5	$ 2,245

(1) General and administrative expenses are included in same store as they are not allocable to specific properties.

Same store rental property operating and maintenance expenses increased for the year ended December 31, 2008 compared to the same period in 2007 primarily as a result of higher utility expenses which is attributed to new leasing and increased power rates. We capitalized amounts relating to compensation expense of employees directly engaged in construction and successful leasing activities of $10.6 million and $5.0 million in the years ended December 31, 2008 and 2007, respectively.

Same store property taxes increased in the year ended December 31, 2008 compared to 2007, primarily as a result of newly completed redevelopment space offset by favorable property tax adjustments at 350 East Cermak Road and 200 Paul Avenue 1-4.

Same store insurance decreased in the year ended December 31, 2008 compared to 2007, primarily as a result of favorable insurance rates on our renewal of our insurance program in late 2007.

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Same store depreciation and amortization expense increased in the year ended December 31, 2008 compared to 2007, principally because of depreciation of redevelopment projects that were placed into service in late 2007 and during 2008 along with the acceleration of depreciation on assets associated with leases which terminated earlier than previously estimated.

General and administrative expenses for the year ended December 31, 2008 increased compared to the same period in 2007 primarily due to the growth of our company, which resulted in more employees, additional incentive compensation, and higher professional fees and marketing expenses along with the $1.6 million of compensation expense related to the acceleration of the 2005 OPP Grant. For a further discussion of the acceleration of the 2005 OPP Grant, please refer to note 9 in the notes to the consolidated financial statements included elsewhere in this prospectus.

Other expenses are primarily comprised of write-offs of the carrying amounts for tenant improvements, acquired in place lease value and acquired above market lease values as a result of the early termination of tenant leases.

Same store interest expense decreased for the year ended December 31, 2008 as compared to the same period in 2007 primarily as a result of higher capitalized interest during 2008 compared to 2007 along with a decrease in interest expense at 350 East Cermak Road due to a lower variable interest rate offset by higher average outstanding debt balances during 2008 compared to 2007 due to financings on 3 Corporate Place, 2045 & 2055 LaFayette Street, 150 South First Street and 1500 Space Park Drive. Interest capitalized during the years ended December 31, 2008 and 2007 was $18.4 million and $11.9 million, respectively.

New property increases were caused by properties acquired during the period from January 1, 2007 to December 31, 2008. For the year ended December 31, 2008, 3011 Lafayette Street, Devon Shafron Drive properties (3 buildings), 1500 Space Park Drive and 900 Walnut Street contributed $20.6 million, or approximately 63% in total operating expenses compared to the same period in 2007.

Equity in earnings of unconsolidated joint venture

The equity in earnings of unconsolidated joint venture relates to a 50% investment in a joint venture that owns a datacenter property in Seattle, Washington. The investment was made in November 2006. The amount recorded in 2007 includes our portion of the write-off of net costs related to the refinance of the previously outstanding mortgage loan on the property, which amounted to approximately $0.6 million.

Discontinued operations

Discontinued operations relate to the following properties:

Property	Date Acquired	Date Sold
4055 Valley View Lane	September 2003	March 2007
100 Technology Center Drive	February 2004	March 2007

Results of discontinued operations were as follows (in thousands):

	Year Ended December 31, 2007
Operating revenues	$ 2,340
Operating expenses	(1,283)
Interest and other income	5
Interest expense	(607)
Gain on derivative instruments	940
	1,395
Gain on sale of assets	18,049
Income from discontinued operations	19,444

Liquidity and Capital Resources of the Parent Company

In this Liquidity and Capital Resources of the Parent Company section and in the Liquidity and Capital Resources of the Operating Partnership section below, the term, our parent company , refers to Digital Realty Trust, Inc. on an unconsolidated basis, excluding our operating partnership.

Analysis of Liquidity and Capital Resources

Our parent company s business is operated primarily through our operating partnership of which it is the sole general partner and which it consolidates for financial reporting purposes. Because our parent company operates on a consolidated basis with our operating partnership, the section entitled Liquidity and Capital Resources of the Operating Partnership should be read in conjunction with this section to understand the liquidity and capital resources of our parent company on a consolidated basis and how our company is operated as a whole.

Our parent company issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses in operating as a public company which are fully reimbursed by the operating partnership. Our parent company itself does not hold any indebtedness other than guarantees of indebtedness of our operating partnership, and its only material asset is its ownership of partnership interests of our operating partnership. Therefore, the assets and liabilities and the revenues and expenses of our parent company and our operating partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by our parent company. However, all debt is held directly or indirectly at the operating partnership level. Our parent company s principal funding requirement is the payment of dividends on its common and preferred shares. Our parent company s principal source of funding for its dividend payments is distributions it receives from our operating partnership.

As the sole general partner of our operating partnership, our parent company has the full, exclusive and complete responsibility for our operating partnership s day-to-day management and control. Our parent company causes our operating partnership to distribute such portion of its available cash as our parent company may in its discretion determine, in the manner provided in our operating partnership s partnership agreement. Our parent company receives proceeds from its equity issuances from time to time, but is required by our operating partnership s partnership agreement to contribute the proceeds from its equity issuances to our operating partnership in exchange for partnership units of our operating partnership.

Our parent company is a well-known seasoned issuer with an effective shelf registration statement filed in May 2009 that allows our parent company to register unspecified various classes of equity securities. As circumstances warrant, our parent company may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. Our operating partnership may use the proceeds 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 liquidity of our parent company is dependent on our operating partnership s ability to make sufficient distributions to our parent company. The primary cash requirement of our parent company is its payment of dividends to its stockholders. Our parent company also guarantees some of our operating partnership s debt. If our operating partnership fails to fulfill its debt requirements, which trigger parent company guarantee obligations, then our parent company will be required to fulfill its cash payment commitments under such guarantees. However, our parent company s only asset is its investment in our operating partnership.

We believe our operating partnership s sources of working capital, specifically its cash flow from operations, and borrowings available under its unsecured revolving credit facility, are adequate for it to make its distribution payments to our parent company and, in turn, for our parent company to make its dividend payments to its stockholders. However, we cannot assure you that our operating partnership s sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including its ability to make distribution payments to our parent company. The unavailability of capital could adversely affect our operating partnership s ability to pay its distributions to our parent company, which would in turn, adversely affect our parent company s ability to pay cash dividends to its stockholders.

