

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-31293

EQUINIX, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

77-0487526
(I.R.S. Employer
Identification No.)

One Lagoon Drive, Fourth Floor, Redwood City, California 94065
(Address of principal executive offices, including ZIP code)

(650) 598-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) Yes No and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's Common Stock as of March 31, 2013 was 49,339,902.

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PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

EQUINIX, INC.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2013	December 31, 2012
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 685,019	\$ 252,213
Short-term investments	233,289	166,492
Restricted cash	843,478	9,380
Accounts receivable, net	185,163	163,840
Other current assets	58,908	47,826
Total current assets	2,005,857	639,751
Long-term investments	293,751	127,819
Property, plant and equipment, net	3,890,190	3,918,999
Goodwill	1,018,777	1,042,564
Intangible assets, net	191,935	201,562
Other assets	212,423	202,269
Total assets	<u>\$7,612,933</u>	<u>\$6,132,964</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 248,395	\$ 268,853
Accrued property, plant and equipment	64,643	63,509
Current portion of capital lease and other financing obligations	16,304	15,206
Current portion of loans payable	47,350	52,160
Current portion of senior notes	750,000	—
Other current liabilities	139,018	139,561
Total current liabilities	1,265,710	539,289
Capital lease and other financing obligations, less current portion	568,067	545,853
Loans payable, less current portion	179,560	188,802
Convertible debt, less current portion	712,478	708,726
Senior notes, less current portion	2,250,000	1,500,000
Other liabilities	197,966	230,843
Total liabilities	<u>5,173,781</u>	<u>3,713,513</u>
Redeemable non-controlling interests (Note 10)	96,891	84,178
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock	50	49
Additional paid-in capital	2,627,334	2,583,371
Treasury stock	(36,309)	(36,676)
Accumulated other comprehensive loss	(174,267)	(101,042)
Accumulated deficit	(74,547)	(110,429)
Total stockholders' equity	<u>2,342,261</u>	<u>2,335,273</u>
Total liabilities, redeemable non-controlling interests and stockholders' equity	<u>\$7,612,933</u>	<u>\$6,132,964</u>

See accompanying notes to condensed consolidated financial statements

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EQUINIX, INC.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Three months ended March 31,	
	2013	2012
	(Unaudited)	
Revenues	\$519,455	\$443,245
Costs and operating expenses:		
Cost of revenues	259,268	217,098
Sales and marketing	58,276	46,410
General and administrative	89,685	78,316
Acquisition costs	3,662	675
Total costs and operating expenses	410,891	342,499
Income from continuing operations	108,564	100,746
Interest income	747	691
Interest expense	(60,331)	(52,818)
Other expense	(459)	(154)
Income from continuing operations before income taxes	48,521	48,465
Income tax expense	(12,198)	(13,853)
Net income from continuing operations	36,323	34,612
Net income from discontinued operations, net of tax	—	199
Net income	36,323	34,811
Net income attributable to redeemable non-controlling interests	(441)	(288)
Net income attributable to Equinix	<u>\$ 35,882</u>	<u>\$ 34,523</u>
Earnings per share ("EPS") attributable to Equinix (Note 2):		
Basic EPS from continuing operations	\$ 0.73	\$ 0.74
Basic EPS from discontinued operations	—	0.00
Basic EPS	<u>\$ 0.73</u>	<u>\$ 0.74</u>
Weighted-average shares	49,029	46,955
Diluted EPS from continuing operations	\$ 0.71	\$ 0.71
Diluted EPS from discontinued operations	—	0.00
Diluted EPS	<u>\$ 0.71</u>	<u>\$ 0.71</u>
Weighted-average shares	<u>53,480</u>	<u>51,061</u>

See accompanying notes to condensed consolidated financial statements

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EQUINIX, INC.
Condensed Consolidated Statements of Comprehensive Income
(in thousands)

	Three months ended	
	March 31,	
	2013	2012
	(Unaudited)	
Net income	\$ 36,323	\$34,811
Other comprehensive income (loss), net of tax:		
Foreign currency translation gain (loss)	(72,554)	34,312
Unrealized gain on available for sale securities	98	78
	<u>(72,456)</u>	<u>34,390</u>
Comprehensive income (loss), net of tax	(36,133)	69,201
Net income attributable to redeemable non-controlling interests	(441)	(288)
Other comprehensive income attributable to redeemable non-controlling interests	(769)	(1,059)
Comprehensive income (loss) attributable to Equinix	<u>\$ (37,343)</u>	<u>\$67,854</u>

See accompanying notes to condensed consolidated financial statements

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EQUINIX, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)

	Three months ended March 31,	
	2013	2012
(unaudited)		
Cash flows from operating activities:		
Net income	\$ 36,323	\$ 34,811
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	100,309	87,875
Stock-based compensation	22,703	19,103
Excess tax benefits from stock-based compensation	(18,990)	—
Amortization of debt issuance costs and debt discounts	5,753	8,107
Amortization of intangible assets	6,759	4,929
Provision for allowance for doubtful accounts	813	1,681
Accretion of asset retirement obligation and accrued restructuring charges	1,398	1,053
Other items	2,337	1,241
Changes in operating assets and liabilities:		
Accounts receivable	(24,663)	(19,677)
Income taxes, net	(1,609)	(8,763)
Other assets	(20,222)	12,196
Accounts payable and accrued expenses	(27,996)	(40,535)
Other liabilities	1,266	23,972
Net cash provided by operating activities	<u>84,181</u>	<u>125,993</u>
Cash flows from investing activities:		
Purchases of investments	(296,513)	(97,383)
Sales of investments	37,163	30,699
Maturities of investments	26,385	413,050
Purchases of property, plant and equipment	(75,667)	(145,490)
Increase in restricted cash	(836,536)	(2)
Release of restricted cash	2,735	68,559
Other investing activities, net	(107)	—
Net cash provided by (used in) investing activities	<u>(1,142,540)</u>	<u>269,433</u>
Cash flows from financing activities:		
Purchases of treasury stock	—	(13,364)
Proceeds from employee equity awards	14,368	30,460
Excess tax benefits from stock-based compensation	18,990	—
Proceeds from senior notes	1,500,000	—
Proceeds from loans payable	—	8,909
Repayment of capital lease and other financing obligations	(3,516)	(2,826)
Repayment of mortgage and loans payable	(14,052)	(67,129)
Debt issuance costs	(19,030)	—
Net cash provided by (used in) financing activities	<u>1,496,760</u>	<u>(43,950)</u>
Effect of foreign currency exchange rates on cash and cash equivalents	(5,595)	2,645
Net increase in cash and cash equivalents	432,806	354,121
Cash and cash equivalents at beginning of period	252,213	278,823
Cash and cash equivalents at end of period	<u>\$ 685,019</u>	<u>\$ 632,944</u>
Supplemental cash flow information:		
Cash paid for taxes	<u>\$ 14,036</u>	<u>\$ 1,734</u>
Cash paid for interest	<u>\$ 67,975</u>	<u>\$ 63,336</u>

See accompanying notes to condensed consolidated financial statements

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Equinix, Inc. (“Equinix” or the “Company”) and reflect all adjustments, consisting only of normal recurring adjustments, which in the opinion of management are necessary to fairly state the financial position and the results of operations for the interim periods presented. The condensed consolidated balance sheet data as of December 31, 2012 has been derived from audited consolidated financial statements as of that date. The consolidated financial statements have been prepared in accordance with the regulations of the Securities and Exchange Commission (“SEC”), but omit certain information and footnote disclosure necessary to present the statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”). For further information, refer to the Consolidated Financial Statements and Notes thereto included in Equinix’s Form 10-K as filed with the SEC on February 26, 2013. Results for the interim periods are not necessarily indicative of results for the entire fiscal year.

Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Equinix and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain amounts in the accompanying condensed consolidated financial statements have been reclassified to conform to the condensed consolidated financial statement presentation as of and for the three months ended March 31, 2013.

Income Taxes

The Company’s effective tax rates were 25.1% and 28.6% for the three months ended March 31, 2013 and 2012, respectively.

The Company is entitled to a deduction for federal and state tax purposes with respect to employee equity award activity. The reduction in income tax payable related to windfall tax benefits for stock based compensation awards has been reflected as an adjustment to additional paid-in capital. For the three months ended March 31, 2013, the benefits arising from employee equity award activity that resulted in an adjustment to additional paid in capital were approximately \$18,990,000.

Discontinued Operations

In August 2012, the Company entered into an agreement to sell 16 of the Company’s IBX data centers located throughout the U.S. to an investment group including 365 Main, Crosslink Capital, Housatonic Partners and Brightwood Capital for net proceeds of \$76,458,000 (the “Divestiture”). The Divestiture closed in November 2012. The Company’s operating results from its discontinued operations associated with the Divestiture consisted of the following for the three months ended March 31, 2012 (in thousands):

Revenues	\$ 8,955
Cost of revenues	(7,981)
Operating expenses	(622)
Income taxes	(153)
Net income from discontinued operations	<u>\$ 199</u>

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)**Recent Accounting Pronouncements**

In December 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2011-11, Disclosures about Offsetting Assets and Liabilities. This ASU requires companies to disclose both gross information and net information about instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. In January 2013, the FASB issued ASU 2013-01, clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. This ASU clarifies that the scope of ASU 2011-11 only applies to derivatives accounted for in accordance with ASC 815, Derivatives and Hedging, and securities borrowing and securities lending transactions. This new guidance is effective for interim and annual periods beginning on or after January 1, 2013 and retrospective disclosure is required for all comparative periods presented. During the three months ended March 31, 2013, the Company adopted these ASUs and their adoption did not have a material impact on its consolidated financial statements since the ASUs enhance currently required disclosures.

In February 2013, the FASB issued ASU 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. This ASU requires companies to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income when applicable or to cross-reference the reclassifications with other disclosures that provide additional detail about the reclassification made when the reclassifications are not made to net income. This ASU is effective for fiscal years and interim periods, beginning after December 15, 2012. During the three months ended March 31, 2013, the Company adopted ASU 2013-02 and the adoption did not have a material impact on its consolidated financial statements since the Company did not have material reclassifications in any periods presented.

2. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (“EPS”) for the periods presented (in thousands, except per share amounts):

	Three months ended	
	March 31,	
	2013	2012
Net income from continuing operations	\$36,323	\$34,612
Net income attributable to redeemable non-controlling interests	(441)	(288)
Adjustments attributable to redemption value of redeemable non-controlling interests	—	209
Net income from continuing operations attributable to Equinix, basic	<u>35,882</u>	<u>34,533</u>
Effect of assumed conversion of convertible debt:		
Interest expense, net of tax	1,851	1,699
Net income from continuing operations attributable to Equinix, diluted	<u>\$37,733</u>	<u>\$36,232</u>
Weighted-average shares used to compute basic EPS	49,029	46,955
Effect of dilutive securities:		
Convertible debt	3,613	2,945
Employee equity awards	838	1,161
Weighted-average shares used to compute diluted EPS	<u>53,480</u>	<u>51,061</u>
EPS from continuing operations attributable to Equinix:		
EPS from continuing operations, basic	<u>\$ 0.73</u>	<u>\$ 0.74</u>
EPS from continuing operations, diluted	<u>\$ 0.71</u>	<u>\$ 0.71</u>

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

The following table sets forth weighted-average outstanding potential shares of common stock that are not included in the diluted earnings per share calculation above because to do so would be anti-dilutive for the periods indicated (in thousands):

	Three months ended	
	March 31,	
	2013	2012
Shares reserved for conversion of 2.50% convertible subordinated notes	—	2,232
Shares reserved for conversion of 4.75% convertible subordinated notes	4,432	4,433
Common stock related to employee equity awards	113	178
	<u>4,545</u>	<u>6,843</u>

3. Change In Accounting Principle

Commencing in 2013, the Company changed its method of accounting for income taxes by excluding the effects of subsequent events that are not recognized in the Company's consolidated financial statements in determining its estimated annual effective tax rate for interim reporting periods. Prior to the change, the Company's policy was to include the effects of subsequent events that occurred subsequent to the interim balance sheet date in its estimated annual effective tax rate. The Company believes that the change is preferable as it provides consistency with the reporting of activity on a pretax basis and aligns with other income tax guidance which requires items such as changes in tax rate to be reflected in the period such laws become effective. In addition, the Company believes this change results in a more comparable method for interim tax accounting with other companies in its industry. This change did not have a significant impact to the Company's condensed consolidated financial statements as of and for the three months ended March 31, 2012, the three and six months ended June 30, 2012 and the three and nine months ended September 30, 2012 and as a result, the Company did not retrospectively adjust its prior period's condensed consolidated financial statements. For the three months ended March 31, 2013, this change resulted in a \$2,927,000 increase in the income tax provision, or a reduction of \$0.06 and \$0.05, respectively, of basic and diluted EPS, as compared to the Company's prior method of accounting.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

4. Balance Sheet Components

Cash, Cash Equivalents and Short-Term and Long-Term Investments

Cash, cash equivalents and short-term and long-term investments consisted of the following as of (in thousands):

	March 31, 2013	December 31, 2012
Cash and cash equivalents:		
Cash (1)	\$ 155,282	\$ 150,864
Cash equivalents:		
Money markets	434,787	98,340
U.S. government securities	94,950	3,009
Total cash and cash equivalents	<u>685,019</u>	<u>252,213</u>
Marketable securities:		
U.S. government securities	184,981	126,941
Corporate bonds	142,081	37,975
U.S. government agencies securities	103,219	72,979
Asset-backed securities	53,745	6,037
Certificates of deposit	42,018	48,386
Commercial paper	996	1,993
Total marketable securities	<u>527,040</u>	<u>294,311</u>
Total cash, cash equivalents and short-term and long-term investments	<u>\$1,212,059</u>	<u>\$ 546,524</u>

(1) Excludes restricted cash.

As of March 31, 2013 and December 31, 2012, cash equivalents included investments which were readily convertible to cash and had original maturity dates of 90 days or less. The maturities of securities classified as short-term investments were one year or less as of March 31, 2013 and December 31, 2012. The maturities of securities classified as long-term investments were greater than one year and less than three years as of March 31, 2013 and December 31, 2012.

The following table summarizes the cost and estimated fair value of marketable securities based on stated effective maturities as of (in thousands):

	March 31, 2013		December 31, 2012	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	\$233,163	\$233,289	\$166,445	\$166,492
Due after one year through three years	293,710	293,751	127,795	127,819
Total	<u>\$526,873</u>	<u>\$527,040</u>	<u>\$294,240</u>	<u>\$294,311</u>

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

The following table summarizes the fair value and gross unrealized gains and losses related to the Company's short-term and long-term investments in marketable securities designated as available-for-sale securities as of (in thousands):

	March 31, 2013			Fair value
	Amortized cost	Gross unrealized gains	Gross unrealized losses	
U.S. government securities	\$ 184,887	\$ 94	\$ —	\$ 184,981
Corporate bonds	142,088	59	(66)	142,081
U.S. government agencies securities	103,165	71	(17)	103,219
Asset-backed securities	53,737	14	(6)	53,745
Certificates of deposit	42,002	18	(2)	42,018
Commercial paper	994	2	—	996
Total	<u>\$ 526,873</u>	<u>\$ 258</u>	<u>\$ (91)</u>	<u>\$ 527,040</u>

	December 31, 2012			Fair value
	Amortized cost	Gross unrealized gains	Gross unrealized losses	
U.S. government securities	\$ 126,938	\$ 40	\$ (37)	\$ 126,941
U.S. government agencies securities	72,948	68	(37)	72,979
Certificates of deposit	48,373	18	(5)	48,386
Corporate bonds	37,954	29	(8)	37,975
Asset-backed securities	6,036	2	(1)	6,037
Commercial paper	1,991	2	—	1,993
Total	<u>\$ 294,240</u>	<u>\$ 159</u>	<u>\$ (88)</u>	<u>\$ 294,311</u>

While certain marketable securities carry unrealized losses, the Company expects that it will receive both principal and interest according to the stated terms of each of the securities and that the decline in market value is primarily due to changes in the interest rate environment from the time the securities were purchased as compared to interest rates at March 31, 2013.

The following table summarizes the fair value and gross unrealized losses related to 88 available-for-sale securities with an aggregate cost basis of \$129,566,000 aggregated by type of investment and length of time that individual securities have been in a continuous unrealized loss position, as of March 31, 2013 (in thousands):

	Securities in a loss position for less than 12 months		Securities in a loss position for 12 months or more	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Corporate bonds	\$ 82,160	\$ (66)	\$ —	\$ —
Asset-backed securities	25,156	(6)	—	—
U.S. government agencies securities	10,104	(2)	2,951	(15)
Certificates of deposit	9,002	(2)	—	—
	<u>\$ 126,422</u>	<u>\$ (76)</u>	<u>\$ 2,951</u>	<u>\$ (15)</u>

While the Company does not believe that as of March 31, 2013, it holds investments that are other-than-temporarily impaired and believes that the Company's investments will mature at par, the Company's investments are subject to changes in market conditions. If market conditions were to deteriorate, the

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

Company could sustain other-than-temporary impairments to its investment portfolio which could result in additional realized losses being recorded in interest income, net, or securities markets could become inactive which could affect the liquidity of the Company's investments.

Accounts Receivable

Accounts receivables, net, consisted of the following as of (in thousands):

	March 31, 2013	December 31, 2012
Accounts receivable	\$ 314,293	\$ 290,326
Unearned revenue	(125,589)	(122,770)
Allowance for doubtful accounts	(3,541)	(3,716)
	<u>\$ 185,163</u>	<u>\$ 163,840</u>

Trade accounts receivable are recorded at the invoiced amount and generally do not bear interest. The Company generally invoices its customers at the end of a calendar month for services to be provided the following month. Accordingly, unearned revenue consists of pre-billing for services that have not yet been provided, but which have been billed to customers in advance in accordance with the terms of their contract.

Other Current Assets

Other current assets consisted of the following as of (in thousands):

	March 31, 2013	December 31, 2012
Prepaid expenses	\$23,986	\$ 21,349
Debt issuance costs, net	8,927	—
Other receivables	8,247	3,428
Deferred tax assets, net	8,107	8,107
Taxes receivable	5,908	8,829
Derivative instruments	1,821	3,205
Other current assets	1,912	2,908
	<u>\$58,908</u>	<u>\$ 47,826</u>

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)**Property, Plant and Equipment**

Property, plant and equipment consisted of the following as of (in thousands):

	March 31, 2013	December 31, 2012
IBX plant and machinery	\$ 2,391,227	\$ 2,304,360
Leasehold improvements	1,088,335	1,078,834
Buildings	794,072	754,139
IBX equipment	429,637	410,456
Site improvements	401,662	352,367
Computer equipment and software	158,179	150,382
Land	96,908	98,007
Furniture and fixtures	21,006	21,982
Construction in progress	230,054	379,750
	5,611,080	5,550,277
Less accumulated depreciation	(1,720,890)	(1,631,278)
	<u>\$ 3,890,190</u>	<u>\$ 3,918,999</u>

IBX plant and machinery, leasehold improvements, buildings, computer equipment and software and construction in progress recorded under capital leases aggregated \$165,140,000 and \$149,923,000 as of March 31, 2013 and December 31, 2012, respectively. Amortization on the assets recorded under capital leases is included in depreciation expense and accumulated depreciation on such assets totaled \$45,097,000 and \$42,272,000 as of March 31, 2013 and December 31, 2012, respectively.

Goodwill and Intangible Assets

Goodwill and intangible assets, net, consisted of the following as of (in thousands):

	March 31, 2013	December 31, 2012
Goodwill:		
Americas	\$ 484,046	\$ 482,765
EMEA	398,954	423,529
Asia-Pacific	135,777	136,270
	<u>\$1,018,777</u>	<u>\$1,042,564</u>
Intangible assets:		
Intangible asset – customer contracts	\$ 227,623	\$ 222,571
Intangible asset – favorable leases	27,401	37,182
Intangible asset – others	9,791	9,889
	264,815	269,642
Accumulated amortization	(72,880)	(68,080)
	<u>\$ 191,935</u>	<u>\$ 201,562</u>

The Company's goodwill and intangible assets in EMEA, denominated in the United Arab Emirates dirham, British pounds and Euros, goodwill in Asia-Pacific, denominated in Chinese yuan, Hong Kong dollars and Singapore dollars and certain goodwill and intangibles in Americas, denominated in Canadian dollars and Brazilian reais, are subject to foreign currency fluctuations. The Company's foreign currency translation gains and losses, including goodwill and intangibles, are a component of other comprehensive income and loss.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

For the three months ended March 31, 2013 and 2012, the Company recorded amortization expense of \$6,759,000 and \$4,848,000, respectively, associated with its intangible assets. The Company's estimated future amortization expense related to these intangibles is as follows (in thousands):

Year ending:	
2013 (nine months remaining)	\$ 20,416
2014	26,848
2015	26,364
2016	25,861
2017	24,247
Thereafter	68,199
Total	<u>\$191,935</u>

Other Assets

Other assets consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
Deferred tax assets, net	\$ 85,083	\$ 85,232
Debt issuance costs, net	45,978	36,704
Prepaid expenses, non-current	34,568	34,478
Deposits	26,236	27,069
Restricted cash, non-current	7,409	8,131
Derivative instruments	3,372	—
Other assets, non-current	9,777	10,655
	<u>\$212,423</u>	<u>\$ 202,269</u>

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
Accrued compensation and benefits	\$ 63,688	\$ 85,619
Accrued taxes	59,089	47,477
Accrued interest	35,527	48,436
Accounts payable	28,812	27,659
Accrued utilities and security	24,358	24,974
Accrued professional fees	5,619	6,699
Accrued repairs and maintenance	3,424	2,938
Accrued other	27,878	25,051
	<u>\$248,395</u>	<u>\$ 268,853</u>

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

Other Current Liabilities

Other current liabilities consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
Deferred tax liabilities, net	\$ 69,689	\$ 69,689
Deferred installation revenue	37,959	38,187
Customer deposits	13,384	12,927
Deferred recurring revenue	9,422	8,910
Deferred rent	5,077	5,410
Accrued restructuring charges	2,379	2,379
Derivative instruments	330	1,097
Other current liabilities	778	962
	<u>\$139,018</u>	<u>\$ 139,561</u>

Other Liabilities

Other liabilities consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
Asset retirement obligations, non-current	\$ 63,380	\$ 63,150
Deferred rent, non-current	42,244	41,951
Deferred installation revenue, non-current	25,880	26,086
Deferred tax liabilities, net	25,320	62,292
Accrued taxes, non-current	22,843	19,373
Customer deposits, non-current	5,919	6,185
Deferred recurring revenue, non-current	4,815	5,381
Accrued restructuring charges, non-current	2,789	3,300
Derivative instruments, non-current	121	—
Other liabilities	4,655	3,125
	<u>\$197,966</u>	<u>\$ 230,843</u>

The Company currently leases the majority of its IBX data centers and certain equipment under non-cancelable operating lease agreements expiring through 2035. The IBX data center lease agreements typically provide for base rental rates that increase at defined intervals during the term of the lease. In addition, the Company has negotiated some rent expense abatement periods for certain leases to better match the phased build-out of its IBX data centers. The Company accounts for such abatements and increasing base rentals using the straight-line method over the life of the lease. The difference between the straight-line expense and the cash payment is recorded as deferred rent.

5. Derivatives and Hedging Activities

The Company has certain embedded derivatives in its customer contracts and also employs foreign currency forward contracts to partially offset its business exposure to foreign exchange risk for certain existing foreign currency-denominated assets and liabilities and certain forecasted transactions.

Derivatives Not Designated as Hedges

Embedded Derivatives. The Company is deemed to have foreign currency forward contracts embedded in certain of the Company's customer agreements that are priced in currencies different from the functional or local currencies of the parties involved. These embedded derivatives are separated from their host

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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contracts and carried on the Company's balance sheet at their fair value. The majority of these embedded derivatives arise as a result of the Company's foreign subsidiaries pricing their customer contracts in the U.S. dollar.

The Company has not designated these foreign currency embedded derivatives as hedging instruments under the accounting standard for derivatives and hedging. Gains and losses on these embedded derivatives are included within revenues in the Company's condensed consolidated statements of operations. During the three months ended March 31, 2013, the Company recognized a net gain of \$2,453,000 associated with these embedded derivatives. During the three months ended March 31, 2012, gains (losses) from these embedded derivatives were not significant.

Economic Hedges of Embedded Derivatives. The Company uses foreign currency forward contracts to manage the foreign exchange risk associated with the Company's customer agreements that are priced in currencies different from the functional or local currencies of the parties involved ("economic hedges of embedded derivatives"). Foreign currency forward contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date.

The Company has not designated the economic hedges of embedded derivatives as hedging instruments under the accounting standard for derivatives and hedging. Gains and losses on these contracts are included in revenues along with gains and losses of the related embedded derivatives. The Company entered into various economic hedges of embedded derivatives during the three months ended March 31, 2013 and gains (losses) from these contracts were not significant. The Company did not enter into any economic hedges of embedded derivatives during the three months ended March 31, 2012.

Foreign Currency Forward Contracts. The Company also uses foreign currency forward contracts to manage the foreign exchange risk associated with certain foreign currency-denominated assets and liabilities. As a result of foreign currency fluctuations, the U.S. dollar equivalent values of the foreign currency-denominated assets and liabilities change.

The Company has not designated the foreign currency forward contracts as hedging instruments under the accounting standard for derivatives and hedging. Gains and losses on these contracts are included in other income (expense), net, along with those foreign currency gains and losses of the related foreign currency-denominated assets and liabilities associated with these foreign currency forward contracts. The Company entered into various foreign currency forward contracts during the three months ended March 31, 2013 and 2012 and gains (losses) from these foreign currency forward contracts were not significant during these periods.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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Offsetting Derivative Assets and Liabilities

The following table presents the fair value of derivative instruments recognized in the Company's condensed consolidated balance sheets as of March 31, 2013 (in thousands):

	Gross amounts	Gross amounts offset in the balance sheet	Net amounts (1)	Gross amounts not offset in the balance sheet	Net
Assets:					
Embedded derivatives	\$ 4,701	\$ —	\$ 4,701	\$ —	\$ 4,701
Economic hedges of embedded derivatives	192	—	192	—	192
Foreign currency forward contracts	300	—	300	(162)	138
	<u>\$ 5,193</u>	<u>\$ —</u>	<u>\$ 5,193</u>	<u>\$ (162)</u>	<u>\$ 5,031</u>
Liabilities:					
Embedded derivatives	\$ 384	\$ —	\$ 384	\$ —	\$ 384
Economic hedges of embedded derivatives	23	—	23	—	23
Foreign currency forward contracts	44	—	44	(39)	5
	<u>\$ 451</u>	<u>\$ —</u>	<u>\$ 451</u>	<u>\$ (39)</u>	<u>\$ 412</u>

(1) As presented in the Company's condensed consolidated balance sheets.

The following table presents the fair value of derivative instruments recognized in the Company's condensed consolidated balance sheets as of December 31, 2012 (in thousands):

	Gross amounts	Gross amounts offset in the balance sheet	Net amounts (1)	Gross amounts not offset in the balance sheet	Net
Assets:					
Embedded derivatives	\$ 3,205	\$ —	\$ 3,205	\$ —	\$ 3,205
Foreign currency forward contracts	13	(13)	—	—	—
	<u>\$ 3,218</u>	<u>\$ (13)</u>	<u>\$ 3,205</u>	<u>\$ —</u>	<u>\$ 3,205</u>
Liabilities:					
Embedded derivatives	\$ 890	\$ —	\$ 890	\$ —	\$ 890
Foreign currency forward contracts	220	(13)	207	—	207
	<u>\$ 1,110</u>	<u>\$ (13)</u>	<u>\$ 1,097</u>	<u>\$ —</u>	<u>\$ 1,097</u>

(1) As presented in the Company's condensed consolidated balance sheets.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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6. Fair Value Measurements

The Company's financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2013 were as follows (in thousands):

	Fair value at March 31, 2013	Fair value measurement using	
		Level 1	Level 2
Assets:			
Restricted cash	\$ 850,887	\$ 850,887	\$ —
Money market and deposit accounts	434,787	434,787	—
U.S. government securities	279,931	279,931	—
Cash	155,282	155,282	—
Corporate bonds	142,081	—	142,081
U.S. government agency securities	103,219	—	103,219
Asset-backed securities	53,745	—	53,745
Certificates of deposit	42,018	—	42,018
Commercial paper	996	—	996
Derivative instruments (1)	5,193	—	5,193
	<u>\$2,068,139</u>	<u>\$1,720,887</u>	<u>\$347,252</u>
Liabilities:			
Derivative instruments (1)	<u>\$ 451</u>	<u>\$ —</u>	<u>\$ 451</u>

- (1) Includes embedded derivatives, economic hedges of embedded derivatives and foreign currency forward contracts. Amounts are included within other current assets, other assets, other current liabilities and other liabilities in the Company's accompanying condensed consolidated balance sheet.

The Company did not have any Level 3 financial assets or financial liabilities as of March 31, 2013.

Valuation Methods

Fair value estimates are made as of a specific point in time based on methods using present value or other valuation techniques. These techniques involve uncertainties and are affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors.

Cash, Cash Equivalents and Investments. The fair value of the Company's investments in money market funds approximates their face value. Such instruments are included in cash equivalents. The Company's U.S. government securities and money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted prices for identical instruments in active markets. The fair value of the Company's other investments approximate their face value. These investments include certificates of deposit and available-for-sale debt investments related to the Company's investments in the securities of other public companies, governmental units and other agencies. The fair value of these investments is priced based on the quoted market price for similar instruments or nonbinding market prices that are corroborated by observable market data. Such instruments are classified within Level 2 of the fair value hierarchy. The Company determines the fair values of its Level 2 investments by using inputs such as actual trade data, benchmark yields, broker/dealer quotes, and other similar data, which are obtained from quoted market prices, custody bank, third-party pricing vendors, or other sources. The Company uses such pricing data as the primary input to make its assessments and determinations as to the ultimate valuation of its investment portfolio and has not made, during the periods presented, any material adjustments to such inputs. The Company is responsible for its consolidated financial statements and underlying estimates.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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The Company determined that the major security types held as of March 31, 2013 were primarily cash and money market funds, U.S. government and agency securities, corporate bonds, certificate of deposits, commercial paper and asset-backed securities. The Company uses the specific identification method in computing realized gains and losses. Short-term and long-term investments are classified as available-for-sale and are carried at fair value with unrealized gains and losses reported in stockholders' equity as a component of other comprehensive income or loss, net of any related tax effect. The Company reviews its investment portfolio quarterly to determine if any securities may be other-than-temporarily impaired due to increased credit risk, changes in industry or sector of a certain instrument or ratings downgrades over an extended period of time.

During the three months ended March 31, 2013, after reviewing the fair value hierarchy and its valuation criteria, the Company reclassified its U.S. government securities from within Level 2 to Level 1 of the fair value hierarchy because treasury securities issued by the U.S. government are valued using quoted prices for identical instruments in active markets.

Derivative Assets and Liabilities. For foreign currency derivatives, including embedded derivatives and economic hedges of embedded derivatives, the Company uses forward contract models employing market observable inputs, such as spot currency rates and forward points with adjustments made to these values utilizing published credit default swap rates of its foreign exchange trading counterparties. The Company has determined that the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, therefore the derivatives are categorized as Level 2.

During the three months ended March 31, 2013, the Company did not have any nonfinancial assets or liabilities measured at fair value on a recurring basis.

7. Related Party Transactions

The Company has several significant stockholders and other related parties that are also customers and/or vendors. The Company's activity of related party transactions was as follows (in thousands):

	Three months ended			As of March 31,	
	March 31,			2013	2012
	2013	2012		2013	2012
Revenues	\$8,476	\$4,743	Accounts receivable	\$5,089	\$4,057
Costs and services	2,465	335	Accounts payable	443	—

In connection with the acquisition of ALOG Data Centers do Brasil S.A. and its subsidiaries ("ALOG") (the "ALOG Acquisition"), the Company acquired a lease for one of the Brazilian IBX data centers in which the lessor is a member of ALOG management. This lease contains an option to purchase the underlying property for fair market value on the date of purchase. The Company accounts for this lease as a financing obligation as a result of structural building work pursuant to the accounting standard for lessee's involvement in asset construction. As of March 31, 2013, the Company had a financing obligation liability totaling approximately \$4,328,000 related to this lease on its condensed consolidated balance sheet. This amount is considered a related party liability, which is not reflected in the related party data presented above.

8. Leases*Capital Lease and Other Financing Obligations**Toronto 2 IBX Financing*

In November 2012, the Company entered into a contingent lease for land and a building that the Company and the landlord would jointly develop to meet its needs and which it would ultimately convert into

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

its second IBX data center in the Toronto, Canada metro area (the “Toronto 2 IBX Financing” and the “Toronto Lease”). The Toronto Lease has a fixed term of 15 years, with options to renew, commencing from the date the landlord delivers the completed building to the Company. Monthly payments under the Toronto Lease will commence in October 2015 and will be made through the end of the lease term at an effective interest rate of 8.52%. The Toronto Lease has a total cumulative minimum rent obligation of approximately \$145,321,000, exclusive of renewal periods. The landlord began construction of the building to the Company’s specifications in February 2013. Pursuant to the accounting standard for lessee’s involvement in asset construction, the Company is considered the owner of the building during the construction phase due to the building work that the landlord and the Company are undertaking. As a result, during the three months ended March 31, 2013, the Company recorded a building asset and a related financing liability totaling approximately \$6,297,000, while the underlying land is considered an operating lease.

Singapore 3 IBX Financing

In March 2013, the Company entered into a lease for land and a building that the Company and the landlord will jointly develop into the Company’s third IBX data center in the Singapore metro area (the “Singapore 3 Lease”). The Singapore 3 Lease has a term of 20 years, with an option to purchase the property. If the option to purchase the property is not exercised, the Company has options to extend the lease. The total cumulative minimum rent obligation over the term of the lease is approximately \$160,099,000, exclusive of renewal periods. Pursuant to the accounting standard for lessee’s involvement in asset construction, the Company will be considered the owner of the building during the construction phase due to the building work that the landlord and the Company will be undertaking. As a result, the Company will record a building asset and a related financing liability, while the underlying land will be considered an operating lease, when the construction of the building commences, which is expected to occur during the second quarter of 2013.

Maturities of Capital Lease and Other Financing Obligations

The Company’s capital lease and other financing obligations are summarized as follows (in thousands):

	Capital lease obligations	Other financing obligations	Total
2013 (nine months remaining)	\$ 16,470	\$ 26,260	\$ 42,730
2014	22,486	39,619	62,105
2015	22,856	43,611	66,467
2016	22,175	47,849	70,024
2017	22,404	47,736	70,140
Thereafter	141,611	463,419	605,030
Total minimum lease payments	248,002	668,494	916,496
Plus amount representing residual property value	—	336,427	336,427
Less estimated building costs	(702)	(53,738)	(54,440)
Less amount representing interest	(87,304)	(526,808)	(614,112)
Present value of net minimum lease payments	159,996	424,375	584,371
Less current portion	(10,605)	(5,699)	(16,304)
	<u>\$ 149,391</u>	<u>\$ 418,676</u>	<u>\$ 568,067</u>

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)**9. Debt Facilities****Loans Payable**

The Company's loans payable consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
U.S. term loan	\$170,000	\$ 180,000
ALOG financing	49,566	48,807
Paris 4 IBX financing	7,308	8,071
Other loans payable	36	4,084
	<u>226,910</u>	<u>240,962</u>
Less current portion	<u>(47,350)</u>	<u>(52,160)</u>
	<u>\$179,560</u>	<u>\$ 188,802</u>

U.S. Financing

In February 2013, the Company entered into an amendment to a credit agreement with a group of lenders for a \$750,000,000 credit facility (the "U.S. Financing"), comprised of a \$200,000,000 term loan facility (the "U.S. Term Loan") and a \$550,000,000 multicurrency revolving credit facility (the "U.S. Revolving Credit Line"). The amendment modified certain definitions of items used in the calculation of the financial covenants with which the Company must comply on a quarterly basis to exclude the write-off of any unamortized debt issuance costs that were incurred in connection with the issuance of the 8.125% Senior Notes; to exclude one-time transaction costs, fees, premiums and expenses incurred by the Company in connection with the issuance of the 4.875% Senior Notes and 5.375% Senior Notes and the redemption of the 8.125% Senior Notes; and to exclude the 8.125% Senior Notes provided that certain conditions in connection with the redemption of the 8.125% Senior Notes were satisfied. The amendment also postponed the step-down of the maximum senior leverage ratio covenant from the three months ended March 31, 2013 to the three months ended September 30, 2013.

Convertible Debt

The Company's convertible debt consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
3.00% Convertible Subordinated Notes	\$395,986	\$ 395,986
4.75% Convertible Subordinated Notes	<u>373,727</u>	<u>373,730</u>
	769,713	769,716
Less amount representing debt discount	<u>(57,235)</u>	<u>(60,990)</u>
	<u>\$712,478</u>	<u>\$ 708,726</u>

3.00% Convertible Subordinated Notes

In September 2007, the Company issued \$395,986,000 aggregate principal amount of 3.00% Convertible Subordinated Notes due October 15, 2014 (the "3.00% Convertible Subordinated Notes"). Holders of the 3.00% Convertible Subordinated Notes may convert their notes at their option on any day up to and including the business day immediately preceding the maturity date into shares of the Company's common stock. The base conversion rate is 7.436 shares of common stock per \$1,000 principal amount of 3.00% Convertible Subordinated Notes, subject to adjustment. This represents a base conversion price of approximately \$134.48 per share of common stock. If, at the time of conversion, the applicable stock price of the Company's common stock exceeds the base conversion price, the conversion rate will be determined

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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pursuant to a formula resulting in the receipt of up to 4,4616 additional shares of common stock per \$1,000 principal amount of the 3.00% Convertible Subordinated Notes, subject to adjustment. However, in no event would the total number of shares issuable upon conversion of the 3.00% Convertible Subordinated Notes exceed 11,8976 per \$1,000 principal amount of 3.00% Convertible Subordinated Notes, subject to anti-dilution adjustments, or the equivalent of \$84.05 per share of the Company's common stock or a total of 4,711,283 shares of the Company's common stock. As of March 31, 2013, had the holders of the 3.00% Convertible Subordinated Notes converted their notes, the 3.00% Convertible Subordinated Notes would have been convertible into 3,603,743 shares of the Company's common stock.

4.75% Convertible Subordinated Notes

In June 2009, the Company issued \$373,750,000 aggregate principal amount of 4.75% Convertible Subordinated Notes due June 15, 2016 (the "4.75% Convertible Subordinated Notes"). Upon conversion, holders will receive, at the Company's election, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock. However, the Company may at any time irrevocably elect for the remaining term of the 4.75% Convertible Subordinated Notes to satisfy its obligation in cash up to 100% of the principal amount of the 4.75% Convertible Subordinated Notes converted, with any remaining amount to be satisfied, at the Company's election, in shares of its common stock or a combination of cash and shares of its common stock. Upon conversion, if the Company elects to pay a sufficiently large portion of the conversion obligation in cash, additional consideration beyond the \$373,750,000 of gross proceeds received will be required.

The initial conversion rate is 11.8599 shares of common stock per \$1,000 principal amount of 4.75% Convertible Subordinated Notes, subject to adjustment. This represents an initial conversion price of approximately \$84.32 per share of common stock. Holders of the 4.75% Convertible Subordinated Notes may convert their notes at any time prior to the close of business on the business day immediately preceding the maturity date under the following circumstances:

- during any fiscal quarter (and only during that fiscal quarter) ending after December 31, 2009, if the sale price of the Company's common stock, for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous fiscal quarter, is greater than 130% of the conversion price per share of common stock on such last trading day, which was \$109.62 per share (the "Stock Price Condition Conversion Clause");
- subject to certain exceptions, during the five business day period following any 10 consecutive trading day period in which the trading price of the 4.75% Convertible Subordinated Notes for each day of such period was less than 98% of the product of the sale price of the Company's common stock and the conversion rate;
- upon the occurrence of specified corporate transactions described in the 4.75% Convertible Subordinated Notes Indenture, such as a consolidation, merger or binding share exchange in which the Company's common stock would be converted into cash or property other than securities; or
- at any time on or after March 15, 2016.

