

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (date of earliest event reported): April 30, 2010

Equinix, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Incorporation)

000-31293
(Commission File Number)

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

**301 Velocity Way, 5th Floor
Foster City, California 94404
(650) 513-7000**
(Addresses of principal executive offices)

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

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

Item 2.01. Completion of Acquisition or Disposition of Assets.

On April 30, 2010, Equinix, Inc. ("Equinix") completed the previously announced acquisition (the "Acquisition") of Switch & Data Facilities Company, Inc. ("Switch and Data"). As a result of the Acquisition, Switch and Data has become a wholly-owned subsidiary of Equinix.

The final results of the elections made by Switch and Data stockholders in connection with the Acquisition were that elections to receive Equinix stock were made with respect to 20,729,170 Switch and Data shares, elections to receive cash were made with respect to 1,749,141 shares, and no election was made with respect to 12,675,563 shares (including shares as to which a previously made election was withdrawn). As of April 30, 2010, there were 35,153,874 shares of Switch and Data common stock outstanding. No Switch and Data stockholders have exercised appraisal rights in connection with the Acquisition.

Pursuant to the merger agreement between Equinix and Switch and Data, each stock-electing share will receive 0.19409 shares of Equinix common stock, each cash-electing share will receive \$19.06 in cash, and each non-electing share will receive 0.11321688 shares of Equinix common stock and \$7.94189104 in cash, in each case subject to the terms of the merger agreement. As a result, in the aggregate, Equinix issued 5,458,413 shares of its common stock and paid \$134,006,568 in cash as merger consideration for the Acquisition.

A copy of the press release announcing the completion of the Acquisition is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(d) William K. Luby has been elected to the Board of Directors (the "Board") of Equinix effective April 30, 2010 pursuant to the merger agreement by and among Equinix, Switch and Data, and Sundance Acquisition Corporation, dated October 21, 2009, as amended on March 20, 2010 (the "Merger Agreement"). In addition, pursuant to the Merger Agreement, Mr. Luby has been nominated for re-election to the Equinix Board at Equinix's 2010 annual meeting of stockholders to be held on June 10, 2010.

Prior to the completion of the Acquisition, Mr. Luby was a director of Switch and Data and has certain interests in the Acquisition. Reference is made to the section entitled "Interests of Switch and Data's Directors and Executive Officers" in the proxy statement/prospectus which Equinix filed with the Securities and Exchange Commission on December 21, 2009, and which section, as it relates to Mr. Luby, is incorporated by reference into this Form 8-K.

With the election of Mr. Luby, Equinix's Board now consists of nine members. As a member of Equinix's Board, Mr. Luby will receive Equinix's standard compensation for non-employee directors.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The required financial statements of Switch and Data are incorporated herein by reference as follows:

1. Switch and Data's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed on February 22, 2010.
2. Switch and Data's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, filed on April 30, 2010.

(b) Pro Forma Financial Statements.

The required pro forma financial information is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

(d) Exhibits.

- 23.1 Consent of PricewaterhouseCoopers LLP, Independent Registered Certified Public Accounting Firm.
- 99.1 Press release of Equinix, Inc. dated May 3, 2010 regarding completion of the Switch and Data Acquisition.
- 99.2 Unaudited pro forma combined consolidated condensed financial information.

SIGNATURES

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

EQUINIX, INC.

DATE: May 3, 2010

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

CONSENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on FormS-3 (Nos. 333-146064, 333-146065, 333-159811 and 333-165024) and Form S-8 (Nos. 333-45280, 333-58074, 333-71870, 333-85202, 333-104078, 333-113765, 333-117892, 333-122142, 333-132466, 333-140946, 333-149452, 333-157545, and 333-165033) of Equinix, Inc. of our report dated February 22, 2010 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in Switch & Data Facilities Company, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009, which is incorporated by reference in this Current Report on Form 8-K of Equinix, Inc. dated May 3, 2010.

