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 25, 2005

EQUINIX, INC.

(Exact Name of Registrant as Specified in its Charter)

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

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

(Addresses of principal executive offices)

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

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

Item 2.02. Results of Operations and Financial Condition

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

On October 25, 2005, the Company issued a press release announcing its financial results for the quarter ended September 30, 2005. 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 25, 2005, 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 25, 2005, 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 25, 2005

By: /s/ KEITH D. TAYLOR

Keith D. Taylor
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Text of Press Release dated October 25, 2005.

Exhibit 99.1

Equinix Reports Third Quarter 2005 Results

FOSTER CITY, Calif.--(BUSINESS WIRE)--Oct. 25, 2005--Equinix, Inc. (Nasdaq:EQIX):

-- Increased revenues by 37% over the same quarter 2004 and 11% over the previous quarter

-- Reported EBITDA, a non-GAAP financial measure, of $17.9 million with all operational IBX centers contributing positive EBITDA, including the recently opened centers in the Silicon Valley and Washington, D.C. areas

-- Continues expansion efforts with acquisitions of properties in Los Angeles and Washington, D.C. areas

-- Added 74 new customers in the quarter

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, 2005.

Revenues were $58.1 million for the third quarter, a 37% increase over the same quarter last year and an 11% increase over the previous quarter. Recurring revenues, consisting of colocation, interconnection and managed services, were $54.3 million, a 36% increase over the same quarter last year and a 10% increase over the previous quarter. Non-recurring revenues were $3.8 million in the quarter, consisting of $2.9 million in professional services and installation fees and customer settlements of $859,000.

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

Cost of revenues were $41.0 million for the third quarter, a 19% increase over the same quarter last year and a 6% increase over the previous quarter. Cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation of $15.9 million, were $25.1 million for the third quarter, a 22% increase over the same quarter last year and an 8% increase over the previous quarter. Cash gross margins, defined as gross profit less depreciation, amortization, accretion and stock-based compensation, divided by revenues, for the quarter were 57%, up from 51% the same quarter last year and 56% the previous quarter.

Selling, general and administrative expenses were $16.9 million for the third quarter, a 33% increase over the same quarter last year and a 5% increase over the previous quarter. Selling, general and administrative expenses, excluding depreciation, amortization and stock-based compensation of $1.8 million, were $15.1 million for the third quarter, a 29% increase over same quarter last year and a 15% increase over the previous quarter.

Net loss for the third quarter, including stock-based compensation expense of $1.4 million, was $783,000. This represents a basic and diluted net loss per share of $0.03 based on a weighted average share count of 24.1 million. Excluding stock-based compensation, the Company, for the first time, was net income positive for the quarter, with a non-GAAP net income of $575,000, a $7.0 million improvement over the same quarter last year and $1.5 million improvement over the previous quarter. The Company's cash net income, defined as net income (loss) less depreciation, amortization, accretion, stock-based compensation expense, restructuring charges and non-cash interest expense for the quarter was $17.2 million, a 12% improvement over the previous quarter.

EBITDA, defined as income or loss from operations before depreciation, amortization, accretion, stock-based compensation expense and restructuring charges, for the third quarter was $17.9 million, up 12% over the previous quarter and up from $10.1 million the same quarter 2004.

Capital expenditures in the quarter were $7.1 million, of which $5.0 million was attributed to ongoing capital expenditures and $2.1 million was attributed to expansion capital expenditures. In addition, the Company used $34.7 million of its cash to acquire its new Los Angeles IBX center in September 2005.

The Company generated cash from operating activities of $15.5 million as compared to $18.1 million in the previous quarter. Cash used in investing activities was $42.1 million as compared to $6.7 million in the previous quarter, primarily attributed to the $34.7

million acquisition of the new Los Angeles area IBX center. Free cash flow was negative $26.6 million, including the investment in the new Los Angeles area IBX center. Free cash flow is defined as net cash generated from operating activities less net cash used in investing activities (excluding the purchases, sales and maturities of short-term and long-term investments). Excluding the investment in the new Los Angeles area IBX center, free cash flow was $8.1 million.