On December 31, 2009, our parent company entered into equity distribution agreements, which we refer to as the Original Equity Distribution Agreements, with each of Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC, or the Original Agents, under which it could issue and sell shares of its common stock having an aggregate offering price of up to $400,000,000 from time to time through, at its discretion, any of the Original Agents as its sales agents. On January 22, 2010, our parent company amended and restated each Original Equity Distribution Agreement with the applicable Original Agent, and also entered into a new equity distribution agreement with Morgan Stanley & Co. Incorporated, or collectively the Equity Distribution Agreements, under which it may issue and sell shares of its common stock having an aggregate offering price of up to $400,000,000 (including the approximately 1.1 million shares of common stock having an aggregate offering price of approximately $54.3 million sold pursuant to the Original Equity Distribution Agreements as of January 22, 2010), from time to time through, at its discretion, any of the Original Agents or Morgan Stanley & Co. Incorporated as its sales agents. The sales of common stock made under the Equity Distribution Agreements will be made in at the market offerings as defined in Rule 415 of the Securities Act of 1933, as amended. Our parent company has used and intends to use the proceeds from the sale of shares pursuant to the Equity Distribution Agreements to temporarily repay borrowings under our operating partnership s revolving credit facility, to acquire additional properties, to fund development and redevelopment opportunities and for general corporate purposes, including potentially the repayment or repurchase of outstanding debt. From January 1, 2010 through August 31, 2010, our parent company generated net proceeds of approximately $121.5 million from the issuance of approximately 2.2 million common shares under the Equity Distribution Agreements at an average price of $55.24 per share after payment of approximately $1.9 million of commissions to the sales agents. The proceeds from the issuances were contributed to our operating partnership in exchange for the issuance of 2.2 million common units to Digital Realty Trust, Inc.

On June 8, 2010, our parent company completed an offering of 6,900,000 shares of its common stock for total net proceeds, after deducting discounts and estimated expenses, of approximately $377.1 million. Our parent company contributed the net proceeds from this offering to our operating partnership in exchange for 6,900,000 common units, as required by our operating partnership s partnership agreement.

On June 14, 2010, our parent company issued 1,160,950 privately issued shares of its common stock, par value $0.01 per share, to our operating partnership, and our operating partnership delivered the shares and paid an incentive fee equal to $184,800 and accrued and unpaid interest equal to $503,965 in exchange for $36,960,000 in aggregate principal amount of our operating partnership s 4.125% Exchangeable Senior Debentures due 2026 held by an institutional investor pursuant to an exchange agreement, dated June 14, 2010, by and among our parent company, our operating partnership and such institutional investor.

On July 22, 2010, our parent company distributed a Notice of Redemption to all holders of record of its outstanding 8.50% Series A Cumulative Redeemable Preferred Stock, or the Series A Preferred Stock, regarding its redemption of all 4,140,000 outstanding shares of the Series A Preferred Stock at a redemption price of $25.31285 per share. The redemption price was equal to the original issuance price of $25.00 per share, plus accrued and unpaid dividends. The redemption date was August 24, 2010. Our parent company funded the redemption with borrowings under our operating partnership s revolving credit facility, which our operating partnership distributed to our parent company in connection with our operating partnership s redemption of all 4,140,000 of its outstanding 8.50% Series A Cumulative Redeemable Preferred Units held by our parent company.

On July 27, 2010, our parent company issued 236,444 privately issued shares of its common stock, par value $0.01 per share, to our operating partnership, and our operating partnership delivered the shares and paid an incentive fee equal to $37,516 and accrued and unpaid interest equal to $138,360 in exchange for $7,500,000 in aggregate principal amount of our operating partnership s 4.125% Exchangeable Senior Debentures due 2026 held by an institutional investor pursuant to an exchange agreement, dated July 27, 2010, by and among our parent company, our operating partnership and such institutional investor.

In two settlements on August 30, 2010 and September 1, 2010, our parent company issued an aggregate of 436,539 privately issued shares of its common stock, par value $0.01 per share, to our operating partnership, and our operating partnership delivered the shares and paid an aggregate incentive fee equal to $91,062 and aggregate accrued and unpaid interest equal to $25,157 in exchange for $13,847,000 in aggregate principal amount of our operating partnership s 4.125% Exchangeable Senior Debentures due 2026 held by an institution pursuant to an exchange agreement, dated August 30, 2010, by and among our parent company, our operating partnership and such institution.

Future Uses of Cash

Our parent company may from time to time seek to retire, redeem or repurchase its preferred equity through cash purchases and/or exchanges for equity securities in open market purchases, privately negotiated transactions or otherwise. Such repurchases, redemptions or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions or other factors. The amounts involved may be material.

We are also subject to the commitments discussed below under Dividends and Distributions.

Dividends and Distributions

Our parent company is required to distribute 90% of its taxable income (excluding capital gains) on an annual basis in order for it to continue to qualify as a REIT for federal income tax purposes. Accordingly, our parent company intends to make, but is not contractually bound to make, regular quarterly distributions to its preferred stockholders and common stockholders from cash flow from our operating partnership s operating activities. All such distributions are at the discretion of our parent company s board of directors. Our parent company considers market factors and our operating partnership s performance in addition to REIT requirements in determining distribution levels. Our parent company has distributed 100% of its taxable income since inception to minimize corporate level federal income taxes. Amounts accumulated for distribution to stockholders are invested primarily in interest-bearing accounts and short-term interest-bearing securities, which are consistent with our intention to maintain our parent company s status as a REIT. The exchange rate on our operating partnership s 4.125% exchangeable senior debentures due 2026, the exchange rate on our operating partnership s 5.50% exchangeable senior debentures due 2029, the conversion rate on our parent company s series C cumulative convertible preferred stock and the conversion rate on our parent company s series D cumulative convertible preferred stock are each subject to adjustment for certain events, including, but not limited to, certain dividends on our parent company s common stock in excess of $0.265 per share per quarter, $0.33 per share per quarter, $0.28625 per share per quarter and $0.31 per share per quarter, respectively. Therefore, increases to our parent company s quarterly dividend may increase the dilutive impact of our operating partnership s exchangeable debentures and our parent company s series C cumulative convertible preferred stock and series D cumulative convertible preferred stock on our parent company s common stockholders.

While historically our parent company has satisfied this distribution requirement by making cash distributions to its stockholders, it may choose to satisfy this requirement by making distributions of cash or other property, including, in limited circumstances, our parent company s own shares. As a result of this distribution requirement, our operating partnership cannot rely on retained earnings to fund its on-going operations to the same extent that other companies whose parent companies are not real estate investment trusts can. Our parent company may need to continue to raise capital in the equity markets to fund our operating partnership s working capital needs, as well as potential developments at new or existing properties, acquisitions or investments in

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existing or newly created joint ventures. In addition, our parent company may be required to use borrowings under our operating partnership s revolving credit facility, if necessary, to meet REIT distribution requirements and maintain our parent company s REIT status.

