UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): October 26, 2004

EQUINIX, INC.

(Exact Name of Registrant as Specified in its Charter)

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

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

(Addresses of principal executive offices)

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

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

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

On October 26, 2004, the Company issued a press release announcing its financial results for the quarter ended September 30, 2004. A copy of the press release is attached as Exhibit 99.1. The Company released certain non-GAAP information in the press release. Attached to the press release is a reconciliation to the non-GAAP information.

On October 26, 2004, in connection with the issuance of the press release, the Company will hold a conference call to discuss the press release.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits.

99.1 Press Release of Equinix, Inc. dated October 26, 2004, furnished in accordance with Item 2.02 of this Current Report on Form 8-K.

SIGNATURES

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

EQUINIX, INC.

DATE: October 26, 2004

By: /s/ RENEE F. LANAM
Renee F. Lanam
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Text of Press Release dated October 26, 2004.

EXHIBIT 99.1

Equinix Reports Third Quarter 2004 Results

FOSTER CITY, Calif.--(BUSINESS WIRE)--Oct. 26, 2004--

-- Increased revenues by 37% over same quarter 2003 and 8% over previous quarter

-- Increased EBITDA to $10.1 million, up from $1.4 million over same quarter 2003

-- Added 87 new customers and strong bookings from installed base

-- Raises 2004 revenue and EBITDA guidance

-- Provides 2005 revenue guidance of $200-$210 million

Equinix, Inc. (Nasdaq:EQIX), the leading provider of network-neutral data centers and Internet exchange services, today reported its quarterly results for the period ended September 30, 2004.

Revenues were $42.4 million for the third quarter ended September 30, 2004 representing a 37% increase over the same quarter last year and an 8% increase over second quarter. Recurring revenues, consisting of colocation, interconnection and managed services, were $40.1 million, a 41% increase over the same quarter last year and a 7% increase over second quarter. Non-recurring revenues, consisting primarily of professional services and installation fees, were $2.4 million for the quarter ended September 30, 2004, as compared to $2.6 million in the same quarter last year and $2.2 million the previous quarter.

Cost of revenues were $34.3 million for the third quarter, a 3% increase over the same quarter last year and in line with the previous quarter. Cost of revenues, excluding non-cash depreciation, amortization, accretion and stock-based compensation of $13.6 million, were $20.7 million for the third quarter, a 5% increase over same quarter last year and in line with the previous quarter. Cash gross margins, defined as gross profit less non-cash depreciation, amortization, accretion and stock-based compensation, divided by revenues, for the quarter were 51%, up from 36% the same quarter last year and 48% the previous quarter.

Selling, general and administrative expenses were $12.7 million for the third quarter, a 7% increase over the same quarter last year and a 2% increase over the previous quarter. This included an approximate $500,000 charge for costs related to liquidation of legacy subsidiaries in Europe. Selling, general and administrative expenses, excluding non-cash depreciation, amortization and stock-based compensation of $1.0 million, were $11.7 million for the third quarter, a 19% increase over same quarter last year and 4% increase over the previous quarter.

Net loss for the third quarter was $6.6 million, or a basic and diluted net loss per share of $0.36. The Company's cash net income, defined as net income (loss) less non-cash depreciation, amortization, accretion, stock-based compensation expense and non-cash interest expense, for the quarter was $9.7 million, a 35% improvement over the previous quarter.

EBITDA, defined as loss from operations less non-cash depreciation, amortization, accretion and stock-based compensation expense, for the third quarter was $10.1 million, up 34% over the previous quarter and up from $1.4 million the same quarter 2003. This reflects an 84% flow-through rate on incremental revenues in the quarter.

Capital expenditures in the quarter were $7.6 million, in which $2.5 million was attributed to ongoing capital expenditures, $3.6 million was attributed to expansion capital expenditures and the remaining $1.5 million was related to directly billable capital expenditures to expand an existing U.S. government project.

