

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Recurring revenues	\$ 892,442	\$ 877,006	\$ 686,072	\$ 3,417,374	\$ 2,569,141
Non-recurring revenues	50,205	47,670	44,390	194,615	156,726
<b>Revenues</b>	<b>942,647</b>	<b>924,676</b>	<b>730,462</b>	<b>3,611,989</b>	<b>2,725,867</b>
Cost of revenues	465,921	470,302	351,968	1,820,870	1,291,506
<b>Gross profit</b>	<b>476,726</b>	<b>454,374</b>	<b>378,494</b>	<b>1,791,119</b>	<b>1,434,361</b>
Operating expenses:					
Sales and marketing	113,384	110,936	88,439	438,742	332,012
General and administrative	178,956	181,239	136,829	694,561	493,284
Impairment charges	-	7,698	-	7,698	-
Acquisition costs	(440)	12,505	17,349	64,195	41,723
(Gain) loss on asset sales	371	(27,945)	-	(32,816)	-
<b>Total operating expenses</b>	<b>292,271</b>	<b>284,433</b>	<b>242,617</b>	<b>1,172,380</b>	<b>867,019</b>
<b>Income from continuing operations</b>	<b>184,455</b>	<b>169,941</b>	<b>135,877</b>	<b>618,739</b>	<b>567,342</b>
Interest and other income (expense):					
Interest income	948	762	1,206	3,476	3,581
Interest expense	(98,761)	(92,200)	(79,499)	(392,156)	(299,055)
Other income (expense)	(1,707)	2,938	(48,617)	(57,924)	(60,581)
Loss on debt extinguishment	(1,777)	(9,894)	(289)	(12,276)	(289)
<b>Total interest and other, net</b>	<b>(101,297)</b>	<b>(98,394)</b>	<b>(127,199)</b>	<b>(458,880)</b>	<b>(356,344)</b>
<b>Income from continuing operations before income taxes</b>	<b>83,158</b>	<b>71,547</b>	<b>8,678</b>	<b>159,859</b>	<b>210,998</b>
Income tax benefit (expense)	(19,494)	(22,778)	2,053	(45,451)	(23,224)
<b>Net income from continuing operations</b>	<b>63,664</b>	<b>48,769</b>	<b>10,731</b>	<b>114,408</b>	<b>187,774</b>
Net income (loss) from discontinued operations, net of tax	(1,914)	2,681	-	12,392	-
<b>Net income</b>	<b>\$ 61,750</b>	<b>\$ 51,450</b>	<b>\$ 10,731</b>	<b>\$ 126,800</b>	<b>\$ 187,774</b>
<b>Net income per share:</b>					
Basic net income per share from continuing operations	\$ 0.89	\$ 0.69	\$ 0.18	\$ 1.63	\$ 3.25
Basic net income (loss) per share from discontinued operations	(0.03)	0.04	-	0.18	-
Basic net income per share	<u>\$ 0.86</u>	<u>\$ 0.73</u>	<u>\$ 0.18</u>	<u>\$ 1.81</u>	<u>\$ 3.25</u>
Diluted net income per share from continuing operations	\$ 0.88	\$ 0.68	\$ 0.18	\$ 1.62	\$ 3.21
Diluted net income (loss) per share from discontinued operations	(0.02)	0.04	-	0.17	-
Diluted net income per share	<u>\$ 0.86</u>	<u>\$ 0.72</u>	<u>\$ 0.18</u>	<u>\$ 1.79</u>	<u>\$ 3.21</u>
Shares used in computing basic net income per share	71,389	71,190	60,393	70,117	57,790
Shares used in computing diluted net income per share	71,959	71,908	60,943	70,816	58,483

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Net income	\$ 61,750	\$ 51,450	\$ 10,731	\$ 126,800	\$ 187,774
Other comprehensive loss, net of tax:					
Foreign currency translation adjustment ("CTA") loss	(292,355)	(32,603)	(37,217)	(507,420)	(186,763)
Unrealized gain (loss) on available-for-sale securities	(133)	1,487	(139)	2,249	(40)
Unrealized gain (loss) on cash flow hedges	15,762	(4,153)	4,975	19,551	4,550
Net investment hedge CTA gain (loss)	41,342	(34,721)	10,447	45,505	4,484
Net actuarial gain on defined benefit plans	11	7	887	32	1,153
Other comprehensive loss, net of tax:	<u>(235,373)</u>	<u>(69,983)</u>	<u>(21,047)</u>	<u>(440,083)</u>	<u>(176,616)</u>
<b>Comprehensive income (loss), net of tax</b>	<b><u>\$ (173,623)</u></b>	<b><u>\$ (18,533)</u></b>	<b><u>\$ (10,316)</u></b>	<b><u>\$ (313,283)</u></b>	<b><u>\$ 11,158</u></b>