In 2009, 2008 and 2007 and the first eight months of 2010, our parent company declared the following dividends (in thousands):

Date dividend declared	Dividend payable date	Series A Preferred Stock(1)	Series B Preferred Stock(2)	Series C Preferred Stock(3)	Series D Preferred Stock(4)	Common Stock
February 15, 2007	April 2, 2007	2,199	1,246			17,227(5)
May 2, 2007	July 2, 2007	2,199	1,246	1,722		17,376(5)
August 1, 2007	October 1, 2007	2,199	1,246	1,914		17,381(5)
November 1, 2007	December 31, 2007 for Series A, B and C Preferred Stock; January 14, 2008 for Common Stock	2,199	1,246	1,914		20,275(6)
Total 2007		$ 8,796	$ 4,984	$ 5,550	$	$ 72,259
February 25, 2008	March 31, 2008	2,199	1,246	1,914	2,899	20,295(6)
May 5, 2008	June 30, 2008	2,199	1,246	1,914	4,744	20,512(6)
August 4, 2008	September 30, 2008	2,199	1,246	1,914	4,744	22,491(6)
November 4, 2008	December 31, 2008 for Series A, B, C and D Preferred Stock; January 7, 2009 for Common Stock	2,199	1,246	1,914	4,744	24,150(7)
Total 2008		$ 8,796	$ 4,984	$ 7,656	$ 17,131	$ 87,448
February 24, 2009	March 31, 2009	2,199	1,246	1,914	4,742	25,077(7)
April 28, 2009	June 30, 2009	2,199	1,246	1,914	4,742	25,126(7)
July 28, 2009	September 30, 2009	2,199	1,246	1,914	4,742	27,502(8)
October 27, 2009	December 31, 2009 for Series A, B, C and D Preferred Stock; January 15, 2010 for Common Stock	2,199	1,246	1,914	4,742	34,561(9)
Total 2009		$ 8,796	$ 4,984	$ 7,656	$ 18,968	$ 112,266
February 23, 2010	March 31, 2010	2,199	1,246	1,914	4,742	37,512(10)
April 27, 2010	June 30, 2010	2,199	1,246	1,914	4,742	41,783(10)
July 19, 2010	September 30, 2010	(11)	1,246	1,914	4,742	(12)

(1) $2.125 annual rate of dividend per share.
(2) $1.969 annual rate of dividend per share.
(3) $1.094 annual rate of dividend per share.
(4) $1.375 annual rate of dividend per share.
(5) $1.145 annual rate of dividend per share.
(6) $1.240 annual rate of dividend per share.
(7) $1.320 annual rate of dividend per share.
(8) $1.440 annual rate of dividend per share.
(9) $1.800 annual rate of dividend per share.
(10) $1.920 annual rate of dividend per share.
(11) Redeemed on August 24, 2010 for a redemption price of $25.31285 per share, which equals the original issuance price of $25.00 per share, plus accrued and unpaid dividends up to but not including the redemption date.
(12)

$2.120 annual rate of dividend per share. Aggregate amount of dividends to be determined based on the number of shares of common stock outstanding on the September 15, 2010 record date.

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Distributions out of our current or accumulated earnings and profits are generally classified as ordinary income whereas distributions in excess of our current and accumulated earnings and profits, to the extent of a stockholder s U.S. federal income tax basis in our stock, are generally classified as a return of capital. Distributions in excess of a stockholder s U.S. federal income tax basis in our stock are generally characterized as capital gain. Cash provided by operating activities has been sufficient to fund all distributions.

The tax treatment of distributions on common stock for 2009 is as follows: 100% ordinary income and 0% return of capital. The tax treatment of distributions on common stock for 2008 is as follows: approximately 100% ordinary income and 0% return of capital. The tax treatment of distributions on common stock for 2007 is as follows: approximately 78% ordinary income and 22% return of capital. All distributions paid on our preferred stock in 2009, 2008 and 2007 were classified as ordinary income for income tax purposes.

Liquidity and Capital Resources of the Operating Partnership

In this Liquidity and Capital Resources of the Operating Partnership section, the terms we , our and us refer to our operating partnership or our operating partnership and our parent company together, as the text requires.

Analysis of Liquidity and Capital Resources

Our parent company is our sole general partner and consolidates our results of operations for financial reporting purposes. Because we operate on a consolidated basis with our parent company, the section entitled Liquidity and Capital Resources of the Parent Company should be read in conjunction with this section to understand our liquidity and capital resources on a consolidated basis.

As of June 30, 2010, we had $342.6 million of cash and cash equivalents, excluding $35.8 million of restricted cash. Restricted cash primarily consists of interest-bearing cash deposits required by the terms of several of our mortgage loans for a variety of purposes, including real estate taxes, insurance, anticipated or contractually obligated tenant improvements, as well as capital expenditures.

Our short-term liquidity requirements primarily consist of operating expenses, redevelopment costs and other expenditures associated with our properties, distributions to our parent company in order for it to make dividend payments on its preferred stock, distributions to our parent company on order for it to make dividend payments to its stockholders required to maintain its REIT status, distributions to the unitholders in our operating partnership, capital expenditures, debt service on our loans and, potentially, acquisitions. We expect to meet our short-term liquidity requirements through net cash provided by operations, restricted cash accounts established for certain future payments and by drawing upon our revolving credit facility.

As of June 30, 2010, our revolving credit facility had a total capacity of $750.0 million. Effective August 31, 2010, we exercised the first of two one-year extension options to our revolving credit facility, which extends its maturity date from August 31, 2010 to August 31, 2011. The bank group is obligated to grant extension options provided we give proper notice, we make certain representations and warranties and no default exists under the revolving credit facility. As of June 30, 2010, borrowings under the revolving credit facility bore interest at a blended rate of 1.56% (Euro) and 1.67% (GBP), which are based on 1-month EURIBOR and 1-month GBP LIBOR, respectively, plus a margin of 1.10%. The revolving credit facility has a $515.0 million sub-facility for multicurrency advances in British Pound Sterling, Canadian Dollars, Euros, and Swiss Francs. We intend to use available borrowings under the revolving credit facility to, among other things, finance the acquisition of additional properties, fund tenant improvements and capital expenditures, fund development and redevelopment activities and to provide for working capital and other corporate purposes. As of June 30, 2010, approximately $11.6 million was drawn under this facility, and $17.2 million of letters of credit were issued, leaving approximately $721.0 million available for use.

On June 28, 2010, we completed an amendment to our revolving credit facility. The amendment to the revolving credit facility provides us with the ability to add eligible unencumbered international assets to the borrowing base in support of our outstanding unsecured debt. International assets include properties located in

Canada, England, Ireland, Wales, France, Spain, the Netherlands, Singapore and Australia. Under the new amendment, international assets may comprise up to 25% of the borrowing base, with assets in Spain and Singapore limited to up to 10% of the borrowing base.

On June 30, 2010, we completed an amendment to our Prudential shelf facility, the terms of which are substantially the same as the amendment to our revolving credit facility described above.

For a discussion of the potential impact of current global economic and market conditions on our liquidity and capital resources, see Factors Which May Influence Future Results of Operations Global market and economic conditions above.

On January 20, 2010, we closed the sale of $100.0 million aggregate principal amount of our senior unsecured term notes to Prudential Investment Management, Inc. and certain of its affiliates, or, collectively, Prudential, pursuant to the Prudential shelf facility. The notes were issued in two series referred to as the series D and series E notes. The series D notes have a principal amount of $50.0 million, an interest-only rate of 4.57% per annum and a five-year maturity, and the series E notes have a principal amount of $50.0 million, an interest-only rate of 5.73% per annum and a seven-year maturity. On February 3, 2010, we closed the sale of an additional $17.0 million aggregate principal amount of our senior unsecured term notes, which we refer to as the series F notes, to Prudential pursuant to the Prudential shelf facility. The series F notes have an interest-only rate of 4.50% per annum and a five-year maturity. We used the proceeds of the series D, series E and series F notes to fund acquisitions, to temporarily repay borrowings under our revolving credit facility, to fund working capital and for general corporate purposes.

