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

FORM 10-Q

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

For the quarterly period ended March 31, 2012

OR

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

For the transition period from to

Commission File Number 000-31293

EQUINIX, INC.
(Exact name of registrant as specified in its charter)

Delaware	**77-0487526**
(State of incorporation)	**(I.R.S. Employer Identification No.)**

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

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

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

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

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

Large accelerated filer ☒	Accelerated filer ☐	Non.-accelerated filer ☐	Smaller reporting company ☐

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

The number of shares outstanding of the registrant's Common Stock as of March 31, 2012 was 47,413,240.

EQUINIX, INC.

INDEX

PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

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

	March 31, 2012	December 31, 2011
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 632,944	$ 278,823
Short-term investments	283,910	635,721
Accounts receivable, net	158,561	139,057
Other current assets	98,608	182,156
Total current assets	1,174,023	1,235,757
Long-term investments	166,437	161,801
Property, plant and equipment, net	3,387,369	3,225,912
Goodwill	879,914	866,495
Intangible assets, net	145,350	148,635
Other assets	131,252	146,724
Total assets	$5,884,345	$5,785,324
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 194,516	$ 229,043
Accrued property, plant and equipment	125,250	93,224
Current portion of capital lease and other financing obligations	11,961	11,542
Current portion of loans payable	75,361	87,440
Current portion of convertible debt	249,474	246,315
Other current liabilities	61,521	57,690
Total current liabilities	718,083	725,254
Capital lease and other financing obligations, less current portion	402,911	390,269
Loans payable, less current portion	144,582	168,795
Convertible debt, less current portion	698,159	694,769
Senior notes	1,500,000	1,500,000
Other liabilities	291,060	286,424
Total liabilities	3,754,795	3,765,511
Redeemable non-controlling interests (Note 9)	69,071	67,601
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock	48	48
Additional paid-in capital	2,490,401	2,437,623
Treasury stock	(99,031)	(86,666)
Accumulated other comprehensive loss	(110,367)	(143,698)
Accumulated deficit	(220,572)	(255,095)
Total stockholders' equity	2,060,479	1,952,212
Total liabilities, redeemable non-controlling interests and stockholders' equity	$5,884,345	$5,785,324

See accompanying notes to condensed consolidated financial statements

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

	Three months ended March 31, 2012	2011
	(Unaudited)	
Revenues	$452,200	$363,029
Costs and operating expenses:		
Cost of revenues	225,079	194,576
Sales and marketing	46,571	33,636
General and administrative	78,425	62,601
Restructuring charges	—	496
Acquisition costs	1,027	415
Total costs and operating expenses	351,102	291,724
Income from operations	101,098	71,305
Interest income	691	215
Interest expense	(52,818)	(37,361)
Other income (expense)	(154)	2,111
Income before income taxes	48,817	36,270
Income tax expense	(14,006)	(11,125)
Net income	34,811	25,145
Net income attributable to redeemable non-controlling interests	(288)	—
Net income attributable to Equinix	$ 34,523	$ 25,145
Earnings per share attributable to Equinix, after adjustments related to redeemable non-controlling interests (Note 2):		
Basic earnings per share	$ 0.74	$ 0.54
Weighted-average shares	46,955	46,451
Diluted earnings per share	$ 0.71	$ 0.53
Weighted-average shares	51,061	47,219

See accompanying notes to condensed consolidated financial statements

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
	(Unaudited)	
Net income	$34,811	$25,145
Other comprehensive income, net of tax:		
Foreign currency translation gain	34,312	50,683
Unrealized gain (loss) on available for sale securities	78	(21)
Other comprehensive income, net of tax	34,390	50,662
Comprehensive income, net of tax	69,201	75,807
Net income attributable to redeemable non-controlling interests	(288)	—
Other comprehensive income attributable to redeemable non-controlling interests	(1,059)	—
Comprehensive income attributable to Equinix	$67,854	$75,807