As of September 30, 2005, the Company's cash, cash equivalents and investments were $108.3 million, as compared to $132.0 million in the previous quarter.

"Our market position, customer momentum, and brand have never been stronger," said Peter Van Camp, CEO of Equinix. "With the continued solid demand for our services and recent data center acquisitions to support the demand, we believe we are well-positioned for 2006."

Other Company Developments & Metrics

-- In September 2005, Equinix purchased a 107,000 square foot stand-alone data center located in El Segundo, in the Los Angeles area, for $34.7 million, including closing costs. The Company has now entered into a purchase and sale agreement dated October 24, 2005, to sell this data center for $38.7 million and to lease it back from the purchaser pursuant to a long-term lease. Equinix will realize approximately $15.0 million in cash savings over the initial term of the lease as opposed to having entered into a direct lease with the previous owner. These savings include a cash benefit on the sale of the center approximating $3.5 million, net of costs. The sale-leaseback transaction is subject to certain closing contingencies. Although there can be no assurance that these contingencies will be met, it is expected that these conditions will be removed on or before November 1, 2005 and the transaction will close before the end of the year.

-- Equinix announced today that it has negotiated a non-binding letter of intent to finance the recently-acquired Washington, D.C. area center campus with a $60.0 million, 8% mortgage to be amortized over 20 years. The Company also announced today that it has entered into a non-binding letter of intent for the early termination of its 39 acre San Jose ground lease whereby Equinix will pay $40.0 million over the next four years, or an incremental amount of approximately $4.0 million per year over the current lease obligations, completely eliminating the $6.0 to $7.0 million annual lease payments in years 2010 through 2020. The early termination payments commence January 1, 2006. As a result of this transaction, Equinix expects to incur a restructuring charge in the range of $35.0 to $40.0 million in the fourth quarter of 2005. These transactions are subject to the completion of definitive agreements, and although there is no assurance that the definitive agreements will be completed, the Company currently expects the transaction to close before the end of the year.

-- In October, Equinix filed a shelf registration statement with the Securities and Exchange Commission in order to register approximately 10.2 million shares of the Company's common stock on behalf of STT Communications Ltd. At the time any securities are offered for sale, one or more prospectus supplements will be provided containing specific information about the terms of any such offering.

-- On a same IBX basis (defined as IBX centers which have been available for new customer installs for at least four full quarters), revenues were $54.8 million; cost of revenues were $37.3 million; cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation, were $23.3 million and cash gross margins for the quarter were 57%. EBITDA on a same IBX basis was $16.9 million. Included in the same IBX results were certain selling, general and administrative expenses such as the costs related to our recent S-3 registration statement filing and related costs and severance charges.

-- Equinix added 74 new customers in the quarter including BT Japan Corporation, Citic Capital Markets Holdings Limited, L'Oreal USA, NJ State Library, NTT Singapore Pte Ltd, Petfinder.com, Raindance Communications, Time Warner Entertainment and Vonage Australia Pty Ltd. Over 50 percent of Equinix's new bookings in the quarter came from existing customers including The Gap, Salesforce.com, Sony Corporation of America, XM Satellite Radio and Yahoo!.

-- Based on a total cabinet capacity of approximately 26,200, the number of cabinets billing at the end of the quarter was approximately 13,700, or 52%, up from approximately 12,400 the previous quarter. On a weighted average basis, the number of cabinets billing was approximately 13,300, which represents 51%.

-- U.S. interconnection service revenues were 21% of U.S. recurring revenues for the quarter. Interconnection services represent greater than 19% of total worldwide recurring revenues. Equinix signed additional customers on its new 10 Gigabit Ethernet service including Cox Communications, Free and nLayer Communications.

