

Worldwide Corporate HQ

301 Velocity Way
5th Floor
Foster City, CA 94404

www.equinix.com

+ 1 650 513 7000 MAIN

+ 1 650 513 7900 FAX



E Q U I N I X

FOR IMMEDIATE RELEASE

Equinix Reports Third Quarter 2010 Results

- Reported revenues of \$330.3 million, a 12% increase over the previous quarter and a 45% increase over the same quarter last year
- Reported adjusted EBITDA of \$146.5 million, an 11% increase over the previous quarter and a 38% increase over the same quarter last year
- Announced 2010 annual revenue guidance of \$1,216.0 million to \$1,218.0 million and increased 2010 adjusted EBITDA guidance to approximately \$542.0 million
- Announced initial guidance for 2011 including annual revenues to be greater than \$1,500.0 million, adjusted EBITDA to be greater than \$675.0 million and total capital expenditures to be approximately \$400.0 million

FOSTER CITY, CA — October 26, 2010 — Equinix, Inc. (Nasdaq: EQIX), a provider of global data center services, today reported quarterly results for the quarter ended September 30, 2010.

Revenues were \$330.3 million for the third quarter, a 12% increase over the previous quarter and a 45% increase over the same quarter last year. This result included \$57.5 million in revenues from Switch and Data for the quarter. Recurring revenues, consisting primarily of colocation, interconnection and managed services were \$314.7 million for the third quarter, a 12% increase over the previous quarter and a 45% increase over the same quarter last year. Non-recurring revenues were \$15.6 million in the quarter.

“Equinix continues to see solid demand for global data center services and our investments in expansion capacity have us well-positioned heading into 2011,” said Steve Smith, CEO and President of Equinix. “The fundamentals of our business are strong and we have a significant opportunity for growth in targeted ecosystems including network, electronic trading, cloud and mobility.”

Cost of revenues were \$185.5 million for the third quarter, a 14% increase from the previous quarter and a 47% increase over the same quarter last year. Cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation of \$68.9 million, were \$116.6 million for the third quarter, a 12% increase over the previous quarter and a 42% increase over the same quarter last year. Cash gross margins, defined as gross profit before depreciation, amortization, accretion and stock-based compensation, divided by revenues, for the quarter were 65%, unchanged from the previous quarter and up from 64% for the same quarter last year.

Selling, general and administrative expenses were \$89.8 million for the third quarter, an 8% increase over the previous quarter and a 65% increase over the same quarter last year. Selling, general and administrative expenses, excluding depreciation, amortization and stock-based compensation of \$22.5 million, were \$67.3 million for the third quarter, a 12% increase over the previous quarter and a 70% increase over the same quarter last year.

Restructuring charges were \$1.9 million for the third quarter, which were primarily related to revised sublease assumptions related to an excess space lease in the New York metro area the Company previously decided to abandon.

Net income for the third quarter was \$11.2 million. This represents a basic and diluted net income per share of \$0.24 based on a weighted average share count of 45.7 million and 46.7 million, respectively, for the third quarter of 2010.

Adjusted EBITDA, defined as income or loss from operations before depreciation, amortization, accretion, stock-based compensation, restructuring charges and acquisition costs for the third quarter, was \$146.5 million, an increase of 11% over the previous quarter and a 38% increase over the same quarter last year.

Capital expenditures, defined as gross capital expenditures less the net change in accrued property, plant and equipment in the third quarter, were \$143.9 million, of which \$103.2 million was attributed to expansion capital expenditures and \$40.7 million was attributed to ongoing capital expenditures.

The Company generated cash from operating activities of \$113.3 million for the third quarter as compared to \$56.9 million in the previous quarter and \$107.5 million the same quarter last year. Cash used in investing activities was \$259.5 million in the third quarter as compared to \$327.5 million in the previous quarter and \$260.5 million for the same quarter last year. Cash provided by financing activities was \$18.1 million, which was primarily related to the proceeds from employee equity awards and draw down of certain loans payable.

As of September 30, 2010, the Company's cash, cash equivalents and investments were \$715.4 million, as compared to \$722.0 million as of June 30, 2010.

Company Metrics and Q3 Results Presentation

- A presentation to accompany Equinix's Q3 Results conference call, as well as the Company's Non-Financial Metrics tracking sheet, have been posted on the Investors section of Equinix's website at www.equinix.com/investors

Business Outlook

For the full year of 2010, total revenues are expected to be in the range of \$1,216.0 to \$1,218.0 million. Total year cash gross margins are expected to be 65%. Cash selling, general and administrative expenses are expected to approximate \$250.0 million. Adjusted EBITDA for the year is expected to be approximately \$542.0 million. Capital expenditures for 2010 are expected to be in the range of \$560.0 to \$580.0 million, comprised of approximately \$110.0 million of ongoing capital expenditures and \$450.0 to \$470.0 million for expansion capital expenditures.

For the full year of 2011, total revenues are expected to be greater than \$1,500.0 million. Adjusted EBITDA for the year is expected to be greater than \$675.0 million. Total capital expenditures for 2011 are expected to be approximately \$400.0 million.

The Company will discuss its results and guidance on its quarterly conference call on Tuesday, October 26, 2010, at 5:30 p.m. ET (2:30 p.m. PT). A presentation to accompany the call will be available on the Company's website at www.equinix.com/investors for thirty days. To hear the conference call live, please dial 210-234-8004 (domestic and international) and reference the passcode (EQIX). A simultaneous live Webcast of the call will also be available at www.equinix.com/investors



A replay of the call will be available beginning on Tuesday, October 26, 2010 at 7:30 p.m. ET (4:30 p.m. PT) through November 26, 2010 by dialing 203-369-1262 and referencing the passcode (2010). In addition, the webcast will be available on the company's website at www.equinix.com/investors over the same time period. No password is required for the webcast.