See accompanying notes to condensed consolidated financial statements

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

	Three months ended March 31, 2012	2011
	(unaudited)	
Cash flows from operating activities:		
Net income	$ 34,811	$ 25,145
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	87,875	74,062
Stock-based compensation	19,103	15,535
Amortization of debt issuance costs and debt discounts	8,107	7,284
Amortization of intangible assets	4,929	4,273
Provision for allowance for doubtful accounts	1,681	1,204
Accretion of asset retirement obligation and accrued restructuring charges	1,053	1,125
Other items	1,241	920
Changes in operating assets and liabilities:		
Accounts receivable	(19,677)	3,099
Other assets	17,567	(4,279)
Accounts payable and accrued expenses	(33,737)	(13,606)
Other liabilities	3,040	3,008
Net cash provided by operating activities	125,993	117,770
Cash flows from investing activities:		
Purchases of investments	(97,383)	(149,963)
Sales of investments	30,699	75,583
Maturities of investments	413,050	72,195
Purchases of property, plant and equipment	(145,490)	(175,115)
Purchase of real estate	—	(14,951)
Increase in restricted cash	(2)	(94,773)
Release of restricted cash	68,559	630
Other investing activities, net	—	5
Net cash provided by (used in) investing activities	269,433	(286,389)
Cash flows from financing activities:		
Purchases of treasury stock	(13,364)	—
Proceeds from employee equity awards	30,460	15,668
Proceeds from loans payable	8,909	22,653
Repayment of capital lease and other financing obligations	(2,826)	(1,968)
Repayment of mortgage and loans payable	(67,129)	(10,102)
Debt issuance costs	—	(125)
Net cash provided by (used in) financing activities	(43,950)	26,126
Effect of foreign currency exchange rates on cash and cash equivalents	2,645	4,118
Net increase (decrease) in cash and cash equivalents	354,121	(138,375)
Cash and cash equivalents at beginning of period	278,823	442,841
Cash and cash equivalents at end of period	$ 632,944	$ 304,466
Supplemental cash flow information:		
Cash paid for taxes	$ 1,734	$ 174
Cash paid for interest	$ 63,336	$ 36,737

See accompanying notes to condensed consolidated financial statements

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Equinix, Inc. ("Equinix" or the "Company") and reflect all adjustments, consisting only of normal recurring adjustments, which in the opinion of management are necessary to fairly state the financial position and the results of operations for the interim periods presented. The condensed consolidated balance sheet data at December 31, 2011 has been derived from audited consolidated financial statements at that date. The consolidated financial statements have been prepared in accordance with the regulations of the Securities and Exchange Commission ("SEC"), but omit certain information and footnote disclosure necessary to present the statements in accordance with generally accepted accounting principles in the United States of America. For further information, refer to the Consolidated Financial Statements and Notes thereto included in Equinix's Form 10-K as filed with the SEC on February 24, 2012. Results for the interim periods are not necessarily indicative of results for the entire fiscal year.

Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Equinix and its subsidiaries, including the operations of ALOG Data Centers do Brasil S.A. and its subsidiaries ("ALOG") from April 25, 2011. All significant intercompany accounts and transactions have been eliminated in consolidation.

Income Taxes

The Company's effective tax rates were 28.7% and 30.7% for the three months ended March 31, 2012 and 2011, respectively.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS"), which amends ASC 820, Fair Value Measurement. ASU 2011-04 does not extend the use of fair value, but provides guidance on how it should be applied where its use is already required or permitted by other standards within U.S. GAAP or IFRS. ASU 2011-04 changes the wording used to describe many requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Additionally, ASU 2011-04 clarifies the FASB's intent about the application of existing fair value measurements. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011 and is applied prospectively. During the three months ended March 31, 2012, the Company adopted ASU 2011-04 and the adoption did not have a material impact to its consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, Presentation of Comprehensive Income. This ASU is intended to increase the prominence of other comprehensive income in financial statements by presenting the components of net income and other comprehensive income in one continuous statement, referred to as the statement of comprehensive income, or in two separate, but consecutive statements. The new guidance eliminated the option to report other comprehensive income and its components in the statement of changes in stockholders' equity. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. While the new guidance changes the presentation of comprehensive income, there are no changes to the components that are recognized in net income or other comprehensive income under current accounting guidance. During the three months ended March 31, 2012, the Company adopted ASU 2011-05 and the adoption did not have a material impact to its consolidated financial statements other than the addition of the condensed consolidated statements of comprehensive income.

In December 2011, the FASB issued ASU 2011-12, Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05. This ASU defers the requirement that companies present reclassification adjustments for each component of accumulated other comprehensive income in both net income and other comprehensive income on the face of the financial statements. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. During the three months ended March 31, 2012, the Company adopted ASU 2011-12 and the adoption did not have a material impact to its consolidated financial statements.

