

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

	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Recurring revenues	\$ 646,721	\$ 626,691	\$ 588,437	\$ 1,883,069	\$ 1,712,298
Non-recurring revenues	39,928	38,891	32,004	112,336	93,357
Revenues	686,649	665,582	620,441	1,995,405	1,805,655
Cost of revenues	325,468	315,757	304,052	939,538	884,436
Gross profit	361,181	349,825	316,389	1,055,867	921,219
Operating expenses:					
Sales and marketing	83,709	81,248	72,185	243,573	214,867
General and administrative	123,237	119,578	109,354	356,455	324,332
Acquisition costs	13,352	9,866	(281)	24,374	580
Total operating expenses	220,298	210,692	181,258	624,402	539,779
Income from operations	140,883	139,133	135,131	431,465	381,440
Interest and other income (expense):					
Interest income	934	921	356	2,375	2,534
Interest expense	(76,269)	(74,496)	(63,756)	(219,556)	(199,450)
Loss on debt extinguishment	-	-	-	-	(51,183)
Other income (expense)	(12,836)	1,386	1,811	(11,964)	3,170
Total interest and other, net	(88,171)	(72,189)	(61,589)	(229,145)	(244,929)
Income before income taxes	52,712	66,944	73,542	202,320	136,511
Income tax expense	(11,580)	(7,485)	(30,581)	(25,277)	(42,134)
Net income	41,132	59,459	42,961	177,043	94,377
Net (income) loss attributable to redeemable non-controlling interests	-	-	(120)	-	1,179
Net income attributable to Equinix	\$ 41,132	\$ 59,459	\$ 42,841	\$ 177,043	\$ 95,556
Net income per share attributable to Equinix:					
Basic net income per share (1)	\$ 0.72	\$ 1.04	\$ 0.81	\$ 3.11	\$ 1.86
Diluted net income per share (1)	\$ 0.71	\$ 1.03	\$ 0.79	\$ 3.08	\$ 1.84
Shares used in computing basic net income per share	57,082	56,935	53,137	56,894	51,369
Shares used in computing diluted net income per share	57,708	57,499	55,238	57,521	54,502

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

Net income	\$ 41,132	\$ 59,459	\$ 42,961	\$ 177,043	\$ 94,377
Net (income) loss attributable to non-controlling interests	-	-	(120)	-	1,179
Net income attributable to Equinix, basic	41,132	59,459	42,841	177,043	95,556
Interest on convertible debt	-	-	885	-	4,862
Net income attributable to Equinix, diluted	\$ 41,132	\$ 59,459	\$ 43,726	\$ 177,043	\$ 100,418

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

	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net income	\$ 41,132	\$ 59,459	\$ 42,961	\$ 177,043	\$ 94,377
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustment ("CTA") gain (loss)	(72,677)	69,443	(144,994)	(149,546)	(106,943)
Unrealized gain (loss) on available-for-sale securities	(21)	17	(862)	99	(97)
Unrealized gain (loss) on cash flow hedges	3,309	(14,290)	4,194	(425)	4,448
Net investment hedge CTA gain (loss)	4,426	(10,389)	-	(5,963)	-
Defined benefit plans	124	83	-	266	-
Other comprehensive income (loss), net of tax:	<u>(64,839)</u>	<u>44,864</u>	<u>(141,662)</u>	<u>(155,569)</u>	<u>(102,592)</u>
Comprehensive income (loss), net of tax	<u>(23,707)</u>	<u>104,323</u>	<u>(98,701)</u>	<u>21,474</u>	<u>(8,215)</u>
Net (income) loss attributable to redeemable non-controlling interests	-	-	(120)	-	1,179
Other comprehensive (income) loss attributable to redeemable non-controlling interests	-	-	1,007	-	(1,810)
Comprehensive income (loss) attributable to Equinix, net of tax	<u>\$ (23,707)</u>	<u>\$ 104,323</u>	<u>\$ (97,814)</u>	<u>\$ 21,474</u>	<u>\$ (8,846)</u>