About Equinix

Equinix, Inc. (Nasdaq: EQIX) provides global data center services that ensure the vitality of the information-driven world. Global enterprises, cloud, content and financial companies, and more than 600 network service providers rely upon Equinix to protect and connect their most valued information assets. Equinix operates 90 International Business Exchange™ (IBX®) and partner data centers across 35 metro areas in North America, Europe and Asia-Pacific. Learn more at: www.equinix.com

###

Non-GAAP Financial Measures

Equinix provides all information required in accordance with generally accepted accounting principles (GAAP), but it believes that evaluating its ongoing operating results may be difficult if limited to reviewing only GAAP financial measures. Accordingly, Equinix uses non-GAAP financial measures, such as adjusted EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), adjusted EBITDA margins, free cash flow and adjusted free cash flow to evaluate its operations. In presenting these non-GAAP financial measures, Equinix excludes certain items that it believes are not good indicators of the Company's current or future operating performance. These items are depreciation, amortization, accretion of asset retirement obligations and accrued restructuring charges, stock-based compensation, restructuring charges and acquisition costs. Legislative and regulatory requirements encourage use of and emphasis on GAAP financial metrics and require companies to explain why non-GAAP financial metrics are relevant to management and investors. Equinix excludes these items in order for Equinix's lenders, investors, and industry analysts who review and report on the Company, to better evaluate the Company's operating performance and cash spending levels relative to its industry sector and competitors.

Equinix excludes depreciation expense as these charges primarily relate to the initial construction costs of our IBX centers and do not reflect our current or future cash spending levels to support our business. Our IBX centers are long-lived assets, and have an economic life greater than 10 years. The construction costs of our IBX centers do not recur and future capital expenditures remain minor relative to our initial investment. This is a trend we expect to continue. In addition, depreciation is also based on the estimated useful lives of our IBX centers. These estimates could vary from actual performance of the asset, are based on historic costs incurred to build out our IBX centers, and are not indicative of current or expected future capital expenditures. Therefore, Equinix excludes depreciation from its operating results when evaluating its operations.

In addition, in presenting the non-GAAP financial measures, Equinix excludes amortization expense related to certain intangible assets, as it represents a cost that may not recur and is not a good indicator of the Company's current or future operating performance. Equinix excludes accretion expense, both as it relates to its asset retirement obligations as well as its accrued restructuring charges, as these expenses represent costs which Equinix believes are not meaningful in evaluating the Company's current operations. Equinix excludes non-cash stock-based compensation expense as it represents expense attributed to equity awards that have no current or future cash obligations. As such, we, and many investors and analysts, exclude this stock-based compensation expense when



assessing the cash generating performance of our operations. Equinix excludes restructuring charges from its non-GAAP financial measures. The restructuring charges relate to the Company's decision to exit leases for excess space adjacent to several of our IBX centers, which we did not intend to build out, or our decision to reverse such restructuring charges or severance charges related to the Switch and Data acquisition. Equinix excludes acquisition costs from its non-GAAP financial measures. The acquisition costs relate to costs the Company incurs in connection with business combinations. Management believes such items as restructuring charges and acquisition costs are non-core transactions; however, these types of costs will or may occur in future periods.

Our management does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. However, we have presented such non-GAAP financial measures to provide investors with an additional tool to evaluate our operating results in a manner that focuses on what management believes to be our core, ongoing business operations. Management believes that the inclusion of these non-GAAP financial measures provides consistency and comparability with past reports and provides a better understanding of the overall performance of the business and its ability to perform in subsequent periods. Equinix believes that if it did not provide such non-GAAP financial information, investors would not have all the necessary data to analyze Equinix effectively.

Investors should note, however, that the non-GAAP financial measures used by Equinix may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. In addition, whenever Equinix uses such non-GAAP financial measures, it provides a reconciliation of non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure.

Equinix does not provide forward-looking guidance for certain financial data, such as depreciation, amortization, accretion, stock-based compensation, net income (loss) from operations, cash generated from operating activities and cash used in investing activities, and as a result, is not able to provide a reconciliation of GAAP to non-GAAP financial measures for forward-looking data. Equinix intends to calculate the various non-GAAP financial measures in future periods consistent with how it was calculated for the periods presented within this press release.

Forward Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to, the challenges of acquiring, operating and constructing IBX centers and developing, deploying and delivering Equinix services; unanticipated costs or difficulties relating to the integration of companies we have acquired or will acquire into Equinix; a failure to receive significant revenue from customers in recently built out or acquired data centers; failure to complete any financing arrangements contemplated from time to time; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers; and other risks described from time to time in Equinix's filings with the Securities and Exchange Commission. In particular, see Equinix's recent quarterly and annual reports filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.

Equinix and IBX are registered trademarks of Equinix, Inc. International Business Exchange is a trademark of Equinix, Inc.



Contacts:

Equinix Media Contact:

Joan Powell
Equinix, Inc.
(650) 513 - 7098
joanpowell@equinix.com

Equinix Investor Relations Contact:

Jason Starr
Equinix, Inc.
(650) 513-7402
jstarr@equinix.com

Equinix Media Contact:

Scott Blevins
LEWIS PR
(415) 992 – 4400
equinixlewisus@lewispr.com

