

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

**FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**EQUINIX, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation or Organization)

**77-0487526**  
(I.R.S. Employer  
Identification Number)

**301 Velocity Way, Fifth Floor  
Foster City, CA 94404  
(650) 513-7000**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Brandi Galvin Morandi  
General Counsel and Assistant Secretary  
Equinix, Inc.  
301 Velocity Way, Fifth Floor  
Foster City, CA 94404  
(650) 513-7000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*The Commission is requested to send copies of all communications to:*

**David T. Young  
Gunderson Dettmer Stough  
Villeneuve Franklin & Hachigian, LLP  
155 Constitution Drive  
Menlo Park, California 94025  
(650) 321-2400**

**Alan F. Denenberg  
Davis Polk & Wardwell  
1600 El Camino Real  
Menlo Park, California 94025  
(650) 752-2000**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

**CALCULATION OF REGISTRATION FEE**

| Title of each class of Securities to be Registered | Amount to be Registered(1) | Proposed Maximum Offering Price per Security | Proposed Maximum Aggregate Offering Price(1) | Amount of Registration Fee(1) |
|--|----------------------------|--|--|-------------------------------|
| Common Stock, par value \$.001 per share           | \$—                        | 100%   | \$—  | \$—                           |

(1) An indeterminate amount of securities to be offered at indeterminate prices is being registered pursuant to this registration statement. The registrant is deferring payment of the registration fee pursuant to Rule 456(b) and is omitting this information in reliance on Rule 456(b) and Rule 457(r).

The information in this prospectus is not complete and may be changed. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 14, 2007

**3,662,556 Shares**



**Common Stock**

We are offering 3,662,556 shares of our common stock. We have granted the underwriters an option to purchase up to 549,383 additional shares of our common stock from us to cover over-allotments, if any.

Concurrently with this offering, we are offering \$300,000,000 aggregate principal amount of % Convertible Subordinated Notes due 2014 (or a total of \$345,000,000 aggregate principal amount of notes if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. Those notes are not being offered by this prospectus. See "The Concurrent Offering."

Our common stock is listed on the NASDAQ Global Select Market under the symbol "EQIX." The last reported sale price of our common stock on September 13, 2007 was \$81.91 per share.

**Investing in our common stock involves risks. See "[Risk Factors](#)" beginning on page 8.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Public Offering Price  
Underwriting Discount  
Proceeds to Equinix (before expenses)

| <u>Per Share</u> | <u>Total</u> |
|------------------|--------------|
| \$               | \$           |
| \$               | \$           |
| \$               | \$           |

The underwriters expect to deliver the shares to purchasers on or about September , 2007.

Sole Book-Running Manager

**Citi**

**Credit Suisse**

**Jefferies & Company**

**UBS Investment Bank**

September , 2007

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**ABOUT THIS PROSPECTUS**

This prospectus incorporates important business and financial information about us and our subsidiaries, including our recently acquired subsidiary, IXEurope plc, that is not included in or delivered with this prospectus. Information incorporated by reference is available without charge to prospective investors upon written request to us at 301 Velocity Way, Fifth Floor, Foster City, California 94404, Attention: Investor Relations, or by telephone at (650) 513-7000.

You should rely only on the information contained or incorporated by reference in this prospectus or in any related free writing prospectus. Neither we nor the underwriters have authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer or sale of securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus is accurate as of the date appearing on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

We have not taken any action to permit an offering of our common stock outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of our common stock and the distribution of this prospectus outside of the United States.

You must comply with all applicable laws and regulations in force in any applicable jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of our common stock under the laws and regulations in force in the jurisdiction to which you are subject or in which you make your purchase, offer or sale, and neither we nor the underwriters will have any responsibility therefor.

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We reserve the right to withdraw this offering of our common stock at any time. We and the underwriters also reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of our common stock offered hereby.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Such transactions may include stabilization and the purchase of our common stock to cover short positions. For a description of these activities, see "Underwriting."

Unless expressly stated or the context otherwise requires, the terms "we," "our," "us," "the company" and "Equinix" refer to Equinix, Inc., a Delaware corporation, and its consolidated subsidiaries.

### **FORWARD-LOOKING STATEMENTS**

This prospectus, including the documents incorporated by reference herein, contains forward-looking statements that involve risks and uncertainties. Statements contained in this prospectus or incorporated by reference herein that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding Equinix's financial outlook, competitive position, business strategies, expectations, beliefs, intentions or other strategies regarding the future. All forward-looking statements included in this document are based on information available to Equinix on the date hereof, and Equinix assumes no obligation to update any such forward-looking statements. Equinix's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth in this prospectus under "Risk Factors." You should carefully consider the risks described in the "Risk Factors" section, in addition to the other information set forth in this prospectus and incorporated by reference herein, before making an investment decision.

### **WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC a registration statement on Form S-3 under the Securities Act relating to the common stock offered by this prospectus. This prospectus is a part of that registration statement, which includes additional information not contained in this prospectus.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC (including exhibits to such documents) at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public at the SEC's website at [www.sec.gov](http://www.sec.gov).

### **INCORPORATION BY REFERENCE**

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below (except the information contained in such documents to the extent "furnished" and not "filed") and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

1. Annual Report on Form 10-K for the year ended December 31, 2006, filed on February 28, 2007.
2. All information in our proxy statement filed with the SEC on April 27, 2007 to the extent incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2006.

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3. Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 2, 2007.
4. Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, filed on August 1, 2007.
5. Reports on Form 8-K, filed on August 30, 2007, September 7, 2007 and September 14, 2007.
6. A description of our common stock contained in our registration statement on Form 8-A (Registration No. 333-39752) filed on August 9, 2000.

Please refer to our Form 8-K filed on September 14, 2007 for the following information relating to IXEurope:

- Audited consolidated balance sheets of IXEurope as of December 31, 2005 and 2006 and the related consolidated income statement, consolidated statement of recognized income and expense and consolidated cash flows for each of the three years in the period ended December 31, 2006;
- Unaudited consolidated balance sheet of IXEurope as of June 30, 2007 and the related consolidated income statement, consolidated statement of recognized income and expense and consolidated cash flows for the six month periods ended June 30, 2006 and 2007;
- Management's discussion and analysis of financial condition and results of operations for IXEurope for the above periods; and
- Unaudited pro forma combined consolidated condensed financial information giving effect to the acquisition of IXEurope, as well as certain other significant transactions of Equinix that occurred or are expected to occur subsequent to June 30, 2007, as if such transactions had been completed as of January 1, 2006 for statements of operations purposes and as of June 30, 2007 for balance sheet purposes.

You may request, and we will provide you with, a copy of these filings, at no cost, by calling us at (650) 513-7000 or by writing to us at the following address:

Equinix, Inc.  
301 Velocity Way, Fifth Floor  
Foster City, CA 94404  
Attn: Investor Relations

## SUMMARY

*This summary highlights the information contained or incorporated by reference in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of our business and financial affairs, we encourage you to read this entire prospectus, including "Risk Factors," together with the documents incorporated by reference into this prospectus, which include historical and pro forma financial statements of us and IXXEurope and the notes to those financial statements, before making a decision whether to invest in our common stock.*

*Unless expressly provided, the information contained in this prospectus assumes that the underwriters' over-allotment option is not exercised*

### Overview

Equinix provides network neutral colocation, interconnection and managed services to enterprises, content companies, systems integrators and the world's largest network providers. Through our 35 Internet Business Exchange hubs, or IBX hubs, in 17 markets in the United States, Europe and the Asia-Pacific region, customers can locate their mission critical infrastructure and directly interconnect with each other for critical traffic exchange requirements. Customers choose Equinix for service reliability and the ability to access multiple networks in one location. Direct interconnection to over 200 networks, which serve more than 90% of the world's Internet routes, enables our customers to increase performance while significantly reducing costs. Based on our network neutral model and the quality of our IBX hubs, we believe we have established a critical mass of customers. We believe that this critical mass and the resulting "network effect," combined with a strong financial position, will continue to drive new customer growth and bookings. In addition to our business momentum, significant increases in overall customer demand combined with reduced supply in the data center market has resulted in strong market growth and pricing power. As a result of our largely fixed cost model, any growth in revenue from our current IBX hubs would likely drive incremental margins and increased operating cash flow.

Our network neutral business model is a key differentiator for us when compared to other large providers of colocation services. Because we do not operate a network, we are able to offer our customers direct interconnection to the largest aggregation of bandwidth providers and Internet service providers. The world's top tier Internet service providers, numerous access networks, second tier providers and international carriers, such as AOL, at&t, British Telecom, Cable & Wireless, Comcast, Deutsche Telekom, Level 3, NTT, Qwest, SingTel, Sprint and Verizon, are all currently located at our IBX hubs. Access to such a wide variety of networks has attracted nine of the top 10 Internet properties and numerous other enterprise and government customers, including Amazon.com, Bank of America, Capgemini, Citibank, Deutsche Borse Systems, Electronic Arts, Fox Interactive Media, Fujitsu Asia, Goldman Sachs, Google, IBM, McGraw Hill, Merrill Lynch, MSN, NASA, News Corporation, Salesforce.com, Sony, UBS and Yahoo!.

Our services are primarily comprised of colocation, interconnection and managed IT infrastructure services.

- Colocation services include cabinets, power, operations space and storage space for our customers' colocation needs.
- Interconnection services include cross connects and, in certain locations, switch ports on the Equinix Exchange service. These services provide scalable and reliable connectivity that allow our customers to exchange traffic directly with the service provider of their choice or directly with each other.
- Managed IT infrastructure services allow our customers to leverage our significant telecommunications expertise, maximize the benefits of our IBX hubs and optimize their infrastructure and resources.

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The colocation markets across the world have developed differently. In the United States and Asia-Pacific regions, the market for our services has historically been served by large telecommunications carriers who have bundled their telecommunications services and managed services with their colocation offerings. Over the past several years, a number of these telecommunications carriers have eliminated or reduced their colocation footprint to focus on their core businesses. Additionally, many of the competitive providers have failed to scale their businesses and have been forced to exit the market. In Europe, the market has been served by a variety of providers including traditional large telecommunications carriers as well as several network-neutral players of varying size and scale. In each of these regions, we successfully differentiate our service offerings based on our service reliability and access to multiple networks.

Equinix addresses a specific customer segment in the market, namely, those enterprise, content or network companies that need to outsource their critical infrastructure and/or to directly interconnect to multiple parties. There now exists a significant supply and demand imbalance in the customer segment we serve due to the departure or consolidation of several key players from this market, a decline in usable capacity in legacy centers which cannot adequately address the significant power needs of today's customers and a lack of new centers being built. We are focused on a valuable segment of customers who require smaller footprints and value direct interconnection. For example, although some of our larger content customers, including companies such as AOL, Google and MSN operate or are building their own data centers for their large infrastructure deployments or install large footprints in centers being built by real estate investment trusts (REITs), these customers also continue to have a presence in an Equinix data center to use our interconnection services to reach their business partners. The overall reduction in supply in the industry has led to increased pricing and accelerated demand for our centers. Although our growth is primarily driven by existing customers, we have gained many of those customers no longer served by the traditional network-based colocation providers as access to those providers' networks is also available in our IBX hubs. Strategically, we will continue to look at attractive opportunities to grow our market share and selectively improve our footprint and service offerings.

### **Our Strategy**

Our objective is to become the premier hub for enterprises, content providers and government agencies to locate their information technology infrastructure operations in order to gain maximum benefits from the choice of networks and partners in the most simple and efficient manner. Key components of our strategy include the following:

*Expand to Satisfy our Customers' Growth Needs.* Our growth is primarily driven by our existing customer base ordering new services and we plan to continue to expand in key markets based on customer demand. We currently have significant expansions underway in 11 of our 17 markets across the world. As a part of our overall expansion strategy, in September 2007, we expanded into the European market with our acquisition of IXEurope plc, a leading provider of colocation services serving 450 customers in four major markets across Europe. Our global expansion strategy is to continue to grow in select existing markets and possibly expand to additional markets based on anticipated customer demand and financial return. We conduct extensive demand studies, property due diligence and financing analysis designed to examine and optimize the mix of variables in our expansion decisions. We expect to execute this expansion strategy in a cost-effective and prudent manner through a combination of acquiring existing centers through lease or purchase, or building new centers based on key criteria, such as demand and potential financial return, in each market.

*Continue to Build upon our Critical Mass of Network Providers and Content Companies and Leverage the Network Effect.* We have assembled a critical mass of premier network providers and content companies and have become one of the core hubs of the Internet. This critical mass is a key selling point since content

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companies want to connect with a diverse set of networks to provide the best connectivity to their end-customers and network companies want to sell bandwidth to content customers and interconnect with other networks in the most efficient manner available. As networks, content providers and enterprises locate in our IBX centers, it benefits their suppliers and business partners to do so as well to gain the full economic and performance benefits of direct interconnection. These partners, in turn, pull in their business partners, creating a “network effect” of customer adoption.

*Grow our Enterprise Business.* Our customers include several large enterprises including key players in the enterprise sector, such as Bank of America, Capgemini, Citibank, Deutsche Borse Systems, Goldman Sachs, IBM, McGraw Hill, Merrill Lynch, Salesforce.com, Sony, UBS and others. Because of our unique model of direct interconnection, we have attracted a number of large enterprises who require access to multiple networks for their web-enabled applications or to access their business partners. One example is the Financial Exchange service that we offer in IBX centers globally. This service allows financial institutions, such as the Chicago Mercantile Exchange, Deutsche Borse Systems and many others the ability to directly interconnect with networks and financial trading partners to virtually eliminate delay in electronic trading environments. We expect to expand to other enterprise segments including digital media and others and drive growth into 2008.

*Promote our IBX Centers as the Highest Performance Data Centers Available.* We believe that data center reliability, power availability and network choice are the most important attributes when our customers are choosing a data center provider. Our IBX hubs are next-generation data centers and offer customers advanced security, reliability and redundancy. For example, our security design in the U.S. IBX centers includes five levels of biometrics security to access customer cages and our power infrastructure includes N+1 redundancy for all systems and has delivered 99.9999% uptime over the period from January 1, 2002 through June 30, 2007. In Europe, our centers are ISO 9000:2001 certified. Our global support staff, trained to aid customers with operational support, is available 24 hours a day, 365 days a year. We intend to continue to invest in maintenance and energy efficiency initiatives and customer service support to ensure that we can continue to provide market leading service reliability.

*Provide New Products and Services within our IBX Centers.* We plan to continue to offer additional products and services that are consistent with our business focus on colocation and interconnection services. Such services would provide additional value to our customers as they manage their infrastructure with our IBX hubs. Examples of recent new services include our IBX Link service which allows customers to easily move traffic between IBX centers located in the same metro area and the Financial Exchange service which allows direct interconnection with electronic financial exchanges.

### **Recent Developments**

#### ***IXEurope Acquisition***

On September 14, 2007, our wholly-owned subsidiary in the United Kingdom closed the purchase of the entire issued and to be issued share capital of IXEurope plc, which we refer to as the IXEurope acquisition. Under the final terms of the IXEurope acquisition, IXEurope shareholders will receive 140 British pence in cash for each IXEurope share valuing the share capital of IXEurope on a fully diluted basis at approximately 270.1 million British pounds or approximately \$548.4 million (based on exchange rates as of September 13, 2007). We have until September 28, 2007 to pay the purchase price for the IXEurope acquisition, and we plan to use the proceeds of this offering and our concurrent notes offering for that purpose. IXEurope operates data centers in the United Kingdom, France, Germany and Switzerland. Equinix will integrate IXEurope’s business and operations under the Equinix brand. The current IXEurope management team is expected to join Equinix and continue to operate the European business.



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### ***San Jose Property Acquisition***

In July 2007, we closed on the \$65.0 million conditional purchase agreement we signed in January 2007 to purchase the building and property where our original Silicon Valley IBX center is located. We refer to this transaction as the San Jose property acquisition.

### ***Chicago IBX Financing***

In July and August 2007, we received additional advances totaling \$19.1 million, bringing the cumulative loan payable to date under the Chicago IBX financing to \$88.3 million with a blended interest rate of 8.125% per annum. As a result, the remaining amount available to borrow from the Chicago IBX financing totals \$21.7 million.

### ***Asia-Pacific Financing***

In August 2007, two of our wholly-owned subsidiaries, located in Singapore and Tokyo, Japan, entered into a multi-currency credit facility agreement for approximately \$40.0 million in local currency equivalents. We refer to this transaction as the Asia-Pacific financing. The Asia-Pacific financing has a four-year term that allows these two subsidiaries to borrow up to approximately 23.0 million Singapore dollars and 2.9 billion Japanese yen during the first 12-month period with repayment to occur over the remaining three years in twelve equal quarterly installments. Amounts undrawn at the end of the first 12-month period shall be canceled and will no longer be available for borrowing. The Asia-Pacific financing bears interest at a floating rate (the relevant three-month local cost of funds for Singapore and Japan, as applicable, plus a margin ranging from 1.85% to 2.50%) with interest payable quarterly. The Asia-Pacific financing may be used by these two subsidiaries to fund capital expenditures on leasehold improvements, equipment, and other installation costs related to IBX expansion plans in Singapore and Tokyo. The Asia-Pacific financing has several financial covenants with which we must comply quarterly, is guaranteed by Equinix and is secured by the assets of the two subsidiaries. In September 2007, we borrowed approximately 18.3 million Singapore dollars at a local borrowing rate of 4.6625% and approximately 1.5 billion Japanese yen at a local borrowing rate of 2.687%. Collectively the amounts borrowed equal approximately \$24.8 million leaving approximately \$15.2 million remaining to borrow under the Asia-Pacific financing.

### **Company Information**

Our principal executive offices are located at 301 Velocity Way, Fifth Floor, Foster City, CA 94404 and our telephone number is (650) 513-7000. Our website is located at [www.equinix.com](http://www.equinix.com). Information contained on or accessible through our website is not part of this prospectus.

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**The Offering**

|  |   |
|--|---|
| Issuer   | Equinix, Inc.   |
| Common Stock offered by us                         | 3,662,556 shares  |
| Over-allotment option                              | We have granted the underwriters a 30-day option to purchase up to an additional 549,383 shares to cover over-allotments.(1)  |
| Common Stock to be outstanding after this offering | 35,413,804 shares(2)  |
| Dividend policy                                    | Holder of common stock are entitled to receive cash dividends when, and if, declared by our board of directors out of funds legally available. Since inception, we have not paid any cash dividends on common stock and we do not have any present intention to commence payment of any cash dividends. Our ability to pay cash dividends is limited under our line of credit with Silicon Valley Bank. |
| Use of Proceeds                                    | We intend to use the net proceeds of this offering, together with the net proceeds from our concurrent notes offering, to pay for our acquisition of IXEurope. We intend to use any remaining proceeds for capital expenditures, acquisitions and general corporate purposes. See "Use of Proceeds."  |
| NASDAQ Global Select Market                        | "EQIX."   |
| Risk Factors                                       | Investment in our common stock involves risks. You should carefully consider the information under "Risk Factors" and all other information included in this prospectus before buying any of our common stock.  |

- (1) Unless otherwise indicated, all information in this prospectus assumes no exercise of the over-allotment option.
- (2) Excludes 3,734,821 shares of common stock issuable upon the exercise of outstanding options and release of restricted stock and restricted stock units as of June 30, 2007, 9,490 shares of common stock issuable upon the exercise of outstanding common stock warrants as of June 30, 2007, 816,457 shares reserved for the conversion of our 2.50% convertible subordinated debentures due 2024 as of June 30, 2007, 2,231,475 shares reserved for the conversion of our 2.50% convertible subordinated notes due 2012 as of June 30, 2007 and                    shares that may be issued upon conversion of the notes offered concurrently herewith on a pro forma basis.