Holders of the 4.75% Convertible Subordinated Notes are eligible to convert their notes during the three months ended March 31, 2013 and June 30, 2013, since the Stock Price Condition Conversion Clause was met during the three months ended December 31, 2012 and March 31, 2013, respectively. As of March 31, 2013, had the holders of the 4.75% Convertible Subordinated Notes converted their notes, the 4.75% Convertible Subordinated Notes would have been convertible into a maximum of 4,432,373 shares of the Company's common stock.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)*Senior Notes*

The Company's senior notes consisted of the following as of (in thousands):

	March 31, 2013	December 31, 2012
5.375% senior notes due 2023	\$1,000,000	\$ —
7.00% senior notes due 2021	750,000	750,000
4.875% senior notes due 2020	500,000	—
8.125% senior notes due 2018	750,000	750,000
	<u>3,000,000</u>	<u>1,500,000</u>
Less current portion	(750,000)	—
	<u>\$2,250,000</u>	<u>\$1,500,000</u>

4.875% Senior Notes and 5.375% Senior Notes

In March 2013, the Company issued \$1,500,000,000 aggregate principal amount of senior notes, which consist of \$500,000,000 aggregate principal amount of 4.875% Senior Notes due April 1, 2020 (the "4.875% Senior Notes") and \$1,000,000,000 aggregate principal amount of 5.375% Senior Notes due April 1, 2023, (the "5.375% Senior Notes"). Interest on both the 4.875% Senior Notes and the 5.375% Senior Notes is payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 2013.

The 4.875% Senior Notes and the 5.375% Senior Notes are governed by separate indentures dated March 5, 2013, between the Company, as issuer, and U.S. Bank National Association, as trustee (the "Senior Notes Indentures"). The Senior Notes Indentures contain covenants that limit the Company's ability and the ability of its subsidiaries to, among other things:

- incur additional debt;
- pay dividends or make other restricted payments;
- purchase, redeem or retire capital stock or subordinated debt;
- make asset sales;
- enter into transactions with affiliates;
- incur liens;
- enter into sale-leaseback transactions;
- provide subsidiary guarantees;
- make investments; and
- merge or consolidate with any other person.

Each of these restrictions has a number of important qualifications and exceptions. The 4.875% Senior Notes and the 5.375% Senior Notes are unsecured and rank equal in right of payment with the Company's existing or future senior debt and senior in right of payment with the Company's existing and future subordinated debt. The 4.875% Senior Notes and the 5.375% Senior Notes are effectively junior to the Company's secured indebtedness and indebtedness of its subsidiaries.

At any time prior to April 1, 2016, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 4.875% Senior Notes outstanding at a redemption price equal to 104.875% of the principal amount of the 4.875% Senior Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings; provided that (i) at least 65% of the aggregate principal amount of the 4.875% Senior Notes issued under the 4.875% Senior Notes indenture remains outstanding immediately after the occurrence of such redemption (excluding the 4.875% Senior Notes held by the Company and its subsidiaries); and (ii) the redemption must occur within 90 days of the date of the closing of such equity offering.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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On or after April 1, 2017, the Company may redeem all or a part of the 4.875% Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

	<u>Redemption price of the 4.875% Senior Notes</u>
2017	102.438%
2018	101.219%
2019 and thereafter	100.000%

At any time prior to April 1, 2017, the Company may also redeem all or a part of the 4.875% Senior Notes at a redemption price equal to 100% of the principal amount of the 4.875% Senior Notes redeemed plus an applicable premium (the “4.875% Senior Notes Applicable Premium”), and accrued and unpaid interest, if any, to, but not including, the date of redemption (the “4.875% Senior Notes Redemption Date”). The 4.875% Senior Notes Applicable Premium means the greater of:

- 1.0% of the principal amount of the 4.875% Senior Notes; and
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 4.875% Senior Notes at April 1, 2017 as shown in the above table, plus (ii) all required interest payments due on the 4.875% Senior Notes through April 1, 2017 (excluding accrued but unpaid interest, if any, to, but not including the 4.875% Senior Notes Redemption Date), computed using a discount rate equal to the yield to maturity of the U.S. Treasury securities with a constant maturity most nearly equal to the period from the 4.875% Senior Notes Redemption Date to April 1, 2017, plus 0.50%; over (b) the principal amount of the 4.875% Senior Notes.

At any time prior to April 1, 2016, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 5.375% Senior Notes outstanding at a redemption price equal to 105.375% of the principal amount of the 5.375% Senior Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings; provided that (i) at least 65% of the aggregate principal amount of the 5.375% Senior Notes issued under the 5.375% Senior Notes indenture remains outstanding immediately after the occurrence of such redemption (excluding the 5.375% Senior Notes held by the Company and its subsidiaries); and (ii) the redemption must occur within 90 days of the date of the closing of such equity offering.

On or after April 1, 2018, the Company may redeem all or a part of the 5.375% Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

	<u>Redemption price of the 5.375% Senior Notes</u>
2018	102.688%
2019	101.792%
2020	100.896%
2021 and thereafter	100.000%

At any time prior to April 1, 2018, the Company may also redeem all or a part of the 5.375% Senior Notes at a redemption price equal to 100% of the principal amount of the 5.375% Senior Notes redeemed plus an applicable premium (the “5.375% Senior Notes Applicable Premium”), and accrued and unpaid interest, if any, to, but not including, the date of redemption (the “5.375% Senior Notes Redemption Date”). The 5.375% Senior Notes Applicable Premium means the greater of:

- 1.0% of the principal amount of the 5.375% Senior Notes; and
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

5.375% Senior Notes at April 1, 2018 as shown in the above table, plus (ii) all required interest payments due on the 5.375% Senior Notes through April 1, 2018 (excluding accrued but unpaid interest, if any, to, but not including the 5.375% Senior Notes Redemption Date), computed using a discount rate equal to the yield to maturity of the U.S. Treasury securities with a constant maturity most nearly equal to the period from the 5.375% Senior Notes Redemption Date to April 1, 2018, plus 0.50%; over (b) the principal amount of the 5.375% Senior Notes.

Debt issuance costs related to the 4.875% Senior Notes and 5.375% Senior Notes, net of amortization, were \$20,176,000 as of March 31, 2013. In March 2013, the Company placed \$836,400,000 of the proceeds from the issuance of the 4.875% and 5.375% Senior Notes into a restricted cash account for the redemption of the 8.125% Senior Notes (see Note 14).

8.125% Senior Notes

In February 2010, the Company issued \$750,000,000 aggregate principal amount of 8.125% Senior Notes due March 1, 2018 (the “8.125% Senior Notes”). The indenture governing the 8.125% Senior Notes permitted the Company to redeem the 8.125% Senior Notes at the redemption prices set forth in the 8.125% Senior Notes indenture plus accrued and unpaid interest to, but not including the redemption date. In April 2013, the Company redeemed all of the 8.125% Senior Notes and incurred a loss on debt extinguishment, which will be recorded in the second quarter of 2013 (see Note 14).

Maturities of Debt Facilities

The following table sets forth maturities of the Company’s debt, including loans payable, convertible debt and senior notes, as of March 31, 2013 (in thousands):

Year ending:	
2013 (nine months remaining) (1)	\$ 787,345
2014	450,148
2015	54,162
2016	370,657
2017	27,076
Thereafter	<u>2,250,000</u>
	<u>\$3,939,388</u>

(1) Includes the \$750,000,000 8.125% Senior Notes due 2018, which the Company redeemed in April 2013 (see Note 14).

Fair Value of Debt Facilities

The following table sets forth the estimated fair values of the Company’s loans payable, senior notes and convertible debt, including current maturities, as of (in thousands):

	March 31, 2013	December 31, 2012
Loans payable	\$ 226,128	\$ 238,793
Convertible debt	1,173,146	1,144,568
Senior notes	3,196,563	1,661,400

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)**Interest Charges**

The following table sets forth total interest costs incurred and total interest costs capitalized for the periods presented (in thousands):

	Three months ended March 31,	
	2013	2012
Interest expense	\$60,331	\$52,818
Interest capitalized	2,892	5,554
Interest charges incurred	<u>\$63,223</u>	<u>\$58,372</u>

10. Redeemable Non-Controlling Interests

The following table provides a summary of the activities of the Company's redeemable non-controlling interests (in thousands):

Balance as of December 31, 2012	\$84,178
Net income attributable to redeemable non-controlling interests	441
Other comprehensive income attributable to redeemable non-controlling interests	769
Increase in redemption value of non-controlling interests	10,941
Impact of foreign currency exchange	562
Balance as of March 31, 2013	<u>\$96,891</u>

11. Commitments and Contingencies**Legal Matters***Alleged Class Action and Shareholder Derivative Actions*

On March 4, 2011, an alleged class action entitled Cement Masons & Plasterers Joint Pension Trust v. Equinix, Inc., et al., No. CV-11-1016-SC, was filed in the United States District Court for the Northern District of California, against Equinix and two of its officers. The suit asserts purported claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 for allegedly misleading statements regarding our business and financial results. The suit is purportedly brought on behalf of purchasers of the Company's common stock between July 29, 2010 and October 5, 2010, and seeks compensatory damages, fees and costs. Defendants filed a motion to dismiss on November 7, 2011. On March 2, 2012, the Court granted defendants' motion to dismiss without prejudice and gave plaintiffs thirty days in which to amend their complaint. Pursuant to stipulation and order of the court entered on March 16, 2012, the parties agreed that plaintiffs would have up to and through May 2, 2012 to file a Second Amended Complaint. On May 2, 2012 plaintiffs filed a Second Amended Complaint asserting the same basic allegations as in the prior complaint. On June 15, 2012, defendants moved to dismiss the Second Amended Complaint. On September 19, 2012, the Court took the hearing on defendants' motion to dismiss the Second Amended Complaint off calendar and notified the parties that it would make its decision on the pleadings. Subsequently, on September 24, 2012 the Court requested the parties submit supplemental briefing on or before October 9, 2012. The supplemental briefing was submitted on October 9, 2012. On December 5, 2012, the Court granted defendants' motion to dismiss the Second Amended Complaint without prejudice and on January 15, 2013, Plaintiffs filed their Third Amended Complaint. On February 26, 2013, defendants moved to dismiss the Third Amended Complaint. The hearing on the motion to dismiss the Third Amended Complaint is currently set for June 7, 2013.

On March 8, 2011, an alleged shareholder derivative action entitled Rikos v. Equinix, Inc., et al., No. CGC-11-508940, was filed in California Superior Court, County of San Francisco, purportedly on behalf of Equinix, and naming Equinix (as a nominal defendant), the members of its board of directors, and two of its

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

officers as defendants. The suit is based on allegations similar to those in the federal securities class action and asserts causes of action against the individual defendants for breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. By agreement and order of the court, this case has been temporarily stayed pending proceedings in the class action, and, pursuant to that agreement, defendants need not respond to the complaint at this time.

On May 20, 2011, an alleged shareholder derivative action entitled *Stopa v. Clontz, et al.*, No. CV-11-2467-SC, was filed in the U.S. District Court for the Northern District of California, purportedly on behalf of Equinix, naming Equinix (as a nominal defendant) and the members of its board of directors as defendants. The suit is based on allegations similar to those in the federal securities class action and the state court derivative action and asserts causes of action against the individual defendants for breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement and waste of corporate assets. On June 10, 2011, the Court signed an order relating this case to the federal securities class action. Plaintiffs filed an amended complaint on December 14, 2011. By agreement and order of the court, this case has been temporarily stayed pending proceedings in the class action, and, pursuant to that agreement, defendants need not respond to the complaint at this time.

Due to the inherent uncertainties of litigation, the Company cannot accurately predict the ultimate outcome of the above matters. The Company is unable at this time to determine whether the outcome of the litigation would have a material impact on its results of operations, financial condition or cash flows.

The Company believes that while an unfavorable outcome to this litigation is reasonably possible, a range of potential loss cannot be determined at this time. The Company has not accrued any amounts in connection with the above legal matters as of March 31, 2013 as the Company concluded that an unfavorable outcome is not probable.

Other Purchase Commitments

Primarily as a result of the Company's various IBX expansion projects, as of March 31, 2013, the Company was contractually committed for \$118,813,000 of unaccrued capital expenditures, primarily for IBX equipment not yet delivered and labor not yet provided, in connection with the work necessary to open these IBX data centers and make them available to customers for installation. In addition, the Company had numerous other, non-capital purchase commitments in place as of March 31, 2013, such as commitments to purchase power in select locations through the remainder of 2013 and thereafter, and other open purchase orders for goods or services to be delivered or provided during the remainder of 2013 and thereafter. Such other miscellaneous purchase commitments totaled \$260,919,000 as of March 31, 2013.

12. Stockholders' Equity**Accumulated Other Comprehensive Loss**

The components of accumulated other comprehensive loss, net of tax, are as follows (in thousands):

	Balance as of December 31, 2012	Net change	Balance as of March 31, 2013
Foreign currency translation loss	\$ (114,678)	\$(72,554)	\$ (187,232)
Unrealized gain on available for sale securities	41	98	139
Other comprehensive loss (income) attributable to redeemable non-controlling interests	13,595	(769)	12,826
	<u>\$ (101,042)</u>	<u>\$(73,225)</u>	<u>\$ (174,267)</u>

Changes in foreign currencies can have a significant impact to the Company's consolidated balance sheets (as evidenced above in the Company's foreign currency translation gain or loss), as well as its

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

consolidated results of operations, as amounts in foreign currencies are generally translating into more U.S. dollars when the U.S. dollar weakens or less U.S. dollars when the U.S. dollar strengthens. During the three months ended March 31, 2013, the U.S. dollar was generally stronger relative to certain of the currencies of the foreign countries in which the Company operates. This overall strength of the U.S. dollar had an overall unfavorable impact on the Company's consolidated results of operations because the foreign currencies translated into less U.S. dollars. This also impacted the Company's condensed consolidated balance sheets, as amounts denominated in foreign currencies are generally translating into less U.S. dollars. In future periods, the volatility of the U.S. dollar as compared to the other currencies in which the Company operates could have a significant impact on its consolidated financial position and results of operations including the amount of revenue that the Company reports in future periods.

Stock-Based Compensation

In February and March 2013, the Compensation Committee and the Stock Award Committee of the Company's Board of Directors approved the issuance of an aggregate of 572,104 shares of restricted stock units to certain employees, including executive officers, pursuant to the 2000 Equity Incentive Plan, as part of the Company's annual refresh program. These equity awards are subject to vesting provisions and have a weighted-average grant date fair value of \$205.07 and a weighted-average requisite service period of 3.42 years.

The following table presents, by operating expense category, the Company's stock-based compensation expense recognized in the Company's condensed consolidated statement of operations (in thousands):

	Three months ended	
	March 31,	
	2013	2012
Cost of revenues	\$ 1,602	\$ 1,317
Sales and marketing	5,721	4,035
General and administrative	15,380	13,673
	<u>\$22,703</u>	<u>\$19,025</u>

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)**13. Segment Information**

While the Company has a single line of business, which is the design, build-out and operation of IBX data centers, it has determined that it has three reportable segments comprised of its Americas, EMEA and Asia-Pacific geographic regions. The Company's chief operating decision-maker evaluates performance, makes operating decisions and allocates resources based on the Company's revenue and adjusted EBITDA performance both on a consolidated basis and based on these three reportable segments. The Company defines adjusted EBITDA as income or loss from continuing operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges and acquisition costs as presented below (in thousands):

	Three months ended	
	March 31,	
	2013	2012
Adjusted EBITDA:		
Americas	\$ 146,530	\$ 133,198
EMEA	49,054	46,884
Asia-Pacific	47,876	30,514
Total adjusted EBITDA	<u>243,460</u>	<u>210,596</u>
Depreciation, amortization and accretion expense	(108,531)	(90,150)
Stock-based compensation expense	(22,703)	(19,025)
Acquisitions costs	(3,662)	(675)
Income from continuing operations	<u>\$ 108,564</u>	<u>\$ 100,746</u>

The Company also provides the following additional segment disclosures (in thousands):

	Three months ended	
	March 31,	
	2013	2012
Total revenues:		
Americas	\$308,554	\$279,129
EMEA	120,294	101,336
Asia-Pacific	90,607	62,780
	<u>\$519,455</u>	<u>\$443,245</u>
Total depreciation and amortization:		
Americas	\$ 62,525	\$ 56,103
EMEA	22,875	17,273
Asia-Pacific	21,733	15,925
	<u>\$107,133</u>	<u>\$ 89,301</u>
Capital expenditures:		
Americas	\$ 44,841	\$ 72,048
EMEA	16,569	42,704
Asia-Pacific	14,257	30,738
	<u>\$ 75,667</u>	<u>\$145,490</u>

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

The Company's long-lived assets are located in the following geographic areas as of (in thousands):

	March 31, 2013	December 31, 2012
Americas	\$2,162,191	\$2,143,035
EMEA	969,423	994,912
Asia-Pacific	758,576	781,052
	<u>\$3,890,190</u>	<u>\$3,918,999</u>

Revenue information on a services basis is as follows (in thousands):

	Three months ended March 31,	
	2013	2012
Colocation	\$395,111	\$334,986
Interconnection	75,991	62,883
Managed infrastructure	23,589	22,238
Rental	580	783
Recurring revenues	495,271	420,890
Non-recurring revenues	24,184	22,355
	<u>\$519,455</u>	<u>\$443,245</u>

No single customer accounted for 10% or greater of the Company's revenues for the three months ended March 31, 2013 and 2012. No single customer accounted for 10% or greater of the Company's gross accounts receivable as of March 31, 2013 and December 31, 2012.

14. Subsequent Events

In April 2013, the Company redeemed the entire principal amount of the \$750,000,000 8.125% Senior Notes pursuant to the optional redemption provisions in the indenture governing the 8.125% Senior Notes. As a result, the Company will recognize a loss on debt extinguishment of approximately \$89,852,000 in the second quarter of 2013, representing the applicable premium paid of \$80,925,000 and the write-off of unamortized debt issuance costs of \$8,927,000 related to the 8.125% Senior Notes. In addition, the Company expects to recognize a significantly lower income tax provision in the second quarter of 2013 due to the loss on debt extinguishment.

Item 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, the words "believes," "anticipates," "plans," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a discrepancy include, but are not limited to, those discussed in "Liquidity and Capital Resources" below and "Risk Factors" in Item 1A of Part II of this Quarterly Report on Form 10-Q. All forward-looking statements in this document are based on information available to us as of the date of this Report and we assume no obligation to update any such forward-looking statements.

Our management's discussion and analysis of financial condition and results of operations is intended to assist readers in understanding our financial information from our management's perspective and is presented as follows:

- Overview
- Results of Operations
- Non-GAAP Financial Measures
- Liquidity and Capital Resources
- Contractual Obligations and Off-Balance-Sheet Arrangements
- Critical Accounting Policies and Estimates
- Recent Accounting Pronouncements

In April 2013, as more fully described in Note 14 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we redeemed all of our \$750.0 million 8.125% senior notes. As a result, we incurred an \$89.9 million loss on debt extinguishment, which will be recognized during the three months ended June 30, 2013.

In March 2013, as more fully described in Note 9 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we issued \$1.5 billion aggregate principal amount of senior notes, which is referred to as the senior notes offering, consisting of \$500.0 million aggregate principal amount of 4.875% senior notes due April 1, 2020, which are referred to as the 4.875% senior notes, and \$1.0 billion aggregate principal amount of 5.375% senior notes due April 1, 2023, which are referred to as the 5.375% senior notes. We used a portion of the net proceeds from the senior notes offering for the redemption of our 8.125% senior notes and intend to use the remaining net proceeds for general corporate purposes, including the funding of our expansion activities and distributions to our stockholders in connection with our proposed conversion to a real estate investment trust, which is referred to as a REIT.

Overview

Equinix provides global data center services that protect and connect the world's most valued information assets. Global enterprises, financial services companies, and content and network service providers rely upon Equinix's leading insight and data centers in 31 markets around the world for the safehousing of their critical IT equipment and the ability to directly connect to the networks that enable today's information-driven economy. Equinix offers the following solutions: (i) premium data center colocation, (ii) interconnection and (iii) exchange and outsourced IT infrastructure services. As of March 31, 2013, we operated or had partner IBX data centers in the Atlanta, Boston, Chicago, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Rio De Janeiro, Sao Paulo, Seattle, Silicon Valley, Toronto and Washington, D.C. metro areas in the Americas region; France, Germany, Italy, the Netherlands,

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Switzerland, the United Arab Emirates and the United Kingdom in the EMEA region; and Australia, Hong Kong, Indonesia, Japan, China and Singapore in the Asia-Pacific region.

We leverage our global data centers in 31 markets around the world as a global platform which allows our customers to increase information and application delivery performance while significantly reducing costs. Based on our global platform and the quality of our IBX data centers, we believe we have established a critical mass of customers. As more customers locate in our IBX data centers, it benefits their suppliers and business partners to collocate as well in order to gain the full economic and performance benefits of our offerings. These partners, in turn, pull in their business partners, creating a “marketplace” for their services. Our global platform enables scalable, reliable and cost-effective collocation, interconnection and traffic exchange thus lowering overall cost and increasing flexibility. Our focused business model is based on our critical mass of customers and the resulting “marketplace” effect. This global platform, combined with our strong financial position, continues to drive new customer growth and bookings as we drive scale into our global business.

Historically, our market has been served by large telecommunications carriers who have bundled their telecommunications products and services with their collocation offerings. The data center market landscape has evolved to include cloud computing/utility providers, application hosting providers and systems integrators, managed infrastructure hosting providers and collocation providers with over 350 companies providing data center solutions in the U.S. alone. Each of these data center solutions providers can bundle various collocation, interconnection and network offerings, and outsourced IT infrastructure services. We are able to offer our customers a global platform that supports global reach to 15 countries, proven operational reliability, improved application performance and network choice, and a highly scalable set of offerings.

Excluding the impact of acquisitions of the Dubai IBX data center, Asia Tone Limited, referred to as Asia tone, and ancotel GmbH, referred to as ancotel, our customer count increased to approximately 6,228 as of March 31, 2013 versus approximately 5,661 as of March 31, 2012, an increase of 10%. This increase was due to organic growth in our business. Our utilization rate represents the percentage of our cabinet space billing versus net sellable cabinet space available, taking into account power limitations. Excluding Asia Tone and ancotel, our utilization rate decreased to approximately 75% as of March 31, 2013 versus approximately 81% as of March 31, 2012; however, excluding the impact of our IBX data center expansion projects that have opened during the last 12 months, our utilization rate would have increased to approximately 83% as of March 31, 2013. Our utilization rate varies from market to market among our IBX data centers across the Americas, EMEA and Asia-Pacific regions. We continue to monitor the available capacity in each of our selected markets. To the extent we have limited capacity available in a given market it may limit our ability for growth in that market. We perform demand studies on an ongoing basis to determine if future expansion is warranted in a market. In addition, power and cooling requirements for most customers are growing on a per unit basis. As a result, customers are consuming an increasing amount of power per cabinet. Although we generally do not control the amount of power our customers draw from installed circuits, we have negotiated power consumption limitations with certain of our high power demand customers. This increased power consumption has driven the requirement to build out our new IBX data centers to support power and cooling needs twice that of previous IBX data centers. We could face power limitations in our centers even though we may have additional physical cabinet capacity available within a specific IBX data center. This could have a negative impact on the available utilization capacity of a given center, which could have a negative impact on our ability to grow revenues, affecting our financial performance, operating results and cash flows.

Strategically, we will continue to look at attractive opportunities to grow our market share and selectively improve our footprint and offerings. As was the case with our recent expansions and acquisitions, our expansion criteria will be dependent on a number of factors such as demand from new and existing customers, quality of the design, power capacity, access to networks, capacity availability in the current market location, amount of incremental investment required by us in the targeted property, lead-time to break-even on a free cash flow basis and in-place customers. Like our recent expansions and acquisitions, the right combination of these factors may be attractive to us. Depending on the circumstances, these transactions may require additional capital expenditures funded by upfront cash

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payments or through long-term financing arrangements in order to bring these properties up to Equinix standards. Property expansion may be in the form of purchases of real property, long-term leasing arrangements or acquisitions. Future purchases, construction or acquisitions may be completed by us or with partners or potential customers to minimize the outlay of cash, which can be significant.

Our business is based on a recurring revenue model comprised of colocation and related interconnection and managed infrastructure offerings. We consider these offerings recurring because our customers are generally billed on a fixed and recurring basis each month for the duration of their contract, which is generally one to three years in length. Our recurring revenues have comprised more than 90% of our total revenues during the past three years. In addition, during the past three years, in any given quarter, greater than half of our monthly recurring revenue bookings came from existing customers, contributing to our revenue growth.

Our non-recurring revenues are primarily comprised of installation services related to a customer's initial deployment and professional services that we perform. These services are considered to be non-recurring because they are billed typically once and upon completion of the installation or professional services work performed. The majority of these non-recurring revenues are typically billed on the first invoice distributed to the customer in connection with their initial installation. However, revenues from installation services are deferred and recognized ratably over the longer of the term of the related contract or expected life of the services. Additionally, revenue from contract settlements, when a customer wishes to terminate their contract early, is recognized when no remaining performance obligations exist and collectability is reasonably assured, to the extent that the revenue has not previously been recognized. As a percentage of total revenues, we expect non-recurring revenues to represent less than 10% of total revenues for the foreseeable future.

Our Americas revenues are derived primarily from colocation and related interconnection offerings, and our EMEA and Asia-Pacific revenues are derived primarily from colocation and managed infrastructure services.

The largest components of our cost of revenues are depreciation, rental payments related to our leased IBX data centers, utility costs, including electricity and bandwidth, IBX data center employees' salaries and benefits, including stock-based compensation, repairs and maintenance, supplies and equipment and security services. A substantial majority of our cost of revenues is fixed in nature and should not vary significantly from period to period, unless we expand our existing IBX data centers or open or acquire new IBX data centers. However, there are certain costs which are considered more variable in nature, including utilities and supplies, that are directly related to growth in our existing and new customer base. We expect the cost of our utilities, specifically electricity, will generally increase in the future on a per-unit or fixed basis in addition to the variable increase related to the growth in consumption by the customer. In addition, the cost of electricity is generally higher in the summer months as compared to other times of the year. To the extent we incur increased utility costs, such increased costs could materially impact our financial condition, results of operations and cash flows. Furthermore, to the extent we incur increased electricity costs as a result of either climate change policies or the physical effects of climate change, such increased costs could materially impact our financial condition, results of operations and cash flows.

Sales and marketing expenses consist primarily of compensation and related costs for sales and marketing personnel, including stock-based compensation, sales commissions, marketing programs, public relations, promotional materials and travel, as well as bad debt expense and amortization of customer contract intangible assets.

General and administrative expenses consist primarily of salaries and related expenses, including stock-based compensation, accounting, legal and other professional service fees, and other general corporate expenses such as our corporate regional headquarters office leases and some depreciation expense.

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Due to our recurring revenue model, and a cost structure which has a large base that is fixed in nature and generally does not grow in proportion to revenue growth, we expect our cost of revenues, sales and marketing expenses and general and administrative expenses to decline as a percentage of revenue over time, although we expect each of them to grow in absolute dollars in connection with our growth. This is evident in the trends noted below in our discussion about our results of operations. However, for cost of revenues, this trend may periodically be impacted when a large expansion project opens or is acquired and before it starts generating any meaningful revenue. Furthermore, in relation to cost of revenues, we note that the Americas region has a lower cost of revenues as a percentage of revenue than either EMEA or Asia-Pacific. This is due to both the increased scale and maturity of the Americas region compared to either the EMEA or Asia-Pacific region, as well as a higher cost structure outside of the Americas, particularly in EMEA. While we expect all three regions to continue to see lower cost of revenues as a percentage of revenues in future periods, we expect the trend of the Americas having the lowest cost of revenues as a percentage of revenue and EMEA having the highest to continue. As a result, to the extent that revenue growth outside the Americas grows in greater proportion than revenue growth in the Americas, our overall cost of revenues as a percentage of revenues may increase in future periods. Sales and marketing expenses and general and administrative expenses may also periodically increase as a percentage of revenue as we continue to scale our operations to support our growth.

Potential REIT Conversion

On September 13, 2012, we announced that our board of directors approved a plan for Equinix to pursue conversion to a REIT. We have begun implementation of the REIT conversion, and we plan to make a tax election for REIT status for the taxable year beginning January 1, 2015. Any REIT election made by us must be effective as of the beginning of a taxable year; therefore, as a calendar year taxpayer, if we are unable to convert to a REIT by January 1, 2015, the next possible conversion date would be January 1, 2016.

If we are able to convert to and qualify as a REIT, we will generally be permitted to deduct from federal income taxes the dividends we pay to our stockholders. The income represented by such dividends would not be subject to federal taxation at the entity level but would be taxed, if at all, at the stockholder level. Nevertheless, the income of our domestic taxable REIT subsidiaries, or TRS, which will hold our U.S. operations that may not be REIT-compliant, will be subject, as applicable, to federal and state corporate income tax. Likewise, our foreign subsidiaries will continue to be subject to foreign income taxes in jurisdictions in which they hold assets or conduct operations, regardless of whether held or conducted through TRS or through qualified REIT subsidiaries, or QRS. We will also be subject to a separate corporate income tax on any gains recognized during a specified period (generally 10 years) following the REIT conversion that are attributable to “built-in” gains with respect to the assets that we own on the date we convert to a REIT. Our ability to qualify as a REIT will depend upon our continuing compliance following our REIT conversion with various requirements, including requirements related to the nature of our assets, the sources of our income and the distributions to our stockholders. If we fail to qualify as a REIT, we will be subject to federal income tax at regular corporate rates. Even if we qualify for taxation as a REIT, we may be subject to some federal, state, local and foreign taxes on our income and property. In particular, while state income tax regimes often parallel the federal income tax regime for REITs described above, many states do not completely follow federal rules and some may not follow them at all.

The REIT conversion implementation currently includes seeking a private letter ruling, or PLR, from the IRS. Our PLR request has multiple components, and the conversion to a REIT will require favorable rulings from the IRS on numerous technical tax issues, including classification of our data center assets as qualified real estate assets. We submitted the PLR request to the IRS in 2012, but the IRS may not provide a PLR until late in 2013 or at all.

We currently estimate that we will incur approximately \$50.0 to \$80.0 million in costs to support the REIT conversion, in addition to related tax liabilities associated with a change in our method of depreciating and amortizing various data center assets for tax purposes from our prior method to current

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methods that are more consistent with the characterization of such assets as real property for REIT purposes. The total recapture of depreciation and amortization expenses across all relevant assets is expected to result in federal and state tax liability of approximately \$340.0 to \$420.0 million, which amount will be payable in the four-year period starting in 2012 even if we abandon the REIT conversion for any reason, including the failure to receive the PLR we are seeking. Prior to the decision to convert to a REIT, our balance sheet reflected our income tax liability as a non-current deferred tax liability. As a result of the decision to convert to a REIT, our non-current tax liability will be gradually and proportionally reclassified from non-current to current over the four-year period, which started in the third quarter of 2012. The current liability reflects the tax liability that relates to additional taxable income expected to be recognized within the twelve-month period from the date of the balance sheet. If the REIT conversion is successful, we also expect to incur an additional \$5.0 to \$10.0 million in annual compliance costs in future years. We expect to pay between \$150.0 to \$225.0 million in cash taxes during 2013.

Results of Operations

Our results of operations for three months ended March 31, 2013 include the operations of ancotel, Asia Tone and the Dubai IBX data center.

Constant Currency Presentation

Our revenues and certain operating expenses (cost of revenues, sales and marketing and general and administrative expenses) from our international operations have represented and will continue to represent a significant portion of our total revenues and certain operating expenses. As a result, our revenues and certain operating expenses have been and will continue to be affected by changes in the U.S. dollar against major international currencies such as the Brazilian reais, British pound, Canadian dollar, Euro, Swiss franc, Australian dollar, Hong Kong dollar, Japanese yen, Singapore dollar and United Arab Emirates dirham. In order to provide a framework for assessing how each of our business segments performed excluding the impact of foreign currency fluctuations, we present period-over-period percentage changes in our revenues and certain operating expenses on a constant currency basis in addition to the historical amounts as reported. Presenting constant currency results of operations is a non-GAAP financial measure and is not meant to be considered in isolation or as an alternative to GAAP results of operations. However, we have presented this non-GAAP financial measure to provide investors with an additional tool to evaluate our operating results. To present this information, our current and comparative prior period revenues and certain operating expenses from entities with functional currencies other than the U.S. dollar are converted into U.S. dollars at constant exchange rates rather than the actual exchange rates in effect during the respective periods (i.e. average rates in effect for the three months ended March 31, 2012 are used as exchange rates for the three months ended March 31, 2013 when comparing the three months ended March 31, 2013 with the three months ended March 31, 2012).

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Three Months Ended March 31, 2013 and 2012

Revenues. Our revenues for the three months ended March 31, 2013 and 2012 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2013	%	2012	%	Actual	Constant currency
Americas:						
Recurring revenues	\$295,847	57%	\$270,032	61%	10%	11%
Non-recurring revenues	12,707	2%	9,097	2%	40%	40%
	<u>308,554</u>	<u>59%</u>	<u>279,129</u>	<u>63%</u>	11%	12%
EMEA:						
Recurring revenues	113,282	22%	91,533	21%	24%	24%
Non-recurring revenues	7,012	2%	9,803	2%	(28%)	(29%)
	<u>120,294</u>	<u>24%</u>	<u>101,336</u>	<u>23%</u>	19%	19%
Asia-Pacific:						
Recurring revenues	86,142	16%	59,325	13%	45%	48%
Non-recurring revenues	4,465	1%	3,455	1%	29%	36%
	<u>90,607</u>	<u>17%</u>	<u>62,780</u>	<u>14%</u>	44%	47%
Total:						
Recurring revenues	495,271	95%	420,890	95%	18%	19%
Non-recurring revenues	24,184	5%	22,355	5%	8%	9%
	<u>\$519,455</u>	<u>100%</u>	<u>\$443,245</u>	<u>100%</u>	17%	18%

Americas Revenues. Growth in Americas revenues was primarily due to \$10.9 million of revenue generated from our recently-opened IBX data centers or IBX data center expansions in the Chicago, Dallas, Los Angeles, Miami, New York, Seattle and Washington, D.C. metro areas and an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our customer count and utilization rate, as discussed above. During the three months ended March 31, 2013, the U.S. dollar was generally stronger relative to the Canadian dollar and Brazilian reais than during the three months ended March 31, 2012, resulting in approximately \$2.8 million of unfavorable foreign currency impact to our Americas revenues during the three months ended March 31, 2013 when compared to average exchange rates of the three months ended March 31, 2012. We expect that our Americas revenues will continue to grow in future periods as a result of continued growth in the recently-opened IBX data centers or IBX data center expansions and additional expansions currently taking place in the Dallas, Rio de Janeiro, Silicon Valley, Toronto and Washington, D.C. metro areas, which are expected to open during the remainder of 2013 and 2014. Our estimates of future revenue growth take account of expected changes in recurring revenues attributed to customer bookings, customer churn or changes or amendments to customers' contracts.

EMEA Revenues. Our revenues from the U.K., the largest revenue contributor in the EMEA region for the period, represented approximately 36% and 40%, respectively, of the regional revenues during the three months ended March 31, 2013 and 2012. Our EMEA revenue growth was due to (i) \$6.4 million of additional revenue from the impact of the Dubai IBX data center and ancotel acquisitions, (ii) approximately \$7.6 million of revenue from our recently-opened IBX data centers or IBX data center expansions in the Amsterdam, Frankfurt, London and Paris metro areas and (iii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our customer count and utilization rate, as discussed above, partially offset by lower non-recurring revenues such as rental revenues and certain custom services provided to our customers. During the three months ended March 31, 2013, the impact of foreign currency fluctuations to our EMEA revenues was not significant when compared to average exchange rates of the three months ended March 31, 2012. We expect that our EMEA revenues will continue to grow in future periods as a result of continued growth in recently-opened IBX data centers or IBX data center expansions and additional expansions currently taking place in the Frankfurt, London and Zurich metro areas, which are expected to open during the

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remainder of 2013. Our estimates of future revenue growth take account of expected changes in recurring revenues attributed to customer bookings, customer churn or changes or amendments to customers' contracts.

Asia-Pacific Revenues. Our revenues from Singapore, the largest revenue contributor in the Asia-Pacific region, represented approximately 37% and 40%, respectively, of the regional revenues for the three months ended March 31, 2013 and 2012. Our Asia-Pacific revenue growth was due to (i) \$12.9 million of additional revenue from the impact of the Asia Tone acquisition, (ii) approximately \$1.8 million of revenue generated from our recently-opened IBX data center expansions in the Hong Kong, Singapore, Sydney and Tokyo metro areas and (iii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our customer count and utilization rate, as discussed above. During the three months ended March 31, 2013, the U.S. dollar was generally stronger relative to the Australian dollar and Japanese yen than during the three months ended March 31, 2012, resulting in approximately \$2.0 million of unfavorable foreign currency impact to our Asia-Pacific revenues during the three months ended March 31, 2013 when compared to average exchange rates of the three months ended March 31, 2012. We expect that our Asia-Pacific revenues will continue to grow in future periods as a result of continued growth in these recently-opened IBX data center expansions and additional expansions currently taking place in the Tokyo and Singapore metro areas, which are expected to open during the remainder of 2013. Our estimates of future revenue growth take account of expected changes in recurring revenues attributed to customer bookings, or changes or amendments to customers' contracts.

Cost of Revenues. Our cost of revenues for the three months ended March 31, 2013 and 2012 were split among the following geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2013	%	2012	%	Actual	Constant currency
Americas	\$143,552	55%	\$128,113	59%	12%	13%
EMEA	63,701	25%	51,138	24%	25%	24%
Asia-Pacific	52,015	20%	37,847	17%	37%	41%
Total	<u>\$259,268</u>	<u>100%</u>	<u>\$217,098</u>	<u>100%</u>	19%	21%

	Three months ended March 31,	
	2013	2012
<i>Cost of revenues as a percentage of revenues:</i>		
Americas	47%	46%
EMEA	53%	50%
Asia-Pacific	57%	60%
Total	50%	49%

Americas Cost of Revenues. Our Americas cost of revenues for the three months ended March 31, 2013 and 2012 included \$53.0 million and \$47.1 million, respectively, of depreciation expense. Growth in depreciation expense was primarily due to our IBX data center expansion activity. Excluding depreciation expense, the increase in our Americas cost of revenues was primarily due to \$3.4 million of higher taxes, including property taxes, and \$2.5 million of higher costs associated with certain custom services provided to our customers. During the three months ended March 31, 2013, the impact of foreign currency fluctuations to our Americas cost of revenues was not significant when compared to average exchange rates of the three months ended March 31, 2012. We expect Americas cost of revenues to increase as we continue to grow our business.

EMEA Cost of Revenues. Our EMEA cost of revenues for the three months ended March 31, 2013 and 2012 included \$19.4 million and \$15.5 million, respectively, of depreciation expense. Growth in

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depreciation expense was primarily due to our IBX data center expansion activity and acquisitions. Excluding depreciation expense, the increase in our EMEA cost of revenues was primarily due to the impact of the Dubai IBX data center and ancotel acquisitions, which resulted in \$2.6 million of additional cost of revenues for the three months ended March 31, 2013, as well as higher utility costs, compensation expense and professional fees to support our growth. During the three months ended March 31, 2013, the impact of foreign currency fluctuations to our EMEA cost of revenues was not significant when compared to average exchange rates of the three months ended March 31, 2012. We expect EMEA cost of revenues to increase as we continue to grow our business.

Asia-Pacific Cost of Revenues. Our Asia-Pacific cost of revenues for the three months ended March 31, 2013 and 2012 included \$20.5 million and \$15.4 million, respectively, of depreciation expense. Growth in depreciation expense was primarily due to our IBX data center expansion activity and the Asia Tone acquisition. Excluding depreciation expense, the increase in Asia-Pacific cost of revenues was primarily due to the impact of the Asia Tone acquisition, which resulted in \$5.5 million of additional cost of revenues, and higher utility costs and rent and facility costs. During the three months ended March 31, 2013, the impact of foreign currency fluctuations to our Asia-Pacific cost of revenues was not significant when compared to average exchange rates of the three months ended March 31, 2012. We expect Asia-Pacific cost of revenues to increase as we continue to grow our business.

Sales and Marketing Expenses. Our sales and marketing expenses for the three months ended March 31, 2013 and 2012 were split among the following geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2013	%	2012	%	Actual	Constant currency
Americas	\$35,576	61%	\$30,928	67%	15%	16%
EMEA	15,904	27%	10,484	22%	52%	53%
Asia-Pacific	6,796	12%	4,998	11%	36%	39%
Total	<u>\$58,276</u>	<u>100%</u>	<u>\$46,410</u>	<u>100%</u>	26%	27%

	Three months ended March 31,	
	2013	2012
<i>Sales and marketing expenses as a percentage of revenues:</i>		
Americas	12%	11%
EMEA	13%	10%
Asia-Pacific	8%	8%
Total	11%	10%

Americas Sales and Marketing Expenses. The increase in our Americas sales and marketing expenses was primarily due to \$4.5 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation and headcount growth (347 Americas sales and marketing employees as of March 31, 2013 versus 286 as of March 31, 2012). During the three months ended March 31, 2013, the impact of foreign currency fluctuations to our Americas sales and marketing expenses was not significant when compared to average exchange rates of the three months ended March 31, 2012. Over the past several years, we have been investing in our Americas sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our Americas sales and marketing expenses as a percentage of revenues have increased. Although we anticipate that we will continue to invest in Americas sales and marketing initiatives, we believe our Americas sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year but should ultimately decrease as we continue to grow our business.

