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): February 1, 2007

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 1.01. Entry into a Material Definitive Agreement

On February 1, 2007, Equinix, Inc. ("Equinix") notified Rose Ventures II, Inc. ("Seller") of its election to proceed with Equinix's planned purchase of an approximately 133,500 square foot building in San Jose, California currently leased by Equinix Operating Co., Inc., a Delaware corporation and wholly-owned subsidiary of Equinix (the "Property") for $65 million pursuant to a Purchase and Sale Agreement and Joint Escrow Instructions dated January 25, 2007. Upon delivery of such notification, Seller became obligated to sell and Equinix became obligated to purchase the Property, subject to customary closing conditions.

A deposit of $6.5 million will be applied against the $65 million purchase price, which will be paid in cash at closing. Seller may elect to convey the Property in up to three separate installments of tenancy in common interests and Seller must convey its entire fee interest in the Property on or before November 30, 2007.

A copy of the related press release is attached as Exhibit 99.1.

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 February 7, 2007, Equinix issued a press release announcing its financial results for the quarter and year ended December 31, 2006. A copy of the press release is attached as Exhibit 99.2. Equinix released certain non-GAAP information in the press release. Attached to the press release is a reconciliation to the non-GAAP information.

On February 7, 2007, in connection with the issuance of the press release, Equinix will hold a conference call to discuss the press release.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits.

99.1 Press Release of Equinix, Inc. dated February 7, 2007.
99.2 Press Release of Equinix, Inc. dated February 7, 2007.

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: February 7, 2007

By: /s/ KEITH D. TAYLOR
Keith D. Taylor
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release of Equinix, Inc. dated February 7, 2007.
99.2	Press Release of Equinix, Inc. dated February 7, 2007.

Equinix to Purchase Its Flagship Silicon Valley IBX

FOSTER CITY, Calif.--(BUSINESS WIRE)--Feb. 7, 2007--Equinix, Inc. (NASDAQ:EQIX), the leading provider of network-neutral data centers and Internet exchange services, today announced an agreement to acquire its flagship Silicon Valley property for $65.0 million.

The Company intends to finance the majority of the cost of the acquisition, following an initial $6.5 million deposit. Although the closing date is yet to be determined, it will occur no later than November 2007. Equinix's flagship Internet Business Exchange(TM) (IBX(R)) center in San Jose is one of four IBXs currently occupied by the Company in the Silicon Valley area.

"Like the purchase of our Washington DC area campus in 2005, we have acquired our Silicon Valley IBX, a strategic interconnection hub on the West Coast. The acquisition will enable us to gain long-term control of this strategic IBX center," said Peter Van Camp, chairman and CEO, Equinix. "Furthermore, this deal may provide us with greater options in potentially expanding our IBX footprint in this important market to meet the growing demand for our colocation and network interconnectivity services."

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 10 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 built out 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 litigation relating to past stock option 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.

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or
K/F Communications, Inc.
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Exhibit 99.2

Equinix Reports Fourth Quarter and Year-End 2006 Results

-- Increased Quarterly Revenues to $79.8 Million, an 8% Increase over the Previous Quarter; Increased Annual Revenues to $286.9 Million, a 30% Increase over 2005 Results

-- Increased Quarterly EBITDA, a Non-GAAP Financial Measure, to $30.3 Million, a 21% Increase over the Previous Quarter; Increased Annual EBITDA, to $102.1 Million, a 46% Increase over 2005 Results

-- Added 81 New Customers, for a Total of 1,290, Including Chicago Mercantile Exchange, Netflix, Network Appliance and Timex

-- Announced Today an Agreement to Acquire its Flagship Silicon Valley IBX Center for $65.0 Million and Announces an Incremental Expansion in Singapore for $12.0 Million

FOSTER CITY, Calif.--(BUSINESS WIRE)--Feb. 7, 2007--Equinix, Inc. (Nasdaq:EQIX), the leading provider of network-neutral data centers and Internet exchange services, today reported its quarterly and year-end results for the period ended December 31, 2006.