***Concurrent Notes Offering***

Concurrently with this offering, we are offering \$300.0 million aggregate principal amount of    % Convertible Subordinated Notes due 2014 (or a total of \$345.0 million aggregate principal amount of notes if the underwriters exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, we may increase or decrease the number of shares offered hereby and increase or decrease the aggregate principal amount of the notes offered in our concurrent notes offering or complete one offering without the other. In any event, through this offering and our concurrent notes offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

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**Summary Consolidated Financial Data**

The following summary consolidated financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and their related notes incorporated by reference into this prospectus and “Use of Proceeds” and “Capitalization.” The historical financial information presented below may not be indicative of our future performance. The historical summary consolidated financial data of IXEurope is not presented below. The audited financial statements of IXEurope for the three years ended December 31, 2006 and the unaudited financial statements of IXEurope for the six months ended June 30, 2006 and 2007 are incorporated into this prospectus by reference. The “Unaudited Pro Forma Combined Consolidated Condensed Financial Statements” are located elsewhere in this prospectus.

|   | Years Ended December 31,                      |             |             |             |            | Six Months Ended<br>June 30, |            |
|---|---|-------------|-------------|-------------|------------|------------------------------|------------|
|   | 2002  | 2003        | 2004        | 2005        | 2006       | 2006                         | 2007       |
|   | (dollars in thousands, except per share data) |             |             |             |            |                              |            |
| <b>Statement of Operations Data:</b>                          |   |             |             |             |            |                              |            |
| Revenues  | \$ 77,188                                     | \$ 117,942  | \$ 163,671  | \$ 221,057  | \$ 286,915 | \$ 133,417                   | \$ 176,946 |
| Costs and operating expenses:                                 |   |             |             |             |            |                              |            |
| Cost of revenues  | 104,073                                       | 128,121     | 136,950     | 158,354     | 188,379    | 88,908                       | 108,374    |
| Sales and marketing   | 15,247  | 19,483      | 18,604      | 20,552      | 32,619     | 15,678                       | 17,197     |
| General and administrative                                    | 30,659  | 34,293      | 32,494      | 45,110      | 72,123     | 34,855                       | 47,715     |
| Restructuring charges   | 28,885  | —           | 17,685      | 33,814      | 1,527      | —                            | 407        |
| Gain on Honolulu IBX sale                                     | —   | —           | —           | —           | (9,647)    | —                            | —          |
| Total costs and operating expenses                            | 178,864                                       | 181,897     | 205,733     | 257,830     | 285,001    | 139,441                      | 173,693    |
| Income (loss) from operations                                 | (101,676)                                     | (63,955)    | (42,062)    | (36,773)    | 1,914      | (6,024)                      | 3,253      |
| Interest income   | 998   | 296         | 1,291       | 3,584       | 6,627      | 3,341                        | 7,031      |
| Interest expense  | (35,098)                                      | (20,512)    | (11,496)    | (8,880)     | (14,875)   | (7,433)                      | (9,577)    |
| Gain (loss) on debt extinguishment and conversion             | 114,158                                       | —           | (16,211)    | —           | —          | —                            | (3,395)    |
| Income taxes  | —   | —           | (153)       | (543)       | (439)      | (600)                        | (551)      |
| Cumulative effect of a change in accounting principle         | —   | —           | —           | —           | 376        | 376                          | —          |
| Net loss  | \$ (21,618)                                   | \$ (84,171) | \$ (68,631) | \$ (42,612) | \$ (6,397) | \$ (10,340)                  | \$ (3,239) |
| Net loss per share:   |   |             |             |             |            |                              |            |
| Basic and diluted   | \$ (7.23)                                     | \$ (8.76)   | \$ (3.87)   | \$ (1.78)   | \$ (0.22)  | \$ (0.37)                    | \$ (0.11)  |
| Weighted average shares                                       | 2,990   | 9,604       | 17,719      | 23,956      | 28,551     | 28,160                       | 30,424     |
| Pro forma basic and diluted net loss per share <sup>(1)</sup> |   |             |             |             | \$ (0.20)  |                              | \$ (0.10)  |

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|  | As of June 30, 2007    |              |
|--|------------------------|--------------|
|  | Actual                 | Pro Forma(2) |
|  | (dollars in thousands) |              |
| <b>Balance Sheet Data:</b>   |                        |              |
| Cash, cash equivalents and short-term and long-term investments          | \$ 323,966             | \$ 359,922   |
| Accounts receivable, net   | 28,140                 | 40,156       |
| Property and equipment, net  | 760,175                | 958,799      |
| Total assets   | 1,175,451              | 1,908,729    |
| Capital lease and other financing obligations, excluding current portion | 91,557                 | 94,547       |
| Mortgage and loans payable, excluding current portion                    | 164,841                | 247,307      |
| Convertible debt   | 282,250                | 582,250      |
| Total stockholders' equity   | 442,674                | 727,360      |

- (1) Reflects the issuance of the shares offered hereby as if they were outstanding as of January 1, 2006.
- (2) Reflects (1) the IXEurope acquisition, (2) the sale of our common stock offered hereby, after deducting underwriting discounts and estimated offering expenses, (3) the concurrent sale of notes, after deducting underwriting discounts and estimated offering expenses, (4) the termination of the unused senior bridge loan, (5) the completion of the San Jose property acquisition, (6) additional advances during July and August 2007 under the Chicago IBX financing and (7) the Asia-Pacific financing, all of which are more fully described in the "Unaudited Pro Forma Combined Consolidated Condensed Financial Statements" included elsewhere in this prospectus. Concurrently with this offering, we are offering \$300.0 million aggregate principal amount of % convertible subordinated notes due 2014 (up to \$345.0 million aggregate principal amount of notes if the underwriters' exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, we may increase or decrease the number of shares offered hereby and increase or decrease the aggregate principal amount of the notes offered in our concurrent notes offering or complete one offering without the other. In any event, through this offering and our concurrent notes we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

## RISK FACTORS

*Any investment in our common stock involves a high degree of risk. You should consider the risks described below carefully and all of the information contained in this prospectus before deciding whether to purchase our common stock. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the events described in the following risks actually occur, our business, financial condition and results of operations could suffer. In that event, the price of our common stock could decline, and you may lose all or part of your investment in our common stock. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements."*

### Risks Related to the Acquisition of IxEurope

***We may not be able to successfully integrate IxEurope and achieve the benefits we expect from the IxEurope acquisition.***

We will only achieve the benefits that are expected to result from the IxEurope acquisition if we can successfully integrate its administrative, finance, operations, sales and marketing organizations, and implement appropriate systems and controls.

The success of the IxEurope acquisition and integration into our operations will involve a number of risks, including:

- the possible diversion of our management's attention from other business concerns, including our previously announced expansion plans in the U.S. and Asia-Pacific regions;
- the potential inability to successfully pursue some or all of the anticipated revenue opportunities associated with the IxEurope acquisition;
- the possible loss of IxEurope's key employees;
- the potential inability to achieve expected operating efficiencies in IxEurope's operations;
- the increased complexity and diversity of our operations after the IxEurope acquisition compared to our prior operations;
- the impact on our internal controls and compliance with the regulatory requirements under the Sarbanes-Oxley Act of 2002; and
- unanticipated problems, expenses or liabilities.

If we fail to integrate IxEurope successfully and/or fail to realize the intended benefits of the IxEurope acquisition, our results of operations could be materially and adversely affected. In addition, the IxEurope acquisition will result in a substantial goodwill asset, which will be subject to an annual impairment analysis. If this goodwill were to be impaired in the future, it could have a significant negative impact on our results of operations.

### Risks Related to Our Business

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

We have a significant amount of debt. As of June 30, 2007, our total indebtedness was approximately \$543.1 million, and our total indebtedness would have been \$930.2 million on a pro forma basis. Our substantial level of debt could have important consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our expansion strategy and other general corporate requirements;

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- make it more difficult for us to satisfy our obligations under our various debt instruments, including the notes;
- 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 ability to borrow additional funds, even when necessary to maintain adequate liquidity; and
- make us more vulnerable to increases in interest rates because of the variable interest rates on some of our borrowings.

The occurrence of any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

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

Although we have generated cash from operations since the quarter ended September 30, 2003, for the years ended December 31, 2004, 2005 and 2006, we incurred net losses of \$68.6 million, \$42.6 million and \$6.4 million, respectively. Furthermore, for the six months ended June 30, 2007, we incurred an additional net loss of \$3.2 million. Although our net losses have generally been decreasing in recent quarters, we are also currently investing heavily in our future growth through the build-out of several additional IBX centers and IBX center expansions. As a result, we will incur higher depreciation and other operating expenses that will negatively impact our ability to achieve and sustain profitability unless and until these new IBX centers generate enough revenue to exceed their operating costs and cover our additional overhead needed to scale our business for this anticipated growth. In addition, costs associated with the IXEurope acquisition and the integration of the two companies, as well as the additional interest expense associated with debt financing we intend to undertake to fund our growth initiatives, may also negatively impact our ability to achieve and sustain profitability. Although our goal is to achieve profitability, there can be no guarantee that we will become profitable, and we may continue to incur additional losses. Even if we achieve profitability, 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.

***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, including construction of new IBX centers beyond those expansion projects already announced. We will be required to commit substantial operational and financial resources to these IBX centers, generally 12–18 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 centers. Any of these contingencies, if they were to occur, could make it difficult for us to realize expected or reasonable returns on these investments.

***We have begun construction of new IBX centers, and may begin construction of additional new IBX centers, which could involve significant risks to our business.***

We believe that most of the pre-existing built-out data centers have already been acquired, and that there are few if any viable distressed assets available for us to acquire in our key markets today. In order to sustain our growth in these markets, we must acquire suitable land with or without structures to build our new IBX centers

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from the ground up, a “greenfield build.” Greenfield builds are currently underway in the Chicago, Los Angeles, Washington D.C. and New York metro areas. A greenfield build involves substantial planning and lead-time, much longer time to completion than we have currently experienced in our recent IBX retrofits of existing data centers, and significantly higher costs of construction, equipment and materials, which could have a negative impact on our returns. A greenfield build also requires us to carefully select and rely on the experience of one or several general contractors and associated subcontractors during the construction process. Should a general contractor or significant subcontractor experience financial or other problems during the construction process, we could experience significant delays, increased costs to complete the project and other negative impacts to our expected returns. Site selection is also a critical factor in our expansion plans, and there may not be suitable properties available in our markets with the necessary combination of high power capacity and fiber connectivity.

While we may prefer to locate new IBX centers adjacent to our existing locations, we may be limited by the inventory and location of suitable properties as well as the need for adequate power and fiber to the site. In the event we decide to build new IBX centers separate from our existing IBX centers, we may provide services to interconnect these two centers. Should these services not provide the necessary reliability to sustain service, this could result in lower interconnection revenue, lower margins and could have a negative impact on customer retention over time.

***If we are not able to generate sufficient operating cash flow or obtain external financing, our ability to fund capital expenditures or fulfill our obligations or execute expansion plans may be limited.***

Our capital expenditures, together with ongoing operating expenses and obligations to service our debts, will be a substantial drain on our cash flow and may decrease our cash balances. We regularly assess markets for external financing opportunities, including debt and equity. 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 needed debt and/or equity financing or to generate sufficient cash from operations may require us to abandon projects or curtail capital expenditures. If we curtail capital expenditures or abandon projects, we could be materially adversely affected.

***Any failure of our physical infrastructure or services 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 service. We must protect our customers’ IBX infrastructure and their equipment located in our IBX centers. We continue to acquire IBX centers not built by us. If these IBX centers and their infrastructure assets are not in the condition we believe them to be in, we may be required to incur substantial additional costs to repair or upgrade the centers. The services we provide in each of our IBX centers are subject to failure resulting from numerous factors, including:

- human error;
- physical or electronic security breaches;
- fire, earthquake, flood, tornados 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.

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Problems at one or more of our IBX centers, whether or not within our control, could result in service interruptions or significant equipment damage. For example, in the event of an unusually long period of extreme heat, we may not be able to keep certain of our centers in compliance with our stated cooling objectives or the center's cooling units could fail under the strain. The extreme temperatures could also lead to our suppliers experiencing electrical power outages or shortages. 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 centers could result in difficulty maintaining service level commitments to these customers and potential claims related to such failures. For example, for the year ended December 31, 2005, we recorded \$457,000 in service level credits to various customers, primarily associated with two separate power outages that affected our Chicago and Washington, D.C. metro area IBX centers.

If we incur significant financial commitments to our customers in connection with a loss of power, or our failure to meet other service level commitment obligations, our liability insurance may not be adequate. In addition, any loss of services, 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.

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

A portion of our managed services business in Singapore involves the processing and storage of confidential customer information. Inappropriate use of those services could jeopardize the security of customers' confidential information causing losses of data or financially impacting our customers or us and subjecting us to the risk of lawsuits. Efforts to alleviate problems caused by computer viruses or other inappropriate uses or security breaches may lead to interruptions, delays or cessation of our managed services.

There is no known prevention or defense against denial of service attacks. During a prolonged denial of service attack, Internet service may not be available for several hours, thus negatively impacting hosted customers' on-line business transactions. Affected customers might file claims against us under such circumstances. Our property and liability insurance may not be adequate to cover these customer claims.

### ***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 decline. We expect to experience significant fluctuations in our operating results in the foreseeable future due to a variety of factors, including, but not limited to:

- financing or other expenses related to the acquisition, purchase or construction of additional IBX centers;
- mandatory expensing of employee stock-based compensation, including restricted shares and units;
- financing or other expenses related to the IXEurope acquisition;
- demand for space, power and services at our IBX centers;
- changes in general economic conditions and specific market conditions in the telecommunications and Internet industries;
- costs associated with the write-off or exit of unimproved or underutilized property;



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- the provision of customer discounts and credits;
- the mix of current and proposed products and services and the gross margins associated with our products and services;
- 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 centers;
- lack of available capacity in our existing IBX centers to book new revenue or delays in opening up new or acquired IBX centers may delay our ability to book new revenue in markets which have otherwise reached capacity;
- the timing and magnitude of other operating expenses, including taxes, capital expenditures and expenses related to the expansion of sales, marketing, operations and acquisitions, if any, of complementary businesses and assets; and
- the cost and availability of adequate public utilities, including power.

Any of the foregoing factors, or other factors discussed elsewhere in this prospectus, 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. We have generated net losses every fiscal year since inception. Furthermore, for the six months ended June 30, 2007, we incurred an additional net loss of \$3.2 million. It is possible that we may not be able to generate positive 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. If this occurs, we could experience an immediate and significant decline in the trading price of our stock.

***Our inability to use our tax net operating losses will cause us to pay taxes at an earlier date and in greater amounts, which may harm our operating results.***

We believe that our ability to use our pre-2003 tax net operating losses, or NOLs, in any taxable year is subject to limitations under Section 382 of the United States Internal Revenue Code of 1986, as amended, or the Code, as a result of the significant change in the ownership of our stock that resulted from our combination with i-STT Pte Ltd and Pihana Pacific, Inc. in 2002, which we call the combination. We expect that a significant portion of our NOLs that accrued prior to December 31, 2002 will expire unused as a result of this limitation. In addition to the limitations on NOL carry-forward utilization described above, we believe that Section 382 of the Code will also significantly limit our ability to use the depreciation and amortization on our assets, as well as certain losses on the sale of our assets, to the extent that such depreciation, amortization and losses reflect unrealized depreciation that was inherent in such assets as of the date of the combination. These limitations will cause us to pay taxes at an earlier date and in greater amounts than would occur absent such limitations.

***We are exposed to potential risks from legislation requiring companies to evaluate controls under Section 404 of the Sarbanes-Oxley Act of 2002.***

Although we received an unqualified opinion regarding the effectiveness of our internal controls over financial reporting as of December 31, 2006, in the course of our ongoing evaluation of our internal controls over financial reporting, we have identified certain areas which we would like to improve and are in the process of

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evaluating and designing enhanced processes and controls to address these areas identified during our evaluation, none of which we believe constitutes or will constitute a material change. However, we cannot be certain that our efforts will be effective or sufficient for us, or our independent registered public accounting firm, to issue unqualified reports in the future, especially as our business continues to grow and evolve.

It may be difficult to design and implement effective financial controls for combined operations, and differences in existing controls of any acquired businesses, including IXEurope, may result in weaknesses that require remediation when the financial controls and reporting are combined.

Our ability to manage our operations and growth will require us to improve our operational, financial and management controls, as well as our internal reporting systems and controls. We may not be able to implement improvements to our internal reporting systems and controls in an efficient and timely manner and may discover deficiencies in existing systems and controls.

***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, 2004, 2005 and 2006, we recognized 13%, 13% and 14%, respectively, of our revenues outside North America. For the six months ended June 30, 2007, we recognized 15% of our revenues outside North America. We anticipate that the acquisition of IXEurope will increase the percentage of our revenues derived from sources outside North America.

To date, the neutrality of our IBX centers and the variety of networks available to our customers has often been a competitive advantage for us. In certain of our acquired IBX centers, in Singapore in particular, the limited number of carriers available reduces that advantage. As a result, we may need to adapt our key revenue-generating services and pricing to be competitive in that market.

We may experience gains and losses resulting from fluctuations in foreign currency exchange rates. To date, the majority of our revenues and costs have been denominated in U.S. dollars; however, the majority of revenues and costs in our international operations have been denominated in Singapore dollars, Japanese yen and Australia and Hong Kong dollars. With the completion of the IXEurope acquisition, certain of our revenues and costs will also be denominated in the British pound sterling, the euro and the Swiss franc. Although we have in the past and may decide to undertake foreign exchange hedging transactions in the future to reduce foreign currency transaction exposure, we do not currently intend to eliminate all foreign currency transaction exposure. Where our prices are denominated in U.S. dollars, our sales could be adversely affected by declines in foreign currencies relative to the U.S. dollar, thereby making our products and services more expensive in local currencies.

We are currently undergoing expansions or evaluating expansion opportunities in Europe and in the Asia-Pacific region. Undertaking and managing expansions in foreign jurisdictions may present unanticipated challenges to us. In addition, any expansion requires substantial operational and financial resources, and we may not have sufficient customer demand to support the expansion once complete. Unanticipated technological changes could also affect customer requirements for data centers and we may not have built such requirements into our expanded IBX centers. 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 from declines in the U.S. dollar relative to foreign currencies.

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

- the costs of customizing IBX centers for foreign countries;
- protectionist laws and business practices favoring local competition;

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- greater difficulty or delay in accounts receivable collection;
- difficulties in staffing and managing foreign operations, including negotiating with foreign labor unions or workers' councils;
- political and economic instability;
- our ability to obtain, transfer, or maintain licenses required by governmental entities with respect to our business; and
- compliance with evolving governmental regulation with which we have little experience.

### ***The increased use of high power density equipment may limit our ability to fully utilize our IBX centers.***

Customers are increasing their use of high-density electrical power equipment, such as blade servers, in our IBX centers which has significantly increased the demand for power on a per cabinet basis. Because most of our centers were built several years ago, the current demand for electrical power may exceed the designed electrical capacity in these centers. As electrical power, not space, is typically the limiting factor in our IBX data centers, our ability to fully utilize those IBX centers may be limited. The availability of sufficient power may also pose a risk to the successful operation of our new IBX centers. The ability to increase the power capacity of an IBX, 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 to deliver additional power to customers. Although we are currently designing and building to a much higher power specification, there is a risk that demand will continue to increase and our IBX centers could become obsolete sooner than expected.

### ***We have made, and may continue to make, acquisitions which pose integration and other risks that could harm our business.***

We have recently acquired several new IBX centers, and we may seek to acquire additional IBX centers, real estate for development of new IBX centers, or complementary businesses, such as IXEurope, products, services or technologies. As a result of these acquisitions, we may be required to incur additional debt and expenditures and issue additional shares of our common stock to pay for the acquired businesses, products, services or technologies, which may dilute our stockholders' ownership interest and may delay, or prevent, our profitability. These acquisitions may also expose us to risks such as:

- the possibility that we may not be able to successfully integrate acquired businesses or achieve the level of quality in such businesses to which our customers are accustomed;
- the possibility that additional capital expenditures may be required;
- the possibility that senior management may be required to spend considerable time negotiating agreements and integrating acquired businesses;
- the possible loss or reduction in value of acquired businesses;
- the possibility that our customers may not accept either the existing equipment infrastructure or the "look-and-feel" of a new or different IBX center;
- the possibility that carriers may find it cost-prohibitive or impractical to bring fiber and networks into a new IBX center;
- the possibility of pre-existing undisclosed liabilities regarding the property or IBX center, including but not limited to environmental or asbestos liability, of which our insurance may be insufficient or for which we may be unable to secure insurance coverage; and
- the possibility that the concentration of our IBX centers in the Silicon Valley, Los Angeles and Tokyo, Japan metro areas may increase our exposure to seismic activity, especially if these centers are located on or near fault zones.

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We cannot assure you that the price for any future acquisitions will be similar to prior IBX acquisitions. In fact, we expect acquisition costs, including capital expenditures required to build or render new IBX 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 business could be harmed by prolonged electrical power outages or shortages, increased costs of energy or general lack of availability of electrical resources.***

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

Power outages, such as those that occurred in California during 2001, the Northeast in 2003 and from the tornados on the U.S. east coast in 2004, could harm our customers and our business. We attempt to limit 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, as was the case with the power outages we experienced in our Chicago and Washington, D.C. metro area IBX centers in 2005.

In addition, global fluctuations in the price of power can increase the cost of energy, and although contractual price increase clauses may exist in some of our customer agreements, we may not be able 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 control the amount of electric 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 center designs.

***We may be forced to take steps, and may be prevented from pursuing certain business opportunities, to ensure compliance with certain tax-related covenants agreed to by us in connection with the combination.***

We agreed to a covenant in connection with the combination (which we refer to as the FIRPTA covenant) that we would use all commercially reasonable efforts to ensure that at all times from and after the closing of the combination none of our capital stock issued to STT Communications would constitute "United States real property interests" within the meaning of Section 897(c) of the Code. Under Section 897(c) of the Code, our capital stock issued to STT Communications would generally constitute "United States real property interests" at such point in time that the fair market value of the "United States real property interests" owned by us equals or exceeds 50% of the sum of the aggregate fair market values of (a) our "United States real property interests," (b) our interests in real property located outside the United States and (c) any other assets held by us which are used or held for use in our trade or business. Currently, the fair market value of our "United States real property interests" is significantly below the 50% threshold. However, in order to ensure compliance with the FIRPTA covenant, we may be limited with respect to the business opportunities we may pursue, particularly if the business opportunities would increase the amounts of "United States real property interests" owned by us or decrease the amount of other assets owned by us. In addition, we may take proactive steps to avoid our capital stock being deemed a "United States real property interest," including, but not limited to, (a) a sale-leaseback

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transaction with respect to some or all of our real property interests, or (b) the formation of a holding company organized under the laws of the Republic of Singapore which would issue shares of its capital stock in exchange for all of our outstanding stock (which would require the submission of that transaction to our stockholders for their approval and the consummation of that exchange). We will take these actions only if such actions are commercially reasonable for our stockholders and us. We have entered into an agreement with STT Communications and its affiliate pursuant to which we will no longer be bound by the FIRPTA covenant as of September 30, 2009. If we were to breach this covenant, we may be liable for damages to STT Communications.

***Increases in property taxes could adversely affect our business, financial condition and results of operations.***

Our IBX centers are subject to state and local real property taxes in the U.S. and certain of our European jurisdictions. The state and local real property taxes on our IBX centers may increase as property tax rates change and as the value of the properties are assessed or reassessed by taxing authorities. Many state and local governments are facing budget deficits, which may cause them to increase assessments or taxes. If property taxes increase, our business, financial condition and operating results could be adversely affected.