/s/ PricewaterhouseCoopers LLP

Tampa, Florida
May 3, 2010

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FOR IMMEDIATE DISTRIBUTION

EQUINIX COMPLETES \$683.4 MILLION ACQUISITION OF SWITCH AND DATA, STRENGTHENING ITS LEADERSHIP IN DATA CENTER SERVICES

- Combined company to operate more than six million gross square feet of global data center space with more than 575 network service providers
- Acquisition provides customers broader access to 35 global data center metropolitan areas throughout North America, Europe and Asia-Pacific regions for extended market reach and interconnected business ecosystems
- Equinix to host an investor call on Thursday, May 6, 2010 at 4:30 p.m. ET (1:30 p.m. PT) to discuss updated view on the combined company

Foster City, CA — May 3, 2010 — Equinix, Inc. (Nasdaq: EQIX), a provider of global data center services, today announced completion of its acquisition of Switch and Data Facilities Company, Inc. (Nasdaq: SDXC) in a transaction valued at \$683.4 million and comprised of a cash payment of approximately \$134.0 million and the issuance of approximately 5.5 million shares of Equinix common stock valued at \$549.4 million based on the closing price of Equinix common stock as of April 30, 2010. This amount excludes any value attributed to the Switch and Data employee equity awards assumed, which will be finalized at a later date. The transaction further strengthens Equinix's leadership position in the global data center services market by extending the company's presence to 16 new metropolitan areas across North America and by expanding the company's regional data center footprint from six to 22 metropolitan areas, providing expansion opportunities for Equinix's growing global base of customers.

"Equinix's acquisition of Switch and Data is built on a strong, common business model and cultural fit, enabling us to extend our North American reach as a global leader of data center services. This combination allows us to expand our global service delivery platform to improve

the performance of critical content and applications by reducing latency,” said Steve Smith, president and CEO of Equinix. “Our collective customers will clearly benefit from our commitment to extraordinary customer satisfaction as we broaden our portfolio of services together.”

The completed acquisition will help customers respond to two broad market trends. The continued rapid growth for online information is requiring companies to reliably connect and improve the performance of their business-critical content and applications by storing and distributing latency-sensitive assets at the network edge, near local population centers. At the same time, the market compels companies to develop aggregation and distribution strategies for their digital assets in markets around the world. The transaction is expected to give Equinix customers broader access to local markets throughout North America for their network edge deployments. Former Switch and Data customers can now benefit from global data center services that provide extended market reach and enable interconnected business ecosystems.

Equinix announced its intent to acquire Switch and Data on October 21, 2009. Equinix will integrate Switch and Data’s data center business and operations under the Equinix brand as part of a comprehensive integration program that includes the company’s 34 data centers in 22 markets in the U.S. and Canada. The transaction adds more than one million gross square feet of data center capacity, bringing Equinix’s total to more than six million gross square feet, and expanding its global service delivery platform footprint to 87 IBX and partner data centers in 35 metropolitan areas across North America, Europe and Asia-Pacific. The transaction allows Equinix to immediately expand into new strategic metropolitan areas, including Atlanta, Denver, Miami, Seattle and Toronto, as well as provides a platform for the future expansion of the former Switch and Data assets. In addition, the deal expands the number of network service providers available from 410 to more than 575 providers for Internet, peering, Ethernet and wide area network (WAN) services within Equinix IBX data centers.

The Company will discuss the closure of this transaction and provide an update on its view of the combined company on a conference call on Thursday, May 6, 2010, at 4:30 p.m. ET (1:30 p.m. PT). To hear the conference call live, please dial 773-756-4788 (domestic and international) and reference the passcode (EQIX). A simultaneous live Webcast of the call will be available over the Internet at www.equinix.com, under the Investor Relations heading.

A replay of the call will be available beginning on Thursday, May 6, 2010 at 7:30 p.m. (ET) through June 7, 2010 by dialing 203-369-3826 and reference the passcode (2010). In addition, the Webcast will be available on the company's Web site at www.equinix.com. No password is required for the webcast.

About Equinix

Equinix, Inc. (Nasdaq: EQIX) provides global data center services that ensure the vitality of the information-driven world. Global enterprises, content and financial companies, and more than 575 network service providers rely upon Equinix's insight and expertise to protect and connect their most valued information assets. Equinix operates 87 International Business Exchange™ (IBX®) and partner data centers across 35 metro areas in North America, Europe and Asia-Pacific.

Important information about Equinix is routinely posted on the investor relations page of its website located at www.equinix.com/investors. We encourage you to check Equinix's website regularly for the most up-to-date information.