Revenues were $79.8 million for the fourth quarter and $286.9 million for the year-ended December 31, 2006, representing an 8% increase over the previous quarter, and a 30% increase over 2005 revenues; however, excluding a non-recurring revenue adjustment that the Company recorded in connection with its adoption of Staff Accounting Bulletin No. 108 (SAB 108), pro forma revenues were $81.0 million for the fourth quarter and $288.1 million for the year-ended December 31, 2006, representing a 10% increase over the previous quarter, and a 30% increase over 2005 revenues. Recurring revenues, consisting primarily of colocation, interconnection and managed services, were $76.4 million for the quarter and $273.2 million for the year-ended December 31, 2006, a 9% increase over the previous quarter, and a 31% increase over 2005.

Non-recurring revenues were $3.4 million in the quarter, consisting primarily of services and installation fees, and $13.7 million for the year ended December 31, 2006. However, excluding the non-recurring revenue adjustment, pro forma non-recurring revenues were $4.6 million in the quarter, an increase of 19% over the previous quarter, and $14.9 million for the year-ended December 31, 2006.

Note: Equinix uses non-GAAP financial measures, such as pro forma revenues, 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 $50.3 million for the fourth quarter, including $853,000 of stock-based compensation, a 2% increase over the previous quarter. Cost of revenues were $188.4 million for the year-ended December 31, 2006, including $3.2 million of stock-based compensation, a 19% increase over cost of revenues for 2005. Cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation of $20.0 million and $76.3 million, respectively, were $30.3 million for the fourth quarter and $112.1 million for the year-ended 2006. Cash gross margins, defined as gross profit less depreciation, amortization, accretion and stock-based compensation divided by pro forma revenues, for the quarter were 63%, up from 60% the previous quarter. Cash gross margins were 61% for 2006, up from 57% in 2005. On a same IBX basis (defined as IBX centers which have been available for new customer installs for at least four full quarters), cash gross margins were 67% for the fourth quarter, and 65% for the year-ended 2006.

Selling, general and administrative expenses were $28.1 million for the fourth quarter, including $6.4 million of stock-based compensation, and $104.7 million for the year-ended December 31, 2006, including $27.5 million of stock-based compensation. During the quarter, we recognized greater than expected variable sales and corporate compensation costs totaling $2.8 million. Selling, general and administrative expenses, excluding depreciation, amortization and stock-based compensation of $7.7 million and $30.8 million, respectively, were $20.4 million for the fourth quarter, a 7% increase from the previous quarter and $73.9 million for 2006, a 33% increase over 2005. This increase included $1.7 million in annual costs related to the audit committee's independent investigation of the Company's stock options practices.

Net income for the fourth quarter was $9.1 million, including stock-based compensation expense of $7.2 million, the gain on the sale of the Honolulu IBX of $9.6 million and the $1.2 million adjustment recorded in connection with the adoption of SAB 108. This represents basic net income per share of $0.31 on a weighted average share count of 29.1 million and diluted net income per share of $0.30 on a weighted average share count of 32.7 million. Net loss for the year-ended December 31, 2006 was $6.4 million, or a basic and diluted net loss per share of $0.22.

EBITDA, defined as income or loss from operations before depreciation, amortization, accretion, stock-based compensation expense, restructuring charges and, with respect to the 2006 results, the gain on the sale of the Honolulu IBX and the adjustment recorded in connection with the adoption of SAB 108, for the fourth quarter was $30.3 million and $102.1 million for the year-ended December 31, 2006, an increase of 21% over the previous quarter, and up from $70.1 million in 2005, a 46% increase.

Capital expenditures in the fourth quarter were $59.4 million, of which $8.9 million was attributed to ongoing capital expenditures and $50.5 million was attributed to expansion capital expenditures. Capital expenditures for the year-ended December 31, 2006 were $162.3 million, of which $31.2 million was attributed to ongoing capital expenditures and $131.1 million was attributed to expansion capital expenditures. The result reflects approximately $25.0 million of expansion capital expenditures that were shifted into 2007 as a result of project timing, offset by an additional $10.0 million of expansion capital expenditures attributed to accelerated customer installs in our newly-opened IBXs and some capitalized interest associated with our recent financing for our Washington D.C. area campus.