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

Assets	September 30, 2015	December 31, 2014
Cash and cash equivalents	\$ 335,469	\$ 610,917
Short-term investments	-	529,395
Accounts receivable, net	293,125	262,570
Current portion of restricted cash	493,425	3,057
Other current assets	120,004	85,004
Total current assets	1,242,023	1,490,943
Long-term investments	4,077	439
Property, plant and equipment, net	5,218,595	4,998,270
Goodwill	983,530	1,002,129
Intangible assets, net	123,454	147,527
Restricted cash, less current portion	10,464	14,060
Other assets	123,523	128,610
Total assets	\$ 7,705,666	\$ 7,781,978
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	\$ 340,366	\$ 285,796
Accrued property and equipment	131,607	114,469
Current portion of capital lease and other financing obligations	26,775	21,362
Current portion of mortgage and loans payable	55,024	59,466
Current portion of convertible debt	151,535	-
Dividends payable	640,063	4,559
Other current liabilities	118,744	158,105
Total current liabilities	1,464,114	643,757
Capital lease and other financing obligations, less current portion	1,198,581	1,168,042
Mortgage and loans payable, less current portion	484,049	532,809
Senior notes	2,720,448	2,717,046
Convertible debt, less current portion	-	145,229
Other liabilities	349,821	304,964
Total liabilities	6,217,013	5,511,847
Common stock	57	57
Additional paid-in capital	3,467,143	3,334,305
Treasury stock	(9,913)	(11,411)
Accumulated dividends	(1,361,675)	(424,387)
Accumulated other comprehensive loss	(488,012)	(332,443)
Accumulated deficit	(118,947)	(295,990)
Total stockholders' equity	1,488,653	2,270,131
Total liabilities and stockholders' equity	\$ 7,705,666	\$ 7,781,978

Ending headcount by geographic region is as follows:

Americas headcount	2,286	2,122
EMEA headcount	1,147	1,023
Asia-Pacific headcount	804	721
Total headcount	4,237	3,866

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

	September 30, 2015	December 31, 2014
Capital lease and other financing obligations	\$ 1,225,356	\$ 1,189,404
Term loan, net of debt discount and debt issuance costs	473,223	497,044
ALOG financings, net of debt issuance costs	32,283	56,342
Mortgage payable and other loans payable, net of premium	33,567	38,889
Plus: debt discount, debt issuance costs and premium, net	829	1,196
Total mortgage and loans payable principal	539,902	593,471
Senior notes, net of debt issuance costs	2,720,448	2,717,046
Plus: debt issuance costs	29,552	32,954
Total senior notes principal	2,750,000	2,750,000
Convertible debt, net of debt discount and debt issuance costs	151,535	145,229
Plus: debt discount and debt issuance costs	6,350	12,656
Total convertible debt principal	157,885	157,885
Total debt principal outstanding	\$ 4,673,143	\$ 4,690,760