The company generated cash from operating activities of $10.9 million, a $2.0 million or 23% increase over the previous quarter. Cash used in investing activities remained relatively flat at $5.5 million. As a result, the company generated $5.4 million in free cash flow, a $2.1 million increase over the previous quarter. Free cash flow is defined as net cash generated from operating activities less net cash used in investing activities (excluding the purchase, sale and maturities of short-term and long-term investments).

As of September 30, 2004, the company's cash, cash equivalents and investments were $98.8 million, an increase of $6.4 million over the previous quarter.

Equinix achieved record bookings in the quarter adding 87 new customers including Bank of Nova Scotia, First Commercial Bank Limited, Force 10, Korea Telecom, NTT Communications Corporation, and Tower Insurance Company of New York. The company received additional orders in the quarter from more than 47% of its existing U.S. customers. The number of cabinets billing at the end of the quarter was approximately 10,750, up from approximately 10,100 the previous quarter. Churn was less than 1% for the quarter on a cabinet basis, or about 3% on a monthly recurring revenue basis. The company ended the quarter with 896 customers and a weighted average utilization rate of 43% in its existing IBX centers, including the expansion property in Ashburn, Virginia. Average monthly recurring revenue per cabinet on a weighted average basis increased to $1,270 from $1,254 the previous quarter.

"Third quarter was another great one for Equinix, contributing to what is shaping up to be a very solid 2004," said Peter Van Camp, CEO of Equinix. "With this strong momentum, we see ourselves on a path for market leadership in 2005."

Other Company Developments

-- U.S. interconnection service revenues increased by 10% over second quarter and remained steady at 22% of U.S. recurring revenues for the quarter. Interconnection services represent 20% of total recurring revenues. Customer cross-connects grew to 8,465, a 39% increase over the same quarter last year and a 7% increase over the previous quarter. Ports on the Equinix GigE Exchange were reported at 313, a 31% increase over the same quarter last year and a 7% increase over the second quarter.

-- Of new customer booked revenue in the quarter, over 60% was derived from new customers outsourcing applications for the first time.

Business Outlook

Full year revenues for 2004 are expected to be in the range of $162.5 to $163.5 million, increasing from our previous guidance of $160.0 to $163.0 million. Total year cash gross margins will be approximately 49%. Cash selling, general and administrative expenses are expected to be in the range of $44.5 to $45.5 million, increasing from previous guidance of $43.5 to $44.5 million. EBITDA for the year is expected to be between $34.5 and $35.5 million, increasing from our previous guidance of $32.0 to $35.0 million. Capital expenditures for 2004 are expected to be approximately $22.0 to $23.0 million. Free cash flow is expected to be greater than $12.0 million, increasing from our previous guidance of greater than $10.0 million.

For 2005, total revenues are expected to be in the range of $200.0 to $210.0 million. Cash gross margins are expected to be in the range of 52% to 54%. Cash selling, general and administrative expenses are expected to be in the range of $48.0 to $50.0 million. EBITDA for the year is expected to be between $56.0 and $61.0 million, including the full year impact of approximately $6.0 million of additional cost of revenues, primarily rent and IBX personnel, associated with the new Ashburn expansion. Capital expenditures for 2005 are expected to be in a range of $18.0 to $22.0 million, comprised of $13.0 to $15.0 million of ongoing capital expenditures and $5.0 to $7.0 million of expansion capital expenditures for the remaining build out of the Ashburn expansion. Free cash flow is expected to be greater than $36.0 million. Equinix is expected to become net income positive by the fourth quarter of 2005, excluding the impact of mandatory expensing of stock options. This timeline would be accelerated upon the conversion of the STT convertible secured notes in 2005, provided the stock trades at $32.12 for 30 consecutive trading days.

