UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): August 14, 2006

EQUINIX, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	000-31293	77-0487526
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

301 Velocity Way, 5th Floor
Foster City, California 94404
(650) 513-7000

(Addresses of principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

The information in Item 2.02 of this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 2.02 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On August 14, 2006, Equinix, Inc. ("Equinix") issued a press release announcing its financial results for the quarter ended June 30, 2006. A copy of the press release is attached as Exhibit 99.1. Equinix released certain non-GAAP information in the press release. Attached to the press release is a reconciliation to the non-GAAP information.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits.

99.1	Press Release of Equinix, Inc. dated August 14, 2006, furnished in accordance with Item 2.02 of this Current Report on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EQUINIX, INC.

DATE: August 14, 2006

By: /s/ KEITH D. TAYLOR

Keith D. Taylor
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Text of Press Release dated August 14, 2006.

Exhibit 99.1

Equinix Reports Second Quarter 2006 Results

FOSTER CITY, Calif.--(BUSINESS WIRE)--Aug. 14, 2006--Equinix, Inc. (Nasdaq:EQIX), the leading provider of network-neutral data centers and Internet exchange services, today reported quarterly results for the period ended June 30, 2006.

The independent review by the Audit Committee has been completed, and, as originally disclosed on August 2, 2006, the Committee reached the conclusion that the accounting measurement dates of certain stock option grants issued in the past differ from their actual grant dates. Accordingly, Equinix recorded an additional non-cash stock-based compensation charge of $445,000 for the second quarter. The Audit Committee concluded that the Company did not engage in intentional or fraudulent misconduct in the granting of stock options. This one-time charge, the cumulative effect for the correction of errors related to prior periods, was not material to any particular prior quarter, and thus there is no restatement to the Company's previously filed financial statements. Also, the Company has filed its Form 10-Q for the second quarter of 2006 today.

As reported August 2, 2006, revenues were $68.5 million for the second quarter, a 6% increase over the previous quarter and a 31% increase over the same quarter last year. Recurring revenues, consisting primarily of colocation, interconnection and managed services, were $65.1 million, a 5% increase over the previous quarter and a 32% increase over the same quarter last year. Non-recurring revenues were $3.4 million in the quarter, consisting primarily of professional services and installation fees.

Note: Equinix uses non-GAAP financial measures, such as EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), non-GAAP net income (loss), free cash flow and adjusted free cash flow to evaluate its operations. A reconciliation of these non-GAAP financial measures to the most closely applicable GAAP financial measure is attached to this release and commences at the bottom of our condensed consolidated statements of operations -- GAAP presentation.

Cost of revenues were $45.6 million for the second quarter, including $963,000 of stock-based compensation, a 5% increase over the previous quarter and a 17% increase over the same quarter last year. Cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation of $18.8 million, were $26.8 million for the second quarter, a 6% increase over the previous quarter and a 15% increase over the same quarter last year. Cash gross margins, defined as gross profit less depreciation, amortization, accretion and stock-based compensation, divided by revenues, for the quarter were 61%, the same as the previous quarter and up from 56% the same quarter last year.

Selling, general and administrative expenses were $26.2 million for the second quarter, including $7.9 million of stock-based compensation, an 8% increase over the previous quarter and a 62% increase over the same quarter last year. Selling, general and administrative expenses, excluding depreciation, amortization and stock-based compensation of $8.5 million, were $17.7 million for the second quarter, a 5% increase over the previous quarter and a 35% increase over same quarter last year.

Net loss for the second quarter, including stock-based compensation expense of $8.9 million, was $5.3 million. This represents a basic and diluted net loss per share of $0.19 based on a weighted average share count of 28.5 million. Excluding stock-based compensation, the Company was net income positive for the second quarter, with a non-GAAP net income of $3.6 million. This was a $939,000 improvement from the previous quarter's result of $2.7 million and a $4.6 million improvement over the same quarter last year.

EBITDA, defined as income or loss from operations before depreciation, amortization, accretion, stock-based compensation expense and restructuring charges, for the second quarter was $24.0 million, up 5% over the previous quarter and up from $16.1 million the same quarter last year.

"We continue to experience strong momentum across all areas of our business," said Peter Van Camp, chairman and CEO, Equinix. "We are pleased the Audit Committee has completed the investigation and found no intentional misconduct in our prior stock option grant practices. We intend to continue to cooperate with the ongoing inquiries from the SEC and DOJ."