Business Outlook

For the full year of 2005, revenues are expected to be in the range of $219.3 to $220.3 million, an increase from previously provided guidance of $216.0 to $219.0 million. Total year cash gross margins will range between 56% and 57%. Cash selling, general and administrative expenses are expected to be approximately $55.0 million, an increase from our previously provided guidance of $53.0 million. EBITDA for the year is expected to be between $69.0 and $70.0 million, an increase from its previous guidance of $66.0 to $68.0 million. Net loss is expected to range between $48.0 and $50.0 million including the restructuring charge attributable to the pending San Jose ground lease transaction, approximately $8.5 million of stock-based compensation expense primarily attributed to the restricted stock grants and $9.0 million of interest expense. The weighted average shares outstanding will be approximately 23.5 million. Capital expenditures for 2005, excluding purchases and sales of real estate assets, are expected to be approximately $46.0 to $48.0 million, comprised of $21.0 to $22.0 million of ongoing capital expenditures and $25.0 to $26.0 million of expansion capital expenditures. Free cash flow loss, defined as net cash generated from operating activities less net cash used in investing activities (excluding the purchases, sales and maturities of short-term and long-term investments), is expected to be $18.0 to 19.0 million for the year, which includes the recent purchase of the Washington, D.C. area Ashburn campus. Excluding the purchases and sales of real estate, comprised of the Company's recent Los Angeles and Washington, D.C. area property acquisitions, free cash flow is expected to be greater than $32.0 million, an increase from our previous guidance of greater than $30.0 million.

For 2006, total revenues are expected to be in the range of $275.0 to $285.0 million. Cash gross margins are expected to be in the range of 57% to 59%, including the full year impact of approximately $5.7 million of additional cost of revenues from three new IBX centers expected to open in the first half of 2006. Cash selling, general and administrative expenses are expected to be in the range of $60.0 to $64.0 million, including approximately $3.6 million of investments in expansion efforts. EBITDA for the year is expected to be between $95.0 and $105.0 million, including the benefit realized from the restructuring charge attributable to the pending San Jose ground lease transaction, of approximately $6.0 million. Capital expenditures for 2006 are expected to be in a range of $55.0 to $60.0 million, comprised of approximately $20.0 million of ongoing capital expenditures and $35.0 to $40.0 million of expansion capital expenditures for the build out of the Silicon Valley, Chicago and Los Angeles expansions. Free cash flow is expected to be greater than $40.0 million.

The Company will discuss its results and guidance on its quarterly conference call on Tuesday, October 25, 2005, at 4:30 p.m. ET (1:30 p.m. PT). To hear the conference call, please dial 1-773-799-3263 (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 25, 2005 at 6:30 p.m. (ET) by dialing 203-369-3605. In addition, the Webcast will be available for replay on the Company's Web site at www.equinix.com. No password is required for either method of replay. A reconciliation between GAAP information and non-GAAP information contained in this press release is provided in a table immediately following the Condensed Consolidated Statements of Operations -- GAAP Presentation. This reconciliation is also available at www.equinix.com under the Investor Relations heading.

About Equinix

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

This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to, the challenges of acquiring and operating IBX centers and developing, deploying and delivering Equinix services; a failure to receive significant revenue from customers in recently-acquired data centers; a failure to complete our contemplated financing arrangements; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers 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 and registration statement on Form S-3 filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.

Equinix and IBX are registered trademarks of Equinix, Inc. Internet Business Exchange is a trademark of Equinix, Inc.