On January 22, 2010, our parent company entered into the Equity Distribution Agreements discussed under Liquidity and Capital Resources of the Parent Company above. From January 1, 2010 through August 31, 2010, our parent company generated net proceeds of approximately $121.5 million from the issuance of approximately 2.2 million common shares under the Equity Distribution Agreements at an average price of $55.24 per share after payment of approximately $1.9 million of commissions to the sales agents. The proceeds from the issuances were contributed to our operating partnership in exchange for the issuance of 2.2 million common units to our parent company.

On January 22, 2010, we completed the acquisition of the New England Portfolio, a three-property datacenter portfolio located in Massachusetts and Connecticut, from Sentinel Properties Needham, LLC, SP Needham I, LLC, Sentinel Properties Bedford LLC and Sentinel Properties Trumbull, LLC, or, collectively, the Sellers. The purchase price, which was determined through negotiations between us and the Sellers, was approximately $375.0 million and was paid in cash funded with borrowings under our revolving credit facility.

On January 28, 2010, we closed the issuance of $500.0 million aggregate principal amount of 5.875% notes due 2020. The purchase price paid by the initial purchasers was 98.296% of the principal amount thereof. The notes are general unsecured senior obligations of the operating partnership and rank equally in right of payment with all other senior unsecured indebtedness of the operating partnership. Interest on the notes is payable on February 1 and August 1 of each year, beginning on August 1, 2010. The net proceeds from the offering after deducting the original issue discount, underwriting commissions and estimated expenses was approximately $487.1 million. We used the net proceeds from the offering to temporarily repay our borrowings under our revolving credit facility, fund development and redevelopment opportunities, fund working capital and for general corporate purposes.

On June 8, 2010, our parent company completed an offering of 6,900,000 shares of common stock for total net proceeds, after deducting discounts and estimated expenses, of approximately $377.1 million. Our parent company contributed the net proceeds from this offering to us in exchange for 6,900,000 common units, as required by our partnership agreement. We used a portion of the net proceeds from the offering to fund a portion of the acquisition of the 365 Main Portfolio, and the balance of the proceeds to acquire additional properties, to fund development and redevelopment opportunities and for general working capital purposes.

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On June 14, 2010, our parent company issued 1,160,950 privately issued shares of its common stock, par value $0.01 per share, to us, and we delivered the shares and paid an incentive fee equal to $184,800 and accrued and unpaid interest equal to $503,965 in exchange for $36,960,000 in aggregate principal amount of our 4.125% Exchangeable Senior Debentures due 2026 held by an institutional investor pursuant to an exchange agreement, dated June 14, 2010, by and among us, our parent company and such institutional investor.

On July 8, 2010, we closed the issuance of $375.0 million aggregate principal amount of 4.50% notes due 2015. The purchase price paid by the initial purchasers was 99.697% of the principal amount thereof. The notes are our general unsecured senior obligations, rank equally in right of payment with all our other senior unsecured indebtedness and are fully and unconditionally guaranteed by our parent company. Interest on the notes is payable on January 15 and July 15 of each year, beginning on January 15, 2011. The net proceeds from the offering after deducting the original issue discount, underwriting commissions and estimated expenses was approximately $370.6 million. We used the net proceeds from the offering to fund a portion of the acquisition of the 365 Main Portfolio.

On July 13, 2010, we completed the acquisition of a five-property datacenter portfolio located in California, Arizona and Virginia, which we refer to as the Rockwood Capital/365 Main Portfolio. The purchase price was approximately $725.0 million and was funded with proceeds from our parent company s common stock offering in June 2010 and our notes offering in July 2010 along with borrowings under our revolving credit facility.

On July 22, 2010, our parent company distributed a Notice of Redemption to all holders of record of its outstanding 8.50% Series A Cumulative Redeemable Preferred Stock, or the Series A Preferred Stock, regarding its redemption of all 4,140,000 outstanding shares of the Series A Preferred Stock at a redemption price of $25.31285 per share. The redemption price was equal to the original issuance price of $25.00 per share, plus accrued and unpaid dividends. The redemption date was August 24, 2010. We funded the redemption with borrowings under our revolving credit facility, which we distributed to our parent company in connection with our redemption of all 4,140,000 of our outstanding 8.50% Series A Cumulative Redeemable Preferred Units held by our parent company.

On July 27, 2010, our parent company issued 236,444 privately issued shares of its common stock, par value $0.01 per share, to us, and we delivered the shares and paid an incentive fee equal to $37,516 and accrued and unpaid interest equal to $138,360 in exchange for $7,500,000 in aggregate principal amount of our 4.125% Exchangeable Senior Debentures due 2026 held by an institutional investor pursuant to an exchange agreement, dated July 27, 2010, by and among us, our parent company and such institutional investor.

On August 5, 2010, we acquired a 50% interest in two joint ventures that own three buildings for approximately $35.3 million. The buildings are located in Santa Clara, California. The acquisition was financed with cash on hand and borrowings under our revolving credit facility. The properties owned by the joint ventures are subject to $45.5 million in secured indebtedness.

On August 19, 2010, we acquired two fully leased datacenter properties for a purchase price of $50.3 million. The first property is 2950 Zanker Road, located in San Jose, California, and totals approximately 69,700 rentable square feet. The second property is 900 Dorothy Drive, located in Richardson, Texas, and totals over 56,000 rentable square feet. The acquisition was financed with cash on hand and borrowings under our revolving credit facility.

In two settlements on August 30, 2010 and September 1, 2010, our parent company issued an aggregate of 436,539 privately issued shares of its common stock, par value $0.01 per share, to us, and we delivered the shares and paid an aggregate incentive fee equal to $91,062 and aggregate accrued and unpaid interest equal to $25,157 in exchange for $13,847,000 in aggregate principal amount of our 4.125% Exchangeable Senior Debentures due 2026 held by an institution pursuant to an exchange agreement, dated August 30, 2010, by and among us, our parent company and such institution.

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Construction

As of June 30, 2010 and December 31, 2009, work in progress, including the proportionate land and property costs related to current construction projects, amounted to $173.7 million, or $213.7 million including construction accruals and certain capitalized costs, and $156.2 million, or $187.1 million including construction accruals and certain capitalized costs, respectively. Separately, our redevelopment program included the proportionate land and building costs related to other targeted projects in the amount of $80.6 million and $88.6 million as of June 30, 2010 and December 31, 2009, respectively. Work in progress related to non-redevelopment projects, primarily tenant and building improvements, amounted to $1.5 million and $0.4 million as of June 30, 2010 and December 31, 2009, respectively.

