

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

	Three Months Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Recurring revenues	\$ 574,158	\$ 549,703	\$ 501,814	\$ 1,123,861	\$ 996,336
Non-recurring revenues	31,003	30,350	27,057	61,353	48,669
Revenues	605,161	580,053	528,871	1,185,214	1,045,005
Cost of revenues	292,859	287,525	267,109	580,384	525,700
Gross profit	312,302	292,528	261,762	604,830	519,305
Operating expenses:					
Sales and marketing	75,254	67,428	59,478	142,682	117,754
General and administrative	111,675	103,303	88,632	214,978	179,450
Restructuring charges	-	-	(4,837)	-	(4,837)
Acquisition costs	676	185	2,526	861	6,188
Total operating expenses	187,605	170,916	145,799	358,521	298,555
Income from operations	124,697	121,612	115,963	246,309	220,750
Interest and other income (expense):					
Interest income	744	1,434	917	2,178	1,664
Interest expense	(66,874)	(68,820)	(61,001)	(135,694)	(121,332)
Loss on debt extinguishment	(51,183)	-	(93,602)	(51,183)	(93,602)
Other income (expense)	681	678	2,768	1,359	2,309
Total interest and other, net	(116,632)	(66,708)	(150,918)	(183,340)	(210,961)
Income (loss) before income taxes	8,065	54,904	(34,955)	62,969	9,789
Income tax benefit (expense)	2,014	(13,567)	9,668	(11,553)	(1,792)
Net income (loss)	10,079	41,337	(25,287)	51,416	7,997
Net (income) loss attributable to redeemable non-controlling interests	1,249	50	(529)	1,299	(970)
Net income (loss) attributable to Equinix	\$ 11,328	\$ 41,387	\$ (25,816)	\$ 52,715	\$ 7,027
Net income (loss) per share attributable to Equinix:					
Basic net income (loss) per share (1)	\$ 0.22	\$ 0.83	\$ (0.52)	\$ 1.04	\$ 0.14
Diluted net income (loss) per share (1)	\$ 0.22	\$ 0.81	\$ (0.52)	\$ 1.04	\$ 0.14
Shares used in computing basic net income (loss) per share	51,332	49,598	49,379	50,470	49,205
Shares used in computing diluted net income (loss) per share	51,652	53,386	49,379	50,884	49,976

(1) The net income (loss) attributable to Equinix used in the computation of basic and diluted net income (loss) per share attributed to Equinix is presented below:

Net income (loss)	\$ 10,079	\$ 41,337	\$ (25,287)	\$ 51,416	\$ 7,997
Net (income) loss attributable to non-controlling interests	1,249	50	(529)	1,299	(970)
Net income (loss) attributable to Equinix, basic	11,328	41,387	(25,816)	52,715	7,027
Interest on convertible debt	-	1,984	-	-	-
Net income (loss) attributable to Equinix, diluted	\$ 11,328	\$ 43,371	\$ (25,816)	\$ 52,715	\$ 7,027

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Net income (loss)	\$ 10,079	\$ 41,337	\$ (25,287)	\$ 51,416	\$ 7,997
Other comprehensive income (loss), net of tax:					
Foreign currency translation gain (loss)	23,081	14,970	(30,666)	38,051	(103,220)
Unrealized gain (loss) on available for sale securities	(73)	839	(458)	766	(360)
Unrealized gain on cash flow hedges	54	200	-	254	-
Other comprehensive income (loss), net of tax:	<u>23,062</u>	<u>16,009</u>	<u>(31,124)</u>	<u>39,071</u>	<u>(103,580)</u>
Comprehensive income (loss), net of tax	<u>33,141</u>	<u>57,346</u>	<u>(56,411)</u>	<u>90,487</u>	<u>(95,583)</u>
Net (income) loss attributable to redeemable non-controlling interests	1,249	50	(529)	1,299	(970)
Other comprehensive (income) loss attributable to redeemable non-controlling interests	(750)	(2,067)	5,309	(2,817)	4,540
Comprehensive income (loss) attributable to Equinix, net of tax	<u>\$ 33,640</u>	<u>\$ 55,329</u>	<u>\$ (51,631)</u>	<u>\$ 88,969</u>	<u>\$ (92,013)</u>