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EMEA Sales and Marketing Expenses. The increase in our EMEA sales and marketing expenses was primarily due to (i) \$2.5 million of additional sales and marketing expenses from the impact of the Dubai IBX data center and ancotel acquisitions and (ii) \$2.8 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation expense and headcount growth (157 EMEA sales and marketing employees as of March 31, 2013 versus 123 as of March 31, 2012). For the three months ended March 31, 2013, the impact of foreign currency fluctuations to our EMEA sales and marketing expenses was not significant when compared to average exchange rates of the three months ended March 31, 2012. Over the past several years, we have been investing in our EMEA sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our EMEA sales and marketing expenses as a percentage of revenues have increased. Although we anticipate that we will continue to invest in EMEA sales and marketing initiatives, we believe our EMEA sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year or two but should ultimately decrease as we continue to grow our business.

Asia-Pacific Sales and Marketing Expenses. The increase in our Asia-Pacific sales and marketing expenses was primarily due to \$1.2 million of additional sales and marketing expenses from the impact of the Asia Tone acquisition. For the three months ended March 31, 2013, the impact of foreign currency fluctuations to our Asia-Pacific sales and marketing expenses was not significant when compared to average exchange rates of the three months ended March 31, 2012. Over the past several years, we have been investing in our Asia-Pacific sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our Asia-Pacific sales and marketing expenses have increased. Although we anticipate that we will continue to invest in Asia-Pacific sales and marketing initiatives, we believe our Asia-Pacific sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year or two but should ultimately decrease as we continue to grow our business.

General and Administrative Expenses. Our general and administrative expenses for the three months ended March 31, 2013 and 2012 were split among the following geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2013	%	2012	%	Actual	Constant currency
Americas	\$63,431	71%	\$58,612	75%	8%	9%
EMEA	17,744	20%	12,306	16%	44%	45%
Asia-Pacific	8,510	9%	7,398	9%	15%	15%
Total	<u>\$89,685</u>	<u>100%</u>	<u>\$78,316</u>	<u>100%</u>	15%	15%

	Three months ended March 31,	
	2013	2012
<i>General and administrative expenses as a percentage of revenues:</i>		
Americas	21%	21%
EMEA	15%	12%
Asia-Pacific	9%	12%
Total	17%	18%

Americas General and Administrative Expenses. The increase in our Americas general and administrative expenses was primarily due to \$4.0 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (688 Americas general and administrative employees as of March 31, 2013 versus 671 as of March 31, 2012). During the three

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months ended March 31, 2013, the impact of foreign currency fluctuations to our Americas general and administrative expenses was not significant when compared to average exchange rates of the three months ended March 31, 2012. Over the course of the past year, we have been investing in our Americas general and administrative functions to scale this region effectively for growth, which has included additional investments into improving our back office systems. We expect our current efforts to improve our back office systems will continue over the next several years. Going forward, although we are carefully monitoring our spending given the current economic environment, we expect Americas general and administrative expenses to increase as we continue to further scale our operations to support our growth, including this investment in our back office systems and the REIT conversion process.

EMEA General and Administrative Expenses. The increase in our EMEA general and administrative expenses was primarily due to additional general and administrative expenses from the impact of the Dubai IBX data center and ancotel acquisitions and higher compensation costs. The impact of foreign currency fluctuations to our EMEA general and administrative expenses for the three months ended March 31, 2013 was not significant when compared to average exchange rates of the three months ended March 31, 2012. Over the course of the past year, we have been investing in our EMEA general and administrative functions as a result of our ongoing efforts to scale this region effectively for growth. Going forward, although we are carefully monitoring our spending given the current economic environment, we expect our EMEA general and administrative expenses to increase in future periods as we continue to scale our operations to support our growth; however, as a percentage of revenues, we generally expect them to decrease.

Asia-Pacific General and Administrative Expenses. The increase in our Asia-Pacific general and administrative expenses was primarily due to additional general and administrative expenses from the impact of the Asia Tone acquisition and higher compensation costs. For the three months ended March 31, 2013, the impact of foreign currency fluctuations to our Asia-Pacific general and administrative expenses was not significant when compared to average exchange rates of the three months ended March 31, 2012. Going forward, although we are carefully monitoring our spending given the current economic environment, we expect Asia-Pacific general and administrative expenses to increase as we continue to scale our operations to support our growth; however, as a percentage of revenues, we generally expect them to decrease.

Acquisition Costs. During the three months ended March 31, 2013, we recorded acquisition costs totaling \$3.7 million primarily attributed to Americas region. During the three months ended March 31, 2012, we recorded acquisition costs totaling \$675,000 primarily attributed to our Asia-Pacific region.

Interest Income. Interest income increased to \$747,000 for the three months ended March 31, 2013 from \$691,000 for the three months ended March 31, 2012. Interest income increased primarily due to higher yields on foreign invested balances. The average annualized yield for the three months ended March 31, 2013 was 0.27% versus 0.23% for the three months ended March 31, 2012. We expect our interest income to remain at these low levels for the foreseeable future due to the impact of a continued low interest rate environment and a portfolio more weighted towards short-term securities.

Interest Expense. Interest expense increased to \$60.3 million for the three months ended March 31, 2013 from \$52.8 million for the three months ended March 31, 2012. This increase in interest expense was primarily due to the impact of our \$1.5 billion senior notes offering in March 2013, additional financings such as various capital lease and other financing obligations to support our expansion projects and less capitalized interest expense. During the three months ended March 31, 2013 and 2012, we capitalized \$2.9 million and \$5.6 million, respectively, of interest expense to construction in progress. Going forward, we expect to incur higher interest expense as we recognize the full impact of our \$1.5 billion senior notes offering, partially offset by the redemption of our 8.125% senior notes in April 2013, which will contribute approximately \$17.6 million in interest expense annually. However, we may incur additional indebtedness to support our growth, resulting in higher interest expense.

Other Income (Expense). We recorded \$459,000 and \$154,000, respectively, of other expense for the three months ended March 31, 2013 and 2012, primarily due to foreign currency exchange losses during the periods.

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Income Taxes. For the three months ended March 31, 2013 and 2012, we recorded \$12.2 million and \$13.9 million of income tax expenses, respectively. Our effective tax rates were 25.1% and 28.6% for the three months ended March 31, 2013 and 2012, respectively. We expect to recognize a lower income tax provision in 2013 due to lower profitability in certain jurisdictions with higher tax rates. In addition, we expect cash income taxes during the remainder of 2013 to increase primarily related to the impacts of recognizing the depreciation and amortization recapture as a result of the change of our method of depreciating and amortizing various data center assets for tax purposes in connection with our REIT conversion plan. The cash taxes for 2013 and 2012 are primarily for U.S. federal and state income taxes and foreign income taxes in certain foreign jurisdictions.

Commencing with certain reorganization activities that we started during the fourth quarter of 2012, we will reassess the long-term profitability of certain of our operations that are currently incurring losses in EMEA. The reassessment may result in releases of valuation allowances that are currently assessed against the net deferred tax assets with these operations, which will affect our effective tax rate favorably at the time when such a benefit is recognized.

Net Income from Discontinued Operations. During the three months ended March 31, 2013, we did not have any discontinued operations. For the three months ended March 31, 2012, our net income from discontinued operations was \$199,000. For additional information, see "Discontinued Operations" in Note 1 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the performance of the segment, measure the operational cash generating abilities of the segment and develop regional growth strategies such as IBX data center expansion decisions. Our adjusted EBITDA for the three months ended March 31, 2013 and 2012 were split among the following geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2013	%	2012	%	Actual	Constant currency
Americas	\$146,530	60%	\$133,198	63%	10%	11%
EMEA	49,054	20%	46,884	22%	5%	5%
Asia-Pacific	47,876	20%	30,514	15%	57%	60%
Total	<u>\$243,460</u>	<u>100%</u>	<u>\$210,596</u>	<u>100%</u>	16%	16%

Americas Adjusted EBITDA. The increase in our Americas adjusted EBITDA was primarily due to our improved income from continuing operations, higher add-back depreciation expense due to our IBX data center expansion activity and higher add-back stock-based compensation expense due to both headcount growth (1,872 Americas employees as of March 31, 2013 versus 1,800 as of March 31, 2012) and an increase in the fair value of equity awards granted.

EMEA Adjusted EBITDA. The increase in our EMEA adjusted EBITDA was primarily due to the impact of the Dubai IBX data center and ancotel acquisitions, which generated \$1.4 million of adjusted EBITDA during the three months ended March 31, 2013.

Asia-Pacific Adjusted EBITDA. The increase in our Asia-Pacific adjusted EBITDA was primarily due to our improved income from continuing operations and higher add-back depreciation expense due to the impact of the Asia Tone acquisition and our IBX data center expansion activity. Our Asia-Pacific adjusted EBITDA for the three months ended March 31, 2013, included \$6.7 million of adjusted EBITDA from the impact of the Asia Tone acquisition.

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Non-GAAP Financial Measures

We provide all information required in accordance with generally accepted accounting principles (GAAP), but we believe that evaluating our ongoing operating results from continuing operations may be difficult if limited to reviewing only GAAP financial measures. Accordingly, we use non-GAAP financial measures, primarily adjusted EBITDA, to evaluate our continuing operations. We also use adjusted EBITDA as a metric in the determination of employees' annual bonuses and vesting of restricted stock units that have both a service and performance condition. In presenting adjusted EBITDA, we exclude certain items that we believe are not good indicators of our current or future operating performance. These items are depreciation, amortization, accretion of asset retirement obligations and accrued restructuring charges, stock-based compensation, restructuring charges, impairment charges and acquisition costs. Legislative and regulatory requirements encourage the use of and emphasis on GAAP financial metrics and require companies to explain why non-GAAP financial metrics are relevant to management and investors. We exclude these items in order for our lenders, investors, and industry analysts, who review and report on us, to better evaluate our operating performance and cash spending levels relative to our industry sector and competitors.

For example, we exclude depreciation expense as these charges primarily relate to the initial construction costs of our IBX data centers and do not reflect our current or future cash spending levels to support our business. Our IBX data centers are long-lived assets and have an economic life greater than 10 years. The construction costs of our IBX data 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 data centers. These estimates could vary from actual performance of the asset, are based on historical costs incurred to build out our IBX data centers, and are not indicative of current or expected future capital expenditures. Therefore, we exclude depreciation from our operating results when evaluating our continuing operations.

In addition, in presenting the non-GAAP financial measures, we exclude amortization expense related to certain intangible assets, as it represents a cost that may not recur and is not a good indicator of our current or future operating performance. We exclude accretion expense, both as it relates to asset retirement obligations as well as accrued restructuring charge liabilities, as these expenses represent costs which we believe are not meaningful in evaluating our current operations. We exclude stock-based compensation expense as it primarily represents expense attributed to equity awards that have no current or future cash obligations. As such, we, and many investors and analysts, exclude this stock-based compensation expense when assessing the cash generating performance of our continuing operations. We also exclude restructuring charges from our non-GAAP financial measures. The restructuring charges relate to our decisions to exit leases for excess space adjacent to several of our IBX data centers, which we did not intend to build out, or our decision to reverse such restructuring charges, or severance charges related to the Switch and Data acquisition. We also exclude impairment charges related to certain long-lived assets. The impairment charges are related to expense recognized whenever events or changes in circumstances indicate that the carrying amount of long-lived assets are not recoverable. Finally, we exclude acquisition costs from our non-GAAP financial measures. The acquisition costs relate to costs we incur in connection with business combinations. Management believes such items as restructuring charges, impairment charges and acquisition costs are non-core transactions; however, these types of costs will or may occur in future periods.

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

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Investors should note, however, that the non-GAAP financial measures used by us may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as those of other companies. In addition, whenever we use non-GAAP financial measures, we provide a reconciliation of the non-GAAP financial measure 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.

We define adjusted EBITDA as income or loss from continuing operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges and acquisition costs as presented below (in thousands):

	Three months ended	
	March 31,	
	2013	2012
Income from continuing operations	\$108,564	\$100,746
Depreciation, amortization and accretion expense	108,531	90,150
Stock-based compensation expense	22,703	19,025
Acquisitions costs	<u>3,662</u>	<u>675</u>
Adjusted EBITDA	<u>\$243,460</u>	<u>\$210,596</u>

Our adjusted EBITDA results have improved each year and in each region in total dollars due to the improved operating results discussed earlier in “Results of Operations”, as well as due to the nature of our business model which consists of a recurring revenue stream and a cost structure which has a large base that is fixed in nature as discussed earlier in “Overview”. Although we have also been investing in our future growth as described above (e.g. through additional IBX data center expansions, acquisitions and increased investments in sales and marketing expenses), we believe that our adjusted EBITDA results will continue to improve in future periods as we continue to grow our business.

Liquidity and Capital Resources

As of March 31, 2013, our total indebtedness was comprised of (i) convertible debt principal totaling \$769.7 million from our 3.00% convertible subordinated notes and our 4.75% convertible subordinated notes (gross of discount) and (ii) non-convertible debt and financing obligations totaling \$3.8 billion consisting of (a) \$3.0 billion of principal from our 8.125%, 7.00%, 5.375% and 4.875% senior notes, (b) \$226.9 million of principal from our loans payable and (c) \$584.4 million from our capital lease and other financing obligations. In March 2013, we received gross proceeds of \$1.5 billion from the senior notes offering. In April 2013, we redeemed the \$750.0 million 8.125% senior notes with \$830.9 million of cash.

We believe we have sufficient cash, coupled with anticipated cash generated from operating activities, to meet our operating requirements, including repayment of the current portion of our debt as it becomes due, payment of tax liabilities related to the decision to convert to a REIT (see below) and completion of our publicly-announced expansion projects. As of March 31, 2013, we had \$1.2 billion of cash, cash equivalents and short-term and long-term investments, of which approximately \$1.0 billion was held in the U.S. Additionally, as more fully described in Note 9 to Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, as of March 31, 2013, we had an \$843.5 million current portion of restricted cash, of which \$836.4 million was from the proceeds of the senior notes offering in March 2013 and was used to redeem our 8.125% senior notes in April 2013. We believe that our current expansion activities in the U.S. can be funded with our U.S.-based cash and cash equivalents and investments. Besides our investment portfolio, additional liquidity available to us from the U.S. financing and any further financing activities we may pursue, customer collections are our primary source of cash. While we believe we have a strong customer base and have continued to experience relatively strong collections, if the current market conditions were to deteriorate, some of our customers may have difficulty paying us and we may experience increased churn in our customer base, including reductions in their commitments to us, all of which could have a material adverse effect on our liquidity.

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Additionally, approximately 18% of our gross trade receivables are attributable to our EMEA region, and due to the risks posed by the current European debt crisis and credit downgrade, our EMEA-based customers may have difficulty paying us. As a result, our liquidity could be adversely impacted by the possibility of increasing trade receivable aging and higher allowances for doubtful accounts.

As of March 31, 2013, we had a total of approximately \$528.2 million of additional liquidity available to us under the U.S. financing. While we believe we have sufficient liquidity and capital resources to meet our current operating requirements and to complete our publicly-announced IBX data center expansion plans, we may pursue additional expansion opportunities, primarily the build out of new IBX data centers, in certain of our existing markets which are at or near capacity within the next year, as well as potential acquisitions, and have also announced our planned conversion to a REIT (see below). While we expect to fund these expansion plans with our existing resources, additional financing, either debt or equity, may be required to pursue certain new or unannounced additional expansion plans, including acquisitions. However, if current market conditions were to deteriorate, we may be unable to secure additional financing or any such additional financing may only be available to us on unfavorable terms. An inability to pursue additional expansion opportunities will have a material adverse effect on our ability to maintain our desired level of revenue growth in future periods.

Impact of REIT Conversion

In accordance with tax rules applicable to REIT conversions, we expect to issue special distributions to our stockholders of undistributed accumulated earnings and profits of approximately \$700.0 million to \$1.1 billion, which is collectively referred to as the E&P distribution, which we expect to pay out in a combination of up to 20% in cash and at least 80% in the form of our common stock. We expect to make the E&P distribution only after receiving a favorable PLR from the IRS and anticipate making a significant portion of the E&P distribution before 2015, with the balance distributed in 2015. In addition, following the completion of the REIT conversion, we intend to declare regular distributions to our stockholders.

There are significant tax and other costs associated with implementing the REIT conversion, and certain tax liabilities may be incurred regardless of the whether we ultimately succeed in converting to a REIT. We currently estimate that we will incur approximately \$50.0 to \$80.0 million in costs to support the REIT conversion, in addition to related tax liabilities associated with a change in our method of depreciating and amortizing various data center assets for tax purposes from our prior method to current methods that are more consistent with the characterization of such assets as real property for REIT purposes. The total recapture of depreciation and amortization expenses across all relevant assets is expected to result in federal and state tax liability of approximately \$340.0 to \$420.0 million, which amount will be payable in the four-year period starting in 2012 even if we abandon the REIT conversion for any reason, including the failure to receive the PLR we are seeking. We expect to utilize all our net operating loss carryforwards for federal and state income tax purposes in 2013. If the REIT conversion is successful, we also expect to incur an additional \$5.0 to \$10.0 million in annual compliance costs in future years.

Sources and Uses of Cash

	Three Months Ended	
	March 31,	
	2013	2012
Net cash provided by operating activities	\$ 84,181	\$ 125,993
Net cash provided by (used in) investing activities	(1,142,540)	269,433
Net cash provided by (used in) financing activities	1,496,760	(43,950)

Operating Activities. The decrease in net cash provided by operating activities was primarily due to unfavorable working capital activities such as growth in accounts receivables and increased payments of certain accounts payable and accrued expenses as well as \$19.0 million of excess tax benefits from stock-based compensation, partially offset by improved operating results. Although our collections remain strong, it is possible for some large customer receivables that were anticipated to be collected in one

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quarter to slip to the next quarter. For example, some large customer receivables that were anticipated to be collected in March 2013 were instead collected in April 2013, which negatively impacted cash flows from operating activities for the three months ended March 31, 2013. We expect that we will continue to generate cash from our operating activities during the remainder of 2013 and beyond.

Investing Activities. The net cash used in investing activities for the three months ended March 31, 2013 was primarily due to the deposit of \$836.4 million of proceeds from the senior notes offering in March 2013 into a restricted cash account for the redemption of the 8.125% senior notes, \$296.5 million of purchases of investments and \$75.7 million of capital expenditures as a result of expansion activity. The net cash provided by investing activities for the three months ended March 31, 2012 was primarily due to \$443.7 million of maturities and sales of investments and \$68.6 million of release of restricted cash primarily related to payments made in connection with the Paris 4 IBX financing, partially offset by \$145.5 million of capital expenditures as a result of expansion activity and \$97.4 million of purchases of investments. During 2013, we expect that our IBX expansion construction activity will be similar to our 2012 levels. However, if the opportunity to expand is greater than planned and we have sufficient funding to increase the expansion opportunities available to us, we may increase the level of capital expenditures to support this growth as well as pursue additional acquisitions or joint ventures.

Financing Activities. The net cash provided by financing activities for the three months ended March 31, 2013 was primarily due to \$1.5 billion of proceeds from the senior notes offering in March 2013 and \$14.4 million of proceeds from employee equity awards, partially offset by \$19.0 million of debt issuance costs and \$17.6 million of repayments of various long-term debt and capital lease and other financing obligations. The net cash used in financing activities for the three months ended March 31, 2012 was primarily due to \$10.1 million of repayments of principal on the Asia-Pacific debt facility, \$55.4 million repayment of principal on the Paris 4 IBX financing and \$13.4 million of purchases of treasury stock, partially offset by \$30.5 million of proceeds from employee equity awards and \$8.9 million of proceeds from an ALOG debt facility. Going forward, we expect that our financing activities will consist primarily of repayment of our debt for the foreseeable future, including the \$750.0 million 8.125% senior notes, which were settled in April 2013. However, we may pursue additional financings in the future to support expansion opportunities, additional acquisitions or joint ventures.

Debt Obligations

4.875% Senior Notes and 5.375% Senior Notes. In March 2013, we issued \$1.5 billion aggregate principal amount of senior notes, which consist of \$500.0 million aggregate principal amount of 4.875% senior notes due April 1, 2020 and \$1.0 billion aggregate principal amount of 5.375% senior notes due April 1, 2023. Interest on both the 4.875% senior notes and the 5.375% senior notes is payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 2013.

The 4.875% senior notes and the 5.375% senior notes are governed by separate indentures dated March 5, 2013, which is referred to as the senior notes indentures, between us, as issuer, and U.S. Bank National Association, as trustee (the "Senior Notes Indentures"). The senior notes indentures contain covenants that limit our ability and the ability of our subsidiaries to, among other things:

- incur additional debt;
- pay dividends or make other restricted payments;
- purchase, redeem or retire capital stock or subordinated debt;
- make asset sales;
- enter into transactions with affiliates;
- incur liens;
- enter into sale-leaseback transactions;
- provide subsidiary guarantees;
- make investments; and
- merge or consolidate with any other person.

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Each of these restrictions has a number of important qualifications and exceptions. The 4.875% senior notes and the 5.375% senior notes are unsecured and rank equal in right of payment with our existing or future senior debt and senior in right of payment to our existing and future subordinated debt. The 4.875% senior notes and the 5.375% senior notes are effectively junior with our secured indebtedness and indebtedness of our subsidiaries.

At any time prior to April 1, 2016, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 4.875% senior notes outstanding at a redemption price equal to 104.875% of the principal amount of the 4.875% senior notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings; provided that (i) at least 65% of the aggregate principal amount of the 4.875% senior notes issued under the 4.875% senior notes indenture remains outstanding immediately after the occurrence of such redemption (excluding the 4.875% senior notes held by us and our subsidiaries); and (ii) the redemption must occur within 90 days of the date of the closing of such equity offering.

On or after April 1, 2017, we may redeem all or a part of the 4.875% senior notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

	<u>Redemption price of the 4.875% Senior Notes</u>
2017	102.438%
2018	101.219%
2019 and thereafter	100.000%

At any time prior to April 1, 2017, we may also redeem all or a part of the 4.875% senior notes at a redemption price equal to 100% of the principal amount of the 4.875% senior notes redeemed plus an applicable premium, which is referred to as the 4.875% senior notes applicable premium, and accrued and unpaid interest, if any, to, but not including, the date of redemption, which is referred to as the 4.875% senior notes redemption date. The 4.875% senior notes applicable premium means the greater of:

- 1.0% of the principal amount of the 4.875% senior notes; and
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 4.875% senior notes at April 1, 2017 as shown in the above table, plus (ii) all required interest payments due on the 4.875% senior notes through April 1, 2017 (excluding accrued but unpaid interest, if any, to, but not including the 4.875% senior notes redemption date), computed using a discount rate equal to the yield to maturity of the U.S. Treasury securities with a constant maturity most nearly equal to the period from the 4.875% senior notes redemption date to April 1, 2017, plus 0.50%; over (b) the principal amount of the 4.875% senior notes.

At any time prior to April 1, 2016, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 5.375% senior notes outstanding at a redemption price equal to 105.375% of the principal amount of the 5.375% senior notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings; provided that (i) at least 65% of the aggregate principal amount of the 5.375% senior notes issued under the 5.375% senior notes indenture remains outstanding immediately after the occurrence of such redemption (excluding the 5.375% senior notes held by us and our subsidiaries); and (ii) the redemption must occur within 90 days of the date of the closing of such equity offering.

On or after April 1, 2018, we may redeem all or a part of the 5.375% senior notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

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	<u>Redemption price of the 5.375% Senior Notes</u>
2018	102.688%
2019	101.792%
2020	100.896%
2021 and thereafter	100.000%

At any time prior to April 1, 2018, we may also redeem all or a part of the 5.375% senior notes at a redemption price equal to 100% of the principal amount of the 5.375% senior notes redeemed plus an applicable premium, which is referred to as the 5.375% senior notes applicable premium, and accrued and unpaid interest, if any, to, but not including, the date of redemption, which is referred to as the 5.375% senior notes redemption date. The 5.375% senior notes applicable premium means the greater of:

- 1.0% of the principal amount of the 5.375% senior notes; and
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 5.375% senior notes at April 1, 2018 as shown in the above table, plus (ii) all required interest payments due on the 5.375% senior notes through April 1, 2018 (excluding accrued but unpaid interest, if any, to, but not including the 5.375% senior notes redemption date), computed using a discount rate equal to the yield to maturity of the U.S. Treasury securities with a constant maturity most nearly equal to the period from the 5.375% senior notes redemption date to April 1, 2018, plus 0.50%; over (b) the principal amount of the 5.375% senior notes.

Debt issuance costs related to the 4.875% senior notes and 5.375% senior notes, net of amortization, were \$20.2 million as of March 31, 2013. In March 2013, we placed \$836.4 million of the proceeds from the issuance of the 4.875% and 5.375 senior notes into a restricted cash account for the redemption of the 8.125% senior notes.

8.125% Senior Notes. In February 2010, we issued \$750.0 million aggregate principal amount of 8.125% senior notes due March 1, 2018. The indenture governing the 8.125% senior notes permitted us to redeem the 8.125% senior notes at the redemption prices set forth in the 8.125% senior notes indenture plus accrued and unpaid interest to, but not including the redemption date.

In April 2013, we redeemed all of the 8.125% senior notes and incurred a loss on debt extinguishment, which will be recorded in the second quarter of 2013. See Note 14 to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q.

U.S. Financing. In February 2013, we entered into an amendment to a credit agreement with a group of lenders for a \$750.0 million credit facility, referred to as the U.S. financing, which is comprised of a \$200.0 million term loan facility, referred to as the U.S. term loan, and a \$550.0 million multicurrency revolving credit facility, referred to as the U.S. revolving credit line. The amendment modified certain definitions of items used in the calculation of the financial covenants with which we must comply on a quarterly basis to exclude the write-off of any unamortized debt issuance costs that were incurred in connection with the issuance of the 8.125% senior notes; to exclude one-time transaction costs, fees, premiums and expenses incurred by us in connection with the issuance of the 4.875% senior notes and 5.375% senior notes and the redemption of the 8.125% senior notes; and to exclude the 8.125% senior notes provided that certain conditions in connection with the redemption of the 8.125% senior notes were satisfied. The amendment also postponed the step-down of the maximum senior leverage ratio covenant from the three months ended March 31, 2013 to the three months ended September 30, 2013.

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Contractual Obligations and Off-Balance-Sheet Arrangements

We lease a majority of our IBX data centers and certain equipment under non-cancelable lease agreements expiring through 2035. The following represents our debt maturities, financings, leases and other contractual commitments as of March 31, 2013 (in thousands):

	2013 (9 months)	2014	2015	2016	2017	Thereafter	Total
Convertible debt (1)	\$ —	\$ 395,986	\$ —	\$373,727	\$ —	\$ —	\$ 769,713
Senior notes (2)	750,000	—	—	—	—	2,250,000	3,000,000
U.S. term loan (3)	30,000	40,000	40,000	40,000	20,000	—	170,000
ALOG financing (3)	—	14,162	14,162	14,161	7,081	—	49,566
Other loans payable (3)	36	—	—	—	—	—	36
Paris 4 IBX financing (4)	7,308	—	—	—	—	—	7,308
Interest (5)	135,407	225,871	214,254	203,166	192,168	597,418	1,568,284
Capital lease and other financing obligations (6)	42,730	62,105	66,467	70,024	70,140	605,030	916,496
Operating leases under accrued restructuring charges (7)	1,857	2,459	1,444	—	—	—	5,760
Operating leases (8)	86,288	113,464	96,205	84,902	82,129	415,902	878,890
Other contractual commitments (9)	270,560	75,260	32,703	632	577	—	379,732
Asset retirement obligations (10)	50	4,489	7,100	464	6,525	44,802	63,430
ALOG acquisition contingent consideration (11)	19,449	—	—	—	—	—	19,449
Redeemable non-controlling interests	—	96,891	—	—	—	—	96,891
	<u>\$1,343,685</u>	<u>\$1,030,687</u>	<u>\$472,335</u>	<u>\$787,076</u>	<u>\$378,620</u>	<u>\$3,913,152</u>	<u>\$7,925,555</u>

- (1) Represents principal only. As of March 31, 2013, had the holders of the 3.00% convertible subordinated notes due 2014 converted their notes, the 3.00% convertible subordinated notes would have been convertible into approximately 3.6 million shares of our common stock, which would have a total value of \$779.5 million based on the closing price of our common stock on March 28, 2013, the last trading day of our common stock during the three months ended March 31, 2013. As of March 31, 2013, had the holders of the 4.75% convertible subordinated notes due 2016 converted their notes, the 4.75% convertible subordinated notes would have been convertible into approximately 4.4 million shares of our common stock, which would have a total value of \$958.8 million based on the closing price of our common stock on March 28, 2013, the last trading day of our common stock during the three months ended March 31, 2013.
- (2) In April 2013, the principal balance of the \$750.0 million 8.125% senior notes due March 1, 2018 was redeemed plus approximately \$80.9 million of applicable premium paid.
- (3) Represents principal only.
- (4) Represents total payments to be made under two agreements to purchase and develop the Paris 4 IBX center.
- (5) Represents interest on ALOG financing, convertible debt, senior notes, U.S. term loan and other loans payable based on their approximate interest rates as of March 31, 2013.
- (6) Represents principal and interest.
- (7) Excludes any subrental income.
- (8) Represents minimum operating lease payments, excluding potential lease renewals.
- (9) Represents off-balance sheet arrangements. Other contractual commitments are described below.
- (10) Represents liability, net of future accretion expense.
- (11) Represents the ALOG acquisition contingent consideration, subject to reduction for any post-closing balance sheet adjustments and any claims for indemnification, and includes the portion of the contingent consideration that will be funded by Riverwood Capital L.P., who has an indirect, non-controlling equity interest in ALOG.

In connection with certain of our leases and other contracts requiring deposits, we entered into 14 irrevocable letters of credit totaling \$21.8 million under the senior revolving credit line. These letters of credit were provided in lieu of cash deposits under the senior revolving credit line. If the landlords for these IBX leases decide to draw down on these letters of credit triggered by an event of default under the lease, we will be required to fund these letters of credit either through cash collateral or borrowing under the senior revolving credit line. These contingent commitments are not reflected in the table above.

We had accrued liabilities related to uncertain tax positions totaling approximately \$22.8 million as of March 31, 2013. These liabilities, which are reflected on our balance sheet, are not reflected in the table above since it is unclear when these liabilities will be paid.

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Primarily as a result of our various IBX data center expansion projects, as of March 31, 2013, we were contractually committed for \$118.8 million of unaccrued capital expenditures, primarily for IBX equipment not yet delivered and labor not yet provided in connection with the work necessary to complete construction and open these IBX data centers prior to making them available to customers for installation. This amount, which is expected to be paid during the remainder of 2013 and thereafter, is reflected in the table above as “other contractual commitments.”

We had other non-capital purchase commitments in place as of March 31, 2013, such as commitments to purchase power in select locations and other open purchase orders, which contractually bind us for goods or services to be delivered or provided during 2013 and beyond. Such other purchase commitments as of March 31, 2013, which total \$260.9 million, are also reflected in the table above as “other contractual commitments.”

In addition, although we are not contractually obligated to do so, we expect to incur additional capital expenditures of approximately \$220 million to \$250 million, in addition to the \$118.8 million in contractual commitments discussed above as of March 31, 2013, in our various IBX data center expansion projects during 2013 and thereafter in order to complete the work needed to open these IBX data centers. These non-contractual capital expenditures are not reflected in the table above. If we so choose, whether due to economic factors or other considerations, we could delay these non-contractual capital expenditure commitments to preserve liquidity.

In March 2013, we entered into a lease for land and a building that we and the landlord will jointly develop into our third IBX data center in the Singapore metro area, referred to as the Singapore 3 lease. The Singapore 3 lease has a term of 20 years, with an option to purchase the property. If the option to purchase property is not exercised, we have options to extend the lease. The total cumulative minimum rent obligation over the term of the lease is approximately \$160.1 million, exclusive of renewal periods.

Critical Accounting Policies and Estimates

Equinix’s financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are affected by management’s application of accounting policies. On an on-going basis, management evaluates its estimates and judgments. Critical accounting policies for Equinix that affect our more significant judgment and estimates used in the preparation of our condensed consolidated financial statements include accounting for income taxes, accounting for business combinations, accounting for impairment of goodwill and accounting for property, plant and equipment, which are discussed in more detail under the caption “Critical Accounting Policies and Estimates” in Management’s Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2012.

Recent Accounting Pronouncements

See Note 1 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

While there have been no significant changes in our market risk, investment portfolio risk, interest rate risk, foreign currency risk and commodity price risk exposures and procedures during the three months ended March 31, 2013 as compared to the respective risk exposures and procedures disclosed in Quantitative and Qualitative Disclosures About Market Risk, set forth in Part II Item 7A, of our Annual Report on Form 10-K for the year ended December 31, 2012, the U.S. dollar strengthened relative to

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certain of the currencies of the foreign countries in which we operate during the three months ended March 31, 2013. This has significantly impacted our consolidated financial position and results of operations during this period, including the amount of revenue that we reported. Continued strengthening or weakening of the U.S. dollar will continue to have a significant impact to us in future periods.

Item 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of our “disclosure controls and procedures” (as defined in the Securities Exchange Act of 1934 (the “Exchange Act”) Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this quarterly report, have concluded that our disclosure controls and procedures are effective based on their evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

(b) *Changes in Internal Control over Financial Reporting.* There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(c) *Limitations on the Effectiveness of Controls.* Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed and operated to be effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Alleged Class Action and Shareholder Derivative Actions

On March 4, 2011, an alleged class action entitled Cement Masons & Plasterers Joint Pension Trust v. Equinix, Inc., et al., No. CV-11-1016-SC, was filed in the United States District Court for the Northern District of California, against Equinix and two of our officers. The suit asserts purported claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 for allegedly misleading statements regarding our business and financial results. The suit is purportedly brought on behalf of purchasers of our common stock between July 29, 2010 and October 5, 2010, and seeks compensatory damages, fees and costs. Defendants filed a motion to dismiss on November 7, 2011. On March 2, 2012, the Court granted defendants’ motion to dismiss without prejudice and gave plaintiffs thirty days in which to amend their complaint. Pursuant to stipulation and order of the court entered on March 16, 2012, the parties agreed that plaintiffs would have up to and through May 2, 2012 to file a Second Amended Complaint. On May 2, 2012 plaintiffs filed a Second Amended Complaint asserting the same basic allegations as in

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the prior complaint. On June 15, 2012, defendants moved to dismiss the Second Amended Complaint. On September 19, 2012, the Court took the hearing on defendants' motion to dismiss the Second Amended Complaint off calendar and notified the parties that it would make its decision on the pleadings. Subsequently, on September 24, 2012, the Court requested the parties submit supplemental briefing on or before October 9, 2012. The supplemental briefing was submitted on October 9, 2012. On December 5, 2012, the Court granted defendants' motion to dismiss the Second Amended Complaint without prejudice and on January 15, 2013, Plaintiffs filed their Third Amended Complaint. On February 26, 2013, defendants moved to dismiss the Third Amended Complaint. The hearing on the motion to dismiss the Third Amended Complaint is currently set for June 7, 2013.

On March 8, 2011, an alleged shareholder derivative action entitled *Rikos v. Equinix, Inc., et al.*, No. CGC-11-508940, was filed in California Superior Court, County of San Francisco, purportedly on behalf of Equinix, and naming Equinix (as a nominal defendant), the members of our board of directors, and two of our officers as defendants. The suit is based on allegations similar to those in the federal securities class action and asserts causes of action against the individual defendants for breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. By agreement and order of the court, this case has been temporarily stayed pending proceedings in the class action, and, pursuant to that agreement, defendants need not respond to the complaint at this time.

On May 20, 2011, an alleged shareholder derivative action entitled *Stopa v. Clontz, et al.*, No. CV-11-2467-SC, was filed in the U.S. District Court for the Northern District of California, purportedly on behalf of Equinix, naming Equinix (as a nominal defendant) and the members of our board of directors as defendants. The suit is based on allegations similar to those in the federal securities class action and the state court derivative action and asserts causes of action against the individual defendants for breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement and waste of corporate assets. On June 10, 2011, the Court signed an order relating this case to the federal securities class action. Plaintiffs filed an amended complaint on December 14, 2011. By agreement and order of the court, this case has been temporarily stayed pending proceedings in the class action, and, pursuant to that agreement, defendants need not respond to the complaint at this time.

We make a provision for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. Unless otherwise specifically disclosed here or in Note 11 to Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q, we have determined that no provision for liability nor disclosure is required related to any claim against us because: (a) there is not a reasonable possibility that a loss exceeding amounts already recognized, if any, may be incurred with respect to such claim; (b) a reasonably possible loss or range of loss cannot be estimated; or (c) such estimate is immaterial.

Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of these matters, and are unable at this time to determine whether the outcome of the litigation would have a material impact on our results of operations, financial condition or cash flows.

Item 1A. Risk Factors

In addition to the other information contained in this report, the following risk factors should be considered carefully in evaluating our business and us:

Risks Related to REIT Conversion

Although we have chosen to pursue conversion to a REIT, we may not be successful in converting to a REIT effective January 1, 2015, or at all.

In September 2012, our board of directors approved a plan for us to convert to a REIT. There are significant implementation and operational complexities to address before we can convert to a REIT,

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including obtaining a favorable private letter ruling, or PLR, from the IRS, completing internal reorganizations, modifying accounting, information technology and real estate systems, receiving stockholder approvals and making required stockholder payouts. Further, changes in legislation, federal tax rules and interpretations thereof could adversely impact our ability to convert to a REIT. Similarly, even if we are able to satisfy the existing REIT requirements, the tax laws, regulations and interpretations governing REITs may change at any time in ways that could be disadvantageous to us.

Additionally, several conditions must be met in order to complete the conversion to a REIT, and the timing and outcome of many of these conditions are beyond our control. For example, we cannot provide assurance that the IRS will ultimately provide us with a favorable PLR or that any favorable PLR will be received in a timely manner for us to convert successfully to a REIT as of January 1, 2015. Even if the transactions necessary to implement REIT conversion are effected, our board of directors may decide not to elect REIT status, or to delay such election, if it determines in its sole discretion that it is not in the best interests of us or our stockholders. We can provide no assurance if or when conversion to a REIT will be successful. Furthermore, the effective date of the REIT conversion could be delayed beyond January 1, 2015, in which event we could not elect REIT status until the taxable year beginning January 1, 2016, at the earliest.

We may not realize the anticipated benefits to stockholders, including the achievement of significant tax savings for us and regular distributions to our stockholders.

Even if we convert to a REIT and elect REIT status, we cannot provide assurance that our stockholders will experience benefits attributable to our qualification and taxation as a REIT, including our ability to reduce our corporate level federal tax through distributions to stockholders and to make regular distributions to stockholders. The realization of the anticipated benefits to stockholders will depend on numerous factors, many of which are outside our control. In addition, future cash distributions to stockholders will depend on our cash flows, as well as the impact of alternative, more attractive investments as compared to dividends. Further, changes in legislation or the federal tax rules could adversely impact the benefits of being a REIT.

We may not qualify or remain qualified as a REIT.

Although, if we convert to a REIT, we plan to operate in a manner consistent with the REIT qualification rules, we cannot provide assurance that we will, in fact, qualify as a REIT or remain so qualified. REIT qualification involves the application of highly technical and complex provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), to our operations as well as various factual determinations concerning matters and circumstances not entirely within our control. There are limited judicial or administrative interpretations of these provisions. Changes in legislation, federal tax rules and interpretations thereof could also prevent us from converting to a REIT or remaining qualified as a REIT.

If we fail to qualify as a REIT in any taxable year after the REIT conversion, we will be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates with respect to each such taxable year for which the statute of limitations remains open. In addition, we will be subject to monetary penalties for the failure. This treatment would significantly reduce our net earnings and cash flow because of our additional tax liability and the penalties for the years involved, which could significantly impact our financial condition.

Complying with REIT qualification requirements may limit our flexibility or cause us to forego otherwise attractive opportunities.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our common stock. For example, under the Code, no more than 25% of the value of the assets of a REIT may be represented by securities of one or more of our TRS, and other nonqualifying assets. This limitation may affect our ability to make large investments in other non-REIT qualifying operations or assets. In addition, in order to maintain

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qualification as a REIT, we will be required to distribute at least 90% of our REIT taxable income annually, determined without regard to the dividends paid deduction and excluding any net capital gains. Even if we maintain our qualification as a REIT, we will be subject to U.S. federal income tax at regular corporate rates for our undistributed REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, as well as U.S. federal income tax at regular corporate rates for income recognized by our TRSs. Because of these distribution requirements, we will likely not be able to fund future capital needs and investments from operating cash flow. As such, compliance with REIT tests may hinder our ability to make certain attractive investments, including the purchase of significant nonqualifying assets and the material expansion of non-real estate activities.