In December 2011, the FASB issued ASU 2011-11, Disclosures about Offsetting Assets and Liabilities. This ASU requires companies to disclose both gross information and net information about instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. This new guidance is effective for interim and annual periods beginning on or after January 1, 2013 and retrospective disclosure is required for all comparative periods presented. The Company is currently evaluating the impact that the adoption of this standard will have to its consolidated financial statements, if any.

2. Earnings Per Share

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

	Three months ended March 31,	
	2012	2011
Net income	$34,811	$25,145
Net income attributable to redeemable non-controlling interests	(288)	—
Net income attributable to Equinix	34,523	25,145
Adjustments attributable to redemption value of redeemable non-controlling interests	209	—
Net income attributable to Equinix, basic	34,732	25,145
Effect of assumed conversion of convertible debt:		
Interest expense, net of tax	1,699	—
Net income attributable to Equinix, diluted	$36,431	$25,145
Weighted-average shares used to compute basic EPS	46,955	46,451
Effect of dilutive securities:		
Convertible debt	2,945	—
Employee equity awards	1,161	768
Weighted-average shares used to compute diluted EPS	51,061	47,219
EPS attributable to Equinix:		
Basic	$ 0.74	$ 0.54
Diluted	$ 0.71	$ 0.53

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

	Three months ended March 31,	
	2012	2011
Shares reserved for conversion of 2.50% convertible subordinated notes	2,232	2,232
Shares reserved for conversion of 3.00% convertible subordinated notes	—	2,945
Shares reserved for conversion of 4.75% convertible subordinated notes	4,433	4,433
Common stock related to employee equity awards	178	1,064
	6,843	10,674

3. Balance Sheet Components

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

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

	March 31, 2012	December 31, 2011
Cash and cash equivalents:		
Cash	$ 196,911	$ 74,101
Cash equivalents:		
Money markets	434,032	198,931
Certificates of deposit	2,001	4,500
Commercial paper	—	1,000
Corporate bonds	—	291
Total cash and cash equivalents	632,944	278,823
Marketable securities:		
U.S. government securities	235,924	573,277
U.S. government agencies securities	118,254	129,235
Corporate bonds	59,962	64,308
Certificates of deposit	29,815	24,472
Commercial paper	1,990	—
Foreign government securities	3,602	5,283
Asset-backed securities	800	947
Total marketable securities	450,347	797,522
Total cash, cash equivalents and short-term and long-term investments	$1,083,291	$1,076,345

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

	March 31, 2012			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. government securities	$235,880	$ 89	$ (45)	$235,924
U.S. government agencies securities	118,174	140	(60)	118,254
Corporate bonds	59,892	75	(5)	59,962
Certificates of deposit	29,758	57	—	29,815
Foreign government securities	3,603	—	(1)	3,602
Commercial paper	1,990	1	(1)	1,990
Asset-backed securities	752	48	—	800
Total	$450,049	$ 410	$ (112)	$450,347

	December 31, 2011			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. government securities	$573,232	$ 91	$ (46)	$573,277
U.S. government agencies securities	129,159	104	(28)	129,235
Corporate bonds	64,364	51	(107)	64,308
Certificates of deposit	24,471	3	(2)	24,472
Foreign government securities	5,295	—	(12)	5,283
Asset-backed securities	890	57	—	947
Total	$797,411	$ 306	$ (195)	$797,522

As of March 31, 2012 and December 31, 2011, cash equivalents included investments which were readily convertible to cash and had original maturity dates of 90 days or less. The maturities of securities classified as short-term investments were one year or less as of March 31, 2012 and December 31, 2011. The maturities of securities classified as long-term investments were greater than one year and less than three years as of March 31, 2012 and December 31, 2011. As of March 31, 2012, the Company's investments in foreign government securities included securities in Canadian sovereign or agency debt, which has a credit rating of AAA. The Company did not hold any securities issued from Greece, Italy, Ireland, Portugal or Spain.

While certain marketable securities carry unrealized losses, the Company expects that it will receive both principal and interest according to the stated terms of each of the securities and that the decline in market value is primarily due to changes in the interest rate environment from the time the securities were purchased as compared to interest rates at March 31, 2012.