Future Uses of Cash

Our properties require periodic investments of capital for tenant-related capital expenditures and for general capital improvements. As of June 30, 2010, we had approximately 1.9 million square feet of redevelopment space and we also owned approximately 151,000 net rentable square feet of datacenter space with extensive installed tenant improvements that we may subdivide for Turn-Key Datacenter® use during the next two years rather than lease to large single tenants. Turn-Key Datacenter® space is move-in-ready space for the placement of computer and network equipment required to provide a datacenter environment. Depending on demand for additional Turn-Key Datacenter® space, we expect to incur significant tenant improvement costs to build out and redevelop these spaces. At June 30, 2010, approximately 128,000 square feet of our space held for redevelopment was under construction for Turn-Key Datacenter® space in three U.S. markets and one European market. At June 30, 2010, we had commitments under construction contracts for approximately $62.4 million. We currently expect to incur approximately $300.0 million to $335.0 million of capital expenditures for our redevelopment program during the six months ended December 31, 2010, although this amount may increase or decrease, potentially materially, based on numerous factors, including changes in demand, leasing results and availability of debt or equity capital.

We are also subject to the commitments discussed below under Commitments and Contingencies, Off-Balance Sheet Arrangements and Distributions.

Consistent with our growth strategy, we actively pursue opportunities for potential acquisitions, with due diligence and negotiations often at different stages at different times. The dollar value of additional acquisitions for the remainder of the year ending December 31, 2010 will be based on numerous factors, including tenant demand, leasing results, availability of debt or equity capital and acquisition opportunities.

We may from time to time seek to retire or repurchase our outstanding debt or preferred equity through cash purchases and/or exchanges for equity securities in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions or other factors. The amounts involved may be material.

We expect to meet our short-and long-term liquidity requirements, including to pay for scheduled debt maturities and to fund property acquisitions and non-recurring capital improvements with net cash from operations, future long-term secured and unsecured indebtedness and the issuance of equity and debt securities and the proceeds of equity issuances by our parent company. We also may fund future short-and long-term liquidity requirements, including property acquisitions and non- recurring capital improvements using our revolving credit facility pending permanent financing. If we are not able to obtain additional financing on terms attractive to us, or at all, including as a result of the circumstances described above under Factors Which May Influence Future Results of Operations Global market and economic conditions , we may be required to reduce our acquisition or capital expenditure plans, which could have a material adverse effect upon our business and results of operations.

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Properties Acquired in 2009

During the year ended December 31, 2009 we acquired or made investments in the following properties:

Location	Metropolitan Area	Date Acquired	Amount (in millions)
Loudoun Exchange II[1]	Northern Virginia	May 15, 2009	$ 20.3
Digital Realty Trust Datacenter Park Dallas[2]	Dallas	September 11, 2009	33.6
444 Toyama Drive	Silicon Valley	September 25, 2009	17.5
1350 Duane Avenue/3080 Raymond Street[3]	Silicon Valley	October 30, 2009	90.5
Nokes Boulevard / Beaumeade Circle[4]	Northern Virginia	December 17, 2009	63.3
Total Acquisitions Year Ended December 31, 2009			$ 225.2

(1) Represents vacant land which is not included in our operating property count.

(2) In September 2009, we made an initial cash contribution of $1.9 million to a joint venture formed to own and redevelop Digital Realty Trust Datacenter Park Dallas. The other member contributed seven vacant buildings with an estimated market value of $33.6 million and a third-party non-recourse loan secured by these properties of $17.0 million. We are committed to make an additional $22.9 million of capital contributions needed to fund the redevelopment project. We have determined that the joint venture is a variable interest entity and we are the primary beneficiary. As a result, we have consolidated the joint venture and presented the member interests not owned by us of $16.6 million as noncontrolling interests in consolidated joint venture. For operating property count purposes, we consider this to be one property.

(3) Includes the assumption of a $52.8 million loan.

(4) A two-property data center portfolio consisting of four buildings located at 21561 and 21571 Beaumeade Circle in Ashburn, Virginia and 45901 and 45905 Nokes Boulevard in Sterling, Virginia, as well as certain vacant real property located at 21551 Beaumeade Circle in Ashburn, Virginia.

We financed the purchase of these properties primarily with borrowings under our revolving credit facility. We have repaid borrowings under our revolving credit facility with portions of the proceeds from our parent company s February 2009 common stock issuance, the issuance of our 2029 debentures, sales of common stock under our parent company s Equity Distribution Agreements, the issuance of notes under our Prudential shelf facility and the issuance of our 5.875% notes due 2020.

Properties Acquired During the Six Months Ended June 30, 2010

During the six months ended June 30, 2010 we acquired or made investments in the following properties:

Location	Metropolitan Area	Date Acquired	Amount (in millions)
New England Portfolio[1]	Various[1]	January 22, 2010	$ 375.0
1725 Comstock Street[2]	Silicon Valley	April 30, 2010	14.1
3105 & 3115 Alfred Street[3]	Silicon Valley	May 24, 2010	10.0
Cateringweg 5[4]	Amsterdam	June 17, 2010	6.4
Total Acquisitions Six Months Ended June 30, 2010			$ 405.5

(1)

The New England Portfolio consists of 55 Middlesex Turnpike, Bedford, Massachusetts and a 100% condominium interest that represents 87.5% of the square footage of 128 First Avenue, Needham,

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Massachusetts, both located in the Boston metropolitan area, as well as 60-80 Merritt Boulevard, Trumbull, Connecticut, located in the New York Metro metropolitan area. The New England Portfolio is considered three properties for our property count.

(2) As part of the acquisition, we have agreed with the seller to remit an earnout payment based on leasing activities in the building. The purchase price includes an accrual of $4.3 million, which is the estimated fair value of the contingent purchase price per the agreement. As of June 30, 2010, the entire building was leased. The final payment to the seller of approximately $4.3 million was made in July 2010 to fully settle the contingent purchase price amount.

(3) Both buildings were purchased vacant and will be redeveloped.

(4) A land parcel subject to a ground lease along with a vacant shell building.

Distributions

All distributions on our units are at the discretion of our parent company s board of directors. In 2009, 2008 and 2007 and the first eight months of 2010, our operating partnership declared the following distributions (in thousands):

Date distribution declared	Distribution payable date	Series A Preferred Unit[1]	Series B Preferred Unit[2]	Series C Preferred Unit[3]	Series D Preferred Unit[4]	Common Units
February 15, 2007	April 2, 2007	2,199	1,246			19,442[5]
May 2, 2007	July 2, 2007	2,199	1,246	1,722		19,458[5]
August 1, 2007	October 1, 2007	2,199	1,246	1,914		19,465[5]
November 1, 2007	December 31, 2007 for Series A, B and C Preferred Units; January 14, 2008 for Common Units	2,199	1,246	1,914		22,345[6]
Total 2007		$ 8,796	$ 4,984	$ 5,550	$	$ 80,710
February 25, 2008	March 31, 2008	2,199	1,246	1,914	2,899	22,418[6]
May 5, 2008	June 30, 2008	2,199	1,246	1,914	4,744	22,444[6]
August 4, 2008	September 30, 2008	2,199	1,246	1,914	4,744	24,258[6]
November 4, 2008	December 31, 2008 for Series A, B, C and D Preferred Units; January 7, 2009 for Common Units	2,199	1,246	1,914	4,744	26,102[7]
Total 2008		$ 8,796	$ 4,984	$ 7,656	$ 17,131	$ 95,222
February 24, 2009	March 31, 2009	2,199	1,246	1,914	4,742	27,053[7]
April 28, 2009	June 30, 2009	2,199	1,246	1,914	4,742	27,064[7]
July 28, 2009	September 30, 2009	2,199	1,246	1,914	4,742	29,575[8]
October 27, 2009	December 31, 2009 for Series A, B, C and D Preferred Units; January 15, 2010 for Common Units	2,199	1,246	1,914	4,742	37,004[9]
Total 2009		$ 8,796	$ 4,984	$ 7,656	$ 18,968	$ 120,696
February 23, 2010	March 31, 2010	2,199	1,246	1,914	4,742	40,143[10]
April 27, 2010	June 30, 2010	2,199	1,246	1,914	4,742	44,442[10]
July 19, 2010	September 30, 2010	[11]	1,246	1,914	4,742	[12]

(1) $2.125 annual rate of distribution per unit.