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

Assets	June 30, 2014	December 31, 2013
Cash and cash equivalents	\$ 408,334	\$ 261,894
Investments	296,015	768,198
Accounts receivable, net	237,831	184,840
Property, plant and equipment, net	4,922,380	4,591,650
Goodwill	1,058,363	1,042,153
Intangible assets, net	170,130	184,182
Other assets	508,764	459,442
Total assets	\$ 7,601,817	\$ 7,492,359
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	\$ 224,109	\$ 263,223
Accrued property and equipment	82,014	64,601
Capital lease and other financing obligations	1,134,607	931,246
Mortgage and loans payable	230,654	253,208
Senior notes	2,250,000	2,250,000
Convertible debt	320,914	724,202
Other liabilities	449,304	422,913
Total liabilities	4,691,602	4,909,393
Redeemable non-controlling interests	227,156	123,902
Common stock	53	50
Additional paid-in capital	2,797,186	2,693,887
Treasury stock	(52,938)	(84,663)
Accumulated other comprehensive loss	(77,514)	(113,767)
Retained earnings (accumulated deficit)	16,272	(36,443)
Total stockholders' equity	2,683,059	2,459,064
Total liabilities, redeemable non-controlling interests and stockholders' equity	\$ 7,601,817	\$ 7,492,359

Ending headcount by geographic region is as follows:

Americas headcount	2,059	1,984
EMEA headcount	945	899
Asia-Pacific headcount	655	617
Total headcount	3,659	3,500

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

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
Capital lease and other financing obligations	\$ 1,134,607	\$ 931,246
U.S. term loan	120,000	140,000
ALOG financings	65,972	67,882
Mortgage payable	42,634	43,497
Other loans payable	2,048	1,829
Total mortgage and loans payable	<u>230,654</u>	<u>253,208</u>
Senior notes	<u>2,250,000</u>	<u>2,250,000</u>
Convertible debt, net of debt discount	320,914	724,202
Plus: debt discount	15,762	45,508
Total convertible debt principal	<u>336,676</u>	<u>769,710</u>
Total debt outstanding	<u>\$ 3,951,937</u>	<u>\$ 4,204,164</u>

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

	Three Months Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Cash flows from operating activities:					
Net income (loss)	\$ 10,079	\$ 41,337	\$ (25,287)	\$ 51,416	\$ 7,997
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, amortization and accretion	116,074	113,610	110,189	229,684	218,792
Stock-based compensation	33,830	24,981	24,194	58,811	48,030
Debt issuance costs and debt discount	4,717	6,409	5,884	11,126	11,637
Loss on debt extinguishment	51,183	-	93,602	51,183	93,602
Restructuring charges	-	-	(4,837)	-	(4,837)
Excess tax benefits from employee equity awards	(1,614)	(10,018)	(3,431)	(11,632)	(22,421)
Other reconciling items	7,455	5,292	3,949	12,747	7,034
Changes in operating assets and liabilities:					
Accounts receivable	(24,510)	(28,995)	(19,098)	(53,505)	(43,761)
Income taxes, net	(76,764)	(15,749)	(73,209)	(92,513)	(75,556)
Accounts payable and accrued expenses	(16,498)	8,830	28,392	(7,668)	396
Other assets and liabilities	(4,988)	26,021	6,811	21,033	(9,573)
Net cash provided by operating activities	98,964	171,718	147,159	270,682	231,340
Cash flows from investing activities:					
Purchases, sales and maturities of investments, net	250,737	221,654	(175,593)	472,391	(408,558)
Purchase of Asia Tone, less cash acquired	-	-	-	-	(107)
Purchase of real estate	-	(16,791)	(2,960)	(16,791)	(2,960)
Purchases of other property, plant and equipment	(159,816)	(105,907)	(122,863)	(265,723)	(198,530)
Other investing activities	582	(71)	838,963	511	5,162
Net cash provided by (used in) investing activities	91,503	98,885	537,547	190,388	(604,993)
Cash flows from financing activities:					
Purchases of treasury stock	(208,263)	(47,120)	-	(255,383)	-
Proceeds from employee equity awards	1,434	14,387	1,512	15,821	15,880
Proceeds from senior notes	-	-	-	-	1,500,000
Repayment of capital lease and other financing obligations	(5,033)	(4,250)	(4,157)	(9,283)	(7,673)
Repayment of mortgage and loans payable	(16,777)	(10,317)	(18,139)	(27,094)	(32,191)
Repayment of senior notes	-	-	(750,000)	-	(750,000)
Repayment of convertible debt	(29,479)	-	-	(29,479)	-
Debt extinguishment costs	(22,552)	-	(80,925)	(22,552)	(80,925)
Excess tax benefits from employee equity awards	1,614	10,018	3,431	11,632	22,421
Other financing activities	128	-	(1,756)	128	(20,786)
Net cash provided by (used in) financing activities	(278,928)	(37,282)	(850,034)	(316,210)	646,726
Effect of foreign currency exchange rates on cash and cash equivalents	1,621	(41)	(2,195)	1,580	(7,790)
Net increase (decrease) in cash and cash equivalents	(86,840)	233,280	(167,523)	146,440	265,283
Cash and cash equivalents at beginning of period	495,174	261,894	685,019	261,894	252,213
Cash and cash equivalents at end of period	\$ 408,334	\$ 495,174	\$ 517,496	\$ 408,334	\$ 517,496
Supplemental cash flow information:					
Cash paid for taxes	\$ 75,371	\$ 29,913	\$ 62,818	\$ 105,284	\$ 76,854
Cash paid for interest	\$ 79,517	\$ 42,385	\$ 29,440	\$ 121,902	\$ 96,280
Free cash flow (1)	\$ (60,270)	\$ 48,949	\$ 860,299	\$ (11,321)	\$ 34,905
Adjusted free cash flow (2)	\$ 12,119	\$ 103,375	\$ 923,876	\$ 115,494	\$ 123,370
Ongoing capital expenditures (3)	\$ 63,581	\$ 44,914	\$ 40,210	\$ 108,495	\$ 74,207
Discretionary free cash flow (4)	\$ 35,383	\$ 126,804	\$ 106,949	\$ 162,187	\$ 157,133
Adjusted discretionary free cash flow (5)	\$ 107,772	\$ 164,439	\$ 167,566	\$ 272,211	\$ 242,531