The following table summarizes the fair value and gross unrealized losses related to 77 available-for-sale securities with an aggregate cost basis of $151,740,000 aggregated by type of investment and length of time that individual securities have been in a continuous unrealized loss position, as of March 31, 2012 (in thousands):

	Securities in a loss position for less than 12 months		Securities in a loss position for 12 months or more	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
U.S. government securities	$119,815	$ (45)	$ —	$ —
U.S. government agencies securities	21,263	(60)	—	—
Corporate bonds	6,038	(5)	—	—
Certificates of deposit	1,400	—	—	—
Foreign government securities	2,120	(1)	—	—
Commercial paper	992	(1)	—	—
	$151,628	$ (112)	$ —	$ —

While the Company does not believe it holds investments that are other-than-temporarily impaired and believes that the Company's investments will mature at par as of March 31, 2012, the Company's investments are subject to the currently adverse market conditions. If market conditions were to deteriorate, the Company could sustain other-than-temporary impairments to its investment portfolio which could result in additional realized losses being recorded in interest income, net, or securities markets could become inactive which could affect the liquidity of the Company's investments.

Accounts Receivable

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

	March 31, 2012	December 31, 2011
Accounts receivable	$ 272,706	$ 250,211
Unearned revenue	(109,053)	(106,519)
Allowance for doubtful accounts	(5,092)	(4,635)
	$ 158,561	$ 139,057

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

Other Current Assets

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

	March 31, 2012	December 31, 2011
Restricted cash, current	$22,457	$ 88,279
Deferred tax assets, net	37,370	42,743
Taxes receivable	11,598	24,313
Prepaid expenses	20,914	19,441
Other receivables	2,161	2,999
Other current assets	4,108	4,381
	$98,608	$ 182,156

Property, Plant and Equipment

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

	March 31, 2012	December 31, 2011
IBX plant and machinery	$ 1,863,714	$ 1,833,834
Leasehold improvements	975,440	958,391
Buildings	535,710	509,359
IBX equipment	369,507	368,530
Site improvements	308,890	305,169
Computer equipment and software	160,989	138,147
Land	96,042	91,314
Furniture and fixtures	18,748	18,144
Construction in progress	473,207	330,780
	4,802,247	4,553,668
Less accumulated depreciation	(1,414,878)	(1,327,756)
	$ 3,387,369	$ 3,225,912

Leasehold improvements, IBX plant and machinery, computer equipment and software and buildings recorded under capital leases aggregated $133,085,000 and $132,245,000 as of March 31, 2012 and December 31, 2011, respectively. Amortization on the assets recorded under capital leases is included in depreciation expense and accumulated depreciation on such assets totaled $35,793,000 and $33,790,000 as of March 31, 2012 and December 31, 2011, respectively.

Goodwill and Intangible Assets

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

	March 31, 2012	December 31, 2011
Goodwill:		
Americas	$501,772	$ 499,455
EMEA	357,481	347,018
Asia-Pacific	20,661	20,022
	$879,914	$ 866,495
Intangible assets:		
Intangible asset – customer contracts	$173,409	$ 171,230
Intangible asset – favorable leases	18,529	18,315
Intangible asset – others	5,294	5,245
	197,232	194,790
Accumulated amortization	(51,882)	(46,155)
	$145,350	$ 148,635

The Company's goodwill and intangible assets in EMEA, denominated in British pounds and Euros, goodwill in Asia-Pacific, denominated in Singapore dollars, and certain goodwill and intangibles in Americas, denominated in Canadian dollars and Brazilian reais, are subject to foreign currency fluctuations. The Company's foreign currency translation gains and losses, including goodwill and intangibles, are a component of other comprehensive income and loss. During the three months ended March 31, 2012, changes in the carrying amount of goodwill and the gross book value of intangible assets were solely due to foreign currency fluctuations.

For the three months ended March 31, 2012 and 2011, the Company recorded amortization expense of $4,929,000 and $4,273,000, respectively, associated with its intangible assets. The Company's estimated future amortization expense related to these intangibles is as follows (in thousands):

Year ending:	
2012 (nine months remaining)	$ 14,756
2013	19,649
2014	19,274
2015	18,802
2016	18,222
Thereafter	54,647
Total	$145,350

Other Assets

Other assets consisted of the following (in thousands):

	March 31, 2012	December 31, 2011
Deferred tax assets, net	$ 17,433	$ 16,980
Prepaid expenses, non-current	43,553	54,118
Debt issuance costs, net	39,044	41,320
Deposits	20,972	24,304
Restricted cash, non-current	3,368	4,382
Other assets, non-current	6,882	5,620
	$131,252	$ 146,724