(2) $1.969 annual rate of distribution per unit.

(3) $1.094 annual rate of distribution per unit.
(4) $1.375 annual rate of distribution per unit.

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(5) $1.145 annual rate of distribution per unit.
(6) $1.240 annual rate of distribution per unit.
(7) $1.320 annual rate of distribution per unit.
(8) $1.440 annual rate of distribution per unit.
(9) $1.800 annual rate of distribution per unit.
(10) $1.920 annual rate of distribution per unit.
(11) Redeemed on August 24, 2010 for a redemption price of $25.31285 per unit, which equals the original issuance price of $25.00 per unit, plus accrued and unpaid distributions up to but not including the redemption date.
(12) $2.120 annual rate of distribution per unit. Aggregate amount of distribution to be determined based on the number of common units outstanding on the September 15, 2010 record date.

Commitments and Contingencies

We have agreed with the seller of 350 East Cermak Road to share a portion, not to exceed $135,000 per month, of rental revenue, adjusted for our costs to lease the premises, from the leases of the 192,000 square feet of space held for redevelopment. This revenue sharing agreement will terminate in May 2012. We made payments of approximately $3.8 million and $20,000 to the seller during the six months ended June 30, 2010 and 2009, respectively. We have recorded approximately $3.1 million and $2.1 million for this contingent liability on our balance sheet at June 30, 2010 and December 31, 2009, respectively.

As part of the acquisition of Clonshaugh Industrial Estate, we entered into an agreement with the seller whereby the seller is entitled to receive 40% of the net rental income generated by the existing building, after we have received a 9% return on all capital invested in the property. As of February 6, 2006, the date we acquired this property, we have estimated the present value of these expected payments over the 10-year lease term to be approximately $1.1 million and this value has been recorded as a component of the purchase price. Accounts payable and other liabilities include $1.1 million and $1.3 million for this liability as of June 30, 2010 and December 31, 2009, respectively. During the six months ended June 30, 2010 and 2009, we paid approximately $0.1 million and $0.2 million, respectively, to the seller.

As of June 30, 2010, we were a party to interest rate cap and swap agreements which hedge variability in cash flows related to LIBOR, GBP LIBOR and EURIBOR based mortgage loans. Under these swaps, we pay variable-rate amounts in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying principal amounts. See Quantitative and Qualitative Disclosures about Market Risk below.

The following table summarizes our debt, interest, lease and construction contract payments due by period as of December 31, 2009 (dollars in thousands):

Obligation	Total	2010	2011-2012	2013-2014	Thereafter
Debt principal payments[(1)]	$ 1,789,853	$ 236,875	$ 476,536	$ 670,866	$ 405,576
Interest payable[(2)]	401,224	91,739	151,508	105,924	52,053
Ground leases[(3)]	25,977	536	1,073	1,073	23,295
Operating lease	39,467	6,777	12,494	9,224	10,972
Construction contracts[(4)]	41,114	41,114			
	$ 2,297,635	$ 377,041	$ 641,611	$ 787,087	$ 491,896

(1) Includes $205.5 million of borrowings under our revolving credit facility, which was due to mature in August 2010, and excludes $1.3 million of net loan premiums related to assumed mortgage loans and $6.7 million discount on our 4.125% exchangeable senior debentures due 2026. Effective August 31, 2010, we exercised the first of two one-year extension options to our revolving credit facility, which extends its maturity date from August 31, 2010 to August 31, 2011. This table assumes we did not exercise that option and will not exercise other available extension options.

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(2) Interest payable is based on the interest rate in effect on December 31, 2009, including the effect of interest rate swaps. Interest payable excluding the effect of interest rate swaps is as follows (in thousands):

2010	$ 84,495
2011-2012	140,194
2013-2014	101,000
Thereafter	52,053
	$ 377,742

(3) This is comprised of ground lease payments on 2010 East Centennial Circle, Chemin de l Epinglier 2, Clonshaugh Industrial Estate, Paul van Vlissingenstraat 16, Gyroscoopweg 2E-2F and Naritaweg 52. After February 2036, rent for the remaining term of the 2010 East Centennial Circle ground lease will be determined based on a fair market value appraisal of the asset and, as a result, is excluded from the above information. After December 2036, rent for the remaining term of the Naritaweg 52 ground lease will be determined based on a fair market value appraisal of the asset and, as a result, is excluded from the above information. The Chemin de l Epinglier 2 ground lease which expires in July 2074 contains potential inflation increases which are not reflected in the table above. The Paul van Vlissingenstraat 16, Chemin de l Epinglier 2, Gyroscoopweg 2E-2F and Clonshaugh Industrial Estate amounts are translated at the December 31, 2009 exchange rate of $1.43 to 1.00.

(4) From time to time in the normal course of our business, we enter into various construction contracts with third parties that may obligate us to make payments. At December 31, 2009, we had open commitments related to construction contracts of $41.1 million.

Outstanding Consolidated Indebtedness

The table below summarizes our debt maturities and principal payments as of June 30, 2010 (in thousands):

	Revolving Credit Facility(1)	Unsecured Senior Notes	5.875% Notes due 2020	Mortgage Loans(2)	Exchangeable Senior Debentures	Total Debt
Remainder of 2010	$ 11,628	$	$	$ 24,059	$	$ 35,687
2011		25,000		113,450	135,290(3)	273,740
2012				151,783		151,783
2013		33,000		140,392		173,392
2014				211,858	266,400(4)	478,258
Thereafter		142,000	500,000	380,534		1,022,534
Subtotal	$ 11,628	$ 200,000	$ 500,000	$ 1,022,076	$ 401,690	$ 2,135,394
Unamortized discount			(8,254)		(3,609)	(11,863)
Unamortized premium				1,179		1,179
Total	$ 11,628	$ 200,000	$ 491,746	$ 1,023,255	$ 398,081	$ 2,124,710

(1) Effective August 31, 2010, we exercised the first of two one-year extension options to our revolving credit facility, which extends its maturity date from August 31, 2010 to August 31, 2011. The bank group is obligated to grant extension options provided we give proper notice, we make certain representations and warranties and no default exists under the revolving credit facility.