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This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to, the challenges of acquiring, operating and constructing IBX centers and developing, deploying and delivering Equinix services; unanticipated costs or difficulties relating to the integration of Switch and Data into Equinix; a failure to receive significant revenue from customers in recently built out data centers; failure to complete any financing arrangements contemplated from time to time; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers; the results of any litigation relating to past stock option grants and practices; and other risks described from time to time in Equinix's filings with the Securities and Exchange Commission. In particular, see Equinix's recent quarterly and annual reports filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix does not assume any obligation to update the forward-looking information contained in this press release.

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

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. (the "Company") of Switch & Data Facilities Company, Inc. ("Switch and Data") using the acquisition method of accounting with the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined consolidated condensed financial statements. These pro forma statements were prepared as if the merger described above had been completed as of January 1, 2009 for statements of operations purposes and as of March 31, 2010 for balance sheet purposes. The combined company will operate under the Equinix name.

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 occurred on January 1, 2009 for statements of operation purposes and as of March 31, 2010 for balance sheet purposes, nor is it necessarily indicative of the future financial position or results of operations. 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 Switch and Data. 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 Switch and Data is subject to revision as more detailed analysis is completed and additional information on the fair values of Switch and Data's assets and liabilities becomes available. Any change in the fair value of the net assets of Switch and Data will change the amount of the purchase price allocable to goodwill. Additionally, changes in Switch and Data's working capital, including the results of operations from March 31, 2010 through April 30, 2010, will change the amount of goodwill recorded. Furthermore, the final purchase price is dependent on the completion of the accounting analysis required on the Switch and Data employee equity awards assumed. Final purchase accounting adjustments may differ materially from the pro forma adjustments presented here.

These unaudited pro forma combined consolidated condensed financial statements are based upon the respective historical consolidated financial statements of Equinix and Switch and Data and, in respect of Equinix's financial data, should be read in conjunction with the historical consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Equinix included in its Annual Report on Form 10-K for the period ended December 31, 2009 and its Quarterly Report on Form 10-Q for the period ended March 31, 2010 filed with the SEC. The historical consolidated financial statements of Switch and Data have been extracted from the historical consolidated financial statements and related notes of Switch and Data incorporated by reference in this Current Report on Form 8-K. Such historical consolidated financial statements and related notes are the sole responsibility of Switch and Data and have not been independently verified by Equinix.

**UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED
BALANCE SHEET
AS OF MARCH 31, 2010
(In thousands)**

	Historical		Pro Forma		
	Equinix	Switch and Data (Note 2)	Adjustments (Note 6)	Combined	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,039,302	\$ 24,120	\$ (282,862)	(a)	\$ 780,560
Short-term investments	140,611	—	—		140,611
Accounts receivable, net	69,722	13,540	—		83,262
Other current assets	64,014	2,477	—		66,491
Total current assets	1,313,649	40,137	(282,862)		1,070,924
Long-term investments	5,225	—	—		5,225
Property, plant and equipment, net	1,874,325	308,266	153,554	(b)	2,336,145
Goodwill	359,319	36,023	348,499	(c)	743,841
Intangible assets, net	46,661	14,443	121,287	(d)	182,391
Other assets	68,589	6,312	(5,391)	(e)	69,510
Total assets	<u>\$ 3,667,768</u>	<u>\$ 405,181</u>	<u>\$ 335,087</u>		<u>\$ 4,408,036</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	\$ 113,018	\$ 24,515	\$ 11,723	(f)	\$ 149,256
Accrued property, plant and equipment	98,993	—	—		98,993
Current portion of capital lease and other financing obligations	6,490	1,967	—		8,457
Current portion of mortgage and loans payable	56,225	17,813	(17,813)	(g)	56,225
Other current liabilities	41,381	14,072	(13,580)	(h)	41,873
Total current liabilities	316,107	58,367	(19,670)		354,804
Capital lease and other financing obligations, less current portion	152,173	57,917	—		210,090
Mortgage and loans payable, less current portion	247,718	121,125	(121,125)	(g)	247,718
Senior notes	750,000	—	—		750,000
Convertible debt	899,182	—	—		899,182
Other liabilities	115,101	30,065	52,869	(i)	198,035
Total liabilities	2,480,281	267,474	(87,926)		2,659,829
Stockholders' equity:					
Total stockholders' equity	1,187,487	137,707	423,013	(j)	1,748,207
Total liabilities and stockholders' equity	<u>\$ 3,667,768</u>	<u>\$ 405,181</u>	<u>\$ 335,087</u>		<u>\$ 4,408,036</u>

