

Digital Realty Trust, Inc.
Form 8-K
January 16, 2019

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 16, 2019

DIGITAL REALTY TRUST, INC.

DIGITAL REALTY TRUST, L.P.

(Exact name of registrant as specified in its charter)

Maryland
Maryland
(State or other jurisdiction)

001-32336
000-54023
(Commission)

26-0081711
20-2402955
(IRS Employer)

of incorporation)

File Number)

Identification No.)

Four Embarcadero Center, Suite 3200

San Francisco, California
(Address of principal executive offices)

(415) 738-6500

94111
(Zip Code)

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Digital Realty Trust, Inc.:

Emerging growth company

Digital Realty Trust, L.P.:

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Digital Realty Trust, Inc.:

Digital Realty Trust, L.P.:

Introductory Note

Unless otherwise indicated or unless the context requires otherwise, all references in this report to we, us, our, our company, the company or Digital Realty refer to Digital Realty Trust, Inc., together with its consolidated subsidiaries, including Digital Realty Trust, L.P., our operating partnership.

Item 1.01. Entry into a Material Definitive Agreement.

On January 16, 2019, Digital Euro Finco, LLC, a wholly owned indirect finance subsidiary of the operating partnership, issued and sold \$850 million aggregate principal amount of 2.500% Guaranteed Notes due 2026 denominated in Euros (the Euro Notes). The Euro Notes are senior unsecured obligations of Digital Euro Finco, LLC and are fully and unconditionally guaranteed by Digital Realty Trust, Inc. and the operating partnership. The Euro Notes were sold outside the United States in reliance on Regulation S under the Securities Act of 1933, as amended (the Securities Act). The Euro Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to United States persons (within the meaning of Regulation S under the Securities Act) absent registration or an applicable exemption from the registration requirements. The terms of the Euro Notes are governed by an indenture, dated as of January 16, 2019, among Digital Euro Finco, LLC, Digital Realty Trust, Inc., the operating partnership, Deutsche Trustee Company Limited, as trustee, Deutsche Bank AG, London Branch, as paying agent and a transfer agent, and Deutsche Bank Luxembourg S.A., as registrar and a transfer agent (the Indenture), a copy of which is attached hereto as Exhibit 4.1 and incorporated herein by reference. The Indenture contains various restrictive covenants, including limitations on our ability to incur additional indebtedness and requirements to maintain a pool of unencumbered assets. The descriptions of the Indenture, the Euro Notes and the guarantees in this report are summaries and are qualified in their entirety by the terms of the Indenture, including the forms of the Euro Notes included therein.

Net proceeds from the offering were approximately \$843.5 million after deducting managers' discounts and estimated offering expenses. We intend to allocate an amount equal to the net proceeds from the offering of the Euro Notes to finance or refinance, in whole or in part, certain green building, energy and resource efficiency and renewable energy projects (collectively, Eligible Green Projects), including the development and redevelopment of such projects. Pending the allocation of an amount equal to the net proceeds of the Euro Notes to Eligible Green Projects, all or a portion of an amount equal to the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities. Such indebtedness to be redeemed or repaid is expected to include the operating partnership's 5.875% Senior Notes due 2020 pursuant to a previously announced tender offer for such notes, by redemption or otherwise, and may include borrowings under the operating partnership's global credit facilities, as well as other outstanding debt securities.

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

On January 16, 2019, Digital Euro Finco, LLC, a wholly owned indirect finance subsidiary of the operating partnership, issued and sold \$850 million aggregate principal amount of the Euro Notes. The purchase price paid by the initial purchasers for the Euro Notes was 99.956% of the principal amount thereof. The Euro Notes bear interest at the rate of 2.500% per annum and will mature on January 16, 2026. Interest is payable on the Euro Notes on January 16th of each year beginning on January 16, 2020. The Euro Notes are senior unsecured obligations of Digital Euro Finco, LLC and rank equally in right of payment with all of Digital Euro Finco, LLC's other existing and future senior unsecured and unsubordinated indebtedness. Digital Euro Finco, LLC's obligations under the Euro Notes are fully and unconditionally guaranteed by Digital Realty Trust, Inc. and the operating partnership.