The company will discuss its results and guidance on its quarterly conference call on Tuesday, October 26, 2004, at 8:30 a.m. ET (5:30 a.m. PT). To hear the conference call, please dial 1-484-630-5144 (domestic and international) and reference the passcode (EQIX). A simultaneous live Webcast of the call will be available over the Internet at www.equinix.com, under the Investor Relations heading. A replay of the call will be available beginning on Tuesday, October 26, 2004 at 10:30 a.m. (ET) by dialing 1-203-369-0810.

About Equinix

Equinix is the leading global provider of network-neutral data centers and Internet exchange services for enterprises, content companies, systems integrators and network services providers. Through the company's 14 Internet Business Exchange(TM) (IBX(R)) centers in five countries, customers can directly interconnect with every major global network and ISP for their critical peering, transit and traffic exchange requirements. These interconnection points facilitate the highest performance and growth of the Internet by serving as neutral and open marketplaces for Internet infrastructure services, allowing customers to expand their businesses while reducing costs.

This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to, the challenges of operating IBX centers and developing, deploying and delivering Equinix services; a failure to receive significant revenue from customers in the recently-acquired Santa Clara and Washington, D.C. centers; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay outstanding indebtedness; the loss or decline in business from our key customers and other risks described from time to time in Equinix's filings with the Securities and Exchange Commission. In particular, see Equinix's recent quarterly and annual reports filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.

Non-GAAP Financial Measures

Equinix continues to provide all information required in accordance with generally accepted accounting principles (GAAP), but it believes that evaluating its ongoing operating results may be difficult if limited to reviewing only GAAP financial measures. Accordingly, Equinix uses non-GAAP financial measures, such as EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), cash interest expense, cash net income (loss) and free cash flow to evaluate its operations. In presenting these non-GAAP financial measures, Equinix excludes certain non-cash items that it believes are not good indicators of the company's current or future operating performance. These non-cash items are depreciation, amortization, accretion, stock-based compensation, non-cash interest, and, with respect to 2004 results, the non-cash portion of loss on debt extinguishment and conversion (there were no such losses in 2003). Recent legislative and regulatory changes encourage use of and emphasis on GAAP financial metrics and require companies to explain why non-GAAP financial metrics are relevant to management and investors. Equinix excludes these non-cash items in order for Equinix's lenders, investors, and industry analysts who review and report on the company, to better evaluate the company's core operating performance and cash spending levels relative to its industry sector and competitor base.

Equinix excludes depreciation expense as these non-cash charges primarily relate to the initial construction costs of our IBX Centers and do not reflect our current or future cash spending levels to support our business. Our IBX Centers are long-lived assets, and have an economic life greater than ten years. The construction costs of our IBX Centers do not recur and future capital expenditures remain minor relative to our initial investment. This is a trend we expect to continue. In addition, depreciation is also based on the estimated useful lives of our IBX Centers. These estimates could vary from actual performance of the asset, are based on historic costs incurred to build out our IBX Centers, and are not indicative of current or expected future capital expenditures. Therefore, Equinix excludes depreciation from its operating results when evaluating its operations.

In addition, in presenting the non-GAAP financial measures, Equinix excludes amortization expense related to certain intangible assets, as it represents a non-cash cost that may not recur and is not a good indicator of the company's current or future operating performance. Equinix excludes non-cash stock-based compensation expense as it represents expense attributed to stock options that have no current or future cash obligations. As such, we, and our investors and analysts, exclude this stock-based compensation expense when assessing the cash generating performance of our operations. Equinix excludes interest expense associated with the amortization of debt issuance costs and discounts, as well as the interest expense associated with its convertible secured notes as such interest expenses do not require any cash in the periods presented nor will they in future periods. Lastly, with respect to its 2004 results, Equinix excludes the non-cash portion of the loss on debt extinguishment and conversion, which represents the write-off of the unamortized debt issuance costs and discounts associated with the debt facilities extinguished or converted as no cash was expended in the periods presented for such write-offs nor will there be in the future. Management believes such write-offs of debt issuance costs and discounts were unique costs that are not expected to recur, and consequently, does not consider these charges as a normal component of expenses related to current and ongoing operations.