(2) Our mortgage loans are generally non-recourse to us, subject to carveouts for specified prohibited actions by us or specified undisclosed environmental liabilities. As of June 30, 2010, we had provided limited recourse guarantees with respect to approximately $153.1 million principal amount of the outstanding mortgage indebtedness, and partial letter of credit support with respect to approximately an additional $43.8 million of the outstanding mortgage indebtedness.

(3) Assumes maturity of 4.125% exchangeable senior debentures due 2026 at first redemption date in August 2011.

(4) Assumes maturity of 5.50% exchangeable senior debentures due 2029 at first redemption date in April 2014.

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The table below summarizes our debt, as of June 30, 2010 (in millions):

Debt Summary:	
Fixed rate	$ 1,874.6
Variable rate debt subject to interest rate swaps and caps	238.5
Total fixed rate debt (including interest rate swaps and caps)	2,113.1
Variable rate unhedged	11.6
Total	$ 2,124.7
Percent of Total Debt:	
Fixed rate (including swapped debt)	99.5%
Variable rate	0.5%
Total	100.0%
Effective Interest Rate as of June 30, 2010(1) :	
Fixed rate (including hedged variable rate debt)	5.90%
Variable rate	1.66%
Effective interest rate	5.88%

(1) Excludes impact of deferred financing cost amortization.

As of June 30, 2010, we had approximately $2.1 billion of outstanding consolidated long-term debt as set forth in the table above. Our ratio of debt to total enterprise value was approximately 26% (based on the closing price of Digital Realty Trust, Inc. s common stock on June 30, 2010 of $57.68). For this purpose, our total enterprise value is defined as the sum of the market value of Digital Realty Trust, Inc. s outstanding common stock (which may decrease, thereby increasing our debt to total enterprise value ratio), excluding options issued under our company s incentive award plan, plus the liquidation value of Digital Realty Trust, Inc. s preferred stock, plus the aggregate value of our operating partnership s units not held by Digital Realty Trust, Inc. (with the per unit value equal to the market value of one share of its common stock and excluding long-term incentive units and Class C Units), plus the book value of its total consolidated indebtedness.

The variable rate debt shown above bears interest at interest rates based on various LIBOR, GBP LIBOR and EURIBOR rates ranging from one to twelve months, depending on the respective agreement governing the debt. Assuming maturity of our 4.125% exchangeable senior debentures due 2026 and 5.50% exchangeable senior debentures due 2029 at their first redemption dates in August 2011 and April 2014, respectively, as of June 30, 2010, our debt had a weighted average term to initial maturity of approximately 5.3 years (approximately 5.4 years assuming exercise of extension options).

Off-Balance Sheet Arrangements

As of June 30, 2010, we were party to interest rate swap and cap agreements related to $238.5 million of outstanding principal on our variable rate debt. See Quantitative and Qualitative Disclosures about Market Risk below.

Our operating partnership s 4.125% exchangeable senior debentures due 2026 provide for excess exchange value to be paid in cash and/or shares of Digital Realty Trust, Inc. s common stock if the stock price exceeds a certain amount. If such debentures were exchanged in full on June 30, 2010, we would owe approximately $135.3 million to the holders of such debentures, payable in cash equal to the principal balance plus $109.8 million, equal to the excess exchange value, payable in cash and/or shares of Digital Realty Trust, Inc. s common stock. See note 5 to each of our and our operating partnership s condensed consolidated financial statements for a further description of our 4.125% exchangeable senior debentures due 2026.

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Cash Flows

The following summary discussion of our cash flows is based on the consolidated statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

Comparison of Six Months Ended June 30, 2010 to Six Months Ended June 30, 2009

The following table shows cash flows and ending cash and cash equivalent balances for the six months ended June 30, 2010 and 2009, respectively (in thousands):

	Six Months Ended June 30,		
	2010	**2009**	**Change**
Net cash provided by operating activities	$ 143,072	$ 143,482	$ (410)
Net cash used in investing activities	(586,486)	(261,148)	(325,338)
Net cash provided by financing activities	713,717	113,648	600,069
Net increase (decrease) in cash and cash equivalents	$ 270,303	$ (4,018)	$ 274,321

The decrease in net cash provided by operating activities was primarily due to increased operating and interest expenses partially offset by increased cash flows from new leasing at our same store properties, completed and leased redevelopment space and our acquisition of new operating properties. Net cash used in investing activities increased for the six months ended June 30, 2010, as we had an increase in cash paid for acquisitions for the six months ended June 30, 2010 ($406.0 million) as compared to in the same period in 2009 ($19.1 million) offset by a decrease in cash paid for capital expenditures for the six months ended June 30, 2010 ($153.7 million) as compared to the same period in 2009 ($245.6 million).

Net cash flows from financing activities on a consolidated basis consisted of the following amounts (in thousands):

	Six Months Ended June 30,		
	2010	**2009**	**Change**
Proceeds from borrowings, net of repayments	$ (84,513)	$ (145,673)	$ 61,160
Net proceeds from issuance of common/preferred stock, including exercise of stock options	448,323	83,736	364,587
Net proceeds from 5.875% Notes	486,601		486,601
Net proceeds from 5.50% exchangeable senior debentures		258,949	(258,949)
Dividend and distribution payments	(141,791)	(100,411)	(41,380)
Other	5,097	17,047	(11,950)
Net cash provided by financing activities	$ 713,717	$ 113,648	$ 600,069

The increase in net cash provided by financing activities was primarily due to the issuance of our 2020 Notes (net proceeds of $486.6 million) and common stock (net proceeds of $444.7 million during the six months ended June 30, 2010) as compared to the issuance of our 2029 Debentures (net proceeds of $258.9 million) in April 2009. The increase in dividend and distribution payments for the six months ended June 30, 2010 as compared to the same period in 2009 was a result of an increase in shares outstanding and dividend amount per share in 2010 as compared to 2009.

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Comparison of Year Ended December 31, 2009 to Year Ended December 31, 2008 and Comparison of Year Ended December 31, 2008 to Year Ended December 31, 2007

The following table shows cash flows and ending cash and cash equivalent balances for the years ended December 31, 2009, 2008 and 2007, respectively. Cash flows include the cash flows of 100 Technology Center Drive (sold in March 2007), 4055 Valley View Lane (sold in March 2007) (in thousands).

	Year Ended December 31,			Increase / (Decrease)	
	2009	2008	2007	2009 v 2008	2008 v 2007
Net cash provided by operating activities (including discontinued operations)	$ 283,809	$ 217,808	$ 105,655	$ 66,001	$ 112,153
Net cash used in investing activities	(519,909)	(647,751)	(537,427)	127,842	(110,324)
Net cash provided by financing activities	235,086	471,925	440,863	(236,839)	31,062
Net (decrease) increase in cash and cash equivalents	$ (1,014)	$ 41,982	$ 9,091	$ (42,996)	$ 32,891

The increases in net cash provided by operating activities from 2008 to 2009 and from 2007 to 2008 were primarily due to increased cash flows from new leasing at our same store properties, completed and leased redevelopment space and our acquisition of new operating properties which was partially offset by increased operating and interest expenses. We acquired 6, 5 and 13 properties during the years ended December 31, 2009, 2008 and 2007 respectively.

