UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 24, 2006

# DIGITAL REALTY TRUST, INC.

**(Exact name of registrant as specified in its charter)**

| Maryland | 001-32336 | 26-0081711 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification Number) |

| | |
|---|---|
| **560 Mission Street, Suite 2900 San Francisco, California** | **94105** |
| (Address of principal executive offices) | (Zip Code) |

**(415) 738-6500**
**(Registrant's telephone number, including area code)**

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

### Item 1.01  Entry into a Material Definitive Agreement.

On July 24, 2006, Digital Realty Trust, L.P., a Maryland limited partnership of which we are the sole general partner, Citicorp North America, Inc., as administrative agent, the lender parties, as defined in the amendment, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as syndication agent, Bank of America, N.A., KeyBank National Association and Royal Bank of Canada, as co-documentation agents, and Citigroup Global Markets Inc. and Merrill Lynch, as the arrangers, entered into an amendment to Digital Realty Trust, L.P.'s existing $350.0 million unsecured revolving credit facility to upsize the facility to $500.0 million, to amend certain of the financial covenant definitions, streamline delivery requirements and conditions in connection with the addition of a property to the borrowing base and expand the number of banks participating in the syndicate group for the existing credit facility. A copy of the amendment will be filed as an exhibit to our Quarterly Report on Form 10-Q for the Quarter ended June 30, 2006 and is incorporated herein by reference.

### Item 2.01  Completion of Acquisition or Disposition of Assets.

On July 25, 2006, we completed the purchase of an approximately 347,000 square foot Internet gateway located in Phoenix, Arizona. Digital Realty Trust, L.P. funded the purchase price of $175.0 million with borrowings under its unsecured revolving credit facility. The property was acquired from Sterling Network Exchange, LLC and affiliates thereof.

### Item 8.01  Other Events.

On July 27, 2006, we also completed the purchase of two data center buildings, totaling approximately 56,000 square feet, located in Amsterdam, The Netherlands, for a purchase price of €8.875 million ($11.3 million as of the date of the acquisition). Digital Realty Trust, L.P. funded a portion of the purchase price for this acquisition with borrowings under a term loan facility with Credit Suisse and the remainder with borrowings under the unsecured revolving credit facility.

On June 30, 2006, we completed the purchase of an approximately 264,000 square foot data center facility located in Forth Worth, Texas, for a purchase price of $51.5 million. Digital Realty Trust, L.P. funded a portion of the purchase price for this acquisition with the proceeds from the disposition of 7979 East Tufts Avenue, described below, under a reverse exchange. The remainder of the purchase price was funded with borrowings under the unsecured revolving credit facility.

On July 12, 2006, we completed the disposition of 7979 East Tufts Avenue, an approximately 366,000 square foot office building located in Denver, Colorado, for a purchase price of $60.4 million. A portion of the proceeds was used to repay indebtedness securing this property.

On July 27, 2006, we issued a press release announcing the completion of the acquisitions and disposition described in Items 2.01 and 8.01. The press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

### Item 9.01  Financial Statements and Exhibits.

(d) Exhibits.

| | |
|---|---|
| 99.1 | Press Release dated July 27, 2006. |

## SIGNATURES

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

Digital Realty Trust, Inc.

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

Date: July 28, 2006

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release dated July 27, 2006. |

**FOR IMMEDIATE RELEASE**

**For Additional Information:**


| | |
|---|---|
| A. William Stein<br>Chief Financial Officer and<br>Chief Investment Officer<br>Digital Realty Trust, Inc.<br>415-738-6500 | Pamela Matthews<br>Investor/Analyst Information<br>Digital Realty Trust, Inc.<br>415-738-6532 |


## DIGITAL REALTY TRUST, INC. ACQUIRES THE PHOENIX INTERNET GATEWAY, TWO DATA CENTERS AND SELLS A NON-CORE ASSET

**San Francisco, CA (July 27, 2006) – Digital Realty Trust, Inc. (NYSE: DLR),** a leading owner and manager of corporate data centers and Internet gateways, today announced the acquisition of the Internet gateway for the Phoenix metropolitan area and data center facilities in Ft. Worth, Texas and Amsterdam, The Netherlands. The total purchase price paid for these three acquisitions was approximately $236.9 million. The Company has also announced the sale of Stanford Place II, located in the Denver Tech Center, realizing a gain of $17.9 million.