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

<b>Assets</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>
Cash and cash equivalents	\$ 748,476	\$ 2,228,838
Short-term investments	3,409	12,875
Accounts receivable, net	396,245	291,964
Current portion of restricted cash	15,065	479,417
Other current assets	304,331	212,929
Assets held for sale	-	33,257
<b>Total current assets</b>	<b>1,467,526</b>	<b>3,259,280</b>
Long-term investments	10,042	4,584
Property, plant and equipment, net	7,199,210	5,606,436
Goodwill	2,986,064	1,063,200
Intangible assets, net	719,231	224,565
Other assets	226,298	198,630
<b>Total assets</b>	<b>\$ 12,608,371</b>	<b>\$ 10,356,695</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable and accrued expenses	\$ 581,739	\$ 400,948
Accrued property, plant and equipment	144,842	103,107
Current portion of capital lease and other financing obligations	101,046	40,121
Current portion of mortgage and loans payable	67,928	770,236
Convertible debt	-	146,121
Other current liabilities	133,140	192,286
Liabilities held for sale	-	3,535
<b>Total current liabilities</b>	<b>1,028,695</b>	<b>1,656,354</b>
Capital lease and other financing obligations, less current portion	1,410,742	1,287,139
Mortgage and loans payable, less current portion	1,369,087	472,769
Senior notes	3,810,770	3,804,634
Other liabilities	623,248	390,413
<b>Total liabilities</b>	<b>8,242,542</b>	<b>7,611,309</b>
Common stock	72	62
Additional paid-in capital	7,413,519	4,838,444
Treasury stock	(147,559)	(7,373)
Accumulated dividends	(1,969,645)	(1,468,472)
Accumulated other comprehensive loss	(949,142)	(509,059)
Retained earnings (accumulated deficit)	18,584	(108,216)
<b>Total stockholders' equity</b>	<b>4,365,829</b>	<b>2,745,386</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 12,608,371</b>	<b>\$ 10,356,695</b>

Ending headcount by geographic region is as follows:

Americas headcount	2,510	2,329
EMEA headcount	2,063	1,188
Asia-Pacific headcount	1,420	1,525
<b>Total headcount</b>	<b>5,993</b>	<b>5,042</b>

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

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
Capital lease and other financing obligations	\$ 1,511,788	\$ 1,327,260
Term loans, net of debt discount and debt issuance costs	993,572	454,503
Japanese Yen term loan, net of debt issuance costs	397,199	-
Brazil financings, net of debt issuance costs	-	26,668
Mortgage payable and other loans payable	46,244	436,212
Revolving credit facility borrowings	-	325,622
Plus: debt discount, debt issuance costs and premium, net	20,949	694
Total mortgage and loans payable principal	<u>1,457,964</u>	<u>1,243,699</u>
Senior notes, net of debt issuance costs	3,810,770	3,804,634
Plus: debt issuance costs	39,230	45,366
Total senior notes principal	<u>3,850,000</u>	<u>3,850,000</u>
Convertible debt, net of debt discount and debt issuance costs	-	146,121
Plus: debt discount and debt issuance costs	-	3,961
Total convertible debt principal	<u>-</u>	<u>150,082</u>
Total debt principal outstanding	<u>\$ 6,819,752</u>	<u>\$ 6,571,041</u>