The Company generated cash from operating activities of $26.3 million for the fourth quarter as compared to $20.7 million in the previous quarter. Cash generated from operating activities for the year-ended December 31, 2006 was $75.9 million as compared to $67.6 million in 2005. Cash used in investing activities was $45.1 million in the fourth quarter as compared to $50.0 million in the previous quarter. Cash used in investing activities for the year was $155.0 million as compared to $120.9 million in 2005. Adjusted free cash flow was negative $28.3 million in the fourth quarter, and negative $78.8 million for the year-ended December 31, 2006. 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 December 31, 2006, the Company's cash, cash equivalents and investments were $156.5 million as compared to $188.9 million as of December 31, 2005.

"2006 was another strong year of growth for the Company," said Peter Van Camp, chairman and CEO, Equinix. "Our business execution, expansion program, and momentum as we completed the year provide a solid foundation to continue to build on our market leadership position in 2007."

Other Company Developments & Metrics

-- Equinix announced an agreement to acquire its flagship Silicon Valley property, located in San Jose, California, for $65.0 million.

-- In Asia, the Company will invest $12.0 million for an incremental expansion in its Singapore IBX, which will provide approximately 450 cabinets.

-- The Company increased the existing mortgage on its Washington, D.C. area campus from $60.0 million to $100.0 million, and obtained $110.0 million in financing for the previously announced expansion of its Chicago footprint.

-- On a same IBX basis for the quarter (defined as IBX centers which have been available for new customer installs for at least four full quarters), pro forma revenues were $75.6 million; cost of revenues were $42.0 million; cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation, were $24.8 million and cash gross margins for the quarter were 67%. EBITDA on a same IBX basis for the quarter was $31.0 million.

-- Equinix added 81 new customers in the fourth quarter and 297 customers for the year 2006, ending the year with 1,290 total customers. Customers added in the fourth quarter include Chicago Mercantile Exchange, Netflix, Network Appliance and Timex, and an additional 18 new customers for the Financial Exchange service. Over 50% of Equinix's new bookings in the quarter came from existing customers, including Electronic Arts, IBM and YouTube.

-- Based on a total cabinet capacity of approximately 31,000, the number of cabinets billing as of December 31, 2006 was approximately 17,400, up from approximately 16,200 the previous quarter, and up from 14,100 as of December 31, 2005. On a weighted average basis, the number of cabinets billing was approximately 17,200 representing a utilization rate of 55%.

-- U.S. interconnection service revenues were 22% of U.S. recurring revenues for the fourth quarter and 22% for the year-ended December 31, 2006. Interconnection services revenues represent approximately 20% of total worldwide recurring revenues for the year-ended December 31, 2006.

Business Outlook

For the first quarter 2007, the Company expects revenue to be in the range of $84.0 to $85.0 million. Cash gross margins are expected to be approximately 61% including approximately $3.0 million of net cash costs attributed to our expansion IBXs. Cash selling, general and administrative expenses are expected to be approximately $20.0 million. EBITDA is expected to be between $31.0 and $32.0 million. Net loss will approximate $2.0 million, including the impact of approximately $9.0 million of stock-based compensation expense. Net interest expense will be approximately $3.0 million. The weighted average shares outstanding will be approximately 29.5 million. Capital expenditures are expected to be in a range of $55.0 to $60.0 million, comprised of approximately $15.0 million of ongoing capital expenditures and $40.0 to $45.0 million of expansion capital expenditures.

For the full year of 2007, total revenues are expected to be in the range of $354.0 to $364.0 million. Cash gross margins are expected to be in the range of 59% to 61%. Cash selling, general and administrative expenses are expected to be in the range of $78.0 to $80.0 million. EBITDA is expected to be between $134.0 and $139.0 million, including $9.0 million of net costs related to the Company's expansion projects. Net loss will approximate $21.0 million, including the impact of approximately $40.0 million of stock-based compensation expense. Net interest expense will be approximately $18.0 million. The estimated weighted average shares outstanding will be approximately 30.0 million. Capital expenditures for 2007 are expected to be in a range of $316.0 to $336.0 million, comprised of approximately $36.0 million of ongoing capital expenditures and $280.0 to $300.0 million of expansion capital expenditures, which includes $25.0 million of expansion capital shifted from 2006 into 2007. In addition, the Company will invest capital of $65.0 million for the purchase of the Silicon Valley IBX.