***STT Communications has voting control over a substantial portion of our stock and has influence over matters requiring stockholder consent.***

As of June 30, 2007, STT Communications, through its subsidiary, i-STT Investments (Bermuda) Ltd., had voting control over approximately 13.5% of our outstanding common stock. In addition, STT Communications is not prohibited from buying shares of our stock in public or private transactions. As a result, STT Communications is able to exercise significant control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, which could prevent or delay a third party from acquiring or merging with us.

***Our non-U.S. customers include numerous related parties of STT Communications.***

We continue to have contractual and other business relationships and may engage in material transactions with affiliates of STT Communications. Circumstances may arise in which the interests of STT Communications' affiliates may conflict with the interests of our other stockholders. In addition, entities affiliated with STT Communications make investments in various companies. They have invested in the past, and may invest in the future, in entities that compete with us. In the context of negotiating commercial arrangements with affiliates, conflicts of interest have arisen in the past and may arise, in this or other contexts, in the future. We cannot assure you that any conflicts of interest will be resolved in our favor.

***If regulated materials are discovered at centers leased or owned by us, we may be required to remove or clean-up such materials, the cost of which could be substantial.***

We are subject to various 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 removed from our property, we may be responsible

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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, 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.

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

The presence of diverse telecommunications carriers' fiber networks in our IBX 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 centers. Carriers will likely evaluate the revenue opportunity of an IBX center based on the assumption that the environment will be highly competitive. We cannot assure you that any carrier will elect to offer its services within our IBX centers or that once a carrier has decided to provide Internet connectivity to our IBX centers that it will continue to do so for any period of time. Further, many carriers are experiencing business difficulties or announcing consolidations. As a result, some carriers may be forced to downsize or terminate connectivity within our IBX centers, which could have an adverse effect on our operating results.

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

***Our networks may be vulnerable to unauthorized persons accessing our systems, which could disrupt our operations and result in the theft of our proprietary information.***

A party who is able to breach the security measures on our networks could misappropriate either our proprietary information or the personal information of our customers, or cause interruptions or malfunctions in our operations. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by breaches in security, which could have a material adverse effect on our financial performance and operating results.

***A small number of customers, including IBM, account for a significant portion of our revenues, and the loss of any of these customers could significantly harm our business, financial condition and results of operations.***

While no single customer accounted for 10% of our revenues for the year ended December 31, 2006 and the six months ended June 30, 2007, our top ten customers accounted for 25% and 24%, respectively, of our revenues during these periods. As of June 30, 2007, we had 1,373 customers. Notwithstanding our acquisition of IxEurope and the integration of its customer base with ours, we expect that a small percentage of our customers will continue to account for a significant portion of our revenues for the foreseeable future. We cannot guarantee that we will retain these customers or that they will maintain their commitments in our IBX centers at current levels. For example, although the term of our contract with IBM, our single largest customer, runs through 2011, IBM currently has the right to reduce its commitment to us pursuant to the terms and requirements of its customer agreement. If we lose any of these key customers, or if any of them decide to reduce the level of their commitment to us, our business, financial condition and results of operations could be adversely affected.

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***We resell products and services of third parties that may require us to pay for such products and services even if our customers fail to pay us for the products and services, which may have a negative impact on our operating results.***

In order to provide resale services such as bandwidth, managed services and other network management services, we contract with third party service providers. These services require us to enter into fixed term contracts for services with third party suppliers of products and services. If we experience the loss of a customer who has purchased a resale product, we will remain obligated to continue to pay our suppliers for the term of the underlying contracts. The payment of these obligations without a corresponding payment from customers will reduce our financial resources and may have a material adverse effect on our operating and financial results and cash flows.

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

Our IBX centers and other products and services must be able to differentiate themselves from those of other providers of space and services for telecommunications companies, web-hosting companies and other colocation providers. In addition to competing with neutral colocation providers, we must compete with traditional colocation providers, including local phone companies, long distance phone companies, Internet service providers and web-hosting facilities. Similarly, with respect to our other products and services, including managed services, bandwidth services and security services, we must compete with more established providers of similar services. Most of these companies have longer operating histories and significantly greater financial, technical, marketing and other resources than us.

Because of their greater financial resources, some of our competitors have the ability to adopt aggressive pricing policies, especially if they have been able to restructure their debt or other obligations. As a result, in the future, we may suffer from pricing pressure that would adversely affect our ability to generate revenues and adversely affect our operating results. In addition, these competitors could offer colocation on neutral terms, and may start doing so in the same metropolitan areas in which we have IBX centers. Some of these competitors may also provide our target customers with additional benefits, including bundled communication services, and may do so in a manner that is more attractive to our potential customers than obtaining space in our IBX centers. If these competitors were able to adopt aggressive pricing policies together with offering colocation space, our ability to generate revenues would be materially adversely affected.

We may also face competition from persons seeking to replicate our IBX concept by building new centers or converting existing centers that some of our competitors are in the process of divesting. We may continue to see increased competition for data center space and customers from large REITS who also operate in our market. We may experience competition from our landlords, some of which are REITS, in this regard. 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. Landlords/REITS may enjoy a cost effective advantage in providing services similar to those provided by our IBXs, and in addition to the risk of losing customers to these parties this could also reduce the amount of space available to us for expansion in the future. Competitors may operate more successfully or form alliances to acquire significant market share. Furthermore, enterprises that have already invested substantial resources in outsourcing arrangements may be reluctant or slow to replace, limit or compete with their existing systems by becoming a customer. Customers may also decide it is cost effective for them to build out their own data centers which could have a negative impact on our results of operations. In addition, other companies may be able to attract the same potential customers that we are targeting. Once customers are located in competitors' facilities, it may be extremely difficult to convince them to relocate to our IBX centers.

***Because we depend on the retention of key employees, failure to maintain competitive compensation packages, including equity incentives, may be disruptive to our business.***

Our success in retaining key employees and discouraging them from moving to a competitor is an important factor in our ability to remain competitive. As is common in our industry, our employees are typically compensated through grants of equity awards in addition to their regular salaries. In addition to granting equity

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awards to selected new hires, we periodically grant new equity awards to certain employees as an incentive to remain with us. To the extent we are unable to offer competitive compensation packages to our employees and adequately maintain equity incentives due to equity expensing or otherwise, and should employees decide to leave us, this may be disruptive to our business and may adversely affect our business, financial condition and results of operations.

***Because we depend on the development and growth of a balanced customer base, failure to attract 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 network service providers, site and performance management companies, and enterprise and content companies. The more balanced the customer base within each IBX 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 centers will depend on a variety of factors, including the presence of multiple carriers, the mix of products and services offered by us, the overall mix of customers, the IBX center's operating reliability and security and our ability to effectively market our services. In addition, some of our customers are, and are likely to continue to be, Internet companies that face many competitive pressures and that may not ultimately be successful. If these customers do not succeed, they will not continue to use the IBX centers. This may be disruptive to our business and may adversely affect our business, financial condition and results of operations.

***Our products and services have a long sales cycle that may materially adversely affect our business, financial condition and results of operations.***

A customer's decision to license cabinet space in one of our IBX centers and to purchase additional services typically involves a significant commitment of resources. In addition, some customers will be reluctant to commit to locating in our IBX centers until they are confident that the IBX center has adequate carrier connections. As a result, we have a long sales cycle. Furthermore, we may expend significant time and resources in pursuing a particular sale or customer that does not result in revenue. Delays due to the length of our sales cycle may materially adversely affect our business, financial condition and results of operations.

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

While we own certain of our IBX centers, others are leased under long-term arrangements with lease terms expiring at various dates ranging from 2010 to 2025. 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 centers. All of our IBX center leases have renewal options available to us. However, these renewal options provide for rent 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.

***If the market price of our stock continues to be highly volatile, the value of an investment in our common stock may decline.***

Since January 1, 2006, the closing sale price of our common stock on the NASDAQ Global Select Market ranged from \$41.43 to \$96.99 per share. The market price of the shares of our common stock has been and may continue to be highly volatile. Actual sales, or the market's perception with respect to possible sales, of a substantial number of shares of our common stock within a narrow period of time could cause our stock price to fall. Announcements by others or us may also have a significant impact on the market price of our common stock. These announcements may include:

- our operating results;
- new issuances of equity, debt or convertible debt;



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- 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 stock by securities analysts;
- purchase or development of real estate and/or additional IBX centers;
- acquisitions of complementary businesses;
- announcements with respect to the operational performance of our IBX centers;
- market conditions for telecommunications stocks in general; and
- general economic and market conditions.

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.

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

In the past, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. During the quarter ended September 30, 2001, putative shareholder class action lawsuits were filed against us, a number of our officers and directors, and several investment banks that were underwriters of our initial public offering. Similar complaints were filed against more than 300 other issuers, their officers and directors, and investment banks. The suits allege that the underwriter defendants agreed to allocate stock in our initial public offering to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases in the aftermarket at pre-determined prices. Plaintiffs allege that the prospectus for our initial public offering was false and misleading and in violation of the securities laws because it did not disclose these arrangements. A previously agreed upon settlement with the plaintiffs has been terminated. On August 14, 2007, the plaintiffs filed amended complaints in six cases selected as test, or “focus,” cases (ours is not one of the “focus” cases). Plaintiffs plan to move for class certification this fall. If plaintiffs are successful in obtaining class certification in the “focus” cases, they will also likely file an amended complaint against us. We are continuing to participate in the defense of this litigation, which may increase our expenses and divert management’s attention and resources. In addition, we may, in the future, be subject to other securities class action or similar litigation.

On June 29, 2006 and September 18, 2006, shareholder derivative actions were filed in the Superior Court of the State of California, County of San Mateo, naming Equinix as a nominal defendant and several of Equinix’s current and former officers and directors as individual defendants. These actions were consolidated, and the consolidated complaint was filed in January 2007. The consolidated complaint alleges that the individual defendants breached their fiduciary duties and violated California securities law as a result of purported backdating of stock option grants, insider trading and the preparation and approval of inaccurate financial results. Plaintiffs seek to recover, on behalf of Equinix, unspecified monetary damages, corporate governance changes, equitable and injunctive relief, restitution and fees and costs. In March 2007, the state court stayed this action in deference to a federal shareholder derivative action filed in the United States District Court for the Northern District of California in October 2006. The federal action named Equinix as a nominal defendant and several current and former officers and directors as individual defendants. This complaint alleged that the individual defendants breached their fiduciary duties and violated California and federal securities laws as a result of purported backdating of stock options, insider trading and the dissemination of false statements. On April 12, 2007, the federal action was voluntarily dismissed without prejudice pursuant to a joint stipulation entered as an

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order by the court. On May 3, 2007, the state court lifted the stay on proceedings in the state court action and set a briefing schedule permitting us to file a motion to dismiss on the grounds that plaintiffs lack standing to sue on our behalf. We filed our motion to dismiss on June 4, 2007 and appeared for a hearing on the motion on August 6, 2007. The state court recently granted our motion to dismiss and granted plaintiffs leave to amend their consolidated complaint. In addition to the pending state court derivative action, we may be subject to additional derivative or other lawsuits that may be presented on an individual or class basis alleging claims based on our stock option granting practices. Responding to, investigating and/or defending against these complaints will present a substantial cost to us in both cash and the attention of certain management. Any adverse outcome in litigation could seriously harm our business and results of operations.

### **Risks Related to Our Industry**

#### ***If the use of the Internet and electronic business does not grow, our revenues may not grow.***

Acceptance and use of the Internet may not continue to develop at historical rates and a sufficiently broad base of consumers may not adopt or continue to use the Internet and other online services as a medium of commerce. Demand for Internet services and products are subject to a high level of uncertainty and are subject to significant pricing pressure, especially in Asia-Pacific. As a result, we cannot be certain that a viable market for our IBX centers will materialize. If the market for our IBX centers grows more slowly than we currently anticipate, our revenues may not grow and our operating results could suffer.

#### ***Government regulation may adversely affect the use of the Internet and our business.***

Various laws and governmental regulations governing Internet related services, related communications services and information technologies and electronic commerce remain largely unsettled, even in areas where there has been some legislative action. This is true both in the U.S. and the various foreign countries in which we operate. It 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 services such as ours. We have limited experience with such international regulatory issues 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 compliance with, adoption or modification of, laws or regulations relating to the Internet, or interpretations of existing laws, could have a material adverse effect on our business, financial condition and results of operation.

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

The telecommunications industry is currently undergoing consolidation. As customers combine businesses, they may require less colocation space, and there may be fewer networks available to choose from. Given the competitive and evolving nature of this industry, further consolidation of our customers and/or our competitors may present a risk to our network neutral business model and have a negative impact on our revenues. In addition, increased utilization levels industry-wide could lead to a reduced amount of attractive expansion opportunities available to us.

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

The September 11, 2001 terrorist attacks in the U.S., the ensuing declaration of war on terrorism and the continued threat of terrorist activity and other acts of war or hostility appear to be having an adverse effect on business, financial and general economic conditions internationally. These effects may, in turn, increase our costs

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due to the need to provide enhanced security, 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 centers. We may not have adequate property and liability insurance to cover catastrophic events or attacks.

### **Risks Related to this Offering**

***Sales of a significant number of shares of our common stock in the public markets, or the perception of such sales, could depress the market price of our common stock.***

Sales of a substantial number of shares of our common stock or other equity-related securities in the public markets could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock. The price of our common stock could be affected by possible sales of our common stock by investors who view our equity-related securities as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity which we expect to occur involving our common stock. This hedging or arbitrage could, in turn, affect the market price of our common stock.

***Conversion of our outstanding equity-related securities and any notes sold pursuant to the concurrent notes offering will dilute the ownership interests of existing stockholders.***

Upon conversion of any notes sold pursuant to the concurrent notes offering and, to the extent we deliver shares of our common stock upon conversion of our 2.50% Convertible Subordinated Notes due 2012 or our 2.50% Convertible Subordinated Debentures due 2024, the ownership interests of existing stockholders will be diluted. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of such equity-related securities may encourage short selling by market participants because the conversion of such securities could depress the price of our common stock.

## USE OF PROCEEDS

We estimate that the proceeds from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately \$287.6 million. If the underwriters exercise in full their over-allotment option to acquire additional shares, we estimate that our net proceeds from this offering will be approximately \$330.8 million. We estimate that the net proceeds from our concurrent notes offering will be approximately \$291.3 million or \$335.1 million if the underwriters exercise their over-allotment option in full, after deducting the underwriting discounts and commissions and estimated offering expenses. It is possible that, based on market conditions, we may increase or decrease the number of shares offered hereby and increase or decrease the aggregate principal amount of the notes offered in our concurrent notes offering or complete one offering without the other. In any event, through this offering and our concurrent notes offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

We expect to use the net proceeds from this offering, together with the net proceeds of our concurrent notes offering, to fund the acquisition of IXEurope. The total amount of funds that we need to acquire IXEurope and to pay related fees and expenses is approximately \$548.4 million. We will allocate the amount of net proceeds to be used from each offering towards the acquisition at the time each offering is priced. Any net proceeds from this offering and our concurrent notes offering that are not used for the acquisition are expected to be used for capital expenditures, acquisitions or general corporate purposes. Pending application of the proceeds as described above, we intend to invest the proceeds in short-term, interest-bearing investment grade securities.

[Table of Contents](#)**CAPITALIZATION**

The following table sets forth our cash, cash equivalents, short-term and long-term investments and current portion of our indebtedness and our capitalization as of June 30, 2007:

- on an actual basis; and
- on a pro forma basis to reflect (1) the IXEurope acquisition, (2) the sale of our common stock offered hereby, after deducting underwriting discounts and estimated offering expenses, (3) the concurrent sale of notes, after deducting underwriting discounts and estimated offering expenses, (4) the termination of the unused senior bridge loan, (5) the completion of the San Jose property acquisition, (6) additional advances during July and August 2007 under the Chicago IBX financing and (7) the Asia-Pacific financing, all of which are more fully described in the “Unaudited Pro Forma Combined Consolidated Condensed Financial Statements” included elsewhere in this prospectus.

This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the “Unaudited Pro Forma Combined Consolidated Condensed Financial Statements” and our financial statements, including all related notes, included or incorporated by reference in this prospectus.

|  | As of June 30, 2007    |              |
|--|------------------------|--------------|
|  | Actual                 | Pro Forma    |
|  | (dollars in thousands) |              |
| Cash, cash equivalents and short-term and long-term investments  | \$ 323,966             | \$ 359,922   |
| Current portion of capital lease and other financing obligations   | \$ 2,197               | \$ 3,340     |
| Current portion of mortgage and loans payable  | \$ 2,288               | \$ 2,778     |
| Long-term debt, net of current portion:  |                        |              |
| Capital lease and other financing obligations  | \$ 91,557              | \$ 94,547    |
| Mortgage and loans payable   | 164,841                | 247,307      |
| 2.50% convertible subordinated debentures due 2024 <sup>(1)</sup>  | 32,250                 | 32,250       |
| 2.50% convertible subordinated notes due 2012 <sup>(2)</sup>   | 250,000                | 250,000      |
| % convertible subordinated notes due 2014 offered concurrently herewith <sup>(3)</sup>   | —                      | 300,000      |
| Total long-term debt   | 538,648                | 924,104      |
| Stockholders’ equity:  |                        |              |
| Preferred stock, \$0.001 par value per share; 100,000,000 shares authorized actual and pro forma; no shares issued and outstanding actual and pro forma  | —                      | —            |
| Common stock, \$0.001 par value per share; 300,000,000 shares authorized actual and pro forma; 31,751,248 shares issued and outstanding actual and 35,413,804 shares issued and outstanding pro forma <sup>(4)</sup> | 32                     | 35           |
| Additional paid-in capital   | 995,555                | 1,283,102    |
| Accumulated other comprehensive income   | 3,770                  | 3,770        |
| Accumulated deficit  | (556,683)              | (559,547)    |
| Total stockholders’ equity   | 442,674                | 727,360      |
| Total capitalization   | \$ 981,322             | \$ 1,651,464 |

(1) Our 2.50% convertible subordinated debentures due 2024 were convertible into 816,457 shares of common stock as of June 30, 2007.

(2) Our 2.50% convertible subordinated notes due 2012 were convertible into 2,231,475 shares of common stock as of June 30, 2007.

(3) The notes offered concurrently herewith are initially convertible into \_\_\_\_\_ shares of common stock.

(4) Excludes 3,734,821 shares of common stock issuable upon the exercise of outstanding options and release of restricted stock and restricted stock units as of June 30, 2007, 9,490 shares of common stock issuable

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upon the exercise of outstanding common stock warrants as of June 30, 2007, 816,457 shares reserved for the conversion of our 2.50% convertible subordinated debentures due 2024 as of June 30, 2007, 2,231,475 shares reserved for the conversion of our 2.50% convertible subordinated notes due 2012 as of June 30, 2007 and shares that may be issued upon conversion of the notes offered concurrently herewith on a pro forma basis.

Our pro forma capitalization presented above reflects the sale of \$300.0 million of our common stock offered hereby and a concurrent sale of \$300.0 million aggregate principal amount of notes, reflecting total gross proceeds to us of \$600.0 million from both offerings. It is possible that, based on market conditions, we may increase or decrease the number of shares offered hereby and increase or decrease the aggregate principal amount of the notes offered in our concurrent notes offering or complete one offering without the other. In any event, through this offering and our concurrent notes offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

**MARKET FOR OUR COMMON STOCK AND DIVIDENDS**

Our common stock is quoted on the NASDAQ Global Select Market under the symbol of "EQIX." Our common stock began trading in August 2000. The following table sets forth on a per share basis the low and high closing prices of our common stock as reported by the NASDAQ Global Select Market since January 1, 2005.

|   | <u>Low</u> | <u>High</u> |
|---|------------|-------------|
| <b>Fiscal 2007:</b>                               |            |             |
| Third Fiscal Quarter (through September 13, 2007) | \$ 81.91   | \$ 96.99    |
| Second Fiscal Quarter                             | 78.21      | 91.47       |
| First Fiscal Quarter                              | 75.38      | 90.00       |
| <b>Fiscal 2006:</b>                               |            |             |
| Fourth Fiscal Quarter                             | \$ 58.91   | \$ 82.51    |
| Third Fiscal Quarter                              | 46.37      | 63.21       |
| Second Fiscal Quarter                             | 47.70      | 65.90       |
| First Fiscal Quarter                              | 41.43      | 64.22       |
| <b>Fiscal 2005:</b>                               |            |             |
| Fourth Fiscal Quarter                             | \$ 35.31   | \$ 42.53    |
| Third Fiscal Quarter                              | 38.28      | 45.09       |
| Second Fiscal Quarter                             | 31.61      | 44.11       |
| First Fiscal Quarter                              | 40.67      | 46.27       |

The closing price of our common stock on the NASDAQ Global Select Market on September 13, 2007 was \$81.91 per share. As of August 31, 2007, we had 32,030,738 shares of our common stock issued and outstanding held by approximately 256 registered holders.

We have never declared or paid any cash dividends on our common stock and we do not anticipate paying cash dividends in the foreseeable future. We currently intend to retain our earnings, if any, for future growth. Future dividends on our common stock, if any, will be at the discretion of our board of directors and will depend on, among other things, our operations, capital requirements and surplus, general financial condition, contractual restrictions and such other factors as our board of directors may deem relevant. Our ability to pay cash dividends is limited under our line of credit with Silicon Valley Bank, such that, without the prior written consent of Silicon Valley Bank, the aggregate amount of any cash dividends may not exceed 25% of our assets.

During the six months ended June 30, 2007, we did not issue or sell any unregistered securities.

**UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**

The following unaudited pro forma combined consolidated condensed financial statements have been prepared to give effect to the acquisition by Equinix, Inc. (“Equinix” or the “Company”) of IxEurope plc (“IxEurope”) using the purchase method of accounting and the related financings to fund this acquisition with the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined consolidated condensed financial statements, as well as certain significant transactions of the Company that have occurred subsequent to June 30, 2007 consisting of (i) additional advances under the Chicago IBX Financing, (ii) the completion of the San Jose Property Acquisition and (iii) the Asia-Pacific Financing. These pro forma statements were prepared as if the acquisition and related financings and other transactions described above had been completed as of January 1, 2006 for statements of operations purposes and as of June 30, 2007 for balance sheet purposes. The combined company will operate under the Equinix name with the current management teams in place in the U.S., Europe and Asia-Pacific.