Non-GAAP Financial Measures

Equinix continues to provide all information required in accordance with generally accepted accounting principles (GAAP), but it believes that evaluating its ongoing operating results may be difficult if limited to reviewing only GAAP financial measures. Accordingly, Equinix uses non-GAAP financial measures, such as EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), cash interest expense, cash net income (loss), non-GAAP net income (loss), and free cash flow to evaluate its operations. In presenting these non-GAAP financial measures, Equinix excludes certain non-cash or non-recurring items that it believes are not good indicators of the Company's current or future operating performance. These non-cash or non-recurring items are depreciation, amortization, accretion, stock-based compensation, non-cash interest, and, with respect to 2004 results, the non-cash portion of loss on debt extinguishment and conversion and restructuring charges (there were no such charges or losses in 2005). Recent legislative and regulatory changes encourage use of and emphasis on GAAP financial metrics and require companies to explain why non-GAAP financial metrics are relevant to management and investors. Equinix excludes these non-cash or non-recurring items in order for Equinix's lenders, investors, and industry analysts who review and report on the Company, to better evaluate the Company's operating performance and cash spending levels relative to its industry sector and competitor base.

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

In addition, in presenting the non-GAAP financial measures, Equinix excludes amortization expense related to certain intangible assets, as it represents a non-cash cost that may not recur and is not a good indicator of the Company's current or future operating performance. Equinix excludes accretion expense, both as it relates to its asset retirement obligations as well as its accrued restructuring charge liability, as these expenses represent costs, which Equinix believes are not meaningful in evaluating the Company's current operations. Equinix excludes non-cash stock-based compensation expense as it represents expense attributed to stock awards that have no current or future cash obligations. As such, we, and our investors and analysts, exclude this stock-based compensation expense when assessing the cash generating performance of our operations. Equinix excludes interest expense associated with the amortization of debt issuance costs and discounts, as well as the interest expense associated with its convertible secured notes as such interest expenses do not require any cash in the periods presented nor will they in future periods. Lastly, with respect to its 2004 results, Equinix excludes restructuring charges and the non-cash portion of the loss on debt extinguishment and conversion. The restructuring charges relate to the Company's decision to exit leases for excess space adjacent to several of our IBX centers, which we do not intend to build out now or in the future. The 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 restructuring charges and 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 does not provide forward-looking guidance for certain financial data, such as depreciation, amortization, accretion, stock-based compensation (with respect to 2006), net income (loss) from operations, interest income, cash generated from operating activities and cash used in investing activities, and as a result, is not able to provide a reconciliation of GAAP to non-GAAP financial measures for forward-looking data. Equinix intends to calculate the various non-GAAP financial measures in future periods consistent with how it was calculated for the three and nine months ended September 30, 2005 and 2004, presented within this press release.

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

	Three Months Ended			Nine Months Ended	
	Sept. 30, 2005	June 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
Recurring revenues	$54,291	$49,431	$40,057	$149,623	$111,811
Non-recurring revenues	3,805	3,048	2,382	9,636	6,871
Revenues	58,096	52,479	42,439	159,259	118,682
Cost of revenues	40,955	38,811	34,310	116,639	102,245
Gross profit	17,141	13,668	8,129	42,620	16,437
Operating expenses:					
Sales and marketing	4,829	5,145	4,433	14,793	13,498
General and administrative	12,078	11,027	8,294	33,594	24,544
Total operating expenses	16,907	16,172	12,727	48,387	38,042
Income (loss) from operations	234	(2,504)	(4,598)	(5,767)	(21,605)

Interest and other income (expense):					
Interest income	1,075	902	335	2,644	819
Interest expense and other	(1,928)	(1,945)	(2,352)	(6,332)	(8,765)
Loss on debt extinguishment and conversion	-	-	-	-	(16,211)
Total interest and other, net	(853)	(1,043)	(2,017)	(3,688)	(24,157)
Net loss before income taxes	(619)	(3,547)	(6,615)	(9,455)	(45,762)
Income taxes	(164)	116	-	(553)	(200)
Net loss	$(783)	$(3,431)	$(6,615)	$(10,008)	$(45,962)
Non-GAAP net income (loss) (1)	$575	$(942)	$(6,456)	$(3,717)	$(28,732)
Basic and diluted net loss per share	$(0.03)	$(0.14)	$(0.36)	$(0.43)	$(2.65)
Shares used in computing basic and diluted net loss per share	24,076	23,727	18,386	23,335	17,370