The Company will discuss its results and guidance on its quarterly conference call on Wednesday, February 7, 2007, at 5:30 p.m. ET (2:30 p.m. PT). To hear the conference call live, please dial 1-773-799-3263 (domestic and international) and reference the pass code (EQIX). A simultaneous live Webcast of the call will be available over the Internet at www.equinix.com, under the Investor Relations heading. A replay of the call will be available beginning on Wednesday, February 7, 2007 at 7:30 p.m. (ET) by dialing 1-203-369-0633. In addition, the Webcast will be available on the Company's Web site at www.equinix.com. No password is required for either method of replay.

A reconciliation between GAAP information and non-GAAP information contained in this press release is provided in a table immediately following the Condensed Consolidated Statements of Operations - GAAP Presentation. This information is also available on our Web Site under the Investor Relations heading.

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 10 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 built out data centers; failure to complete any financing arrangements contemplated from time to time; failure to receive the proceeds from our loan commitments as expected; 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 litigation relating to past stock option 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 pro forma revenues, EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), cash interest expense, cash net income (loss), 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 a non-recurring revenue adjustment with respect to 2006 results, depreciation, amortization, accretion, stock-based compensation, non-cash interest, restructuring charges and, with respect to 2006 results, the gain on Honolulu IBX sale (there was no such activity in 2005). 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 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 liability, 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. Equinix excludes interest expense associated with the amortization of debt issuance costs and discounts, as well as the interest expense associated with its convertible secured notes as such interest expenses do not require any cash in the periods presented nor will they in future periods. With respect to its 2006 and 2005 results, Equinix excludes restructuring charges and the gain on Honolulu IBX sale. 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. The gain on Honolulu IBX sale represents a unique transaction for the Company and future sales of IBX centers are not expected. The Honolulu market was not considered a core, strategic market for the Company. Management believes such restructuring charges and the gain on the sale of an IBX center were unique transactions that are not expected to recur, and consequently, does not consider these items as a normal component of expenses or income related to current and ongoing operations. Lastly, with respect to its 2006 results, the Company excludes a non-recurring revenue adjustment recorded in the fourth quarter of 2006 as a result of the Company's adoption of Staff Accounting Bulletin No. 108.

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, 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 twelve months ended December 31, 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			Twelve Months Ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Recurring revenues	$76,401	$69,918	$58,380	$273,160	$208,003
Non-recurring revenues	3,371	3,808	3,418	13,755	13,054
Revenues	79,772	73,726	61,798	286,915	221,057
Cost of revenues	50,334	49,137	41,715	188,379	158,354
Gross profit	29,438	24,589	20,083	98,536	62,703
Operating expenses:					
Sales and marketing	9,439	7,502	5,759	32,619	20,552
General and administrative	18,637	18,631	11,516	72,123	45,110
Restructuring charges	-	1,527	33,814	1,527	33,814
Gain on Honolulu IBX					

sale	(9,647)	-	-	(9,647)	-
Total operating expenses	18,429	27,660	51,089	96,622	99,476
Income (loss) from operations	11,009	(3,071)	(31,006)	1,914	(36,773)
Interest and other income (expense):					
Interest income	1,562	1,724	940	6,627	3,584
Interest expense and other	(3,891)	(3,551)	(2,548)	(14,875)	(8,880)
Total interest and other, net	(2,329)	(1,827)	(1,608)	(8,248)	(5,296)
Net income (loss) before income taxes and cumulative effect of a change in accounting principle	8,680	(4,898)	(32,614)	(6,334)	(42,069)
Income taxes	431	(270)	10	(439)	(543)
Net income (loss) before cumulative effect of a change in accounting principle	9,111	(5,168)	(32,604)	(6,773)	(42,612)
Cumulative effect of a change in accounting principle	-	-	-	376	-
Net income (loss)	$9,111	$(5,168)	$(32,604)	$(6,397)	$(42,612)
Net income (loss) per share:					
Basic net income (loss) per share	$0.31	$(0.18)	$(1.25)	$(0.22)	$(1.78)
Diluted net income (loss) per share	$0.30	$(0.18)	$(1.25)	$(0.22)	$(1.78)
Shares used in computing basic net income (loss) per share	29,131	28,743	26,100	28,551	23,956
Net income (loss) as reported	$9,111	$(5,168)	$(32,604)	$(6,397)	$(42,612)
Effect of assumed conversion of convertible subordinated debentures	700	-	-	-	-
Net income (loss) used in computing diluted net income (loss) per share	$9,811	$(5,168)	$(32,604)	$(6,397)	$(42,612)
Shares used in computing diluted net income (loss) per share	32,700	28,743	26,100	28,551	23,956