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

**UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2010
(In thousands, except per share data)**

	Historical		Adjustments (Note 6)	Pro Forma	Combined
	Equinix	Switch and Data (Note 3)			
Revenues	\$248,649	\$ 56,695	\$ —		\$305,344
Costs and operating expenses:					
Cost of revenues	133,050	37,860	6,908	(k)	177,818
Sales and marketing	19,468	5,924	2,727	(l)	28,119
General and administrative	43,155	5,560	371	(m)	49,086
Acquisition costs	4,994	—	(4,994)	(n)	—
Total costs and operating expenses	200,667	49,344	5,012		255,023
Income (loss) from operations	47,982	7,351	(5,012)		50,321
Interest income	506	12	(134)	(o)	384
Interest expense	(25,675)	(5,004)	3,920	(p)	(26,759)
Other-than-temporary impairment recovery on investments	3,420	—	—		3,420
Loss on debt extinguishment and interest rate swaps, net	(3,377)	—	—		(3,377)
Other income (expense)	20	(2,570)	—		(2,550)
Income (loss) before income taxes	22,876	(211)	(1,226)		21,439
Income tax benefit (expense)	(8,677)	(298)	2,773	(q)	(6,202)
Net income (loss)	\$ 14,199	\$ (509)	\$ 1,547		\$ 15,237
Earnings per share:					
Basic earnings per share	\$ 0.36				\$ 0.34
Weighted-average shares	39,562		5,458	(r)	45,020
Diluted earnings per share	\$ 0.35				\$ 0.33
Weighted-average shares	40,785		5,658	(r)	46,443

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

**UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009
(In thousands, except per share data)**

	Historical		Pro Forma	
	Equinix	Switch and Data (Note 3)	Adjustments (Note 6)	Combined
Revenues	\$882,509	\$ 205,438	\$ —	\$1,087,947
Costs and operating expenses:				
Cost of revenues	483,420	142,532	27,633	(k) 653,585
Sales and marketing	63,584	20,733	10,909	(l) 95,226
General and administrative	155,324	21,729	1,484	(m) 178,537
Restructuring charges	(6,053)	—	—	(6,053)
Acquisition costs	5,155	—	(4,091)	(n) 1,064
Total costs and operating expenses	701,430	184,994	35,935	922,359
Income (loss) from operations	181,079	20,444	(35,935)	165,588
Interest income	2,384	56	(1,641)	(o) 799
Interest expense	(74,232)	(15,775)	11,735	(p) (78,272)
Other-than-temporary impairment loss on investments	(2,590)	—	—	(2,590)
Other income (expense)	2,387	(3,063)	—	(676)
Income (loss) before income taxes	109,028	1,662	(25,841)	84,849
Income tax benefit (expense)	(39,597)	(1,254)	9,878	(q) (30,973)
Net income (loss)	\$ 69,431	\$ 408	\$ (15,963)	\$ 53,876
Earnings per share:				
Basic earnings per share	\$ 1.80			\$ 1.23
Weighted-average shares	38,488		5,458	(r) 43,946
Diluted earnings per share	\$ 1.75			\$ 1.19
Weighted-average shares	39,676		5,639	(r) 45,315

The accompanying notes are an integral part of these unaudited pro forma combined consolidated 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 SEC.