(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	\$ 98,964	\$ 171,718	\$ 147,159	\$ 270,682	\$ 231,340
Net cash provided by (used in) investing activities as presented above	91,503	98,885	537,547	190,388	(604,993)
Purchases, sales and maturities of investments, net	(250,737)	(221,654)	175,593	(472,391)	408,558
Free cash flow (negative free cash flow)	<u>\$ (60,270)</u>	<u>\$ 48,949</u>	<u>\$ 860,299</u>	<u>\$ (11,321)</u>	<u>\$ 34,905</u>

	Three Months Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
(2) We define adjusted free cash flow as free cash flow (as defined above) excluding any purchases of real estate, acquisitions, any excess tax benefits from employee equity awards, cash paid for taxes associated with reclassifying our assets for tax purposes triggered by our planned conversion into a real estate investment trust ("REIT") and costs related to the planned REIT conversion, as presented below:					
Free cash flow (as defined above)	\$ (60,270)	\$ 48,949	\$ 860,299	\$ (11,321)	\$ 34,905
Less purchase of Asia Tone, less cash acquired	-	-	-	-	107
Less purchase of real estate	-	16,791	2,960	16,791	2,960
Less excess tax benefits from employee equity awards	1,614	10,018	3,431	11,632	22,421
Less cash paid for taxes resulting from the planned REIT conversion	61,873	17,827	53,570	79,700	57,304
Less costs related to the planned REIT conversion	8,902	9,790	3,616	18,692	5,673
Adjusted free cash flow	<u>\$ 12,119</u>	<u>\$ 103,375</u>	<u>\$ 923,876</u>	<u>\$ 115,494</u>	<u>\$ 123,370</u>
We categorize our cash paid for taxes into cash paid for taxes resulting from the planned REIT conversion (as defined above) and other cash taxes paid.					
Cash paid for taxes resulting from the planned REIT conversion	\$ 61,873	\$ 17,827	\$ 53,570	\$ 79,700	\$ 57,304
Other cash taxes paid	13,498	12,086	9,248	25,584	19,550
Total cash paid for taxes	<u>\$ 75,371</u>	<u>\$ 29,913</u>	<u>\$ 62,818</u>	<u>\$ 105,284</u>	<u>\$ 76,854</u>
(3) We refer to our purchases of other property, plant and equipment as our capital expenditures (or capex). We categorize our capital expenditures into expansion and ongoing capex. Expansion capex is capex spent to build out our new data centers and data center expansions. Our ongoing capex represents all of our other capex spending.					
Ongoing capital expenditures	\$ 63,581	\$ 44,914	\$ 40,210	\$ 108,495	\$ 74,207
Expansion capital expenditures	96,235	60,993	82,653	157,228	124,323
Total capital expenditures	<u>\$ 159,816</u>	<u>\$ 105,907</u>	<u>\$ 122,863</u>	<u>\$ 265,723</u>	<u>\$ 198,530</u>
(4) We define discretionary free cash flow as net cash provided by operating activities less ongoing capital expenditures (as described above), as presented below:					
Net cash provided by operating activities, as presented above	\$ 98,964	\$ 171,718	\$ 147,159	\$ 270,682	\$ 231,340
