

**EQUINIX, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - GAAP PRESENTATION**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
Recurring revenues	\$ 343,909	\$ 326,338	\$ 237,236
Non-recurring revenues	19,120	18,906	11,413
<b>Revenues</b>	<b>363,029</b>	<b>345,244</b>	<b>248,649</b>
Cost of revenues	194,576	193,559	133,050
<b>Gross profit</b>	<b>168,453</b>	<b>151,685</b>	<b>115,599</b>
Operating expenses:			
Sales and marketing	33,636	31,518	19,468
General and administrative	62,601	64,820	43,155
Restructuring charges	496	491	-
Acquisition costs	415	380	4,994
<b>Total operating expenses</b>	<b>97,148</b>	<b>97,209</b>	<b>67,617</b>
<b>Income from operations</b>	<b>71,305</b>	<b>54,476</b>	<b>47,982</b>
Interest and other income (expense):			
Interest income	215	208	506
Interest expense	(37,361)	(38,822)	(25,675)
Other-than-temporary impairment recovery on investments	-	-	3,420
Loss on debt extinguishment and interest rate swaps, net	-	(5,356)	(3,377)
Other income	2,111	497	20
<b>Total interest and other, net</b>	<b>(35,035)</b>	<b>(43,473)</b>	<b>(25,106)</b>
<b>Income before income taxes</b>	<b>36,270</b>	<b>11,003</b>	<b>22,876</b>
Income tax benefit (expense)	(11,125)	2,757	(8,677)
<b>Net income</b>	<b>\$ 25,145</b>	<b>\$ 13,760</b>	<b>\$ 14,199</b>
<b>Net income per share:</b>			
Basic net income per share	\$ 0.54	\$ 0.30	\$ 0.36
Diluted net income per share	\$ 0.53	\$ 0.29	\$ 0.35
Shares used in computing basic net income per share	46,451	46,059	39,562
Shares used in computing diluted net income per share	47,219	46,871	40,791

**EQUINIX, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - NON-GAAP PRESENTATION**  
(in thousands)  
(unaudited)

	Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
Recurring revenues	\$ 343,909	\$ 326,338	\$ 237,236
Non-recurring revenues	19,120	18,906	11,413
<b>Revenues (1)</b>	<b>363,029</b>	<b>345,244</b>	<b>248,649</b>
Cash cost of revenues (2)	122,631	125,456	85,084
<b>Cash gross profit (3)</b>	<b>240,398</b>	<b>219,788</b>	<b>163,565</b>
Cash operating expenses (4):			
Cash sales and marketing expenses (5)	27,104	25,523	15,185
Cash general and administrative expenses (6)	46,018	45,318	31,108
<b>Total cash operating expenses (7)</b>	<b>73,122</b>	<b>70,841</b>	<b>46,293</b>
<b>Adjusted EBITDA (8)</b>	<b>\$ 167,276</b>	<b>\$ 148,947</b>	<b>\$ 117,272</b>
<b>Cash gross margins (9)</b>	<b>66%</b>	<b>64%</b>	<b>66%</b>
<b>Adjusted EBITDA margins (10)</b>	<b>46%</b>	<b>43%</b>	<b>47%</b>
<b>Adjusted EBITDA flow-through rate (11)</b>	<b>103%</b>	<b>17%</b>	<b>92%</b>

(1) The geographic split of our revenues on a services basis is presented below:

*Americas Revenues:*

Colocation	\$ 176,196	\$ 166,477	\$ 118,932
Interconnection	45,922	44,443	23,764
Managed infrastructure	767	779	539
Rental	504	642	182
Recurring revenues	223,389	212,341	143,417
Non-recurring revenues	9,138	8,307	5,139
Revenues	232,527	220,648	148,556

*EMEA Revenues:*

Colocation	68,200	64,439	54,442
Interconnection	2,812	2,607	1,939
Managed infrastructure	3,198	3,002	2,901
Rental	118	134	163
Recurring revenues	74,328	70,182	59,445
Non-recurring revenues	7,711	8,569	4,719
Revenues	82,039	78,751	64,164

*Asia-Pacific Revenues:*

Colocation	36,339	34,546	26,985
Interconnection	5,341	4,948	3,529
Managed infrastructure	4,512	4,321	3,860
Recurring revenues	46,192	43,815	34,374
Non-recurring revenues	2,271	2,030	1,555
Revenues	48,463	45,845	35,929