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<b>Cash flows from operating activities:</b>					
Net income	\$ 61,750	\$ 51,450	\$ 10,731	\$ 126,800	\$ 187,774
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and accretion	212,268	215,370	144,861	843,510	528,929
Stock-based compensation	39,837	42,346	33,868	155,567	132,443
Amortization of debt issuance costs and debt discounts	5,428	2,684	4,493	19,137	16,050
Loss on debt extinguishment	1,777	10,181	289	12,276	289
Impairment charges	-	7,698	-	7,698	-
(Gain) loss on asset sales	371	(27,945)	-	(32,816)	-
(Gain) loss on sale of discontinued operations	1,891	(4,242)	-	(2,351)	-
Other items	3,706	3,905	5,452	19,793	18,148
Changes in operating assets and liabilities:					
Accounts receivable	(27,423)	(30,440)	(2,581)	(100,230)	(44,583)
Income taxes, net	27,999	24,776	(25,056)	29,020	(109,579)
Accounts payable and accrued expenses	73,091	(901)	33,906	61,565	109,125
Other assets and liabilities	(101,385)	39,290	29,155	(123,389)	56,197
<b>Net cash provided by operating activities</b>	<b>299,310</b>	<b>334,172</b>	<b>235,118</b>	<b>1,016,580</b>	<b>894,793</b>
<b>Cash flows from investing activities:</b>					
Purchases, sales and maturities of investments, net	779	(2,123)	(9,369)	10,839	514,108
Business acquisitions, net of cash acquired	621	(165,901)	(235,306)	(1,766,907)	(245,553)
Purchases of real estate	-	-	-	(28,118)	(38,282)
Purchases of other property, plant and equipment	(386,321)	(279,477)	(280,612)	(1,113,365)	(868,120)
Proceeds from asset sales	23,385	805,372	-	851,582	-
Other investing activities	9,078	(21,851)	(3,709)	453,814	(497,080)
<b>Net cash provided by (used in) investing activities</b>	<b>(352,458)</b>	<b>336,020</b>	<b>(528,996)</b>	<b>(1,592,155)</b>	<b>(1,134,927)</b>
<b>Cash flows from financing activities:</b>					
Proceeds from employee equity awards	36	16,504	185	34,179	30,040
Payments of dividend distributions	(125,312)	(127,457)	(230,452)	(499,463)	(521,461)
Proceeds from public offering of common stock, net of issuance costs	-	-	829,496	-	829,496
Proceeds from loans payable	457,900	9,154	707,108	1,168,304	1,197,108
Proceeds from senior notes	-	-	1,100,000	-	1,100,000
Repayment of capital lease and other financing obligations	(13,522)	(55,528)	(8,450)	(114,385)	(28,663)
Repayments of mortgage and loans payable and convertible debt	(476,474)	(13,354)	(185,823)	(1,462,939)	(715,270)
Debt extinguishment costs	(1,199)	(10,181)	-	(11,380)	-
Debt issuance costs	370	(11,709)	(17,481)	(11,381)	(18,098)
Other financing activities	1,308	1,465	(1,633)	2,773	30
<b>Net cash provided by (used in) financing activities</b>	<b>(156,893)</b>	<b>(191,106)</b>	<b>2,192,950</b>	<b>(894,292)</b>	<b>1,873,182</b>
Effect of foreign currency exchange rates on cash and cash equivalents	(33,153)	4,313	(5,703)	(10,495)	(15,127)
Change in cash balances included in assets held for sale	3,755	21,356	-	-	-
Net increase (decrease) in cash and cash equivalents	(239,439)	504,755	1,893,369	(1,480,362)	1,617,921
Cash and cash equivalents at beginning of period	987,915	483,160	335,469	2,228,838	610,917
<b>Cash and cash equivalents at end of period</b>	<b>\$ 748,476</b>	<b>\$ 987,915</b>	<b>\$ 2,228,838</b>	<b>\$ 748,476</b>	<b>\$ 2,228,838</b>
<b>Supplemental cash flow information:</b>					
Cash paid (refunded) for taxes	\$ 7,817	\$ (73)	\$ 29,165	\$ 39,320	\$ 132,302
Cash paid for interest	\$ 78,553	\$ 111,094	\$ 73,044	\$ 350,083	\$ 237,410
<b>Free cash flow (negative free cash flow) (1)</b>	<b>\$ (53,927)</b>	<b>\$ 672,315</b>	<b>\$ (284,509)</b>	<b>\$ (586,414)</b>	<b>\$ (754,242)</b>
<b>Adjusted free cash flow (adjusted negative free cash flow) (2)</b>	<b>\$ (53,240)</b>	<b>\$ 839,681</b>	<b>\$ (33,081)</b>	<b>\$ 1,211,384</b>	<b>\$ (385,543)</b>
<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:</b>					
Net cash provided by operating activities as presented above	\$ 299,310	\$ 334,172	\$ 235,118	\$ 1,016,580	\$ 894,793
Net cash provide by (used in) investing activities as presented above	(352,458)	336,020	(528,996)	(1,592,155)	(1,134,927)
Purchases, sales and maturities of investments, net	(779)	2,123	9,369	(10,839)	(514,108)
<b>Free cash flow (negative free cash flow)</b>	<b>\$ (53,927)</b>	<b>\$ 672,315</b>	<b>\$ (284,509)</b>	<b>\$ (586,414)</b>	<b>\$ (754,242)</b>
<b>(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:</b>					
Free cash flow (as defined above)	\$ (53,927)	\$ 672,315	\$ (284,509)	\$ (586,414)	\$ (754,242)
Less business acquisitions, net of cash	(621)	165,901	235,306	1,766,907	245,553
Less purchases of real estate	-	-	-	28,118	38,282
Less excess tax benefits from employee equity awards	1,308	1,465	(1,633)	2,773	30
Less cash paid for taxes resulting from the REIT conversion	-	-	17,306	-	82,452
Less costs related to the REIT conversion	-	-	449	-	2,382
<b>Adjusted free cash flow</b>	<b>\$ (53,240)</b>	<b>\$ 839,681</b>	<b>\$ (33,081)</b>	<b>\$ 1,211,384</b>	<b>\$ (385,543)</b>
<b>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.</b>					
Cash paid for taxes resulting from the REIT conversion	\$ -	\$ -	\$ 17,306	\$ -	\$ 82,452
Other cash taxes paid	7,817	(73)	11,859	39,320	49,850
<b>Total cash paid for taxes</b>	<b>\$ 7,817</b>	<b>\$ (73)</b>	<b>\$ 29,165</b>	<b>\$ 39,320</b>	<b>\$ 132,302</b>