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(1) Non-GAAP net income (loss) excludes the $16,211,000 loss on debt extinguishment and conversion during the nine months ended September 30, 2004 and stock-based compensation expense for all periods presented as follows:

Net loss	$(783)	$(3,431)	$(6,615)	$(10,008)	$(45,962)
Stock-based compensation	1,358	2,489	159	6,291	1,019
Loss on debt extinguishment and conversion	-	-	-	-	16,211
Non-GAAP net income (loss)	$575	$(942)	$(6,456)	$(3,717)	$(28,732)

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

	Three Months Ended			Nine Months Ended	
	Sept. 30, 2005	June 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
Recurring revenues	$54,291	$49,431	$40,057	$149,623	$111,811
Non-recurring revenues	3,805	3,048	2,382	9,636	6,871
Revenues (1)	58,096	52,479	42,439	159,259	118,682
Cash cost of					

revenues (2)	25,119	23,317	20,659	70,365	61,510
Cash gross profit (3)	32,977	29,162	21,780	88,894	57,172
Cash operating expenses (4):					
Cash sales and marketing expenses(5)	4,566	4,676	3,958	13,599	12,029
Cash general and administrative expenses (6)	10,492	8,431	7,756	26,984	21,892
Total cash operating expenses(7)	15,058	13,107	11,714	40,583	33,921
EBITDA (8)	17,919	16,055	10,066	48,311	23,251
Cash interest and other income (expense) (9):					
Interest income	1,075	902	335	2,644	819
Cash interest expense and other (10)	(1,650)	(1,677)	(657)	(4,881)	(2,719)
Cash loss on debt extinguishment and conversion(11)	-	-	-	-	(2,505)
Income taxes	(164)	116	-	(553)	(200)
Total cash interest and other, net	(739)	(659)	(322)	(2,790)	(4,605)
Cash net income (12)	$17,180	$15,396	$9,744	$45,521	$18,646
Cash gross margins(13)	57%	56%	51%	56%	48%
EBITDA flow-through rate(14)	33%	45%	84%	57%	71%

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

U.S. revenues	$50,527	$45,384	$36,779	$137,927	$102,893
Asia-Pacific revenues	7,569	7,095	5,660	21,332	15,789
Revenues	$58,096	$52,479	$42,439	$159,259	$118,682

Revenues on a services basis is presented below:

Colocation	$40,138	$36,105	$29,161	$109,479	$81,172
Interconnection	10,527	9,845	8,193	29,696	22,513
Managed infrastructure	3,626	3,481	2,703	10,448	8,126
Recurring revenues	54,291	49,431	40,057	149,623	111,811
Non-recurring revenues	3,805	3,048	2,382	9,636	6,871
Revenues	$58,096	$52,479	$42,439	$159,259	$118,682

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

Same IBX centers	$54,776	$51,282	$40,758	$154,515	$114,491

New IBX centers	3,320	1,197	1,681	4,744	4,191
Revenues	$58,096	$52,479	$42,439	$159,259	$118,682

(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	$40,955	$38,811	$34,310	$116,639	$102,245
Depreciation, amortization and accretion expense	(15,836)	(15,494)	(13,638)	(46,274)	(40,700)
Stock-based compensation expense	-	-	(13)	-	(35)
Cash cost of revenues	$25,119	$23,317	$20,659	$70,365	$61,510

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

U.S. cash cost of revenues	$20,933	$19,339	$17,185	$58,333	$50,740
Asia-Pacific cash cost of revenues	4,186	3,978	3,474	12,032	10,770
Cash cost of revenues	$25,119	$23,317	$20,659	$70,365	$61,510