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

	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Cash flows from operating activities:					
Net income	\$ 41,132	\$ 59,459	\$ 42,961	\$ 177,043	\$ 94,377
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and accretion	133,268	128,270	121,349	384,068	351,033
Stock-based compensation	33,969	33,993	27,662	98,575	86,473
Debt issuance costs and debt discount	3,972	3,811	3,714	11,557	14,840
Loss on debt extinguishment	-	-	-	-	51,183
Excess tax benefits from employee equity awards	(732)	(223)	(5,825)	(1,663)	(17,457)
Other reconciling items	4,321	5,169	5,957	14,359	18,704
Changes in operating assets and liabilities:					
Accounts receivable	(220)	(10,991)	(50,889)	(42,002)	(104,394)
Income taxes, net	(18,376)	(53,592)	23,340	(84,523)	(69,173)
Accounts payable and accrued expenses	25,926	19,600	34,778	75,219	27,110
Other assets and liabilities	(8,858)	26,967	13,394	27,042	34,427
Net cash provided by operating activities	214,402	212,463	216,441	659,675	487,123
Cash flows from investing activities:					
Purchases, sales and maturities of investments, net	94,217	433,966	148,789	523,477	621,180
Business acquisitions, net of cash acquired	-	-	-	(10,247)	-
Purchases of real estate	-	-	-	(38,282)	(16,791)
Purchases of other property, plant and equipment	(216,046)	(221,342)	(156,003)	(587,508)	(421,726)
Other investing activities	14,274	(511,166)	898	(493,371)	1,409
Net cash provided by (used in) investing activities	(107,555)	(298,542)	(6,316)	(605,931)	184,072
Cash flows from financing activities:					
Purchases of treasury stock	-	-	(42,575)	-	(297,958)
Proceeds from employee equity awards	13,290	181	12,362	29,855	28,183
Purchase of redeemable non-controlling interests	-	-	(226,276)	-	(226,276)
Payment of dividend distributions	(98,041)	(96,349)	-	(291,009)	-
Proceeds from loans payable	-	490,000	8,698	490,000	8,826
Repayment of capital lease and other financing obligations	(6,576)	(8,342)	(3,857)	(20,213)	(13,140)
Repayment of mortgage and loans payable	(10,818)	(505,268)	(10,416)	(529,447)	(37,510)
Repayment of convertible debt	-	-	-	-	(29,479)
Debt extinguishment costs	-	-	-	-	(22,552)
Excess tax benefits from employee equity awards	732	223	5,825	1,663	17,457
Other financing activities	-	(7)	-	(617)	-
Net cash used in financing activities	(101,413)	(119,562)	(256,239)	(319,768)	(572,449)
Effect of foreign currency exchange rates on cash and cash equivalents	(6,098)	5,065	(8,039)	(9,424)	(6,459)
Net increase (decrease) in cash and cash equivalents	(664)	(200,576)	(54,153)	(275,448)	92,287
Cash and cash equivalents at beginning of period	336,133	536,709	408,334	610,917	261,894
Cash and cash equivalents at end of period	\$ 335,469	\$ 336,133	\$ 354,181	\$ 335,469	\$ 354,181
Supplemental cash flow information:					
Cash paid for taxes	\$ 28,333	\$ 60,266	\$ 5,506	\$ 103,137	\$ 110,790
Cash paid for interest	\$ 68,568	\$ 71,823	\$ 45,833	\$ 164,367	\$ 167,735
Free cash flow (1)	\$ 12,630	\$ (520,045)	\$ 61,336	\$ (469,733)	\$ 50,015
Adjusted free cash flow (2)	\$ 34,035	\$ (474,162)	\$ 74,812	\$ (352,462)	\$ 190,306
(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	\$ 214,402	\$ 212,463	\$ 216,441	\$ 659,675	\$ 487,123
Net cash provided by (used in) investing activities as presented above	(107,555)	(298,542)	(6,316)	(605,931)	184,072
Purchases, sales and maturities of investments, net	(94,217)	(433,966)	(148,789)	(523,477)	(621,180)
Free cash flow (negative free cash flow)	\$ 12,630	\$ (520,045)	\$ 61,336	\$ (469,733)	\$ 50,015
(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 conversion into a real estate investment trust ("REIT") and costs related to the REIT conversion, as presented below:					
Free cash flow (as defined above)	\$ 12,630	\$ (520,045)	\$ 61,336	\$ (469,733)	\$ 50,015
Less business acquisitions, net of cash	-	-	-	10,247	-
Less purchases of real estate	-	-	-	38,282	16,791
Less excess tax benefits from employee equity awards	732	223	5,825	1,663	17,457
Less cash paid for taxes resulting from the REIT conversion	20,033	45,113	978	65,146	80,678
Less costs related to the REIT conversion	640	547	6,673	1,933	25,365
Adjusted free cash flow	\$ 34,035	\$ (474,162)	\$ 74,812	\$ (352,462)	\$ 190,306
We categorize our cash paid for taxes into cash paid for taxes resulting from the REIT conversion (as defined above) and other cash taxes paid.					
Cash paid for taxes resulting from the REIT conversion	\$ 20,033	\$ 45,113	\$ 978	\$ 65,146	\$ 80,678
Other cash taxes paid	8,300	15,153	4,528	37,991	30,112
Total cash paid for taxes	\$ 28,333	\$ 60,266	\$ 5,506	\$ 103,137	\$ 110,790

