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FOR IMMEDIATE RELEASE

EQUINIX REPORTS FOURTH QUARTER AND FULL YEAR 2016 RESULTS

Interconnection and Data Center Leader Delivers 56th Consecutive Quarter of Revenue Growth; 2016 Annual Revenues Increase 33% Year-over-Year to $3.6 Billion

- Record quarterly bookings with particular strength in the enterprise vertical
- Added seven Fortune 500 customers and 11 Forbes Global 2000 customers
- Customer deployments across multiple metros represent 82% of total recurring revenue, demonstrating the strength of Equinix's global platform
- Company announces $175 million in new expansions in Amsterdam, Chicago, Dubai, Rio de Janeiro and Toronto

REDWOOD CITY, Calif. — February 15, 2017 — Equinix, Inc. (Nasdaq: EQIX), the global interconnection and data center company, today reported quarterly and annual results for the quarter and the year ended December 31, 2016. Equinix uses certain non-GAAP financial measures, which are described further below and reconciled to the most comparable GAAP financial measures after the presentation of our GAAP financial statements.

2016 Results Summary

o Revenues from continuing operations

- $3,612 million, a 33% increase over the previous year; an organic and constant currency growth rate of greater than 14%
- Includes $400 million of revenues from Telecity
- Includes $149 million of revenues from Bit-isle

o **Operating Income**

- $619 million, a 9% increase over the previous year

- o **Adjusted EBITDA**
  - $1,657 million, a 46% adjusted EBITDA margin
  - Includes $187 million of adjusted EBITDA from Telecity
  - Includes $50 million of adjusted EBITDA from Bit-isle
  - Includes $58 million of integration costs for acquisitions

- o **Net Income from Continuing Operations**
  - $114 million

- o **AFFO**
  - $1,078 million, a 30% increase from the previous year
  - Assumes $58 million of integration costs for acquisitions

<u>2017 Annual Guidance Summary</u>

- o **Revenues from continuing operations**
  - >$3,933 million, a 9% increase over the previous year; a normalized and constant currency growth rate of greater than 11%

- o **Adjusted EBITDA**
  - >$1,842 million or a 47% adjusted EBITDA margin
  - Assumes $30 million of integration costs for acquisitions

- o **AFFO**
  - >$1,249 million, a 16% increase over the previous year
  - Assumes $30 million of integration costs for acquisitions

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 without unreasonable effort. The impact of such adjustments could be significant.

<u>Quote</u>

Steve Smith, President and CEO, Equinix:

"2016 was a pivotal year for Equinix. We continued to capture the shift to the cloud, expand our global reach and scale, grow interconnection, and deliver record bookings and increasing shareholder returns. We are operating at the intersection of some of the greatest technology trends in our lifetime, and the digital transformation driven by cloud services is shifting compute, storage and networking to the edge, which plays into our dense ecosystems and global scale. We look forward to a busy 2017 as we integrate our acquisitions, grow our global platform, enhance our portfolio of services and increase our reach and relevance to the cloud-enabled enterprise."

Business Highlights

- Equinix continues to invest and expand the reach of its global platform with $1.1 billion in capital expenditures in 2016 and 19 announced expansion projects currently underway. Today Equinix announced new expansions in Amsterdam, Chicago, Dubai, Rio de Janeiro and Toronto totaling more than $175 million of capital expenditures. The global reach of Equinix continues to attract companies seeking to locate their infrastructure closer to the digital edge, and in Q4 2016, customer deployments across multiple regions of Platform Equinix (Americas, EMEA or Asia-Pacific) represented 70% of total recurring revenue.
- Equinix achieved record bookings from enterprise customers in Q4 2016, as businesses re-architect their infrastructure to directly and securely interconnect their people, locations, clouds and data.
  - Wins/expansions included Philips, a global 400 manufacturer connecting to AWS, Microsoft Azure and IBM SoftLayer in multiple locations, and Walmart, which is further investing in e-commerce by optimizing its network topology connecting to Microsoft Azure via Equinix Cloud Exchange.
  - Equinix has now penetrated more than one-third of the Fortune 500, and a quarter of the Forbes Global 2000 companies.
- Equinix continues to deliver growth in the cloud and IT services vertical led by the EMEA region. Major Infrastructure-as-a-Service players, such as AWS, Microsoft Azure, IBM SoftLayer, Google Cloud Platform and Oracle on average have a presence across 15 markets with Equinix, and they continue to grow. Software-as-a-Service providers are joining the Equinix Cloud Exchange to provide the performance and security benefits of private interconnection to their customers, with Salesforce.com, SAP and ServiceNow deploying across multiple markets in 2017.
- Interconnection revenue in Q4 2016 grew 21% year over year on an organic and constant currency basis, as companies continue to adopt an Interconnection Oriented Architecture™ (IOA™) that leverages Equinix's global platform and ecosystems. With the Telecity acquisition, Equinix now provides more than 230,000 cross-connects between the company's more than 8,500 customers.
- Equinix further strengthened the reach of its global platform with the announcement of a $3.6 billion definitive agreement to purchase 29 data centers from Verizon across 15 metro areas in North and South America. The deal, which includes the addition of strategic facilities and customers and is expected to close in mid-2017, will increase capacity in key markets; expand our

presence to three new markets - Bogotá, Culpeper and Houston; enhance Equinix's interconnection density; and accelerate relationships in the government and energy sectors. Upon closing of this transaction, the global reach of Platform Equinix will span 179 data centers, 44 metros and 22 countries. With this acquisition, Equinix will have invested more than $17 billion in capital in building out the global footprint of Platform Equinix since the company was founded.