**EQUINIX, INC.**  
**NON-GAAP MEASURES AND OTHER SUPPLEMENTAL DATA**  
(in thousands)  
(unaudited)

	Three Months Ended			Twelve Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Recurring revenues	\$ 892,442	\$ 877,006	\$ 686,072	\$ 3,417,374	\$ 2,569,141
Non-recurring revenues	50,205	47,670	44,390	194,615	156,726
<b>Revenues (1)</b>	<b>942,647</b>	<b>924,676</b>	<b>730,462</b>	<b>3,611,989</b>	<b>2,725,867</b>
Cash cost of revenues (2)	301,540	304,821	227,956	1,169,494	836,439
<b>Cash gross profit (3)</b>	<b>641,107</b>	<b>619,855</b>	<b>502,506</b>	<b>2,442,495</b>	<b>1,889,428</b>
Cash operating expenses (4):					
Cash sales and marketing expenses (5)	85,196	79,515	72,069	322,474	269,270
Cash general and administrative expenses (6)	119,420	120,298	97,292	462,547	348,531
<b>Total cash operating expenses (7)</b>	<b>204,616</b>	<b>199,813</b>	<b>169,361</b>	<b>785,021</b>	<b>617,801</b>
<b>Adjusted EBITDA (8)</b>	<b>\$ 436,491</b>	<b>\$ 420,042</b>	<b>\$ 333,145</b>	<b>\$ 1,657,474</b>	<b>\$ 1,271,627</b>
<b>Cash gross margins (9)</b>	<b>68%</b>	<b>67%</b>	<b>69%</b>	<b>68%</b>	<b>69%</b>
<b>Adjusted EBITDA margins (10)</b>	<b>46%</b>	<b>45%</b>	<b>46%</b>	<b>46%</b>	<b>47%</b>
<b>Adjusted EBITDA flow-through rate (11)</b>	<b>92%</b>	<b>(1%)</b>	<b>27%</b>	<b>44%</b>	<b>56%</b>
<b>FFO (12)</b>	<b>\$ 219,868</b>	<b>\$ 187,831</b>	<b>\$ 131,483</b>	<b>\$ 725,089</b>	<b>\$ 629,238</b>
<b>AFFO (13) (14)</b>	<b>\$ 293,785</b>	<b>\$ 284,179</b>	<b>\$ 178,293</b>	<b>\$ 1,078,339</b>	<b>\$ 831,798</b>