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

Same IBX centers- cash cost of revenues	$23,292	$21,390	$18,747	$65,773	$55,944
Same IBX centers- depreciation, amortization and accretion expense	14,031	14,183	13,356	42,410	39,943
Same IBX centers- stock-based compensation expense	-	-	13	-	35
Same IBX centers cost of revenues	37,323	35,573	32,116	108,183	95,922
New IBX centers- cash cost of revenues	1,827	1,927	1,912	4,592	5,566
New IBX centers- depreciation, amortization and accretion expense	1,805	1,311	282	3,864	757
New IBX centers- stock-based compensation expense	-	-	-	-	-
New IBX centers cost of revenues	3,632	3,238	2,194	8,456	6,323
Cost of revenues	$40,955	$38,811	$34,310	$116,639	$102,245

(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	$4,829	$5,145	$4,433	$14,793	$13,498
Depreciation and amortization expense	(15)	(15)	(469)	(45)	(1,418)
Stock-based compensation expense	(248)	(454)	(6)	(1,149)	(51)
Cash sales and marketing expenses	$4,566	$4,676	$3,958	$13,599	$12,029

(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	$12,078	$11,027	$8,294	$33,594	$24,544
Depreciation and amortization expense	(476)	(561)	(398)	(1,468)	(1,719)
Stock-based compensation expense	(1,110)	(2,035)	(140)	(5,142)	(933)
Cash general and administrative expenses	$10,492	$8,431	$7,756	$26,984	$21,892

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

Cash sales and marketing expenses	$4,566	$4,676	$3,958	$13,599	$12,029
Cash general and administrative expenses	10,492	8,431	7,756	26,984	21,892
	$15,058	$13,107	$11,714	$40,583	$33,921

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

U.S. cash SG&A	$12,338	$10,486	$9,500	$32,732	$27,031
Asia-Pacific cash SG&A	2,720	2,621	2,214	7,851	6,890
Cash SG&A	$15,058	$13,107	$11,714	$40,583	$33,921

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

Income (loss) from operations	$234	$(2,504)	$(4,598)	$(5,767)	$(21,605)
Depreciation, amortization and accretion expense	16,327	16,070	14,505	47,787	43,837
Stock-based compensation expense	1,358	2,489	159	6,291	1,019
Restructuring charges	-	-	-	-	-
EBITDA	$17,919	$16,055	$10,066	$48,311	$23,251

The geographic split of our EBITDA is presented below:

U.S. income (loss) from operations	$541	$(1,871)	$(3,028)	$(3,944)	$(15,230)
U.S. depreciation, amortization and accretion expense	15,357	14,941	12,963	44,515	39,333
U.S. stock-based compensation expense	1,358	2,489	159	6,291	1,019
U.S. restructuring charges	-	-	-	-	-
U.S. EBITDA	17,256	15,559	10,094	46,862	25,122
Asia-Pacific loss from operations	(307)	(633)	(1,570)	(1,823)	(6,375)
Asia-Pacific depreciation, amortization and accretion expense	970	1,129	1,542	3,272	4,504
Asia-Pacific stock-based compensation expense	-	-	-	-	-
Asia-Pacific restructuring charges	-	-	-	-	-
Asia-Pacific EBITDA	663	496	(28)	1,449	(1,871)
EBITDA	$17,919	$16,055	$10,066	$48,311	$23,251

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

Same IBX centers-income (loss) from operations	$1,008	$(232)	$(4,062)	$(1,179)	$(19,392)
Same IBX centers-depreciation, amortization and accretion expense	14,522	14,759	14,223	43,923	43,080
Same IBX centers-stock-based compensation expense	1,358	2,489	159	6,291	1,019
Same IBX centers-restructuring charges	-	-	-	-	-
Same IBX center EBITDA	16,888	17,016	10,320	49,035	24,707
New IBX centers-loss from operations	(774)	(2,272)	(536)	(4,588)	(2,213)
New IBX centers-depreciation, amortization and accretion expense	1,805	1,311	282	3,864	757
New IBX centers-stock-based compensation expense	-	-	-	-	-
New IBX centers-					

restructuring charges	-	-	-	-	-
New IBX center EBITDA	1,031	(961)	(254)	(724)	(1,456)
EBITDA	$17,919	$16,055	$10,066	$48,311	$23,251