Less ongoing capital expenditures	(63,581)	(44,914)	(40,210)	(108,495)	(74,207)
Discretionary free cash flow	<u>\$ 35,383</u>	<u>\$ 126,804</u>	<u>\$ 106,949</u>	<u>\$ 162,187</u>	<u>\$ 157,133</u>
(5) We define adjusted discretionary free cash flow as discretionary free cash flow (as defined above), excluding any excess tax benefits from employee equity awards, cash paid for taxes associated with reclassifying our assets for tax purposes triggered by our planned REIT conversion and costs related to the planned REIT conversion, as presented below:					
Discretionary free cash flow (as defined above)	\$ 35,383	\$ 126,804	\$ 106,949	\$ 162,187	\$ 157,133
Excess tax benefits from employee equity awards	1,614	10,018	3,431	11,632	22,421
Cash paid for taxes resulting from the planned REIT conversion	61,873	17,827	53,570	79,700	57,304
Costs related to the planned REIT conversion	8,902	9,790	3,616	18,692	5,673
Adjusted discretionary free cash flow	<u>\$ 107,772</u>	<u>\$ 164,439</u>	<u>\$ 167,566</u>	<u>\$ 272,211</u>	<u>\$ 242,531</u>

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

	Three Months Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Recurring revenues	\$ 574,158	\$ 549,703	\$ 501,814	\$ 1,123,861	\$ 996,336
Non-recurring revenues	31,003	30,350	27,057	61,353	48,669
Revenues (1)	605,161	580,053	528,871	1,185,214	1,045,005
Cash cost of revenues (2)	190,901	184,248	168,421	375,149	330,431
Cash gross profit (3)	414,260	395,805	360,450	810,065	714,574
Cash operating expenses (4):					
Cash sales and marketing expenses (5)	58,785	55,799	46,430	114,584	92,710
Cash general and administrative expenses (6)	80,198	79,618	65,985	159,816	132,941
Total cash operating expenses (7)	138,983	135,417	112,415	274,400	225,651
Adjusted EBITDA (8)	\$ 275,277	\$ 260,388	\$ 248,035	\$ 535,665	\$ 488,923
Cash gross margins (9)	68%	68%	68%	68%	68%
Adjusted EBITDA margins (10)	45%	45%	47%	45%	47%
Adjusted EBITDA flow-through rate (11)	59%	(20%)	56%	31%	45%

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

Americas Revenues:

Colocation	\$ 242,873	\$ 236,614	\$ 226,290	\$ 479,487	\$ 449,575
Interconnection	66,451	64,302	59,800	130,753	118,006
Managed infrastructure	14,885	13,112	13,567	27,997	26,714
Rental	943	952	445	1,895	905
Recurring revenues	325,152	314,980	300,102	640,132	595,200
Non-recurring revenues	17,104	15,053	13,366	32,157	24,060
Revenues	342,256	330,033	313,468	672,289	619,260

EMEA Revenues:

Colocation	127,132	122,176	103,916	249,308	204,448
Interconnection	12,329	11,366	8,854	23,695	17,235
Managed infrastructure	7,434	6,865	5,734	14,299	9,983
Rental	1,730	1,718	138	3,448	258
Recurring revenues	148,625	142,125	118,642	290,750	231,924
Non-recurring revenues	8,537	9,305	8,367	17,842	15,054
Revenues	157,162	151,430	127,009	308,592	246,978