1. BASIS OF PRO FORMA PRESENTATION

In October 2009, the Company announced that it had entered into an agreement with Switch and Data under which the Company would acquire Switch and Data (the "Switch and Data Acquisition"). Under the terms of the Switch and Data Acquisition, Switch and Data stockholders had the opportunity to elect to receive either 0.19409 shares of Equinix common stock or \$19.06 in cash for each share of Switch and Data stock. The overall consideration paid by the Company in the Switch and Data Acquisition would be 80% Equinix common stock and 20% cash. In the event that holders of more than 80% of Switch and Data's stock elect to receive Equinix common stock or holders of more than 20% of Switch and Data's stock elect to receive cash, the consideration of the Switch and Data Acquisition would be prorated to achieve these proportions. In addition, a portion of the cash consideration payable to Switch and Data stockholders may be replaced by an equivalent amount of Equinix common stock to the extent necessary to enable the Switch and Data Acquisition to qualify as a tax-free exchange. Switch and Data operated 34 data centers in the U.S. and Canada. The combined company will operate under the Equinix name. The Switch and Data Acquisition will be accounted for using the acquisition method of accounting in accordance with the accounting standard for business combinations.

The unaudited pro forma combined consolidated condensed balance sheet as of March 31, 2010, was prepared by combining the historical audited consolidated condensed balance sheet data as of March 31, 2010 for Equinix and Switch and Data as if the Switch and Data Acquisition had been consummated on that date. Certain balance sheet reclassifications have been reflected in order to conform Switch and Data's balance sheet with the Company's balance sheet presentation. Refer to Note 2 for a discussion of these reclassification adjustments.

The unaudited pro forma combined consolidated condensed statement of operations for the three months ended March 31, 2010 and for the year ended December 31, 2009 combined the results of operations of Equinix and Switch and Data as if the Switch and Data Acquisition had been consummated on January 1, 2009. Certain statement of operations reclassifications have been reflected in order to conform with the Company's statement of operations presentation. Refer to Note 3 for a discussion of these reclassification adjustments.

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

2. SWITCH AND DATA BALANCE SHEET

Switch and Data classified certain amounts differently than Equinix in their consolidated balance sheet. The following schedule summarizes the necessary adjustments to conform the Switch and Data consolidated balance sheet as of March 31, 2010 to Equinix's basis of presentation (in thousands):

	<u>As Reported Switch and Data</u>	<u>Adjustments</u>		<u>As Revised Switch and Data</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 24,120	\$ —		\$ 24,120
Accounts receivable, net	13,540	—		13,540
Other current assets	2,477	—		2,477
Total current assets	40,137	—		40,137
Property, plant and equipment, net	308,266	—		308,266
Goodwill	36,023	—		36,023
Intangible assets, net	14,443	—		14,443
Other assets	6,312	—		6,312
Total assets	<u>\$ 405,181</u>	<u>\$ —</u>		<u>\$ 405,181</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	\$ 24,515	\$ —		\$ 24,515
Derivative liability	9,543	(9,543)	(i)	—
Current portion of unearned revenue	3,694	(3,694)	(i)	—
Current portion of deferred rent	343	(343)	(i)	—
Current portion of customer security deposits	492	(492)	(i)	—
Current portion of capital lease and other financing obligations	1,967	—		1,967
Current portion of mortgage and loans payable	17,813	—		17,813
Other current liabilities	—	14,072	(i)	14,072
Total current liabilities	58,367	—		58,367
Unearned revenue, less current portion	1,870	(1,870)	(ii)	—
Deferred rent, less current portion	27,810	(27,810)	(ii)	—
Customer security deposits, less current portion	385	(385)	(ii)	—
Capital lease and other financing obligations, less current portion	57,917	—		57,917
Mortgage and loans payable, less current portion	121,125	—		121,125
Other liabilities	—	30,065	(ii)	30,065
Total liabilities	267,474	—		267,474
Stockholders' equity				
Total stockholders' equity	137,707	—		137,707
Total liabilities and stockholders' equity	<u>\$ 405,181</u>	<u>\$ —</u>		<u>\$ 405,181</u>

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

The adjustments presented above to Switch and Data's balance sheet are as follows:

- (i) Reflects reclassification adjustments to move the following line items to other current liabilities (in thousands):

Derivative liability	\$ 9,543
Current portion of unearned revenue	3,694
Current portion of deferred rent	343
Current portion of customer security deposits	492
	<u>\$ 14,072</u>

- (ii) Reflects reclassification adjustments to move the following line items to other liabilities (in thousands):

Unearned revenue, less current portion	\$ 1,870
Deferred rent, less current portion	27,810
Customer security deposits, less current portion	385
	<u>\$ 30,065</u>

