

Digital Realty Trust, Inc.
Form 4
February 27, 2008

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Stein A William

(Last) (First) (Middle)
560 MISSION STREET, SUITE 2900
(Street)

SAN FRANCISCO, CA 94105

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Digital Realty Trust, Inc. [DLR]

3. Date of Earliest Transaction
(Month/Day/Year)
02/25/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
CFO and CIO

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
| | | | | | | | |

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--|------------------------------------|------------------|------------|--|------|---|-----|-----|---------------------|--------------------|-----------------|-------------------------------------|
| Long-Term Incentive Units ⁽¹⁾ | <u>(2)</u> | 02/25/2008 | A | 12,019 | | | | | <u>(3)</u> | <u>(4)</u> | Common Stock | 12,019 |
| Long-Term Incentive Units ⁽¹⁾ | <u>(2)</u> | 02/25/2008 | A | 15,024 | | | | | <u>(5)(6)</u> | <u>(4)</u> | Common Stock | 15,024 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------|-------|
| | Director | 10% Owner | Officer | Other |
| Stein A William 560 MISSION STREET, SUITE 2900 SAN FRANCISCO, CA 94105 | | | CFO and CIO | |

Signatures

/s/ Barbara Polster,
attorney-in-fact

05/27/2008

 **Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Long-term incentive units are membership interests in Digital Realty Trust, L.P., a Maryland limited partnership of which the issuer is the general partner (the "Operating Partnership"). Long-term incentive units receive the same quarterly distributions as common limited partnership units of the Operating Partnership ("Common Units"). Long-term incentive units may initially not have full parity with Common Units with respect to liquidating distributions; however, upon the occurrence of specified events, long-term incentive units may achieve full parity with Common Units for all purposes, and thereafter vested long-term incentive units may be converted into an equal number of Common Units on a one-for-one basis at any time. Common Units will be redeemable for cash based on the fair market value of an equivalent number of shares of the issuer's common stock, or, at the election of the issuer, for an equal number of shares of the issuer's common stock.
- (1) Common Units with respect to liquidating distributions; however, upon the occurrence of specified events, long-term incentive units may achieve full parity with Common Units for all purposes, and thereafter vested long-term incentive units may be converted into an equal number of Common Units on a one-for-one basis at any time. Common Units will be redeemable for cash based on the fair market value of an equivalent number of shares of the issuer's common stock, or, at the election of the issuer, for an equal number of shares of the issuer's common stock.
 - (2) 1 for 1.
 - (3) Twenty percent (20%) of these units will vest on February 25, 2009, an additional 20% will vest on February 25, 2010, an additional 30% will vest on February 25, 2011 and the remaining 30% will vest on February 25, 2012.
 - (4) N/A
- These units are subject to both performance vesting and time vesting. The performance vesting is based on the Issuer's per share Funds From Operations ("FFO") results for the fiscal year ended December 31, 2008, subject to certain adjustments (the "Performance Condition"). If the Issuer's 2008 FFO is less than a threshold amount, none of the shares will satisfy the Performance Condition. If the Issuer's 2008 FFO is equal to or greater than an upper limit, all of the shares will satisfy the Performance Condition (continued on Footnote 6).

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- If the Issuer's 2008 FFO is between the threshold and upper limit, a portion of the shares will satisfy the Performance Condition based on a formula contained the award agreement. Any shares that do not satisfy the Performance Condition will be forfeited. Of the shares that
- (6) satisfy the Performance Condition, 20% will vest on the later of February 25, 2009 or within 30 days of the date the Compensation Committee determines if, and the extent to which, the Performance Condition is satisfied, 20% will vest on February 25, 2010, 30% will vest on February 25, 2011 and 30% will vest on February 25, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.