Non-GAAP net income (loss) (1)	$7,870	$3,244	$3,196	$17,429	$(521)

(1) Non-GAAP net income (loss) excludes the non-recurring revenue adjustment, stock-based compensation, restructuring charges and the gain on Honolulu IBX sale as follows:

Net income (loss)	$9,111	$(5,168)	$(32,604)	$(6,397)	$(42,612)
Non-recurring revenue adjustment	1,179	-	-	1,179	-
Stock-based compensation	7,227	6,885	1,986	30,767	8,277
Restructuring charges	-	1,527	33,814	1,527	33,814
Gain on Honolulu IBX sale	(9,647)	-	-	(9,647)	-
Non-GAAP net income (loss)	$7,870	$3,244	$3,196	$17,429	$(521)

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Recurring revenues	$76,401	$69,918	$58,380	$273,160	$208,003
Non-recurring revenues	3,371	3,808	3,418	13,755	13,054
Revenues as reported	79,772	73,726	61,798	286,915	221,057
Non-recurring revenue adjustment (1)	1,179	-	-	1,179	-
Pro forma revenues (2)	80,951	73,726	61,798	288,094	221,057
Cash cost of revenues (3)	30,287	29,738	25,192	112,142	95,557
Cash gross profit (4)	50,664	43,988	36,606	175,952	125,500
Cash operating expenses (5):					
Cash sales and marketing expenses(6)	7,622	5,864	5,332	25,110	18,931
Cash general and administrative expenses (7)	12,770	13,197	9,446	48,770	36,430
Total cash operating expenses (8)	20,392	19,061	14,778	73,880	55,361
EBITDA (9)	$30,272	$24,927	$21,828	$102,072	$70,139
Cash gross margins (10)	63%	60%	59%	61%	57%
EBITDA flow-through rate (11)	74%	17%	106%	48%	60%

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(1) This adjustment represents the impact of the Company's adoption of Staff Accounting Bulletin No. 108, which was issued in September 2006.

(2) The geographic split of our pro forma revenues is presented below:

U.S. pro forma revenues	$68,851	$63,654	$53,463	$247,245	$191,390
Asia-Pacific pro forma revenues	12,100	10,072	8,335	40,849	29,667
Pro forma revenues	$80,951	$73,726	$61,798	$288,094	$221,057

Pro forma revenues on a services basis is presented below:

Colocation	$56,537	$51,678	$43,127	$201,772	$152,606
Interconnection	15,501	13,862	11,181	53,811	40,877
Managed infrastructure	4,152	4,066	3,760	16,197	14,208
Rental	211	312	312	1,380	312
Recurring revenues	76,401	69,918	58,380	273,160	208,003
Pro forma non-recurring revenues	4,550	3,808	3,418	14,934	13,054
Pro forma revenues	$80,951	$73,726	$61,798	$288,094	$221,057

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	$75,618	$71,572	$56,752	$277,910	$211,267
New IBX centers	5,333	2,154	5,046	10,184	9,790
Pro forma revenues	$80,951	$73,726	$61,798	$288,094	$221,057

(3) We define cash cost of revenues as cost of revenues less depreciation, amortization, accretion and stock-based compensation as presented below:

Cost of revenues	$50,334	$49,137	$41,715	$188,379	$158,354
Depreciation, amortization and accretion expense	(19,194)	(18,735)	(16,523)	(72,999)	(62,797)
Stock-based compensation expense	(853)	(664)	-	(3,238)	-
Cash cost of revenues	$30,287	$29,738	$25,192	$112,142	$95,557