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

3. SWITCH AND DATA STATEMENTS OF OPERATIONS

Switch and Data classified certain amounts differently than Equinix in their consolidated statement of operations. The following schedule summarizes the necessary adjustments to conform the Switch and Data consolidated statement of operations for the three months ended March 31, 2010 to Equinix's basis of presentation (in thousands):

	As Reported Switch and Data	Adjustments		As Revised Switch and Data
Revenues	\$ 56,695	\$ —		\$ 56,695
Costs and operating expenses:				
Cost of revenues	27,299	10,561	(i)	37,860
Sales and marketing	5,924	—		5,924
General and administrative	5,004	556	(i)	5,560
Depreciation and amortization	11,117	(11,117)	(i)	—
Total costs and operating expenses	49,344	—		49,344
Income from operations	7,351	—		7,351
Interest income	12	—		12
Interest expense	(5,004)	—		(5,004)
Other expense	(2,570)	—		(2,570)
Loss before income taxes	(211)	—		(211)
Income tax expense	(298)	—		(298)
Net loss	\$ (509)	\$ —		\$ (509)

The adjustments presented above to Switch and Data's statements of operations are as follows:

- (i) Reflects a reclassification of depreciation and amortization to both cost of revenues and general and administrative expenses.

The following schedule summarizes the necessary adjustments to conform the Switch and Data consolidated statement of operations for the year ended December 31, 2009 to Equinix's basis of presentation (in thousands):

	As Reported Switch and Data	Adjustments		As Revised Switch and Data
Revenues	\$ 205,438	\$ —		\$ 205,438
Costs and operating expenses:				
Cost of revenues	103,133	39,399	(ii)	142,532
Sales and marketing	20,733	—		20,733
General and administrative	18,955	2,774	(ii)	21,729
Depreciation and amortization	41,473	(41,473)	(ii)	—
Lease litigation settlement	700	(700)	(ii)	—
Total costs and operating expenses	184,994	—		184,994
Income from operations	20,444	—		20,444
Interest income	56	—		56
Interest expense	(15,775)	—		(15,775)
Other expense	(3,063)	—		(3,063)
Income before income taxes	1,662	—		1,662
Income tax expense	(1,254)	—		(1,254)
Net income	\$ 408	\$ —		\$ 408

The adjustments presented above to Switch and Data's statements of operations are as follows:

- (ii) Reflects a reclassification of depreciation and amortization to both cost of revenues and general and administrative expenses and a reclassification of lease litigation settlement to general and administrative expenses.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED
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4. PURCHASE PRICE—SWITCH AND DATA

The following represents the preliminary allocation of the purchase price over the historical net book values of the acquired assets and assumed liabilities of Switch and Data as of March 31, 2010, and is for illustrative purposes only. Actual fair values will be based on financial information as of the acquisition date.

The unaudited pro forma combined consolidated condensed financial statements reflect an estimated purchase price of approximately \$698,499,000, consisting of (a) a cash payment totaling approximately \$134,007,000, representing a payment of \$19.06 per share for 20% of Switch and Data's total common stock outstanding as of April 30, 2010, (b) a total of approximately 5,458,000 shares of the Company's common stock, representing the issuance of 0.19409 shares of Equinix common stock for 80% of Switch and Data's total common stock outstanding as of April 30, 2010, with a fair value of approximately \$549,389,000 based on the closing price of Equinix common stock as of April 30, 2010 and (c) fair value of approximately \$15,103,000 attributed to vested Switch and Data employee equity awards which Equinix will assume. The final purchase price will be determined upon completion of the accounting analysis required on the Switch and Data employee equity awards assumed.