The unaudited pro forma combined consolidated condensed financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that would have actually been reported had the acquisition and related financings and other transactions described above occurred on January 1, 2006 for statements of operation purposes and as of June 30, 2007 for balance sheet purposes, nor is it necessarily indicative of the future financial position or results of operations of the combined company. The unaudited pro forma combined consolidated condensed financial statements include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of IxEurope. The final allocation of the purchase price will be determined after the completion of the acquisition and will be based upon actual net tangible and intangible assets acquired as well as liabilities assumed. The preliminary purchase price allocation for IxEurope is subject to revision as more detailed analysis is completed and additional information on the fair values of IxEurope’s assets and liabilities becomes available. Any change in the fair value of the net assets of IxEurope will change the amount of the purchase price allocable to goodwill. Additionally, changes in IxEurope’s working capital, including the results of operations from June 30, 2007 through September 14, 2007, the date the transaction was completed, will change the amount of goodwill recorded. Final purchase accounting adjustments may differ materially from the pro forma adjustments presented here.

These unaudited pro forma combined condensed financial statements are based upon the respective historical consolidated financial statements of Equinix and IxEurope, adjusted to generally accepted accounting principles in the United States of America, and should be read in conjunction with the historical consolidated financial statements of Equinix and IxEurope and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of Equinix and IxEurope incorporated in this document by reference.



**UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET**  
**AS OF JUNE 30, 2007**  
(In thousands)

|   | Historical          |                      | Pro Forma   |                     |                                   |                     |
|---|---------------------|----------------------|---|---------------------|-----------------------------------|---------------------|
|   | Equinix             | IXEurope<br>(Note 2) | IXEurope<br>Acquisition<br>Related<br>Adjustments<br>(Note 9) | Combined            | Other<br>Adjustments<br>(Note 10) | Combined            |
| <b>ASSETS</b>   |                     |                      |   |                     |                                   |                     |
| Current assets:   |                     |                      |   |                     |                                   |                     |
| Cash and cash equivalents   | \$ 234,598          | \$ 7,806             | \$ 43,069 <sup>(a)</sup>                                      | \$ 285,473          | \$ (14,919) <sup>(p)</sup>        | \$ 270,554          |
| Short-term investments  | 67,728              | —                    | —   | 67,728              | —                                 | 67,728              |
| Accounts receivable, net  | 28,140              | 12,016               | —   | 40,156              | —                                 | 40,156              |
| Prepaid expenses and other current assets                           | 9,599               | 5,364                | —   | 14,963              | —                                 | 14,963              |
| Total current assets  | 340,065             | 25,186               | 43,069  | 408,320             | (14,919)                          | 393,401             |
| Long-term investments   | 21,640              | —                    | —   | 21,640              | —                                 | 21,640              |
| Property and equipment, net   | 760,175             | 90,755               | 44,161 <sup>(b)</sup>   | 895,091             | 63,708 <sup>(q)</sup>             | 958,799             |
| Goodwill  | 16,914              | 6,513                | 399,720 <sup>(c)</sup>  | 423,147             | —                                 | 423,147             |
| Intangible assets, net  | 385                 | 408                  | 62,642 <sup>(d)</sup>   | 63,435              | —                                 | 63,435              |
| Debt issuance costs, net  | 14,603              | 4,912                | 924 <sup>(e)</sup>  | 20,439              | 614 <sup>(r)</sup>                | 21,053              |
| Other assets  | 21,669              | 12,085               | —   | 33,754              | (6,500) <sup>(s)</sup>            | 27,254              |
| Total assets  | <u>\$ 1,175,451</u> | <u>\$ 139,859</u>    | <u>\$ 550,516</u>   | <u>\$ 1,865,826</u> | <u>\$ 42,903</u>                  | <u>\$ 1,908,729</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                         |                     |                      |   |                     |                                   |                     |
| Current liabilities:  |                     |                      |   |                     |                                   |                     |
| Accounts payable and accrued expenses                               | \$ 35,425           | \$ 20,614            | \$ 17,516 <sup>(t)</sup>                                      | \$ 73,555           | \$ 614 <sup>(t)</sup>             | \$ 74,169           |
| Accrued property and equipment                                      | 71,216              | 9,432                | —   | 80,648              | —                                 | 80,648              |
| Current portion of accrued restructuring charges                    | 13,687              | —                    | —   | 13,687              | —                                 | 13,687              |
| Current portion of capital lease and other financing obligations    | 2,197               | 1,143                | —   | 3,340               | —                                 | 3,340               |
| Current portion of mortgage and loan payable                        | 2,288               | 490                  | —   | 2,778               | —                                 | 2,778               |
| Other current liabilities   | 11,903              | 9,754                | (562) <sup>(s)</sup>  | 21,095              | —                                 | 21,095              |
| Total current liabilities   | 136,716             | 41,433               | 16,954  | 195,103             | 614                               | 195,717             |
| Accrued restructuring charges, less current portion                 | 22,729              | —                    | —   | 22,729              | —                                 | 22,729              |
| Capital lease and other financing obligations, less current portion | 91,557              | 2,990                | —   | 94,547              | —                                 | 94,547              |
| Mortgage and loan payable, less current portion                     | 164,841             | 38,653               | —   | 203,494             | 43,813 <sup>(u)</sup>             | 247,307             |
| Convertible debt  | 282,250             | —                    | 300,000 <sup>(h)</sup>  | 582,250             | —                                 | 582,250             |
| Deferred rent and other liabilities                                 | 34,684              | 7,846                | (2,187) <sup>(v)</sup>  | 40,343              | (1,524) <sup>(v)</sup>            | 38,819              |
| Total liabilities   | <u>732,777</u>      | <u>90,922</u>        | <u>314,767</u>  | <u>1,138,466</u>    | <u>42,903</u>                     | <u>1,181,369</u>    |
| Stockholders' equity:   |                     |                      |   |                     |                                   |                     |
| Total stockholders' equity  | <u>442,674</u>      | <u>48,937</u>        | <u>235,749<sup>(i)</sup></u>                                  | <u>727,360</u>      | <u>—</u>                          | <u>727,360</u>      |
| Total liabilities and stockholders' equity                          | <u>\$ 1,175,451</u> | <u>\$ 139,859</u>    | <u>\$ 550,516</u>   | <u>\$ 1,865,826</u> | <u>\$ 42,903</u>                  | <u>\$ 1,908,729</u> |

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

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**UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

(In thousands, except per share data)

|  | Historical        |                      | Pro Forma   |                    |                                   |                    |
|--|-------------------|----------------------|---|--------------------|-----------------------------------|--------------------|
|  | Equinix           | IXEurope<br>(Note 3) | IXEurope<br>Acquisition<br>Related<br>Adjustments<br>(Note 9) | Combined           | Other<br>Adjustments<br>(Note 10) | Combined           |
| Revenues   | <u>\$286,915</u>  | <u>\$65,115</u>      | <u>\$ —</u>   | <u>\$352,030</u>   | <u>\$ —</u>                       | <u>\$ 352,030</u>  |
| Costs and operating expenses:                          |                   |                      |   |                    |                                   |                    |
| Cost of revenues                                       | 188,379           | 49,095               | 3,876 <sup>(k)</sup>  | 241,350            | 1,791 <sup>(w)</sup>              | 243,141            |
| Selling, general and administrative                    | 104,742           | 21,348               | 5,461 <sup>(l)</sup>  | 131,551            | —                                 | 131,551            |
| Restructuring charges                                  | 1,527             | —                    | —   | 1,527              | —                                 | 1,527              |
| Gain on Honolulu IBX sale                              | (9,647)           | —                    | —   | (9,647)            | —                                 | (9,647)            |
| Total costs and operating expenses                     | <u>285,001</u>    | <u>70,443</u>        | <u>9,337</u>  | <u>364,781</u>     | <u>1,791</u>                      | <u>366,572</u>     |
| Income (loss) from operations                          | 1,914             | (5,328)              | (9,337)   | (12,751)           | (1,791)                           | (14,542)           |
| Interest income  | 6,627             | 405                  | —   | 7,032              | —                                 | 7,032              |
| Interest expense                                       | (14,875)          | (3,063)              | (8,743) <sup>(m)</sup>  | (26,681)           | (9,131) <sup>(x)</sup>            | (35,812)           |
| Loss on extinguishment of debt                         | —                 | —                    | (2,864) <sup>(n)</sup>  | (2,864)            | —                                 | (2,864)            |
| Income taxes   | (439)             | 1,446                | —   | 1,007              | —                                 | 1,007              |
| Cumulative effect of a change in accounting principle  | 376               | —                    | —   | 376                | —                                 | 376                |
| Net loss   | <u>\$ (6,397)</u> | <u>\$ (6,540)</u>    | <u>\$ (20,944)</u>  | <u>\$ (33,881)</u> | <u>\$ (10,922)</u>                | <u>\$ (44,803)</u> |
| Net loss per share—basic and diluted                   | <u>\$ (0.22)</u>  |                      |   | <u>\$ (1.05)</u>   |                                   | <u>\$ (1.39)</u>   |
| Shares used in per share calculation—basic and diluted | <u>28,551</u>     |                      | <u>3,663<sup>(e)</sup></u>                                    | <u>32,214</u>      |                                   | <u>32,214</u>      |

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

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**UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2007**

(In thousands, except per share data)

|  | Historical        |                      | Pro Forma   |                    |                                   |                    |
|--|-------------------|----------------------|---|--------------------|-----------------------------------|--------------------|
|  | Equinix           | IXEurope<br>(Note 3) | IXEurope<br>Acquisition<br>Related<br>Adjustments<br>(Note 9) | Combined           | Other<br>Adjustments<br>(Note 10) | Combined           |
| Revenues   | <u>\$176,946</u>  | <u>\$49,465</u>      | <u>\$ —</u>   | <u>\$226,411</u>   | <u>\$ —</u>                       | <u>\$226,411</u>   |
| Costs and operating expenses:                          |                   |                      |   |                    |                                   |                    |
| Cost of revenues                                       | 108,374           | 35,078               | 2,078 <sup>(k)</sup>  | 145,530            | 874 <sup>(w)</sup>                | 146,404            |
| Selling, general and administrative                    | 64,912            | 12,345               | 2,928 <sup>(i)</sup>  | 80,185             | —                                 | 80,185             |
| Restructuring charges                                  | 407               | —                    | —   | 407                | —                                 | 407                |
| Total costs and operating expenses                     | <u>173,693</u>    | <u>47,423</u>        | <u>5,006</u>  | <u>226,122</u>     | <u>874</u>                        | <u>226,996</u>     |
| Income (loss) from operations                          | 3,253             | 2,042                | (5,006)   | 289                | (874)                             | (585)              |
| Interest income  | 7,031             | 537                  | —   | 7,568              | —                                 | 7,568              |
| Interest expense                                       | (9,577)           | (1,503)              | (4,371) <sup>(m)</sup>  | (15,451)           | (2,852) <sup>(s)</sup>            | (18,303)           |
| Loss on conversion of debt                             | (3,395)           | —                    | —   | (3,395)            | —                                 | (3,395)            |
| Income taxes   | (551)             | (415)                | —   | (966)              | —                                 | (966)              |
| Net income (loss)                                      | <u>\$ (3,239)</u> | <u>\$ 661</u>        | <u>\$ (9,377)</u>   | <u>\$ (11,955)</u> | <u>\$ (3,726)</u>                 | <u>\$ (15,681)</u> |
| Net loss per share—basic and diluted                   | <u>\$ (0.11)</u>  |                      |   | <u>\$ (0.35)</u>   |                                   | <u>\$ (0.46)</u>   |
| Shares used in per share calculation—basic and diluted | <u>30,424</u>     |                      | <u>3,663<sup>(o)</sup></u>                                    | <u>34,087</u>      |                                   | <u>34,087</u>      |

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

## NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The unaudited pro forma combined consolidated condensed financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission.

### 1. BASIS OF PRO FORMA PRESENTATION

In June 2007, a wholly-owned subsidiary of the Company announced an offer to purchase all of the entire issued and to be issued share capital of IXEurope (“the IXEurope Acquisition”). Under the final terms of the IXEurope Acquisition, IXEurope shareholders will receive 140 British pence in cash for each IXEurope share valuing the share capital of IXEurope on a fully diluted basis at approximately 270,100,000 British pounds or approximately \$540,632,000 (as translated using effective exchange rates at June 30, 2007); however, fully-diluted shares of IXEurope held by IXEurope’s two top officers representing 1,974,000 British pounds of the total purchase price will not be paid in cash upon closing. Instead, equity awards of the Company’s Stock with a fair value of 1,974,000 British pounds or approximately \$3,951,000 (as translated using effective exchange rates at June 30, 2007) will be issued to the two top officers of IXEurope and are subject to vesting based on continuous employment through the end of 2008, as well as certain performance criteria of IXEurope (the “IXEurope Equity Compensation”). The IXEurope Equity Compensation will not be accounted for as part of the purchase price of IXEurope. Rather, the IXEurope Equity Compensation will be expensed into operations of the combined company post-acquisition as stock-based compensation over the vesting life of such awards. As a result, the actual cash purchase price for the IXEurope Acquisition is 268,126,000 British pounds or approximately \$536,681,000 (also as translated using effective exchange rates at June 30, 2007). IXEurope operates data centers in the United Kingdom, France, Germany and Switzerland. The combined company will operate under the Equinix name with the current management teams in place in the U.S., Europe and Asia-Pacific. The IXEurope Acquisition will be accounted for using the purchase method of accounting in accordance with Statement of Financial Accounting Standard No. 141, “Business Combinations” (“SFAS 141”).

Although the IXEurope Acquisition closed on the morning of September 14, 2007, the Company does not have to pay the consideration for the IXEurope Acquisition until September 28, 2007. In addition, the Company will not have completed its preliminary accounting for the IXEurope Acquisition until it reports its 2007 third quarter results in the Company’s quarterly report on Form 10-Q for the quarterly period ended September 30, 2007.

In order to provide cash to fund the IXEurope Acquisition, the Company entered into the Senior Bridge Loan for a principal amount of \$500,000,000 in June 2007. However, the Company does not intend to use the Senior Bridge Loan to pay for the IXEurope Acquisition. Instead, the Company intends to pay for the IXEurope Acquisition with the proceeds from a combination of (i) the proposed sale of 3,662,556 shares of the Company’s common stock at an assumed offering price of \$81.91 per share (the “Common Stock Offering”) and (ii) the proposed sale of the Company’s Convertible Subordinated Notes due 2014 (the “Convertible Debt Offering”) (collectively, the “New Public Offerings”). For purposes of the pro forma results contained herein, the Company has assumed that the Senior Bridge Loan will be terminated unused (the Senior Bridge Loan and New Public Offerings are collectively referred to herein as the “IXEurope Acquisition Financings”). Concurrently with this offering, the Company is offering \$300.0 million aggregate principal amount of convertible subordinated notes due 2014 (up to \$345.0 million aggregate principal amount of notes if the underwriters’ exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, the Company may increase or decrease the number of shares offered hereby and increase or decrease the aggregate principal amount of the notes offered in its concurrent notes offering or do one offering without the other. In any event, through this offering and the Company’s concurrent notes offering the Company intends to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters’ over-allotment option for each offering is exercised in full). To the extent the Company enters into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

In addition to the IxEurope Acquisition and IxEurope Acquisition Financings, the pro forma results contained herein also reflect the following significant transactions of the Company that have occurred subsequent to June 30, 2007 consisting of (i) additional advances under the Chicago IBX Financing, (ii) the completion of the San Jose Property Acquisition and (iii) the Asia-Pacific Financing as more fully discussed below (collectively, the "Other Significant Subsequent Events").

The unaudited pro forma combined consolidated condensed balance sheet as of June 30, 2007, was prepared by combining the historical unaudited consolidated condensed balance sheet data as of June 30, 2007 for Equinix and IxEurope, as adjusted to comply with generally accepted accounting principles in the United States or U.S. GAAP, as if the IxEurope Acquisition, IxEurope Acquisition Financings and Other Significant Subsequent Events had been consummated on that date. In addition to certain U.S. GAAP adjustments, certain balance sheet reclassifications have also been reflected in order to conform IxEurope's balance sheet with the company's balance sheet presentation. Refer to Note 2 for a discussion of these U.S. GAAP and reclassification adjustments.

The unaudited pro forma combined consolidated condensed statement of operations for the year ended December 31, 2006 and for the six months ended June 30, 2007 combines the results of operations of Equinix and IxEurope, as adjusted to comply with U.S. GAAP, as if the IxEurope Acquisition, IxEurope Acquisition Financings and Other Significant Subsequent Events had been consummated on January 1, 2006. In addition to certain U.S. GAAP adjustments, certain statements of operations reclassifications have also been reflected in order to conform with the Company's statements of operations presentation. Refer to Note 3 for a discussion of these U.S. GAAP and reclassification adjustments.

In July and August 2007, the Company entered into forward contracts to purchase 265,156,000 British pounds at an average forward rate of 2.020007, or the equivalent of \$541,617,000, to be delivered in September 2007, for purposes of hedging a portion of the purchase price of the IxEurope Acquisition (the "IxEurope Acquisition Foreign Exchange Hedge"). The Company will be accounting for these forward contracts under the Company's current accounting policies for hedging activities as disclosed in the Company's last annual report on Form 10-K, which are based on the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. The effects of the IxEurope Acquisition Foreign Exchange Hedge have not been reflected in the pro forma statements of operations as the hedge is directly attributable to the acquisition and is non-recurring. Upon closing and completing its accounting for the IxEurope Acquisition, the Company will record a foreign exchange gain or loss in its statement of operations based on the prevailing exchange rate between U.S. dollars and British pounds on such date. For example, if on the closing date the exchange rate increases 5%, the Company will record a foreign exchange gain of \$26.8 million; however, if the exchange rate decreases 5%, the Company will record a foreign exchange loss of \$26.8 million.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

**2. IXEUROPE BALANCE SHEET**

IXEurope's consolidated financial statements were prepared in accordance with international financial reporting standards or IFRS, which differ in certain material respects from U.S. GAAP. IXEurope also classified certain amounts differently than Equinix in their consolidated balance sheet. The following schedule summarizes the necessary material adjustments to conform the IXEurope consolidated balance sheet as of June 30, 2007 to U.S. GAAP and to reclassify certain amounts to Equinix's basis of presentation (in thousands):

|   | Local Currency—GBP        |                                | USD                      |                          |
|---|---------------------------|--------------------------------|--------------------------|--------------------------|
|   | Local<br>GAAP<br>IXEurope | Adjustments                    | U.S.<br>GAAP<br>IXEurope | U.S.<br>GAAP<br>IXEurope |
| <b>ASSETS</b>   |                           |                                |                          |                          |
| Current assets:   |                           |                                |                          |                          |
| Cash and cash equivalents   | £ 5,976                   | £ (2,076) <sup>(i)</sup>       | £ 3,900                  | \$ 7,806                 |
| Accounts receivable, net  | 8,683                     | (2,680) <sup>(ii)</sup>        | 6,003                    | 12,016                   |
| Prepaid expenses and other current assets                           | —                         | 2,680 <sup>(ii)</sup>          | 2,680                    | 5,364                    |
| Total current assets  | 14,659                    | (2,076)                        | 12,583                   | 25,186                   |
| Property and equipment, net   | 43,141                    | 2,200 <sup>(iii)</sup>         | 45,341                   | 90,755                   |
| Goodwill  | —                         | 3,254 <sup>(iv)</sup>          | 3,254                    | 6,513                    |
| Intangible assets, net  | 3,726                     | (3,522) <sup>(iv)</sup>        | 204                      | 408                      |
| Debt issuance costs, net  | —                         | 2,454 <sup>(v)</sup>           | 2,454                    | 4,912                    |
| Deferred tax asset  | 626                       | (626) <sup>(vi)</sup>          | —                        | —                        |
| Other assets  | 3,336                     | 2,702 <sup>(vii)</sup>         | 6,038                    | 12,085                   |
| Total assets  | <u>£65,488</u>            | <u>£ 4,386</u>                 | <u>£69,874</u>           | <u>\$139,859</u>         |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                         |                           |                                |                          |                          |
| Current liabilities:  |                           |                                |                          |                          |
| Accounts payable and accrued expenses                               | £18,603                   | £ (8,304) <sup>(viii)</sup>    | £10,299                  | \$ 20,614                |
| Accrued property and equipment                                      | —                         | 4,712 <sup>(ix)</sup>          | 4,712                    | 9,432                    |
| Current portion of capital lease and other financing obligations    | —                         | 571 <sup>(x)</sup>             | 571                      | 1,143                    |
| Current portion of mortgage and loan payable                        | 816                       | (571) <sup>(x)</sup>           | 245                      | 490                      |
| Other current liabilities   | 57                        | 4,816 <sup>(xi)</sup>          | 4,873                    | 9,754                    |
| Total current liabilities   | 19,476                    | 1,224                          | 20,700                   | 41,433                   |
| Capital lease and other financing obligations, less current portion | —                         | 1,494 <sup>(xii)</sup>         | 1,494                    | 2,990                    |
| Mortgage and loan payable, less current portion                     | 18,351                    | 960 <sup>(xiii)</sup>          | 19,311                   | 38,653                   |
| Provisions  | 36                        | (36) <sup>(xiv)</sup>          | —                        | —                        |
| Deferred rent and other liabilities                                 | 1,595                     | 2,325 <sup>(xv)</sup>          | 3,920                    | 7,846                    |
| Total liabilities   | <u>39,458</u>             | <u>5,967</u>                   | <u>45,425</u>            | <u>90,922</u>            |
| Stockholders' equity:   |                           |                                |                          |                          |
| Total stockholders' equity  | <u>26,030</u>             | <u>(1,581)<sup>(xvi)</sup></u> | <u>24,449</u>            | <u>48,937</u>            |
| Total liabilities and stockholders' equity                          | <u>£65,488</u>            | <u>£ 4,386</u>                 | <u>£69,874</u>           | <u>\$139,859</u>         |

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

IXEurope's balance sheet has been translated into U.S. dollars at the June 30, 2007 exchange rate of GBP £1.00. = USD \$2.0016

The adjustments presented above to IXEurope's balance sheet are as follows:

- (i) Reflects a U.S. GAAP reclassification of restricted cash totaling £2,076,000 to other assets.
- (ii) Reflects a reclassification adjustment to segregate prepaid expenses and other current assets totaling £2,680,000 from accounts receivables, which IXEurope refers to as trade receivables.
- (iii) Reflects the following U.S. GAAP adjustments (in thousands):

|                       |        |
|-----------------------|--------|
| Installation costs    | £2,976 |
| Business combinations | (776)  |
|                       | £2,200 |

Under IFRS, installation costs related to installation fees charged to customers are expensed as incurred. Under U.S. GAAP, installation costs are deferred and amortized over the same period as the related installation fee revenue. The adjustment totaling £2,976,000 reflects the deferral of such installation costs.