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

U.S. cash cost of revenues	$25,019	$25,154	$20,954	$93,436	$79,287
Asia-Pacific cash cost of revenues	5,268	4,584	4,238	18,706	16,270
Cash cost of revenues	$30,287	$29,738	$25,192	$112,142	$95,557

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	$24,753	$26,422	$21,605	$98,500	$87,378
Same IBX centers-depreciation, amortization and accretion					

expense	16,420	16,445	14,277	64,830	56,687
Same IBX centers-stock-based compensation expense	854	632	-	3,207	-
Same IBX centers cost of revenues	42,027	43,499	35,882	166,537	144,065
New IBX centers-cash cost of revenues	5,534	3,316	3,587	13,642	8,179
New IBX centers-depreciation, amortization and accretion expense	2,774	2,290	2,246	8,169	6,110
New IBX centers-stock-based compensation expense	(1)	32	-	31	-
New IBX centers cost of revenues	8,307	5,638	5,833	21,842	14,289
Cost of revenues	$50,334	$49,137	$41,715	$188,379	$158,354

(4) We define cash gross profit as revenues less cash cost of revenues (as defined above).

(5) 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".

(6) 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	$9,439	$7,502	$5,759	$32,619	$20,552
Depreciation and amortization expense	(15)	(15)	(15)	(60)	(60)
Stock-based compensation expense	(1,802)	(1,623)	(412)	(7,449)	(1,561)
Cash sales and marketing expenses	$7,622	$5,864	$5,332	$25,110	$18,931

(7) 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	$18,637	$18,631	$11,516	$72,123	$45,110
Depreciation and amortization expense	(1,295)	(836)	(496)	(3,273)	(1,964)
Stock-based compensation expense	(4,572)	(4,598)	(1,574)	(20,080)	(6,716)
Cash general and administrative expenses	$12,770	$13,197	$9,446	$48,770	$36,430

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

Cash sales and
marketing

expenses	$7,622	$5,864	$5,332	$25,110	$18,931
Cash general and administrative expenses	12,770	13,197	9,446	48,770	36,430
Cash SG&A	$20,392	$19,061	$14,778	$73,880	$55,361

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

U.S. cash SG&A	$16,899	$16,261	$12,026	$61,086	$44,758
Asia-Pacific cash SG&A	3,493	2,800	2,752	12,794	10,603
Cash SG&A	$20,392	$19,061	$14,778	$73,880	$55,361

(9) We define EBITDA as income (loss) from operations less the non-recurring revenue adjustment, depreciation, amortization, accretion, stock-based compensation expense, restructuring charges and the gain on Honolulu IBX sale as presented below:

Income (loss) from operations	$11,009	$(3,071)	$(31,006)	$1,914	$(36,773)
Non-recurring revenue adjustment	1,179	-	-	1,179	-
Depreciation, amortization and accretion expense	20,504	19,586	17,034	76,332	64,821
Stock-based compensation expense	7,227	6,885	1,986	30,767	8,277
Restructuring charges	-	1,527	33,814	1,527	33,814
Gain on Honolulu IBX sale	(9,647)	-	-	(9,647)	-
EBITDA	$30,272	$24,927	$21,828	$102,072	$70,139

The geographic split of our EBITDA is presented below:

U.S. income (loss) from operations	$9,695	$(3,967)	$(31,504)	$76	$(35,448)
U.S. non-recurring revenue adjustment	1,179	-	-	1,179	-
U.S. depreciation, amortization and accretion expense	19,448	18,607	16,187	72,340	60,702
U.S. stock-based compensation expense	6,258	6,072	1,986	27,248	8,277
U.S. restructuring charges	-	1,527	33,814	1,527	33,814
U.S. gain on Honolulu IBX sale	(9,647)	-	-	(9,647)	-
U.S. EBITDA	26,933	22,239	20,483	92,723	67,345
Asia-Pacific income (loss) from operations	1,314	896	498	1,838	(1,325)
Asia-Pacific non-recurring revenue adjustment	-	-	-	-	-
Asia-Pacific depreciation, amortization and accretion expense	1,056	979	847	3,992	4,119
Asia-Pacific stock-based compensation					

expense	969	813	-	3,519	-
Asia-Pacific restructuring charges	-	-	-	-	-
Asia-Pacific gain on Honolulu IBX sale	-	-	-	-	-
Asia-Pacific EBITDA	3,339	2,688	1,345	9,349	2,794
EBITDA	$30,272	$24,927	$21,828	$102,072	$70,139