Under the acquisition method of accounting, the total estimated purchase price is allocated to Switch and Data'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	\$ 24,120
Accounts receivable	13,540
Other current assets	2,477
Property and equipment	461,820
Goodwill	384,522
Intangible asset—customer contracts	114,540
Intangible asset—tradenames	4,240
Intangible asset—leases	16,950
Other assets	2,510
Total assets acquired	1,024,719
Accounts payable and accrued expenses	(24,515)
Current portion of capital leases	(1,967)
Current portion of loan payable	(17,813)
Other current liabilities	(10,035)
Capital leases, less current portion	(57,917)
Loan payable	(121,125)
Unfavorable leases	(2,100)
Deferred tax liability	(82,038)
Other liabilities	(385)
Estimated Switch and Data transaction costs payable	(8,325)
Net assets acquired	<u>\$ 698,499</u>

A preliminary estimate of \$114,540,000 has been allocated to customer contracts, an intangible asset with an estimated useful life of approximately 11 years. A preliminary estimate of \$4,240,000 has been allocated to tradenames with an estimated life of approximately 8 years. A preliminary estimate of \$16,950,000 has been

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED
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allocated to favorable leases with an estimated life of approximately 7 years. A preliminary estimate of \$2,100,000 has been allocated to unfavorable lease liability with an estimated life of approximately 7 years.

A preliminary estimate of \$384,522,000 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. Goodwill will not be amortized and will be tested for impairment at least annually. The preliminary purchase price allocation for Switch and Data is subject to revision as more detailed analysis is completed and additional information on the fair values of Switch and Data's assets and liabilities becomes available. Any changes in the fair value of the net assets of Switch and Data will change the amount of the purchase price allocable to goodwill. Additionally, changes in Switch and Data's working capital, including the results of operations from March 31, 2010 through April 30, 2010, will also change the amount of goodwill recorded. Final purchase accounting adjustments may therefore differ materially from the pro forma adjustments presented here.

There were no historical transactions between Equinix and Switch and Data. Certain reclassifications have been made to conform Switch and Data'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. SWITCH AND DATA DEBT

As a result of the Switch and Data Acquisition, Switch and Data's outstanding debt became due and payable and was required to be repaid or refinanced prior to or concurrent with completion of the Switch and Data Acquisition due to change of control provisions contained in Switch and Data's credit agreement. Equinix repaid Switch and Data's outstanding debt immediately following the completion of the Switch and Data Acquisition. As of March 31, 2010, the aggregate principal amount of Switch and Data's outstanding debt was \$138,938,000 and accrued interest associated with this debt totaled \$374,000. In addition, Switch and Data had entered into an interest rate swap agreement in connection with this debt and had a derivative liability totaling \$9,543,000 as of March 31, 2010. The cost to unwind this interest rate swap agreement was the full payment of this derivative liability. For the purposes of these unaudited pro forma combined consolidated condensed financial statements, Equinix will reflect the full repayment of Switch and Data's outstanding debt and associated interest rate swap agreement.

6. PRO FORMA ADJUSTMENTS

The accompanying unaudited pro forma combined financial statements have been prepared as if the transactions described above were completed on March 31, 2010 for balance sheet purposes and as of January 1, 2009 for statement of operations purposes.

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):

Cash portion of Switch and Data Acquisition purchase price	\$(134,007)
Repayment of Switch and Data's outstanding debt	(138,938)
Payment of accrued interest on Switch and Data's outstanding debt	(374)
Cost to unwind Switch and Data's interest rate swap agreement in connection with Switch and Data's outstanding debt	(9,543)
	<u>\$(282,862)</u>

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

- (b) Represents an adjustment to Switch and Data’s property, plant and equipment to fair value.
- (c) Represents goodwill of \$384,522,000 created in the Switch and Data Acquisition, offset by the \$36,023,000 write-off of Switch and Data’s existing goodwill on its balance sheet.
- (d) Represents the following adjustments to intangible assets, net (in thousands):

Value attributed to new intangible asset—customer contracts	\$ 114,540
Value attributed to new intangible asset—tradenames	4,240
Value attributed to new intangible asset—favorable leases	16,950
Write-off of Switch and Data’s existing intangible assets, net	<u>(14,443)</u>
	<u>\$ 121,287</u>

- (e) Represents the following adjustments to other assets (in thousands):

Reduction of non-current deferred tax assets*	\$(1,589)
Fair value adjustment to write-off Switch and Data’s debt issuance costs	<u>(3,802)</u>
	<u>\$(5,391)</u>

* Represents the reduction of Equinix’s non-current deferred tax assets as a result of the recognition of the non-current deferred tax liability created in the Switch and Data Acquisition. The remaining non-current deferred tax liability created in the acquisition of Switch and Data is recorded in other liabilities—see adjustment (i) below.