Capital expenditures in the second quarter were $29.7 million, of which $8.9 million was attributed to ongoing capital expenditures and $20.8 million was attributed to expansion capital expenditures. In addition, the Company also purchased the previously announced Chicago IBX expansion property in the second quarter for $9.8 million, which the Company paid for in full with cash in June 2006.

The Company generated cash from operating activities of $16.1 million as compared to $12.8 million in the previous quarter. Cash used in investing activities was $35.8 million as compared to $24.1 million in the previous quarter. Adjusted free cash flow was a negative $9.9 million in the second quarter. Adjusted free cash flow is defined as net cash generated from operating activities less net cash used in investing activities (excluding the purchases, sales and maturities of short-term and long-term investments and the purchase and sale of real estate).

As of June 30, 2006, the Company's cash, cash equivalents and investments were $147.9 million, as compared to $162.2 million in the previous quarter.

Business Outlook

For the third quarter 2006, revenues are expected to be in the range of $72.0 to $73.0 million. Cash gross margins will be approximately 60%. Cash selling, general and administrative expenses are expected to be approximately $18.0 million. EBITDA for the third quarter is expected to be approximately $25.0 million. Net loss is expected to be approximately $6.0 million, including the impact of approximately $8.0 million of stock-based compensation expense. Net interest expense will be approximately $2.5 million. The weighted average shares outstanding will be approximately 28.9 million. Capital expenditures are expected to be approximately $55.0 to $60.0 million, including $45.0 to $50.0 million of expansion capital expenditures.

For the full year of 2006, total revenues are expected to be in the range of $280.0 to $286.0 million. Cash gross margins are expected to be in the range of 60% to 61% including approximately $4.0 million of net cash costs attributed to our expansion IBXs. Cash selling, general and administrative expenses are expected to be in the range of $68.0 to $70.0 million, including incremental professional fees attributed to the stock option investigation. EBITDA for the year is expected to be $100.0 to $104.0 million. Capital expenditures for 2006 are expected to be in a range of $180.0 to $185.0 million, comprised of approximately $30.0 million of ongoing capital expenditures and $150.0 to $155.0 million of expansion capital expenditures for the build out of the Chicago, Los Angeles and Silicon Valley expansions opened this year, as well as the greenfield expansions in the Washington, D.C., Chicago and New York metro areas.

About Equinix

Equinix is the leading global provider of network-neutral data centers and Internet exchange services for enterprises, content companies, systems integrators and network services providers. Through the company's Internet Business Exchange(TM) (IBX(R)) centers in 11 markets in the U.S. and Asia, customers can directly interconnect with every major global network and ISP for their critical peering, transit and traffic exchange requirements. These interconnection points facilitate the highest performance and growth of the Internet by serving as neutral and open marketplaces for Internet infrastructure services, allowing customers to expand their businesses while reducing costs.

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; a failure to receive significant revenue from customers in recently-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; the results of any regulatory review of past stock option grants and practices or any litigation relating to such grants and practices; 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. Internet Business Exchange is a trademark of Equinix, Inc.

Non-GAAP Financial Measures

Equinix continues to provide 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 EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), non-GAAP net income (loss), free cash flow and adjusted free cash flow to evaluate its operations. In presenting these non-GAAP financial measures, Equinix excludes certain non-cash or non-recurring items that it believes are not good indicators of the Company's current or future operating performance. These non-cash or non-recurring items are depreciation, amortization, accretion, stock-based compensation and restructuring charges. Recent legislative and regulatory changes 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 non-cash or non-recurring 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 competitor base.

Equinix excludes depreciation expense as these charges primarily relate to the initial construction costs of our IBX centers and IBX expansion projects or acquired 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 ten 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 non-cash 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 charge liabilities, 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 stock awards that have no current or future cash obligations. As such, we, and our investors and analysts, exclude this stock-based compensation expense when assessing the cash generating performance of our operations. The restructuring charges relate to the Company's decision to exit leases for excess space adjacent to several of our IBX centers, which we do not intend to build out now or in the future. Management believes such restructuring charges were unique costs that are not expected to recur, and consequently, does not consider these charges as a normal component of expenses related to current and ongoing operations.

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 ongoing business operations. Management believes that the inclusion of these non-GAAP financial measures provide consistency and comparability with past reports and provide 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, net income (loss) from operations, interest income, 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 three and six months ended June 30, 2006 and 2005, presented within this press release.