The Euro Notes are redeemable in whole at any time or in part from time to time, at Digital Euro Finco, LLC's option, at a redemption price equal to the sum of:

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

a make-whole premium calculated in accordance with the terms of the Indenture.

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

All payments of principal and interest on the Euro Notes will be made free and clear of and without withholding or deduction for or on account of any present or future tax, assessment or other governmental charge imposed by the United States or a political subdivision or taxing authority thereof or therein having power to tax, unless the withholding of such tax, assessment or governmental charge is required by law or the official interpretation or administration thereof. In the event such withholding or deduction of taxes is required by law, then, subject to certain exceptions, Digital Euro Finco, LLC will pay such additional amounts necessary so that the net payment of the principal of and interest on the Euro Notes to a holder who is not a United States person for United States federal income tax purposes, including additional amounts, after the withholding or deduction, will not be less than the amount provided in such Euro Notes to be then due and payable.

If, due to certain changes in tax law, Digital Euro Finco, LLC has or will become obligated to pay additional amounts on the Euro Notes or if there is a substantial probability that Digital Euro Finco, LLC will become obligated to pay additional amounts on the Euro Notes, then Digital Euro Finco, LLC may, on giving not less than 15 days nor more than 45 days notice, at its option, redeem the Euro Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Euro Notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption.

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

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

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

Digital Euro Finco, LLC's, Digital Realty Trust, Inc.'s, or the operating partnership's failure to comply with any of their respective other agreements in the Euro Notes or the Indenture upon receipt by Digital Euro Finco, LLC, Digital Realty Trust, Inc., or the operating partnership of notice of such default by the trustee or by holders of not less than 25% in aggregate principal amount of the Euro Notes then outstanding and Digital Euro Finco, LLC's, Digital Realty Trust, Inc.'s, or the operating partnership's failure to cure (or obtain a waiver of) such default within 60 days after receipt of such notice;

failure to pay any indebtedness that is (a) of Digital Euro Finco, LLC, Digital Realty Trust, Inc., the operating partnership, any subsidiary in which the operating partnership has invested at least \$75,000,000 in capital, which we refer to as a Significant Subsidiary, or any entity in which the operating partnership is the general partner, and (b) in an outstanding principal amount in excess of \$75,000,000 at final maturity or upon acceleration after the expiration of any applicable grace period, which indebtedness is not discharged, or such default in payment or acceleration is not cured or rescinded, within 60 days after written notice to Digital Euro Finco, LLC from the trustee (or to Digital Euro Finco, LLC and the trustee from holders of at least 25% in principal amount of the outstanding Euro Notes); or

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certain events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of Digital Euro Finco, LLC, Digital Realty Trust, Inc., the operating partnership or any Significant Subsidiary or any substantial part of their respective property.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
4.1	<u>Indenture, dated as of January 16, 2019, among Digital Euro Finco, LLC, Digital Realty Trust, Inc., Digital Realty Trust, L.P., Deutsche Trustee Company Limited, as trustee, Deutsche Bank AG, London Branch, as paying agent and a transfer agent, and Deutsche Bank Luxembourg S.A., as registrar and a transfer agent, including the form of the 2.500% Guaranteed Notes due 2026.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: January 16, 2019

Digital Realty Trust, Inc.

By: /s/ JOSHUA A. MILLS
Joshua A. Mills
Senior Vice President, General
Counsel

and Secretary

Digital Realty Trust, L.P.

By: Digital Realty Trust, Inc.

Its general partner

By: /s/ JOSHUA A. MILLS
Joshua A. Mills
Senior Vice President, General
Counsel

and Secretary