There are uncertainties relating to our estimate of our undistributed accumulated earnings and profits (“E&P”) distribution, as well as the timing of such E&P distribution and the percentage of common stock and cash we may distribute.

We have provided an estimated range of the E&P distribution. We are in the process of conducting a study of our pre-REIT accumulated earnings and profits as of the close of our 2012 taxable year using our historic tax returns and other available information. This is a very involved and complex study, which is not yet complete, and the actual result of the study relating to our pre-REIT accumulated earnings and profits as of the close of our 2012 taxable year may be materially different from our current estimates. In addition, the estimated range of our E&P distribution is based on our projected taxable income for our 2013 and 2014 taxable years and our current business plans and performance, but our actual earnings and profits (and the actual E&P distribution) will vary depending on, among other items, the timing of certain transactions, our actual taxable income and performance for 2013 and 2014 and possible changes in legislation or tax rules and IRS revenue procedures relating to distributions of earnings and profits. For these reasons and others, our actual E&P distribution may be materially different from our estimated range.

We anticipate distributing a significant portion of the E&P distribution before 2015, with the balance distributed in 2015, but the timing of the planned E&P distribution, which may or may not occur, may be affected by potential tax law changes, the completion of various phases of the REIT conversion process and other factors beyond our control.

We also anticipate paying at least 80% of the E&P distribution in the form of common stock and up to 20% in the form of cash. We may in fact decide, based on our cash flows and strategic plans, IRS revenue procedures relating to distributions of earnings and profits, leverage and other factors, to pay these amounts in a different mix of cash and common stock.

We may restructure or issue debt or raise equity to satisfy our E&P distribution and other conversion costs.

Depending on the ultimate size and timing of the E&P distribution and the cash outlays associated with our conversion to a REIT, we may restructure or issue debt and/or issue equity to fund these disbursements, even if the then-prevailing market conditions are not favorable for these transactions. Whether we issue equity, at what price and amount and other terms of any such issuances will depend on many factors, including alternative sources of capital, our then existing leverage, our need for additional capital, market conditions and other factors beyond our control. If we raise additional funds through the issuance of equity securities or debt convertible into equity securities, the percentage of stock ownership by our existing stockholders may be reduced. In addition, new equity securities or convertible debt securities could have rights, preferences, and privileges senior to those of our current stockholders, which could substantially decrease the value of our securities owned by them. Depending on the share price we are able to obtain, we may have to sell a significant number of shares in order to raise the capital we deem necessary to execute our long-term strategy, and our stockholders may experience dilution in the value of their shares as a result. Furthermore, satisfying our E&P distribution and other conversion costs may increase the financing we need to fund capital expenditures, future growth and expansion initiatives. As a result of our indebtedness could increase. See “Other Risks” for further information regarding our substantial indebtedness.

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There are uncertainties relating to the costs associated with implementing the REIT conversion.

We have provided an estimated range of our tax and other costs to convert to a REIT, including estimated tax liabilities associated with a change in our method of depreciating and amortizing various assets and annual compliance costs. Our estimate of these taxes and other costs, however, may not be accurate, and such costs may actually be higher than our estimates due to unanticipated outcomes in the process of obtaining a PLR, changes in our business support functions and support costs, the unsuccessful execution of internal planning, including restructurings and cost reduction initiatives, or other factors.

Restrictive loan covenants could prevent us from satisfying REIT distribution requirements.

If we are successful in converting to a REIT, restrictions in our credit facilities and our indentures may prevent us from satisfying our REIT distribution requirements, and we could fail to qualify for taxation as a REIT. If these limits do not jeopardize our qualification for taxation as a REIT but nevertheless prevent us from distributing 100% of our REIT taxable income, we would be subject to federal corporate income tax, and potentially a nondeductible excise tax, on the retained amounts. See “Other Risks” for further information on our restrictive loan covenants.

We have no experience operating as a REIT, which may adversely affect our business, financial condition or results of operations if we successfully convert to a REIT.

We have no experience operating as a REIT and our senior management has no experience operating a REIT. Our pre-REIT operating experience may not be sufficient to prepare us to operate successfully as a REIT. Our inability to operate successfully as a REIT, including the failure to maintain REIT status, could adversely affect our business, financial condition or results of operations.

Other Risks

Acquisitions present many risks, and we may not realize the financial or strategic goals that were contemplated at the time of any transaction.

Over the last several years, we have completed several acquisitions, including that of Switch & Data Facilities Company, Inc. (“Switch and Data”) in 2010, ALOG Data Centers do Brasil S.A. in 2011 and Asia Tone Limited and ancotel GmbH in 2012 along with an acquisition of a Dubai IBX data center in 2012. We may make additional acquisitions in the future, which may include (i) acquisitions of businesses, products, services or technologies that we believe to be complementary, (ii) acquisitions of new IBX data centers or real estate for development of new IBX data centers or (iii) acquisitions through investments in local data center operators. We may pay for future acquisitions by using our existing cash resources (which may limit other potential uses of our cash), incurring additional debt (which may increase our interest expense, leverage and debt service requirements) and/or issuing shares (which may dilute our existing stockholders and have a negative effect on our earnings per share). Acquisitions expose us to potential risks, including:

- the possible disruption of our ongoing business and diversion of management’s attention by acquisition, transition and integration activities;
- our potential inability to successfully pursue or realize some or all of the anticipated revenue opportunities associated with an acquisition or investment;
- the possibility that we may not be able to successfully integrate acquired businesses, or businesses in which we invest, or achieve anticipated operating efficiencies or cost savings;
- the possibility that announced acquisitions may not be completed, due to failure to satisfy the conditions to closing or for other reasons;

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- the dilution of our existing stockholders as a result of our issuing stock in transactions, such as our acquisition of Switch and Data, where 80% of the consideration payable to Switch and Data's stockholders consisted of shares of our common stock;
- the possibility of customer dissatisfaction if we are unable to achieve levels of quality and stability on par with past practices;
- the possibility that our customers may not accept either the existing equipment infrastructure or the "look-and-feel" of a new or different IBX data center;
- the possibility that additional capital expenditures may be required or that transaction expenses associated with acquisitions may be higher than anticipated;
- the possibility that required financing to fund an acquisition may not be available on acceptable terms or at all;
- the possibility that we may be unable to obtain required approvals from governmental authorities under antitrust and competition laws on a timely basis or at all, which could, among other things, delay or prevent us from completing an acquisition, limit our ability to realize the expected financial or strategic benefits of an acquisition or have other adverse effects on our current business and operations;
- the possible loss or reduction in value of acquired businesses;
- the possibility that future acquisitions may present new complexities in deal structure, related complex accounting and coordination with new partners;
- the possibility that future acquisitions may be in geographies, and regulatory environments, to which we are unaccustomed;
- the possibility that carriers may find it cost-prohibitive or impractical to bring fiber and networks into a new IBX data center;
- the possibility of litigation or other claims in connection with, or as a result of, an acquisition, including claims from terminated employees, customers, former stockholders or other third parties; and
- the possibility of pre-existing undisclosed liabilities, including but not limited to lease or landlord related liability, environmental liability or asbestos liability, for which insurance coverage may be insufficient or unavailable.

The occurrence of any of these risks could have a material adverse effect on our business, results of operations, financial condition or cash flows.

We cannot assure you that the price of any future acquisitions of IBX data centers will be similar to prior IBX data center acquisitions. In fact, we expect costs required to build or render new IBX data centers operational to increase in the future. If our revenue does not keep pace with these potential acquisition and expansion costs, we may not be able to maintain our current or expected margins as we absorb these additional expenses. There is no assurance we would successfully overcome these risks or any other problems encountered with these acquisitions.

Our substantial debt could adversely affect our cash flows and limit our flexibility to raise additional capital.

We have a significant amount of debt. Notwithstanding our intention to become adjusted free cash flow positive in 2013, excluding REIT-related cash costs and tax liabilities, we may not achieve such goal and may need to incur additional debt to support our growth. Additional debt may also be incurred to fund

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future acquisitions, the E&P distribution or the other cash outlays associated with conversion to a REIT. As of March 31, 2013, our total indebtedness was approximately \$4.5 billion, our stockholders' equity was \$2.3 billion and our cash and investments totaled \$1.2 billion. In addition, as of March 31, 2013, we had approximately \$528.2 million of additional liquidity available to us as a result of a \$750.0 million credit facility agreement entered into with a group of lenders in the U.S. Some of our debt contains covenants which may limit our operating flexibility or may limit our ability to operate as a REIT. In addition to our substantial debt, we lease a majority of our IBX data centers and certain equipment under non-cancellable lease agreements, the majority of which are accounted for as operating leases. As of March 31, 2013, our total minimum operating lease commitments under those lease agreements, excluding potential lease renewals, was approximately \$884.7 million, which represents off-balance sheet commitments.

Our substantial amount of debt and related covenants, and our off-balance sheet commitments, could have important consequences. For example, they could:

- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt and in respect of other off-balance sheet arrangements, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our expansion strategy and other general corporate requirements;
- make it more difficult for us to satisfy our obligations under our various debt instruments;
- increase our vulnerability to general adverse economic and industry conditions and adverse changes in governmental regulations;
- limit our flexibility in planning for, or reacting to, changes in our business and industry, which may place us at a competitive disadvantage compared with our competitors;
- limit our operating flexibility through covenants with which we must comply, such as limiting our ability to repurchase shares of our common stock;
- limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity, which would also limit our ability to further expand our business; and
- make us more vulnerable to increases in interest rates because of the variable interest rates on some of our borrowings to the extent we have not entirely hedged such variable rate debt.

The occurrence of any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition. In addition, the performance of our stock price may trigger events that would require the write-off of a significant portion of our debt issuance costs related to our convertible debt, which may have a material adverse effect on our results of operations.

We may also need to refinance a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of our existing debt. Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could materially adversely affect our financial condition, cash flows and results of operations.

Global economic uncertainty and debt issues could adversely impact our business and financial condition.

The varying pace of global economic recovery continues to create uncertainty and unpredictability and add risk to our future outlook. Sovereign debt issues and economic uncertainty in Europe and around the world raise concerns in markets where we operate and which are important to our business. Issues in Europe, such as increased Euro currency exchange rate volatility, the negative impact of the crisis and related austerity measures on European economic growth, potential negative spillover effects to

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additional countries in Europe and the rest of the world, the possibility that one or more countries may leave the Euro zone and re-introduce their individual currencies, and, in more extreme circumstances, the possible dissolution of the Euro currency, could be disruptive to our operations. A global economic downturn could also result in churn in our customer base, reductions in revenues from our offerings, longer sales cycles, slower adoption of new technologies and increased price competition, adversely affecting our liquidity. If customers in EMEA have difficulty paying us, due to the current European debt crisis or a global economic downturn generally, we may also be required to further increase our allowance for doubtful accounts, which would negatively impact our results. The uncertain economic environment could also have an impact on our foreign exchange forward contracts if our counterparties' credit deteriorates further or they are otherwise unable to perform their obligations. Finally, our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so which could have an impact on our flexibility to pursue additional expansion opportunities and maintain our desired level of revenue growth in the future.

The market price of our stock may continue to be highly volatile, and the value of an investment in our common stock may decline.

Since January 1, 2012, the closing sale price of our common stock on the NASDAQ Global Select Market has ranged from \$100.90 to \$226.00 per share. The market price of the shares of our common stock has been and may continue to be highly volatile. General economic and market conditions, and market conditions for telecommunications stocks in general, may affect the market price of our common stock.

Announcements by us or others, or speculations about our future plans, may also have a significant impact on the market price of our common stock. These may relate to:

- our operating results or forecasts;
- new issuances of equity, debt or convertible debt by us;
- changes to our capital allocation, tax planning or business strategy;
- our planned conversion to a REIT;
- a stock repurchase program;
- developments in our relationships with corporate customers;
- announcements by our customers or competitors;
- changes in regulatory policy or interpretation;
- governmental investigations;
- changes in the ratings of our debt or stock by rating agencies or securities analysts;
- our purchase or development of real estate and/or additional IBX data centers;
- our acquisitions of complementary businesses; or
- the operational performance of our IBX data centers.

The stock market has from time to time experienced extreme price and volume fluctuations, which have particularly affected the market prices for emerging telecommunications companies, and which have often been unrelated to their operating performance. These broad market fluctuations may adversely affect the market price of our common stock. In addition, if we are unsuccessful in our planned conversion to a REIT, the market price of our common stock may decrease, and the decrease may be material.

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Furthermore, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and/or damages, and divert management's attention from other business concerns, which could seriously harm our business.

If we are not able to generate sufficient operating cash flows or obtain external financing, our ability to fund incremental expansion plans may be limited.

Our capital expenditures, together with ongoing operating expenses, obligations to service our debt and the cash outlays associated with our REIT conversion, will be a substantial drain on our cash flow and may decrease our cash balances. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. Our inability to obtain additional debt and/or equity financing or to generate sufficient cash from operations may require us to prioritize projects or curtail capital expenditures which could adversely affect our results of operations.

Fluctuations in foreign currency exchange rates in the markets in which we operate internationally could harm our results of operations.

We may experience gains and losses resulting from fluctuations in foreign currency exchange rates. To date, the majority of our revenues and costs are denominated in U.S. dollars; however, the majority of revenues and costs in our international operations are denominated in foreign currencies. Where our prices are denominated in U.S. dollars, our sales and revenues could be adversely affected by declines in foreign currencies relative to the U.S. dollar, thereby making our offerings more expensive in local currencies. We are also exposed to risks resulting from fluctuations in foreign currency exchange rates in connection with our international expansions. To the extent we are paying contractors in foreign currencies, our expansions could cost more than anticipated as a result of declines in the U.S. dollar relative to foreign currencies. In addition, fluctuating foreign currency exchange rates have a direct impact on how our international results of operations translate into U.S. dollars.

Although we currently undertake, and may decide in the future to further undertake, foreign exchange hedging transactions to reduce foreign currency transaction exposure, we do not currently intend to eliminate all foreign currency transaction exposure. Therefore, any weakness of the U.S. dollar may have a positive impact on our consolidated results of operations because the currencies in the foreign countries in which we operate may translate into more U.S. dollars. However, if the U.S. dollar strengthens relative to the currencies of the foreign countries in which we operate, our consolidated financial position and results of operations may be negatively impacted as amounts in foreign currencies will generally translate into fewer U.S. dollars.

We are continuing to invest in our expansion efforts but may not have sufficient customer demand in the future to realize expected returns on these investments.

We are considering the acquisition or lease of additional properties and the construction of new IBX data centers beyond those expansion projects already announced. We will be required to commit substantial operational and financial resources to these IBX data centers, generally 12 to 18 months in advance of securing customer contracts, and we may not have sufficient customer demand in those markets to support these centers once they are built. In addition, unanticipated technological changes could affect customer requirements for data centers, and we may not have built such requirements into our new IBX data centers. Either of these contingencies, if they were to occur, could make it difficult for us to realize expected or reasonable returns on these investments.

Our offerings have a long sales cycle that may harm our revenues and operating results.

A customer's decision to obtain space in one of our IBX data centers or to purchase services typically involves a significant commitment of resources. In addition, some customers will be reluctant to commit to locating in our IBX data centers until they are confident that the IBX data center has adequate carrier connections. As a result, we have a long sales cycle. Furthermore, we may devote significant time and resources in pursuing a particular sale or customer that does not result in revenue. We have also

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significantly expanded our sales force in the past year, and it will take time for these new hires to become fully productive.

Delays due to the length of our sales cycle may materially and adversely affect our revenues and operating results, which could harm our ability to meet our forecasts and cause volatility in our stock price.

Any failure of our physical infrastructure or offerings could lead to significant costs and disruptions that could reduce our revenue and harm our business reputation and financial results.

Our business depends on providing customers with highly reliable solutions. We must safehouse our customers' infrastructure and equipment located in our IBX data centers. We own certain of our IBX data centers, but others are leased by us, and we rely on the landlord for basic maintenance of our leased IBX data centers. If such landlord has not maintained a leased property sufficiently, we may be forced into an early exit from the center which could be disruptive to our business. Furthermore, we continue to acquire IBX data centers not built by us. If we discover that these IBX data centers and their infrastructure assets are not in the condition we expected when they were acquired, we may be required to incur substantial additional costs to repair or upgrade the centers.

The offerings we provide in each of our IBX data centers are subject to failure resulting from numerous factors, including:

- human error;
- equipment failure;
- physical, electronic and cybersecurity breaches;
- fire, earthquake, hurricane, flood, tornado and other natural disasters;
- extreme temperatures;
- water damage;
- fiber cuts;
- power loss;
- terrorist acts;
- sabotage and vandalism; and
- failure of business partners who provide our resale products.

Problems at one or more of our IBX data centers, whether or not within our control, could result in service interruptions or significant equipment damage. We have service level commitment obligations to certain of our customers, including our significant customers. As a result, service interruptions or significant equipment damage in our IBX data centers could result in difficulty maintaining service level commitments to these customers and potential claims related to such failures. Because our IBX data centers are critical to many of our customers' businesses, service interruptions or significant equipment damage in our IBX data centers could also result in lost profits or other indirect or consequential damages to our customers. We cannot guarantee that a court would enforce any contractual limitations on our liability in the event that one of our customers brings a lawsuit against us as a result of a problem at one of our IBX data centers. In addition, any loss of service, equipment damage or inability to meet our service level commitment obligations could reduce the confidence of our customers and could consequently impair our ability to obtain and retain customers, which would adversely affect both our ability to generate revenues and our operating results.

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Furthermore, we are dependent upon Internet service providers, telecommunications carriers and other website operators in the Americas, Asia-Pacific and EMEA regions and elsewhere, some of which have experienced significant system failures and electrical outages in the past. Our customers may in the future experience difficulties due to system failures unrelated to our systems and offerings. If, for any reason, these providers fail to provide the required services, our business, financial condition and results of operations could be materially and adversely impacted.

The insurance coverage that we purchase may prove to be inadequate.

We carry liability, property, business interruption and other insurance policies to cover insurable risks to our company. We select the types of insurance, the limits and the deductibles based on our specific risk profile, the cost of the insurance coverage versus its perceived benefit and general industry standards. Our insurance policies contain industry standard exclusions for events such as war and nuclear reaction. We purchase minimal levels of earthquake insurance for certain of our IBX data centers, but for most of our data centers, including many in California, we have elected to self-insure. The earthquake and flood insurance that we do purchase would be subject to high deductibles and any of the limits of insurance that we purchase could prove to be inadequate, which could materially and adversely impact our business, financial condition and results of operations.

Our construction of additional new IBX data centers, or IBX data center expansions, could involve significant risks to our business.

In order to sustain our growth in certain of our existing and new markets, we must expand an existing data center, lease a new facility or acquire suitable land, with or without structures, to build new IBX data centers from the ground up. Expansions or new builds are currently underway, or being contemplated, in many of our markets. Any related construction requires us to carefully select and rely on the experience of one or more designers, general contractors, and associated subcontractors during the design and construction process. Should a designer, general contractor, or significant subcontractor experience financial or other problems during the design or construction process, we could experience significant delays, increased costs to complete the project and/or other negative impacts to our expected returns.

Site selection is also a critical factor in our expansion plans. There may not be suitable properties available in our markets with the necessary combination of high power capacity and fiber connectivity, or selection may be limited. Thus, while we may prefer to locate new IBX data centers adjacent to our existing locations it may not always be possible. In the event we decide to build new IBX data centers separate from our existing IBX data centers, we may provide interconnection solutions to connect these two centers. Should these solutions not provide the necessary reliability to sustain connection, this could result in lower interconnection revenue and lower margins and could have a negative impact on customer retention over time.

Environmental regulations may impose upon us new or unexpected costs.

We are subject to various federal, state, local and international environmental and health and safety laws and regulations, including those relating to the generation, storage, handling and disposal of hazardous substances and wastes. Certain of these laws and regulations also impose joint and several liability, without regard to fault, for investigation and cleanup costs on current and former owners and operators of real property and persons who have disposed of or released hazardous substances into the environment. Our operations involve the use of hazardous substances and materials such as petroleum fuel for emergency generators, as well as batteries, cleaning solutions and other materials. In addition, we lease, own or operate real property at which hazardous substances and regulated materials have been used in the past. At some of our locations, hazardous substances or regulated materials are known to be present in soil or groundwater, and there may be additional unknown hazardous substances or regulated materials present at sites we own, operate or lease. At some of our locations, there are land use restrictions in place relating to earlier environmental cleanups that do not materially limit our use of the sites. To the extent any hazardous substances or any other substance or material must be cleaned up or

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removed from our property, we may be responsible under applicable laws, regulations or leases for the removal or cleanup of such substances or materials, the cost of which could be substantial.

In addition, we are subject to environmental, health and safety laws regulating air emissions, storm water management and other issues arising in our business. While these obligations do not normally impose material costs upon our operations, unexpected events, equipment malfunctions and human error, among other factors, can lead to violations of environmental laws, regulations or permits. Furthermore, environmental laws and regulations change frequently and may require additional investment to maintain compliance. Noncompliance with existing, or adoption of more stringent, environmental or health and safety laws and regulations or the discovery of previously unknown contamination could require us to incur costs or become the basis of new or increased liabilities that could be material.

Fossil fuel combustion creates greenhouse gas (“GHG”) emissions that are linked to global climate change. Regulations to limit GHG emissions are in force in the European Union in an effort to prevent or reduce climate change. In the U.S., the U.S. Environmental Protection Agency (“EPA”) regulates GHG emissions from major stationary sources under the Clean Air Act. Current regulations apply to large sources of GHGs, such as, for example, fossil-fueled electricity generating facilities, the construction of new facilities that emit 100,000 tons per year or more of carbon dioxide equivalent (“CO₂e”, a unit of measurement for GHGs) and the modification of any existing facility that results in an increase of GHG emissions by 75,000 tons per year of CO₂e. A small source exception applies to our existing and anticipated facilities, which exempts sources emitting below 50,000 tons per year of CO₂e or any modification resulting in an increase of less than 50,000 tons per year of CO₂e, from permitting requirements until at least April 30, 2016. The EPA may develop permitting requirements for smaller sources of GHGs after April 30, 2016, which could potentially affect our facilities. We will continue to monitor the developments of this regulatory program to evaluate its impact on our facilities and business.

Several states within the U.S. have adopted laws intended to limit fossil fuel consumption and/or encourage renewable energy development for the same purpose. For example, California enacted AB-32, the Global Warming Solutions Act of 2006, prescribing a statewide cap on global warming pollution with a goal of reaching 1990 GHG emission levels by 2020, and established a mandatory emissions reporting program. Regulations adopted by the California Air Resources Board, require allowances to be surrendered for emissions of GHGs. This first phase of the cap-and-trade program will increase our electricity costs by an amount that cannot yet be determined, but the increase could exceed 5% of our costs of electricity at our California locations. In 2015, a second phase of the program will begin, imposing allowance obligations upon suppliers of most forms of fossil fuels, which will increase the costs of our petroleum fuels used for transportation and emergency generators.

We do not anticipate that the climate change-related laws and regulations will force us to modify our operations to limit the emissions of GHG. We could, however, be directly subject to taxes, fees or costs, or could indirectly be required to reimburse electricity providers for such costs representing the GHG attributable to our electricity or fossil fuel consumption. These cost increases could materially increase our costs of operation or limit the availability of electricity or emergency generator fuels. The physical impacts of climate change, including extreme weather conditions such as heat waves, could materially increase our costs of operation due to, for example, an increase in our energy use in order to maintain the temperature and internal environment of our data centers necessary for our operations. To the extent any environmental laws enacted or regulations impose new or unexpected costs, our business, results of operations or financial condition may be adversely affected.

If we are unable to recruit or retain qualified personnel, our business could be harmed

We must continue to identify, hire, train and retain IT professionals, technical engineers, operations employees, and sales, marketing, finance and senior management personnel who maintain relationships with our customers and who can provide the technical, strategic and marketing skills required for our company to grow. There is a shortage of qualified personnel in these fields, and we compete with other companies for the limited pool of talent. The failure to recruit and retain necessary personnel, including

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but not limited to members of our executive team, could harm our business and our ability to grow our company.

We may not be able to compete successfully against current and future competitors.

We must be able to differentiate our IBX data centers and product offerings from those of our competitors. In addition to competing with other neutral colocation providers, we compete with traditional colocation providers, including telecommunications companies, carriers, internet service providers, managed services providers and large REITs who also operate in our market and may enjoy a cost advantage in providing offerings similar to those provided by our IBX data centers. We may experience competition from our landlords which could also reduce the amount of space available to us for expansion in the future. Rather than leasing available space in our buildings to large single tenants, they may decide to convert the space instead to smaller square foot units designed for multi-tenant colocation use, blurring the line between retail and wholesale space. We may also face competition from existing competitors or new entrants to the market seeking to replicate our global IBX data center concept by building or acquiring data centers, offering colocation on neutral terms or by replicating our strategy and messaging. Finally, customers may also decide it is cost-effective for them to build out their own data centers. Once customers have an established data center footprint, either through a relationship with one of our competitors or through in-sourcing, it may be extremely difficult to convince them to relocate to our IBX data centers.

Some of our competitors may adopt aggressive pricing policies, especially if they are not highly leveraged or have lower return thresholds than we do. As a result, we may suffer from pricing pressure that would adversely affect our ability to generate revenues. Some of these competitors may also provide our target customers with additional benefits, including bundled communication services or cloud services, and may do so in a manner that is more attractive to our potential customers than obtaining space in our IBX data centers. Competitors could also operate more successfully or form alliances to acquire significant market share.

Failure to compete successfully may materially adversely affect our financial condition, cash flows and results of operations.

Our business could be harmed by prolonged power outages or shortages, increased costs of energy or general lack of availability of electrical resources.

Our IBX data centers are susceptible to regional costs of power, power shortages, planned or unplanned power outages and limitations, especially internationally, on the availability of adequate power resources.

Power outages, such as those relating to the earthquake and tsunami in Japan in 2011 or Superstorm Sandy, which hit the U.S. east coast in 2012, could harm our customers and our business. We attempt to limit our exposure to system downtime by using backup generators and power supplies; however, we may not be able to limit our exposure entirely even with these protections in place. Some of our IBXs are located in leased buildings where, depending upon the lease requirements and number of tenants involved, we may or may not control some or all of the infrastructure including generators and fuel tanks. As a result, in the event of a power outage, we may be dependent upon the landlord, as well as the utility company, to restore the power.

In addition, global fluctuations in the price of power can increase the cost of energy, and although contractual price increase clauses exist in the majority of our customer agreements, we may not always choose to pass these increased costs on to our customers.

In each of our markets, we rely on third parties to provide a sufficient amount of power for current and future customers. At the same time, power and cooling requirements are growing on a per unit basis. As a result, some customers are consuming an increasing amount of power per cabinet. We generally do not

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control the amount of power our customers draw from their installed circuits. This means that we could face power limitations in our centers. This could have a negative impact on the effective available capacity of a given center and limit our ability to grow our business, which could have a negative impact on our financial performance, operating results and cash flows.

We may also have difficulty obtaining sufficient power capacity for potential expansion sites in new or existing markets. We may experience significant delays and substantial increased costs demanded by the utilities to provide the level of electrical service required by our current IBX data center designs.

If our internal controls are found to be ineffective, our financial results or our stock price may be adversely affected.

Our most recent evaluation of our controls resulted in our conclusion that, as of December 31, 2012, in compliance with Section 404 of the Sarbanes-Oxley Act of 2002, our internal controls over financial reporting were effective. Our ability to manage our operations and growth, and to successfully implement our proposed REIT conversion and other systems upgrades designed to support our growth, will require us to develop our controls and reporting systems and implement or adopt new controls and reporting systems. If, in the future, our internal control over financial reporting is found to be ineffective, or if a material weakness is identified in our controls over financial reporting, our financial results may be adversely affected. Investors may also lose confidence in the reliability of our financial statements which could adversely affect our stock price.

If we cannot effectively manage our international operations, and successfully implement our international expansion plans, our revenues may not increase and our business and results of operations would be harmed.

For the years ended December 31, 2012, 2011 and 2010, we recognized approximately 44%, 41% and 38%, respectively, of our revenues outside the U.S. For the three months ended March 31, 2013, we recognized 46% of our revenues outside the U.S. We currently operate outside of the U.S. in Canada, Brazil, EMEA and Asia-Pacific.

To date, the network neutrality of our IBX data centers and the variety of networks available to our customers has often been a competitive advantage for us. In certain of our acquired IBX data centers in the Asia-Pacific region the limited number of carriers available reduces that advantage. As a result, we may need to adapt our key revenue-generating offerings and pricing to be competitive in those markets. In addition, we are currently undergoing expansions or evaluating expansion opportunities outside of the U.S. Undertaking and managing expansions in foreign jurisdictions may present unanticipated challenges to us.

Our international operations are generally subject to a number of additional risks, including:

- the costs of customizing IBX data centers for foreign countries;
- protectionist laws and business practices favoring local competition;
- greater difficulty or delay in accounts receivable collection;
- difficulties in staffing and managing foreign operations, including negotiating with foreign labor unions or workers' councils;
- difficulties in managing across cultures and in foreign languages;
- political and economic instability;
- fluctuations in currency exchange rates;
- difficulties in repatriating funds from certain countries;

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- our ability to obtain, transfer, or maintain licenses required by governmental entities with respect to our business;
- unexpected changes in regulatory, tax and political environments;
- our ability to secure and maintain the necessary physical and telecommunications infrastructure;
- compliance with the Foreign Corrupt Practices Act;
- compliance with economic and trade sanctions enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury; and
- compliance with evolving governmental regulation with which we have little experience.

In addition, compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business in foreign jurisdictions. These laws and regulations include data privacy requirements, labor relations laws, tax laws, anti-competition regulations, import and trade restrictions, export requirements, economic and trade sanctions, U.S. laws such as the Foreign Corrupt Practices Act, and local laws which also prohibit corrupt payments to governmental officials. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our offerings in one or more countries, could delay or prevent potential acquisitions, and could also materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business and our operating results. Our success depends, in part, on our ability to anticipate and address these risks and manage these difficulties.

Economic uncertainty in developing markets could adversely affect our revenue and earnings.

We conduct business, or are contemplating expansion, in developing markets with economies that tend to be more volatile than those in the U.S. and Western Europe. The risk of doing business in developing markets such as Brazil, China, India, Indonesia, Russia, the United Arab Emirates and other economically volatile areas could adversely affect our operations and earnings. Such risks include the financial instability among customers in these regions, political instability, fraud or corruption and other non-economic factors such as irregular trade flows that need to be managed successfully with the help of the local governments. In addition, commercial laws in some developing countries can be vague, inconsistently administered and retroactively applied. If we are deemed not to be in compliance with applicable laws in developing countries where we conduct business, our prospects and business in those countries could be harmed, which could then have a material adverse impact on our results of operations and financial position. Our failure to successfully manage economic, political and other risks relating to doing business in developing countries and economically and politically volatile areas could adversely affect our business.

The use of high power density equipment may limit our ability to fully utilize our older IBX data centers.

Some customers have increased their use of high-density power equipment, such as blade servers, in our IBX data centers which has increased the demand for power on a per cabinet basis. Because many of our IBX data centers were built a number of years ago, the current demand for power may exceed the designed electrical capacity in these centers. As power, not space, is a limiting factor in many of our IBX data centers, our ability to fully utilize those IBX data centers may be limited. The ability to increase the power capacity of an IBX data center, should we decide to, is dependent on several factors including, but not limited to, the local utility's ability to provide additional power; the length of time required to provide such power; and/or whether it is feasible to upgrade the electrical infrastructure of an IBX data center to deliver additional power to customers. Although we are currently designing and building to a higher power specification than that of many of our older IBX data centers, there is a risk that demand will continue to increase and our IBX data centers could become underutilized sooner than expected.

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We expect our operating results to fluctuate.

We have experienced fluctuations in our results of operations on a quarterly and annual basis. The fluctuations in our operating results may cause the market price of our common stock to be volatile. We may experience significant fluctuations in our operating results in the foreseeable future due to a variety of factors, including, but not limited to:

- fluctuations of foreign currencies in the markets in which we operate;
- the timing and magnitude of depreciation and interest expense or other expenses related to the acquisition, purchase or construction of additional IBX data centers or the upgrade of existing IBX data centers;
- demand for space, power and services at our IBX data centers;
- changes in general economic conditions, such as an economic downturn, or specific market conditions in the telecommunications and Internet industries, both of which may have an impact on our customer base;
- charges to earnings resulting from past acquisitions due to, among other things, impairment of goodwill or intangible assets, reduction in the useful lives of intangible assets acquired, identification of additional assumed contingent liabilities or revised estimates to restructure an acquired company's operations;
- the duration of the sales cycle for our offerings and our ability to ramp our newly-hired sales persons to full productivity within the time period we have forecasted;
- restructuring charges or reversals of existing restructuring charges, which may be necessary due to revised sublease assumptions, changes in strategy or otherwise;
- acquisitions or dispositions we may make;
- the financial condition and credit risk of our customers;
- the provision of customer discounts and credits;
- the mix of current and proposed products and offerings and the gross margins associated with our products and offerings;
- the timing required for new and future centers to open or become fully utilized;
- competition in the markets in which we operate;
- conditions related to international operations;
- increasing repair and maintenance expenses in connection with aging IBX data centers;
- lack of available capacity in our existing IBX data centers to generate new revenue or delays in opening up new or acquired IBX data centers that delay our ability to generate new revenue in markets which have otherwise reached capacity;
- changes in rent expense as we amend our IBX data center leases in connection with extending their lease terms when their initial lease term expiration dates approach or changes in shared operating costs in connection with our leases, which are commonly referred to as common area maintenance expenses;

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- the timing and magnitude of other operating expenses, including taxes, expenses related to the expansion of sales, marketing, operations and acquisitions, if any, of complementary businesses and assets;
- the cost and availability of adequate public utilities, including power;
- changes in employee stock-based compensation;
- overall inflation;
- increasing interest expense due to any increases in interest rates and/or potential additional debt financings;
- a stock repurchase program;
- our proposed REIT conversion, including the timing of expenditures associated with the REIT conversion;
- changes in our tax planning strategies or failure to realize anticipated benefits from such strategies;
- changes in income tax benefit or expense; and
- changes in or new generally accepted accounting principles (“GAAP”) in the U.S. as periodically released by the Financial Accounting Standards Board (“FASB”).

Any of the foregoing factors, or other factors discussed elsewhere in this report, could have a material adverse effect on our business, results of operations and financial condition. Although we have experienced growth in revenues in recent quarters, this growth rate is not necessarily indicative of future operating results. Prior to 2008, we had generated net losses every fiscal year since inception. It is possible that we may not be able to generate net income on a quarterly or annual basis in the future. In addition, a relatively large portion of our expenses are fixed in the short-term, particularly with respect to lease and personnel expenses, depreciation and amortization and interest expenses. Therefore, our results of operations are particularly sensitive to fluctuations in revenues. As such, comparisons to prior reporting periods should not be relied upon as indications of our future performance. In addition, our operating results in one or more future quarters may fail to meet the expectations of securities analysts or investors.

We have incurred substantial losses in the past and may incur additional losses in the future.

As of March 31, 2013, our accumulated deficit was \$74.5 million. Although we have generated net income for each fiscal year since 2008, which was our first full year of net income since our inception, we are also currently investing heavily in our future growth through the build out of multiple additional IBX data centers and IBX data center expansions as well as acquisitions of complementary businesses. As a result, we will incur higher depreciation and other operating expenses, as well as acquisition costs and interest expense, that may negatively impact our ability to sustain profitability in future periods unless and until these new IBX data centers generate enough revenue to exceed their operating costs and cover our additional overhead needed to scale our business for this anticipated growth. The current global financial crisis may also impact our ability to sustain profitability if we cannot generate sufficient revenue to offset the increased costs of our recently-opened IBX data centers or IBX data centers currently under construction. In addition, costs associated with the acquisition and integration of any acquired companies, as well as the additional interest expense associated with debt financing we have undertaken to fund our growth initiatives, may also negatively impact our ability to sustain profitability. Finally, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability on a quarterly or annual basis.

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The failure to obtain favorable terms when we renew our IBX data center leases could harm our business and results of operations.

While we own certain of our IBX data centers, others are leased under long-term arrangements with lease terms expiring at various dates through 2035. These leased centers have all been subject to significant development by us in order to convert them from, in most cases, vacant buildings or warehouses into IBX data centers. Most of our IBX data center leases have renewal options available to us. However, many of these renewal options provide for the rent to be set at then-prevailing market rates. To the extent that then-prevailing market rates are higher than present rates, these higher costs may adversely impact our business and results of operations.

We depend on a number of third parties to provide Internet connectivity to our IBX data centers; if connectivity is interrupted or terminated, our operating results and cash flow could be materially and adversely affected.

The presence of diverse telecommunications carriers' fiber networks in our IBX data centers is critical to our ability to retain and attract new customers. We are not a telecommunications carrier, and as such we rely on third parties to provide our customers with carrier services. We believe that the availability of carrier capacity will directly affect our ability to achieve our projected results. We rely primarily on revenue opportunities from the telecommunications carriers' customers to encourage them to invest the capital and operating resources required to connect from their centers to our IBX data centers. Carriers will likely evaluate the revenue opportunity of an IBX data center based on the assumption that the environment will be highly competitive. We cannot provide assurance that each and every carrier will elect to offer its services within our IBX data centers or that once a carrier has decided to provide Internet connectivity to our IBX data centers that it will continue to do so for any period of time.

Our new IBX data centers require construction and operation of a sophisticated redundant fiber network. The construction required to connect multiple carrier facilities to our IBX data centers is complex and involves factors outside of our control, including regulatory processes and the availability of construction resources. Any hardware or fiber failures on this network may result in significant loss of connectivity to our new IBX data center expansions. This could affect our ability to attract new customers to these IBX data centers or retain existing customers.

If the establishment of highly diverse Internet connectivity to our IBX data centers does not occur, is materially delayed or is discontinued, or is subject to failure, our operating results and cash flow will be adversely affected.

We may be vulnerable to security breaches which could disrupt our operations and have a material adverse effect on our financial performance and operating results.

A party who is able to compromise the security measures on our networks or the security of our infrastructure could misappropriate either our proprietary information or the personal information of our customers, or cause interruptions or malfunctions in our operations or our customers' operations. As we provide assurances to our customers that we provide the highest level of security, such a compromise could be particularly harmful to our brand and reputation. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by breaches in security. As techniques used to breach security change frequently, and are generally not recognized until launched against a target, we may not be able to implement security measures in a timely manner or, if and when implemented, we may not be able to determine the extent to which these measures could be circumvented. Any breaches that may occur could expose us to increased risk of lawsuits, regulatory penalties, loss of existing or potential customers, harm to our reputation and increases in our security costs, which could have a material adverse effect on our financial performance and operating results.

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We have government customers, which subjects us to risks including early termination, audits, investigations, sanctions and penalties.

We derive some revenues from contracts with the U.S. government, state and local governments and foreign governments. Some of these customers may terminate all or part of their contracts at any time, without cause.

There is increased pressure for governments and their agencies, both domestically and internationally, to reduce spending. Some of our federal government contracts are subject to the approval of appropriations being made by the U.S. Congress to fund the expenditures under these contracts. Similarly, some of our contracts at the state and local levels are subject to government funding authorizations.

Additionally, government contracts are generally subject to audits and investigations which could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business.

Because we depend on the development and growth of a balanced customer base, including key magnet customers, failure to attract, grow and retain this base of customers could harm our business and operating results.

Our ability to maximize revenues depends on our ability to develop and grow a balanced customer base, consisting of a variety of companies, including enterprises, cloud, digital content and financial companies, and network service providers. We consider certain of these customers to be key magnets in that they draw in other customers. The more balanced the customer base within each IBX data center, the better we will be able to generate significant interconnection revenues, which in turn increases our overall revenues. Our ability to attract customers to our IBX data centers will depend on a variety of factors, including the presence of multiple carriers, the mix of our offerings, the overall mix of customers, the presence of key customers attracting business through vertical market ecosystems, the IBX data center's operating reliability and security and our ability to effectively market our offerings. However, some of our customers may face competitive pressures and may ultimately not be successful or may be consolidated through merger or acquisition. If these customers do not continue to use our IBX data centers it may be disruptive to our business. Finally, the uncertain economic climate may harm our ability to attract and retain customers if customers slow spending, or delay decision-making, on our offerings, or if customers begin to have difficulty paying us and we experience increased churn in our customer base. Any of these factors may hinder the development, growth and retention of a balanced customer base and adversely affect our business, financial condition and results of operations.

We are subject to securities class action and other litigation, which may harm our business and results of operations.

We are subject to various legal proceedings, such as described in Note 11 to Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q. In addition, we may, in the future, be subject to other litigation. For example, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. Litigation can be lengthy, expensive, and divert management's attention and resources. Results cannot be predicted with certainty and an adverse outcome in litigation could result in monetary damages or injunctive relief that could seriously harm our business, results of operations, financial condition or cash flows.