Under IFRS, negative goodwill arising from a business combination is recognized directly in the statement of operations. Under U.S. GAAP, negative goodwill is allocated against the carrying value of the assets acquired, which in IXEurope's case, was predominantly property and equipment. The adjustment totaling £776,000 reflects the net impact of the allocation of negative goodwill to property and equipment.

- (iv) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|   |          |
|---|----------|
| Total goodwill and net intangible assets under IFRS | £(3,726) |
| Intangible asset reclassification adjustment        | 204      |
|   | £(3,522) |

The above reflects a reclassification separating net intangible assets from goodwill in order to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation.

|  |        |
|--|--------|
| Reclassification adjustment per above      | £3,522 |
| Business combinations U.S. GAAP adjustment | (268)  |
|  | £3,254 |

Prior to adopting IFRS in 2005, IXEurope's consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United Kingdom or U.K. GAAP. Under IFRS, IXEurope accounts for all business combinations by applying the acquisition method. In respect of business combinations that have occurred since January 1, 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. IXEurope elected not to apply IFRS 3, "Business Combinations", to business combinations that were recognized on or before January 1, 2004. As a result, the carrying value of purchased goodwill recognized under U.K. GAAP was treated as a deemed cost upon the transition to IFRS. Under U.K. GAAP, goodwill arising from acquisitions was capitalized and amortized over the period of its expected useful life of ten years. Goodwill is no longer amortized since the transition to IFRS but is

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

tested annually for impairment. Under U.S. GAAP, goodwill ceased to be an amortizable asset effective January 1, 2002. Therefore, there is a difference between U.S. GAAP and U.K. GAAP in accounting for the amortization of goodwill prior to IXEurope's adoption of IFRS, resulting in higher carrying values for goodwill under U.S. GAAP compared to IFRS. This increase in goodwill is offset by another IFRS to U.S. GAAP adjustment relating to the benefit of pre-acquisition tax losses carry-forward positions that are recognized subsequently and adjusted against the historically recognized goodwill, then intangible assets and finally reduce income tax expenses. The above adjustment totaling £268,000 represents the net adjustment to goodwill under U.S. GAAP.

- (v) Reflects a U.S. GAAP reclassification of debt issuance costs totaling £2,454,000, which are netted against the associated debt under IFRS.
- (vi) Reflects a reclassification adjustment to conform IXEurope's balance sheet presentation to Equinix's balance sheet adjustment by presenting deferred tax assets totaling £626,000 with other assets.
- (vii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|   |                |
|---|----------------|
| U.S. GAAP restricted cash reclassification adjustment | £ 2,076        |
| Deferred tax asset reclassification adjustment        | <u>626</u>     |
|   | <u>£ 2,702</u> |

The U.S. GAAP restricted cash and deferred tax asset reclassification adjustments are described above.

- (viii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|  |                 |
|--|-----------------|
| Accrued property and equipment reclassification adjustment | £(4,712)        |
| Other liabilities reclassification adjustment              | (2,873)         |
| Stock options U.S. GAAP adjustment                         | <u>(719)</u>    |
|  | <u>£(8,304)</u> |

The accrued property and equipment reclassification adjustment is made to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting this liability separately.

The other liabilities reclassification adjustment is made to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting these liabilities within other current and non-current liabilities.

The stock options U.S. GAAP adjustment reverses a liability accrued under IFRS as a liability for payroll taxes which is not recognized under U.S. GAAP until it is crystallized, which is typically when the stock option is exercised.

- (ix) Reflects the accrued property and equipment reclassification adjustment totaling £4,712,000 described above.
- (x) Reflects a reclassification adjustment totaling £571,000 in order to segregate the current portion of capital lease obligations separately from other debt in order to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation.
- (xi) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|   |                |
|---|----------------|
| Other liabilities reclassification adjustment | £ 4,254        |
| Installation revenue U.S. GAAP adjustment     | <u>562</u>     |
|   | <u>£ 4,816</u> |



**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

The other liabilities reclassification adjustment is made to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting these various other liabilities (noted in notes viii and xv) within other current liabilities.

Under IFRS, installation revenue related to installation fees is recognized upon completion of the installation and acceptance by the customer. Under U.S. GAAP, installation revenue is deferred and amortized into revenue over the longer of the contract period or the estimated customer life. The installation revenue U.S. GAAP adjustment totaling £562,000 represents the current portion of this deferred installation revenue.

(xii) Reflects a reclassification adjustment totaling £1,494,000 in order to segregate the non-current portion of capital lease obligations separately from other debt in order to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation.

(xiii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|  |              |
|--|--------------|
| U.S. GAAP debt issuance cost reclassification adjustment | £ 2,454      |
| Capital lease obligation reclassification adjustment     | (1,494)      |
|  | <u>£ 960</u> |

The U.S. GAAP debt issuance cost and capital lease obligation reclassification adjustments are described above.

(xiv) Represents a reclassification adjustment totaling £36,000 made to conform IXEurope's balance sheet presentation to Equinix's balance sheet presentation by presenting these provisions within other liabilities.

(xv) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|   |                |
|---|----------------|
| Installation revenue U.S. GAAP adjustment     | £ 3,670        |
| Provisions reclassification adjustment        | 36             |
| Other liabilities reclassification adjustment | (1,381)        |
|   | <u>£ 2,325</u> |

The installation revenue U.S. GAAP adjustment totaling £3,670,000 represents the non-current portion of this deferred installation revenue adjustment described above.

The provisions and other liabilities reclassification adjustments are described above.

(xvi) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|   |                 |
|---|-----------------|
| Stock options U.S. GAAP adjustment                            | £ 719           |
| Business combination U.S. GAAP adjustment                     | (761)           |
| Installation revenue and cost U.S. GAAP adjustment            | (845)           |
| Valuation allowance for deferred tax on U.S. GAAP adjustments | (694)           |
|   | <u>£(1,581)</u> |

The stock options, business combination and installation revenue and cost U.S. GAAP adjustments are described above. These amounts represent the net impact of such adjustments to stockholders' equity.

The valuation allowance for deferred tax on U.S. GAAP adjustments represents the cumulative impact of the various U.S. GAAP adjustments.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

**3. IXEUROPE STATEMENTS OF OPERATION**

IXEurope's consolidated financial statements were prepared in accordance with IFRS, which differ in certain material respects from U.S. GAAP. IXEurope also classified certain amounts differently than Equinix in their consolidated statements of operations. The following schedule summarizes the necessary material adjustments to conform the IXEurope consolidated statements of operations for the year ended December 31, 2006 and the six months ended June 30, 2007 to U.S. GAAP and to reclassify certain amounts to Equinix's basis of presentation (in thousands):

|  | Local Currency—GBP        |                          | USD                      |                          |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
|  | Local<br>GAAP<br>IXEurope | Adjustments              | U.S.<br>GAAP<br>IXEurope | U.S.<br>GAAP<br>IXEurope |
| <b>STATEMENT OF OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2006</b>   |                           |                          |                          |                          |
| Revenues   | £37,335                   | £ (1,981) <sup>(i)</sup> | £35,354                  | \$65,115                 |
| Costs and operating expenses:  |                           |                          |                          |                          |
| Cost of revenues   | 22,537                    | 4,119 <sup>(ii)</sup>    | 26,656                   | 49,095                   |
| Selling, general and administrative                                    | 9,869                     | 1,722 <sup>(iii)</sup>   | 11,591                   | 21,348                   |
| IPO related expenses   | 1,179                     | (1,179) <sup>(iv)</sup>  | —                        | —                        |
| Share option charges   | 510                       | (510) <sup>(iv)</sup>    | —                        | —                        |
| Depreciation and amortization  | 5,764                     | (5,764) <sup>(v)</sup>   | —                        | —                        |
| Total costs and operating expenses                                     | <u>39,859</u>             | <u>(1,612)</u>           | <u>38,247</u>            | <u>70,443</u>            |
| Loss from operations   | (2,524)                   | (369)                    | (2,893)                  | (5,328)                  |
| Interest income  | 138                       | 82 <sup>(vi)</sup>       | 220                      | 405                      |
| Interest expense   | (1,863)                   | 200 <sup>(vii)</sup>     | (1,663)                  | (3,063)                  |
| Income taxes   | 809                       | (24) <sup>(viii)</sup>   | 785                      | 1,446                    |
| Net loss   | <u>£ (3,440)</u>          | <u>£ (111)</u>           | <u>£ (3,551)</u>         | <u>\$ (6,540)</u>        |
| <b>STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDING JUNE 30, 2007</b> |                           |                          |                          |                          |
| Revenues   | £25,816                   | £ (773) <sup>(i)</sup>   | £25,043                  | \$49,465                 |
| Costs and operating expenses:  |                           |                          |                          |                          |
| Cost of revenues   | 14,498                    | 3,261 <sup>(ii)</sup>    | 17,759                   | 35,078                   |
| Selling, general and administrative                                    | 5,866                     | 384 <sup>(iii)</sup>     | 6,250                    | 12,345                   |
| Share option charges   | 1,084                     | (1,084) <sup>(iv)</sup>  | —                        | —                        |
| Depreciation and amortization  | 3,872                     | (3,872) <sup>(v)</sup>   | —                        | —                        |
| Total costs and operating expenses                                     | <u>25,320</u>             | <u>(1,311)</u>           | <u>24,009</u>            | <u>47,423</u>            |
| Income from operations   | 496                       | 538                      | 1,034                    | 2,042                    |
| Interest income  | 151                       | 121 <sup>(vi)</sup>      | 272                      | 537                      |
| Interest expense   | (761)                     | —                        | (761)                    | (1,503)                  |
| Income taxes   | (210)                     | —                        | (210)                    | (415)                    |
| Net (loss) income  | <u>£ (324)</u>            | <u>£ 659</u>             | <u>£ 335</u>             | <u>\$ 661</u>            |

IXEurope's statement of operations for the year ended December 31, 2006 has been translated into U.S. dollars at a rate of GBP £1.00 = USD \$1.8418, the average exchange rate for the year ended December 31, 2006.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

IXEurope's statement of operations for the six months ended June 30, 2007 has been translated into U.S. dollars at a rate of GBP £1.00 = USD \$1.9752, the average exchange rate for the six months ended June 30, 2007.

The adjustments presented above to IXEurope's statements of operations are as follows:

- (i) Under IFRS, installation revenue related to installation fees is recognized upon completion of the installation and acceptance by the customer. Under U.S. GAAP, installation revenue is deferred and amortized into revenue over the longer of the contract period or the estimated customer life. These adjustments totaling £1,981,000 for the year ended December 31, 2006 and £773,000 for the six months ended June 30, 2007 represent the impact of deferring this installation revenue.
- (ii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|   | Year ended<br>December 31,<br>2006 | Six months ended<br>June 30,<br>2007 |
|---|------------------------------------|--------------------------------------|
| Depreciation and amortization reclassification adjustment | £ 5,638                            | £ 3,761                              |
| Installation cost U.S. GAAP adjustment                    | (1,519)                            | (500)                                |
|   | <u>£ 4,119</u>                     | <u>£ 3,261</u>                       |

Reflects a reclassification of a portion of depreciation and amortization expense to cost of revenues as noted below.

Under IFRS, installation costs related to installation fees charged to customers are expensed as incurred. Under U.S. GAAP, installation costs are capitalized and amortized over the same period as the related installation fee revenue. The installation cost U.S. GAAP adjustments noted above reflects the capitalization of such installation costs.

- (iii) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|   | Year ended<br>December 31,<br>2006 | Six months ended<br>June 30,<br>2007 |
|---|------------------------------------|--------------------------------------|
| Share option charge reclassification adjustment           | £ 510                              | £ 1,084                              |
| Stock options U.S. GAAP adjustment                        | —                                  | (719)                                |
| IPO related expenses reclassification adjustment          | 1,179                              | —                                    |
| Depreciation and amortization reclassification adjustment | 33                                 | 19                                   |
|   | <u>£ 1,722</u>                     | <u>£ 384</u>                         |

Reflects a reclassification of share option charges to selling, general and administrative expenses.

The stock options U.S. GAAP adjustment totaling £719,000 for the six months ended June 30, 2007 is described above in Note 2.

Reflects a reclassification of IPO related expenses totaling £1,179,000 for the year ended December 31, 2006 to selling, general and administrative expenses.

Reflects a reclassification of a portion of depreciation and amortization expense to selling, general and administrative expenses as noted below.

- (iv) Reflects the reclassifications to selling, general and administrative expenses as described above.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

(v) Reflects the following U.S. GAAP and reclassification adjustments (in thousands):

|  | Year ended<br>December 31,<br>2006 | Six months ended<br>June 30,<br>2007 |
|--|------------------------------------|--------------------------------------|
| Depreciation and amortization per IFRS                     | £ 5,764                            | £ 3,872                              |
| Business combinations U.S. GAAP adjustment                 | (93)                               | (92)                                 |
| <b>Total depreciation and amortization under U.S. GAAP</b> | <b>£ 5,671</b>                     | <b>£ 3,780</b>                       |
| Cost of revenues   | £ 5,638                            | £ 3,761                              |
| Selling, general and administrative                        | 33                                 | 19                                   |
| <b>Total depreciation and amortization under U.S. GAAP</b> | <b>£ 5,671</b>                     | <b>£ 3,780</b>                       |

Under IFRS, negative goodwill arising from a business combination is recognized directly in the statement of operations. Under U.S. GAAP, negative goodwill is allocated against the carrying value of the long-lived assets acquired, which in IXEurope's case, was property and equipment. The business combinations U.S. GAAP adjustments above reflect the depreciation impact of the allocation of this negative goodwill to property and equipment for both periods presented.

- (vi) Under IFRS, gains and losses arising from changes in the fair value of a derivative are recognized as they arise in profit or loss unless the derivative is the hedging instrument in a qualifying hedge. IXEurope entered into one hedge relationship using interest rate swaps to hedge the variability in cash flows on variable rate debt (cash flow hedges). U.S. GAAP principles are similar to IFRS. There are, however, differences in their detailed application. In particular, U.S. GAAP requires effectiveness testing to be performed at least quarterly. As a result, the IXEurope has not designated any hedge relationships for U.S. GAAP purposes. Therefore, all changes in fair value of the interest rate swaps are recognized in the statements of operation. As a result, these adjustments reflect the changes in fair value of such interest rate swaps, which is an increase to interest income for both periods presented.
- (vii) Under IFRS, a shareholder loan and some convertible deep discount bonds that IXEurope had outstanding during the first half of 2006 were recorded at fair value on January 1, 2005, being the transition date for International Accounting Standard or, IAS 32, "Financial Instruments: Presentation" and IAS 39, "Financial Instruments: Recognition and Measurement." The fair value at that date was then allocated between the liability and equity components. Subsequently the debt component is accounted for as a financial liability measured at amortized cost and the amount credited directly to equity is not subsequently remeasured. Under U.S. GAAP, the conversion features are not separated from the shareholder loan and convertible deep discount bonds. Under U.S. GAAP since the shareholder loan is non-interest bearing, the difference between the proceeds received and the present value of the repayments due has been recorded as a capital contribution. The adjustment totaling £200,000 for the year ended December 31, 2006 represents a corresponding adjustment to interest expense under U.S. GAAP related to this shareholder loan and convertible deep discount bonds, which were converted into equity during the first half of 2006.
- (viii) Represents the income tax effects of the various U.S. GAAP adjustments.

**4. PURCHASE PRICE—IXEUROPE**

The following represents the preliminary allocation of the purchase price over the historical net book values of the acquired assets and assumed liabilities of IXEurope as of June 30, 2007, and is for illustrative purposes only. Actual fair values will be based on financial information as of the acquisition date.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

The unaudited pro forma combined consolidated condensed financial statements reflect an estimated purchase price of approximately \$543,669,000, consisting of (a) 268,126,000 British pounds or approximately \$536,681,000 (as translated using effective exchange rates at June 30, 2007), which is payable in cash and (b) estimated direct transaction costs of \$6,988,000. The final purchase price is dependent on the exchange rates in effect at closing and actual direct acquisition costs. The final purchase price will be determined upon completion of the IXEurope Acquisition.

Under the purchase method of accounting, the total estimated purchase price is allocated to IXEurope's net tangible and intangible assets based upon their estimated fair value as of the date of completion of the merger. Based upon the estimated purchase price and the preliminary valuation, the preliminary purchase price allocation, which is subject to change based on Equinix's final analysis, is as follows (in thousands):

|                                       |                  |
|---------------------------------------|------------------|
| Cash and cash equivalents             | \$ 7,806         |
| Accounts receivable                   | 12,016           |
| Other current assets                  | 5,364            |
| Property and equipment                | 134,916          |
| Goodwill                              | 406,233          |
| Intangible asset—customer contracts   | 63,050           |
| Other assets                          | <u>12,085</u>    |
| Total assets acquired                 | 641,470          |
| Accounts payable and accrued expenses | (20,614)         |
| Accrued property and equipment        | (9,432)          |
| Current portion of capital leases     | (1,143)          |
| Current portion of loan payable       | (490)            |
| Other current liabilities             | (9,192)          |
| Capital leases, less current portion  | (2,990)          |
| Loan payable                          | (38,653)         |
| Unfavorable leases                    | (1,483)          |
| Other liabilities                     | (4,176)          |
| Estimated IXEurope transaction costs  | <u>(9,628)</u>   |
| Net assets acquired                   | <u>\$543,669</u> |

A preliminary estimate of \$63,050,000 has been allocated to customer contracts, an intangible asset with an estimated useful life of eleven years. A preliminary estimate of \$1,483,000 has been allocated to unfavorable lease liability with an estimated life of 7.5 years.

A preliminary estimate of \$406,233,000 has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," goodwill will not be amortized and will be tested for impairment at least annually. The preliminary purchase price allocation for IXEurope is subject to revision as more detailed analysis is completed and additional information on the fair values of IXEurope's assets and liabilities becomes available. Any changes in the fair value of the net assets of IXEurope will change the amount of the purchase price allocable to goodwill. Additionally, changes in IXEurope's working capital, including the results of operations from June 30, 2007 through the date the transaction is completed, will also change the amount of goodwill recorded. Final purchase accounting adjustments may therefore differ materially from the pro forma adjustments presented here.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

There were no historical transactions between Equinix and IXEurope. Certain reclassifications have been made to conform IXEurope's historical amounts to Equinix's financial statement presentation.

The pro forma adjustments do not reflect any integration adjustments to be incurred in connection with the acquisition or operating efficiencies and cost savings that may be achieved with respect to the combined entity as these costs are not directly attributable to the purchase agreement.

**5. IXEUROPE ACQUISITION FINANCINGS**

The unaudited pro forma combined consolidated condensed financial statements reflect the Senior Bridge Loan being terminated unused as described above.

As of June 30, 2007, the Company had incurred \$2,864,000 of debt issuance costs in securing the Senior Bridge Loan. Upon termination of the Senior Bridge Loan, the Company will, therefore, record a loss on extinguishment of debt totaling \$2,864,000 reflecting the immediate write-off of all such debt issuance costs.

The Common Stock Offering reflects the proposed sale of 3,622,556 shares of the Company's common stock at an assumed offering price of \$81.91 per share, resulting in anticipated net proceeds to the Company of \$287,550,000 after deducting underwriting discounts and commissions and estimated offering expenses. For purposes of these pro forma financials, the Company has assumed an estimated offering price of \$81.91, which was the closing price of the Company's common stock on September 13, 2007.

The Convertible Debt Offering reflects the proposed sale of the Company's Convertible Subordinated Notes due 2014, resulting in anticipated net proceeds to the Company of \$291,300,000 after deducting underwriting discounts and commissions and estimated offering expenses. The total assumed debt issuance costs of \$8,700,000 will be amortized to interest expense over the seven-year term of the Convertible Subordinated Notes due 2014. For purposes of these pro forma financials, the Company has assumed an interest rate of 2.50% per annum, which was the interest rate of the Company's prior convertible debt offering in March 2007. The actual interest rate of the notes will be determined at the time of the offering of the notes and may differ.