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

*Americas Revenues:*

Colocation	\$ 299,200	\$ 294,046	\$ 274,198	\$ 1,161,665	\$ 1,059,713
Interconnection	100,459	94,865	84,796	374,655	321,198
Managed infrastructure	14,385	14,649	10,927	53,404	48,042
Other	943	902	817	3,360	3,131
Recurring revenues	414,987	404,462	370,738	1,593,084	1,432,084
Non-recurring revenues	21,555	20,680	23,751	86,465	80,451
Revenues	<u>436,542</u>	<u>425,142</u>	<u>394,489</u>	<u>1,679,549</u>	<u>1,512,535</u>

*EMEA Revenues:*

Colocation	242,829	244,420	146,879	941,848	562,817
Interconnection	22,280	21,464	16,775	85,869	58,490
Managed infrastructure	17,243	16,359	7,619	67,553	25,196
Other	2,919	3,947	862	11,382	5,275
Recurring revenues	285,271	286,190	172,135	1,106,652	651,778
Non-recurring revenues	16,353	15,060	10,519	64,687	47,029
Revenues	<u>301,624</u>	<u>301,250</u>	<u>182,654</u>	<u>1,171,339</u>	<u>698,807</u>

*Asia-Pacific Revenues:*

Colocation	146,483	140,493	112,498	543,581	397,345
Interconnection	23,159	21,172	18,979	82,521	62,061
Managed infrastructure	22,362	24,138	9,447	89,335	23,598
Other	180	551	2,275	2,201	2,275
Recurring revenues	192,184	186,354	143,199	717,638	485,279
Non-recurring revenues	12,297	11,930	10,120	43,463	29,246
Revenues	<u>204,481</u>	<u>198,284</u>	<u>153,319</u>	<u>761,101</u>	<u>514,525</u>

*Worldwide Revenues:*

Colocation	688,512	678,959	533,575	2,647,094	2,019,875
Interconnection	145,898	137,501	120,550	543,045	441,749
Managed infrastructure	53,990	55,146	27,993	210,292	96,836
Other	4,042	5,400	3,954	16,943	10,681
Recurring revenues	892,442	877,006	686,072	3,417,374	2,569,141
Non-recurring revenues	50,205	47,670	44,390	194,615	156,726
Revenues	<u>\$ 942,647</u>	<u>\$ 924,676</u>	<u>\$ 730,462</u>	<u>\$ 3,611,989</u>	<u>\$ 2,725,867</u>

	Three Months Ended			Twelve Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015

(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	\$ 465,921	\$ 470,302	\$ 351,968	\$ 1,820,870	\$ 1,291,506
Depreciation, amortization and accretion expense	(161,049)	(162,165)	(121,505)	(638,290)	(445,189)
Stock-based compensation expense	(3,332)	(3,316)	(2,507)	(13,086)	(9,878)
Cash cost of revenues	<u>\$ 301,540</u>	<u>\$ 304,821</u>	<u>\$ 227,956</u>	<u>\$ 1,169,494</u>	<u>\$ 836,439</u>

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

Americas cash cost of revenues	\$ 115,838	\$ 114,934	\$ 107,640	\$ 449,088	\$ 410,915
EMEA cash cost of revenues	113,796	116,587	64,089	446,842	249,457
Asia-Pacific cash cost of revenues	71,906	73,300	56,227	273,564	176,067
Cash cost of revenues	<u>\$ 301,540</u>	<u>\$ 304,821</u>	<u>\$ 227,956</u>	<u>\$ 1,169,494</u>	<u>\$ 836,439</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, marketing, 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	\$ 113,384	\$ 110,936	\$ 88,439	\$ 438,742	\$ 332,012
Depreciation and amortization expense	(17,345)	(19,719)	(7,329)	(73,238)	(25,895)
Stock-based compensation expense	(10,843)	(11,702)	(9,041)	(43,030)	(36,847)
Cash sales and marketing expenses	<u>\$ 85,196</u>	<u>\$ 79,515</u>	<u>\$ 72,069</u>	<u>\$ 322,474</u>	<u>\$ 269,270</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	\$ 178,956	\$ 181,239	\$ 136,829	\$ 694,561	\$ 493,284
Depreciation and amortization expense	(33,874)	(33,486)	(16,027)	(131,982)	(57,845)
Stock-based compensation expense	(25,662)	(27,455)	(23,510)	(100,032)	(86,908)
Cash general and administrative expenses	<u>\$ 119,420</u>	<u>\$ 120,298</u>	<u>\$ 97,292</u>	<u>\$ 462,547</u>	<u>\$ 348,531</u>