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	$14,541	$944	$(29,882)	$15,193	$(31,061)
Same IBX centers- non-recurring revenue adjustment	1,179	-	-	1,179	-
Same IBX centers- depreciation, amortization and accretion expense	17,730	17,296	14,788	68,163	58,711
Same IBX centers- stock-based compensation expense	7,228	6,853	1,986	30,736	8,277
Same IBX centers- restructuring charges	-	1,527	33,814	1,527	33,814
Same IBX centers- gain on Honolulu IBX sale	(9,647)	-	-	(9,647)	-
Same IBX center EBITDA	31,031	26,620	20,706	107,151	69,741
New IBX centers- income (loss) from operations	(3,532)	(4,015)	(1,124)	(13,279)	(5,712)
New IBX centers- non-recurring revenue adjustment	-	-	-	-	-
New IBX centers- depreciation, amortization and accretion expense	2,774	2,290	2,246	8,169	6,110
New IBX centers- stock-based compensation expense	(1)	32	-	31	-
New IBX centers- restructuring charges	-	-	-	-	-
New IBX centers- gain on Honolulu IBX sale	-	-	-	-	-
New IBX center EBITDA	(759)	(1,693)	1,122	(5,079)	398
EBITDA	$30,272	$24,927	$21,828	$102,072	$70,139

(10) We define cash gross margins as cash gross profit divided by pro forma revenues.

Our cash gross margins by geographic region is presented below:

U.S. cash gross margins	64%	60%	61%	62%	59%

Asia-Pacific cash gross margins	56%	54%	49%	54%	45%

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	67%	63%	62%	65%	59%

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

EBITDA - current period	$30,272	$24,927	$21,828	$102,072	$70,139
Less EBITDA - prior period	(24,927)	(24,038)	(17,919)	(70,139)	(35,614)
EBITDA growth	$5,345	$889	$3,909	$31,933	$34,525
Pro forma revenues - current period	$80,951	$73,726	$61,798	$288,094	$221,057
Less pro forma revenues - prior period	(73,726)	(68,548)	(58,096)	(221,057)	(163,671)
Pro forma revenue growth	$7,225	$5,178	$3,702	$67,037	$57,386
EBITDA flow-through rate	74%	17%	106%	48%	60%

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

Assets	December 31, 2006	December 31, 2005
Cash, cash equivalents and investments	$156,481	$188,855
Accounts receivable, net	26,864	17,237
Property and equipment, net	546,395	438,790
Goodwill and other intangible assets, net	17,441	21,829
Debt issuance costs, net	3,006	3,075
Prepaid expenses	7,160	5,098
Deposits	3,932	3,548
Deferred tax assets	6,910	-
Other assets	3,643	2,565
Total assets	$771,832	$680,997
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	$27,269	$22,557
Accrued property and equipment	23,337	15,783
Accrued restructuring charges	41,572	49,831
Borrowings under credit line	-	30,000
Capital lease and other financing obligations	94,699	96,205
Mortgage payable	98,896	60,000
Convertible subordinated debentures	86,250	86,250
Deferred installation revenue	11,694	7,658
Deferred recurring revenue	6,732	-
Customer deposits	910	1,188
Deferred rent	20,924	18,792
Asset retirement obligations	3,985	3,649
Other liabilities	536	411
Total liabilities	416,804	392,324
Common stock	29	27

Additional paid-in capital	904,573	839,497
Deferred stock-based compensation	-	(4,930)
Accumulated other comprehensive income	3,870	1,126
Accumulated deficit	(553,444)	(547,047)
Total stockholders' equity	355,028	288,673
Total liabilities and stockholders' equity	$771,832	$680,997