Accounts Payable and Accrued Expenses

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

	March 31, 2012	December 31, 2011
Accounts payable	$ 26,423	$ 23,268
Accrued compensation and benefits	51,278	66,330
Accrued interest	32,604	50,916
Accrued taxes	41,218	43,539
Accrued utilities and security	20,026	21,456
Accrued professional fees	5,186	4,783
Accrued repairs and maintenance	3,003	3,458
Accrued other	14,778	15,293
	$194,516	$ 229,043

Other Current Liabilities

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

	March 31, 2012	December 31, 2011
Deferred installation revenue	$37,281	$ 35,700
Customer deposits	13,670	13,669
Deferred recurring revenue	5,656	2,918
Accrued restructuring charges	2,428	2,565
Deferred rent	1,623	1,582
Deferred tax liabilities, net	394	394
Asset retirement obligations	92	344
Other current liabilities	377	518
	$61,521	$ 57,690

Other Liabilities

Other liabilities consisted of the following (in thousands):

	March 31, 2012	December 31, 2011
Deferred tax liabilities, net	$118,911	$ 117,995
Asset retirement obligations, non-current	59,209	56,243
Deferred rent, non-current	50,067	48,372
Deferred installation revenue, non-current	24,703	24,281
Accrued taxes, non-current	22,845	22,226
Deferred recurring revenue, non-current	4,123	5,472
Accrued restructuring charges, non-current	4,780	5,255
Customer deposits, non-current	3,885	4,209
Other liabilities	2,537	2,371
	$291,060	$ 286,424

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

4. Derivatives and Hedging Activities

Other Derivatives not Designated as Hedging

The Company uses foreign currency forward contracts to manage the foreign exchange risk associated with certain foreign currency-denominated assets and liabilities. As a result of foreign currency fluctuations, the U.S. dollar equivalent values of the foreign currency-denominated assets and liabilities change. Foreign currency forward contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date.

The Company has not designated the foreign currency forward contracts as hedging instruments under the accounting standard for derivatives and hedging. Gains and losses on these contracts are included in other income (expense), net, along with those foreign currency gains and losses of the related foreign currency-denominated assets and liabilities associated with these foreign currency forward contracts. The Company entered into various foreign currency forward contracts during the three months ended March 31, 2012 and 2011.

During the three months ended March 31, 2012 and 2011, the Company recorded a net loss of $192,000 and a net gain of $798,000, respectively, in connection with its foreign currency forward contracts, which is reflected in other income (expense) in the condensed consolidated statement of operations.

5. Fair Value Measurements

The Company's financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2012 were as follows (in thousands):

	Fair value at March 31, 2012	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets:				
Cash	$ 196,911	$196,911	$ —	$ —
Money market and deposit accounts	434,032	434,032	—	—
U.S. government securities	235,924	—	235,924	—
U.S. government agency securities	118,254	—	118,254	—
Corporate bonds	59,962	—	59,962	—
Certificates of deposit	31,816	—	31,816	—
Foreign government securities	3,602	—	3,602	—
Commercial paper	1,990	—	1,990	—
Asset-backed securities	800	—	800	—
	$1,803,291	$630,943	$452,348	$ —
Liabilities:				
Foreign currency forward contracts (1)	$ 15	$ —	$ 15	$ —

(1) Amounts are included within other current liabilities in the Company's accompanying consolidated balance sheet.

The fair value of the Company's investments in available-for-sale money market funds approximates their face value. Such instruments are included in cash equivalents. These instruments include available-for-sale debt investments related to the Company's investments in the securities of other public companies, governmental units and other agencies. The fair value of these investments is based on the quoted market price of the underlying shares.

Valuation Methods

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

Cash, Cash Equivalents and Investments. The fair value of the Company's investments in money market funds approximates their face value. Such instruments are included in cash equivalents. The Company's money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted prices for identical instruments in active markets. The fair value of the Company's other investments approximate their face value. These investments include certificates of deposit and available-for-sale debt investments related to the Company's investments in the securities of other public companies, governmental units and other agencies. The fair value of these investments is based on the quoted market price of the underlying shares. Such instruments are classified within Level 2 of the fair value hierarchy. The Company obtains the fair values of its Level 2 investments based upon fair values obtained from its custody bank. In addition, the Company obtains fair values of its Level 2 investments from the asset manager of each of its portfolios. The Company validates the fair value of each investment provided by its custody bank by comparing it against the independent pricing information obtained from the asset managers. The custody bank and asset managers independently use professional pricing services to gather pricing data which may include quoted market prices for identical or comparable instruments, or inputs other than quoted prices that are observable either directly or indirectly. The Company is ultimately responsible for its consolidated financial statements and underlying estimates.