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

Investors should note, however, that the non-GAAP financial measures used by Equinix may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. In addition, whenever Equinix uses such non-GAAP financial measures, it provides a reconciliation of non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure.

Equinix intends to calculate the various non-GAAP financial measures in future periods consistent with how it was calculated for the three months ended September 30, 2004 and 2003, presented within this press release.

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

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
	(unaudited)			
Recurring revenues	$40,057	$28,359	$111,811	$78,461
Non-recurring revenues	2,382	2,560	6,871	6,327
Revenues	42,439	30,919	118,682	84,788
Cost of revenues	34,310	33,314	102,245	95,567
Gross profit (loss)	8,129	(2,395)	16,437	(10,779)
Operating expenses:				
Sales and marketing	4,433	4,823	13,498	14,210
General and administrative	8,294	7,068	24,544	26,350
Total operating expenses	12,727	11,891	38,042	40,560
Loss from operations	(4,598)	(14,286)	(21,605)	(51,339)
Interest and other income (expense):				
Interest income	335	46	819	182
Interest expense and other	(2,352)	(5,478)	(8,765)	(15,317)
Loss on debt extinguishment and conversion	-	-	(16,211)	-
Total interest and other, net	(2,017)	(5,432)	(24,157)	(15,135)
Net loss before income taxes	(6,615)	(19,718)	(45,762)	(66,474)
Income taxes	-	-	(200)	-
Net loss	$(6,615)	$(19,718)	$(45,962)	$(66,474)
Basic and diluted net loss per share	$(0.36)	$(2.12)	$(2.65)	$(7.52)
Shares used in computing basic and diluted net loss per share	18,386	9,293	17,370	8,837

Pro forma basic and diluted net loss per share (1)	$(0.36)	$(2.12)	$(1.71)	$(7.52)
Shares used in computing pro forma basic and diluted net loss per share	18,386	9,293	17,370	8,837

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(1) Pro forma basic and diluted net loss per share excludes the $16,211,000 loss on debt extinguishment and conversion during the nine months ended September 30, 2004.

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

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
	(unaudited)			
Recurring revenues	$40,057	$28,359	$111,811	$78,461
Non-recurring revenues	2,382	2,560	6,871	6,327
Revenues (1)	42,439	30,919	118,682	84,788
Cash cost of revenues (2)	20,659	19,690	61,510	54,175
Cash gross profit (3)	21,780	11,229	57,172	30,613
Cash operating expenses (4):				
Cash sales and marketing expenses(5)	3,958	4,244	12,029	12,405
Cash general and administrative expenses (6)	7,756	5,605	21,892	19,613
Total cash operating expenses	11,714	9,849	33,921	32,018
EBITDA (7) (8)	10,066	1,380	23,251	(1,405)
Cash interest and other income (expense) (9):				
Interest income	335	46	819	182
Cash interest expense and other (10)	(657)	(2,570)	(2,719)	(8,072)
Cash loss on debt extinguishment and conversion (11)	-	-	(2,505)	-
Income taxes	-	-	(200)	-
Total cash interest and other, net	(322)	(2,524)	(4,605)	(7,890)
Cash net income (loss) (12)	$9,744	$(1,144)	$18,646	$(9,295)
Cash gross margins (13)	51%	36%	48%	36%

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

U.S. revenues	$36,779	$25,764	$102,893	$71,525
Asia-Pacific revenues	5,660	5,155	15,789	13,263
Revenues	$42,439	$30,919	$118,682	$84,788

(2) We define cash cost of revenues as cost of revenues less

depreciation, amortization, accretion and stock-based compensation as presented below:

Cost of revenues	$34,310	$33,314	$102,245	$95,567
Depreciation, amortization and accretion expense	(13,638)	(13,640)	(40,700)	(41,343)
Stock-based compensation expense	(13)	16	(35)	(49)
Cash cost of revenues	$20,659	$19,690	$61,510	$54,175

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

(4) We define cash operating expenses as operating expenses less depreciation, amortization and stock-based compensation. We also refer to cash operating expenses as cash selling, general and administrative expenses or "cash SG&A".