We may not be able to protect our intellectual property rights.

We cannot make assurances that the steps taken by us to protect our intellectual property rights will be adequate to deter misappropriation of proprietary information or that we will be able to detect unauthorized use and take appropriate steps to enforce our intellectual property rights. We also are subject to the risk of litigation alleging infringement of third-party intellectual property rights. Any such claims could require us to spend significant sums in litigation, pay damages, develop non-infringing

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intellectual property, or acquire licenses to the intellectual property that is the subject of the alleged infringement.

Government regulation may adversely affect our business.

Various laws and governmental regulations, both in the U.S. and abroad, governing Internet related services, related communications services and information technologies remain largely unsettled, even in areas where there has been some legislative action. For example, the Federal Communications Commission is considering proposed Internet rules and regulation of broadband that may result in material changes in the regulations and contribution regime affecting us and our customers. Likewise, as part of a review of the current equity market structure, the Securities and Exchange Commission and the Commodity Futures Trading Commission have both sought comments regarding the regulation of independent data centers, such as Equinix, which provide colocation for financial markets and exchanges. The CFTC is also considering regulation of companies that use automated and high-frequency trading systems. Any such regulation may ultimately affect our provision of offerings.

It also may take years to determine whether and how existing laws, such as those governing intellectual property, privacy, libel, telecommunications services and taxation, apply to the Internet and to related offerings such as ours, and substantial resources may be required to comply with regulations or bring any non-compliant business practices into compliance with such regulations. In addition, the development of the market for online commerce and the displacement of traditional telephony service by the Internet and related communications services may prompt an increased call for more stringent consumer protection laws or other regulation both in the U.S. and abroad that may impose additional burdens on companies conducting business online and their service providers.

The adoption, or modification of laws or regulations relating to the Internet and our business, or interpretations of existing laws, could have a material adverse effect on our business, financial condition and results of operations.

Industry consolidation may have a negative impact on our business model.

If customers combine businesses, they may require less colocation space, which could lead to churn in our customer base. Regional competitors may also consolidate to become a global competitor. Consolidation of our customers and/or our competitors may present a risk to our business model and have a negative impact on our revenues.

Terrorist activity throughout the world and military action to counter terrorism could adversely impact our business.

The continued threat of terrorist activity and other acts of war or hostility contribute to a climate of political and economic uncertainty. Due to existing or developing circumstances, we may need to incur additional costs in the future to provide enhanced security, including cybersecurity, which would have a material adverse effect on our business and results of operations. These circumstances may also adversely affect our ability to attract and retain customers, our ability to raise capital and the operation and maintenance of our IBX data centers.

We have various mechanisms in place that may discourage takeover attempts.

Certain provisions of our certificate of incorporation and bylaws may discourage, delay or prevent a third party from acquiring control of us in a merger, acquisition or similar transaction that a stockholder may consider favorable. Such provisions include:

- authorization for the issuance of “blank check” preferred stock;
- the prohibition of cumulative voting in the election of directors;
- limits on the persons who may call special meetings of stockholders;

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- the prohibition of stockholder action by written consent; and
- advance notice requirements for nominations to the Board or for proposing matters that can be acted on by stockholders at stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law, which restricts certain business combinations with interested stockholders in certain situations, may also discourage, delay or prevent someone from acquiring or merging with us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Filing Date/ Period End Date</u>	<u>Exhibit</u>	
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended to date.	10-K/A	12/31/02	3.1	
3.2	Certificate of Amendment of the Restated Certificate of Incorporation	8-K	6/14/11	3.1	
3.3	Certificate of Designation of Series A and Series A-1 Convertible Preferred Stock.	10-K/A	12/31/02	3.3	
3.4	Amended and Restated Bylaws of the Registrant.	8-K	6/7/12	3.2	
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4.				
4.2	Indenture dated September 26, 2007 by and between Equinix, Inc. and U.S. Bank National Association, as trustee.	8-K	9/26/07	4.4	
4.3	Form of 3.00% Convertible Subordinated Note Due 2014 (see Exhibit 4.2).				
4.4	Indenture dated June 12, 2009 by and between Equinix, Inc. and U.S. Bank National Association, as trustee.	8-K	6/12/09	4.1	
4.5	Form of 4.75% Convertible Subordinated Note Due 2016 (see Exhibit 4.4).				
4.6	Indenture dated July 13, 2011 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	7/13/11	4.1	
4.7	Form of 7.00% Senior Note due 2021 (see Exhibit 4.6)	8-K	7/13/11	4.2	
4.8	Indenture for the 2020 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/13	4.1	
4.9	Form of 4.875% Senior Note due 2020 (see Exhibit 4.8)	8-K	3/5/13	4.2	
4.10	Indenture for the 2023 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/13	4.3	

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<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Filing Date/ Period End Date</u>	<u>Exhibit</u>	
4.11	Form of 5.375% Senior Note due 2023 (see Exhibit 4.10)	8-K	3/5/13	4.4	
10.1	Form of Indemnification Agreement between the Registrant and each of its officers and directors.	S-4 (File No. 333-93749)	12/29/99	10.5	
10.2	2000 Equity Incentive Plan, as amended.	10-Q	3/31/12	10.2	
10.3	2000 Director Option Plan, as amended.	10-K	12/31/07	10.4	
10.4	2001 Supplemental Stock Plan, as amended.	10-K	12/31/07	10.5	
10.5	Equinix, Inc. 2004 Employee Stock Purchase Plan, as amended.	S-8 (File No. 333-186873)	2/26/13	99.1	
10.6	Letter Agreement, dated April 22, 2008, by and between Eric Schwartz and Equinix Operating Co., Inc.	10-Q	6/30/08	10.34	
10.7	Severance Agreement by and between Stephen Smith and Equinix, Inc. dated December 18, 2008.	10-K	12/31/08	10.31	
10.8	Severance Agreement by and between Peter Van Camp and Equinix, Inc. dated December 10, 2008.	10-K	12/31/08	10.32	
10.9	Severance Agreement by and between Keith Taylor and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.33	
10.10	Severance Agreement by and between Peter Ferris and Equinix, Inc. dated December 17, 2008.	10-K	12/31/08	10.34	
10.11	Change in Control Severance Agreement by and between Eric Schwartz and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.35	
10.12	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Deutsche Bank AG, London Branch.	8-K	6/12/09	10.1	
10.13	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between	8-K	6/12/09	10.2	

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<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Filing Date/ Period End Date</u>	<u>Exhibit</u>	
	Equinix, Inc. and Deutsche Bank AG, London Branch.				
10.14	Master Terms and Conditions for Capped Call Transactions dated as of June 9, 2009 between Equinix, Inc. and Deutsche Bank AG, London Branch.	8-K	6/12/09	10.3	
10.15	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.4	
10.16	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.5	
10.17	Master Terms and Conditions for Capped Call Transactions dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.6	
10.18	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.7	
10.19	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.8	
10.20	Master Terms and Conditions for Capped Call Transactions dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.9	
10.21	Addendum to international assignment letter agreement by and between Eric Schwartz and Equinix Operating Co., Inc., dated February 17, 2010.	10-Q	3/31/10	10.42	
10.22	Switch & Data 2007 Stock Incentive Plan.	S-1/A (File No. 333-137607) filed by	2/5/07	10.9	

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Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
		Switch & Data Facilities Company, Inc.			
10.23	Offer Letter from Equinix, Inc. to Charles Meyers dated September 28, 2010.	10-Q	9/30/10	10.40	
10.24	Restricted Stock Unit Agreement for Charles Meyers under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	9/30/10	10.41	
10.25	Change in Control Severance Agreement by and between Charles Meyers and Equinix, Inc. dated September 30, 2010.	10-Q	9/30/10	10.42	
10.26	Form of amendment to existing severance agreement between the Registrant and each of Messrs. Ferris, Meyers, Smith, Taylor and Van Camp.	10-K	12/31/10	10.33	
10.27	Letter amendment, dated December 14, 2010, to Change in Control Severance Agreement, dated December 18, 2008, and letter agreement relating to expatriate benefits, dated April 22, 2008, as amended, by and between the Registrant and Eric Schwartz.	10-K	12/31/10	10.34	
10.28	Form of Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/11	10.34	
10.29	Form of Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/11	10.35	
10.30*	English Translation of Shareholders Agreement, dated as of April 25, 2011, among Equinix South America Holdings, LLC, RW Brasil Fundo de Investimento em Participações and Zion RJ Participações S.A., and, for the limited purposes set forth therein, Sidney Victor da Costa Breyer, Antonio Eduardo Zago de Carvalho, Equinix, Inc., Riverwood Capital L.P., Riverwood Capital Partners L.P. and Riverwood Capital Partners (Parallel – A) L.P.	10-Q	6/30/11	10.36	

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<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Filing Date/ Period End Date</u>	<u>Exhibit</u>	
10.31	Lease Agreement between 2020 Fifth Avenue LLC and Switch & Data WA One LLC, dated October 13, 2011.	10-Q	9/30/11	10.37	
10.32	Form of 2012 Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/12	10.38	
10.33	Form of 2012 Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/12	10.39	
10.34	Form of 2012 TSR Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/12	10.40	
10.35	Form of 2012 TSR Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/12	10.41	
10.36	Credit Agreement, by and among Equinix, Inc., as borrower, Equinix Operating Co., Inc., Equinix Pacific, Inc., Switch & Data Facilities Company, Inc., Switch & Data Holdings, Inc. and Equinix Services, Inc., as guarantors, the Lenders (defined therein), Bank of America, N.A., as administrative agent, a Lender and L/C issuer, Wells Fargo Bank, National Association, as syndication agent, the Co-Documentation Agents (defined therein) and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as sole lead arranger and sole book manager, dated June 28, 2012.	10-Q	6/30/12	10.39	
10.37	English Translation of Shareholders' Agreement, dated as of October 31, 2012, among Equinix South America Holdings, LLC, RW Brasil Fundo de Investimento em Participações, Sidney Victor da Costa Breyer and Antonio Eduardo Zago de Carvalho, and as intervening party, Alog Soluções de Tecnologia em Informática s.a., and, for the limited purposes set forth herein, Equinix, Inc., Riverwood Capital L.P.,	10-K	12/31/12	10.39	

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<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Filing Date/ Period End Date</u>	<u>Exhibit</u>	
	Riverwood Capital Partners L.P., Riverwood Capital Partners (Parallel – A) L.P. and Riverwood Capital Partners (Parallel – B) L.P.				
10.38	Lease Agreement, by and between 271 Front Inc. and Equinix Canada Ltd., dated November 30, 2012.	10-K	12/31/12	10.40	
10.39	Indemnity Agreement, by Equinix, Inc. in favor of 271 Front Inc., dated November 30, 2012.	10-K	12/31/12	10.41	
10.40	International Long-Term Assignment Extension Letter, by and between Equinix Operating Co., Inc. and Eric Schwartz, dated December 21, 2012.	10-K	12/31/12	10.42	
10.41	Third Amendment to Credit Agreement by and among Equinix, Inc., the lenders party thereto, and Bank of America, N.A., as Administrative Agent and L/C Issuer thereunder, dated as of February 27, 2013.	8-K	3/5/13	10.1	
10.42	Offer Letter from Equinix, Inc. to Sara Baack dated July 31, 2012.				X
10.43	Restricted Stock Unit Agreement for Sara Baack under the Equinix, Inc. 2000 Equity Incentive Plan.				X
10.44	Change in Control Severance Agreement by and between Sara Baack and Equinix, Inc. dated July 31, 2012.				X
10.45	Equinix, Inc. 2013 Incentive Plan.				X
10.46	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.				X
10.47	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.				X
10.48	Form of TSR Restricted Stock Unit Agreement for CEO and CFO.				X
10.49	Form of TSR Restricted Stock Unit Agreement for all other Section 16 officers.				X
10.50	Agreement to Develop and Lease,				X

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<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Filing Date/ Period End Date</u>	<u>Exhibit</u>	
	by and between Equinix Singapore Pte Ltd and Mapletree Industrial Trust, dated March 27, 2013.				
18.2	Preferable Accounting Principles Letter from Pricewaterhouse Coopers LLP, Independent Registered Public Accounting Firm, dated April 24, 2013.				X
21.1	Subsidiaries of Equinix, Inc.				X
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS**	XBRL Instance Document.				X
101.SCH**	XBRL Taxonomy Extension Schema Document.				X
101.CAL**	XBRL Taxonomy Extension Calculation Document.				X
101.DEF**	XBRL Taxonomy Extension Definition Document.				X
101.LAB**	XBRL Taxonomy Extension Labels Document.				X
101.PRE**	XBRL Taxonomy Extension Presentation Document.				X

* Confidential treatment has been requested for certain portions which are omitted in the copy of the exhibit electronically filed with the Securities and Exchange Commission. The omitted information has been filed separately with the Securities and Exchange Commission pursuant to Equinix's application for confidential treatment.

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a

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registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

EQUINIX, INC.

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 thereunto duly authorized.

EQUINIX, INC.

Date: April 26, 2013

By: _____
/s/ KEITH D. TAYLOR
Chief Financial Officer
(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
10.42	Offer Letter from Equinix, Inc. to Sara Baack dated July 31, 2012.
10.43	Restricted Stock Unit Agreement for Sara Baack under the Equinix, Inc. 2000 Equity Incentive Plan.
10.44	Change in Control Severance Agreement by and between Sara Baack and Equinix, Inc. dated July 31, 2012.
10.45	Equinix, Inc. 2013 Incentive Plan.
10.46	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.
10.47	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.
10.48	Form of TSR Restricted Stock Unit Agreement for CEO and CFO.
10.49	Form of TSR Restricted Stock Unit Agreement for all other Section 16 officers.
10.50	Agreement to Develop and Lease, by and between Equinix Singapore Pte Ltd and Mapletree Industrial Trust, dated March 27, 2013.
18.2	Preferable Accounting Principles Letter from Pricewaterhouse Coopers LLP, Independent Registered Public Accounting Firm, dated April 24, 2013.
21.1	Subsidiaries of Equinix, Inc.
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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July 26, 2012

Sara Baack

Dear Sara:

Equinix Operating Company, Inc. ("Equinix") is pleased to offer you employment on the following terms, contingent upon completion of a background investigation, satisfactory reference checks, and approval of the Compensation Committee of the Board of Directors of Equinix, Inc.

1. **Position.** You will serve in a full-time capacity of Chief Marketing Officer, with a primary work location from a remote home office in Colorado, and will report to Steve Smith, CEO & President. By signing this letter agreement, you represent and warrant to Equinix that you are under no contractual commitments inconsistent with your obligations to Equinix.
2. **Salary.** You will be paid a salary at the annual rate of \$325,000.00, which will be paid on a bi-weekly basis in accordance with Equinix's standard payroll practices for salaried employees. This salary will be subject to adjustment pursuant to Equinix's employee compensation policies in effect from time to time.
3. **Restricted Stock Unit Award.** Upon commencement of employment, you will be granted 10,000 restricted stock units of common stock of Equinix, Inc. under the terms and conditions of the applicable equity award plan and your award agreement. Subject to your continued service through each vesting date, the award will vest over three years. 25% of the shares subject to the award shall vest on March 1, 2013, (B) 25% of the shares subject to the award shall vest on September 1, 2013, (C) 25% of the shares subject to the award shall vest on September 1, 2014 and (D) 25% of the shares subject to the award shall vest on September 1, 2015. Each unit is an unfunded right to receive one share of Equinix common stock upon vesting and issuance of the share provided you remain in active service through the vesting date.
4. **Company-wide Bonus.** You will be eligible to participate in Equinix's 2012 Annual Incentive Plan, provided that your start date is prior to October 1, 2012. Under the plan, you will be eligible to receive a bonus of up to 65% of your base salary, based upon Equinix's financial performance and your individual performance. The annual incentive bonus will be pro-rated based on your start date. Detailed information on this plan will be provided to you after you start.

«First_Name» «Last_Name»

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«Month» «Day», 2012

5. **401(k) Savings Plan and Company Match.** You will be automatically enrolled in and begin contributing to the 401(k) plan at the rate of 5% of your compensation approximately 30 days following your start date. You may elect to increase or decrease this rate of contribution at any time or opt out entirely. Information about the 401(k) plan will be mailed to your home address from our 401(k) provider, Fidelity Investments, following your start date. Each payroll, Equinix will contribute 50 cents on every dollar up to the first 6% of your compensation that you defer into your 401(k) account. You will vest in 25% of the company match after your first year as an Equinix employee, and 25% each year thereafter.

6. **Health Benefits.** You and your dependents will be entitled to participate in the Company's medical and dental benefit plans in accordance with their terms.

7. **Paid Time Off.** You will be entitled to Paid Time Off (PTO) that accrues on a bi-weekly basis. Full-time employees working 40 hours per week will accrue 4.616 hours per pay period. PTO will be pro-rated for Part-time employees who work a minimum of 20 hours per week. See the U.S. Equinix Employee handbook for more information.

8. **Proprietary Information and Inventions Agreement.** Like all Equinix employees, you will be required, as a condition to your employment with Equinix, to sign Equinix's standard Proprietary Information and Inventions Agreement, a copy of which is attached hereto as Exhibit A.

9. **Change In Control Severance Agreement.** You will be entitled to certain severance benefits upon a change in control of Equinix as detailed in the attached Change In Control Severance Agreement, a copy of which is attached hereto as Exhibit B.

10. **Period of Employment.** Your employment with Equinix will be "at will," meaning that either you or Equinix will be entitled to terminate your employment at any time and for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by this offer. This is the full and complete agreement between you and Equinix on this term. Although your job duties, title, compensation and benefits, as well as Equinix's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an expressed written agreement signed by you and a duly authorized officer of Equinix.

11. **Outside Activities.** While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. While you render services to Equinix, you also will not assist any person or organization in competing with Equinix, in preparing to compete with Equinix or in hiring any employees of Equinix.

12. **Withholding Taxes.** All forms of compensation referred to in this letter are subject to reduction to reflect applicable withholding and payroll taxes.

13. **Other Terms.** As required by law, your employment with the Company is also contingent upon your providing legal proof of your identity and authorization to work in the United States.

«First_Name» «Last_Name»

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«Month» «Day», 2012

14. **Entire Agreement.** This letter and the Exhibit attached hereto contain all of the terms of your employment with Equinix and supersede any prior understandings or agreements, whether oral or written, between you and Equinix.

15. **Amendment and Governing Law.** This letter agreement may not be amended or modified except by an express written agreement signed by you and a duly authorized officer of Equinix. The terms of this letter agreement and the resolution of any disputes will be governed by Colorado law.

We look forward to you joining Equinix. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter and the duplicate original of the Proprietary Information and Inventions Agreement (PIIA) and Change in Control Severance Agreement (CICSA). Please return one signed original offer letter, both PIAs and both CICSAs. One signed original PIIA and CICSA will be returned to you after receiving a company representative's signature.

We look forward to you joining Equinix. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter and the duplicate original of the Proprietary Information and Inventions Agreement (PIIA) and Change in Control Severance Agreement (CICSA). Please return one signed original offer letter, both PIAs and both CICSAs. One signed original PIIA and CICSA will be returned to you after receiving a company representative's signature.

This offer, if not accepted, will expire at the close of business on Monday, July 30, 2012.

Sincerely,

/s/ Steve Smith

Steve Smith
CEO & President

I have read and accept this employment offer:

Sara Jane Baack

Print Full Name

/s/ Sara J. Baack

Signature

«First_Name» «Last_Name»

- 3 of 4 -

«Month» «Day», 2012

Dated: July 31, 2012

My Start Date will be September 10

Attachment

Exhibit A: Proprietary Information and Inventions Agreement

Exhibit B: Change In Control Severance Agreement

«First_Name» «Last_Name»

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«Month» «Day», 2012

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

You have been granted the number of restricted stock units ("Restricted Stock Units") indicated below by Equinix, Inc. (the "Company") on the following terms:

Name: **Sara Baack**
Employee Id #: 05719

Restricted Stock Unit Award Details:

Date of Grant: September 11, 2012
Award Number: RU4226
Number of Restricted Stock Units: **10,000**

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company subject to the terms and conditions contained in the Restricted Stock Unit Agreement (the "Agreement"). Capitalized terms not otherwise defined shall have the same definition as in the Agreement or the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period. The Restricted Stock Units shall vest as follows: (A) 25% of the shares subject to the award shall vest on March 1, 2013, (B) 25% of the shares subject to the award shall vest on September 1, 2013, (C) 25% of the shares subject to the award shall vest on September 1, 2014 and (D) 25% of the shares subject to the award shall vest on September 1, 2015.

By your signature and the signature of the Company's representative below, you and the Company agree that the Restricted Stock Units are granted under and governed by the terms and conditions of the Plan and the Agreement that is attached to and made a part of this document.

You further agree that the Company may deliver by email all documents relating to the Plan or this award (including, without limitation, prospectuses required by the U.S. Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify you by email.

By your signature below, you agree to cover all Tax-Related Items as defined in the Agreement.

RECIPIENT:

Signature: /s/ Sara Baack

Print Name: Sara Baack

Date: _____

EQUINIX, INC.

By: /s/ Steve Smith

Print Name: Steve Smith

Title: CEO & President

**EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN:
RESTRICTED STOCK UNIT AGREEMENT**

Payment for Shares

No payment is required for the Restricted Stock Units you receive.

Vesting

The Restricted Stock Units that you are receiving will vest in installments, as shown in the Notice of Restricted Stock Unit Award.

No additional Restricted Stock Units vest after your active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") has terminated for any reason. It is intended that vesting in the Restricted Stock Units is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the Section below entitled "Leaves of Absence and Part-Time Work."

Settlement of Units

Each Restricted Stock Unit will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit must be settled not later than the March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests.

At the time of settlement, you will receive one share of the Company's Common Stock for each vested Restricted Stock Unit.

Trading Day

Trading Day means a day that satisfies each of the following requirements:

- The Nasdaq Global Market is open for trading on that day,
- You are permitted to sell shares of the Company's Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act of 1934, as amended,
- Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company's Common Stock on that day under Rule 10b5 of the Securities and Exchange Commission or (b) Rule 10b5-1 of the Securities and Exchange Commission is applicable,
- Under the Company's written Insider Trading Policy, you are permitted to sell shares of the Company's Common Stock on that day, and
- You are not prohibited from selling shares of the Company's Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control

Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.

Qualifying Termination

A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control).

Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct.

Good Reason means (i) a material diminution in your authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be

determined based on an average of your annual Total Direct Compensation for the prior three calendar years or, if less, the number of years you have been employed by the Company (referred to below as the “look-back years”); or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent. For purposes of the foregoing, Total Direct Compensation means total target cash compensation (annual base salary plus target annual cash incentives) plus the grant value of equity awards, determined at the time of grant, based on the total stock compensation (FAS 123R) expense associated with that award; provided, however, that if you commenced employment with the Company during the look-back years, only one-third of the grant value of the equity grant attributable to commencement of employment shall be counted.

For vesting to accelerate as a result of a voluntary resignation for Good Reason, all of the following requirements must be satisfied: (1) you must provide notice to the Company of your intent to assert Good Reason within 120 days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); and (2) the Company will have 30 days from the date of such notice to remedy the condition and, if it does so, you may withdraw your resignation or may resign with no acceleration benefit. Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve (12) months following the occurrence of a Change in Control, you may assert Good Reason again subject to all of the conditions set forth herein.

Separation means a “separation from service,” as defined in the regulations under Section 409A of the Code.

Forfeiture

If your Service terminates for any reason, then your Restricted Stock Units will be forfeited to the extent that they have not vested before the termination date and do not vest as a result of the termination (including as a result of a Qualifying Termination as set forth above). This means that the Restricted Stock Units will immediately revert to the Company. You receive no payment for Restricted Stock Units that are forfeited. The Company determines when your Service terminates for this purpose.

Leaves of Absence and Part-Time Work

For purposes of this award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing. But your Service terminates when the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence that lasts or is expected to last seven

days or longer, then vesting will be suspended during the leave to the extent provided for in the Company's leave policy. Upon your return to active work (as determined by the Company), vesting will resume; however, unless otherwise provided in the Company's leave policy, you will not receive credit for any vesting until you work an amount of time equal to the period of your leave.

If you, and the Company, agree to a reduction in your scheduled work hours, then the Company reserves the right to modify the rate at which the Restricted Stock Units vest, so that the rate of vesting is commensurate with your reduced work schedule. Any such adjustment shall be consistent with the Company's policies for part-time or reduced work schedules or shall be pursuant to the terms of an agreement between you and the Company pertaining to your reduced work schedule.

The Company shall not be required to adjust any vesting schedule pursuant to this subsection.

Settlement / Stock Certificates

No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.

Section 409A

This paragraph applies only if the Company determines that you are a "specified employee," as defined in the regulations under Section 409A of the Code, at the time of your "separation from service," as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.

Stockholder Rights

The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.

Units Restricted

You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.

Withholding Taxes

Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (a) withholding shares of Company stock that otherwise would be issued to you when they vest, (b) surrendering shares that you previously acquired, or (c) deducting the withholding taxes from any cash compensation payable to you. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes.

The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this subsection.

Restrictions on Resale

You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights

Except to the extent provided specifically in an agreement between you and the Company, your award or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

In accepting the award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be

modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement; (b) the award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your Service at any time with or without cause; (f) the award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any subsidiary of the Company, and which is outside the scope of your employment or service contract, if any; (g) the award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any subsidiary of the Company; (h) in the event that you are not an employee of the Company, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company; and, furthermore, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Employer or any other subsidiary of the Company; (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (j) in consideration of the award, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the award or shares of Common Stock acquired upon vesting of the award resulting from termination of Service (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and any subsidiary of the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock; and (l) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Adjustments	In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Stock Units that will vest in any future installments will be adjusted accordingly.
Severability	The provisions of this Agreement are severable and if any one or more provisions are determined to be invalid or otherwise enforceable, in whole or in part, the remaining provisions shall continue in effect.
Applicable Law	<p>This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions).</p> <p>For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.</p>
The Plan and Other Agreements	<p>The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department.</p> <p>This Agreement and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties.</p>

BY SIGNING THE NOTICE OF RESTRICTED STOCK UNIT AWARD, YOU AGREE TO

ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS AGREEMENT is entered into as of July 31, 2012 (the "Effective Date") by and between Sara Baack (the "Executive") and **EQUINIX, INC.**, a Delaware corporation (the "Company").

1. Term of Agreement.

Except to the extent renewed as set forth in this Section 1, this Agreement shall terminate the earlier of December 31, 2014 (the "Expiration Date") or the date the Executive's employment with the Company terminates for a reason other than a Qualifying Termination as described in Section 4(d); however, if a definitive agreement relating to a Change in Control has been signed by the Company on or before December 31, 2014, then this Agreement shall remain in effect through the earlier of:

(a) The date the Executive's employment with the Company terminates for a reason other than a Qualifying Termination as described in Section 4(d) or

(b) The date the Company has met all of its obligations under this Agreement following a termination of the Executive's employment with the Company for a reason described in Section 4(d).

This Agreement shall renew automatically and continue in effect for three year periods measured from the initial Expiration Date, unless the Company provides Executive notice of non-renewal at least six months prior to the date on which this Agreement would otherwise expire.

2. Severance Payment.

(a) **Severance Benefit.** If the Executive is subject to a Qualifying Termination, then the Company shall pay the Executive 100% of his or her annual base salary and target bonus (at the annual rate in effect immediately prior to the actions that resulted in the Qualifying Termination). Such severance benefit shall be paid in accordance with the Company's standard payroll procedures. The Executive will receive his or her severance payment in a cash lump-sum which will be made within ten (10) business days of the latest of the following dates:

- (i) the date of Executive's Qualifying Termination;
- (ii) the date of the Company's receipt of the Executive's executed General Release; and
- (iii) the expiration of any rescission period applicable to the Executive's executed General Release.

(b) **Health Care Benefit.** If the Executive is subject to a Qualifying Termination, and if the Executive elects to continue his or her health insurance coverage under

the Consolidated Omnibus Budget Reconciliation Act ("COBRA") following the termination of his or her employment, then the Company shall pay the Executive's monthly premium under COBRA until the earliest of (i) the close of the twelve-month period following cessation of his or her employment or (ii) the expiration of the Executive's continuation coverage under COBRA.

(c) **General Release.** Any other provision of this Agreement notwithstanding, Subsections (a) and (b) above shall not apply unless the Executive (i) has executed a general release (in a form prescribed by the Company) of all known and unknown claims that he or she may then have against the Company or persons affiliated with the Company and (ii) has agreed not to prosecute any legal action or other proceeding based upon any of such claims. The release must be in the form prescribed by the Company, without alterations. The Company will deliver the form to the Executive within 30 days after the Executive's Separation. The Executive must execute and return the release within 21 days from receipt of the form.

(d) **Section 409A.** For purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), if the Company determines that Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of a Separation, then (i) the severance benefits under Section 2(a), to the extent that they are subject to Section 409A of the Code, will commence during the seventh month after the Executive's Separation and (ii) any amounts that otherwise would have been paid during the first six months after a Separation will be paid in a lump sum on the earliest practicable date permitted by Section 409A(a)(2) of the Code.

3. Covenants.

(a) **Non-Solicitation.** During the Executive's employment with the Company and during the twelve-month period following his or her cessation of employment, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit the employment of any employee or consultant of the Company or any of the Company's affiliates, whether on the Executive's own behalf or on behalf of any other person or entity. The Executive and the Company agree that this provision is reasonably enforced as to any geographic area in which the Company conducts its business.

(b) **Non-Competition.** The Executive agrees that, during his or her employment with the Company, he or she shall not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company.

(c) **Cooperation and Non-Disparagement.** The Executive agrees that, during the twelve-month period following his or her cessation of employment, he or she shall cooperate with the Company in every reasonable respect and shall use his or her best efforts to assist the Company with the transition of Executive's duties to his or her successor. The Executive further agrees that, during this twelve-month period, he or she shall not in any way or by any means disparage the Company, the members of the Company's Board of Directors or the Company's officers and employees.

4. Definitions.

- (a) **Definition of "Cause."** For all purposes under this Agreement, "Cause" shall mean the Executive's unauthorized use or disclosure of trade secrets which causes material harm to the Company, the Executive's conviction of, or a plea of "guilty" or "no contest" to, a felony, or the Executive's gross misconduct.
- (b) **Definition of "Change in Control."** For all purposes under this Agreement, "Change in Control" shall have the meaning ascribed to such term in Section 19.4 of the Company's 2000 Equity Incentive Plan.
- (c) **Definition of "Good Reason."** For all purposes under this Agreement, "Good Reason" shall mean (i) a material diminution in the Executive's authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, Executive retains substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this sub clause (c)(i); (ii) a 10% or greater reduction in his or her level of compensation, which will be determined based on an average of the Executive's annual Total Direct Compensation for the prior three calendar years or, if less, the number of years the Executive has been employed by the Company (referred to below as the "look-back years"); or (iii) a relocation of Executive's place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without Executive's consent. For purposes of the foregoing, Total Direct Compensation means total target cash compensation (annual base salary plus target annual cash incentives) plus the grant value of equity awards, determined at the time of grant, based on the total stock compensation (FAS 123R) expense associated with that award; provided, however, that if the Executive commenced employment with the Company during the look-back years, only one-third of the grant value of the equity grant attributable to commencement of employment shall be counted. For the Executive to receive the benefits under this Agreement as a result of a voluntary resignation under this subsection (c), all of the following requirements must be satisfied: (1) the Executive must provide notice to the Company of his or her intent to assert Good Reason within 120 days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); (2) the Company will have 30 days from the date of such notice to remedy the condition and, if it does so, the Executive may withdraw his or her resignation or may resign with no benefits; and (3) any termination of employment under this provision must occur within 18 months of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii). Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve (12) months following the occurrence of a Change in Control, the Executive may assert Good Reason again subject to all of the conditions set forth herein.
- (d) **Definition of "Qualifying Termination."** For all purposes under this Agreement, "Qualifying Termination" shall mean a Separation resulting from (i) the Company terminates the Executive's employment for any reason other than Cause within twelve (12) months after a Change in Control or (ii) the Executive voluntarily resigns his or her

employment for Good Reason between the date that is four (4) months following a Change in Control and the date that is twelve (12) months following a Change in Control, provided however, that the grounds for Good Reason may arise at anytime within the twelve (12) months following the Change in Control.

(e) **Definition of Separation.** For all purposes under this Agreement, "Separation" shall mean a "separation from service," as defined in the regulations under Section 409A of the Code.

5. Successors.

(a) **Company's Successors.** The Company shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets, by an agreement in substance and form satisfactory to the Executive, to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets or which becomes bound by this Agreement by operation of law.

(b) **Executive's Successors.** This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

6. Golden Parachute Taxes

(a) **Best After-Tax Result.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise ("Payments") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (a), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("Excise Tax"), then, subject to the provisions of Section 6(b) hereof, such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in no portion of such Payments being subject to the Excise Tax ("Reduced Amount"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and Executive otherwise agree in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to Executive ("Independent Tax Counsel"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; provided that Independent Tax Counsel

shall assume that Executive pays all taxes at the highest marginal rate. The Company and Executive shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that Section 6(a)(ii)(B) above applies, then based on the information provided to Executive and the Company by Independent Tax Counsel, Executive may, in Executive's sole discretion and within 30 days of the date on which Executive is provided with the information prepared by Independent Tax Counsel, determine which and how much of the Payments (including the accelerated vesting of equity compensation awards) to be otherwise received by Executive shall be eliminated or reduced (as long as after such determination the value (as calculated by Independent Tax Counsel in accordance with the provisions of Sections 280G and 4999 of the Code) of the amounts payable or distributable to Executive equals the Reduced Amount). If the Internal Revenue Service (the "IRS") determines that any Payment is subject to the Excise Tax, then Section 6(b) hereof shall apply, and the enforcement of Section 6(b) shall be the exclusive remedy to the Company.

(b) **Adjustments.** If, notwithstanding any reduction described in Section 6(a) hereof (or in the absence of any such reduction), the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then Executive shall be obligated to surrender or pay back to the Company, within 120 days after a final IRS determination, an amount of such payments or benefits equal to the "Repayment Amount." The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that Executive's net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero if a Repayment Amount of more than zero would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 6(b), Executive shall pay the Excise Tax.

7. Miscellaneous Provisions.

(a) **Other Severance Arrangements.** This Agreement supersedes any and all cash severance arrangements on change in control under any prior separation, severance and salary continuation arrangements, programs and plans which were previously offered by the Company to the Executive, including change in control severance arrangements pursuant to an employment agreement or offer letter. In no event shall any individual receive cash severance benefits under both this Agreement and any other severance pay or salary continuation program, plan or other arrangement with the Company.

(b) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or deposited with Federal Express Corporation, with shipping charges prepaid. In the case of the Executive, mailed notices shall be addressed to him or her at the home address

which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(c) **Waiver.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(d) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(e) **Severability.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(f) **No Retention Rights.** Nothing in this Agreement shall confer upon the Executive any right to continue in service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or any subsidiary of the Company or of the Executive, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without Cause.

(g) **Choice of Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California (other than their choice-of-law provisions).

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

/s/ Sara Baack

Sara Baack

EQUINIX, INC.

/s/ Steve Smith

By: Steve Smith

Title: CEO & President

**EQUINIX 2013 INCENTIVE PLAN
JANUARY 1, 2013**

PLAN OBJECTIVES

Equinix, Inc. (the "Company") offers the 2013 Incentive Plan to eligible employees of the Company and its subsidiaries to provide them with the opportunity to participate in Company performance. It is designed to motivate employees to achieve certain Company objectives while providing competitive total rewards for key positions and retaining top talent.

PLAN FEATURES

ELIGIBILITY/PARTICIPATION

All full-time and part-time employees of the Company and employees of the Company's subsidiaries have the possibility of receiving a target bonus under the 2013 Incentive Plan, provided the conditions set out below are met. Commissioned sales employees and those on Management by Objectives (MBO) Plans are not eligible to participate. Full-time and part-time new hires become eligible to participate in the 2013 Incentive Plan as of their hire date. The maximum target bonus that an employee not employed by the Company or a participating subsidiary at the beginning of the year may receive, however, will be a percentage of a target bonus equal to that percentage of the year he/she was employed by the Company or a participating subsidiary and is subject to the conditions set out below being met. An employee with a start date on or after October 1, 2013 will not be eligible to participate in the 2013 Incentive Plan.

To be eligible to receive a target bonus, the employee must be employed by the Company or a participating subsidiary at the date when the bonus amount is paid pursuant to the paragraph entitled "Payment of Awards" below, and for avoidance of doubt, an employee is not eligible to receive a bonus under the 2013 Incentive Plan if on the date a target bonus is to be paid:

- he/she is on a Performance Improvement Plan (PIP);
- he/she is on notice (whether given or received) of termination of employment;
- he/she is on garden or similar non-paid leave; and/or
- he/she is suspended from his/her duties for any reason and/or is subject to ongoing disciplinary proceedings.

Payouts will be pro-rated over the period based on the position the employee held during the performance period. For example, if an employee is promoted from Senior Manager to Director, his/her bonus will be calculated based upon the number of days in each position. As another example, if an employee is promoted from a non-commissioned position to a commissioned sales position, his/her bonus will be pro-rated based on the number of days worked in a non-commissioned position. Subject to applicable laws, an employee on an approved leave of absence (not considered as effective work time) from the Company or a participating subsidiary will be eligible for the pro-rated bonus amount based on the number of days worked as an active employee during the 2013 calendar year.

Any bonus payment made under the 2013 Incentive Plan will not form part of an employee's pensionable salary.

The plan year is effective January 1, 2013 and will end on December 31, 2013. Where bonuses are awarded under the 2013 Incentive Plan, they will be paid after plan year-end.

TARGET BONUSES

Target bonuses are based on a percentage of the employee's annual base salary. An employee's target bonus percentage may be modified from time to time, for example, due to changes in the Company's financials or salary changes, until the end of the plan year.

The 2013 Incentive Plan includes an individual performance component. Bonus awards are linked to employee performance and are intended to reward achievement of key results at both the Company and individual level. Employee performance will be measured by an annual performance review. If the Company exceeds the approved goals for revenue and adjusted EBITDA, then top performers may earn up to 150% of target bonus awards. Employees may receive less than their targeted bonus based upon Company and individual performance. The degree to which the employee achieves his/her targeted bonus amount (e.g., less than, equal to, or greater than the target percentage) is the degree to which both the employee and the Company achieve key performance goals throughout the year.

In addition, at its discretion the Compensation Committee of the Board of Directors (the "Compensation Committee") may reduce or eliminate the actual award that otherwise would be payable should economic conditions warrant it.

PAYMENT OF AWARDS

Individual awards are determined once the plan year has ended and the Compensation Committee has decided any amounts to be awarded. Where individual awards are to be paid, they will be paid as soon after the close of the calendar year as practical. It is intended that payment will be made no later than required to ensure that no amount paid or to be paid hereunder shall be subject to the provisions of Section 409A(a)(1)(B) of the Internal Revenue Code and that all payments shall be eligible for the short-term deferral exception to Section 409A of the Internal Revenue Code.

FORM OF PAYMENT

Each award to recipients shall be paid in cash in a single lump sum. The Company shall withhold all required taxes and charges from an award, including any federal, state, local or other taxes and social insurance contributions. Amounts will be determined by the Company in U.S. dollars, but may be paid to employees outside the United States in local currency.

PLAN ADMINISTRATION

The Plan is discretionary in nature, and the Compensation Committee may suspend, modify or terminate the 2013 Incentive Plan at any time without advance notice. The CEO of the Company, or the Compensation Committee with respect to the Company's executive officer participants in the Plan, will have the final decision over any interpretations or disputes regarding the 2013 Incentive Plan. All determinations and decisions made by the Compensation Committee, the Board of

Directors, or the CEO pursuant to the provisions of the 2013 Incentive Plan shall be final, conclusive and binding on all persons and shall be given the maximum deference permitted by law.

COMPANY PERFORMANCE AND FUNDING OF INCENTIVE POOL

The funding level of the Incentive Pool will be based on Company performance against revenue and adjusted EBITDA goals, as set forth in the Board of Directors-approved operating plan, adjusted from time to time throughout the plan year. The revenue goal (weighted at 50%) and the adjusted EBITDA goal (weighted at 50%) will exclude the impact of one-time events affecting the operating plan, such as expansion projects or acquisitions not contemplated in the operating plan, and will exclude the impact of fluctuations in foreign currencies against the foreign currency rates applied in the FY2013 budget. The specific revenue and adjusted EBITDA goals for 2013 shall be as set forth on a "Design Criteria" established prior to the end of the first quarter.