It is possible that, based on market conditions, the Company may increase or decrease the aggregate principal amount of the notes offered in the Convertible Debt Offering and increase or decrease the number of shares offered in its Common Stock Offering or complete one offering without the other. In any event, through both offerings the Company intends to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent the Company enters into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

**6. CHICAGO IBX FINANCING**

In July and August 2007, the Company received additional advances under the Chicago IBX Financing totaling \$19,063,000, bringing the cumulative Loan Payable to date to \$88,326,000 with a blended interest rate of 8.125% per annum. As a result, the remaining amount available to borrow from the Chicago IBX Financing totals \$21,674,000. The unaudited pro forma combined consolidated condensed statements of operations reflect the total Loan Payable under the Chicago IBX Financing totaling \$88,326,000 as if it had been outstanding on January 1, 2006.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

**7. SAN JOSE PROPERTY ACQUISITION**

In July 2007, the Company closed on the San Jose Property Acquisition and, as a result, took title to the property and paid the remaining amount due of \$58,732,000, including closing costs, in cash following the \$6,500,000 cash deposit paid in January 2007. In conjunction with the purchase of this property, which it formerly leased, the Company wrote-off the associated deferred rent and asset retirement obligation totaling \$1,386,000 and \$138,000, respectively, and as a result recorded property and equipment totaling \$63,708,000. The Company assessed the building, site improvements and land elements of the San Jose Property Acquisition and then assigned the relative fair value to each element. The unaudited pro forma combined consolidated condensed statements of operations reflect the San Jose Property Acquisition as if it had been purchased on January 1, 2006 and reflects increased depreciation and property tax expense, offset partially by the rent expense savings.

**8. ASIA-PACIFIC FINANCING**

In August 2007, two wholly-owned subsidiaries of the Company, located in Singapore and Tokyo, Japan, entered into an approximately \$40,000,000 multi-currency credit facility agreement or the Asia-Pacific Financing. The Asia-Pacific Financing has a four-year term that allows these two subsidiaries to borrow up to 23,250,000 Singapore dollars and 2,932,500 Japanese yen, respectively, during the first 12-month period with repayment to occur over the remaining three years in twelve equal quarterly installments. The combined total amount available for borrowing under the two currencies is approximately equal to \$40,000,000. Amounts undrawn at the end of the first 12-month period shall be canceled. The Asia-Pacific Financing has a commitment fee of 0.3% on unutilized amounts during the 12-month draw period and bears interest at a floating rate (the relevant three-month local cost of funds for Singapore and Japan, as applicable, plus 1.85%-2.50% depending on the ratio of the Company's senior indebtedness to its earnings before interest, taxes, depreciation and amortization, or EBITDA, with interest payable quarterly. The Asia-Pacific Financing may be used by these two subsidiaries to fund capital expenditures on leasehold improvements, equipment, and other installation costs related to expansion plans in Singapore and Tokyo. The Asia-Pacific Financing has several financial covenants, with which the Company must comply quarterly, is guaranteed by Equinix and is secured by certain of Equinix's Asia-Pacific assets. In September 2007, the Company borrowed 18,282,000 Singapore dollars at an initial interest rate per annum of 4.6625% and 1,476,833,000 Japanese yen at an initial interest rate per annum of 2.687%. Collectively the amounts borrowed equal approximately \$24,750,000 leaving approximately \$15,250,000 remaining to borrow under the Asia-Pacific Financing.

The debt issuance costs related to the Asia-Pacific Financing totaling approximately \$614,000 were capitalized and will be amortized to interest expense using the effective interest method over the four-year life of the Asia-Pacific Financing.

The unaudited pro forma combined consolidated condensed statements of operations reflect the advances to date under the Asia-Pacific Financing totaling \$24,750,000 as if they had been outstanding on January 1, 2006.

**9. IXEUROPE ACQUISITION RELATED PRO FORMA ADJUSTMENTS**

The accompanying unaudited pro forma combined financial statements have been prepared as if the IXEurope Acquisition and IXEurope Acquisition Financing transactions described above were completed on June 30, 2007 for balance sheet purposes and as of January 1, 2006 for statement of operations purposes.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

The unaudited pro forma combined consolidated condensed balance sheet gives effect to the following pro forma adjustments:

(a) Represents the following adjustments to cash and cash equivalents (in thousands):

|  |                  |
|--|------------------|
| Purchase price for IXEurope  | \$ (536,681)     |
| Assumed proceeds from Common Stock Offering, net of underwriting discounts and commissions                   | 288,000          |
| Assumed proceeds from Convertible Subordinated Notes due 2014, net of underwriting discounts and commissions | <u>291,750</u>   |
|  | <u>\$ 43,069</u> |

(b) Represents a net adjustment to IXEurope's property and equipment to fair value of \$44,161,000.

(c) Represents goodwill of \$406,233,000 created in the acquisition of IXEurope, offset by the \$6,513,000 write-off of IXEurope's existing goodwill on its balance sheet.

(d) Represents the addition of the customer contract intangible asset of \$63,050,000, offset by the \$408,000 write-off of IXEurope's existing intangible asset on its balance sheet.

(e) Represents the new debt issuance costs in conjunction with the Convertible Subordinated Notes due 2014 totaling \$8,700,000, offset by the \$2,864,000 write-off of debt issuance costs in conjunction with the retirement of the Senior Bridge Loan and a fair value adjustment to write-off IXEurope's debt issuance costs totaling \$4,912,000.

(f) Represents the following adjustments to accounts payable and accrued expenses (in thousands):

|   |                  |
|---|------------------|
| Accrual for Equinix's IXEurope transaction costs  | \$ 6,988         |
| Accrual for IXEurope's transaction costs  | 9,628            |
| Accrual for assumed additional issuance costs in connection with the Common Stock Offering                            | 450              |
| Accrual for assumed additional issuance costs in connection with the Convertible Subordinated Notes due 2014 offering | 450              |
|   | <u>\$ 17,516</u> |

(g) Represents an adjustment of IXEurope's other current liabilities to fair value (\$562,000) in connection with deferred installation revenue with no remaining performance obligations.

(h) Represents the gross proceeds from the Convertible Subordinated Notes due 2014 offering.

(i) Represents the following adjustments to deferred rent and other liabilities (in thousands):

|  |                  |
|--|------------------|
| Value attributed to IXEurope's unfavorable leases  | \$ 1,483         |
| Write-off of IXEurope's non-current deferred installation revenue with no remaining performance obligation | <u>(3,670)</u>   |
|  | <u>\$(2,187)</u> |

(j) Represents the following adjustments to stockholders' equity (in thousands):

|   |                  |
|---|------------------|
| Elimination of IXEurope's historical stockholders' equity                               | \$ (48,937)      |
| Net proceeds from common stock offering   | 287,550          |
| Write-off of debt issuance costs in connection with repayment of the Senior Bridge Loan | <u>(2,864)</u>   |
|   | <u>\$235,749</u> |



**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

The unaudited pro forma combined consolidated condensed statements of operation give effect to the following pro forma adjustments:

- (k) Represents additional depreciation expense in connection with the fair value adjustment to IXEurope's property and equipment offset by a nominal amount of rent expense savings as a result of the unfavorable lease liability amortization recorded in connection with the IXEurope Acquisition (in thousands):

|   | Year ended<br>December 31,<br>2006 | Six months ended<br>June 30, 2007 |
|---|------------------------------------|-----------------------------------|
| Additional depreciation expense in connection with IXEurope Acquisition | \$ 4,058                           | \$ 2,176                          |
| IXEurope unfavorable lease liability amortization                       | (182)                              | (98)                              |
|   | \$ 3,876                           | \$ 2,078                          |

- (l) Represents (i) the amortization of the IXEurope customer contract intangible in connection with the IXEurope Acquisition over an estimated useful life of ten years and (ii) additional depreciation expense in connection with the fair value adjustment to IXEurope's property and equipment as noted below (in thousands):

|   | Year ended<br>December 31,<br>2006 | Six months ended<br>June 30, 2007 |
|---|------------------------------------|-----------------------------------|
| IXEurope customer contract intangible amortization                      | \$ 5,274                           | \$ 2,828                          |
| Additional depreciation expense in connection with IXEurope acquisition | 187                                | 100                               |
|   | \$ 5,461                           | \$ 2,928                          |

- (m) Represents the additional interest expense associated with the Convertible Subordinated Notes due 2014.  
(n) Represents the write-off of the debt issuance costs in connection with the termination of the Senior Bridge Loan.  
(o) Represents the shares of common stock associated with new common stock offering as if they were outstanding as of January 1, 2006.

**10. OTHER PRO FORMA ADJUSTMENTS**

The accompanying unaudited pro forma combined financial statements have been prepared as if the Other Significant Subsequent Events transactions described above were completed on June 30, 2007 for balance sheet purposes and as of January 1, 2006 for statement of operations purposes.

The unaudited pro forma combined consolidated condensed balance sheet gives effect to the following pro forma adjustments:

- (p) Represents the following adjustments to cash and cash equivalents (in thousands):

|  |             |
|--|-------------|
| Additional proceeds from the Chicago IBX financing | \$ 19,063   |
| Purchase of San Jose property acquisition          | (58,732)    |
| Proceeds from Asia-Pacific financing               | 24,750      |
|  | \$ (14,919) |

- (q) Represents an adjustment to property and equipment as a result of the San Jose property acquisition totaling \$63,708,000.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS (continued)**

- (r) Represents the new debt issuance costs in conjunction with the Asia-Pacific Financing totaling \$614,000.
- (s) Represents the reclassification of the \$6,500,000 deposit for the San Jose Property Acquisition paid in January 2007 to property and equipment in connection with the closing of this transaction.
- (t) Represents the accrual for the new debt issuance costs in conjunction with the Asia-Pacific Financing.
- (u) Represents the additional proceeds from the Chicago IBX Financing of \$19,063,000 and proceeds from the Asia-Pacific Financing of \$24,750,000.
- (v) Represents the write-off of deferred rent and asset retirement obligations in connection with the purchase of property in connection with the San Jose property acquisition totaling \$1,524,000.

The unaudited pro forma combined consolidated condensed statements of operation give effect to the following pro forma adjustments:

- (w) Represents the additional depreciation and property tax expense as a result of the San Jose Property Acquisition offset by some savings in rent expense on this property that was previously rented.
- (x) Represents additional interest expense associated with (i) the cumulative advances from the Chicago IBX Financing and (ii) the Asia-Pacific Financing.

## CONCURRENT NOTES OFFERING

Concurrently with this offering, we are offering \$300.0 million aggregate principal amount of % convertible subordinated notes due 2014 (or a total of \$345.0 million aggregate principal amount of notes if the underwriters' exercise their over-allotment option in full) pursuant to a separate registration statement and prospectus. It is possible that, based on market conditions, we may increase or decrease the number of shares offered hereby and increase or decrease the aggregate principal amount of the notes offered in our concurrent notes offering or complete one offering without the other. In any event, through this offering and our concurrent notes offering we intend to raise gross proceeds of approximately \$600.0 million (up to \$690.0 million if the underwriters' over-allotment option for each offering is exercised in full). To the extent we enter into underwriting agreements for both offerings, the completion of each offering will be conditioned upon the concurrent completion of the other offering.

## DESCRIPTION OF CAPITAL STOCK

The following summary is a description of the material terms of our common stock and does not purport to be complete. You should read our amended and restated certificate of incorporation and our amended and restated bylaws, which are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. For information regarding how you can receive copies of these documents, please see “Where You Can Find More Information.”

### Common Stock

Our amended and restated certificate of incorporation provides that we have authority to issue up to 300,000,000 shares of common stock, par value \$0.001 per share. As of August 31, 2007, there were 32,030,738 shares of our common stock issued and outstanding.

The holders of common stock are entitled to one vote per share on all matters to be voted on by the stockholders. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the board of directors out of funds legally available for the payment of dividends. All dividends are non-cumulative. In the event of the liquidation, dissolution, or winding up of Equinix, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. The common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and nonassessable.

Our common stock is quoted on the NASDAQ Global Select Market under the symbol “EQIX.”

### Anti-takeover Effects of Provisions of the Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Delaware Law

***Certificate of Incorporation and Bylaws.*** Our amended and restated certificate of incorporation and amended and restated bylaws provide that all stockholder actions must be effected at a duly called meeting and not by a consent in writing. The bylaws also provide that, except as otherwise required by law or by our amended and restated certificate of incorporation, special meetings of the stockholders can only be called pursuant to a resolution adopted by a majority of the number of authorized members of the board of directors. Further, provisions of the amended and restated certificate of incorporation provide that the stockholders may amend most provisions of the amended and restated certificate of incorporation only with the affirmative vote of at least 66<sup>2</sup>/3% of our capital stock. Provisions of the amended and restated bylaws provide that the stockholders may amend all of the provisions of the bylaws only with the affirmative vote of at least 75% of our capital stock. In addition, our amended and restated certificate of incorporation and our amended and restated bylaws provide that the board of directors shall have the power to amend or repeal our bylaws. These provisions of our amended and restated certificate of incorporation and our amended and restated bylaws could discourage potential acquisition proposals and could delay or prevent a change in control of Equinix. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control of Equinix. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

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**Delaware Takeover Statute.** We are subject to Section 203 of the Delaware General Corporation Law, or DGCL Section 203, which regulates corporate acquisitions. DGCL Section 203 restricts the ability of certain Delaware corporations, including those whose securities are listed on NASDAQ, from engaging, under certain circumstances in a business combination with any interested stockholder for three years following the date that such stockholder became an interested stockholder. For purposes of DGCL Section 203, a business combination includes, among other things, a merger or consolidation involving Equinix and the interested stockholder and the sale of 10% or more of our assets. In general, DGCL Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person. A Delaware corporation may opt out of DGCL Section 203 with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from amendments approved by the holders of at least a majority of the corporation's outstanding voting shares. We have not opted out of the provisions of DGCL Section 203 in our amended and restated certificate of incorporation or our amended and restated bylaws. In connection with the combination, our board of directors approved such transactions for purposes of DGCL Section 203, the effect of which would not restrict us under DGCL Section 203 from entering into a business combination with STT Communications.

The transfer agent and registrar for the shares of our common stock is Computershare Shareholder Services, Inc.

**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS  
FOR NON-U.S. HOLDERS**

The following is a general discussion of the material U.S. federal income tax consequences of the ownership and disposition of our common stock applicable to Non-U.S. Holders purchasing our common stock in this offering. A “Non-U.S. Holder” is a beneficial owner of our common stock that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust other than:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia);
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of source; and
- a trust (a) that is subject to the primary supervision of a court within the United States and to the control of one or more U.S. persons or (b) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner will depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our common stock, you should consult your own tax advisor about the U.S. federal income tax consequences of owning and disposing of our common stock.

The following discussion does not consider specific facts and circumstances that may be relevant to a particular Non-U.S. Holder’s tax position and does not consider U.S. state and local or non-U.S. tax consequences. Further, it does not consider Non-U.S. Holders subject to special tax treatment under the U.S. federal income tax laws (including partnerships or other pass-through entities, “controlled foreign corporations,” “passive foreign investment companies,” banks and insurance companies, dealers in securities, nonresident alien individuals who are former U.S. citizens or who have ceased to be treated as resident aliens, holders of securities held as part of a “straddle,” “hedge,” “conversion transaction” or other risk-reduction transaction, Non-U.S. Holders that own, or are deemed to own, more than 5% of our common stock, Non-U.S. Holders that do not hold our common stock as a capital asset and persons who hold or receive common stock as compensation). The following discussion is based on provisions of the U.S. Internal Revenue Code of 1986, as amended, applicable U.S. Treasury regulations, and administrative and judicial interpretations as of the date of this prospectus, all of which are subject to change, possibly on a retroactive basis, and any change could affect the continuing validity of this discussion.

The following summary is included herein for general information. Accordingly, each prospective Non-U.S. Holder is urged to consult its own tax advisor with respect to the U.S. federal, state, local or non-U.S. tax consequences of holding and disposing of common stock.

**U.S. Trade or Business Income**

For purposes of the following discussion, dividends and gains on the sale, exchange or other disposition of our common stock will be considered to be “U.S. trade or business income” if such dividends or gains (i) are effectively connected with the conduct of a U.S. trade or business by a Non-U.S. Holder and (ii) in the case of a Non-U.S. Holder entitled to the benefits of an applicable income tax treaty, are attributable to a permanent establishment (or, in the case of an individual, a fixed base) in the United States. Generally, U.S. trade or business income is subject to U.S. federal income tax on a net income basis at regular graduated tax rates as if the holder were a U.S. person. Any U.S. trade or business income received by a Non-U.S. Holder that is a corporation may be subject to an additional “branch profits tax” on such U.S. trade or business income at a 30% rate or a lower rate that an applicable income tax treaty may specify.

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### **Dividends**

We have never declared or paid cash dividends on our common stock and we do not anticipate paying cash dividends in the foreseeable future. In the event we do pay distributions (whether cash or taxable stock or other in-kind distribution) on our common stock, however, these distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the Non-U.S. Holder's investment to the extent of the Non-U.S. Holder's basis in our common stock. Any remaining excess will be treated as capital gain. See "Disposition of Our Common Stock," below. Dividends paid to a Non-U.S. Holder of our common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate unless the dividends are U.S. trade or business income and the Non-U.S. Holder files a properly executed Internal Revenue Service ("IRS") Form W-8ECI with the withholding agent (in which event such Non-U.S. Holder would generally be taxed as described above under the heading "U.S. Trade or Business Income").

The 30% withholding rate may be reduced if the Non-U.S. Holder is eligible for the benefits of an income tax treaty that provides for an exemption or lower rate. Generally, to claim the benefits of an income tax treaty, a Non-U.S. Holder of our common stock will be required to provide a properly executed IRS Form W-8BEN and satisfy applicable certification and other requirements. A Non-U.S. Holder of our common stock that is eligible for an exemption or reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. A Non-U.S. Holder should consult its tax advisor regarding its entitlement to benefits under a relevant income tax treaty.

### **Disposition of Our Common Stock**

A Non-U.S. Holder generally will not be subject to U.S. federal income tax in respect of gain recognized on a disposition of common stock unless:

- the gain is U.S. trade or business income (in which event such Non-U.S. Holder would generally be taxed as described above under the heading "U.S. Trade or Business Income");
- the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of the disposition and meets other requirements (in which event, unless a treaty provides otherwise, such Non-U.S. Holder generally would be subject to 30% U.S. federal income tax on the gain realized, which may be offset by U.S. source capital losses); or
- we are or have been a "U.S. real property holding corporation," or USRPHC, for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition and the period during which the Non-U.S. Holder held our common stock.

We believe that we are currently not a USRPHC for U.S. federal income tax purposes, but there is no assurance that we will not become one in the future. If we become a USRPHC, any gain realized on such sale or other taxable disposition by a Non-U.S. Holder will be subject to U.S. federal income tax if our common stock ceases to be regularly traded on an established securities market (as defined in the applicable U.S. Treasury regulations) prior to the beginning of the calendar year in which the disposition occurs.

### **Federal Estate Tax**

Individual Non-U.S. Holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty benefit, our common stock will be treated as U.S. situs property subject to U.S. federal estate tax.

**Information Reporting Requirements and Backup Withholding Tax**

**Dividends.** We must report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid to that holder and the tax withheld with respect to dividends paid to such holder, regardless of whether withholding was required. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides. Dividends paid to Non-U.S. Holders of our common stock generally will be exempt from backup withholding if the Non-U.S. Holder provides a properly executed IRS Form W-8BEN or otherwise establishes an exemption.

**Disposition of Our Common Stock.** The payment of the proceeds from the disposition (including redemptions treated as sales) of our common stock effected in the U.S. by any broker, U.S. or foreign, will be subject to information reporting and possible backup withholding at a rate of 28% unless the owner certifies its non-U.S. status under penalties of perjury or otherwise establishes an exemption and the broker does not have actual knowledge or reason to know that the holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the proceeds from the disposition of common stock effected outside the U.S. by a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the United States, which we refer to as a U.S. related person. In the case of the payment of the proceeds from the disposition of common stock effected outside the U.S. by a broker that is either a U.S. person or a U.S. related person, the U.S. Treasury regulations require information reporting on the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and the broker has no knowledge or reason to know to the contrary. Non-U.S. Holders should consult their own tax advisors on the application of information reporting and backup withholding to them in their particular circumstances (including upon their disposition of our common stock).

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be refunded or credited against the holder's U.S. federal income tax liability, if any, if the holder provides the required information to the IRS. Non-U.S. Holders should consult their own tax advisors regarding the filing of a U.S. tax return and the claiming of a credit or refund of such withholding tax.



## UNDERWRITING

Citigroup Global Markets Inc. is acting as sole book-running manager of the offering and as representative of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the number of shares set forth opposite the underwriter's name.

| <u>Underwriter</u>                 | <u>Number of<br/>Shares</u> |
|------------------------------------|-----------------------------|
| Citigroup Global Markets Inc.      |                             |
| Credit Suisse Securities (USA) LLC |                             |
| Jefferies & Company, Inc.          |                             |
| UBS Securities LLC                 |                             |
| <b>Total</b>                       | <b><u>3,662,556</u></b>     |

The underwriting agreement provides that the obligations of the underwriters to purchase shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the shares if they purchase any of the shares.

The underwriters propose to offer some of the shares directly to the public at the public offering price set forth on the cover page of this prospectus and some of the shares to dealers at the public offering price less a concession not to exceed \$ \_\_\_\_\_ per share. After the initial offering of the shares to the public, the representative may change the public offering price and concessions.

We have granted to the underwriters an over-allotment option, exercisable for 30 days from the date of this prospectus, to purchase up to 549,383 additional shares at the offering price less the underwriting discount. The underwriters may exercise the option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment.

We and each of our executive officers and directors have agreed that, for a period of 90 days from the date of this prospectus, we and they will not, without the prior written consent of Citigroup, dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for our common stock, subject to certain exceptions, including:

- sales of up to an aggregate of 100,000 shares of common stock by our executive officers and directors;
- transfers by our executive officers or directors to family members or family trusts provided that any such transferee agrees to be bound by the lock-up agreement;
- programmatic sales by our executive officers pursuant to existing plans established by our executive officers pursuant to Rule 10b5-1 under the Exchange Act;
- entry into new plans established by our executive officers pursuant to Rule 10b5-1 under the Exchange Act provided that no sales occur prior to the expiration of the lock-up period; and
- our issuance of up to 500,000 shares in connection with future acquisitions, if any.