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

	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Recurring revenues	\$ 646,721	\$ 626,691	\$ 588,437	\$ 1,883,069	\$ 1,712,298
Non-recurring revenues	39,928	38,891	32,004	112,336	93,357
Revenues (1)	686,649	665,582	620,441	1,995,405	1,805,655
Cash cost of revenues (2)	211,617	204,736	196,458	608,483	571,607
Cash gross profit (3)	475,032	460,846	423,983	1,386,922	1,234,048
Cash operating expenses (4):					
Cash sales and marketing expenses (5)	68,323	65,058	58,434	197,201	173,018
Cash general and administrative expenses (6)	85,237	84,526	81,688	251,239	241,504
Total cash operating expenses (7)	153,560	149,584	140,122	448,440	414,522
Adjusted EBITDA (8)	\$ 321,472	\$ 311,262	\$ 283,861	\$ 938,482	\$ 819,526
Cash gross margins (9)	69%	69%	68%	70%	68%
Adjusted EBITDA margins (10)	47%	47%	46%	47%	45%
Adjusted EBITDA flow-through rate (11)	48%	25%	56%	65%	35%
FFO (12)	\$ 151,197	\$ 167,368	\$ 146,059	\$ 497,755	\$ 394,604
AFFO (13)	\$ 210,361	\$ 221,388	\$ 206,832	\$ 653,505	\$ 567,173
Basic FFO per share (14)	\$ 2.65	\$ 2.94	\$ 2.75	\$ 8.75	\$ 7.68
Diluted FFO per share (14)	\$ 2.59	\$ 2.87	\$ 2.61	\$ 8.53	\$ 7.12
Basic AFFO per share (15)	\$ 3.69	\$ 3.89	\$ 3.89	\$ 11.49	\$ 11.04
Diluted AFFO per share (15)	\$ 3.55	\$ 3.75	\$ 3.64	\$ 11.06	\$ 9.96

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

Americas Revenues:

Colocation	\$ 268,156	\$ 262,934	\$ 244,979	\$ 789,022	\$ 724,466
Interconnection	79,902	77,102	69,512	232,090	200,265
Managed infrastructure	11,788	12,837	15,214	37,920	43,211
Rental	841	732	978	2,314	2,873
Recurring revenues	360,687	353,605	330,683	1,061,346	970,815
Non-recurring revenues	21,943	17,842	16,729	56,700	48,886
Revenues	382,630	371,447	347,412	1,118,046	1,019,701

EMEA Revenues:

Colocation	143,721	139,482	130,873	415,938	380,181
Interconnection	15,227	13,440	13,163	41,715	36,858
Managed infrastructure	5,875	5,919	7,179	17,577	21,478
Rental	1,333	1,222	1,588	4,413	5,036
Recurring revenues	166,156	160,063	152,803	479,643	443,553
Non-recurring revenues	11,407	13,904	8,777	36,510	26,619
Revenues	177,563	173,967	161,580	516,153	470,172

Asia-Pacific Revenues:

Colocation	99,775	94,194	86,614	284,847	245,102
Interconnection	15,439	14,119	12,973	43,082	36,520
Managed infrastructure	4,664	4,710	5,364	14,151	16,308
Recurring revenues	119,878	113,023	104,951	342,080	297,930
Non-recurring revenues	6,578	7,145	6,498	19,126	17,852
Revenues	126,456	120,168	111,449	361,206	315,782

Worldwide Revenues:

Colocation	511,652	496,610	462,466	1,489,807	1,349,749
Interconnection	110,568	104,661	95,648	316,887	273,643
Managed infrastructure	22,327	23,466	27,757	69,648	80,997
Rental	2,174	1,954	2,566	6,727	7,909
Recurring revenues	646,721	626,691	588,437	1,883,069	1,712,298
Non-recurring revenues	39,928	38,891	32,004	112,336	93,357
Revenues	686,649	665,582	620,441	1,995,405	1,805,655

	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
(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	\$ 325,468	\$ 315,757	\$ 304,052	\$ 939,538	\$ 884,436
Depreciation, amortization and accretion expense	(111,337)	(108,470)	(105,449)	(323,684)	(306,586)
Stock-based compensation expense	(2,514)	(2,551)	(2,145)	(7,371)	(6,243)
Cash cost of revenues	<u>\$ 211,617</u>	<u>\$ 204,736</u>	<u>\$ 196,458</u>	<u>\$ 608,483</u>	<u>\$ 571,607</u>
The geographic split of our cash cost of revenues is presented below:					
Americas cash cost of revenues	\$ 105,864	\$ 102,249	\$ 97,775	\$ 303,275	\$ 283,496
EMEA cash cost of revenues	64,443	62,431	59,593	185,368	176,436
Asia-Pacific cash cost of revenues	41,310	40,056	39,090	119,840	111,675
Cash cost of revenues	<u>\$ 211,617</u>	<u>\$ 204,736</u>	<u>\$ 196,458</u>	<u>\$ 608,483</u>	<u>\$ 571,607</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	\$ 83,709	\$ 81,248	\$ 72,185	\$ 243,573	\$ 214,867
Depreciation and amortization expense	(6,213)	(6,268)	(6,495)	(18,566)	(19,650)
Stock-based compensation expense	(9,173)	(9,922)	(7,256)	(27,806)	(22,199)
Cash sales and marketing expenses	<u>\$ 68,323</u>	<u>\$ 65,058</u>	<u>\$ 58,434</u>	<u>\$ 197,201</u>	<u>\$ 173,018</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	\$ 123,237	\$ 119,578	\$ 109,354	\$ 356,455	\$ 324,332
Depreciation and amortization expense	(15,718)	(13,532)	(9,405)	(41,818)	(24,797)
Stock-based compensation expense	(22,282)	(21,520)	(18,261)	(63,398)	(58,031)
Cash general and administrative expenses	<u>\$ 85,237</u>	<u>\$ 84,526</u>	<u>\$ 81,688</u>	<u>\$ 251,239</u>	<u>\$ 241,504</u>
(7) Our cash operating expenses, or cash SG&A, as defined above, is presented below:					
Cash sales and marketing expenses	\$ 68,323	\$ 65,058	\$ 58,434	\$ 197,201	\$ 173,018
Cash general and administrative expenses	85,237	84,526	81,688	251,239	241,504
Cash SG&A	<u>\$ 153,560</u>	<u>\$ 149,584</u>	<u>\$ 140,122</u>	<u>\$ 448,440</u>	<u>\$ 414,522</u>
The geographic split of our cash operating expenses, or cash SG&A, is presented below:					
Americas cash SG&A	\$ 102,596	\$ 98,312	\$ 89,562	\$ 296,981	\$ 268,442
EMEA cash SG&A	31,717	32,003	32,201	93,818	95,394
Asia-Pacific cash SG&A	19,247	19,269	18,359	57,641	50,686
Cash SG&A	<u>\$ 153,560</u>	<u>\$ 149,584</u>	<u>\$ 140,122</u>	<u>\$ 448,440</u>	<u>\$ 414,522</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	\$ 140,883	\$ 139,133	\$ 135,131	\$ 431,465	\$ 381,440
Depreciation, amortization and accretion expense	133,268	128,270	121,349	384,068	351,033
Stock-based compensation expense	33,969	33,993	27,662	98,575	86,473
Acquisition costs	13,352	9,866	(281)	24,374	580
Adjusted EBITDA	<u>\$ 321,472</u>	<u>\$ 311,262</u>	<u>\$ 283,861</u>	<u>\$ 938,482</u>	<u>\$ 819,526</u>
The geographic split of our adjusted EBITDA is presented below:					
Americas income from operations	\$ 81,914	\$ 77,653	\$ 72,614	\$ 241,033	\$ 212,088
Americas depreciation, amortization and accretion expense	70,118	68,692	66,594	205,621	188,008
Americas stock-based compensation expense	25,810	25,883	21,148	75,184	67,118
Americas acquisition costs	(3,672)	(1,342)	(281)	(4,048)	549
Americas adjusted EBITDA	<u>174,170</u>	<u>170,886</u>	<u>160,075</u>	<u>517,790</u>	<u>467,763</u>
EMEA income from operations	29,865	36,110	38,848	111,516	102,818
EMEA depreciation, amortization and accretion expense	33,055	27,826	27,650	87,574	85,453
EMEA stock-based compensation expense	4,338	4,397	3,288	12,342	9,990
EMEA acquisition costs	14,145	11,200	-	25,535	81
EMEA adjusted EBITDA	<u>81,403</u>	<u>79,533</u>	<u>69,786</u>	<u>236,967</u>	<u>198,342</u>
Asia-Pacific income from operations	29,104	25,370	23,669	78,916	66,534
Asia-Pacific depreciation, amortization and accretion expense	30,095	31,752	27,105	90,873	77,572
Asia-Pacific stock-based compensation expense	3,821	3,713	3,226	11,049	9,365
Asia-Pacific acquisition costs	2,879	8	-	2,887	(50)
Asia-Pacific adjusted EBITDA	<u>65,899</u>	<u>60,843</u>	<u>54,000</u>	<u>183,725</u>	<u>153,421</u>
Adjusted EBITDA	<u>\$ 321,472</u>	<u>\$ 311,262</u>	<u>\$ 283,861</u>	<u>\$ 938,482</u>	<u>\$ 819,526</u>