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS -- GAAP PRESENTATION
(in thousands, except per share detail)
(unaudited)

	Three Months Ended			Six Months Ended	
	June 30, 2006	March 31, 2006	June 30, 2005	June 30, 2006	June 30, 2005
Recurring revenues	$65,089	$ 61,752	$49,431	$126,841	$ 95,332
Non-recurring revenues	3,459	3,117	3,048	6,576	5,831
Revenues	68,548	64,869	52,479	133,417	101,163
Cost of revenues	45,563	43,345	38,811	88,908	75,684
Gross profit	22,985	21,524	13,668	44,509	25,479
Operating expenses:					
Sales and marketing	8,480	7,198	5,145	15,678	9,964
General and administrative	17,725	17,130	11,027	34,855	21,516
Total operating expenses	26,205	24,328	16,172	50,533	31,480
Income (loss) from operations	(3,220)	(2,804)	(2,504)	(6,024)	(6,001)
Interest and other income (expense):					
Interest income	1,730	1,611	902	3,341	1,569
Interest expense and other	(3,565)	(3,868)	(1,945)	(7,433)	(4,404)
Total interest and other, net	(1,835)	(2,257)	(1,043)	(4,092)	(2,835)
Net loss before income taxes and cumulative effect of a change in accounting principle	(5,055)	(5,061)	(3,547)	(10,116)	(8,836)
Income taxes	(215)	(385)	116	(600)	(389)
Net loss before cumulative effect of a change in accounting principle	(5,270)	(5,446)	(3,431)	(10,716)	(9,225)
Cumulative effect of a change in accounting principle	-	376	-	376	-
Net loss	$(5,270)	$ (5,070)	$(3,431)	$(10,340)	$ (9,225)
Net loss per share:					
Basic and diluted net loss per share before cumulative effect of a change in accounting principle	$ (0.19)	$ (0.20)	$ (0.14)	$ (0.38)	$ (0.40)
Cumulative effect of a change in accounting principle	-	0.02	-	0.01	-
Basic and diluted net loss per share	$ (0.19)	$ (0.18)	$ (0.14)	$ (0.37)	$ (0.40)
Shares used in computing basic and diluted net loss per share	28,468	27,848	23,727	28,160	22,964
Non-GAAP net income (loss) (1)	$ 3,627	$ 2,688	$ (942)	$ 6,315	$ (4,292)

(1) Non-GAAP net income (loss) excludes stock-based compensation and restructuring charges as follows:

Net loss	$(5,270)	$ (5,070)	$(3,431)	$(10,340)	$ (9,225)
Stock-based compensation	8,897	7,758	2,489	16,655	4,933
Restructuring charges	-	-	-	-	-
Non-GAAP net income (loss)	$ 3,627	$ 2,688	$ (942)	$ 6,315	$ (4,292)

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

	Three Months Ended			Six Months Ended	
	June 30, 2006	March 31, 2006	June 30, 2005	June 30, 2006	June 30, 2005
Recurring revenues	$ 65,089	$ 61,752	$ 49,431	$ 126,841	$ 95,332
Non-recurring revenues	3,459	3,117	3,048	6,576	5,831
Revenues (1)	68,548	64,869	52,479	133,417	101,163
Cash cost of revenues (2)	26,845	25,272	23,317	52,117	45,246
Cash gross profit (3)	41,703	39,597	29,162	81,300	55,917
Cash operating expenses (4):					
Cash sales and marketing expenses (5)	6,333	5,291	4,676	11,624	9,033
Cash general and administrative expenses (6)	11,332	11,471	8,431	22,803	16,492
Total cash operating expenses (7)	17,665	16,762	13,107	34,427	25,525
EBITDA (8)	$ 24,038	$ 22,835	$ 16,055	$ 46,873	$ 30,392
Cash gross margins (9)	61%	61%	56%	61%	55%
EBITDA flow-through rate (10)	33%	33%	45%	53%	58%

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(1) The geographic split of our revenues is presented below:

U.S. revenues	$ 58,900	$ 55,840	$ 45,384	$ 114,741	$ 87,400
Asia-Pacific revenues	9,648	9,029	7,095	18,676	13,763
Revenues	$ 68,548	$ 64,869	$ 52,479	$ 133,417	$101,163

Revenues on a services basis is presented below:

Colocation	$ 47,988	$ 45,569	$ 36,105	$ 93,557	$ 69,341
Interconnection	12,644	11,804	9,845	24,448	19,169
Managed infrastructure	4,046	3,933	3,481	7,979	6,822
Rental	411	446	-	857	-

Recurring revenues	65,089	61,752	49,431	126,841	95,332
Non-recurring revenues	3,459	3,117	3,048	6,576	5,831
Revenues	$ 68,548	$ 64,869	$ 52,479	$ 133,417	$101,163