Citigroup in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

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The following table shows the underwriting discounts that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option to purchase additional shares.

|           | Paid by Equinix |               |
|-----------|-----------------|---------------|
|           | No Exercise     | Full Exercise |
| Per share | \$              | \$            |
| Total     | \$              | \$            |

In connection with the offering, the underwriters may purchase and sell shares in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of shares in excess of the shares to be purchased by underwriters in the offering, which creates a syndicate short position. "Covered" short sales are sales of shares made in an amount up to the number of shares represented by the underwriters' over-allotment option. In determining the source of shares to close out the covered syndicate short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. Transactions to close out the covered syndicate short involve either purchase of the shares in the open market after the distribution has been completed or the exercise of the over-allotment option. The underwriters may also make "naked" short sales of shares in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that would adversely affect investors who purchase in the offering. Stabilizing transactions must consist of bids for or purchases of shares in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when Citigroup, in covering syndicate short positions or making stabilizing purchases, repurchases shares originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or regarding a decline in the market price of the shares. They may also cause the price of the shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that the total expenses of this offering will be \$450,000. The underwriters have agreed to reimburse us for a portion of these expenses.

The underwriters or their affiliates have performed investment banking, commercial banking and advisory services for us from time to time for which they have received customary fees and expenses. Specifically, Citigroup and/or its affiliates (i) acted as our advisor in connection with the IXEurope acquisition, (ii) is the agent under the bridge loan and (iii) was the sole book-running manager of the offering of our 2.50% Convertible Subordinated Notes due 2012 and one of the initial purchasers of our 2.50% Convertible Subordinated Debentures due 2024. Credit Suisse and Jefferies & Company were underwriters of the offering of our 2.50% Convertible Subordinated Notes due 2012. In addition, all of the underwriters participating in this offering are also acting as underwriters in our concurrent notes offering for which they will receive customary underwriting discounts and commissions. The underwriters may, from time to time in the future, engage in transactions with and perform services for us in the ordinary course of their business.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters.

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We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

### ***Notice to Prospective Investors in the European Economic Area***

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares described in this prospectus may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the shares that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of shares may be offered to the public in that relevant member state at any time:

- to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in shares or
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts or
- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of shares described in this prospectus located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an “offer to the public” in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

The sellers of the shares have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriter with a view to the final placement of the shares as contemplated in this prospectus. Accordingly, no purchaser of the shares, other than an underwriter, is authorized to make any further offer of the shares on behalf of the sellers or an underwriter.

### ***Notice to Prospective Investors in the United Kingdom***

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (“Qualified Investors”) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). This prospectus and its contents should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

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### ***Notice to Prospective Investors in France***

Neither this prospectus nor any other offering material relating to the shares described in this prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or by the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the shares has been or will be

- released, issued, distributed or caused to be released, issued or distributed to the public in France or
- used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle qualifiés*), in each case investing for their own account, all as defined in, and in accordance with, Article L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier* or
- to investment services providers authorized to engage in portfolio management on behalf of third parties or
- in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the Autorité des Marchés Financiers, does not constitute a public offer (*appel public à l'épargne*).

The shares may be resold directly or indirectly, only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

### ***Notice to Prospective Investors in Japan***

Each underwriter has represented, warranted and agreed that the shares offered in this prospectus have not been registered under the Securities and Exchange Law of Japan, and it has not offered or sold and will not offer or sell, directly or indirectly, the shares in Japan or to or for the account of any resident of Japan, except (1) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (2) in compliance with any other applicable requirements of Japanese law.

### ***Notice to Prospective Investors in Hong Kong***

Each underwriter has represented, warranted and agreed that it has not offered or sold and will not offer or sell shares in Hong Kong SAR by means of this prospectus or any other document, other than to persons whose ordinary business involves buying or selling shares or debentures, whether as principal or agent or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong SAR), and (2) unless it is a person who is permitted to do so under the securities laws of Hong Kong SAR, it has not issued or held for the purpose of issue in Hong Kong and will not issue or hold for the purpose of issue in Hong Kong SAR this prospectus, any other offering material or any advertisement, invitation or document relating to the shares, otherwise than with respect to shares intended to be disposed of to persons outside Hong Kong SAR or only to persons whose business involves the acquisition, disposal, or holding of securities, whether as principal or as agent.

### ***Notice to Prospective Investors in Singapore***

Each underwriter has represented, warranted and agreed that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, may not be

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circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (1) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (2) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

### **LEGAL MATTERS**

Certain legal matters will be passed upon for Equinix by Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, Menlo Park, California. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell, Menlo Park, California.

### **EXPERTS**

The audited financial statements of Equinix, Inc. and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control Over Financial Reporting) incorporated in this prospectus by reference to Equinix, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2006 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of IXEurope plc included in Equinix, Inc.'s Current Report on Form 8-K filed on September 14, 2007 and incorporated by reference in this prospectus have been audited by BDO Stoy Hayward LLP, an independent registered public accounting firm, to the extent and for the periods set forth in their report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

3,662,556 Shares

# Equinix, Inc.



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PROSPECTUS

September , 2007

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**Citi**  
**Credit Suisse**  
**Jefferies & Company**  
**UBS Investment Bank**

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**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 14. Other Expenses of Issuance and Distribution.**

The following table sets forth all expenses, other than the underwriting discounts and commissions, payable by the Registrant in connection with the sale of the securities being registered. All the amounts shown are estimates except for the registration fee.

|   |    |         |
|---|----|---------|
| Securities and Exchange Commission Registration Fee | \$ | *       |
| Legal Fees and Expenses                             | \$ | 257,500 |
| Accounting Fees and Expenses                        | \$ | 75,000  |
| Transfer Agent and Registrar Fees                   | \$ | 5,000   |
| Printing and Engraving Expenses                     | \$ | 100,000 |
| Miscellaneous                                       | \$ | *       |
| Total   | \$ | *       |

\* Omitted because the registration fee is being deferred pursuant to Rule 456(b).

**Item 15. Indemnification of Officers and Directors.**

Section 145 of the Delaware General Corporation Law authorizes a court to award or a corporation's board of directors to grant indemnification to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Article VI of the Registrant's Amended and Restated Bylaws provides for mandatory indemnification of its directors and officers and those serving at the Registrant's request as directors, officers, employees or agents of other organizations to the maximum extent permitted by the Delaware General Corporation Law. The Registrant's Amended and Restated Certificate of Incorporation provides that, pursuant to Delaware law, its directors shall not be liable for monetary damages for breach of the directors' fiduciary duty as directors to the Registrant and its stockholders. This provision in the Amended and Restated Certificate of Incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to the Registrant for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws. The Registrant has entered into indemnification agreements with its officers and directors. The indemnification agreements provide the Registrant's officers and directors with further indemnification to the maximum extent permitted by the Delaware General Corporation Law. The Registrant maintains liability insurance for its directors and officers.

**Item 16. Exhibits.**

| <u>Exhibit Number</u> | <u>Exhibit Description</u>   |
|-----------------------|--|
| 1.1                   | Form of Underwriting Agreement   |
| 5.1                   | Opinion of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP |

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| <u>Exhibit Number</u> | <u>Exhibit Description</u>   |
|-----------------------|--|
| 23.1                  | Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm               |
| 23.2                  | Consent of BDO Stoy Hayward LLP, Independent Registered Public Accounting Firm                     |
| 23.3                  | Consent of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP (included in Exhibit 5.1) |
| 24.1                  | Power of Attorney (included on signature page of Registration Statement)                           |

### **Item 17. Undertakings.**

The undersigned Registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4. That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;



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- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

5. That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(6) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.



**INDEX TO EXHIBITS**

| <u>Exhibit Number</u> | <u>Exhibit Description</u>   |
|-----------------------|--|
| 1.1                   | Form of Underwriting Agreement   |
| 5.1                   | Opinion of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP                           |
| 23.1                  | Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm               |
| 23.2                  | Consent of BDO Stoy Hayward LLP, Independent Registered Public Accounting Firm                     |
| 23.3                  | Consent of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP (included in Exhibit 5.1) |
| 24.1                  | Power of Attorney (included on signature page of Registration Statement)                           |

Equinix, Inc.

[·] Shares

Common Stock (\$0.001 per share par value)

Underwriting Agreement

New York, New York  
September [·], 2007

To the Representatives  
named in Schedule I  
hereto of the several  
Underwriters named in  
Schedule II hereto

Ladies and Gentlemen:

Equinix, Inc., a corporation organized under the laws of Delaware (the "Company"), proposes to sell to the several underwriters named in Schedule II hereto (the "Underwriters"), for whom you (the "Representatives") are acting as representatives, the number of shares of common stock, \$0.001 par value ("Common Stock"), of the Company set forth in Schedule I hereto (the "Underwritten Securities"). The Company also proposes to grant to the Underwriters an option to purchase up to the number of additional shares of Common Stock set forth in Schedule II hereto to cover over-allotments (the "Option Securities"; the Option Securities, together with the Underwritten Securities, hereinafter called the "Securities"). To the extent there are no additional Underwriters listed on Schedule I other than you, the term Representatives as used herein shall mean you, as Underwriters, and the terms Representatives and Underwriters shall mean either the singular or plural as the context requires. Any reference herein to the Registration Statement, the Base Prospectus, any Preliminary Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Base Prospectus, any Preliminary Prospectus or the Final Prospectus, as the case may be; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, the Base Prospectus, any Preliminary Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Base Prospectus, any Preliminary Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference. Certain terms used herein are defined in Section 20 hereof.

Concurrent with the offering and sale of the Securities by the Company pursuant to the terms of this Agreement, the Company is offering to sell \$[·] in aggregate principal amount (or up to \$[·] in aggregate principal amount if the underwriters exercise the over-allotment option in full) of [·]% Convertible Subordinated Notes due 2014 pursuant to the terms of an underwriting agreement, dated of even date herewith between the Company and certain of

the Underwriters (the “**Concurrent Debt Offering**”). The offering, issuance and sale of the Securities by the Company pursuant to the terms of this Agreement is contingent on the completion of the Concurrent Debt Offering.

1. Representations and Warranties. The Company represents and warrants to, and agrees with, each Underwriter as set forth below in this Section 1.

(a) The Company meets the requirements for use of Form S-3 under the Act and has prepared and filed with the Commission an automatic shelf registration statement, as defined in Rule 405. Such Registration Statement, including any amendments thereto filed prior to the Execution Time, became effective upon filing. The Company may have filed with the Commission, as part of an amendment to the Registration Statement or pursuant to Rule 424(b), one or more preliminary prospectus supplements relating to the Securities, each of which has previously been furnished to you. The Company will file with the Commission a final prospectus supplement relating to the Securities in accordance with Rule 424(b). As filed, such final prospectus supplement shall contain all information required by the Act and the rules thereunder, and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Base Prospectus and any Preliminary Prospectus) as the Company has advised you, prior to the Execution Time, will be included or made therein. The Registration Statement, at the Execution Time, meets the requirements set forth in Rule 415(a)(1)(x).

(b) On each Effective Date, the Registration Statement did, and when the Final Prospectus is first filed in accordance with Rule 424(b) and on the Closing Date (as defined herein) and on any date on which Option Securities are purchased, if such date is not the Closing Date (a “settlement date”), the Final Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act, the Exchange Act and the rules thereunder; on each Effective Date and at the Execution Time, the Registration Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading and on the date of any filing pursuant to Rule 424(b) and on the Closing Date and any settlement date, the Final Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representations or warranties as to the information contained in or omitted from the Registration Statement or the Final Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Final Prospectus (or any supplement thereto), it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

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(c) (i) The Disclosure Package and (ii) each electronic road show when taken together as a whole with the Disclosure Package, does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Disclosure Package based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(d) (i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Sections 13 or 15(d) of the Exchange Act or form of prospectus), (iii) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c)) made any offer relating to the Securities in reliance on the exemption in Rule 163, and (iv) at the Execution Time (with such date being used as the determination date for purposes of this clause (iv)), the Company was or is (as the case may be) a “well-known seasoned issuer” as defined in Rule 405. The Company agrees to pay the fees required by the Commission relating to the Securities within the time required by Rule 456(b)(1) without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r).

(e) (i) At the earliest time after the filing of the Registration Statement that the Company or another offering participant made *abona fide* offer (within the meaning of Rule 164(h)(2)) of the Securities and (ii) as of the Execution Time (with such date being used as the determination date for purposes of this clause (ii)), the Company was not and is not an Ineligible Issuer (as defined in Rule 405), without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an Ineligible Issuer.

(f) Each Issuer Free Writing Prospectus and the final term sheet prepared and filed pursuant to Section 5(b) hereto does not include any information that conflicts with the information contained in the Registration Statement, including any document incorporated by reference therein and any prospectus supplement deemed to be a part thereof that has not been superseded or modified. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(g) The Company has been duly incorporated and is an existing corporation in good standing under the laws of State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Disclosure Package and the Final Prospectus; and the Company is duly qualified to do business as a

foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or in good standing would not have a material adverse effect on the condition (financial or other), prospects, business, properties or results of operations of the Company and the Subsidiaries (as defined below) taken as a whole (each, a “Company Material Adverse Effect”).

(h) Equinix Operating Co., Inc., Equinix Pacific, Inc., Equinix RP II LLC, Equinix RP, Inc., Equinix Japan KK, Equinix Hong Kong Ltd., Equinix Singapore Holdings Pte Ltd, Equinix Singapore Pte Ltd, IXEurope plc, Equinix UK Ltd Interconnect Exchange Europe Ltd, Interconnect Exchange Europe SAS, IX Services Ltd and IXEurope (Switzerland) AG (each a “Subsidiary” and, together, the “Subsidiaries”) are the direct and indirect subsidiaries of the Company that are material to the business of the Company and its subsidiaries taken as a whole. Each of the Subsidiaries has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Disclosure Package and the Prospectus; and each Subsidiary is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification except to the extent that the failure to be so qualified or in good standing would not have a Company Material Adverse Effect; all of the issued and outstanding capital stock of each subsidiary of the Company has been duly authorized and validly issued and is fully paid and nonassessable. The Company owns all of the shares of capital stock of each subsidiary of the Company, directly or through subsidiaries, free from liens, encumbrances and defects. In addition, each of Equinix Europe, Inc., Equinix Cayman Islands Holdings, Equinix Dutch Holdings N.V., Equinix Netherlands B.V., Equinix Pacific Pte Ltd, Equinix Asia Pacific Pte Ltd, CHI 3 LLC, Intelisite RV, Interconnect Exchange Europe GmbH, IXEurope Real Estate GmbH and IXEurope GmbH (the “Other Subsidiaries”), individually do not constitute a “significant subsidiary,” as defined by Rule 1-02 of Regulation S-X; however, when taken together, do constitute a “significant subsidiary” as defined by Rule 1-02 of Regulation S-X. The Subsidiaries are the only significant subsidiaries of the Company as defined by Rule 1-02 of Regulation S-X, and all subsidiaries (excluding the Subsidiaries and the Other Subsidiaries), when taken together, do not constitute a “significant subsidiary” as defined by Rule 1-02 of Regulation S-X.

(i) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in, as applicable, the Disclosure Package and the Final Prospectus. All outstanding shares of capital stock of the Company have been duly authorized and validly issued, fully paid and nonassessable and conform as to legal matters to the description thereof contained in or incorporated by reference into, as applicable, the Preliminary Prospectus and the Final Prospectus; and the stockholders of the Company have no preemptive rights with respect to the Securities. Except as set forth in the Disclosure Package and the Final Prospectus, neither the Company nor any of the Subsidiaries has outstanding any options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of its capital stock or any such options,

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rights, convertible securities or obligations. All outstanding shares of capital stock and options and other rights to acquire capital stock have been issued in compliance with the registration and qualification provisions of all applicable securities laws and were not issued in violation of any preemptive rights, rights of first refusal or other similar rights.

(j) Except as disclosed in the Disclosure Package and the Final Prospectus, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other like payment as a result of the transactions contemplated by this Agreement.

(k) Except as disclosed in the Disclosure Package and the Final Prospectus or as have been validly waived, there are no contracts, agreements or understandings involving the Company granting to any person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act.

(l) The Securities have been duly authorized and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be duly and validly issued and will be fully paid and non-assessable and will conform to descriptions thereof in the Disclosure Package and the Final Prospectus; and the issuance of the Securities is not subject to any statutory, preemptive or other similar contractual rights to subscribe for the Securities.

(m) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required to be obtained or made by the Company for the consummation of the transactions contemplated by this Agreement, except such as have been obtained and made under the Act, the Exchange Act or state securities or blue sky laws in connection with the offer and sale of the Securities.

(n) The execution and delivery by the Company of, and performance by the Company of its obligations under, this Agreement and the consummation of the transactions contemplated herein will not result in a material breach or material violation of any of the terms and provisions of, or constitute a material default under, any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries or any of their properties, or any agreement or instrument to which the Company or any such Subsidiary is a party or by which the Company or any such Subsidiary is bound or to which any of the properties of the Company or any such Subsidiary is subject (except a breach or violation that would not have a Material Adverse Effect on the execution and delivery by the Company of, and performance by the Company of its obligations under, this Agreement, and the consummation of the transactions contemplated herein), or the charter or by-laws of the Company or any such Subsidiary.



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(o) This Agreement has been duly authorized, executed and delivered by the Company.

(p) Except as disclosed in the Disclosure Package and the Final Prospectus, the Company and the Subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and the Company and its Subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(q) The Company and the Subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Company Material Adverse Effect.

(r) No labor dispute with the employees of the Company or any of the Subsidiaries exists or, to the knowledge of the Company, is imminent that might have a Company Material Adverse Effect.

(s) The Company and the Subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, the "Intellectual Property Rights") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any Intellectual Property Rights that, if determined adversely to the Company or any of the Subsidiaries, would individually or in the aggregate have a Company Material Adverse Effect.

(t) Except as disclosed in the Disclosure Package and the Final Prospectus, neither the Company nor any of the Subsidiaries (A) is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, the "Environmental Laws"), (B) owns leases or operates any real property contaminated with any substance that is subject to any Environmental Laws, (C) is liable for any off-site disposal or contamination pursuant to any Environmental Laws, or (D) is subject to any claim relating to any Environmental Laws, in each case which violation, contamination, liability or claim would individually or in the aggregate have a Company Material Adverse Effect; and the Company is not aware of any pending or threatened investigation which is reasonably expected to lead to such a claim. Except as disclosed in the Disclosure Package and the Final Prospectus, there are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-

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up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) that might have a Company Material Adverse Effect.

(u) Except as disclosed in the Disclosure Package and the Final Prospectus, there are no pending actions, suits or proceedings against or affecting the Company, any of the Subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its Subsidiaries, would individually or in the aggregate have a Company Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement, or which are otherwise material in the context of the transactions contemplated by this Agreement; and no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(v) The financial statements of the Company included in the Preliminary Prospectus, the Final Prospectus and the Registration Statement present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their consolidated statements of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis and the schedules included in the Registration Statement present fairly the information required to be stated therein.

(w) The financial statements of IXEurope plc ("IXEurope") included in the Preliminary Prospectus, the Final Prospectus and the Registration Statement present fairly the financial position of IXEurope and its consolidated subsidiaries as of the dates shown and their consolidated income statement, consolidated statement of recognized income and expense and consolidated statement of cash flows for the periods shown, and such financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") applied on a consistent basis.

(x) The pro forma financial statements included in the Preliminary Prospectus, the Prospectus, the Final Prospectus and the Registration Statement have been prepared in accordance with the applicable requirements of the Act and the Exchange Act, as applicable. The assumptions used in preparing such pro forma financial statements provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein; the related pro forma adjustments give appropriate effect to those assumptions; and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(y) Except as disclosed in the Disclosure Package and the Final Prospectus, since the date of the latest audited financial statements included in the Disclosure Package and the Final Prospectus (i) there has not occurred any Company Material Adverse Effect, or any development or event that would reasonably be expected to involve a prospective Company Material Adverse Effect, and (ii) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

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(z) Neither the Company nor any of the Subsidiaries is currently in breach of, or in default under, any other written agreement or instrument to which it or its property is bound or affected except to the extent that such breach or default would not have a Company Material Adverse Effect.

(aa) The documents incorporated by reference into the Disclosure Package and the Final Prospectus, when they were filed (or, if any amendment with respect to any such document was filed, when such amendment was filed), conformed in all material respects with the requirements of the Exchange Act; and any further such documents incorporated by reference will, when they are filed, conform in all material respects with the requirements of the Exchange Act.

(bb) The Company and each of the Subsidiaries is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such Subsidiary has any reason to believe, absent a significant change in overall insurance market conditions, that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Company Material Adverse Effect.

(cc) The accountants who certified the financial statements and supporting schedules included in the Registration Statement are independent registered public accountants as required by the Act.

(dd) The Company and each of the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; the Company and its subsidiaries' internal controls over financial reporting are effective and the Company and its subsidiaries are not aware of any material weakness in their internal controls over financial reporting.

(ee) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly

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in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA; and the Company, its subsidiaries and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(ff) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(gg) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(hh) None of the Company nor any of the Subsidiaries has taken, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities. Except as permitted by the Act and the Investment Company Act, the Company has not distributed any registration statement, preliminary prospectus, prospectus or other offering material in connection with the offering and sale of the Securities.

(ii) The Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and files reports with the Commission on the Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system.