*Worldwide Revenues:*

Colocation	280,735	265,462	200,359
Interconnection	54,075	51,998	29,232
Managed infrastructure	8,477	8,102	7,300
Rental	622	776	345
Recurring revenues	343,909	326,338	237,236
Non-recurring revenues	19,120	18,906	11,413
Revenues	<b>\$ 363,029</b>	<b>\$ 345,244</b>	<b>\$ 248,649</b>

	Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
(2) We define cash cost of revenues as cost of revenues less depreciation, amortization, accretion and stock-based compensation as presented below:			
Cost of revenues	\$ 194,576	\$ 193,559	\$ 133,050
Depreciation, amortization and accretion expense	(70,600)	(66,978)	(46,372)
Stock-based compensation expense	(1,345)	(1,125)	(1,594)
Cash cost of revenues	<u>\$ 122,631</u>	<u>\$ 125,456</u>	<u>\$ 85,084</u>
The geographic split of our cash cost of revenues is presented below:			
Americas cash cost of revenues	\$ 70,210	\$ 72,651	\$ 44,148
EMEA cash cost of revenues	34,491	34,808	28,536
Asia-Pacific cash cost of revenues	17,930	17,997	12,400
Cash cost of revenues	<u>\$ 122,631</u>	<u>\$ 125,456</u>	<u>\$ 85,084</u>
(3) We define cash gross profit as revenues less cash cost of revenues (as defined above).			
(4) We define cash operating expenses as operating expenses less depreciation, amortization, stock-based compensation, restructuring charges and acquisition costs. We also refer to cash operating expenses as cash selling, general and administrative expenses or "cash SG&A".			
(5) We define cash sales and marketing expenses as sales and marketing expenses less depreciation, amortization and stock-based compensation as presented below:			
Sales and marketing expenses	\$ 33,636	\$ 31,518	\$ 19,468
Depreciation and amortization expense	(3,666)	(3,645)	(1,352)
Stock-based compensation expense	(2,866)	(2,350)	(2,931)
Cash sales and marketing expenses	<u>\$ 27,104</u>	<u>\$ 25,523</u>	<u>\$ 15,185</u>
(6) We define cash general and administrative expenses as general and administrative expenses less depreciation, amortization and stock-based compensation as presented below:			
General and administrative expenses	\$ 62,601	\$ 64,820	\$ 43,155
Depreciation and amortization expense	(5,259)	(5,508)	(1,598)
Stock-based compensation expense	(11,324)	(13,994)	(10,449)
Cash general and administrative expenses	<u>\$ 46,018</u>	<u>\$ 45,318</u>	<u>\$ 31,108</u>
(7) Our cash operating expenses, or cash SG&A, as defined above, is presented below:			
Cash sales and marketing expenses	\$ 27,104	\$ 25,523	\$ 15,185
Cash general and administrative expenses	46,018	45,318	31,108
Cash SG&A	<u>\$ 73,122</u>	<u>\$ 70,841</u>	<u>\$ 46,293</u>
The geographic split of our cash operating expenses, or cash SG&A, is presented below:			
Americas cash SG&A	\$ 48,812	\$ 45,469	\$ 30,626
EMEA cash SG&A	16,936	16,212	10,673
Asia-Pacific cash SG&A	7,374	9,160	4,994
Cash SG&A	<u>\$ 73,122</u>	<u>\$ 70,841</u>	<u>\$ 46,293</u>
(8) We define adjusted EBITDA as income from operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges and acquisition costs as presented below:			
Income from operations	\$ 71,305	\$ 54,476	\$ 47,982
Depreciation, amortization and accretion expense	79,525	76,131	49,322
Stock-based compensation expense	15,535	17,469	14,974
Restructuring charges	496	491	-
Acquisition costs	415	380	4,994
Adjusted EBITDA	<u>\$ 167,276</u>	<u>\$ 148,947</u>	<u>\$ 117,272</u>

	Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
The geographic split of our adjusted EBITDA is presented below:			
Americas income from operations	\$ 47,319	\$ 37,067	\$ 29,601
Americas depreciation, amortization and accretion expense	53,482	51,448	28,174
Americas stock-based compensation expense	11,842	13,620	11,013
Americas restructuring charges	496	491	-
Americas acquisition costs	366	(98)	4,994
Americas adjusted EBITDA	<u>113,505</u>	<u>102,528</u>	<u>73,782</u>
EMEA income from operations	11,471	8,678	8,321
EMEA depreciation, amortization and accretion expense	16,844	16,539	14,484
EMEA stock-based compensation expense	2,295	2,214	2,150
EMEA acquisition costs	2	300	-
EMEA adjusted EBITDA	<u>30,612</u>	<u>27,731</u>	<u>24,955</u>
Asia-Pacific income from operations	12,515	8,731	10,060
Asia-Pacific depreciation, amortization and accretion expense	9,199	8,144	6,664
Asia-Pacific stock-based compensation expense	1,398	1,635	1,811
Asia-Pacific acquisition costs	47	178	-
Asia-Pacific adjusted EBITDA	<u>23,159</u>	<u>18,688</u>	<u>18,535</u>
Adjusted EBITDA	<u>\$ 167,276</u>	<u>\$ 148,947</u>	<u>\$ 117,272</u>

- (9) We define cash gross margins as cash gross profit divided by revenues.

Our cash gross margins by geographic region is presented below:

Americas cash gross margins	<u>70%</u>	<u>67%</u>	<u>70%</u>
EMEA cash gross margins	<u>58%</u>	<u>56%</u>	<u>56%</u>
Asia-Pacific cash gross margins	<u>63%</u>	<u>61%</u>	<u>65%</u>

- (10) We define adjusted EBITDA margins as adjusted EBITDA divided by revenues.

Americas adjusted EBITDA margins	<u>49%</u>	<u>46%</u>	<u>50%</u>
EMEA adjusted EBITDA margins	<u>37%</u>	<u>35%</u>	<u>39%</u>
Asia-Pacific adjusted EBITDA margins	<u>48%</u>	<u>41%</u>	<u>52%</u>

- (11) We define adjusted EBITDA flow-through rate as incremental adjusted EBITDA growth divided by incremental revenue growth as follows:

Adjusted EBITDA - current period	\$ 167,276	\$ 148,947	\$ 117,272
Less adjusted EBITDA - prior period	(148,947)	(146,461)	(111,660)
Adjusted EBITDA growth	<u>\$ 18,329</u>	<u>\$ 2,486</u>	<u>\$ 5,612</u>
Revenues - current period	\$ 363,029	\$ 345,244	\$ 248,649
Less revenues - prior period	(345,244)	(330,347)	(242,552)
Revenue growth	<u>\$ 17,785</u>	<u>\$ 14,897</u>	<u>\$ 6,097</u>
Adjusted EBITDA flow-through rate	<u>103%</u>	<u>17%</u>	<u>92%</u>

**EQUINIX, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)  
(unaudited)

<b>Assets</b>	<b>March 31, 2011</b>	<b>December 31, 2010</b>
Cash and cash equivalents	\$ 304,466	\$ 442,841
Short-term investments	150,040	147,192
Accounts receivable, net	114,207	116,358
Other current assets	126,277	71,657
<b>Total current assets</b>	<b>694,990</b>	<b>778,048</b>
Long-term investments	2,145	2,806
Property, plant and equipment, net	2,881,126	2,650,953
Goodwill	789,876	774,365
Intangible assets, net	148,874	150,945
Other assets	135,502	90,892
<b>Total assets</b>	<b>\$ 4,652,513</b>	<b>\$ 4,448,009</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable and accrued expenses	\$ 133,536	\$ 145,854
Accrued property and equipment	125,579	91,667
Current portion of capital lease and other financing obligations	8,381	7,988
Current portion of loans payable	20,204	19,978
Other current liabilities	55,574	52,628
<b>Total current liabilities</b>	<b>343,274</b>	<b>318,115</b>
Capital lease and other financing obligations, less current portion	296,913	253,945
Loans payable, less current portion	126,617	100,337
Senior notes	750,000	750,000
Convertible debt	922,325	916,337
Other liabilities	225,987	228,760
<b>Total liabilities</b>	<b>2,665,116</b>	<b>2,567,494</b>
Common stock	47	46
Additional paid-in capital	2,372,660	2,341,586
Accumulated other comprehensive loss	(61,356)	(112,018)
Accumulated deficit	(323,954)	(349,099)
<b>Total stockholders' equity</b>	<b>1,987,397</b>	<b>1,880,515</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,652,513</b>	<b>\$ 4,448,009</b>

Ending headcount by geographic region is as follows:

Americas headcount	1,169	1,156
EMEA headcount	498	482
Asia-Pacific headcount	297	283
<b>Total headcount</b>	<b>1,964</b>	<b>1,921</b>