(5) We define cash sales and marketing expenses as sales and marketing expenses less depreciation, amortization and stock-based compensation as presented below:

Sales and marketing expenses	$4,433	$4,823	$13,498	$14,210
Depreciation and amortization expense	(469)	(518)	(1,418)	(1,562)
Stock-based compensation expense	(6)	(61)	(51)	(243)
Cash sales and marketing expenses	$3,958	$4,244	$12,029	$12,405

(6) We define cash general and administrative expenses as general and administrative expenses less depreciation, amortization and stock-based compensation as presented below:

General and administrative expenses	$8,294	$7,068	$24,544	$26,350
Depreciation and amortization expense	(398)	(1,016)	(1,719)	(4,869)
Stock-based compensation expense	(140)	(447)	(933)	(1,868)
Cash general and administrative expenses	$7,756	$5,605	$21,892	$19,613

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

Loss from operations	$(4,598)	$(14,286)	$(21,605)	$(51,339)
Depreciation, amortization and accretion expense	14,505	15,174	43,837	47,774
Stock-based compensation expense	159	492	1,019	2,160
EBITDA	$10,066	$1,380	$23,251	$(1,405)

(8) The geographic split of our EBITDA is presented below:

U.S. loss from operations (A)	$(3,028)	$(10,761)	$(15,230)	$(38,988)
U.S. depreciation, amortization and accretion expense	12,963	13,431	39,333	42,285
U.S. stock-based compensation expense	159	492	1,019	2,160
U.S. EBITDA	10,094	3,162	25,122	5,457
Asia-Pacific loss from operations	(1,570)	(3,525)	(6,375)	(12,351)
Asia-Pacific depreciation, amortization and accretion expense	1,542	1,743	4,504	5,489
Asia-Pacific stock-based compensation expense	-	-	-	-
Asia-Pacific EBITDA	(28)	(1,782)	(1,871)	(6,862)

EBITDA	$10,066	$1,380	$23,251	$(1,405)

(A) U.S. loss from operations for the three and nine months ended September 30, 2004, included a $512,000 charge for costs related to the liquidation of legacy subsidiaries in Europe.

(9) We define cash interest and other income (expense) as interest expense plus income taxes less interest income, non-cash interest expense and non-cash loss on debt extinguishment and conversion. Non-cash interest expense is comprised of amortization of debt discounts and debt issuance costs and non-cash interest on our convertible secured notes. Non-cash loss on debt extinguishment and conversion is comprised of the non-cash write-off of debt issuance costs and discounts.

(10) Cash interest expense and other is defined as interest expense less amortization of debt discounts and debt issuance costs and non- cash interest on our convertible secured notes as presented below:

Interest expense and other	$(2,352)	$(5,478)	$(8,765)	$(15,317)
Amortization of debt discounts and debt issuance costs	437	1,722	2,251	3,921
Non-cash interest on convertible secured notes	1,258	1,186	3,795	3,324
Non-cash interest expense	1,695	2,908	6,046	7,245
Cash interest expense and other	$(657)	$(2,570)	$(2,719)	$(8,072)

(11) Loss on debt extinguishment and conversion	$-	$-	$(16,211)	$-
Non-cash write-off of debt issuance costs and discounts	-	-	13,706	-
Non-cash loss on debt extinguishment and conversion	-	-	13,706	-
Cash loss on debt extinguishment and conversion	$-	$-	$(2,505)	$-

(12) We define cash net income (loss) as net income (loss) less depreciation, amortization, accretion, stock-based compensation expense, non-cash interest expense and non-cash loss on debt extinguishment and conversion as presented below:

Net income (loss)	$(6,615)	$(19,718)	$(45,962)	$(66,474)
Depreciation, amortization and accretion expense	14,505	15,174	43,837	47,774
Stock-based compensation expense	159	492	1,019	2,160
Non-cash interest expense (defined above)	1,695	2,908	6,046	7,245
Non-cash loss on debt extinguishment and conversion (defined above)	-	-	13,706	-
Cash net income (loss)	$9,744	$(1,144)	$18,646	$(9,295)

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

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

Assets	September 30, 2004	December 31, 2003
	(unaudited)	

Cash, cash equivalents and investments	$98,813	$72,971
Accounts receivable, net	12,875	10,178
Property and equipment, net	318,234	343,554
Goodwill and other intangible assets, net	22,050	23,509
Debt issuance costs, net	3,197	5,954
Other assets	12,373	8,366
Total assets	$467,542	$464,532
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	$18,568	$16,426
Accruedproperty and equipment	3,005	2,454
Accrued interest payable	2,367	1,114
Debt facilities and capital lease obligations	-	3,412
Credit facility	-	34,281
Senior notes	-	29,220
Convertible secured notes	33,064	31,683
Convertible subordinated debentures	86,250	-
Deferred rent	24,457	20,283
Other liabilities	8,634	5,582
Total liabilities	176,345	144,455
Preferred stock	2	2
Common stock	18	15
Additional paid-in capital	772,115	755,698
Deferred stock-based compensation	(355)	(1,032)
Accumulated other comprehensive income	1,183	1,198
Accumulated deficit	(481,766)	(435,804)
Total stockholders' equity	291,197	320,077
Total liabilities and stockholders' equity	$467,542	$464,532

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

	Nine Months Ended Sept. 30, 2004	Nine Months Ended Sept. 30, 2003
	(unaudited)	
Cash flows from operating activities:		
Net loss	$(45,962)	$(66,474)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation, amortization and accretion	43,837	47,774
Amortization of stock-based compensation	1,019	2,160
Non-cash interest expense	6,046	7,245
Loss on debt extinguishment and conversion	16,211	-
Other reconciling items	3,959	2,492
Changes in operating assets and liabilities:		
Accounts receivable	(2,591)	(194)
Accounts payable and accrued expenses	2,903	(1,263)
Accrued restructuring charges	(761)	(10,617)
Accrued merger and financing costs	-	(4,478)
Accrued interest payable	(60)	(990)
Other assets and liabilities	1,685	4,001
Net cash provided by (used in) operating activities	26,286	(20,344)
Cash flows from investing activities:		
Purchases of property and equipment	(16,783)	(2,889)
Accrued property and equipment	551	-
Other investing activities	-	2,206
Net cash provided by (used in) investing activities	(16,232)	(683)
Cash flows from financing activities:		
Proceeds from warrants, stock options and employee stock purchase plan	3,631	1,521
Proceeds from convertible secured notes	-	10,000
Proceeds from convertible subordinated debentures	86,250	-

Repayment of debt facilities and capital lease obligations	(3,527)	(5,102)
Repayment of credit facility	(34,281)	(990)
Repayment of senior notes	(30,475)	-
Other financing activities	(5,747)	(458)
Net cash provided by financing activities	15,851	4,971
Effect of foreign currency exchange rates on cash and cash equivalents	(63)	63
Net increase (decrease) in cash, cash equivalents and investments	25,842	(15,993)
Cash, cash equivalents and investments at beginning of period	72,971	41,216
Cash, cash equivalents and investments at end of period	$98,813	$25,223
Free cash flow (2)	$10,054	$(21,027)

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

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

Net cash provided by (used in) operating activities as presented above	$26,286	$(20,344)
Net cash provided by (used in) investing activities as presented above	(16,232)	(683)
Free cash flow positive (negative)	$10,054	$(21,027)

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