(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	$(1,928)	$(1,945)	$(2,352)	$(6,332)	$(8,765)
Amortization of debt discounts and debt issuance costs	206	198	437	602	2,251
Non-cash interest on convertible secured notes	72	70	1,258	849	3,795
Non-cash interest expense	278	268	1,695	1,451	6,046
Cash interest expense and other	$(1,650)	$(1,677)	$(657)	$(4,881)	$(2,719)

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

Net income (loss)	$(783)	$(3,431)	$(6,615)	$(10,008)	$(45,962)
Depreciation, amortization and accretion expense	16,327	16,070	14,505	47,787	43,837
Stock-based compensation expense	1,358	2,489	159	6,291	1,019
Restructuring charges	-	-	-	-	-
Non-cash interest					

expense (defined above)	278	268	1,695	1,451	6,046
Non-cash loss on debt extinguishment and conversion (defined above)	-	-	-	-	13,706
Cash net income	$17,180	$15,396	$9,744	$45,521	$18,646

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

Our cash gross margins by geographic region is presented below:

U.S. cash gross margins	59%	57%	53%	58%	51%
Asia-Pacific cash gross margins	45%	44%	39%	44%	32%

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

Same IBX cash gross margins	57%	58%	54%	57%	51%

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

EBITDA - current period	$17,919	$16,055	$10,066	$48,311	$23,251
Less EBITDA - prior period	(16,055)	(14,337)	(7,528)	(29,957)	(4,772)
EBITDA growth	$1,864	$1,718	$2,538	$18,354	$18,479
Revenues - current period	$58,096	$52,479	$42,439	$159,259	$118,682
Less revenues - prior period	(52,479)	(48,684)	(39,423)	(126,851)	(92,507)
Revenue growth	$5,617	$3,795	$3,016	$32,408	$26,175
EBITDA flow-through rate	33%	45%	84%	57%	71%

Same IBX centers are IBX centers which have been available for customer installs for at least four full quarters. Our EBITDA flow-through rates for same IBX centers is presented below:

Same IBX EBITDA - current period	$16,888	$17,016	$10,320	$49,035	$24,707
Less same IBX EBITDA - prior period	(17,016)	(15,131)	(7,953)	(31,095)	(4,996)
Same IBX EBITDA growth	$(128)	$1,885	$2,367	$17,940	$19,711
Same IBX revenues - current period	$54,776	$51,282	$40,758	$154,515	$114,491
Less same IBX revenues - prior period	(51,282)	(48,457)	(37,996)	(121,919)	(92,134)
Same IBX revenue growth	$3,494	$2,825	$2,762	$32,596	$22,357
Same IBX EBITDA					

flow-through rate	(4%)	67%	86%	55%	88%

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

Assets	September 30, 2005	December 31, 2004
Cash, cash equivalents and investments	$108,290	$108,092
Accounts receivable, net	16,199	11,919
Property and equipment, net	371,005	343,361
Goodwill and other intangible assets, net	21,534	22,253
Debt issuance costs, net	2,621	3,164
Prepaid expenses	5,694	3,603
Deposits	5,480	6,062
Other assets	2,557	3,344
Total assets	$533,380	$501,798
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	$22,567	$19,822
Accrued restructuring charges	13,963	14,750
Accrued property and equipment	5,157	2,912
Capital lease obligation	34,715	35,204
Other debt facility	14,988	-
Convertible secured notes	1,962	35,824
Convertible subordinated debentures	86,250	86,250
Deferred installation revenue	8,100	3,745
Customer deposits	1,686	3,360
Deferred rent	24,518	22,915
Other liabilities	4,398	3,310
Total liabilities	218,304	228,092
Preferred stock	2	2
Common stock	24	19
Additional paid-in capital	836,108	776,123
Deferred stock-based compensation	(7,458)	(260)
Accumulated other comprehensive income	843	2,257
Accumulated deficit	(514,443)	(504,435)
Total stockholders' equity	315,076	273,706
Total liabilities and stockholders' equity	$533,380	$501,798