The Design Criteria shall be as follows:

One hundred percent (100%) of the Incentive Pool shall be funded if the Company hits its operating plan for revenue and adjusted EBITDA for 2013, subject to the discretion retained by the Compensation Committee to reduce or eliminate the actual award that otherwise would be payable based upon achieving this goal. **For every 1% below operating plan for revenue, the revenue portion of the Incentive Pool shall be reduced by 20% and for every 1% below operating plan for adjusted EBITDA, the adjusted EBITDA portion of the Incentive Pool shall be reduced by 20%.** For instance, if the Company is 2% below operating plan for adjusted EBITDA, only 60% of the adjusted EBITDA portion of the Incentive Pool shall be funded. There shall be no Incentive Pool if revenue and adjusted EBITDA are 95% or less of the approved operating plan.

MISCELLANEOUS

Nothing in the 2013 Incentive Plan shall interfere with or limit in any way the right of the Company or its subsidiary or affiliate, as applicable, to terminate any employee's employment or service at any time, with or without cause. Except to the extent provided by applicable law or pursuant to a written agreement between the employee and the Company or its subsidiary or affiliate, employment with the Company or its subsidiary or affiliates is on an at-will basis only. Nothing in this 2013 Incentive Plan shall constitute an employment agreement between an employee and the Company.

Each award that may become payable under the 2013 Incentive Plan shall be paid solely from the general assets of the Company. No amounts awarded or accrued under the Plan shall be funded, set aside, subject to interest payment or otherwise segregated prior to payment. The obligation to pay awards under the 2013 Incentive Plan shall at all times be an unfunded and unsecured obligation of the Company. Employees shall have the status of general creditors of the Company. Any bonus or award payable under the 2013 Incentive Plan is voluntary and occasional and does not create any contractual or other right to receive grants in future years or benefits in lieu of such awards.

The 2013 Incentive Plan and all awards shall be construed in accordance with and governed by the laws of the State of California, without regard to their conflict-of-law provisions.

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

FOR CEO & CFO

You have been granted the number of restricted stock units ("Restricted Stock Units") indicated below by Equinix, Inc. (the "Company") on the following terms:

Name:
Employee Id #:

Restricted Stock Unit Award Details:

Date of Grant:
Award Number:
Target Restricted Stock Units:
Max Restricted Stock Units: (if maximum performance is achieved)

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company subject to the terms and conditions contained in the Restricted Stock Unit Agreement (the "Agreement"). Capitalized terms not otherwise defined shall have the same definition as in the Agreement or the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period. The Restricted Stock Units shall vest provided the Company achieves revenue and adjusted EBITDA goals for 20 of at least \$ million and \$ million, respectively, as set forth on the attached Exhibit A, and if achieved, then the Restricted Stock Units shall vest in a number of shares determined based on the degree of achievement of the revenue and adjusted EBITDA targets as set forth on the matrix attached as Exhibit A, and at the following times:

- with respect to 50% of those units on the first Trading Day that coincides with or follows the date upon which the Board of Directors of the Company or committee thereof certifies that the Company has achieved revenue and adjusted EBITDA goals of at least \$ million and \$ million, respectively, for 20 ;
- with respect to 25% of those units on February 15, 20 ; and
- with respect to the remaining 25% of those units on February 15, 20 .

The revenue and adjusted EBITDA goals set forth above will exclude the impact of fluctuations in foreign currencies against the foreign currency rates used in the Company's 20 operating plan.

The Board of Directors of the Company or committee thereof may adjust the revenue and adjusted EBITDA goals set forth above from time to time prior to the 20 fiscal year end to take into account losses from discontinued operations, the cumulative effect of accounting changes, acquisitions or divestitures, sales of assets, and/or IBX expansions not currently contemplated by the Company.

Any Restricted Stock Units that fail to vest based on the Company's achievement of revenue and adjusted EBITDA goals based on the matrix set forth on Exhibit A hereto shall be forfeited to the Company immediately following the certification by the Board of Directors of the Company (or committee thereof) of the Company's achievement of the revenue and adjusted EBITDA goals for 20 .

In the event of a Change in Control (as defined in the Plan) before the end of the 20 fiscal year, vesting of these Restricted Stock Units shall no longer be dependent on achievement of the revenue and adjusted EBITDA goals described above. Instead, subject to your continued Service through the applicable vesting date, 50% of the Target Restricted Stock Units will vest on February 15, 20 , 25% of the Target Restricted Stock Units will vest on February 15, 20 and the remaining 25% of the Target Restricted Stock Units will vest on February 15, 20 . The remaining Restricted Stock Units shall be forfeited to the Company (and the forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

By your signature and the signature of the Company's representative below, you and the Company agree that the Restricted Stock Units are granted under and governed by the terms and conditions of the Plan and the Agreement that is attached to and made a part of this document.

You further agree that the Company may deliver by email all documents relating to the Plan or this award (including, without limitation, prospectuses required by the U.S. Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify you by email.

By your signature below, you agree to cover all Tax-Related Items as defined in the Agreement.

RECIPIENT:

EQUINIX, INC.

Signature: _____

By: _____

Print Name: _____

Title: _____

Date: _____

**EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN:
RESTRICTED STOCK UNIT AGREEMENT**

Payment for Shares

No payment is required for the Restricted Stock Units you receive.

Vesting

The Restricted Stock Units that you are receiving will vest in installments, as shown in the Notice of Restricted Stock Unit Award.

No additional Restricted Stock Units vest after your active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") has terminated for any reason. It is intended that vesting in the Restricted Stock Units is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the Section below entitled "Leaves of Absence and Part-Time Work."

Settlement of Units

Each Restricted Stock Unit will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit must be settled not later than the March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests.

At the time of settlement, you will receive one share of the Company's Common Stock for each vested Restricted Stock Unit.

Trading Day

Trading Day means a day that satisfies each of the following requirements:

- The Nasdaq Global Market is open for trading on that day,
- You are permitted to sell shares of the Company's Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act of 1934, as amended,
- Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company's Common Stock on that day under Rule 10b5 of the Securities and Exchange Commission or (b) Rule 10b5-1 of the Securities and Exchange Commission is applicable,
- Under the Company's written Insider Trading Policy, you are permitted to sell shares of the Company's Common Stock on that day, and
- You are not prohibited from selling shares of the Company's Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control

Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.

Qualifying Termination

A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control).

Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct.

Good Reason means (i) a material diminution in your authority, duties or responsibilities; (ii) a material reduction in your level of compensation (including base salary and target bonus) other than pursuant to a Company-wide reduction of compensation where the reduction affects the other executive officers and your reduction is substantially equal, on a percentage basis, to the reduction of the other executive officers; or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent.

For vesting to accelerate as a result of a voluntary resignation for Good Reason, all of the following requirements must be satisfied: (1) you must provide notice to the Company of your intent to assert Good Reason within 120 days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); and (2) the Company will have 30 days from the date of such notice to remedy the condition and, if it does so, you may withdraw your resignation or may resign with no acceleration benefit. Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve (12) months following the occurrence of a Change in Control, you may assert Good Reason again subject to all of the conditions set forth herein.

Separation means a "separation from service," as defined in the regulations under Section 409A of the Code.

Forfeiture

If your Service terminates for any reason, then your Restricted Stock Units will be forfeited to the extent that they have not vested before the termination date and do not vest as a result of the termination (including as a result of a Qualifying Termination as set forth above). This means that the Restricted Stock Units will immediately revert to the Company. You receive no payment for Restricted Stock Units that are forfeited. The Company determines when your Service terminates for this purpose.

Leaves of Absence and Part-Time Work

For purposes of this award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing. But your Service terminates when the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence that lasts or is expected to last seven days or longer, then vesting will be suspended during the leave to the extent provided for in the Company's leave policy. Upon your return to active work (as determined by the Company), vesting will resume; however, unless otherwise provided in the Company's leave policy, you will not receive credit for any vesting until you work an amount of time equal to the period of your leave.

If you, and the Company, agree to a reduction in your scheduled work hours, then the Company reserves the right to modify the rate at which the Restricted Stock Units vest, so that the rate of vesting is commensurate with your reduced work schedule. Any such adjustment shall be consistent with the Company's policies for part-time or reduced work schedules or shall be pursuant to the terms of an agreement between you and the Company pertaining to your reduced work schedule.

The Company shall not be required to adjust any vesting schedule pursuant to this subsection.

Settlement / Stock Certificates

No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.

Section 409A

This paragraph applies only if the Company determines that you are a “specified employee,” as defined in the regulations under Section 409A of the Code, at the time of your “separation from service,” as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.

Stockholder Rights

The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.

Units Restricted

You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.

Withholding Taxes

Regardless of any action the Company and/or your employer (the “Employer”) take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or

make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (a) withholding shares of Company stock that otherwise would be issued to you when they vest, (b) surrendering shares that you previously acquired, or (c) deducting the withholding taxes from any cash compensation payable to you. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes.

The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this subsection.

Restrictions on Resale

You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights

Except to the extent provided specifically in an agreement between you and the Company, your award or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

In accepting the award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement; (b) the award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your Service at any time with or without cause; (f) the award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any subsidiary of the Company, and which is outside the scope of your employment or service contract, if any; (g) the award is not part of normal or expected compensation or salary for any

purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any subsidiary of the Company; (h) in the event that you are not an employee of the Company, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company; and, furthermore, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Employer or any other subsidiary of the Company; (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (j) in consideration of the award, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the award or shares of Common Stock acquired upon vesting of the award resulting from termination of Service (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and any subsidiary of the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock; and (l) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Adjustments

In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Stock Units that will vest in any future installments will be adjusted accordingly.

Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be invalid or otherwise enforceable, in whole or in part, the remaining provisions shall continue in effect.

Applicable Law

This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions).

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall

**The Plan and Other
Agreements**

be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties.

BY SIGNING THE NOTICE OF RESTRICTED STOCK UNIT AWARD, YOU AGREE TO

ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

FOR ALL OTHER SECTION 16 OFFICERS

You have been granted the number of restricted stock units ("Restricted Stock Units") indicated below by Equinix, Inc. (the "Company") on the following terms:

Name:

Employee Id #:

Restricted Stock Unit Award Details:

Date of Grant:

Award Number:

Target Restricted Stock Units:

Max Restricted Stock Units: (if maximum performance is achieved)

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company subject to the terms and conditions contained in the Restricted Stock Unit Agreement (the "Agreement"). Capitalized terms not otherwise defined shall have the same definition as in the Agreement or the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period. The Restricted Stock Units shall vest provided the Company achieves revenue and adjusted EBITDA goals for 20 of at least \$ million and \$ million, respectively, as set forth on the attached Exhibit A, and if achieved, then the Restricted Stock Units shall vest in a number of shares determined based on the degree of achievement of the revenue and adjusted EBITDA targets as set forth on the matrix attached as Exhibit A, and at the following times:

- with respect to 50% of those units on the first Trading Day that coincides with or follows the date upon which the Board of Directors of the Company or committee thereof certifies that the Company has achieved revenue and adjusted EBITDA goals of at least \$ million and \$ million, respectively, for 20 ;
- with respect to 25% of those units on February 15, 20 ; and
- with respect to the remaining 25% of those units on February 15, 20 .

The revenue and adjusted EBITDA goals set forth above will exclude the impact of fluctuations in foreign currencies against the foreign currency rates used in the Company's 20 operating plan.

The Board of Directors of the Company or committee thereof may adjust the revenue and adjusted EBITDA goals set forth above from time to time prior to the 20 fiscal year end to take into account losses from discontinued operations, the cumulative effect of accounting changes, acquisitions or divestitures, sales of assets, and/or IBX expansions not currently contemplated by the Company.

Any Restricted Stock Units that fail to vest based on the Company's achievement of revenue and adjusted EBITDA goals based on the matrix set forth on Exhibit A hereto shall be forfeited to the Company immediately following the certification by the Board of Directors of the Company (or committee thereof) of the Company's achievement of the revenue and adjusted EBITDA goals for 20 .

In the event of a Change in Control (as defined in the Plan) before the end of the 20 fiscal year, vesting of these Restricted Stock Units shall no longer be dependent on achievement of the revenue and adjusted EBITDA goals described above. Instead, subject to your continued Service through the applicable vesting date, 50% of the Target Restricted Stock Units will vest on February 15, 20 , 25% of the Target Restricted Stock Units will vest on February 15, 20 and the remaining 25% of the Target Restricted Stock Units will vest on February 15, 20 . The remaining Restricted Stock Units shall be forfeited to

the Company (and the forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

By your signature and the signature of the Company's representative below, you and the Company agree that the Restricted Stock Units are granted under and governed by the terms and conditions of the Plan and the Agreement that is attached to and made a part of this document.

You further agree that the Company may deliver by email all documents relating to the Plan or this award (including, without limitation, prospectuses required by the U.S. Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify you by email.

By your signature below, you agree to cover all Tax-Related Items as defined in the Agreement.

RECIPIENT:

Signature: _____

Print Name: _____

Date: _____

EQUINIX, INC.

By: _____

Title: _____

**EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN:
RESTRICTED STOCK UNIT AGREEMENT**

Payment for Shares	No payment is required for the Restricted Stock Units you receive.
Vesting	<p>The Restricted Stock Units that you are receiving will vest in installments, as shown in the Notice of Restricted Stock Unit Award.</p> <p>No additional Restricted Stock Units vest after your active service as an employee, consultant or director of the Company or a subsidiary of the Company (“Service”) has terminated for any reason. It is intended that vesting in the Restricted Stock Units is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the Section below entitled “Leaves of Absence and Part-Time Work.”</p>
Settlement of Units	<p>Each Restricted Stock Unit will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit must be settled not later than the March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests.</p> <p>At the time of settlement, you will receive one share of the Company’s Common Stock for each vested Restricted Stock Unit.</p>
Trading Day	<p>Trading Day means a day that satisfies each of the following requirements:</p> <ul style="list-style-type: none">• The Nasdaq Global Market is open for trading on that day,• You are permitted to sell shares of the Company’s Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act of 1934, as amended,• Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company’s Common Stock on that day under Rule 10b5 of the Securities and Exchange Commission or (b) Rule 10b5-1 of the Securities and Exchange Commission is applicable,• Under the Company’s written Insider Trading Policy, you are permitted to sell shares of the Company’s Common Stock on that day, and• You are not prohibited from selling shares of the Company’s Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control

Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.

Qualifying Termination

A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control).

Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct.

Good Reason means (i) a material diminution in your authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be

determined based on an average of your annual Total Direct Compensation for the prior three calendar years or, if less, the number of years you have been employed by the Company (referred to below as the “look-back years”); or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent. For purposes of the foregoing, Total Direct Compensation means total target cash compensation (annual base salary plus target annual cash incentives) plus the grant value of equity awards, determined at the time of grant, based on the total stock compensation (FAS 123R) expense associated with that award; provided, however, that if you commenced employment with the Company during the look-back years, only one-third of the grant value of the equity grant attributable to commencement of employment shall be counted.

For vesting to accelerate as a result of a voluntary resignation for Good Reason, all of the following requirements must be satisfied: (1) you must provide notice to the Company of your intent to assert Good Reason within 120 days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); and (2) the Company will have 30 days from the date of such notice to remedy the condition and, if it does so, you may withdraw your resignation or may resign with no acceleration benefit. Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve (12) months following the occurrence of a Change in Control, you may assert Good Reason again subject to all of the conditions set forth herein.

Separation means a “separation from service,” as defined in the regulations under Section 409A of the Code.

Forfeiture

If your Service terminates for any reason, then your Restricted Stock Units will be forfeited to the extent that they have not vested before the termination date and do not vest as a result of the termination (including as a result of a Qualifying Termination as set forth above). This means that the Restricted Stock Units will immediately revert to the Company. You receive no payment for Restricted Stock Units that are forfeited. The Company determines when your Service terminates for this purpose.

Leaves of Absence and Part-Time Work

For purposes of this award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing. But your Service terminates when the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence that lasts or is expected to last seven

days or longer, then vesting will be suspended during the leave to the extent provided for in the Company's leave policy. Upon your return to active work (as determined by the Company), vesting will resume; however, unless otherwise provided in the Company's leave policy, you will not receive credit for any vesting until you work an amount of time equal to the period of your leave.

If you, and the Company, agree to a reduction in your scheduled work hours, then the Company reserves the right to modify the rate at which the Restricted Stock Units vest, so that the rate of vesting is commensurate with your reduced work schedule. Any such adjustment shall be consistent with the Company's policies for part-time or reduced work schedules or shall be pursuant to the terms of an agreement between you and the Company pertaining to your reduced work schedule.

The Company shall not be required to adjust any vesting schedule pursuant to this subsection.

Settlement / Stock Certificates

No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.

Section 409A

This paragraph applies only if the Company determines that you are a "specified employee," as defined in the regulations under Section 409A of the Code, at the time of your "separation from service," as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.

Stockholder Rights

The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.

Units Restricted

You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.

Withholding Taxes

Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (a) withholding shares of Company stock that otherwise would be issued to you when they vest, (b) surrendering shares that you previously acquired, or (c) deducting the withholding taxes from any cash compensation payable to you. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes.

The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this subsection.

Restrictions on Resale

You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights

Except to the extent provided specifically in an agreement between you and the Company, your award or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

In accepting the award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be

modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement; (b) the award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your Service at any time with or without cause; (f) the award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any subsidiary of the Company, and which is outside the scope of your employment or service contract, if any; (g) the award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any subsidiary of the Company; (h) in the event that you are not an employee of the Company, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company; and, furthermore, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Employer or any other subsidiary of the Company; (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (j) in consideration of the award, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the award or shares of Common Stock acquired upon vesting of the award resulting from termination of Service (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and any subsidiary of the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock; and (l) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Adjustments	In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Stock Units that will vest in any future installments will be adjusted accordingly.
Severability	The provisions of this Agreement are severable and if any one or more provisions are determined to be invalid or otherwise enforceable, in whole or in part, the remaining provisions shall continue in effect.
Applicable Law	<p>This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions).</p> <p>For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.</p>
The Plan and Other Agreements	<p>The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department.</p> <p>This Agreement and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties.</p>

**BY SIGNING THE NOTICE OF RESTRICTED STOCK UNIT AWARD, YOU AGREE TO
ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.**

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

FOR CEO & CFO

You have been granted the number of restricted stock units ("Restricted Stock Units") indicated below by Equinix, Inc. (the "Company") on the following terms:

Name:
Employee Id #:

Restricted Stock Unit Award Details:

Date of Grant:
Award Number:
Minimum Restricted Stock Units: 0% of Target
Target Restricted Stock Units:
Max Restricted Stock Units: 200% of Target
Performance Period: January 1, 20 through December 31, 20

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company subject to the terms and conditions contained in the Restricted Stock Unit Agreement (the "Agreement"). Capitalized terms not otherwise defined shall have the same definition as in the Agreement or the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period.

The Restricted Stock Units shall vest in a number of shares determined based on the total shareholder return ("TSR") of Equinix's Common Stock ("EQIX") against the IWB Russell 1000 Index Fund (the "Index"), calculated using the 30-day trading averages for both EQIX and the Index prior to the start (January 1, 20) and end (December 31, 20) of the Performance Period. EQIX performance above and below that of the Index results in the scaling set forth on Exhibit A hereto. The number of Restricted Stock Units vesting under the award may range from 0% to 200% of the target restricted stock units as further illustrated on the attached Exhibit A.

Vesting shall occur on the first Trading Day that coincides with or follows the date upon which the Board of Directors of the Company or committee thereof certifies the TSR over the Performance Period. Any Restricted Stock Units that fail to vest based on the Company's TSR achievement shall be forfeited to the Company.

In the event of a Change in Control (as defined in the Plan) before the end of the 20 fiscal year, the Performance Period shall be deemed terminated as of the effective date of the Change in Control (the "Shortened Performance Period"), such that TSR shall be calculated against the Index using the 30-day trading averages for both EQIX and the Index at the start and end of the Shortened Performance Period to determine the number of the Restricted Stock Units that are deemed earned in an amount ranging from 0% to 200% as further illustrated on the attached Exhibit A, but that will remain unvested until December 31, 20 , except as otherwise provided in the Plan and the Agreement. The remaining unearned Restricted Stock Units shall be forfeited to the Company upon such Change in Control (and such forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

By your signature and the signature of the Company's representative below, you and the Company agree that the Restricted Stock Units are granted under and governed by the terms and conditions of the Plan and the Agreement that is attached to and made a part of this document.

You further agree that the Company may deliver by email all documents relating to the Plan or this award (including, without limitation, prospectuses required by the U.S. Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify you by email.

By your signature below, you agree to cover all Tax-Related Items as defined in the Agreement.

RECIPIENT:

Signature: _____

Print Name: _____

Date: _____

EQUINIX, INC.

By: _____

Title: _____

**EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN:
RESTRICTED STOCK UNIT AGREEMENT**

Payment for Shares

No payment is required for the Restricted Stock Units you receive.

Vesting

The Restricted Stock Units that you are receiving will vest in installments, as shown in the Notice of Restricted Stock Unit Award.

No additional Restricted Stock Units vest after your active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") has terminated for any reason. It is intended that vesting in the Restricted Stock Units is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the Section below entitled "Leaves of Absence and Part-Time Work."

Settlement of Units

Each Restricted Stock Unit will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit must be settled not later than the March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests.

At the time of settlement, you will receive one share of the Company's Common Stock for each vested Restricted Stock Unit.

Trading Day

Trading Day means a day that satisfies each of the following requirements:

- The Nasdaq Global Market is open for trading on that day,
- You are permitted to sell shares of the Company's Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act of 1934, as amended,
- Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company's Common Stock on that day under Rule 10b5 of the Securities and Exchange Commission or (b) Rule 10b5-1 of the Securities and Exchange Commission is applicable,
- Under the Company's written Insider Trading Policy, you are permitted to sell shares of the Company's Common Stock on that day, and
- You are not prohibited from selling shares of the Company's Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control

Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the invested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.

Qualifying Termination

A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control).

Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct.

Good Reason means (i) a material diminution in your authority, duties or responsibilities; (ii) a material reduction in your level of compensation (including base salary and target bonus) other than pursuant to a Company-wide reduction of compensation where the reduction affects the other executive officers and your reduction is substantially equal, on a percentage basis, to the reduction of the other executive officers; or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent.

For vesting to accelerate as a result of a voluntary resignation for Good Reason, all of the following requirements must be satisfied: (1) you must provide notice to the Company of your intent to assert Good Reason within 120 days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); and (2) the Company will have 30 days from the date of such notice to remedy the condition and, if it does so, you may withdraw your resignation or may resign with no acceleration benefit. Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve (12) months following the occurrence of a Change in Control, you may assert Good Reason again subject to all of the conditions set forth herein.

Separation means a "separation from service," as defined in the regulations under Section 409A of the Code.

Forfeiture

If your Service terminates for any reason, then your Restricted Stock Units will be forfeited to the extent that they have not vested before the termination date and do not vest as a result of the termination (including as a result of a Qualifying Termination as set forth above). This means that the Restricted Stock Units will immediately revert to the Company. You receive no payment for Restricted Stock Units that are forfeited. The Company determines when your Service terminates for this purpose.

Leaves of Absence and Part-Time Work

For purposes of this award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing. But your Service terminates when the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence that lasts or is expected to last seven days or longer, then vesting will be suspended during the leave to the extent provided for in the Company's leave policy. Upon your return to active work (as determined by the Company), vesting will resume; however, unless otherwise provided in the Company's leave policy, you will not receive credit for any vesting until you work an amount of time equal to the period of your leave.

If you, and the Company, agree to a reduction in your scheduled work hours, then the Company reserves the right to modify the rate at which the Restricted Stock Units vest, so that the rate of vesting is commensurate with your reduced work schedule. Any such adjustment shall be consistent with the Company's policies for part-time or reduced work schedules or shall be pursuant to the terms of an agreement between you and the Company pertaining to your reduced work schedule.

The Company shall not be required to adjust any vesting schedule pursuant to this subsection.

Settlement / Stock Certificates

No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.

Section 409A

This paragraph applies only if the Company determines that you are a “specified employee,” as defined in the regulations under Section 409A of the Code, at the time of your “separation from service,” as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.

Stockholder Rights

The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.

Units Restricted

You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.

Withholding Taxes

Regardless of any action the Company and/or your employer (the “Employer”) take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or

make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (a) withholding shares of Company stock that otherwise would be issued to you when they vest, (b) surrendering shares that you previously acquired, or (c) deducting the withholding taxes from any cash compensation payable to you. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes.

The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this subsection.

Restrictions on Resale

You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights

Except to the extent provided specifically in an agreement between you and the Company, your award or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

In accepting the award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement; (b) the award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your Service at any time with or without cause; (f) the award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any subsidiary of the Company, and which is outside the scope of your employment or service contract, if any; (g) the award is not part of normal or expected compensation or salary for any

purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any subsidiary of the Company; (h) in the event that you are not an employee of the Company, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company; and, furthermore, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Employer or any other subsidiary of the Company; (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (j) in consideration of the award, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the award or shares of Common Stock acquired upon vesting of the award resulting from termination of Service (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and any subsidiary of the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock; and (l) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Adjustments

In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Stock Units that will vest in any future installments will be adjusted accordingly.

Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be invalid or otherwise enforceable, in whole or in part, the remaining provisions shall continue in effect.

Applicable Law

This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions).

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall

**The Plan and Other
Agreements**

be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties.

BY SIGNING THE NOTICE OF RESTRICTED STOCK UNIT AWARD, YOU AGREE TO

ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

Exhibit A

Ramped Accelerator/Decelerator (0% Min Payout)

			<u>Performance</u>	<u>Payout</u>	<u>Scale</u>
Index	Russell 1000 - IWB Fund (or appropriate Peer Group)		>50%	200%	2:1
Perf. Period	2 years		+50%	200%	2:1
TSR Calc.	EQIX vs. Russell 1000		+40%	180%	2:1
			+30%	160%	2:1
Min TSR for payout	NA		+25%	150%	2:1
Minimum Payout	0%		+20%	140%	2:1
Maximum Payout	200%		+10%	120%	2:1
			+1%	102%	2:1
Performance Scale	Above Index	2:1	=	100%	1:1
	Index	1:1	-1%	98%	2:1
	Below Index	2:1	-10%	80%	2:1
			-20%	60%	2:1
			-30%	40%	2:1
			-35%	30%	2:1
			-40%	20%	2:1
			>-40%	0%	2:1

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

FOR ALL OTHER SECTION 16 OFFICERS

You have been granted the number of restricted stock units ("Restricted Stock Units") indicated below by Equinix, Inc. (the "Company") on the following terms:

Name:
Employee Id #:

Restricted Stock Unit Award Details:

Date of Grant:
Award Number:
Minimum Restricted Stock Units: 0% of Target
Target Restricted Stock Units:
Max Restricted Stock Units: 200% of Target
Performance Period: January 1, 20 through December 31, 20

Each Restricted Stock Unit represents the right to receive one share of the Common Stock of the Company subject to the terms and conditions contained in the Restricted Stock Unit Agreement (the "Agreement"). Capitalized terms not otherwise defined shall have the same definition as in the Agreement or the 2000 Equity Incentive Plan (the "Plan").

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period.

The Restricted Stock Units shall vest in a number of shares determined based on the total shareholder return ("TSR") of Equinix's Common Stock ("EQIX") against the IWB Russell 1000 Index Fund (the "Index"), calculated using the 30-day trading averages for both EQIX and the Index prior to the start (January 1, 20) and end (December 31, 20) of the Performance Period. EQIX performance above and below that of the Index results in the scaling set forth on Exhibit A hereto. The number of Restricted Stock Units vesting under the award may range from 0% to 200% of the target restricted stock units as further illustrated on the attached Exhibit A.

Vesting shall occur on the first Trading Day that coincides with or follows the date upon which the Board of Directors of the Company or committee thereof certifies the TSR over the Performance Period. Any Restricted Stock Units that fail to vest based on the Company's TSR achievement shall be forfeited to the Company.

In the event of a Change in Control (as defined in the Plan) before the end of the 20 fiscal year, the Performance Period shall be deemed terminated as of the effective date of the Change in Control (the "Shortened Performance Period"), such that TSR shall be calculated against the Index using the 30-day trading averages for both EQIX and the Index at the start and end of the Shortened Performance Period to determine the number of the Restricted Stock Units that are deemed earned in an amount ranging from 0% to 200% as further illustrated on the attached Exhibit A, but that will remain unvested until December 31, 20 , except as otherwise provided in the Plan and the Agreement. The remaining unearned Restricted Stock Units shall be forfeited to the Company upon such Change in Control (and such forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

By your signature and the signature of the Company's representative below, you and the Company agree that the Restricted Stock Units are granted under and governed by the terms and conditions of the Plan and the Agreement that is attached to and made a part of this document.

You further agree that the Company may deliver by email all documents relating to the Plan or this award (including, without limitation, prospectuses required by the U.S. Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify you by email.

By your signature below, you agree to cover all Tax-Related Items as defined in the Agreement.

RECIPIENT:

Signature: _____

Print Name: _____

Date: _____

EQUINIX, INC.

By: _____

Title: _____

**EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN:
RESTRICTED STOCK UNIT AGREEMENT**

Payment for Shares

No payment is required for the Restricted Stock Units you receive.

Vesting

The Restricted Stock Units that you are receiving will vest in installments, as shown in the Notice of Restricted Stock Unit Award.

No additional Restricted Stock Units vest after your active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") has terminated for any reason. It is intended that vesting in the Restricted Stock Units is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the Section below entitled "Leaves of Absence and Part-Time Work."

Settlement of Units

Each Restricted Stock Unit will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit must be settled not later than the March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests.

At the time of settlement, you will receive one share of the Company's Common Stock for each vested Restricted Stock Unit.

Trading Day

Trading Day means a day that satisfies each of the following requirements:

- The Nasdaq Global Market is open for trading on that day,
- You are permitted to sell shares of the Company's Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act of 1934, as amended,
- Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company's Common Stock on that day under Rule 10b5 of the Securities and Exchange Commission or (b) Rule 10b5-1 of the Securities and Exchange Commission is applicable,
- Under the Company's written Insider Trading Policy, you are permitted to sell shares of the Company's Common Stock on that day, and
- You are not prohibited from selling shares of the Company's Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control

Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive.

In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan.

Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.

Qualifying Termination

A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control).

Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct.

Good Reason means (i) a material diminution in your authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be

determined based on an average of your annual Total Direct Compensation for the prior three calendar years or, if less, the number of years you have been employed by the Company (referred to below as the “look-back years”); or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent. For purposes of the foregoing, Total Direct Compensation means total target cash compensation (annual base salary plus target annual cash incentives) plus the grant value of equity awards, determined at the time of grant, based on the total stock compensation (FAS 123R) expense associated with that award; provided, however, that if you commenced employment with the Company during the look-back years, only one-third of the grant value of the equity grant attributable to commencement of employment shall be counted.

For vesting to accelerate as a result of a voluntary resignation for Good Reason, all of the following requirements must be satisfied: (1) you must provide notice to the Company of your intent to assert Good Reason within 120 days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); and (2) the Company will have 30 days from the date of such notice to remedy the condition and, if it does so, you may withdraw your resignation or may resign with no acceleration benefit. Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve (12) months following the occurrence of a Change in Control, you may assert Good Reason again subject to all of the conditions set forth herein.

Separation means a “separation from service,” as defined in the regulations under Section 409A of the Code.

Forfeiture

If your Service terminates for any reason, then your Restricted Stock Units will be forfeited to the extent that they have not vested before the termination date and do not vest as a result of the termination (including as a result of a Qualifying Termination as set forth above). This means that the Restricted Stock Units will immediately revert to the Company. You receive no payment for Restricted Stock Units that are forfeited. The Company determines when your Service terminates for this purpose.

Leaves of Absence and Part-Time Work

For purposes of this award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing. But your Service terminates when the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence that lasts or is expected to last seven

days or longer, then vesting will be suspended during the leave to the extent provided for in the Company's leave policy. Upon your return to active work (as determined by the Company), vesting will resume; however, unless otherwise provided in the Company's leave policy, you will not receive credit for any vesting until you work an amount of time equal to the period of your leave.

If you, and the Company, agree to a reduction in your scheduled work hours, then the Company reserves the right to modify the rate at which the Restricted Stock Units vest, so that the rate of vesting is commensurate with your reduced work schedule. Any such adjustment shall be consistent with the Company's policies for part-time or reduced work schedules or shall be pursuant to the terms of an agreement between you and the Company pertaining to your reduced work schedule.

The Company shall not be required to adjust any vesting schedule pursuant to this subsection.

Settlement / Stock Certificates

No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.

Section 409A

This paragraph applies only if the Company determines that you are a "specified employee," as defined in the regulations under Section 409A of the Code, at the time of your "separation from service," as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.

Stockholder Rights

The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.

Units Restricted

You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.

Withholding Taxes

Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (a) withholding shares of Company stock that otherwise would be issued to you when they vest, (b) surrendering shares that you previously acquired, or (c) deducting the withholding taxes from any cash compensation payable to you. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes.

The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this subsection.

Restrictions on Resale

You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights

Except to the extent provided specifically in an agreement between you and the Company, your award or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

In accepting the award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be

modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement; (b) the award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your Service at any time with or without cause; (f) the award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any subsidiary of the Company, and which is outside the scope of your employment or service contract, if any; (g) the award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any subsidiary of the Company; (h) in the event that you are not an employee of the Company, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company; and, furthermore, the award and your participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Employer or any other subsidiary of the Company; (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (j) in consideration of the award, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the award or shares of Common Stock acquired upon vesting of the award resulting from termination of Service (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and any subsidiary of the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock; and (l) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Adjustments	In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Stock Units that will vest in any future installments will be adjusted accordingly.
Severability	The provisions of this Agreement are severable and if any one or more provisions are determined to be invalid or otherwise enforceable, in whole or in part, the remaining provisions shall continue in effect.
Applicable Law	<p>This Agreement will be interpreted and enforced with respect to issues of contract law under the laws of the State of Delaware (except their choice of law provisions).</p> <p>For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.</p>
The Plan and Other Agreements	<p>The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department.</p> <p>This Agreement and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties.</p>

BY SIGNING THE NOTICE OF RESTRICTED STOCK UNIT AWARD, YOU AGREE TO

ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

Exhibit A

Ramped Accelerator/Decelerator (0% Min Payout)

			<u>Performance</u>	<u>Payout</u>	<u>Scale</u>
Index	Russell 1000 - IWB Fund (or appropriate Peer Group)		>50%	200%	2:1
Perf. Period	2 years		+50%	200%	2:1
TSR Calc.	EQIX vs. Russell 1000		+40%	180%	2:1
			+30%	160%	2:1
Min TSR for payout	NA		+25%	150%	2:1
Minimum Payout	0%		+20%	140%	2:1
Maximum Payout	200%		+10%	120%	2:1
			+1%	102%	2:1
Performance Scale	Above Index	2:1	=	100%	1:1
	Index	1:1	-1%	98%	2:1
	Below Index	2:1	-10%	80%	2:1
			-20%	60%	2:1
			-30%	40%	2:1
			-35%	30%	2:1
			-40%	20%	2:1
			>-40%	0%	2:1

DATED THIS 27th DAY OF March 2013

Between

DBS TRUSTEE LIMITED
AS TRUSTEE OF MAPLETREE INDUSTRIAL TRUST
as the Landlord

And

EQUINIX SINGAPORE PTE. LTD.
as the Tenant

AGREEMENT TO DEVELOP AND LEASE

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THIS AGREEMENT is made on

BETWEEN:

- (1) **DBS TRUSTEE LIMITED (Registration No. 197502043G)** as trustee of Mapletree Industrial Trust, a company incorporated in Singapore with its registered office at 12 Marina Boulevard, DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982 (the "**Landlord**"); and
 - (2) **EQUINIX SINGAPORE PTE. LTD. (Registration No. 200000041Z)** a company incorporated in Singapore with its registered office at 20 Cecil Street, #18-02/07 Equity Plaza, Singapore 049705 (the "**Tenant**")
- (hereinafter individually referred to as the "**Party**" and collectively referred to as the "**Parties**").

WHEREAS:

- (A) The Landlord agrees to procure and/or undertake the development of the Facility on the Land in accordance with the terms of this Agreement.
- (B) The Landlord agrees to lease, and the Tenant agrees to take a lease in respect of the Facility, on terms contained / to be contained in the Lease.