Business Outlook

For the first quarter of 2017, the Company expects revenues to range between $940 and $946 million, or a constant currency growth rate of 2% quarter over quarter. This guidance includes a negative foreign currency impact of $18 million when compared to the average FX rates in Q4 2016. Cash gross margins are expected to approximate 67-68%. Cash selling, general and administrative expenses are expected to range between $208 and $214 million. Adjusted EBITDA is expected to range between $421 and $427 million, which includes a $10 million negative foreign currency impact when compared to the average FX rates in Q4 2016, $14 million of integration costs from acquisitions and $18 million of seasonally adjusted costs. Capital expenditures are expected to range between $280 and $300 million, which includes approximately $30 million of recurring capital expenditures.

For the full year of 2017, total revenues are expected to be greater than $3,933 million, a normalized and constant currency growth rate of greater than 11% year over year. This guidance includes a negative foreign currency impact of $88 million when compared to prior Equinix guidance rates, and has been normalized for the Telecity January 15th close impact and other acquisition related activities. Total year cash gross margins are expected to approximate 67-68%. Cash selling, general and administrative expenses are expected to range between $805 and $825 million. Adjusted EBITDA is expected to be greater than $1,842 million, a normalized and constant currency growth rate of greater than 11% year over year. This guidance includes $37 million of negative foreign currency impact on adjusted EBITDA when compared to prior Equinix guidance rates and an expected $30 million in integration costs. AFFO is expected to be greater than $1,249 million. Capital expenditures are expected to range between $1,100 and $1,200 million, including approximately $160 - $165 million of recurring capital expenditures and $940 - $1,035 million of non-recurring capital expenditures.

The U.S. dollar exchange rates used for 2017 guidance, taking into consideration the impact of our foreign currency hedges, have been updated to $1.08 to the Euro, $1.40 to the Pound, S$1.45 to the U.S. dollar, ¥117.65 to the U.S. dollar and R$3.26 to the U.S. dollar. The 2017 global revenue breakdown by currency for the Euro, Pound, Singapore Dollar, Japanese Yen and Brazilian Real is 19%, 9%, 6%, 7% and 3%, respectively.

The adjusted EBITDA guidance is based on the revenue guidance less our expectations of cash cost of revenues and cash operating expenses. The AFFO guidance is based on the adjusted EBITDA guidance less our expectations of net interest expense, 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 for unconsolidated joint ventures' and non-controlling interests' share of these items.

Q4 2016 Results Conference Call and Replay Information

Equinix will discuss its quarterly results for the period ended December 31, 2016, along with its future outlook, in its quarterly conference call on Wednesday, February 15, 2017, at 5:30 p.m. ET (2:30 p.m. PT). A simultaneous live webcast of the call will be available on Equinix's Investor Relations website at www.equinix.com/investors. To hear the conference call live, please dial 1-210-234-8004 (domestic and international) and reference the passcode EQIX.

A replay of the call will be available one hour after the call, through Tuesday, May 16, 2017, by dialing 1-402-220-6419 and referencing the passcode 2017. In addition, the webcast will be available at www.equinix.com/investors. No password is required for the webcast.

Investor Presentation and Supplemental Financial Information

Equinix has made available on its website a presentation designed to accompany the discussion of Equinix's results and future outlook, along with certain supplemental financial information and other data. Interested parties may access this information through Equinix's Investor Relations website at www.equinix.com/investors.

Additional Resources

- **Q4 2016 financial earnings press release (PDF)**
- **Q4 2016 financial tables (PDF)**

About Equinix

Equinix, Inc. (Nasdaq: EQIX) connects the world's leading businesses to their customers, employees and partners inside the most interconnected data centers. In 41 markets across five continents, Equinix is where companies come together to realize new opportunities and accelerate their business, IT and cloud strategies.

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 to evaluate its operations.

Equinix presents adjusted EBITDA, which is a non-GAAP financial measure. Adjusted EBITDA represents income or loss from operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges, acquisition costs and gains on asset sales.