**EQUINIX, INC.**  
**SUMMARY OF DEBT OUTSTANDING**  
(in thousands)  
(unaudited)

	<u>March 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Capital lease and other financing obligations	\$ 305,294	\$ 261,933
Paris IBX financing	12,101	-
New Asia-Pacific financing	134,720	120,315
Total loans payable	<u>146,821</u>	<u>120,315</u>
Senior notes	<u>750,000</u>	<u>750,000</u>
Convertible debt, net of debt discount	922,325	916,337
Plus debt discount	97,411	103,399
Total convertible debt principal	<u>1,019,736</u>	<u>1,019,736</u>
Total debt outstanding	<u>\$ 2,221,851</u>	<u>\$ 2,151,984</u>

**EQUINIX, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
Cash flows from operating activities:			
Net income	\$ 25,145	\$ 13,760	\$ 14,199
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	79,525	76,131	49,322
Stock-based compensation	15,535	17,469	14,974
Debt issuance costs and debt discount	7,284	8,512	5,554
Loss on debt extinguishment and interest rate swaps	-	5,356	3,377
Restructuring charges	496	491	-
Other reconciling items	1,563	1,888	434
Changes in operating assets and liabilities:			
Accounts receivable	3,099	(1,400)	(6,086)
Deferred tax assets, net	5,640	(1,611)	5,002
Accounts payable and accrued expenses	(13,606)	14,316	15,886
Other assets and liabilities	(9,510)	(12,021)	(2,850)
<b>Net cash provided by operating activities</b>	<b>115,171</b>	<b>122,891</b>	<b>99,812</b>
Cash flows from investing activities:			
Purchases, sales and maturities of investments, net	(2,185)	176,172	112,285
Purchase of Amsterdam IBX property	-	(14,861)	-
Purchase of Paris IBX property	(14,951)	-	-
Purchases of property and equipment	(172,516)	(143,351)	(143,400)
Other investing activities	(94,138)	(422)	(442)
<b>Net cash provided by (used in) investing activities</b>	<b>(283,790)</b>	<b>17,538</b>	<b>(31,557)</b>
Cash flows from financing activities:			
Proceeds from employee equity awards	15,668	3,638	10,883
Proceeds from loans payable	22,653	5,770	-
Proceeds from senior notes	-	-	750,000
Repayment of capital lease and other financing obligations	(1,968)	(2,019)	(1,554)
Repayment of mortgage and loans payable	(10,102)	(88,930)	(114,340)
Debt issuance costs	(125)	-	(15,193)
Debt extinguishment costs	-	(4,448)	-
<b>Net cash provided by (used in) financing activities</b>	<b>26,126</b>	<b>(85,989)</b>	<b>629,796</b>
Effect of foreign currency exchange rates on cash and cash equivalents	4,118	(748)	(4,805)
Net increase (decrease) in cash and cash equivalents	(138,375)	53,692	693,246
Cash and cash equivalents at beginning of period	442,841	389,149	346,056
<b>Cash and cash equivalents at end of period</b>	<b>\$ 304,466</b>	<b>\$ 442,841</b>	<b>\$ 1,039,302</b>
<b>Free cash flow (1)</b>	<b>\$ (166,434)</b>	<b>\$ (35,743)</b>	<b>\$ (44,030)</b>
<b>Adjusted free cash flow (2)</b>	<b>\$ (151,483)</b>	<b>\$ (20,882)</b>	<b>\$ (44,030)</b>

- (1) We define free cash flow as net cash provided by operating activities plus net cash provided by (used in) investing activities (excluding the net purchases, sales and maturities of investments) as presented below:

Net cash provided by operating activities as presented above	\$ 115,171	\$ 122,891	\$ 99,812
Net cash provided by (used in) investing activities as presented above	(283,790)	17,538	(31,557)
Purchases, sales and maturities of investments, net	2,185	(176,172)	(112,285)
Free cash flow (negative free cash flow)	<u>\$ (166,434)</u>	<u>\$ (35,743)</u>	<u>\$ (44,030)</u>

- (2) We define adjusted free cash flow as free cash flow (as defined above) excluding any purchases or sales of real estate and acquisitions as presented below:

Free cash flow (as defined above)	\$ (166,434)	\$ (35,743)	\$ (44,030)
Less purchase of Amsterdam IBX property	-	14,861	-
Less purchase of Paris IBX property	14,951	-	-
Adjusted free cash flow (negative adjusted free cash flow)	<u>\$ (151,483)</u>	<u>\$ (20,882)</u>	<u>\$ (44,030)</u>