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

Cash sales and marketing expenses	\$ 85,196	\$ 79,515	\$ 72,069	\$ 322,474	\$ 269,270
Cash general and administrative expenses	119,420	120,298	97,292	462,547	348,531
Cash SG&A	<u>\$ 204,616</u>	<u>\$ 199,813</u>	<u>\$ 169,361</u>	<u>\$ 785,021</u>	<u>\$ 617,801</u>

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

Americas cash SG&A	\$ 115,012	\$ 108,077	\$ 106,035	\$ 443,150	\$ 403,016
EMEA cash SG&A	59,977	63,195	36,971	230,234	130,789
Asia-Pacific cash SG&A	29,627	28,541	26,355	111,637	83,996
Cash SG&A	<u>\$ 204,616</u>	<u>\$ 199,813</u>	<u>\$ 169,361</u>	<u>\$ 785,021</u>	<u>\$ 617,801</u>

(8) We define adjusted EBITDA as income from continuing operations excluding depreciation, amortization, accretion, stock-based compensation expense, impairment charges, acquisition costs and gains on asset sales as presented below:

Income from continuing operations	\$ 184,455	\$ 169,941	\$ 135,877	\$ 618,739	\$ 567,342
Depreciation, amortization and accretion expense	212,268	215,370	144,861	843,510	528,929
Stock-based compensation expense	39,837	42,473	35,058	156,148	133,633
Impairment charges	-	7,698	-	7,698	-
Acquisition costs	(440)	12,505	17,349	64,195	41,723
(Gain) loss on asset sales	371	(27,945)	-	(32,816)	-
Adjusted EBITDA	<u>\$ 436,491</u>	<u>\$ 420,042</u>	<u>\$ 333,145</u>	<u>\$ 1,657,474</u>	<u>\$ 1,271,627</u>

The geographic split of our adjusted EBITDA is presented below:

Americas income from continuing operations	\$ 87,537	\$ 89,004	\$ 83,425	\$ 352,180	\$ 324,458
Americas depreciation, amortization and accretion expense	83,305	82,204	73,023	321,103	278,644
Americas stock-based compensation expense	28,312	29,309	25,576	109,740	100,760
Americas acquisition costs	6,538	1,614	(1,210)	9,530	(5,258)
Americas gain on asset sales	-	-	-	(5,242)	-
Americas adjusted EBITDA	<u>205,692</u>	<u>202,131</u>	<u>180,814</u>	<u>787,311</u>	<u>698,604</u>
EMEA income from continuing operations	51,347	51,829	34,011	124,853	145,527
EMEA depreciation, amortization and accretion expense	76,598	78,555	30,434	314,570	118,008
EMEA stock-based compensation expense	6,884	8,138	4,348	28,317	16,690
EMEA acquisition costs	(6,978)	10,891	12,801	54,468	38,336
EMEA gain on asset sales	-	(27,945)	-	(27,945)	-
EMEA adjusted EBITDA	<u>127,851</u>	<u>121,468</u>	<u>81,594</u>	<u>494,263</u>	<u>318,561</u>

	Three Months Ended			Twelve Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Asia-Pacific income from continuing operations	45,571	29,108	18,441	141,706	97,357
Asia-Pacific depreciation, amortization and accretion expense	52,365	54,611	41,404	207,837	132,277
Asia-Pacific stock-based compensation expense	4,641	5,026	5,134	18,091	16,183
Asia-Pacific impairment charges	-	7,698	-	7,698	-
Asia-Pacific acquisition costs	-	-	5,758	197	8,645
Asia-Pacific loss on asset sales	371	-	-	371	-
Asia-Pacific adjusted EBITDA	102,948	96,443	70,737	375,900	254,462
Adjusted EBITDA	\$ 436,491	\$ 420,042	\$ 333,145	\$ 1,657,474	\$ 1,271,627
(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	73%	73%	73%	73%	73%
EMEA cash gross margins	62%	61%	65%	62%	64%
Asia-Pacific cash gross margins	65%	63%	63%	64%	66%
(10) We define adjusted EBITDA margins as adjusted EBITDA divided by revenues.					
Americas adjusted EBITDA margins	47%	48%	46%	47%	46%
EMEA adjusted EBITDA margins	42%	40%	45%	42%	46%
Asia-Pacific adjusted EBITDA margins	50%	49%	46%	49%	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	\$ 436,491	\$ 420,042	\$ 333,145	\$ 1,657,474	\$ 1,271,627
Less adjusted EBITDA - prior period	(420,042)	(420,291)	(321,472)	(1,271,627)	(1,113,891)
Adjusted EBITDA growth	\$ 16,449	\$ (249)	\$ 11,673	\$ 385,847	\$ 157,736
Revenues - current period	\$ 942,647	\$ 924,676	\$ 730,462	\$ 3,611,989	\$ 2,725,867
Less revenues - prior period	(924,676)	(900,510)	(686,649)	(2,725,867)	(2,443,776)
Revenue growth	\$ 17,971	\$ 24,166	\$ 43,813	\$ 886,122	\$ 282,091
Adjusted EBITDA flow-through rate	92%	(1%)	27%	44%	56%
(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	\$ 61,750	\$ 51,450	\$ 10,731	\$ 126,800	\$ 187,774
Adjustments:					
Real estate depreciation and amortization	157,054	159,788	120,144	626,564	439,969
(Gain) loss on disposition of real estate property	1,036	(23,436)	579	(28,388)	1,382
Adjustments for FFO from unconsolidated joint ventures	28	29	29	113	113
FFO	\$ 219,868	\$ 187,831	\$ 131,483	\$ 725,089	\$ 629,238