Asia-Pacific Revenues:

Colocation	82,655	75,833	67,881	158,488	138,895
Interconnection	12,189	11,358	9,699	23,547	19,103
Managed infrastructure	5,537	5,407	5,490	10,944	11,214
Recurring revenues	100,381	92,598	83,070	192,979	169,212
Non-recurring revenues	5,362	5,992	5,324	11,354	9,555
Revenues	105,743	98,590	88,394	204,333	178,767

Worldwide Revenues:

Colocation	452,660	434,623	398,087	887,283	792,918
Interconnection	90,969	87,026	78,353	177,995	154,344
Managed infrastructure	27,856	25,384	24,791	53,240	47,911
Rental	2,673	2,670	583	5,343	1,163
Recurring revenues	574,158	549,703	501,814	1,123,861	996,336
Non-recurring revenues	31,003	30,350	27,057	61,353	48,669
Revenues	\$ 605,161	\$ 580,053	\$ 528,871	\$ 1,185,214	\$ 1,045,005

	Three Months Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
(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	\$ 292,859	\$ 287,525	\$ 267,109	\$ 580,384	\$ 525,700
Depreciation, amortization and accretion expense	(99,730)	(101,407)	(96,894)	(201,137)	(191,873)
Stock-based compensation expense	(2,228)	(1,870)	(1,794)	(4,098)	(3,396)
Cash cost of revenues	<u>\$ 190,901</u>	<u>\$ 184,248</u>	<u>\$ 168,421</u>	<u>\$ 375,149</u>	<u>\$ 330,431</u>

The geographic split of our cash cost of revenues is presented below:

Americas cash cost of revenues	\$ 94,684	\$ 91,037	\$ 89,890	\$ 185,721	\$ 177,614
EMEA cash cost of revenues	58,727	58,116	47,304	116,843	90,933
Asia-Pacific cash cost of revenues	37,490	35,095	31,227	72,585	61,884
Cash cost of revenues	<u>\$ 190,901</u>	<u>\$ 184,248</u>	<u>\$ 168,421</u>	<u>\$ 375,149</u>	<u>\$ 330,431</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 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	\$ 75,254	\$ 67,428	\$ 59,478	\$ 142,682	\$ 117,754
Depreciation and amortization expense	(8,526)	(4,629)	(6,223)	(13,155)	(12,498)
Stock-based compensation expense	(7,943)	(7,000)	(6,825)	(14,943)	(12,546)
Cash sales and marketing expenses	<u>\$ 58,785</u>	<u>\$ 55,799</u>	<u>\$ 46,430</u>	<u>\$ 114,584</u>	<u>\$ 92,710</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	\$ 111,675	\$ 103,303	\$ 88,632	\$ 214,978	\$ 179,450
Depreciation and amortization expense	(7,818)	(7,574)	(7,072)	(15,392)	(14,421)
Stock-based compensation expense	(23,659)	(16,111)	(15,575)	(39,770)	(32,088)
Cash general and administrative expenses	<u>\$ 80,198</u>	<u>\$ 79,618</u>	<u>\$ 65,985</u>	<u>\$ 159,816</u>	<u>\$ 132,941</u>

(7) Our cash operating expenses, or cash SG&A, as defined above, is presented below:

Cash sales and marketing expenses	\$ 58,785	\$ 55,799	\$ 46,430	\$ 114,584	\$ 92,710
Cash general and administrative expenses	80,198	79,618	65,985	159,816	132,941
Cash SG&A	<u>\$ 138,983</u>	<u>\$ 135,417</u>	<u>\$ 112,415</u>	<u>\$ 274,400</u>	<u>\$ 225,651</u>

The geographic split of our cash operating expenses, or cash SG&A, is presented below:

Americas cash SG&A	\$ 89,447	\$ 89,433	\$ 69,287	\$ 178,880	\$ 142,838
EMEA cash SG&A	33,084	30,109	29,016	63,193	56,627
Asia-Pacific cash SG&A	16,452	15,875	14,112	32,327	26,186
Cash SG&A	<u>\$ 138,983</u>	<u>\$ 135,417</u>	<u>\$ 112,415</u>	<u>\$ 274,400</u>	<u>\$ 225,651</u>

(8) We define adjusted EBITDA as income from operations plus depreciation, amortization, accretion, stock-based compensation expense and acquisition costs as presented below:

Income from operations	\$ 124,697	\$ 121,612	\$ 115,963	\$ 246,309	\$ 220,750
Depreciation, amortization and accretion expense	116,074	113,610	110,189	229,684	218,792
Stock-based compensation expense	33,830	24,981	24,194	58,811	48,030
Acquisition costs	676	185	2,526	861	6,188
Adjusted EBITDA	<u>\$ 275,277</u>	<u>\$ 260,388</u>	<u>\$ 248,035</u>	<u>\$ 535,665</u>	<u>\$ 488,923</u>

	Three Months Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
The geographic split of our adjusted EBITDA is presented below:					
Americas income from operations	\$ 67,739	\$ 71,735	\$ 73,673	\$ 139,474	\$ 133,052
Americas depreciation, amortization and accretion expense	62,481	58,933	65,149	121,414	128,445
Americas stock-based compensation expense	27,177	18,793	18,168	45,970	36,612
Americas acquisition costs	728	102	2,138	830	5,536
Americas adjusted EBITDA	<u>158,125</u>	<u>149,563</u>	<u>154,291</u>	<u>307,688</u>	<u>298,808</u>
EMEA income from operations	34,067	29,903	23,811	63,970	46,349
EMEA depreciation, amortization and accretion expense	27,901	29,902	23,424	57,803	46,495
EMEA stock-based compensation expense	3,385	3,317	3,065	6,702	6,103
EMEA acquisition costs	(2)	83	389	81	471
EMEA adjusted EBITDA	<u>65,351</u>	<u>63,205</u>	<u>50,689</u>	<u>128,556</u>	<u>99,418</u>
Asia-Pacific income from operations	22,891	19,974	18,479	42,865	41,349
Asia-Pacific depreciation, amortization and accretion expense	25,692	24,775	21,616	50,467	43,852
Asia-Pacific stock-based compensation expense	3,268	2,871	2,961	6,139	5,315
Asia-Pacific acquisition costs	(50)	-	(1)	(50)	181
Asia-Pacific adjusted EBITDA	<u>51,801</u>	<u>47,620</u>	<u>43,055</u>	<u>99,421</u>	<u>90,697</u>
Adjusted EBITDA	<u>\$ 275,277</u>	<u>\$ 260,388</u>	<u>\$ 248,035</u>	<u>\$ 535,665</u>	<u>\$ 488,923</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>72%</u>	<u>72%</u>	<u>71%</u>	<u>72%</u>	<u>71%</u>
EMEA cash gross margins	<u>63%</u>	<u>62%</u>	<u>63%</u>	<u>62%</u>	<u>63%</u>
Asia-Pacific cash gross margins	<u>65%</u>	<u>64%</u>	<u>65%</u>	<u>64%</u>	<u>65%</u>

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

Americas adjusted EBITDA margins	<u>46%</u>	<u>45%</u>	<u>49%</u>	<u>46%</u>	<u>48%</u>
EMEA adjusted EBITDA margins	<u>42%</u>	<u>42%</u>	<u>40%</u>	<u>42%</u>	<u>40%</u>
Asia-Pacific adjusted EBITDA margins	<u>49%</u>	<u>48%</u>	<u>49%</u>	<u>49%</u>	<u>51%</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	\$ 275,277	\$ 260,388	\$ 248,035	\$ 535,665	\$ 488,923
Less adjusted EBITDA - prior period	(260,388)	(263,530)	(240,888)	(511,975)	(464,702)
Adjusted EBITDA growth	<u>\$ 14,889</u>	<u>\$ (3,142)</u>	<u>\$ 7,147</u>	<u>\$ 23,690</u>	<u>\$ 24,221</u>
Revenues - current period	\$ 605,161	\$ 580,053	\$ 528,871	\$ 1,185,214	\$ 1,045,005
Less revenues - prior period	(580,053)	(564,677)	(516,134)	(1,107,761)	(990,894)
Revenue growth	<u>\$ 25,108</u>	<u>\$ 15,376</u>	<u>\$ 12,737</u>	<u>\$ 77,453</u>	<u>\$ 54,111</u>
Adjusted EBITDA flow-through rate	<u>59%</u>	<u>(20%)</u>	<u>56%</u>	<u>31%</u>	<u>45%</u>