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement (as hereinafter defined) the following words and expression shall have the meanings hereby assigned to them except where the context otherwise requires:

"**Adjusted Contracted NLA**" means the Contracted NLA over the Original Land Area multiplied by the New Land Area;

"**Agreed Sum**" shall have the meaning ascribed to it in Clause 18(a);

"**Agreement**" means this Agreement to Develop and Lease (including the Appendices), and such other letters and documents as the Parties may expressly identify in writing and agree as forming part of this Agreement;

"**Appendices**" means the appendices to this Agreement;

"**Approvals**" means any and/or all relevant permissions, consents, approvals, licences, certificates and permits issued by any of the Authorities;

"**Approved Contractors**" shall have the meaning ascribed to it in Clause 9.1(b);

"**Assignee**" shall have the meaning ascribed to it in Clause 12;

"**Assignment**" shall have the meaning ascribed to it in Clause 12;

“**Authorities**” means all governmental, quasi-governmental, statutory and regulatory authorities having jurisdiction over the Works, the Property and the Facility and/or the Tenant and/or the Landlord in connection with the Works, the Property and the Facility, including any public authority or public service company whose systems are connected with the Works, the Property and the Facility;

“**Bank Guarantee**” shall have the meaning ascribed to it in Clause 16.4, the form of which is attached in **Appendix 1**;

“**Base Plans**” means the agreed plans depicting the Facility, attached in **Appendix 2**;

“**Base Specifications**” means the agreed specifications relating to the Facility, attached in **Appendix 2**;

“**Business Day**” means a Day (other than a Saturday, Sunday or a gazetted public holiday in Singapore) on which commercial banks are open for business in Singapore;

“**Certified NLA**” shall have the meaning ascribed to it in Clause 14.2;

“**Change Request Form**” means the change request form set out in **Appendix 4**;

“**Conditions Satisfaction Date**” shall have the meaning ascribed to it in Clause 14.1;

“**Contracted NLA**” means 384,799 square feet (35,749 square metres) subject to the Original Land Area being 109,942.5 square feet (10,214 square metres);

“**CSC**” means the certificate of statutory completion for the Facility issued by the Building and Construction Authority under the Building Control Act (Chapter 29 of Singapore);

“**Day**” means a calendar day in accordance with the Gregorian calendar;

“**Defects Liability Period**” means the period of 12 months from the TOP Date;

“**Deposit**” shall have the meaning ascribed to it in Clause 16.1 read with Item 4 of the Third Schedule of the Lease;

“**Detailed Plans and Specifications**” means all designs, drawings, plans, layout, details, specifications and other drawn or written information which are necessary to complete the Works prepared and developed by the Landlord in accordance with the Base Plans and Base Specifications;

“**Facility**” means the build-to-suit data centre facility erected or to be erected at the Land in accordance with the Base Plans and Base Specifications;

“**Force Majeure Event**” means an exceptional event or circumstance which:

- (i) is beyond the affected party’s control;
- (ii) such affected party could not reasonably have taken precautions against before entering into the contract;
- (iii) having arisen, such affected party could not have avoided or overcome;
- (iv) is not substantially attributable to the other party; and

(v) has an adverse effect upon the performance by the affected party of its obligations under this Agreement, and shall include the following events:

- (a) adverse weather conditions;
- (b) damage or disruptions to works caused by storm, lightning, high winds, earthquake, or fire;
- (c) damage or disruptions to works caused by aircraft or aerial objects (provided and to the extent that any of the same are not due to any act, negligence, default, omission or breach of contract by the Landlord and/or the Main Contractor or any of their agents, employees or sub-contractors, direct or indirect, whether in failing to take reasonable steps to protect the Works or otherwise);
- (d) war, hostilities (whether war be declared or not), invasion, act of foreign enemies, insurgency, terrorism, civil commotion or riots;
- (e) rebellion, revolution, insurrection or military or usurped power or civil war;
- (f) riot, commotion or industrial action by workmen, strikes, lockouts or disorder;
- (g) embargoes by any relevant bodies or authorities; and
- (h) ionising radiations, or contamination by radio activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radioactive, toxic, explosive, or other hazardous properties of any explosive, nuclear assembly or nuclear component;

“**Guaranteed Period**” shall have the meaning ascribed to it in Clause 16.4A(a);

“**Head Lease**” means the lease to be entered into between the Head Lessor as lessor and the Landlord as lessee;

“**Head Lessor**” means JTC, and includes its assigns and successors-in-title;

“**Initial Period**” shall have the meaning ascribed to it in Clause 16.4(c)(i);

“**Initial Period Sum**” shall have the meaning ascribed to it in Item 4(a)(i) of the Third Schedule of the Lease;

“**Interested Parties**” shall have the meaning ascribed to it in Clause 24(f);

“**JTC**” means JTC Corporation, a body corporate incorporated under the Jurong Town Corporation Act (Chapter 150 of Singapore) and having its office at The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434;

“**JTC Consent**” shall have the meaning ascribed to it in Clause 12(a);

“**JTC Fixed Investment Criteria**” shall have the meaning ascribed to it in Clause 4A.1;

“**JTC Lease Documents**” means collectively, (a) the JTC Letter and (b) the Schedule of Building Terms and the lease attached to the Schedule of Building Terms and shall include all documents made between JTC and the Landlord (on the terms and conditions agreed to by

the Landlord and the Tenant) which are expressed to be supplemental to any of the JTC Lease Documents;

“**JTC Letter**” means the letter of offer issued on 22 February 2013 (as varied by the variation letter of offer dated 25 March 2013) from JTC to the Landlord in respect of the lease of the Land to the Landlord and all references to “JTC Letter” in this Agreement shall include all appendices and schedules attached to it;

“**Key Milestones**” means the key events and stages of completion to be achieved throughout the carrying on of the Works in accordance with the Master Schedule;

“**Land**” shall mean all that piece of land comprised in Private Lot FX1-4a at Ayer Rajah Crescent, One-North which parcel of land forms part of Lot 04889V of Mukim 3 with a land area of 109,942.5 square feet (10,214 square metres) (which expression includes any part thereof and the Facility);

“**Landlord’s Consultants**” means the Landlord’s Architects, Quantity Surveyor, Civil & Structural Engineers, Mechanical & Electrical Engineers, Acoustic Consultants, Landscape Consultant, and/or any other persons and/or firms engaged by the Landlord in respect of the Facility or anyone or more of them;

“**Landlord’s Representative**” means the person appointed as such by the Landlord pursuant to Clause 4.4 of this Agreement;

“**Laws**” means any and/or all present and future laws, legislation, subsidiary legislation, statutes, orders, by-laws, rules, regulations, and notices and requirements of any Authorities;

“**Lease**” means the lease to be entered into between the Tenant and the Landlord in respect of the Facility, in the form appended as **Appendix 6**;

“**Lease Commencement Date**” shall have the meaning ascribed to it in Clause 14.1;

“**Licence Commencement Date**” means 22 May 2013;

“**Main Contract**” means the contract in respect of the Project made between (a) the Landlord (as employer) of the one part and (b) the Main Contractor (as main contractor for the Project);

“**Main Contractor**” means the main building contractor under the Main Contract employed by the Landlord from time to time in respect of the Project;

“**Mapletree Industrial Trust**” means Mapletree Industrial Trust established in Singapore as a real estate investment trust and constituted by the MIT Trust Deed;

“**Master Schedule**” shall have the meaning ascribed to it in Clause 7.1. The initial Master Schedule is appended as **Appendix 7**, and may be revised from time to time by mutual agreement of the Parties;

“**Milestone 1 Date**” or “**Site Possession Date**” means the date of delivery of possession of the Land from JTC to the Landlord, which date shall be 15 April 2013 unless extended as provided in this Agreement;

“**Milestone 2 Date**” means the date of issue of Permit to Commence Piling Works which date shall be 15 May 2013, unless extended as provided in this Agreement;

“**MIT Trust Deed**” means the trust deed dated 29 January 2008 entered into between

Mapletree Industrial Fund Management Pte. Ltd. and Mapletree Trustee Pte. Ltd., as amended by (a) a supplemental deed of change of name of the trust deed dated 8 April 2008, (b) a second supplemental deed dated 17 June 2008, (c) an amending and restating deed dated 20 May 2009, (d) a supplemental deed of appointment and retirement of manager dated 27 September 2010, (e) a supplemental deed of appointment and retirement of trustee dated 27 September 2010 and (f) a second amending and restating deed dated 27 September 2010, and as further amended, modified or supplemented from time to time;

“**New Land Area**” means the site area of the Land certified by JTC as final upon a final survey to be carried out by JTC on the Land;

“**NLA**” means the aggregate net lettable floor area of the Property (as edged on the plans in **Appendix 5**) measured to include the edge of the slab which forms the external boundary of the space being measured as well as the areas occupied by all pillars, columns, mullions, internal partitions and projections within the space being measured and:

(a) Until the NLA is determined by the registered surveyor engaged by the Landlord, the NLA shall be the Contracted NLA or the Adjusted Contracted NLA (if already determined); and

(b) Upon determination of the NLA by the registered surveyor, the NLA shall be the Certified NLA;

“**Original Land Area**” means 109,942.5 square feet (10,214 square metres) being the site area of the Land as provided by JTC;

“**Replacement Amount**” shall have the meaning ascribed to it in Clause 16.1;

“**Permit to Commence Piling Works**” shall mean the permit to commence piling work in respect of the Works, issued by the relevant Authorities;

“**Permitted Use**” shall have the meaning ascribed to it in Clause 3.1;

“**Phase 1 Water Tight & Ready for Phase 2 Works**” has the meaning ascribed to it in Clause 7.2;

“**Phase 1 Water Tight & Ready for Phase 2 Works Completion Date**” has the meaning ascribed to it in Clause 7.3(c)(i);

“**Phase 1 Works**” means the works conducted by the Landlord in respect of the design and construction of the core and shell of the Facility, such that the Facility achieves the TOP;

“**Phase 1 Works Completion Date**” means the later of (a) the date on which the Qualified Person issues to the Landlord a certificate certifying the completion of Phase 1 Works and (b) the TOP Date;

“**Phase 2 Rent**” shall have the meaning ascribed to it in the Lease;

“**Phase 2 Works**” means the works conducted by the Landlord in respect of the interior design, installation and fit out of single floor data centres on level 6 (unless otherwise designated by the Tenant in accordance with Clause 3A.2) of the Facility with supporting facilities on the roof and level 1 of the Facility, as set out in more detail in **Appendix 3**;

“**Phase 2 Works Completion Date**” has the meaning ascribed to it in Clause 7.3(c)(iii);

“**Phase 2 Works Option**” means the option granted by the Landlord to the Tenant to request the Landlord to carry out the Phase 2 Works;

“**Phase 2 Works Option Deposit**” shall have the meaning ascribed to it in Clause 16.2;

“**Phase 3 Rent**” shall have the meaning ascribed to it in the Lease;

“**Phase 3 Works**” means the works conducted by the Landlord in respect of the interior design, installation and fit out of single floor data centres on level 5 (unless otherwise designated by the Tenant in accordance with Clause 3A.3) of the Facility with supporting facilities on the roof and level 1 of the Facility, as set out in more detail in **Appendix 3**;

“**Phase 3 Works Completion Date**” has the meaning ascribed to it in Clause 7.3(c)(iv);

“**Phase 3 Works Option**” means the option granted by the Landlord to the Tenant to request the Landlord to carry out the Phase 3 Works;

“**Phase 3 Works Option Deposit**” shall have the meaning ascribed to it in Clause 16.2;

“**Project**” has the meaning ascribed to it in Clause 3A.1 and refers to the three phase(s) of development comprising the Works and references to “Project” shall include the development of the Facility on the Land;

“**Property**” means the whole of the Land including the Facility erected thereon to be leased to the Tenant pursuant to the Lease, comprising office space and facilities, and more particularly described in the Lease;

“**QP Sign-Off**” means the certificate from the Qualified Person certifying that the Works have been substantially completed in accordance with the Base Plans and Base Specifications;

“**Qualified Person**” means the architect engaged by the Landlord in respect of the Project;

“**Relevant Consents**” means those permissions, consents, approvals, licences, certificates and permits in legally effectual form as may be necessary lawfully to commence, carry out and complete the Tenant’s Works;

“**Rent**” shall have the meaning ascribed to it in the Lease;

“**Service Address**” shall have the meaning ascribed to it in Clause 21.2(a);

“**Taxes**” shall have the meaning ascribed to it in Clause 18(a);

“**Tenant’s Fixed Investment Criteria**” shall have the meaning ascribed to it in Clause 4A.2;

“**Tenant’s Fixed Investment Criteria Fulfilment Date**” shall have the meaning ascribed to it in Clause 4A.3;

“**Tenant’s Representative**” means the person appointed as such by the Tenant pursuant to Clause 4.1 of this Agreement;

“**Tenant’s Works**” means all such works to be carried out by the Tenant at the Facility including renovation and fitting out works, the installation of machinery and the installation of furniture at the Facility;

“**TOP**” means the temporary occupation permit for the Facility issued by the Building and

Construction Authority under the Building Control Act;

“**TOP Date**” means the date of issue of the TOP;

“**Variation Rent**” shall have the meaning ascribed to it in Clause 10.8(a)(i)(2);

“**Variation Rent (Reduction)**” shall have the meaning ascribed to it in Clause 10.8(a)(ii); and

“**Works**” means the works carried out / to be carried out on the Land for the development of the Facility which will comprise (a) the Phase 1 Works, the Phase 2 Works and the Phase 3 Works, (b) the Phase 1 Works and the Phase 2 Works; or (c) the Phase 1 Works only, as the case may be.

1.2 Singular and Plural

Words importing the singular also include the plural and vice versa where the context requires.

1.3 Headings and Marginal Notes

The headings and marginal notes in this Agreement shall not be deemed to be part of this Agreement or to be taken into consideration in the interpretation or construction of this Agreement.

1.4 Joint and Several Liability

If a Party is a joint venture partnership, the individual partners or companies comprising the Party shall be deemed jointly and severally liable to the other Party under this Agreement.

2. **GENERAL**

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless the context requires otherwise:

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) A person includes any individual, corporation, company, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality).
- (d) A reference to the Landlord includes its successors and permitted assigns entitled to possession of the Property at the end of the Lease. A reference to the Tenant includes its successors and permitted assigns.
- (e) Each schedule of an annexure and appendix to this Agreement forms part of it.
- (f) Unless stated otherwise, one word or provision does not limit the effect of another.
- (g) Reference to the whole includes part.
- (h) A reference to an Act of Parliament refers to that Act as it applies at the date of this

Agreement and any later amendment or re-enactment of it.

- (i) This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing this Agreement to be drafted.

3. **PERMITTED USE**

3.1 **Permitted Use**

The Property is permitted to be used as a data centre and an ancillary office (**‘Permitted Use’**).

3.2 **Approvals**

The Tenant shall:

- (a) apply for the requisite Approvals from JTC and the relevant Authorities for the Permitted Use;
- (b) ensure that such Approvals are obtained before using the Facility for such uses;
- (c) at its own costs and expense, comply with all terms and conditions imposed by JTC and the relevant Authorities in connection with such Approvals;
- (d) provide copies of such Approvals to the Landlord (if the Landlord is not already in receipt of the same); and
- (e) pay for all costs incurred in connection with such Approvals and pertaining to any necessary applications for the uses referred to in Clause 3.1, including without limitation, any differential premium and development charges.

3.3 **Assistance by Landlord**

The Landlord shall, at the Tenant’s costs and expense, render reasonable assistance to the Tenant in its application(s) referred to in Clause 3.2(a), such assistance to include without limitation, execution of the relevant letters of authority / consent to facilitate the Tenant’s submission of such applications.

3A. THE PROJECT

3A.1 Subject to Clauses 3A.5 and 3A.6, the Landlord shall undertake the Phase 1 Works, and subject to (a) the Tenant exercising the Phase 2 Works Option and the Phase 3 Works Option, the Phase 2 Works and the Phase 3 Works; or (b) the Tenant exercising the Phase 2 Works Option only, the Phase 2 Works, as the case may be at its own costs (**‘Project’**).

3A.2 The Tenant may exercise the Phase 2 Works Option at its sole and absolute discretion by serving a written notice (in the form appended as **Appendix 9**) to that effect on the Landlord no later than 75 Days from the Milestone 1 Date and designate in a further notice in writing to the Landlord to be served no later than four (4) months before the Phase 1 Water Tight & Ready for Phase 2 Works Completion Date the level of the Facility in respect of which the Phase 2 Works are to be conducted by the Landlord, failing which it shall be deemed that such Phase 2 Works will be conducted on level 6 of the Facility.

- 3A.3 Subject to the exercise of the Phase 2 Works Option, the Tenant may exercise the Phase 3 Works Option at its sole and absolute discretion by serving a written notice (in the form appended as **Appendix 10**) to that effect on the Landlord no later than three (3) months from the TOP Date and designate in the written notice the level of the Facility in respect of which the Phase 3 Works are to be conducted by the Landlord, failing which it shall be deemed that such Phase 3 Works will be conducted on level 5 of the Facility.
- 3A.3A In the event that the Tenant does not wish to exercise the Phase 2 Works Option, the Tenant shall in any case notify the Landlord in writing no later than four (4) months before the Phase 1 Water Tight & Ready for Phase 2 Works Completion Date the level of the Facility in respect of which the Tenant will be conducting the Tenant's Works in place of the Phase 2 Works otherwise to be conducted by the Landlord, failing which it shall be deemed that such Tenant's Works will be conducted on level 6 of the Facility.
- 3A.3B In the event that the Tenant does not wish to exercise the Phase 3 Works Option, the Tenant shall in any case notify the Landlord in writing no later than three (3) months from the TOP Date the level of the Facility in respect of which the Tenant will be conducting the Tenant's Works in place of the Phase 3 Works otherwise to be conducted by the Landlord, failing which it shall be deemed that such Tenant's Works will be conducted on level 5 of the Facility.
- 3A.4 Subject to the exercise of (a) the Phase 2 Works Option; or (b) the Phase 2 Works Option and the Phase 3 Works Option (as the case may be), the scope of the Works to be undertaken by the Landlord shall be as set out in **Appendix 3**.
- 3A.5 Unless otherwise consented to in writing by the Tenant, the Landlord shall only engage the services of any of the following contractors to be the Main Contractor in relation to carrying out the main building work of the Phase 1 Works:
- (a) Shimizu Corporation;
 - (b) Obayashi Corporation;
 - (c) Sato Kogyo (S) Pte Ltd;
 - (d) Takenaka Corporation;
 - (e) Jian Huang Construction Co Pte Ltd;
 - (f) Tiong Seng Contractors Pte Ltd; or
 - (g) Lian Soon Construction.
- 3A.6 The Landlord may engage the services of any other contractors, such contractors to be agreed between the Parties, to carry out the Phase 2 Works only or the Phase 2 Works and the Phase 3 Works (as the case may be). Provided Always that if the Parties do not reach an agreement on the engagement of such contractors two (2) weeks after the date of the exercise of each of the Phase 2 Works Option or the Phase 3 Works Option (as the case may be), the Landlord shall not be required to carry out the Phase 2 Works and the Phase 3 Works (in relation to the exercise of the Phase 2 Works Option) or the Phase 3 Works (in relation to the exercise of the Phase 3 Works Option) (as the case may be) and the Phase 2 Works Option and the Phase 3 Works Option collectively and the Phase 3 Works Option solely (as the case may be) shall be deemed respectively to have lapsed.
- 3A.7 Subject to Clause 3A.5, for the avoidance of doubt, the Landlord shall have the sole discretion to engage any persons to be the Landlord's contractors and the Landlord's Consultants save

that any change in the Landlord's Architects, Quantity Surveyor, Civil & Structural Engineers and Mechanical & Electrical Engineers for the Works after the date of this Agreement shall be agreed between the Parties.

4. **TENANT'S REPRESENTATIVE AND LANDLORD'S REPRESENTATIVE**

4.1 **Tenant's Representative**

- (a) The Tenant shall appoint a competent and authorised person to represent the Tenant and shall notify in writing the Landlord of the name of such person. The Tenant shall have the right to change the Tenant's Representative at any time by giving reasonable prior notice in writing to the Landlord.
- (b) All communications between the Landlord and the Tenant may be made through the Tenant's Representative and any communications directed by the Landlord to the Tenant's Representative shall be deemed to have been received by the Tenant.

4.2 **Tenant's Representative's Authority**

The Tenant's Representative is authorised by the Tenant to amend, vary or cancel any of the Tenant's previously communicated requirements or instructions, and to otherwise bind the Tenant to any proposed amendments, variations or cancellations of any specifications in the Base Plans, Base Specifications or Detailed Plans and Specifications.

4.3 **Site Visits by Tenant's Representative**

The Tenant's Representative may visit the construction site, provided always that the Tenant's Representative shall:

- (a) comply with all reasonable rules, regulations and directions of or imposed by the Landlord or its employees and/or the Main Contractor; and
- (b) enter onto the site at his own risk, and the Landlord is not responsible to the Tenant or to the Tenant's Representative for any loss or damage sustained at or originating from the site or the Facility, directly or indirectly caused by, resulting from or in connection with such visit save for any loss or damage sustained due to the gross negligence or wilful default of the Landlord or its employees.

4.4 **Landlord's Representative**

- (a) The Landlord shall appoint such competent and authorised persons to represent the Landlord and shall notify in writing the Tenant of the names of such persons. The Landlord shall have the right to change the Landlord's Representative at any time by giving reasonable prior notice in writing to the Tenant.
- (b) All communications between the Landlord and the Tenant may be made through the Landlord's Representative and any communications directed by the Tenant to the Landlord's Representative shall be deemed to have been received by the Landlord.

4A. **COMPLIANCE WITH JTC FIXED INVESTMENT CRITERIA**

- 4A.1 The Tenant acknowledges and confirms that it is aware that JTC has imposed a requirement for the fulfilment of fixed investment on the Land (**JTC Fixed Investment Criteria**)

amounting to an aggregate of at least S\$80,000,000 and the Tenant undertakes to perform and carry out its obligations as prescribed by Clause 4A.2 to enable the Landlord to fulfil the JTC Fixed Investment Criteria and to have the Head Lease issued.

- 4A.2 It is hereby agreed between the Landlord and the Tenant that within 36 months from the Licence Commencement Date, the Tenant shall either (a) on its own; or (b) through the exercise of the Phase 2 Works Option; invest at least S\$45,000,000 on plant and machinery on the Land (and in the event that the sum invested through the exercise of the Phase 2 Works Option does not exceed S\$45,000,000, to top up the investment on its own to S\$45,000,000) (in either case, the "**Tenant's Fixed Investment Criteria**").
- 4A.3 It is further agreed between the Landlord and the Tenant that the Tenant shall provide to the Landlord by 21 May 2016 (the "**Tenant's Fixed Investment Criteria Fulfilment Date**") due proof on the Tenant's part of fulfilment of the Tenant's Fixed Investment Criteria by way of a statement certified by the Tenant's external auditors.
- 4A.4 Notwithstanding the aforesaid, the Tenant agrees that, subject to their operational requirements, it shall endeavour to fulfil the Tenant's Fixed Investment Criteria under Clause 4A.2 and provide proof of fulfilment as early as practicable.
- 4A.5 In the event that the Tenant fails to provide to the Landlord by the Tenant's Investment Criteria Fulfilment Date, due proof of fulfilment on the Tenant's part of the Tenant's Fixed Investment Criteria under Clause 4A.3, the Landlord shall be entitled, without prejudice to any other right or remedy the Landlord may have to terminate the Lease or revise the term of the Lease to such period equivalent to the term of the Head Lease (less one (1) Day), and in any case, the Tenant shall indemnify the Landlord in respect of all claims, demands, actions, suits, proceedings, orders, damages, costs, losses and expenses of any nature whatsoever suffered or incurred by the Landlord as a result of the Tenant's breach of Clause 4A.3.

5. **GENERAL OBLIGATIONS OF THE LANDLORD**

5.1 **Landlord's Obligations**

- (a) The Parties acknowledge that the Base Plans and Base Specifications incorporate the requirements of the Tenant, as agreed with the Tenant, in respect of its general requirements for the design and specifications of the Facility.
- (b) The Tenant shall be provided with reasonable time to review and provide their comments on any designs in relation to the Project. Design workshops leading to the staged design submissions shall be held at the following stages of completion:
- (i) 30% completion – concept design (this stage was completed on 21 November 2012);
 - (ii) 60% completion – schematic design;
 - (iii) 90% completion – tender issue;
 - (iv) Approved for construction (if applicable); and
 - (v) Contractor shop drawings.
- (c) The Landlord shall develop and produce the Detailed Plans and Specifications in accordance with the Base Plans and Base Specifications.
- (d) The Landlord shall design and construct the Facility (where applicable) such that,

inter alia;

- (i) the Facility is in compliance with the Base Plans and Base Specifications set out in **Appendix 2** and the requirements herein;
 - (ii) the Facility is targeted to obtain a minimum of 81% CONQUAS score and design and construction in accordance with the National Productivity and Quality Standards;
 - (iii) the Facility is able to obtain a minimum of BCA Green Mark certification and LEED certification and the Landlord shall instruct the Main Contractor to provide all necessary support and information to facilitate the application and approval process. The Landlord shall endeavour to design and construct the Facility such that they are able to obtain BCA Green Mark Gold and LEED Gold scores Provided that in doing so, the Landlord is not financially prejudiced; and
 - (iv) the design and construction of the Facility is in accordance with all applicable laws.
- (e) The Landlord shall at its own cost develop and complete the Facility in accordance with the Detailed Plans and Specifications, subject to such amendment and modification as may be made thereto in accordance with the provisions of this Agreement. The Landlord shall procure all necessary utilities to undertake and complete the Project and shall ensure that the development works carried out by it are in compliance with applicable laws and regulations.

5.2 Drawings, Submission Plans and Operation and Maintenance Manuals

- (a) The Landlord shall provide the Tenant with a complete set of the Detailed Plans and Specifications for the Works relating to any part of the Facility as soon as practicable.
- (b) The Landlord shall maintain a complete set of the as-built drawings of the Works showing the dimensions of the Works as carried out including reference to the Detailed Plans and Specifications.
- (c) In addition, the Landlord shall submit to the Tenant's Representative, the operation and maintenance manuals for the Works relating to the Facility as soon as practicable.

5.3.1 The Landlord shall procure that the Main Contractor shall effect and maintain insurance coverage for the period commencing from the date of commencement of the Works until completion of the Works, in the joint names of the Landlord and the Main Contractor against all loss and damage from any cause whatsoever (except the "excepted risks" as set out under Clause 5.3.2). Such insurance shall cover the full insurable value of the Works (including any unfixed materials and goods delivered to the Property for incorporation into the Works), the costs of demolition and removal of debris, the costs of the design work and any professional fees incurred for the reinstatement.

5.3.2 The excepted risks are:

- (a) war and hostilities, (whether war be declared or not) invasion, act of foreign enemies, rebellion, revolution, insurrection or military or usurped power or civil war;

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- (b) riot, commotion or disorder, unless solely restricted to the employees of the Landlord and the Main Contractor; and
- (c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- 5.3.3. Without prejudice to its other obligations in this Clause 5.3, the Landlord shall procure that the Main Contractor shall effect and maintain (in the names of the Landlord and the Main Contractor) insurance to cover the liability of the Landlord and the Main Contractor in respect of any personal injury or death to any person or damage to property (except for the matters insured under Clause 5.3.1) arising in the course of carrying out the Works. The insurance cover shall commence from the commencement of the Works until completion of the Works.
- 5A. **66KV LIVE ELECTRICAL CABLE**
- The Tenant acknowledges that there is an existing encumbrance on the Land in the form of a 66KV live electrical cable, marked in red in the plan attached in **Appendix 8** and the Tenant agrees to undertake all necessary measures and procedures prescribed by the Landlord, JTC and/or the Authorities to manage the said encumbrance and permit access to the Landlord, JTC and the Authorities and all parties authorised by the Landlord, JTC and the Authorities on the Land to repair, maintain, replace and carry out all other such acts on the live cable at reasonable times.
- 5B. **PROPOSED PERMANENT ROAD**
- 5B.1 The Tenant shall allow JTC, its workmen, agents and their contractors and sub-contractors access and provide a working area within the Land, free of charge, of five (5) metres in width (prior to the commencement of work on the boundary wall) and three point six (3.6) metres in width (after the completion of the boundary wall) along the entire north and south boundary adjoining Ayer Rajah Avenue during the infrastructure development period.
- 5B.2 Until completion of permanent roads, public sewers, public drains, water pipes and street lighting, the Tenant shall be responsible for arrangements with the Authorities to obtain public utilities and services such as electricity, water and sewerage facilities and shall be responsible for all such utilities services and facilities and, to the extent that they are temporary in nature, the Tenant shall at its own cost and expense remove all such structures, fixtures, fitting, installations and equipment or any part of it and to make good and reinstate the Land and its original condition to the satisfaction of the Landlord and JTC.
- 5B.3 The Tenant shall not hold the Landlord liable for any loss of peaceful or quiet possession or enjoyment of the Property in the event that work is carried out in connection with Clause 5B.1.
- 5B.4 The Tenant shall indemnify the Landlord in connection with any claim from JTC as a result of the Tenant not providing access and a working area in accordance with Clause 5B.1.
- 5C. **OBLIGATIONS OF THE TENANT**
- 5C.1 Without prejudice to the generality of Clause 6.2 below, the Tenant shall:
- (a) ensure that the exhaust outlet of the generator sets in connection with the Facility shall be at least three (3) metres above the tallest existing buildings and buildings under construction within 100 metres;

- (b) carry out routine offload testing of the standby generator sets one at a time and not simultaneously. Full load testing of the standby generator sets shall only be conducted on Saturdays from 9 am to 6 pm;
- (c) carry out a Noise Impact Study, prior to construction, to determine whether the development of the Facility will be able to meet the noise limits stipulated in the Environmental Protection and Management (Boundary Noise Limits for Factory Premises) Regulations when a full load test on the standby generators is being carried out. The study shall also assess the noise impact on adjacent buildings the nearest future residential precinct according to the URA Master Plan. Further mitigating measures shall be incorporated into the design and layout of the noise generating equipment to lower the noise impact to an acceptable level;
- (d) not use any Diesel Rotary Uninterruptible Power Supply (DRUPS); and
- (e) carry out a Pollution Control Study and submit the report to JTC and the Authorities. The recommendations in the report shall be incorporated into the design of the Facility and its equipment for implementation to ensure compliance with the requirements by the Authorities prior to the issuance of TOP.

5C.2 The Tenant shall at its own cost and expense procure the installation of a solar photovoltaic panel at the Facility to be completed prior to TOP and maintained by the Tenant at its own cost and expense in good working order and condition and in compliance with the requirements of the relevant authorities (if applicable) throughout the term of the Lease. For the avoidance of doubt, the installation of the solar photovoltaic panel shall not form part of the Phase 2 Works or Phase 3 Works and the solar photovoltaic panel shall belong absolutely to the Landlord upon the expiry or sooner determination of the term of the Lease.

6. **JTC LEASE DOCUMENTS**

6.1 Grant of JTC Lease

This offer of the lease of the Facility and the acceptance thereof is subject to the grant of a lease from JTC to the Landlord for the Land on the terms and conditions of the JTC Lease Documents which are acceptable to the Landlord and the Tenant (including the written consent of JTC to the grant of the Lease).

6.2 JTC Lease Documents

- (a) The Landlord has provided to the Tenant copies of the JTC Lease Documents issued by JTC pursuant to the JTC Letter and the Tenant acknowledges all terms and conditions set out within the JTC Lease Documents. All stamp duty and registration fees on the JTC Lease Documents shall be borne by the Landlord.
- (b) Neither Party shall cause or do or suffer to be done any act or thing which may as between the Landlord and JTC constitute or cause a breach by the Landlord of any of the terms, covenants, conditions or stipulations on the part of the Landlord to be observed or performed by virtue of the JTC Letter (including the terms and conditions contained in the Schedule of Building Terms and the lease referred to in the JTC Letter) or the Head Lease, with no liability on the part of JTC for any inconvenience, loss, damage, costs, expenses or compensation whatsoever in the event that JTC, its employees, servants or authorized agents with or without workmen, tools and equipment should enter upon the Land to do any act or thing which JTC is entitled to do by virtue of the JTC Letter or the Head Lease or of any laws, by-laws, rules or regulations.

- (c) The Tenant shall comply and observe and ensure that its servants, employees, agents, invitees, licensees, independent contractors and visitors comply and observe all and such requirements as may be imposed by JTC in the JTC Letter and the Head Lease.
- (d) The Tenant shall indemnify and hold harmless the Landlord from and against all costs, losses and damages suffered by the Landlord as a result of the Tenant's breach of this Clause 6.2.

7. **MASTER SCHEDULE & KEY MILESTONES**

- 7.1 The Landlord and the Tenant hereby agree that the master schedule (the "**Master Schedule**") drawn up and endorsed by the Parties shall form the basis of the Tenant's expectations on timelines and due dates of the Key Milestones identified in the Master Schedule.
- 7.2 The Key Milestones identified in the Master Schedule shall include, *inter alia*, the Milestone 1 Date, the Milestone 2 Date, the date of completion of Phase 1 Water Tight & Ready for Phase 2 Tenant's Works installation on roof, level 1 and level 6 (unless otherwise designated under Clause 3A.2 or Clause 3A.3A of this Agreement) (the "**Phase 1 Water Tight & Ready for Phase 2 Works**"), the Phase 1 Works Completion Date, the Phase 2 Works Completion Date, the TOP Date and the Phase 3 Works Completion Date.
- 7.3
- (a) The Landlord shall obtain delivery of possession of the Land from JTC by the Milestone 1 Date or Site Possession Date.
 - (b) The Landlord shall procure the issuance of the Permit to Commence Piling Works on or before the Milestone 2 Date.
 - (c) Subject to (a) and (b) being achieved,
 - (i) The Phase 1 Water Tight & Ready for Phase 2 Works shall be completed by 15 May 2014 (the "**Phase 1 Water Tight & Ready for Phase 2 Works Completion Date**");
 - (ii) The Phase 1 Works shall be completed by 23 October 2014 (the "**Phase 1 Works Completion Date**");
 - (iii) The Phase 2 Works shall be completed by 23 October 2014 (the "**Phase 2 Works Completion Date**"); and
 - (iv) The Phase 3 Works shall be completed by 23 April 2016 (the "**Phase 3 Works Completion Date**").
- 7.3A In the event that the Milestone 1 Date and/or the Milestone 2 Date is delayed (such delay to be notified by the Landlord to the Tenant by way of a written notice), these dates and the dates under Clause 7.3(c) shall be adjusted accordingly by the corresponding period of delay and the respective dates for the exercise of the Phase 2 Works Option and/or the Phase 3 Works Option shall be adjusted accordingly.
- 7.4 The Master Schedule shall be revised accordingly as a result of any adjustment of the Milestone 1 Date, the Milestone 2 Date and the respective dates for the exercise of the Phase 2 Works Option and the Phase 3 Works Option and the Master Schedule may also be revised from time to time during the course of construction by written agreement between / written

endorsement of the Parties.

- 7.5 Upon the issuance of the TOP, the Landlord shall serve a copy of the TOP on the Tenant whereupon the Tenant is deemed to have taken possession of the Property on the date of such service of the copy of the TOP.
- 7.6 The Landlord shall furnish to the Tenant a copy of the CSC in connection with the development of the Facility within seven (7) Business Days of receipt by the Landlord.
- 7.7 Subject to the Landlord achieving Milestone 1 Date and Clause 7.8 below, in the event of any delay in the Milestone 2 Date, the dates under Clause 7.3A shall be adjusted accordingly by the corresponding period of delay, and the Landlord shall be liable to the Tenant for liquidated damages as follows:
- (a) in respect of the Phase 1 Water Tight & Ready for Phase 2 Works Completion Date, S\$15,000 for each Day of delay from the Day following 45 Days from the Phase 1 Water Tight & Ready for Phase 2 Works Completion Date (as may be adjusted pursuant to Clause 7.3A) until the Phase 1 Works Completion Date (as may be adjusted pursuant to Clause 7.3A) and which shall be payable by way of rental rebates;
 - (b) in respect of the Phase 1 Works Completion Date, S\$30,000 per Day for each Day of delay from 24 October 2014 (inclusive) (as may be adjusted pursuant to Clause 7.3A) until the Phase 1 Works Completion Date (as may be adjusted pursuant to Clause 7.3A) and which shall be payable by way of rental rebates; and
 - (c) in respect of the Phase 2 Works Completion Date (as may be adjusted pursuant to Clause 7.3A) and the Phase 3 Works Completion Date (as may be adjusted pursuant to Clause 7.3A), an amount equivalent to such liquidated damages payable by the Main Contractor and received by the Landlord and which shall be payable to the Tenant by way of rental rebates,
- save that:
- (i) the Tenant is only entitled to claim liquidated damages under either (a) or (b) above and not both simultaneously; and
 - (ii) in the event that the Tenant for whatever reason shall not be entitled in law to recover liquidated damages (1) under either (a) or (b) above, as the Tenant may elect (and not both simultaneously) or (2) under (c) above, the Tenant shall remain entitled to recover such loss, expense, costs or damages as it would have been entitled under common law as if the provisions in this Clause relating to the payment of liquidated damages had not formed part of this Agreement save that the Landlord's liability to pay the Tenant such loss, expenses, costs or damages shall be limited by the amount of liquidated damages for which it might otherwise have been liable.
- 7.8 The time within which the Works or part of the Works is to be completed may be extended by the Qualified Person by such further period or periods of time as may reasonably reflect delay in completion of the Works which will or might be or has been caused by any of the following events and subject to Clause 7.9, the Landlord shall not be liable to the Tenant for any liquidated damages for such delay:
- (a) any Force Majeure Event;

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- (b) a change in any government legislation, regulations or by-laws from that which were applicable at the date of this Agreement;
 - (c) any act of prevention or breach of this Agreement (or any other agreements ancillary or in connection with this Agreement) by the Tenant;
 - (d) a requirement from the Authorities for infrastructure diversion which was not applicable and which neither Party had knowledge of at the date of this Agreement;
 - (e) any amendment or modification to the Base Plans or Base Specifications made as a result of any requirement of JTC or the relevant Authorities which was not applicable at the date of this Agreement;
 - (f) any amendment or modification to the Base Plans or Base Specifications made as a result of any requirement of JTC under the JTC Urban Design Guidelines for One-North;
 - (g) any amendment or modification to the Base Plans or Base Specifications made as a result of a request by the Tenant or which is approved by the Tenant;
 - (h) any variation orders to works requested by the Tenant;
 - (i) any works or activities (including the Tenant's Works) or act or omission of the Tenant;
 - (j) any existing site conditions (including existing piles and soil conditions) which neither Party had knowledge of at the date of this Agreement;
 - (k) any delay in JTC handing over site possession of the Land; or
 - (l) any delay from the relevant Authorities issuing the Permit to Commence Piling Works in respect of the Works,

Provided Always that the Landlord shall not be entitled to any extension of time where the instructions or acts of the Tenant are necessitated by or intended to cure any default of or breach of this Agreement by the Landlord and such disentitlement shall not set the time for completion of the Works or part of the Works at large.

7.9 Save for the occurrence of the events under Clauses 7.8(a) and 7.8(j) whereupon the Landlord is only required to notify the Tenant upon being aware of such event, the Landlord shall within 45 Days of the occurrence of all other events stated in Clause 7.8 notify the Tenant in writing of such event, and in all cases the Landlord shall thereafter as soon as practicable notify the Tenant of the extension of time granted by the Qualified Person.

8. **ACCESS PRIOR TO LEASE COMMENCEMENT DATE**

8.1 Subject to the Tenant not exercising (i) the Phase 2 Works Option and the Phase 3 Works Option; or (ii) the Phase 3 Works Option, to the conditions herein and without prejudice to any other provisions in this Agreement, and subject to the consent of the Landlord, the Landlord shall as soon as practicable grant the Tenant access to the Facility on the date immediately after the Phase 1 Water Tight & Ready for Phase 2 Works Completion Date on a non-exclusive basis for the sole purpose of carrying out the Tenant's Works, subject to:

- (a) the Tenant submitting all detailed plans and drawings for the Tenant's Works for the

Facility to the Landlord for approval, which approval shall not be unreasonably withheld or delayed; and

(b) the Tenant obtaining and delivering to the Landlord the Relevant Consents for the Tenant's Works (if any), before such access is granted by the Landlord to the Tenant.

8.2 In addition and without prejudice to any provision in this Agreement, the grant of access by the Landlord to the Tenant to the Facility prior to the Lease Commencement Date shall be on the conditions as provided in this Agreement and that the Tenant complies with the Main Contractor's reasonable directions on the conduct of the Tenant's Works.

8.3 The Tenant shall be deemed to be a licensee with permitted access to the Facility on a non-exclusive basis during its pre-TOP access to conduct the Tenant's Works.

8.4 The Tenant's licence to access the Facility on a non-exclusive basis on the date the Landlord grants access to the Facility to the Tenant shall be subject to the following terms and conditions:

- (a) the Tenant, its employees, agents, contractors, licensees and invitees enter the Property and perform the Tenant's Works at its/their own risk, and the Landlord is not responsible to the Tenant or to the Tenant's employees, agents, contractors, licensees and invitees for any death, injury, loss or damage sustained at or originating from the Property, directly or indirectly caused by, resulting from or in connection with such entry into the Property and/or the performance of the Tenant's Works unless caused by the Landlord and/or the Main Contractor or any of their agents', employees' or sub-contractors' negligence or wilful default;
- (b) the Tenant must first agree with the Main Contractor on the use of access routes through the Land and the Facility;
- (c) the Tenant must make the necessary arrangements with the Main Contractor for the use of any equipment, electricity, water and other utilities on site, including refuse disposal, subject to the payment by the Tenant of such charges as may be determined by the Main Contractor in respect of such use; and
- (d) the Tenant, its employees, agents, contractors, licensees and invitees must co-ordinate their respective activities with those of the Main Contractor, and comply with all reasonable instructions of the Main Contractor and the Landlord's Consultants so as not to delay the completion of the Works or the obtaining of the TOP. In this respect, the completion of the Works and the obtaining of the TOP shall at all times have priority over the Tenant's Works. Subject to the above provisions, the Landlord shall and shall ensure that the Main Contractor and the Landlord's Consultants provide reasonable assistance and do not unreasonably hinder the Tenant and its subcontractors enabling them to carry out the Tenant's Works expeditiously.

8.5 After the Lease Commencement Date and subject to the Tenant exercising the Phase 3 Works Option, the Tenant shall grant to the Landlord access to the Facility to complete the Phase 3 Works on the terms set out in the Lease.

9. **TENANT'S WORKS**

9.1 In carrying out the Tenant's Works, the Tenant must:

- (a) not carry out any works other than renovation and fitting out works relating only to the erection of partitions, the installation of equipment, machinery and the installation of furniture at or to the Facility;
- (b) appoint contractors or consultants of its choice to carry out the rest of the Tenant's Works subject to the Landlord's approval (such approval not to be unreasonably withheld or delayed) of those contractors or consultants (such contractors or consultants as approved by the Landlord shall hereinafter be called the "**Approved Contractors**"). Such contractor or consultant appointed by the Tenant for the rest of the Tenant's Works must be an Approved Contractor before he can start any work; and
- (c) prior to the commencement of the Tenant's Works, procure its Approved Contractors to effect and maintain a comprehensive public liability insurance policy, covering the period from the date of commencement of the Tenant's Works to the date of completion of the Tenant's Works for such amount, having regard to the nature and scope of the Tenant's Works, with an insurance company approved by the Landlord (which approval shall not be unreasonably withheld or delayed), naming the Landlord and the Main Contractor as the additional insured parties for their respective rights and interests.

9.2

In carrying out the Tenant's Works, the Tenant covenants that:

- (a) the Tenant shall use its best endeavours to procure that no damage, obstruction or interference is caused by the Tenant, its employees, agents, contractors, licensees or invitees to the Property (including all installations and equipment provided by the Landlord in the Facility) or the Works. The Tenant must, at its own cost and expense and within a reasonable period of time, make good to the satisfaction of the Landlord and its contractors and consultants, all such damage or remove such obstruction or interference;
- (b) (i) the Landlord and other persons authorised by the Landlord, and (ii) the Main Contractor and other persons authorised by the Main Contractor, may enter the Facility to effect or carry out and complete all works which are required by the relevant Authorities or which are considered necessary by the Landlord and/or the Main Contractor for the issue of the TOP and/or QP Sign-Off;
- (c) the Tenant shall ensure that its Approved Contractors co-ordinate their activities with the Main Contractor and must not carry out or permit to be carried out any works or activities which may delay or affect the issue of the TOP or QP Sign-Off. In the event the issue of the TOP or QP Sign-Off is delayed or affected because of any works or activities (including the Tenant's Works) or act or omission of the Tenant without prejudice to the provisions of Clauses 7.8(c) and 7.8(i), the Landlord may, by written notice, require the Tenant, at the Tenant's cost and expense, to carry out all and any rectification works in order for the Landlord to obtain the TOP and the QP Sign-Off within such time as may be required by the Landlord. If the Tenant does not comply in time, the Landlord and/or the Main Contractor shall have the right to carry out such rectification works. The Tenant must pay all costs and expenses incurred by the Landlord, to the Landlord within 30 Days of the date of written notice from the Landlord.