	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
(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	72%	72%	72%	73%	72%
EMEA cash gross margins	64%	64%	63%	64%	62%
Asia-Pacific cash gross margins	67%	67%	65%	67%	65%
(10) We define adjusted EBITDA margins as adjusted EBITDA divided by revenues.					
Americas adjusted EBITDA margins	46%	46%	46%	46%	46%
EMEA adjusted EBITDA margins	46%	46%	43%	46%	42%
Asia-Pacific adjusted EBITDA margins	52%	51%	48%	51%	49%
(11) We define adjusted EBITDA flow-through rate as incremental adjusted EBITDA growth divided by incremental revenue growth as follows:					
Adjusted EBITDA - current period	\$ 321,472	\$ 311,262	\$ 283,861	\$ 938,482	\$ 819,526
Less adjusted EBITDA - prior period	(311,262)	(305,748)	(275,277)	(853,503)	(760,010)
Adjusted EBITDA growth	\$ 10,210	\$ 5,514	\$ 8,584	\$ 84,979	\$ 59,516
Revenues - current period	\$ 686,649	\$ 665,582	\$ 620,441	\$ 1,995,405	\$ 1,805,655
Less revenues - prior period	(665,582)	(643,174)	(605,161)	(1,863,723)	(1,636,632)
Revenue growth	\$ 21,067	\$ 22,408	\$ 15,280	\$ 131,682	\$ 169,023
Adjusted EBITDA flow-through rate	48%	25%	56%	65%	35%
(12) FFO is defined as net income (loss), excluding gains (losses) from the disposition of real estate assets, depreciation and amortization on real estate assets and adjustments for unconsolidated joint ventures' and non-controlling interests' share of these items.					
Net income	\$ 41,132	\$ 59,459	\$ 42,961	\$ 177,043	\$ 94,377
Net (income) loss attributable to redeemable non-controlling interests	-	-	(120)	-	1,179
Net income attributable to Equinix	41,132	59,459	42,841	177,043	95,556
Adjustments:					
Real estate depreciation and amortization	109,856	107,321	103,781	319,825	304,020
Gain/loss on disposition of real estate property	182	559	31	803	247
Adjustments for FFO from unconsolidated joint ventures	27	29	28	84	84
Non-controlling interests' share of above adjustments	-	-	(622)	-	(5,303)
FFO	\$ 151,197	\$ 167,368	\$ 146,059	\$ 497,755	\$ 394,604
(13) AFFO is defined as FFO, excluding depreciation and amortization expense on non-real estate assets, accretion, stock-based compensation, restructuring charges, impairment charges, acquisition costs, an installation revenue adjustment, a straight-line rent expense adjustment, amortization of deferred financing costs, gains (losses) on debt extinguishment, an income tax expense adjustment, recurring capital expenditures and adjustments from FFO to AFFO for unconsolidated joint ventures' and non-controlling interests' share of these items.					
FFO	\$ 151,197	\$ 167,368	\$ 146,059	\$ 497,755	\$ 394,604
Adjustments:					
Installation revenue adjustment	8,527	12,474	6,079	29,655	18,496
Straight-line rent expense adjustment	1,251	2,017	3,353	6,469	9,713
Amortization of deferred financing costs	3,934	3,848	3,794	11,640	15,076
Stock-based compensation expense	33,969	33,993	27,662	98,575	86,473
Non-real estate depreciation expense	15,946	13,605	9,397	42,244	24,754
Amortization expense	6,601	6,450	6,844	19,346	20,953
Accretion expense	865	894	1,327	2,653	1,306
Recurring capital expenditures	(25,910)	(27,330)	(19,775)	(75,613)	(72,242)
Loss on debt extinguishment	-	-	-	-	51,183
Acquisition costs	13,352	9,866	(281)	24,374	580
Income tax expense adjustment	643	(1,784)	22,240	(3,549)	19,469
Adjustments for AFFO from unconsolidated joint ventures	(14)	(13)	(18)	(44)	(58)
Non-controlling interests share of above adjustments	-	-	151	-	(3,134)
AFFO	\$ 210,361	\$ 221,388	\$ 206,832	\$ 653,505	\$ 567,173