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Ending headcount by geographic region is as follows:

U.S. headcount	364	315
Asia-pacific headcount	166	153
Total headcount	530	468

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

	Three Months Ended			Nine Months Ended	
	Sept. 30, 2005	June 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
Cash flows from operating activities:					
Net loss	$(783)	$(3,431)	$(6,615)	$(10,008)	$(45,962)
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation, amortization and accretion	16,327	16,070	14,505	47,787	43,837
Amortization of stock-based compensation	1,358	2,489	159	6,291	1,019
Non-cash interest expense	278	268	1,695	1,451	6,046
Loss on debt extinguishment and conversion	-	-	-	-	16,211
Other reconciling items	100	542	1,040	1,150	3,959
Changes in operating assets and liabilities:					
Accounts receivable	(75)	(1,484)	(223)	(3,823)	(2,591)
Accounts payable and accrued expenses	1,189	2,863	1,890	4,141	2,903
Accrued restructuring charges	(480)	(486)	(295)	(1,448)	(761)
Accrued interest payable	(539)	539	(563)	(539)	(60)
Other assets and liabilities	(1,881)	779	(680)	4,034	1,685
Net cash provided by operating activities	15,494	18,149	10,913	49,036	26,286
Cash flows from investing activities:					
Purchase of Los Angeles IBX property	(34,727)	-	-	(34,727)	-
Purchases of other property and equipment	(7,079)	(9,890)	(7,621)	(22,492)	(16,783)
Accrued property and equipment	(267)	3,155	2,083	2,245	551
Net cash used in investing activities	(42,073)	(6,735)	(5,538)	(54,974)	(16,232)
Cash flows from financing activities:					
Proceeds from warrants, stock options and employee stock purchase plans	3,585	3,285	1,041	11,217	3,631
Proceeds from convertible subordinated debentures	-	-	-	-	86,250

Repayment of capital lease obligations	(167)	(163)	-	(489)	(201)
Repayment of other debt facilities	(34)	(627)	-	(3,724)	(3,326)
Repayment of credit facility	-	-	-	-	(34,281)
Repayment of senior notes	-	-	-	-	(30,475)
Debt issuance and extinguishment costs	(342)	-	(20)	(342)	(5,747)
Net cash provided by financing activities	3,042	2,495	1,021	6,662	15,851
Effect of foreign currency exchange rates on cash and cash equivalents	(202)	(16)	18	(526)	(63)
Net increase in cash, cash equivalents and investments	(23,739)	13,893	6,414	198	25,842
Cash, cash equivalents and investments at beginning of period	132,029	118,136	92,399	108,092	72,971
Cash, cash equivalents and investments at end of period	$108,290	$132,029	$98,813	$108,290	$98,813
Free cash flow (2)	$(26,579)	$11,414	$5,375	$(5,938)	$10,054
Adjusted free cash flow (3)	$8,148	$11,414	$5,375	$28,789	$10,054

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

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

Net cash provided by operating activities as presented above	$15,494	$18,149	$10,913	$49,036	$26,286
Net cash used in investing activities as presented above	(42,073)	(6,735)	(5,538)	(54,974)	(16,232)
Free cash flow	$(26,579)	$11,414	$5,375	$(5,938)	$10,054

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

Free cash flow (as defined above)	$(26,579)	$11,414	$5,375	$(5,938)	$10,054
Less purchase of Los Angeles IBX property	34,727	-	-	34,727	-
Adjusted free cash flow	$8,148	$11,414	$5,375	$28,789	$10,054

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