The Company determined that the major security types held as of March 31, 2012 were primarily cash and money market funds, U.S. government and agency securities, corporate bonds, certificate of deposits, foreign government securities, commercial paper and asset-backed securities. The Company uses the specific identification method in computing realized gains or losses. Short-term and long-term investments are classified as "available-for-sale" and are carried at fair value with unrealized gains and losses reported in stockholders' equity as a component of other comprehensive income or loss, net of any related tax effect. The Company reviews its investment portfolio quarterly to determine if any securities may be other-than-temporarily impaired due to increased credit risk, changes in industry or sector of a certain instrument or ratings downgrades over an extended period of time.

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

During the three months ended March 31, 2012, the Company did not have any nonfinancial assets or liabilities measured at fair value on a recurring basis.

6. Related Party Transactions

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
Revenues	$4,743	$ 5,811
Costs and services	335	388

	As of March 31, 2012	As of March 31, 2011
Accounts receivable	$4,057	$5,465
Accounts payable	—	258

In connection with the acquisition of ALOG, the Company acquired a lease for one of the Brazilian IBX data centers in which the lessor is a member of ALOG management. This lease contains an option to purchase the underlying property for fair market value on the date of purchase. The Company accounts for this lease as a financing obligation as a result of structural building work pursuant to the accounting standard for lessee's involvement in asset construction. As of March 31, 2012, the Company had a financing obligation liability totaling approximately $4,770,000 related to this lease on its balance sheet. This amount is considered a related party liability, which is not reflected in the related party data presented above.

7. Capital Lease and Other Financing Obligations

Maturities of Capital Lease and Other Financing Obligations

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

	Capital lease obligations	Other financing obligations	Total
2012 (nine months remaining)	$ 14,241	$ 16,264	$ 30,505
2013	18,739	24,332	43,071
2014	19,348	27,601	46,949
2015	19,734	30,364	50,098
2016	18,698	31,495	50,193
Thereafter	132,874	255,561	388,435
Total minimum lease payments	223,634	385,617	609,251
Plus amount representing residual property value	—	214,160	214,160
Less estimated building costs	(49)	(9,375)	(9,424)
Less amount representing interest	(86,166)	(312,949)	(399,115)
Present value of net minimum lease payments	137,419	277,453	414,872
Less current portion	(8,088)	(3,873)	(11,961)
	$ 129,331	$ 273,580	$ 402,911

8. Debt Facilities

Loans Payable

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

	March 31, 2012	December 31, 2011
Asia-Pacific financing	$185,820	$ 193,843
Paris 4 IBX financing	16,800	52,104
ALOG financing	17,323	10,288
	219,943	256,235
Less current portion	(75,361)	(87,440)
	$144,582	$ 168,795

Paris 4 IBX Financing

During the three months ended March 31, 2012, construction activity increased the Paris 4 IBX financing liability by $19,037,000 and the Company made payments of approximately $67,423,000 from the restricted cash account under the Paris 4 IBX financing. As a result, the Paris 4 IBX financing liability and the Company's current restricted cash balance have decreased (refer to "Other Current Assets" in Note 3).

Convertible Debt

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

	March 31, 2012	December 31, 2011
2.50% Convertible Subordinated Notes	$ 250,000	$ 250,000
3.00% Convertible Subordinated Notes	395,986	395,986
4.75% Convertible Subordinated Notes	373,750	373,750
	1,019,736	1,019,736
Less amount representing debt discount	(72,103)	(78,652)
	947,633	941,084
Less current portion	(249,474)	(246,315)
	$ 698,159	$ 694,769