Ending headcount by geographic region is as follows:

U.S. headcount	442	372
Asia-pacific headcount	174	165
Total headcount	616	537

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2006	September 30, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Cash flows from operating activities:					
Net income (loss)	$9,111	$(5,168)	$(32,604)	$(6,397)	$(42,612)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, amortization and accretion	20,504	19,586	17,034	76,332	64,821
Stock-based compensation	7,227	6,885	1,986	30,767	8,277
Non-cash interest expense	237	227	224	880	1,675
Gain on Honolulu IBX sale	(9,647)	-	-	(9,647)	-
Restructuring charges	-	1,527	33,814	1,527	33,814
Other reconciling items	40	437	26	(314)	(427)
Changes in operating assets and liabilities:					
Accounts receivable	(2,758)	(646)	(1,031)	(9,666)	(4,854)
Accounts payable and accrued expenses	4,286	(1,134)	153	4,756	3,755
Accrued restructuring charges	(3,591)	(3,088)	(1,618)	(12,804)	(3,066)
Other assets and liabilities	938	2,029	575	466	6,212

Net cash provided by operating activities	26,347	20,655	18,559	75,900	67,595
Cash flows from investing activities:					
Purchase of Ashburn campus property	-	-	(53,759)	-	(53,759)
Purchase of Los Angeles IBX property	-	-	(21)	-	(34,748)
Purchase of Chicago IBX property	-	-	-	(9,766)	-
Purchases of other property and equipment	(59,387)	(46,620)	(22,920)	(162,291)	(45,412)
Accrued property and equipment	4,740	(3,341)	10,626	7,554	12,871
Proceeds from sale of Honolulu IBX	9,530	-	-	9,530	-
Other investing activities	-	2	125	8	125
Net cash used in investing activities	(45,117)	(49,959)	(65,949)	(154,965)	(120,923)
Cash flows from financing activities:					
Proceeds from warrants, stock options and employee stock purchase plans	10,080	8,180	1,772	38,836	12,989
Proceeds from borrowings under credit line	-	40,000	30,000	40,000	30,000
Proceeds from Los Angeles IBX financing	-	-	38,142	-	38,142
Proceeds from mortgage payable	40,000	-	60,000	40,000	60,000
Repayment of borrowings under credit line	(40,000)	-	-	(70,000)	-
Repayment of capital lease and other financing obligations	(376)	(391)	(1,310)	(1,506)	(5,523)
Repayment of mortgage payable	(269)	(319)	-	(1,104)	-
Other financing activities	(680)	(9)	(655)	(119)	(997)
Net cash provided by financing activities	8,755	47,461	127,949	46,107	134,611
Effect of foreign currency exchange rates on cash and cash equivalents	150	250	6	584	(520)
Net increase (decrease) in cash, cash equivalents and investments	(9,865)	18,407	80,565	(32,374)	80,763
Cash, cash equivalents and investments at					

beginning of period	166,346	147,939	108,290	188,855	108,092
Cash, cash equivalents and investments at end of period	$156,481	$166,346	$188,855	$156,481	$188,855
Free cash flow (2)	$(18,770)	$(29,304)	$(47,390)	$(79,065)	$(53,328)
Adjusted free cash flow (3)	$(28,300)	$(29,304)	$6,390	$(78,829)	$35,179

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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	$26,347	$20,655	$18,559	$75,900	$67,595
Net cash used in investing activities as presented above	(45,117)	(49,959)	(65,949)	(154,965)	(120,923)
Free cash flow	$(18,770)	$(29,304)	$(47,390)	$(79,065)	$(53,328)

(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)	$(18,770)	$(29,304)	$(47,390)	$(79,065)	$(53,328)
Less purchase of Ashburn campus property	-	-	53,759	-	53,759
Less purchase of Los Angeles IBX property	-	-	21	-	34,748
Less purchase of Chicago IBX property	-	-	-	9,766	-
Less proceeds from sale of Honolulu IBX	(9,530)	-	-	(9,530)	-
Adjusted free cash flow	$(28,300)	$(29,304)	$6,390	$(78,829)	$35,179

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