	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
(14) The FFO used in the computation of basic and diluted FFO per share attributable to Equinix is presented below:					
FFO, basic	\$ 151,197	\$ 167,368	\$ 146,059	\$ 497,755	\$ 394,604
Interest on convertible debt	3,279	3,383	2,988	9,437	15,288
FFO, diluted	<u>\$ 154,476</u>	<u>\$ 170,751</u>	<u>\$ 149,047</u>	<u>\$ 507,192</u>	<u>\$ 409,892</u>

The shares used in the computation of basic and diluted FFO per share attributable to Equinix is presented below:

Shares used in computing basic net income per share and FFO per share	57,082	56,935	53,137	56,894	51,369
Effect of dilutive securities:					
Convertible debt	1,970	1,958	3,494	1,956	5,715
Employee equity awards	626	563	480	627	460
Shares used in computing diluted FFO per share	<u>59,678</u>	<u>59,456</u>	<u>57,111</u>	<u>59,477</u>	<u>57,544</u>

(15) The AFFO used in the computation of basic and diluted AFFO per share attributable to Equinix is presented below:

AFFO, basic	\$ 210,361	\$ 221,388	\$ 206,832	\$ 653,505	\$ 567,173
Interest on convertible debt	1,390	1,557	1,208	4,244	6,003
AFFO, diluted	<u>\$ 211,751</u>	<u>\$ 222,945</u>	<u>\$ 208,040</u>	<u>\$ 657,749</u>	<u>\$ 573,176</u>

The shares used in the computation of basic and diluted AFFO per share attributable to Equinix is presented below:

Shares used in computing basic net income per share and AFFO per share	57,082	56,935	53,137	56,894	51,369
Effect of dilutive securities:					
Convertible debt	1,970	1,958	3,494	1,956	5,715
Employee equity awards	626	563	480	627	460
Shares used in computing diluted AFFO per share	<u>59,678</u>	<u>59,456</u>	<u>57,111</u>	<u>59,477</u>	<u>57,544</u>