	Three Months Ended			Twelve Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
(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, net income from discontinued operations, net of tax, recurring capital expenditures and adjustments from FFO to AFFO for unconsolidated joint ventures' and non-controlling interests' share of these items.					
FFO	\$ 219,868	\$ 187,831	\$ 131,483	\$ 725,089	\$ 629,238
Adjustments:					
Installation revenue adjustment	4,788	4,612	5,843	20,161	35,498
Straight-line rent expense adjustment	1,986	2,686	1,462	7,700	7,931
Amortization of deferred financing costs	5,258	2,687	4,495	18,696	16,135
Stock-based compensation expense	39,837	42,474	35,058	156,149	133,633
Non-real estate depreciation expense	23,265	22,108	15,921	87,781	58,165
Amortization expense	29,478	32,929	8,100	122,862	27,446
Accretion expense	2,471	545	696	6,303	3,349
Recurring capital expenditures	(36,476)	(41,600)	(44,668)	(141,819)	(120,281)
Loss on debt extinguishment	1,777	9,894	289	12,276	289
Acquisition costs	(440)	12,505	17,349	64,195	41,723
Impairment charges	-	7,698	-	7,698	-
Income tax expense adjustment	68	2,501	2,279	3,680	(1,270)
Net (income) loss from discontinued operations, net of tax	1,914	(2,681)	-	(12,392)	-
Adjustments for AFFO from unconsolidated joint ventures	(9)	(10)	(14)	(40)	(58)
AFFO	<u>\$ 293,785</u>	<u>\$ 284,179</u>	<u>\$ 178,293</u>	<u>\$ 1,078,339</u>	<u>\$ 831,798</u>
(14) Following is how we reconcile from adjusted EBITDA to AFFO:					
Adjusted EBITDA	\$ 436,491	\$ 420,042	\$ 333,145	\$ 1,657,474	\$ 1,271,627
Adjustments:					
Interest expense, net of interest income	(97,813)	(91,437)	(78,293)	(388,679)	(295,474)
Amortization of deferred financing costs	5,258	2,687	4,495	18,696	16,135
Income tax benefit (expense)	(19,494)	(22,778)	2,053	(45,451)	(23,224)
Income tax expense adjustment	68	2,501	2,279	3,680	(1,270)
Straight-line rent expense adjustment	1,986	2,686	1,462	7,700	7,931
Installation revenue adjustment	4,788	4,612	5,843	20,161	35,498
Recurring capital expenditures	(36,476)	(41,600)	(44,668)	(141,819)	(120,281)
Other income (expense)	(1,707)	2,938	(48,617)	(57,924)	(60,581)
(Gain) loss on disposition of depreciable real estate property	1,036	(23,436)	579	(28,388)	1,382
Adjustments for unconsolidated JVs' and non-controlling interests	19	19	15	73	55
Adjustment for gain (loss) on sale of asset	(371)	27,945	-	32,816	-
AFFO	<u>\$ 293,785</u>	<u>\$ 284,179</u>	<u>\$ 178,293</u>	<u>\$ 1,078,339</u>	<u>\$ 831,798</u>