9.3

During and on completion of the Tenant's Works, the Tenant must promptly remove from the Property all waste materials and debris resulting from the Tenant's Works. If the Tenant fails to do so within three (3) Days after written notice from the Landlord, the Landlord may remove

- them and recover the reasonable cost of removal and disposal from the Tenant. A statement from the Landlord as to the cost and expenses of such removal and disposal shall (save for manifest error) be conclusive and binding on the Tenant. All reasonable costs and expenses of such removal and disposal must be paid by the Tenant to the Landlord within 30 Days from receipt of the Landlord's written notice.
- 9.4 On completion of the Tenant's Works, the Tenant shall submit to the Landlord the as-built drawings relating to the Tenant's Works to enable the Landlord to apply for the CSC (if applicable). If the Tenant fails to do so within two (2) months after written notice from the Landlord, the Landlord shall be entitled to take all action necessary (including engaging consultants to prepare the relevant as-built drawings and making payments to the Tenant's consultants) for submission of such as-built drawings to the relevant Authorities. A statement from the Landlord as to the expenses incurred by it for submission of such as-built drawings to the relevant Authorities shall be furnished to the Tenant. All expenses so incurred by the Landlord together with interest from and including the date of the statement until the date they are paid by the Tenant to the Landlord, shall be paid by the Tenant to the Landlord and if unpaid, shall be recoverable from the Tenant as if they were rent in arrears.
- 9.5 The Tenant shall indemnify and keep the Landlord indemnified against:
- (a) the breach, non-observance or non-performance of any Relevant Consents in relation to the Tenant's Works; and
 - (b) any claims, demands or proceedings brought by any adjoining owner, tenant, occupier or member of the public arising out of or incidental to the execution of the Tenant's Works.
- 9.5A The Landlord shall be liable for any claims, demands or proceedings brought by any adjoining owner, tenant, occupier or member of the public brought against the Tenant arising out of or incidental to the execution of the Works.
- 9.6 No delay in carrying out and completing all or any of the Tenant's Works in or at the Facility, whether caused by any Authorities or otherwise, shall be a ground for postponing the Lease Commencement Date or relieve in any way the Tenant from the performance and observance of the covenants, conditions, stipulations or agreements herein contained and on its part to be performed and observed.
- 9.7 The Landlord shall facilitate discussion between the Main Contractor and the Tenant's Approved Contractors. However, the Tenant shall use its best endeavours to ensure that its Approved Contractors coordinate their activities with the Main Contractor and shall not cause any delay to the issuance of the TOP or CSC or otherwise affect the progress of any Works by the Main Contractor on the Facility. In the same way, the Landlord shall use its best endeavours to ensure that the Main Contractor coordinates its activities with the Approved Contractors. The Landlord shall further ensure that the space required for the Tenant's Works is completed by the date of the relevant Key Milestones and that the Tenant's Approved Contractors are given access by the Main Contractor to level 6 (unless otherwise designated under Clause 3A.2 or Clause 3A.3A of this Agreement) of the Facility, the roof and level 1 of the Facility to allow the Tenant's Works to progress smoothly. Any profit and attendance payable to the Main Contractor for the Tenant's Works shall be borne by the Tenant, such amount(s) to be reasonable and in line with industry standards.
10. **AMENDMENT AND MODIFICATION**
- 10.1 The Landlord shall not make any material amendment or modification to the Base Plans and the Base Specifications insofar as these relate to the Facility, save for such amendment or

modification as may be made as a result of:

- (a) any requirement of JTC or the relevant Authorities; or
- (b) a request by the Tenant which is acceded to by the Landlord; or
- (c) a proposal or request by the Landlord which is acceded to by the Tenant in writing.

Any Party requesting any changes to the Base Plans and Base Specifications shall submit to the other Party the Change Request Form in the form appended hereto as **Appendix 4**, annexing drawings and plans where expedient or requested by the other Party, for the other Party's approval of the changes detailed in the Change Request Form. Where the changes are required by JTC or the relevant Authorities, the Landlord shall communicate the required changes to the Tenant in such form and manner as the Landlord deems appropriate. As far as practicable, the Landlord shall notify the Tenant of all non-material amendments or modifications to the Base Plans and the Base Specifications during the weekly meetings held between the Landlord's Representative and the Tenant's Representative.

10.2 Unless there is a reasonable basis for a request and subject to the terms of this Agreement, nothing in this Clause 10 shall:

- (a) be construed to imply any obligation on the Landlord to accede to any amendment or modification requested by the Tenant.
- (b) be construed to imply any obligation on the Tenant to accede to any amendment or modification requested by the Landlord.

10.3 Without prejudice to the other provisions of this Agreement and subject to Clause 10.8, if any amendment or modification is made to the Base Plans and Base Specifications, the following provisions shall apply:

- (a) Where such amendment or modification to the Base Plans and Base Specifications is:
 - (i) made as a result of any requirement of JTC or the relevant Authorities to comply with any codes of practice, regulatory requirements or statutory requirements which are applicable at the time this Agreement is entered into (excluding the JTC Urban Design Guidelines for One-North); or
 - (ii) initiated, proposed or requested by the Landlord and consented to by the Tenant; or
 - (iii) due to or necessitated by or is intended to cure any default or breach of contract by the Landlord,any increase or reduction in cost arising from the implementation of such amendment or modification shall be borne by the Landlord or, as the case may be, shall accrue solely to the benefit of the Landlord.
- (b) Where such amendment or modification to the Base Plans and Base Specifications is made as a result of:
 - (i) any requirement of JTC or the relevant Authorities to comply with any codes of practice, regulatory requirements or statutory requirements which are applicable only after this Agreement is entered into;

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- (ii) a request by the Tenant which request is approved by the Landlord;
 - (iii) a recommendation by the Landlord sought by the Tenant, which recommendation is accepted by the Tenant; or
 - (iv) any requirement of JTC to comply with the JTC Urban Design Guidelines for One-North,
- any increase or reduction in cost arising from the implementation of such amendment or modification shall be solely borne by the Tenant or, as the case may be, shall accrue solely to the benefit of the Tenant in the manner prescribed in Clause 10.8 below.

- 10.4 The Landlord shall, (in relation to Clause 10.3.(b)(ii)) at the time of the Landlord's approval and (in relation to Clause 10.3.(b)(iii)) at the time of the Landlord's recommendation, notify the Tenant in writing of (a) the estimated costs of implementing such amendment or modification to the Base Plans and Base Specifications (which shall include but not be limited to the supply, construction and installation of the relevant materials and the fees payable to the relevant consultants, contractors and relevant Authorities in relation to the carrying out of such construction works), and (b) the extension required in respect of the timelines and relevant Key Milestones in the Master Schedule as determined by the Qualified Person, to enable the Tenant to seek necessary internal approvals for proceeding with such amendment or modification, and the Tenant shall revert to the Landlord on whether to implement such amendment or modification to the Base Plans and Base Specifications not later than 10 Business Days after the date of the Landlord's approval of the Tenant's requested amendment or the Landlord's recommendation (as the case may be).
- 10.5 In relation to Clause 10.3(b)(ii), the Landlord shall revert to the Tenant on whether the Tenant's request to amend or modify the Base Plans or Base Specifications is approved by the Landlord within 14 Business Days of the date of such request by the Tenant.
- 10.6 The Tenant shall pay to the Landlord within 14 Days of demand the fees incurred and payable by the Landlord to consultants engaged by the Landlord to examine or advise upon any proposals by the Tenant for any amendment or modification to the Base Plans and Base Specifications after the same have been approved by the relevant Authorities (including any plans, specifications or material submitted by the Tenant in connection therewith). For the avoidance of doubt, the Tenant's obligation under this Clause 10.6 is separate from and does not affect the Landlord's obligation and entitlement (as the case may be) under Clause 10.3(a)(i).
- 10.7 Where any amendment or modification to the Base Plans and Base Specifications is required to be made as a result of any requirement of JTC or the relevant Authorities, the Landlord shall consult with the Tenant on the same and provide the draft amendment or modification to the Base Plans and Base Specifications for the Tenant's review 14 Days prior to finalising the said amendment or modification, provided that nothing herein shall be construed to imply any obligation on the part of the Landlord to comply with any unreasonable directions or requirements of the Tenant. The Landlord shall be entitled to an extension in respect of the timelines and relevant Key Milestones in the Master Schedule as determined by the Qualified Person to complete the Works.
- 10.8 Where such amendment or modification to the Base Plans and Base Specifications is made pursuant to Clause 10.3(b) above, then:

- (a) (i) any increase in costs arising from the implementation of such amendment or modification (such costs to be reasonable) to be borne by the Tenant shall:
- (1) be paid by the Tenant upfront within 30 Days after receipt from the Landlord of the Qualified Person's statement that the relevant works have been completed and the actual amount of cost increase (which shall include but not be limited to the supply, construction and installation of the relevant materials and the fees payable to the relevant consultants, contractors and relevant Authorities in relation to the carrying out of such construction works) and the certificate of the Qualified Person shall be final and conclusive and binding on the Parties (save for errors therein); or
- (2) be amortised over rent such that the monthly rent for Phase 1 Works (as set out in the Lease) shall be adjusted upwards (after adjustment, the "**Variation Rent**") as follows:

$$\frac{8.2\% \times Z}{12}$$

(where "Z" means the costs arising from the implementation of such amendment or modification);

The Parties shall agree, prior to the commencement of the relevant works, on whether the aforesaid increase in costs shall be paid upfront as provided under Clause 10.8(a)(i)(1) or by way of amortisation over rent as provided under Clause 10.8(a)(i)(2) and in the event that the Parties are unable to agree, the Tenant shall pay the aforesaid increase in costs upfront as provided under Clause 10.8(a)(i)(1); and

- (ii) Any savings from costs reduction arising from the implementation of such amendment or modification accruing to the Tenant shall be payable by the Landlord to the Tenant, accompanied by the Qualified Person's statement that the relevant works have been completed and stating the actual amount of cost reduction. The amount of such cost reduction shall be amortised over rent such that the monthly rent for Phase 1 Works (as set out in the Lease) shall be adjusted downwards (after adjustment, the "**Variation Rent (Reduction)**") as follows:

$$\frac{8.2\% \times Y}{12}$$

(where "Y" means the costs savings from costs reduction arising from the implementation of such amendment or modification accruing to the Tenant).

- (b) the Minimum and Maximum Buyback Prices (as defined in the Lease) shall be adjusted accordingly as set out below:

$$\text{Additional Minimum Price} = \frac{\text{Variation Rent (Reduction)} \times 12 \times (1.02)^5}{7.55\%}$$

$$\text{Additional Maximum Price} = \frac{\text{Variation Rent} \times 12 \times (1.02)^5}{7.02\%}$$

11. **DEFECTS**

11.1 **Remedying Defects**

Without prejudice to the Landlord's and Tenant's obligations under the Lease in respect of repair and maintenance of the Facility and upkeep of the Land, the Landlord must make good at its own cost and expense any defect in the Facility (including, where applicable, any mechanical and electrical equipment) resulting from the workmanship and/or materials of the Landlord and/or Main Contractor or the Landlord's agents, employees or appointed sub-contractors, including but not limited to any damage, shrinkage, deterioration, seepage, leakage, failure, lack of fitness, non-satisfaction of performance specifications or other requirements under the Detailed Plans and Specifications, or other faults in relation to the Works, which appears or becomes apparent before or within the Defects Liability Period.

For the avoidance of doubt, the Landlord shall not be required to make good any defect which is caused by any act, negligence or omission of the Tenant, its employees, agents, workmen, Approved Contractors, contractors or invitees.

11.2 **Cost of Remedying Defects**

Subject to Clause 11.3, all rectification works referred to in Clause 11.1 shall be executed by the Landlord at its own cost.

11.3 **Landlord to Investigate**

If any defect in the Property or in such parts of the Facility appears at any time from the commencement of Works to the end of the Defects Liability Period, the Tenant's Representative may instruct the Landlord to investigate under the direction of the Tenant's Representative the cause of the defect. If such defect is one which arose from some default by the Landlord and/or the Main Contractor or any of the Landlord's agents, employees or appointed sub-contractors, the cost of the work carried out in such investigation shall be borne by the Landlord, but if such defect(s) arose from the default by the Tenant or any of its agents, employees or Approved Contractors, the costs of the works carried out in such investigations shall be borne by the Tenant.

11.4 **Liability at Common Law**

The provisions of Clauses 11.1 to 11.3 shall not derogate in any way whatsoever from the Landlord's liability under this Agreement or otherwise for defective work at common law.

12. **NO ASSIGNMENT**

The Tenant shall not assign its interests, rights or benefits under this Agreement or transfer its liability under this Agreement (collectively, "**Assignment**") or sub-let license or in any way dispose of or part with possession of the Property or any part thereof either by way of sub-letting sharing or other means whereby any company or person or persons not a party to this Agreement obtains the use or possession of the Property or any part thereof irrespective of whether or not any rental or other consideration is given for such use or possession save with the Landlord's approval in writing, and Provided Always that any Assignment shall be in favour of a Singapore incorporated entity which is wholly owned by Equinix Inc. whether directly or indirectly ("**Assignee**") Provided further that the Landlord shall only give its approval in writing to the Assignment subject to compliance with the following:

- (a) JTC and any other relevant Authority has given its written approval to the Assignment ("**JTC Consent**") on terms which are acceptable to the Landlord;

- (b) the Landlord and the Tenant and the Assignee shall prior to the Assignment enter into a deed of assignment which incorporates a corporate guarantee and indemnity to be provided by the Tenant to guarantee the performance of the obligations of the Assignee under this Agreement;
- (c) fresh banker's guarantee(s) pursuant to this Agreement is / are provided to the Landlord prior to the Assignment;
- (d) the Assignee shall prior to the Assignment enter into a lease agreement with the Landlord on the same terms and conditions as the Lease (save for the incorporation of a corporate guarantee and indemnity to be provided by the Tenant to guarantee the performance of the obligations of the Assignee under the Lease);
- (e) the Tenant and/or the Assignee shall accept and comply with the terms of the JTC Consent, such acceptance to be given to JTC prior to the Assignment; and
- (f) the Tenant and/or the Assignee shall accept and comply with any other terms and conditions which the Landlord may reasonably impose when granting its approval to the Assignment.

13. **RESCISSION BY LANDLORD UPON THE TENANT'S DEFAULT**

13.1 For the purposes of this Clause 13, an event of default shall occur if:

- (a) the Tenant is in breach of Clause 12; or
- (b) the Tenant becomes insolvent or a judicial manager and/or receiver is appointed in respect of any properties or assets of the Tenant or distress or execution is enforced against any part of the assets of the Tenant, or if events or circumstances analogous to any of the foregoing events occurs in relation to the Tenant under the laws of any jurisdiction.

13.2 Upon the occurrence of an event of default under Clause 13.1, the Landlord may rescind this Agreement and the Lease by giving 14 Days' written notice to the Tenant to that effect (but such rescission shall not prejudice the rights and remedies of either Party against the other in respect of any antecedent breaches).

13.3 Upon such rescission by the Landlord:

- (a) the Tenant's interest in and the rights in relation to the Property shall cease and determine; and
- (b) provided that the Tenant's Works (whether completed, uncompleted or partially completed) have been carried out at the date of such rescission by the Landlord, the Tenant shall at its own cost and expense reinstate and restore the Facility to its original state and condition as at the completion of the Works in accordance with the Landlord's as-built plans (removing all trade equipment of the Tenant that may be installed at the Facility, if any) and if the Tenant fails to do so, the Landlord may effect the same at the Tenant's cost and expense and all such costs and expenses to reinstate and restore the Facility to their original state and condition incurred by the Landlord shall be paid by the Tenant to the Landlord within 14 Days of demand from the Landlord.

14. **EXECUTION AND TERMS OF THE LEASE**

- 14.1 The Parties shall enter into the Lease within 14 Days from the date of issuance by the Qualified Person of a certificate addressed to the Landlord certifying that the Phase 1 Works and the Phase 2 Works (if applicable) have been completed in accordance with the Detailed Plans and the Detailed Specifications and that the TOP has been issued (the "**Conditions Satisfaction Date**"). The Landlord shall deliver possession of the Property to the Tenant on the Conditions Satisfaction Date. Notwithstanding that the Lease may not have been executed within 14 Days from the Conditions Satisfaction Date, the Parties hereby acknowledge and agree that the commencement date of the Lease shall be the date falling 28 Days from the Conditions Satisfaction Date ("**Lease Commencement Date**") which shall in no event be a date less than five (5) months and eight (8) Days from the Phase 1 Water Tight & Ready for Phase 2 Works Completion Date and the Landlord shall remain responsible for the completion of the Works in accordance with the terms of this Agreement.
- 14.2 Prior to the commencement of the Lease, the Landlord shall at its own cost cause to be carried out a survey of the Property by a registered surveyor to determine the NLA. For the purposes of the Lease, the NLA so determined by the registered surveyor and certified by such registered surveyor in a certificate to the Landlord (the "**Certified NLA**") shall be final and conclusive, and:
- (a) if (i) the Certified NLA is the same as the Adjusted Contracted NLA, or (ii) differs from the Adjusted Contracted NLA and the difference (whether in excess or shortfall) is 3% or less than 3% of the Adjusted Contracted NLA, the floor area to be inserted in the First Schedule of the Lease as the NLA shall be the Adjusted Contracted NLA; and;
 - (b) if the Certified NLA differs from the Adjusted Contracted NLA and the difference (whether in excess or shortfall) is more than 3% of the Adjusted Contracted NLA, the floor area to be inserted in the First Schedule of the Lease as the NLA shall be the Certified NLA.

15. **RIGHTS AND OBLIGATIONS BEFORE EXECUTION OF THE LEASE**

- 15.1 Until the completion by the Parties of the Lease,
- (a) the terms of the Lease will apply and be binding on the Parties as though they had been incorporated in this Agreement;
 - (b) the Parties must comply with their respective obligations in the Lease;
 - (c) the Landlord may use any available remedy for a breach of obligation by the Tenant as if the Lease had been granted;
 - (d) the Tenant may use any available remedy for a breach of obligation by the Landlord as if the Lease had been granted; and
 - (e) the Tenant must make all payments in the same manner and at the same times as if the Lease had been granted.
- 15.2 The provisions of this Agreement shall remain in full force and effect after the date of perfection of the Lease, in so far as such provisions are still required to be observed and

performed and are not repeated or inconsistent with the Lease.

16. **SECURITY DEPOSIT**

16.1 **Deposit**

The Tenant shall on or within 10 Business Days of the execution of this Agreement deposit with the Landlord the sum set out in Item ~~4~~**(a)(i)** of the Third Schedule of the Lease.

The Deposit shall be held by the Landlord as security for the due performance and observance by the Tenant of all and singular the several stipulations covenants and conditions on the part of the Tenant herein contained and contained in the Lease (as may be applicable).

If the Tenant shall fail to perform and observe the said stipulations covenants and conditions and has not commenced the remedy of such breach within 14 Days after receipt of the Landlord's written notice in that effect (or such shorter period as may be reasonably determined by the Landlord having regard to the extent and nature of the breach), the Landlord shall be entitled (but not obliged) to apply the Deposit or any part thereof towards payment of moneys outstanding or making good any breach by the Tenant or to deduct from the Deposit any loss or expense to the Landlord occasioned by such breach but without prejudice to any other right or remedy which the Landlord may be entitled to.

If any part of the Deposit shall be applied or deducted as aforesaid, the Tenant shall within 14 Days of demand by the Landlord furnish to the Landlord in cash (or by way of a fresh bank guarantee in accordance with Clauses 16.4 to 16.6) an amount equivalent to the sum so applied and/or deducted from the Deposit ("**Replacement Amount**"). Provided Always that the Tenant is to deposit with the Landlord the Replacement Amount in cash if no bank guarantee is issued for the Replacement Amount within 14 Days of demand by the Landlord.

For the avoidance of doubt, the Landlord shall be entitled to apply or deduct the Deposit or any part thereof for any breach under this Agreement up to three (3) months after the Lease Commencement Date and the Tenant shall remain obliged to furnish the Replacement Amount in the event of the Deposit being so applied or deducted by the Landlord.

16.2 **Increase in Deposit**

Subject to the provisions of this Clause 16.2, the Deposit shall be maintained at an amount equivalent to the sum set out in Item ~~4~~**(a)(i)** of the Third Schedule of the Lease for the Initial Period (as defined hereinafter).

If the Rent for the Initial Period is increased in accordance with the provisions of the Lease (save for the increment in Rent further to the yearly rent escalation of 2% per annum on the preceding year's Rent set out in Item 3 of the Third Schedule of the Lease), then the Deposit shall be increased proportionately and the Tenant shall within 14 Days of demand furnish to the Landlord in cash (or by way of a fresh bank guarantee in accordance with Clauses 16.4 to 16.6) an amount equivalent to the increment in the Deposit.

Upon the Tenant's exercise of the Phase 2 Works Option and the Phase 3 Works Option, the Deposit shall be increased by an amount equivalent to 36 months of the Phase 2 Rent as stated in Item **4(b)** of the Third Schedule of the Lease and by 36 months of the Phase 3 Rent as stated in Item **4(c)** of the Third Schedule of the Lease.

The Tenant shall immediately pay to the Landlord such increase in the amount of the Deposit by way of a fresh bank guarantee (in accordance with Clauses 16.4 to 16.6) and additionally, such bank guarantee shall (a) in respect of the Deposit payable upon the exercise of the Phase 2 Works Option ("**Phase 2 Works Option Deposit**") be on the same terms and bear the same expiry date as the Bank Guarantee issued in respect of the Initial Period and shall (b) in respect of the Deposit payable upon the exercise of the Phase 3 Works Option ("**Phase 3 Works Option Deposit**") be on the same terms and bear the same expiry date as the Bank Guarantee issued in respect of the Second Period (as defined in the Lease); or the Tenant may combine the Phase 2 Works Option Deposit and the Phase 3 Works Option Deposit with the Initial Period Sum and furnish a fresh bank guarantee for the aggregate amount which bank guarantee shall be on the same terms and bear the same expiry date as the Bank Guarantee issued in respect of the Second Period, which aggregate amounts shall be maintained for a period of 10 years from the Lease Commencement Date.

16.3 **Forfeiture of Deposit**

Notwithstanding Clause 16.1, the whole of the Deposit may in the Landlord's sole discretion be forfeited to the Landlord if the Tenant:

- (a) goes into liquidation or has any order made or resolution passed for its winding-up or shall otherwise become insolvent or make an assignment or arrangement for the benefit of its creditors; or
- (b) breaches or does not perform or comply with any one or more of the terms and conditions of this Agreement or the Lease (as the case may be).

For the avoidance of doubt, it is hereby agreed and declared that the Deposit does not constitute a penalty or liquidated damages and that any forfeiture of the Deposit by the Landlord shall be without prejudice to any other rights or remedies that the Landlord may be entitled to.

16.4 In lieu of a cash security deposit, the Tenant may furnish to the Landlord the Deposit by way of bank guarantee(s) (each, a **Bank Guarantee**"), in which case the following conditions shall apply:

- (a) the Bank Guarantee shall be irrevocable and unconditional, issued by a commercial bank holding a full banking licence with the Monetary Authority of Singapore acceptable to the Landlord, acting reasonably;
- (b) the Bank Guarantee shall be an "on-demand" bank guarantee in the form in **Appendix 1**, with such modifications as may be agreed between the Parties; and
- (c) the Bank Guarantee shall be issued for an initial period of seven (7) years commencing from the date of execution of this Agreement and expiring on the Day falling seven (7) years from the date of execution of this Agreement ("**Initial Period**") for the Initial Period Sum.

For the avoidance of doubt, this Clause 16.4 shall be without prejudice to the provisions of provisions of Clause 16.2 with respect to any increase in the amount of Deposit payable by the Tenant

16.4A (a) It is hereby agreed that the Bank Guarantee shall have successive terms of twelve (12) months each, the first of such term commencing on the date of execution of this Agreement and shall be automatically extended for further periods of twelve (12)

months (each such twelve (12) month period shall herein be called a **'Guaranteed Period'**) until the expiry of the Initial Period.

- (b) If the guarantor under the Bank Guarantee gives to the Landlord 90 Days' written notice prior to the expiry of any Guaranteed Period of the guarantor's intention not to extend the Bank Guarantee in respect of the next Guaranteed Period, the Landlord shall be entitled upon receiving such notice of the guarantor's intention to demand a replacement Bank Guarantee for the balance of the Initial Period to be furnished at least 45 Days before the expiry of the Guaranteed Period failing which the Landlord shall be entitled to demand payment under the Bank Guarantee without affecting its rights in relation to the Bank Guarantees to be issued for the remaining periods under which the Deposits are payable in accordance with the provisions of Clause 3 of the Lease. Notwithstanding the above, the Parties agree in the event that the Landlord demands and receives payment under the Bank Guarantee in respect of a Guaranteed Period, the Tenant shall be required to top up the payment received by the Landlord under the Bank Guarantee (by cash or by a way of a fresh Bank Guarantee) to an amount equivalent to the Deposit payable for the period falling thereafter in accordance with the provisions of this Clause 16 such that the amount of Deposit held by the Landlord after such topping up equals the Deposit payable for that aforesaid period.

Provided Always that, without affecting the generality of (a) above, (i) in the event that the Bank Guarantee for the Initial Period (or any replacements thereof) is to expire before the expiry of five (5) years from the Lease Commencement Date, the Tenant shall procure the guarantor to issue a replacement Bank Guarantee at least 45 Days before the expiry of the Initial Period for the period commencing from the expiry of the Bank Guarantee for the Initial Period (or any replacements thereof) up to the expiry of five (5) years from the Lease Commencement Date; and (ii) in the event that the Bank Guarantee for the Initial Period (or any replacements thereof) will only expire after the expiry of five (5) years from the Lease Commencement Date, the Tenant shall procure the guarantor to issue the Bank Guarantee for the Second Period at least 45 Days before the expiry of five (5) years from the Lease Commencement Date and the Landlord shall in exchange for the Bank Guarantee for the Second Period return the Bank Guarantee for the Initial Period to the Tenant for its cancellation, failing which, in either case of (i) or (ii), the Landlord shall be entitled to demand payment under the Bank Guarantee without affecting its rights in relation to the Bank Guarantees to be issued for the remaining periods under which the Deposits are payable in accordance with the provisions of Clause 3 of the Lease, as the case may be. Notwithstanding the above, the Parties agree in the event that the Landlord demands and receives payment under the Bank Guarantee under (ii) above, the Tenant shall only be required to top up the payment received by the Landlord under the Bank Guarantee for the Initial Period (by cash or by way of a fresh Bank Guarantee) to an amount equivalent to the Deposit payable for the Second Period such that the amount of Deposit held by the Landlord after such topping up equals the Deposit payable for the Second Period.

- 16.5 Any Bank Guarantee furnished by the Tenant to the Landlord for any Replacement Amount required under Clause 16.1, any fresh Bank Guarantee furnished by the Tenant to the Landlord in respect of any increase or reduction in the amount of the Deposit, in either case in accordance with Clause 16.2, or any Bank Guarantee (or any replacements thereof) furnished pursuant to Clause 16.4A, shall also comply with the provisions of Clauses 16.4 (a) to (c) (where applicable) and such Bank Guarantee(s) shall at all times secure the payment of the full amount of the Deposit then applicable.
- 16.6 Where the Deposit and/or any Replacement Amount has been furnished by the Tenant by way of Bank Guarantee(s), the Landlord must return to the Tenant such Bank Guarantee(s) within 15 Business Days after the date of expiry of the Bank Guarantee for cancellation

unless a fresh Bank Guarantee is to be issued in which case, the Bank Guarantee shall be returned for cancellation in exchange. In particular, the Tenant shall, no later than 45 Days prior to the expiry of the Initial Period (subject to the proviso under Clause 16.4A), procure a Bank Guarantee for the Second Period in accordance with Clause 3 of the Lease and provide to the Landlord evidence of a currently dated Bank Guarantee for the Second Period.

16.7 For the avoidance of doubt, upon the Lease Commencement Date, Clause 3 of the Lease shall apply in relation to the furnishing and maintenance of all security deposits furnished under this Agreement and under the Lease.

17. **LEGAL FEES AND STAMP DUTY**

17.1 The Tenant will be required to pay the estimated stamp duties and any necessary adjudication fees on the acceptance of this Agreement (in duplicate). Upon the outcome of the stamp duty assessment, where the estimated stamp duty so paid is less than the assessed duty, the Tenant shall within the time period prescribed by law, top up the shortfall to enable the Landlord to effect stamping within the time prescribed and any penalty payable arising from delay in stamping attributable to the Tenant shall be borne by the Tenant. Any excess estimated stamp duty paid by the Tenant shall be refunded to the Tenant without interest after the assessed duty is known.

17.2 The Tenant shall pay or indemnify the Landlord (on a full indemnity basis) against:

- (a) the stamp duty including penalty fees, adjudication fees and additional stamp duty (if any) in respect of this Agreement and any other document relating to this Agreement herein and the Lease; and
- (b) all legal costs and fees and such other expenses incurred by the Landlord in consulting solicitors and/or in connection with the enforcement of any provision of this Agreement and the Lease.

17.3 The Parties shall bear their respective legal costs, fees and disbursements incurred by it in connection with the negotiation, preparation and completion of this Agreement (in duplicate), the Lease and any other document relating to this Agreement.

18. **TAXES**

- (a) Any sums payable by the Tenant under this Agreement (hereinafter collectively called "**Agreed Sum**") shall, as between the Landlord and the Tenant, be exclusive of any applicable goods and services tax, imposition, duty and levy whatsoever (hereinafter collectively called "**Taxes**") which may from time to time be imposed or charged before, on or after the date of this Agreement (including any subsequent revisions thereto) by any government, quasi-government, statutory or tax authority on or calculated by reference to the amount of the Agreed Sum (or any part thereof) and the Tenant shall pay all such Taxes or reimburse the Landlord for the payment of such Taxes, as the case may be, in such manner and within such period as to comply or enable the Landlord to comply with any applicable orders or directives of such authorities and the relevant laws and regulations.
- (b) The rights of the Landlord under this Clause shall be in addition and without prejudice to any other rights or powers of the Landlord under any applicable order or directive of the Authorities or any relevant law or regulation, to recover from the Tenant the

amount of such Taxes which may be or is to be paid or borne by the Landlord.

- (c) The Tenant shall indemnify and hold harmless the Landlord from any losses, damages, claims, demands, proceedings, actions, costs, expenses, interests and penalties suffered or incurred by the Landlord arising from any claim, demand, proceeding or action that may be made or instituted by the Authorities in respect of such Taxes and resulting from any failure or delay on the part of the Tenant in the payment and discharge of any such Taxes.

19. **SETTLEMENT OF DISPUTES**

Reference to Arbitration

In the event of any dispute between the Parties in connection with or arising out of this Agreement or the Works, including any dispute as to the existence, validity or termination of this Agreement, the Parties shall refer the dispute for arbitration by a sole arbitrator agreed upon by the Parties within 14 Days of either Party giving written notice requiring arbitration to the other. If no agreement can be reached, the arbitrator shall be appointed, on the application of either Party, by the Chairman for the time being of the Singapore International Arbitration Centre. The place of arbitration shall be Singapore. Any such reference shall be deemed to be submission to arbitration within the meaning of the Arbitration Act (Chapter 10 of Singapore) or any re-enactment or modification thereof and be in accordance with the Arbitration Rules of the Singapore International Arbitration Centre at the time being in force.

20. **RECOVERY BY THE PARTIES**

- 20.1 Wherever in this Agreement provision is made for a Party to recover any amount from the other Party such amount may be deducted from or reduced by any sum due or to become due at any time thereafter from the first Party to the other Party under this Agreement or may be recovered by the first Party from the other Party as a debt.
- 20.2 In the event there is a delay in payment by a Party of any sum to the other Party under this Agreement, the first-mentioned Party shall be liable to pay interest to the other Party at the rate of 12% per annum commencing from the Day immediately following the due date of payment up to the actual date of payment.

21. **GOVERNING LAW AND NOTICES**

21.1 **Law**

- (a) The law governing this Agreement and any arbitration commenced under this Agreement shall be the law of Singapore, and any such arbitration shall be held in Singapore.
- (b) Unless otherwise expressly stated in this Agreement, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any of its terms.

21.2 **Notices**

- (a) Each Party shall provide an address in Singapore for service of document, hereafter

referred to as the "**Service Address**".

- (b) Each Party shall give 14 Days' written notice to the other Party before any change in the Service Address.
- (c) All certificates, notices or instruction to be given to a Party to the other Party under the terms of this Agreement shall be sent by post or facsimile transmission to or left at the Service Address.
- (d) Without prejudice to any other method of service that is authorised by law, service of any originating process by a Party on the other Party shall be deemed to be due service if it is posted to or left at the Service Address.

22. **MISCELLANEOUS**

22.1 **Variation of Agreement**

This Agreement may not be varied except by an agreement in writing signed by the duly authorised representative of both Parties.

22.2 **Representations**

It is acknowledged by the Parties that in relation to this Agreement, each Party has not acted or relied on any representations made by or on behalf of the other Party except those which are contained in this Agreement (if any). This Agreement and the Lease constitutes the entire contract between the Parties. However, nothing in this Clause shall affect the validity and binding effect of any subsequent agreements in writing signed between the Parties.

22.3 **Non-Merger**

The provisions of this Agreement shall remain in full force and effect after the grant of the Lease, in so far as they are still required to be observed and performed and are not repeated or inconsistent with the Lease.

23. **ACKNOWLEDGEMENT BY PARTIES**

23.1 **Capacity**

Notwithstanding any provision to the contrary in this Agreement, each of the Parties to this Agreement acknowledges and agrees that the Landlord has entered into this Agreement only in its capacity as trustee of Mapletree Industrial Trust and not in the Landlord's personal capacity and all references to the Landlord in this Agreement shall be construed accordingly. Accordingly, notwithstanding any provision in this Agreement, the Landlord has assumed all obligations under this Agreement in its capacity as trustee of Mapletree Industrial Trust and not in its personal capacity and any liability of or indemnity given by the Landlord under this Agreement any power or right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of Mapletree Industrial Trust over which the Landlord has recourse and shall not extend to any personal or other assets of the Landlord or any assets held by the Landlord as trustee of any trust (other than Mapletree Industrial Trust). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Landlord under this Agreement shall only be in connection with matters relating to Mapletree Industrial Trust (and shall not extend to the Landlord's obligations in respect of any other trust or real estate investment trust of which it is a trustee).

23.2 No recourse

It is hereby agreed that each of the Parties' obligations under this Agreement will be solely the corporate obligations of that Party and there shall be no recourse against the shareholders, directors, officers or employees of that Party for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of this Agreement.

23.3 Legal action or proceedings

For the avoidance of doubt, any legal action or proceedings commenced against the Landlord whether in Singapore or elsewhere pursuant to this Agreement shall be brought against the Landlord in its capacity as trustee of Mapletree Industrial Trust and not in its personal capacity.

24. CONFIDENTIALITY OF INFORMATION

Both Parties agree to hold all the terms and conditions of this Agreement in strict confidence and not to disclose the same to any party except to each Party's respective directors, officers and employees who are directly involved in this Agreement. Notwithstanding the aforesaid, the confidentiality obligations shall not apply to:

- (a) any information which is already generally known to the public and which is not released to the public domain in breach of either Party's confidentiality obligations hereunder;
- (b) any information which is required to be disclosed pursuant to any applicable laws or to any Authorities or disclosed pursuant to rules or regulations of any relevant regulatory, administrative or supervisory body (including without limitation, any relevant stock exchange or securities council);
- (c) any information which is required to be disclosed pursuant to any legal process issued by any court or tribunal in Singapore;
- (d) any information disclosed by either of the Parties to their respective bankers, financial advisors, consultants, Main Contractor, Approved Contractors, licensed valuers and legal or other advisors;
- (e) any information which is required to be disclosed to the holding company of either Party and either Party's branches or offices or related corporations (as defined in the Companies Act (Chapter 50 of Singapore));
- (f) (in respect of either Party's confidentiality obligation) any information which is required to be disclosed to any actual or potential purchaser or transferee of the Facility or any part thereof, any actual or potential assignee of either Party, any actual or potential investor, mortgagee, chargee, financial adviser, consultant, valuer, manager, trustee, legal or other advisers in either Party or the Facility or any part thereof (collectively, "**Interested Parties**"), or to any actual or potential banker, mortgagee, chargee, financial advisor, consultant, valuer, manager, trustee, legal or other advisers of any of the Interested Parties, and in connection with such disclosure, either Party is entitled to include any such information in any document which is publicly available; and

(g) any information which either Party has consented in writing to its disclosure by the other Party.

25. **COUNTERPARTS**

This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each Party may enter into this Agreement by signing any such counterpart and each counterpart may be signed and executed by the Parties and transmitted by facsimile transmission and shall be as valid and effectual as if executed as an original.

IN WITNESS WHEREOF this Agreement has been entered into on the date stated at the beginning.

THE LANDLORD

SIGNED by
for and on behalf of
DBS TRUSTEE LIMITED
AS TRUSTEE OF MAPLETREE INDUSTRIAL TRUST
in the presence of:

)
) /s/ Tham Kuo Wei
) Tham Kuo Wei
) CEO, MITM
)

/s/ Sandra Loke

Witness' signature
Name: Sandra Loke

THE TENANT

SIGNED by)
for and on behalf of) /s/ Clement Goh
EQUINIX SINGAPORE PTE. LTD.) Clement Goh
in the presence of:) Managing Director

/s/ Kent Wong

Witness' signature
Name: Kent Wong

April 24, 2013

To the members the Board of Directors of Equinix, Inc.
One Lagoon Drive, 4th Floor
Redwood City, CA 94065

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to your Form 10-Q filing pursuant to Item 601 of Regulation S-K.

We have been provided a copy of Equinix, Inc.'s (the "Company's") Quarterly Report on Form 10-Q for the period ended March 31, 2013. Note 3 therein describes a change to the Company's current policy with respect to the inclusion of nonrecognized subsequent events in its best current estimate of annual pretax ordinary income at each quarter-end. Previously the Company has included nonrecognized subsequent events that occurred prior to the issuance of the financial statements in the estimate of annual pretax income used to calculate the estimated annual effective tax rate. The Company proposes to change the policy to exclude nonrecognized subsequent events from the estimated annual effective tax rate.

It should be understood that the preferability of one acceptable method of accounting over another for this calculation has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-Q, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, the adoption of a preferable accounting principle in conformity with Accounting Standards Codification 250, *Accounting Changes and Error Corrections*.

We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2012. Accordingly, our comments are subject to change upon completion of an audit of the financial statements covering the period of the accounting change.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Subsidiaries of Equinix, Inc.

<u>Name</u>	<u>Jurisdiction</u>
Equinix Operating Co., Inc.	Delaware, U.S.
Equinix RP, Inc.	Delaware, U.S.
Equinix South America Holdings, LLC	Delaware, U.S.
Equinix RP II LLC	Delaware, U.S.
CHI 3, LLC	Delaware, U.S.
NY3, LLC	Delaware, U.S.
SV1, LLC	Delaware, U.S.
LA4, LLC	Delaware, U.S.
Equinix Pacific, Inc.	Delaware, U.S.
CHI 3 Procurement, LLC	Illinois, U.S.
Equinix Asia Pacific Pte Ltd	Singapore
Equinix Singapore Holdings Pte Ltd	Singapore
Equinix Singapore Pte Ltd	Singapore
Equinix Japan KK (in Kanji)	Japan
Equinix Australia Pty Ltd	Australia
Equinix Hong Kong Ltd	Hong Kong
Equinix Information Technologies Hong Kong Limited	Hong Kong
Equinix Information Technology (Shanghai) Co Ltd.	People's Republic of China
Asiatone Data System (Shanghai) Co Ltd	People's Republic of China
Equinix Europe Ltd	United Kingdom
Equinix Group Ltd	United Kingdom
Equinix (UK) Ltd	United Kingdom
Equinix (Services) Ltd	United Kingdom
Equinix Corporation Ltd	United Kingdom
Equinix Investments Ltd	United Kingdom
Equinix (London) Ltd	United Kingdom
Equinix (Real Estate) GmbH	Germany
Equinix (Germany) GmbH	Germany
Equinix (IBX Services) GmbH	Germany
Upminster GmbH	Germany
Equinix (France) SAS	France
Interconnect Exchange Europe SL	Spain
Equinix (Switzerland) GmbH	Switzerland
Equinix (Netherlands) Holdings BV	The Netherlands
EQIX (Global Holdings) C.V.	The Netherlands
Equinix (EMEA) B.V.	The Netherlands
Equinix (Netherlands) BV	The Netherlands
Virtu Secure Web Services BV	The Netherlands
Equinix (Real Estate) B.V.	The Netherlands

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Stephen M. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equinix, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 26, 2013

/s/ Stephen M. Smith

Stephen M. Smith
Chief Executive Officer and President

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Keith D. Taylor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equinix, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 26, 2013

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Equinix, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen M. Smith, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Stephen M. Smith

Stephen M. Smith
Chief Executive Officer and President

April 26, 2013

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Equinix, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Keith D. Taylor, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer

April 26, 2013