Net cash used in investing activities decreased in 2009 as compared to 2008, as we had a decrease in cash paid for capital expenditures for the year ended December 31, 2009 ($392.4 million) as compared to the same period in 2008 ($545.2 million) offset by an increase in cash paid for acquisitions for the year ended December 31, 2009 ($138.0 million) as compared to the same period in 2008 ($79.2 million).

Net cash used in investing activities increased from 2007 to 2008, as we had an increase in cash payments for our redevelopment program offset by a decrease in cash paid for acquisitions in 2008 ($79.2 million) as compared to 2007 ($359.8 million) and the receipt of proceeds from the sales of 100 Technology Center Drive and 4055 Valley View Lane in March 2007.

Net cash flows from financing activities for the company consisted of the following amounts (in thousands).

	Year Ended December 31,			Increase / (Decrease)	
	2009	2008	2007	2009 v 2008	2008 v 2007
Proceeds from borrowings, net of repayments	$ 46,657	$ 46,703	$ 216,006	$ (46)	$ (169,303)
Net proceeds from 5.50% exchangeable senior debentures	258,949			258,949	
Net proceeds from issuance of common/preferred stock, including exercise of stock options	89,184	549,210	320,751	(460,026)	228,459
Dividend and distribution payments	(150,188)	(130,040)	(97,081)	(20,148)	(32,959)
Other	(9,516)	6,052	1,187	(15,568)	4,865
Net cash provided by financing activities	$ 235,086	$ 471,925	$ 440,863	$ (236,839)	$ 31,062

Net proceeds from issuance of stock were primarily related to our common stock offerings in February 2009 (net proceeds of $82.9 million), July 2008 ($211.6 million) and October 2007 ($150.4 million) and preferred stock offerings in February 2008 ($333.6 million) and April 2007 ($169.1 million). Proceeds from mortgage loans were approximately $122.0 million, $174.9 million and $121.3 million for the years ended December 31, 2009, 2008 and 2007, respectively. We issued $266.4 million of 5.50% exchangeable senior debentures due 2029 on April 20, 2009. The increase in dividend and distribution payments for the year ended December 31, 2009 as

compared to the same period in 2008 was a result of an increase in shares outstanding and dividend amount per share in 2009 as compared to 2008 and dividends on our series D preferred stock being paid for a full year in 2009, whereas this series of preferred stock was outstanding for only a portion of 2008. The increase in dividend and distribution payments for the year ended December 31, 2008 as compared to the same period in 2007 was a result of an increase in shares outstanding in 2008 as compared to 2007 and dividends on our series D preferred stock being paid in 2008, whereas this series of preferred stock was not outstanding in 2007.

Net cash flows from financing activities for the operating partnership consisted of the following amounts (in thousands).

	Year Ended December 31,			Increase / (Decrease)	
	2009	2008	2007	2009 v 2008	2008 v 2007
Proceeds from borrowings, net of repayments	$ 46,657	$ 46,703	$ 216,006	$ (46)	$ (169,303)
Net proceeds from 5.50% exchangeable senior debentures	258,949			258,949	
General partner contributions	89,184	549,210	320,751	(460,026)	228,459
Distribution payments	(150,188)	(130,040)	(97,081)	(20,148)	(32,959)
Other	(9,516)	6,052	1,187	(15,568)	4,865
Net cash provided by financing activities	$ 235,086	$ 471,925	$ 440,863	$ (236,839)	$ 31,062

General partner contributions were primarily related to the issuance of our operating partnership s units to the company in connection with the company s common stock offerings in February 2009 (net proceeds of $82.9 million), July 2008 ($211.6 million) and October 2007 ($150.4 million) and preferred stock offerings in February 2008 ($333.6 million) and April 2007 ($169.1 million). Proceeds from mortgage loans were approximately $122.0 million, $174.9 million and $121.3 million for the years ended December 31, 2009, 2008 and 2007, respectively. We issued $266.4 million of 5.50% exchangeable senior debentures due 2029 on April 20, 2009. The increase in distribution payments for the year ended December 31, 2009 as compared to the same period in 2008 was a result of an increase in units outstanding and distribution amount per unit in 2009 as compared to 2008 and distributions on our series D preferred units being paid for a full year in 2009, whereas this series of preferred units was outstanding for only a portion of 2008. The increase in distribution payments for the year ended December 31, 2008 as compared to the same period in 2007 was a result of an increase in units outstanding in 2008 as compared to 2007 and distributions on our series D preferred units being paid in 2008, whereas this series of preferred units was not outstanding in 2007.

Noncontrolling Interests in Operating Partnership

Noncontrolling interests relate to the common units in our operating partnership that are not owned by us, which, as of June 30, 2010, amounted to 6.0% of our operating partnership common units. In conjunction with our formation, GI Partners received common units, in exchange for contributing ownership interests in properties to our operating partnership. Also in connection with acquiring real estate interests owned by third parties, our operating partnership issued common units to those sellers.

Limited partners who acquired common units in the formation transactions have the right to require our operating partnership to redeem part or all of their common units for cash based upon the fair market value of an equivalent number of shares of our common stock at the time of the redemption. Alternatively, we may elect to acquire those common units in exchange for shares of our common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, issuance of stock rights, specified extraordinary distributions and similar events. Pursuant to registration rights agreements we entered into with GI Partners and the other third party contributors, we filed a shelf registration statement covering the issuance of the shares of our common stock issuable upon redemption of the common units, and the resale of those shares of common stock by the holders. As of March 31, 2007, GI Partners no longer had an ownership interest in our operating partnership.

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Inflation

Substantially all of our leases provide for separate real estate tax and operating expense escalations. In addition, many of the leases provide for fixed base rent increases. We believe that inflationary increases may be at least partially offset by the contractual rent increases and expense escalations described above.

Quantitative and Qualitative Disclosures About Market Risk

Our future income, cash flows and fair values relevant to financial instruments depend upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We do not use derivatives for trading or speculative purposes and only enter into contracts with major financial institutions based on their credit rating and other factors.

Analysis of Debt between Fixed and Variable Rate

We use interest rate swap and cap agreements and fixed rate debt to reduce our exposure to interest rate movements. As of June 30, 2010, our consolidated debt was as follows (in millions):

	Carrying Value	Estimated Fair Value
Fixed rate debt	$ 1,874.6	$ 2,154.8
Variable rate debt subject to interest rate swaps and caps	238.5	239.0
Total fixed rate debt (including interest rate swaps and caps)	2,113.1	2,393.8
Variable rate debt	11.6	11.6
Total outstanding debt	$ 2,124.7	$ 2,405.4

Interest rate swaps included in this table and their fair values as of June 30, 2010 and December 31, 2009 were as follows (in thousands):

Notional Amount						Fair Value at Significant Other Observable Inputs (Level 2)	
As of June 30, 2010	As of December 31, 2009	Type of Derivative	Strike Rate	Effective Date	Expiration Date	As of June 30, 2010	As of December 31, 2009
$ 18,980 (1)	$ 20,831 (1)	Swap	4.944	Jul. 10, 2006	Apr. 10, 2011	$ (589)	$ (952)
64,002							