New IBX centers are IBX centers which have not been available for customer installs for at least four full quarters. Revenues on a same IBX versus new IBX basis is presented below:

Same IBX centers	$ 68,190	$ 62,530	$ 51,282	$ 130,720	$ 99,739
New IBX centers	358	2,339	1,197	2,697	1,424
Revenues	$ 68,548	$ 64,869	$ 52,479	$ 133,417	$101,163

(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	$ 45,563	$ 43,345	$ 38,811	$ 88,908	$ 75,684
Depreciation, amortization and accretion expense	(17,755)	(17,315)	(15,494)	(35,070)	(30,438)
Stock-based compensation expense	(963)	(758)	-	(1,721)	-
Cash cost of revenues	$ 26,845	$ 25,272	$ 23,317	$ 52,117	$ 45,246

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

U.S. cash cost of revenues	$ 22,312	$ 20,951	$ 19,339	$ 43,263	$ 37,400
Asia-Pacific cash cost of revenues	4,533	4,321	3,978	8,854	7,846
Cash cost of revenues	$ 26,845	$ 25,272	$ 23,317	$ 52,117	$ 45,246

New IBX centers are IBX centers which have not been available for customer installs for at least four full quarters. Cost of revenues and cash cost of revenues on a same IBX versus new IBX basis is presented below:

Same IBX centers-cash cost of revenues	$ 24,849	$ 22,476	$ 21,390	$ 47,325	$ 42,481
Same IBX centers-depreciation, amortization and accretion expense	16,433	15,532	14,183	31,965	28,379
Same IBX centers-stock-based compensation expense	963	758	-	1,721	-
Same IBX centers cost of revenues	42,245	38,766	35,573	81,011	70,860
New IBX centers-cash cost of revenues	1,996	2,796	1,927	4,792	2,765
New IBX centers-					

depreciation, amortization and accretion expense	1,322	1,783	1,311	3,105	2,059
New IBX centers-stock-based compensation expense	-	-	-	-	-
New IBX centers cost of revenues	3,318	4,579	3,238	7,897	4,824
Cost of revenues	$ 45,563	$ 43,345	$ 38,811	$ 88,908	$ 75,684

(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 and stock-based compensation. 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	$ 8,480	$ 7,198	$ 5,145	$ 15,678	$ 9,964
Depreciation and amortization expense	(15)	(15)	(15)	(30)	(30)
Stock-based compensation expense	(2,132)	(1,892)	(454)	(4,024)	(901)
Cash sales and marketing expenses	$ 6,333	$ 5,291	$ 4,676	$ 11,624	$ 9,033

(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	$ 17,725	$ 17,130	$ 11,027	$ 34,855	$ 21,516
Depreciation and amortization expense	(591)	(551)	(561)	(1,142)	(992)
Stock-based compensation expense	(5,802)	(5,108)	(2,035)	(10,910)	(4,032)
Cash general and administrative expenses	$ 11,332	$ 11,471	$ 8,431	$ 22,803	$ 16,492

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

Cash sales and marketing expenses	$ 6,333	$ 5,291	$ 4,676	$ 11,624	$ 9,033
Cash general and administrative expenses	11,332	11,471	8,431	22,803	16,492
Cash SG&A	$ 17,665	$ 16,762	$ 13,107	$ 34,427	$ 25,525

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

U.S. cash SG&A	$ 14,599	$ 13,327	$ 10,486	$ 27,926	$ 20,394
Asia-Pacific cash SG&A	3,066	3,435	2,621	6,501	5,131
Cash SG&A	$ 17,665	$ 16,762	$ 13,107	$ 34,427	$ 25,525

(8) We define EBITDA as income (loss) from operations less depreciation, amortization, accretion, stock-based compensation expense and restructuring charges as presented below:

Income (loss) from operations	$ (3,220)	$ (2,804)	$ (2,504)	$ (6,024)	$ (6,001)
Depreciation, amortization and accretion expense	18,361	17,881	16,070	36,242	31,460
Stock-based compensation expense	8,897	7,758	2,489	16,655	4,933
Restructuring charges	-	-	-	-	-
EBITDA	$ 24,038	$ 22,835	$ 16,055	$ 46,873	$ 30,392

The geographic split of our EBITDA is presented below:

U.S. income (loss) from operations	$ (3,404)	$ (2,247)	$ (1,871)	$ (5,651)	$ (4,485)
U.S. depreciation, amortization and accretion expense	17,419	16,866	14,941	34,285	29,158
U.S. stock-based compensation expense	7,975	6,943	2,489	14,918	4,933
U.S. restructuring charges	-	-	-	-	-
U.S. EBITDA	21,990	21,562	15,559	43,552	29,606
Asia-Pacific income (loss) from operations	184	(557)	(633)	(373)	(1,516)
Asia-Pacific depreciation, amortization and accretion expense	942	1,015	1,129	1,957	2,302
Asia-Pacific stock-based compensation expense	922	815	-	1,737	-
Asia-Pacific restructuring charges	-	-	-	-	-
Asia-Pacific EBITDA	2,048	1,273	496	3,321	786
EBITDA	$ 24,038	$ 22,835	$ 16,055	$ 46,873	$ 30,392

New IBX centers are IBX centers which have not been available for customer installs for at least four full quarters. EBITDA on a same IBX versus new IBX basis is presented below:

Same IBX centers-income (loss) from operations	$ 76	$ (368)	$ (232)	$ (292)	$ (2,187)

Same IBX centers-depreciation, amortization and accretion expense	17,039	16,098	14,759	33,137	29,401
Same IBX centers-stock-based compensation expense	8,897	7,758	2,489	16,655	4,933
Same IBX centers-restructuring charges	-	-	-	-	-
Same IBX center EBITDA	26,012	23,488	17,016	49,500	32,147
New IBX centers-income (loss) from operations	(3,296)	(2,436)	(2,272)	(5,732)	(3,814)
New IBX centers-depreciation, amortization and accretion expense	1,322	1,783	1,311	3,105	2,059
New IBX centers-stock-based compensation expense	-	-	-	-	-
New IBX centers-restructuring charges	-	-	-	-	-
New IBX center EBITDA	(1,974)	(653)	(961)	(2,627)	(1,755)
EBITDA	$ 24,038	$ 22,835	$ 16,055	$ 46,873	$ 30,392

(9) We define cash gross margins as cash gross profit divided by revenues.

Our cash gross margins by geographic region is presented below:

U.S. cash gross margins	62%	62%	57%	62%	57%
Asia-Pacific cash gross margins	53%	52%	44%	53%	43%

Same IBX centers are IBX centers which have been available for customer installs for at least four full quarters. Our cash gross margins for same IBX centers is presented below:

Same IBX cash gross margins	64%	64%	58%	64%	57%

(10) We define EBITDA flow-through rate as incremental EBITDA growth divided by incremental revenue growth as follows:

EBITDA -- current period	$ 24,038	$ 22,835	$ 16,055	$ 46,873	$ 30,392
Less EBITDA -- prior period	(22,835)	(21,828)	(14,337)	(39,747)	(22,429)
EBITDA growth	$ 1,203	$ 1,007	$ 1,718	$ 7,126	$ 7,963
Revenues -- current period	$ 68,548	$ 64,869	$ 52,479	$ 133,417	$101,163

Less revenues -- prior period	(64,869)	(61,798)	(48,684)	(119,894)	(87,428)
Revenue growth	$ 3,679	$ 3,071	$ 3,795	$ 13,523	$ 13,735
EBITDA flow-through rate	33%	33%	45%	53%	58%

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

Assets	June 30, 2006	December 31, 2005
Cash, cash equivalents and investments	$ 147,939	$ 188,855
Accounts receivable, net	23,347	17,237
Property and equipment, net	471,765	438,790
Goodwill and other intangible assets, net	23,485	21,829
Debt issuance costs, net	2,659	3,075
Prepaid expenses	4,900	5,098
Deposits	6,641	3,548
Other assets	2,437	2,565
Total assets	$ 683,173	$ 680,997
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	$ 23,582	$ 22,557
Accrued property and equipment	21,938	15,783
Accrued restructuring charges	45,350	49,831
Borrowings under credit line	-	30,000
Capital lease obligations	34,130	34,530
Other financing obligations	61,336	61,675
Mortgage payable	59,484	60,000
Convertible subordinated debentures	86,250	86,250
Deferred installation revenue	7,573	7,658
Customer deposits	785	1,188
Deferred rent	21,152	18,792
Asset retirement obligations	3,904	3,649
Other liabilities	562	411
Total liabilities	366,046	392,324
Common stock	29	27
Additional paid-in capital	871,999	839,497
Deferred stock-based compensation	-	(4,930)
Accumulated other comprehensive income	2,486	1,126
Accumulated deficit	(557,387)	(547,047)
Total stockholders' equity	317,127	288,673
Total liabilities and stockholders' equity	$ 683,173	$ 680,997