In presenting 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, Equinix excludes certain items that it believes are not good indicators of Equinix'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, impairment charges, acquisition costs and gains on asset sales. Equinix excludes these items in order for its lenders, investors and the industry analysts who review and report on Equinix to better evaluate Equinix'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 an IBX center, and do not reflect its current or future cash spending levels to support its business. Its IBX centers are long-lived assets, and have an economic life greater than 10 years. The construction costs of an IBX center do not recur with respect to such data center, although Equinix may incur initial construction costs in future periods with respect to additional IBX centers, and future capital expenditures remain minor relative to the initial investment. This is a trend it expects to continue. In addition, depreciation is also based on the estimated useful lives of the 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 also excludes amortization expense related to acquired intangible assets. Amortization expense is significantly affected by the timing and magnitude of acquisitions and these charges may vary in amount from period to period. We exclude amortization expense to facilitate a more meaningful evaluation of our current operating performance and comparisons to our prior periods. 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 also believes are not meaningful in evaluating Equinix's current operations. Equinix excludes stock-based compensation expense, as it can vary significantly from period to period based on share price, the timing, size and nature of equity awards. As such, Equinix and many investors and analysts, exclude this stock-based compensation expense to compare its operating results with those of other companies. Equinix excludes restructuring charges from its non-GAAP financial measures. The restructuring charges relate to Equinix's decision to exit leases for excess space adjacent to several of its IBX centers, which it did not intend to build out, or its decision to reverse such restructuring charges. Equinix also excludes impairment charges related to certain long-lived assets. The impairment charges are related to expense recognized whenever events or changes in circumstances indicate that the carrying amount of long-lived assets are not recoverable. Equinix also excludes gains on asset sales as it represents profit that is not meaningful in evaluating the current or future operating performance. Finally, Equinix excludes acquisition costs from its non-GAAP financial measures to allow more comparable comparisons of the financial results to the historical operations. The acquisition costs relate to costs Equinix incurs in connection with business combinations. Such charges generally are not relevant to assessing the long-term performance of Equinix. In addition, the frequency and amount of such charges vary significantly based on the size and timing of the acquisitions. Management believes items such as restructuring charges, impairment charges, acquisition costs and gains on asset sales are non-core transactions; however, these types of costs may occur in future periods.

Equinix also presents funds from operations ("FFO") and adjusted funds from operations ("AFFO"), which are non-GAAP financial measures commonly used in the REIT industry. FFO is calculated in accordance with the definition established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents 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. AFFO represents 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, net income (loss) from discontinued operations, net of tax and adjustments from FFO to AFFO for unconsolidated joint ventures' and non-controlling interests' share of these items. Equinix excludes depreciation expense, amortization expense, accretion, stock-based compensation, restructuring charges, impairment charges and acquisition costs for the same reasons that they are excluded from the other non-GAAP financial measures mentioned above.

Equinix includes an adjustment for revenue from installation fees, since installation fees are deferred and recognized ratably over the expected life of the installation, although the fees are generally paid in a lump sum upon installation. Equinix includes an adjustment for straight-line rent expense on its operating leases, since the total minimum lease payments are recognized ratably over the lease term, although the lease payments generally increase over the lease term. The adjustments for both installation revenue and straight-line rent expense are intended to isolate the cash activity included within the straight-lined or amortized results in the consolidated statement of operations. Equinix excludes the amortization of deferred financing costs as these expenses relate to the initial costs incurred in connection with its debt financings that have no current or future cash obligations. Equinix excludes gains (losses) on debt extinguishment since it represents a cost that is not a good indicator of Equinix's current or future operating performance. Equinix includes an income tax expense adjustment, which represents the non-cash tax impact due to changes in valuation allowances and uncertain tax positions that do not relate to the current period's operations. Equinix excludes recurring capital expenditures, which represent expenditures to extend the useful life of its IBX centers or other assets that are required to support current revenues. Equinix also excludes net income (loss) from discontinued operations, net of tax, which represents results that are not a good indicator of our current or future operating performance.

Equinix presents constant currency results of operations, which is a non-GAAP financial measure and is not meant to be considered in isolation or as an alternative to GAAP results of operations. However, Equinix has presented this non-GAAP financial measure to provide investors with an additional tool to evaluate its operating results without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of Equinix's business performance. To present this information, Equinix's current and comparative prior period revenues and certain operating expenses from entities with functional currencies other than the U.S. dollar are converted into U.S. dollars at a consistent exchange rate for purposes of each result being compared.

Non-GAAP financial measures are not a substitute for financial information prepared in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation, but should be considered together with the most directly comparable GAAP financial measures and the reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financials measures. Equinix presents such non-GAAP financial measures to provide investors with an additional tool to evaluate its operating results in a manner that focuses on what management believes to be its 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 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 those of other companies. Investors should, therefore, exercise caution when comparing non-GAAP financial measures used by us to similarly titled non-GAAP financial measures of other companies. 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 without unreasonable effort. The impact of such adjustments could be significant. Equinix intends to calculate the various non-GAAP financial measures in future periods consistent with how they were 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.*

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