(jj) The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Disclosure Package and the Final Prospectus, will not be, an "investment company" as defined in the Investment Company Act.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Securities shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

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2. Purchase and Sale. (a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at the purchase price set forth in Schedule I hereto the number of Underwritten Securities set forth opposite such Underwriter's name in Schedule II hereto.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to the number of Option Securities set forth in Schedule I hereto at the same purchase price per share as the Underwriters will pay for the Underwritten Securities. Said option may be exercised only to cover over-allotments in the sale of the Underwritten Securities by the Underwriters. Said option may be exercised in whole or in part at any time on or before the 30th day after the date of the Final Prospectus upon written or telegraphic notice by the Representatives to the Company setting forth the number of Option Securities as to which the several Underwriters are exercising the option and the settlement date. The number of Option Securities to be purchased by each Underwriter shall be the same percentage of the total number of Option Securities to be purchased by the several Underwriters as such Underwriter is purchasing of the Underwritten Securities, subject to such adjustments as you in your absolute discretion shall make to eliminate any fractional shares.

3. Delivery and Payment. Delivery of and payment for the Underwritten Securities and the Option Securities (if the option provided for in Section 2(b) hereof shall have been exercised on or before the third Business Day immediately preceding the Closing Date) shall be made on the date and at the time specified in Schedule I hereto or at such time on such later date not more than three Business Days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "Closing Date"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. Delivery of the Underwritten Securities and the Option Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

If the option provided for in Section 2(b) hereof is exercised after the third Business Day immediately preceding the Closing Date, the Company will deliver the Option Securities (at the expense of the Company) to the Representatives, at 388 Greenwich Street, New York, New York, on the date specified by the Representatives (which shall be within three Business Days after exercise of said option) for the respective accounts of the several Underwriters, against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. If settlement for the Option Securities occurs

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after the Closing Date, the Company will deliver to the Representatives on the settlement date for the Option Securities, and the obligation of the Underwriters to purchase the Option Securities shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 6 hereof.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Final Prospectus.

5. Agreements. The Company agrees with the several Underwriters that:

(a) Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement to the Base Prospectus (including the Final Prospectus or any Preliminary Prospectus). The Company will cause the Final Prospectus, properly completed, and any supplement thereto to be filed in a form approved by the Representatives with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company will promptly advise the Representatives (i) when the Final Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b), (ii) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (iii) of any request by the Commission or its staff for any amendment of the Registration Statement, or for any supplement to the Final Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any notice objecting to its use or the institution or threatening of any proceeding for that purpose and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its reasonable best efforts to prevent the issuance of any such stop order or the occurrence of any such suspension or objection to the use of the Registration Statement and, upon such issuance, occurrence or notice of objection, to obtain as soon as possible the withdrawal of such stop order or relief from such occurrence or objection, including, if necessary, by filing an amendment to the Registration Statement or a new registration statement and using its reasonable best efforts to have such amendment or new registration statement declared effective as soon as practicable.

(b) The Company will prepare a final term sheet, containing solely a description of the offering of the Securities thereof and the terms of the Securities and the Concurrent Debt Offering, in the form approved by you and attached as Schedule IV hereto and file such term sheet pursuant to Rule 433(d) within the time required by such Rule.

(c) If, at any time prior to the filing of the Final Prospectus pursuant to Rule 424(b), any event occurs as a result of which the Disclosure Package would include any untrue statement of a material fact or omit to state any material fact necessary to make the

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statements therein in the light of the circumstances under which they were made or the circumstances then prevailing not misleading, the Company will (i) notify promptly the Representatives so that any use of the Disclosure Package may cease until it is amended or supplemented; (ii) amend or supplement the Disclosure Package to correct such statement or omission; and (iii) supply any amendment or supplement to you in such quantities as you may reasonably request.

(d) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made at such time not misleading, or if it shall be necessary to amend the Registration Statement, file a new registration statement or supplement the Final Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, including in connection with use or delivery of the Final Prospectus, the Company promptly will (i) notify the Representatives of any such event, (ii) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 5, an amendment or supplement or new registration statement which will correct such statement or omission or effect such compliance, (iii) use its reasonable best efforts to have any amendment to the Registration Statement or new registration statement declared effective as soon as practicable in order to avoid any disruption in use of the Final Prospectus and (iv) supply any supplemented Final Prospectus to you in such quantities as you may reasonably request.

(e) As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158.

(f) The Company will furnish to the Representatives, without charge, signed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), as many copies of each Preliminary Prospectus, the Final Prospectus and each Issuer Free Writing Prospectus and any supplement thereto as the Representatives may reasonably request.

(g) The Company will arrange, if necessary, for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate and will maintain such qualifications in effect so long as required for the distribution of the Securities; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject.

(h) The Company agrees that, unless it has or shall have obtained the prior written consent of the Representatives, and each Underwriter, severally and not jointly, agrees with the Company that, unless it has or shall have obtained, as the case may be, the prior written consent of the Company, it has not made and will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405) required to be filed by the Company with the Commission or retained by the Company under Rule 433, other than the free writing prospectus containing the information contained in the final term sheet prepared and filed pursuant to Section 5(b) hereto; provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the Free Writing Prospectuses included in Schedule III hereto and any electronic road show. Any such free writing prospectus consented to by the Representatives or the Company is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company agrees that (x) it has treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus and (y) it has complied and will comply, as the case may be, with the requirements of Rules 164 and 433 applicable to any Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(i) The Company will not, without the prior written consent of Citigroup Global Markets Inc., offer, sell, contract to sell, pledge, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate of the Company), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any other shares of Common Stock or any securities convertible into, or exercisable, or exchangeable for, shares of Common Stock; or publicly announce an intention to effect any such transaction, until the 90<sup>th</sup> day after the date of this Agreement, provided, however, that the Company may (A) issue and sell Common Stock pursuant to any employee stock option plan, stock ownership plan or dividend reinvestment plan of the Company in effect at the Execution Time, (B) issue Common Stock issuable upon the conversion of securities or the exercise of warrants outstanding at the Execution Time, (C) issue and sell [%] Convertible Subordinated Notes due 2014 in connection with the Concurrent Debt Offering and issue Common Stock upon conversion thereof and (D) issue and sell up to 500,000 shares of Common Stock in connection with future acquisitions.

(j) The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(k) The Company agrees to pay the costs and expenses relating to the following matters: (i) the preparation, printing, authentication, issuance and delivery of certificates for the Securities, including any stamp or transfer taxes in connection with the



original issuance and sale of the Securities; (ii) the printing (or reproduction) and delivery of this Agreement, any blue sky memorandum and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Securities; (iii) the registration of the Securities under the Exchange Act and the listing of the Securities on the NASDAQ Global Select Market; (iv) any registration or qualification of the Securities for offer and sale under the securities or blue sky laws of the several states (including filing fees and the reasonable fees and expenses of counsel for the Underwriters relating to such registration and qualification); (v) any filings required to be made with the NASD, Inc. (including filing fees and the reasonable fees and expenses of counsel for the Underwriters relating to such filings); (vi) the transportation and other expenses incurred by or on behalf of Company representatives (but not the Underwriters) in connection with presentations to prospective purchasers of the Securities; (vii) the fees and expenses of the Company's accountants and the fees and expenses of counsel (including local and special counsel) for the Company; and (viii) all other costs and expenses incident to the performance by the Company of its obligations hereunder.

6. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Underwritten Securities and the Option Securities, as the case may be, shall be subject to the accuracy of the representations and warranties on the part of the Company contained herein as of the Execution Time, the Closing Date and any settlement date pursuant to Section 3 hereof, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Final Prospectus, and any supplement thereto, have been filed in the manner and within the time period required by Rule 424(b); the final term sheet contemplated by Section 5(b) hereto and any other material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433; and no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Representatives shall have received from Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, counsel for the Company, such opinion, dated the Closing Date and addressed to the Representatives, to the effect set forth on Exhibit B hereto and of Brandi Galvin Morandi to the effect set forth on Exhibit C hereto.

(c) The Representatives shall have received from Davis Polk & Wardwell, counsel for the Underwriters, such opinion or opinions, dated the Closing Date and addressed to the Representatives, with respect to such matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

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(d) The Company shall have furnished to the Representatives a certificate of the Company, signed by the Chairman of the Board or the President and the principal financial or accounting officer of the Company, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(iii) since the date of the most recent financial statements included in the Disclosure Package and the Final Prospectus (exclusive of any supplement thereto), there has been no material adverse effect on the condition (financial or other), business, properties or results of operation of the Company and the Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Final Prospectus (exclusive of any supplement thereto).

(e) The Representatives shall have received (i) from PricewaterhouseCoopers LLP, at the Execution Time and at the Closing Date, "comfort" letters (which may refer to letters previously delivered to one or more of the Representatives), dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are an independent registered accounting firm with respect to the Company within the meaning of the Act and the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) (PCAOB) substantially in the form of Exhibit D hereto and (ii) from BDO Stoy Hayward LLP, at the Execution Time and at the Closing Date, "comfort" letters (which may refer to letters previously delivered to one or more of the Representatives), dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are an independent registered accounting firm with respect to IXEurope within the meaning of the Act and the applicable rules and regulations adopted by the Commission and the PCAOB substantially in the form of Exhibit E hereto.

(f) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any amendment or supplement thereto), there shall not have been (i) any change or decrease specified in the letters referred to in paragraph (e) of this Section 6 or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), earnings, business or properties of the Company and its subsidiaries taken as a whole, whether or

not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Final Prospectus (exclusive of any amendment or supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof), the Disclosure Package and the Final Prospectus (exclusive of any amendment or supplement thereto).

(g) Subsequent to the Execution Time, there shall not have been any decrease in the rating of any of the Company's debt securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(h) Prior to the Closing Date, the Company shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

(i) At or prior to the Execution Time, the Company shall have furnished to the Representatives a letter substantially in the form of Exhibit A hereto from each Section 16 officer and director of the Company addressed to the Representatives.

(j) Subsequent to the execution and delivery of this Agreement and concurrently with or prior to the Closing Date, the Concurrent Debt Offering shall have been completed.

If any of the conditions specified in this Section 6 shall not have been fulfilled when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered at the office of Davis Polk & Wardwell, counsel for the Underwriters, at 1600 El Camino Real, Menlo Park, CA 94025, on the Closing Date.

7. Reimbursement of Underwriters' Expenses. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 hereof is not satisfied, because of any termination pursuant to Section 10 hereof or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally through Citigroup Global Markets Inc. on demand for all expenses (including fees and disbursements of counsel) that shall have been reasonably incurred by them in connection with the proposed purchase and sale of the Securities.

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8. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities as originally filed or in any amendment thereof, or in the Base Prospectus, any Preliminary Prospectus or any other preliminary prospectus supplement relating to the Securities, the Final Prospectus, any Issuer Free Writing Prospectus or the information contained in the final term sheet required to be prepared and filed pursuant to Section 5(b) hereto, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, and each person who controls the Company within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The Company acknowledges that the statements set forth (i) in the last paragraph of the cover page regarding delivery of the Securities and, under the heading "Underwriting" or "Plan of Distribution", (ii) the list of Underwriters and their respective participation in the sale of the Securities, (iii) the sentences related to concessions and reallowances and (iv) the paragraph related to stabilization, syndicate covering transactions and penalty bids in any Preliminary Prospectus and the Final Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in any Preliminary Prospectus, the Final Prospectus or any Issuer Free Writing Prospectus.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a), (b) or (c) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and the Underwriters severally agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) (collectively "Losses") to which the Company and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and by the Underwriters on the other from the offering of the Securities; provided, however, that in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount or commission

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applicable to the Securities purchased by such Underwriter hereunder. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and the Underwriters severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Final Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

9. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Securities set forth opposite their names in Schedule II hereto bears to the aggregate amount of Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule II hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such nondefaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any nondefaulting Underwriter or the Company. In the event of a default by any Underwriter as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements

may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and any nondefaulting Underwriter for damages occasioned by its default hereunder.

10. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for the Securities, if at any time prior to such delivery and payment (i) trading in the Company's Common Stock shall have been suspended by the Commission or the NASDAQ Global Select Market or trading in securities generally on the New York Stock Exchange or the NASDAQ Global Market shall have been suspended or limited or minimum prices shall have been established on either of such exchanges, (ii) a banking moratorium shall have been declared either by Federal or New York State authorities or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war, or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by any Preliminary Prospectus or the Final Prospectus (exclusive of any supplement thereto).

11. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of the officers, directors, employees, agents or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to the Citigroup Global Markets Inc. General Counsel (fax no.: (212) 816-7912) and confirmed to the General Counsel, Citigroup Global Markets Inc., at 388 Greenwich Street, New York, New York, 10013, Attention: General Counsel; or, if sent to the Company, will be mailed, delivered or telefaxed to the Company General Counsel (650) 513-7913 and confirmed to it at 301 Velocity Way, Fifth Floor, Foster City, California 94404, Attention: the Legal Department.

13. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

14. No fiduciary duty. The Company hereby acknowledges that (a) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the Underwriters and any affiliate through which it may be acting, on the other, (b) the Underwriters are acting as principal and not as an agent or fiduciary of the Company and (c) the Company's engagement of the Underwriters in connection with the offering and the process leading up to the offering is as independent contractors and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the offering (irrespective of

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whether any of the Underwriters has advised or is currently advising the Company on related or other matters). The Company agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

15. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

16. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

17. Waiver of Jury Trial. The Company hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

18. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

19. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

20. Definitions. The terms that follow, when used in this Agreement, shall have the meanings indicated.

“Act” shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Base Prospectus” shall mean the base prospectus referred to in paragraph 1(a) above contained in the Registration Statement at the Execution Time and all documents incorporated by reference therein.

“Business Day” shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

“Commission” shall mean the Securities and Exchange Commission.

“Disclosure Package” shall mean (i) the Base Prospectus, (ii) the Preliminary Prospectus used most recently prior to the Execution Time, (iii) the Issuer Free Writing Prospectuses, if any, identified in Schedule III hereto, (iv) the final term sheet prepared and filed pursuant to Section 5(b) hereto, if any, and (v) any other Free Writing Prospectus that the parties hereto shall hereafter expressly agree in writing to treat as part of the Disclosure Package.



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“Effective Date” shall mean each date and time that the Registration Statement and any post-effective amendment or amendments thereto became or becomes effective.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Execution Time” shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

“Final Prospectus” shall mean the prospectus supplement relating to the Securities that was first filed pursuant to Rule 424(b) after the Execution Time and all documents incorporated by reference therein, together with the Base Prospectus.

“Free Writing Prospectus” shall mean a free writing prospectus, as defined in Rule 405.

“Investment Company Act” shall mean the Investment Company Act of 1940, as amended.

“Issuer Free Writing Prospectus” shall mean an issuer free writing prospectus, as defined in Rule 433.

“Preliminary Prospectus” shall mean any preliminary prospectus supplement to the Base Prospectus referred to in paragraph 1(a) above which is used prior to the filing of the Final Prospectus and all documents incorporated by reference therein, together with the Base Prospectus.

“Registration Statement” shall mean the registration statement referred to in paragraph 1(a) above, including exhibits, financial statements, any prospectus supplement relating to the Securities that is filed with the Commission pursuant to Rule 424(b) and deemed part of such registration statement pursuant to Rule 430B, as amended on each Effective Date and, in the event any post-effective amendment thereto becomes effective prior to the Closing Date, shall also mean such registration statement as so amended and, in each case, all documents incorporated by reference therein.

“Rule 158”, “Rule 163”, “Rule 164”, “Rule 172”, “Rule 405”, “Rule 415”, “Rule 424”, “Rule 430B” and “Rule 433” refer to such rules under the Act.

“Well-Known Seasoned Issuer” shall mean a well-known seasoned issuer, as defined in Rule 405.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

Equinix, Inc.

By: \_\_\_\_\_  
Name:  
Title:

The foregoing Agreement is hereby confirmed and accepted as of the date specified in Schedule I hereto.

Citigroup Global Markets Inc.

By: Citigroup Global Markets Inc.

By: \_\_\_\_\_  
Name:  
Title:

For themselves and the other several Underwriters, if any, named in Schedule II to the foregoing Agreement.

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SCHEDULE I

Underwriting Agreement dated September [·], 2007

Registration Statement No. 333-[·]

Representative(s): Citigroup Global Markets Inc.

Title, Purchase Price and Description of Securities:

Title: Common Stock, \$0.001 par value per share

Number of Underwritten Securities:

Purchase price: \$[·]

Description: See Schedule IV

Closing Date, Time and Location: September [·], 2007 at 07:00 a.m. (Pacific Time) at the offices of Davis Polk & Wardwell, 1600 El Camino Real, Menlo Park, CA 94025

Type of Offering: Non-Delayed

Date referred to in Section 5(i) after which the Company may offer or sell securities issued by the Company without the consent of the Representative(s): 90

Modification of items to be covered by the letter from PricewaterhouseCoopers LLP delivered pursuant to Section 6(e)(i) at the Execution Time:

Modification of items to be covered by the letter from BDO Stoy Hayward LLP delivered pursuant to Section 6(e)(i) at the Execution Time:

SCHEDULE II

| <u>Underwriters</u>                | <u>Number of<br/>Underwritten Securities<br/>to be Purchased</u> | <u>Number of<br/>Option Securities<br/>to be Purchased</u> |
|------------------------------------|--|--|
| Citigroup Global Markets Inc.      |  |  |
| Credit Suisse Securities (USA) LLC |  |  |
| Jefferies & Company, Inc           |  |  |
| UBS Securities LLC                 |  |  |
| Total                              |  |  |

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SCHEDULE III

Schedule of Free Writing Prospectuses included in the Disclosure Package

1. Free Writing Prospectus attached hereto

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SCHEDULE IV

Final Term Sheet

[Form of Lock-Up Agreement]

[Gunderson Dettmer Opinion]



## [General Counsel Opinion]

- (i) to her knowledge, the Company is not in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any agreement filed as an exhibit to the Registration Statement or appearing on the list of exhibits to the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2007 or any current report on Form 8-K filed by the Company with the Commission after June 30, 2007 and before the date of such opinion (each a "Company Material Agreement"); and
- (ii) the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions contemplated herein, will not conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under any Company Material Agreement (other than those agreements listed on a schedule to the related opinion required by Section 6(b) of the Underwriting Agreement).

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the States of California or Delaware or the Federal laws of the United States, to the extent they deem proper and specified in such opinion, upon the opinion of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Underwriters and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and public officials.

References to the Final Prospectus in this opinion shall also include any supplements thereto at the Closing Date.

[Comfort Letter from PricewaterhouseCoopers LLP]

[Comfort Letter from BDO Stoy Hayward LLP]

September 14, 2007

Equinix, Inc.  
301 Velocity Way  
Foster City, CA 94404

Re: REGISTRATION STATEMENT ON FORM S-3

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-3 (the "Registration Statement") filed by Equinix, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission (the "Commission") on September 14, 2007, in connection with the registration under Rule 462(e) of the Securities Act of 1933, as amended (the "Securities Act"), of the proposed issuance and sale by the Company of shares of its Common Stock (the "Shares"). As your counsel in connection with this transaction, we have examined the proceedings taken and are familiar with the proceedings proposed to be taken by you in connection with the sale of the Shares.

In our examination of documents for purposes of this opinion, we have assumed, and express no opinion as to, the authenticity and completeness of all documents submitted to us as originals, the conformity to originals and completeness of all documents submitted to us as copies, the legal capacity of all persons or entities executing the same, and the lack of any undisclosed termination, modification, waiver or amendment to any document reviewed by us. We have also assumed that the certificates representing the Stock have been, or will be when issued, properly signed by authorized officers of the Company or their agents.

We express no opinion as to matters governed by any laws other than the laws of the Delaware General Corporation Law, the Delaware Constitution and reported judicial decisions relating thereto, the laws of the State of California and the federal law of the United States of America. This opinion is limited to the laws, including the rules and regulations, as in effect on the date hereof.

We are basing this opinion on our understanding that, prior to issuing any of the Shares, the Company will advise us in writing of the terms thereof and other information material thereto, will afford us an opportunity to review the operative documents pursuant to which such Shares are to be issued (including the Registration Statement, the prospectus prepared in connection with the Registration Statement, and any supplement or amendment thereto) and will file such supplement or amendment to this opinion (if any) as we may reasonably consider necessary or appropriate with respect to such Shares. However, we undertake no responsibility to monitor the Company's future compliance with applicable laws, rules or regulations of the Commission or other governmental body.

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In connection with our opinion expressed below, we have assumed that, if any Shares are to be issued, they will only be issued pursuant to the underwriting agreement in the form filed with the Registration Statement as an exhibit and that, at the time of the offer, issuance and sale of any Shares, no stop order suspending the Registration Statement's effectiveness will have been issued and remain in effect and no proceedings for that purpose are pending before or contemplated by the Commission, and that there will not have occurred any change in law affecting the validity or enforceability of the Shares.

Based upon the foregoing, we are of the opinion that the Shares to be issued and sold by the Company, when duly authorized by appropriate corporate action of the Company (including the Board), and issued, sold and delivered in the manner and for the consideration stated in the Registration Statement, and in accordance with the resolutions adopted by the Company's Board, will be validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the said Registration Statement, and further consent to the use of our name wherever appearing in said Registration Statement, including the prospectus constituting a part thereof, and in any amendment or supplement thereto.

Very truly yours,

/s/ Gunderson Dettmer Stough  
Villeneuve Franklin & Hachigian, LLP

Gunderson Dettmer Stough  
Villeneuve Franklin & Hachigian, LLP

**Consent of Independent Registered Public Accountant Firm**

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 28, 2007 relating to the financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in Equinix's Annual Report on Form 10-K for the year ended December 31, 2006. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

PricewaterhouseCoopers LLP  
San Jose, CA  
September 14, 2007

**Consent of Independent Registered Public Accounting Firm**

We hereby consent to the incorporation by reference in the Prospectus constituting a part of this Registration Statement of our report dated 5 March 2007 except for Note 27 which is as of 12 September 2007, relating to the consolidated financial statements of IXEurope plc appearing in Equinix, Inc.'s Current Report on Form 8-K filed on 14 September 2007.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

BDO Stoy Hayward LLP  
London

14 September 2007