***Acquisitions***

The largest acquisition is a 347,000 square foot Internet gateway located at 120 East Van Buren in Phoenix, Arizona. It serves as the primary hub for Internet traffic in the greater Phoenix area and is the premier facility for corporate data center applications in the high-demand Phoenix market. The building contains 175,000 square feet of data center space including over 95,000 square feet of space operated by the building for corporate users as well as an 11,000 square foot meet-me-room (MMR) that facilitates access to the numerous carriers serving the property. Digital Realty Trust plans to add 30,000 square feet of new raised floor to accommodate the increasing demand for highly improved, custom data center space in the Phoenix market. The purchase price was $175.0 million.

The second acquisition consists of twin 28,000 square foot data center buildings located in Amsterdam, The Netherlands. The buildings were constructed in 2000 as data centers specifically for a major European IT

*- more -*

services company, which occupies 100% of the property through 2015. Combined, the buildings contain approximately 33,000 square feet of raised floor with the balance used for technical support and office space. The purchase price for the property was €8.875 million, or approximately $11.3 million based on current exchange rates.

The third acquisition is the sale-leaseback of a highly improved data center facility located in Ft. Worth, Texas. The property was built in 2000 and totals 263,700 square feet, consisting of a single-story 109,500 square foot fully improved data center, a two-story 39,000 square foot annex containing office and conference facilities, and an 115,500 square foot warehouse. The facility is 100% leased to Savvis Corporation for a 15-year term. The tenant has the option to convert much of the warehouse space to a fully improved data center to accommodate its growth. The purchase price for the property was $50.6 million.

According to Digital Realty Trust CEO Michael Foust, "The acquisition of Phoenix's premier Internet gateway facility represents a very significant addition to our portfolio. It enhances our presence in this important top tier market and expands our ability to provide exceptional data center and collocation services to our corporate and network customers. There are over 40 different fiber carriers operating in the facility; and with the substantial power available at the property, the building accommodates mission critical applications for a wide variety of corporate users. Additionally, the acquisition of the highly improved data centers in Ft. Worth and Amsterdam further expands our footprints in these key markets while adding to our portfolio of stabilized, income producing properties."

***Dispositions***

Digital Realty Trust also announced the sale of Stanford Place II, a 366,000 square foot suburban office building located at 7979 East Tufts Avenue in the Denver Tech submarket of Denver, Colorado. The property was originally acquired in 2003 by the predecessor to Digital Realty Trust. After the successful execution of the property's re-tenanting and leasing strategy, bringing occupancy up from 84% to 97%, it was sold for $60.4 million, producing an approximate $17.9 million profit for the company. Michael Foust commented, "We were able to complete our repositioning strategy earlier than anticipated. The sale of this non-core asset represents an opportunity for us to realize very attractive returns on our investment and to redeploy the capital into our data center and Internet gateway acquisitions program."

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**About Digital Realty Trust, Inc.**

Digital Realty Trust, Inc. owns, acquires, repositions and manages technology-related real estate. The Company’s 51 properties contain applications and operations critical to the day-to-day operations of technology industry tenants and corporate enterprise data center tenants. Comprising approximately 10.3 million rentable square feet, including 1.2 million square feet of space held for redevelopment, Digital Realty Trust’s property portfolio is located throughout the United States and Europe with one property in Canada. For additional information, please visit the Company’s website at www.digitalrealtytrust.com.

**Safe Harbor Statement**

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Such forward looking statements include statements, including related to the Company’s plans to add data center space to its Phoenix facility These forward looking statement are subject to risks and uncertainties, including adverse economic or real estate developments in the Company’s markets or the technology industry; general economic conditions; defaults on or non-renewal of leases by tenants; increased interest rates and operating costs; inability to manage domestic and international growth effectively; failure to obtain necessary outside financing; decreased rental rates or increased vacancy rates; difficulties in identifying properties to acquire and completing acquisitions; failure to successfully operate acquired properties and operations, failure of acquired properties to perform as expected; failure to successfully redevelop properties acquired for such purposes; failure to maintain the Company’s status as a REIT; environmental uncertainties and risks related to natural disasters; financial market fluctuations; changes in foreign currency exchange rates; risks of operating in foreign markets; and changes in real estate and zoning laws and increases in real property tax rates. For a further list and description of such risks and uncertainties, see the reports and other filings by the Company with the United States Securities and Exchange Commission, including the Company’s annual report on Form 10-K for the year ended December 31, 2005. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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