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

Accrual for Equinix’s Switch and Data transaction costs	\$ 3,772
Accrual for Switch and Data’s transaction costs	8,325
Payment of accrued interest on Switch and Data’s outstanding debt	<u>(374)</u>
	<u>\$11,723</u>

- (g) Represents repayment of Switch and Data’s outstanding debt.

- (h) Represents the following adjustments to other current liabilities (in thousands):

Write-off of Switch and Data’s current unearned revenue with no remaining performance obligations	\$ (3,694)
Write-off of Switch and Data’s current deferred rent	(343)
Payment of derivative liability in connection with Switch and Data’s interest rate swap agreement	<u>(9,543)</u>
	<u>\$(13,580)</u>

- (i) Represents the following adjustments to other liabilities (in thousands):

Value attributed to Switch and Data’s unfavorable leases	\$ 2,100
Recognition of non-current deferred tax liability created in the Switch and Data Acquisition	80,449
Write-off of Switch and Data’s non-current unearned revenue with no remaining performance obligations	(1,870)
Write-off of Switch and Data’s non-current deferred rent	<u>(27,810)</u>
	<u>\$ 52,869</u>

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

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

Elimination of Switch and Data's historical stockholders' equity	\$(137,707)
Fair value of Equinix common stock issued in connection with the Switch and Data purchase price	549,389
Fair value of vested Switch and Data employee equity awards assumed by Equinix	15,103
Accrual for Equinix's Switch and Data transaction costs	<u>(3,772)</u>
	<u>\$ 423,013</u>

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

- (k) Represents (i) additional net depreciation expense in connection with both the fair value adjustment to Switch and Data's property, plant and equipment and conforming Switch and Data's depreciable life estimates for its property, plant and equipment to Equinix's depreciable life estimates, (ii) amortization expense in connection with the favorable lease intangible asset and (iii) rent expense savings as a result of the unfavorable lease liability amortization recorded in connection with the Switch and Data Acquisition as noted below (in thousands):

	For the three months ended March 31, 2010	For the year ended December 31, 2009
Additional depreciation expense in connection with Switch and Data acquisition	\$ 6,378	\$ 25,513
Switch and Data favorable lease intangible amortization	609	2,434
Switch and Data unfavorable lease liability amortization	<u>(79)</u>	<u>(314)</u>
	<u>\$ 6,908</u>	<u>\$ 27,633</u>

- (l) Represents the amortization of the customer contract intangible over an estimated useful life of approximately 11 years.
- (m) Represents (i) additional net depreciation expense in connection with both the fair value adjustment to Switch and Data's property, plant and equipment and conforming Switch and Data's depreciable life estimates for its property, plant and equipment to Equinix's depreciable life estimates and (ii) amortization of the tradename intangible asset in connection with the Switch and Data Acquisition as noted below (in thousands):

	For the three months ended March 31, 2010	For the year ended December 31, 2009
Additional depreciation expense in connection with Switch and Data acquisition	\$ 229	\$ 915
Switch and Data tradename intangible amortization	<u>142</u>	<u>569</u>
	<u>\$ 371</u>	<u>\$ 1,484</u>

- (n) Represents the removal of Equinix transaction costs in connection with the Switch and Data Acquisition incurred in its historical results. Such non-recurring transaction costs are to be excluded from the unaudited pro forma combined consolidated condensed statement of operations pursuant to SEC regulations. The remaining acquisition costs reflected for the year ended December 31, 2009 relate to acquisition activity not related to Switch and Data.
- (o) Represents a reduction of interest income assuming the cash payments outlined in adjustment (a) above occurred as of January 1, 2009.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED
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- (p) Represents interest expense savings assuming Switch and Data's outstanding debt was repaid and the associated interest rate swaps were unwound as of January 1, 2009.
- (q) Primarily represents the reversal of deferred tax liability associated with the purchase accounting adjustments recorded as a result of the Switch and Data Acquisition based on the effective statutory tax rates.
- (r) Represents the shares of Equinix common stock issued in connection with the Switch and Data Acquisition as well as the estimated impact of Switch and Data employee equity awards assumed for diluted earnings per share purposes as if they were outstanding as of January 1, 2009.