Ending headcount by geographic region is as follows:		
U.S. headcount	402	372
Asia-pacific headcount	169	165
Total headcount	571	537

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (1)
(in thousands)
(unaudited)

	Three Months Ended			Six Months Ended	
	June 30, 2006	March 31, 2006	June 30, 2005	June 30, 2006	June 30, 2005
Cash flows from operating activities:					
Net loss	$ (5,270)	$ (5,070)	$ (3,431)	$(10,340)	$ (9,225)
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation, amortization and accretion	18,361	17,881	16,070	36,242	31,460
Stock-based compensation	8,897	7,758	2,489	16,655	4,933
Non-cash interest expense	208	208	268	416	1,173
Restructuring charges	-	-	-	-	-
Other reconciling items	(64)	(727)	6	(791)	(49)
Changes in operating assets and liabilities:					
Accounts receivable	(5,011)	(1,251)	(1,484)	(6,262)	(3,748)
Accounts payable and accrued expenses	2,597	(993)	3,402	1,604	2,952
Accrued restructuring charges	(3,168)	(2,957)	(486)	(6,125)	(968)
Other assets and liabilities	(443)	(2,058)	1,315	(2,501)	7,014
Net cash provided by operating activities	16,107	12,791	18,149	28,898	33,542
Cash flows from investing activities:					
Purchase of Ashburn campus property	-	-	-	-	-
Purchase of Los Angeles IBX property	-	-	-	-	-
Purchase of Chicago IBX property	(9,766)	-	-	(9,766)	-
Purchases of other property and equipment	(29,671)	(26,613)	(9,890)	(56,284)	(15,413)
Accrued property and equipment	3,643	2,512	3,155	6,155	2,512
Other investing activities	-	6	-	6	-
Net cash used in investing activities	(35,794)	(24,095)	(6,735)	(59,889)	(12,901)
Cash flows from financing activities:					
Proceeds from warrants, stock options and employee					

stock purchase plans	5,862	14,714	3,285	20,576	7,632
Repayment of borrowings under credit line	-	(30,000)	-	(30,000)	-
Repayment of capital lease obligations	(201)	(197)	(163)	(398)	(322)
Repayment of other financing obligations	(174)	(167)	(627)	(341)	(3,690)
Repayment of mortgage payable	(311)	(205)	-	(516)	-
Other financing activities	200	370	-	570	-
Net cash provided by (used in) financing activities	5,376	(15,485)	2,495	(10,109)	3,620
Effect of foreign currency exchange rates on cash and cash equivalents	27	157	(16)	184	(324)
Net increase (decrease) in cash, cash equivalents and investments	(14,284)	(26,632)	13,893	(40,916)	23,937
Cash, cash equivalents and investments at beginning of period	162,223	188,855	118,136	188,855	108,092
Cash, cash equivalents and investments at end of period	$147,939	$162,223	$132,029	$147,939	$132,029
Free cash flow (2)	$(19,687)	$(11,304)	$ 11,414	$(30,991)	$ 20,641
Adjusted free cash flow (3)	$ (9,921)	$(11,304)	$ 11,414	$(21,225)	$ 20,641

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(1) The cash flow statements presented herein combine our short-term and long-term investments with our cash and cash equivalents in an effort to present our total unrestricted cash and equivalent balances. In our quarterly filings with the SEC on Forms 10-Q and 10-K, the purchases, sales and maturities of our short-term and long-term investments will be presented as activities within the investing activities portion of the cash flow statements.

(2) We define free cash flow as net cash provided by operating activities plus net cash used in investing activities (excluding the purchases, sales and maturities of short-term and long-term investments) as presented below:

Net cash provided by operating activities as presented above	$ 16,107	$ 12,791	$ 18,149	$ 28,898	$ 33,542
Net cash used in investing activities as presented above	(35,794)	(24,095)	(6,735)	(59,889)	(12,901)
Free cash flow	$(19,687)	$(11,304)	$ 11,414	$(30,991)	$ 20,641

(3) We define adjusted free cash flow as free cash flow (as defined above) excluding any purchases or sales of real estate as presented below:

Free cash flow (as defined above)	$(19,687)	$(11,304)	$ 11,414	$(30,991)	$ 20,641

Less purchase of Chicago IBX property	9,766	-	-	9,766	-
Adjusted free cash flow	$ (9,921)	$(11,304)	$ 11,414	$(21,225)	$ 20,641

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