2.50% Convertible Subordinated Notes

In March 2007, the Company issued $250,000,000 aggregate principal amount of 2.50% Convertible Subordinated Notes due April 15, 2012 (the "2.50% Convertible Subordinated Notes"). Holders of the 2.50% Convertible Subordinated Notes were eligible to convert their notes at any time on or after March 15, 2012 through the close of business on the business day immediately preceding the maturity date. Upon conversion, holders would receive, at the Company's election, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock. However, the Company had the right at any time to irrevocably elect for the remaining term of the 2.50% Convertible Subordinated Notes to satisfy its obligation in cash up to 100% of the principal amount of the 2.50% Convertible Subordinated Notes converted, with any remaining amount to be satisfied, at the Company's election, in shares of its common stock or a combination of cash and shares of its common stock. Upon conversion, due to the conversion formulas associated with the 2.50% Convertible Subordinated Notes, if the Company's stock was trading at levels exceeding $112.03 per share, and if the Company elected to pay any portion of the consideration in cash, additional consideration beyond the $250,000,000 of gross proceeds received would be required. However, in no event would the total number of shares issuable upon conversion of the 2.50% Convertible Subordinated Notes exceed 11.6036 per $1,000 principal amount of 2.50% Convertible Subordinated Notes, subject to anti-dilution adjustments, or the equivalent of $86.18 per share of common stock or a total of 2,900,900 shares of the Company's common stock. Virtually all of the 2.50% Convertible Subordinated Notes were converted in April 2012 (refer to "Subsequent Events" in Note 14).

3.00% Convertible Subordinated Notes

In September 2007, the Company issued $395,986,000 aggregate principal amount of 3.00% Convertible Subordinated Notes due October 15, 2014 (the "3.00% Convertible Subordinated Notes"). Holders of the 3.00% Convertible Subordinated Notes may convert their notes at their option on any day up to and including the business day immediately preceding the maturity date into shares of the Company's common stock. The base conversion rate is 7.436 shares of common stock per $1,000 principal amount of 3.00% Convertible Subordinated Notes, subject to adjustment. This represents a base conversion price of approximately $134.48 per share of common stock. If, at the time of conversion, the applicable stock price of the Company's common stock exceeds the base conversion price, the conversion rate will be determined pursuant to a formula resulting in the receipt of up to 4.4616 additional shares of common stock per $1,000 principal amount of the 3.00% Convertible Subordinated Notes, subject to adjustment. However, in no event would the total number of shares issuable upon conversion of the 3.00% Convertible Subordinated Notes exceed 11.8976 per $1,000 principal amount of 3.00% Convertible Subordinated Notes, subject to anti-dilution adjustments, or the equivalent of $84.05 per share of the Company's common stock or a total of 4,711,283 shares of the Company's common stock. As of March 31, 2012, had the holders of the 3.00% Convertible Subordinated Notes converted their notes, the 3.00% Convertible Subordinated Notes would have been convertible into 3,184,580 shares of the Company's common stock.

4.75% Convertible Subordinated Notes

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

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

- during any fiscal quarter (and only during that fiscal quarter) ending after December 31, 2009, if the sale price of the Company's common stock, for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous fiscal quarter, is greater than 130% of the conversion price per share of common stock on such last trading day, which was $109.62 per share;
- subject to certain exceptions, during the five business day period following any 10 consecutive trading day period in which the trading price of the 4.75% Convertible Subordinated Notes for each day of such period was less than 98% of the product of the sale price of the Company's common stock and the conversion rate;

- upon the occurrence of specified corporate transactions described in the 4.75% Convertible Subordinated Notes Indenture, such as a consolidation, merger or binding share exchange in which the Company's common stock would be converted into cash or property other than securities; or
- at any time on or after March 15, 2016.

Holders of the 4.75% Convertible Subordinated Notes are eligible to convert their notes during the three months ended June 30, 2012, since the sale price of the Company's common stock, for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the quarter ended March 31, 2012, was greater than 130% of the conversion price per share of common stock on such last trading day. As of March 31, 2012, had the holders of the 4.75% Convertible Subordinated Notes converted their notes, the 4.75% Convertible Subordinated Notes would have been convertible into a maximum of 4,432,638 shares of the Company's common stock.

Maturities of Debt Facilities

The following table sets forth maturities of the Company's debt, including loans payable, senior notes and convertible debt, as of March 31, 2012 (in thousands):

Year ending:	
2012 (nine months remaining)	$ 290,658
2013	70,666
2014	467,981
2015	36,093
2016	302,178
Thereafter	1,500,000
	$2,667,576

Fair Value of Debt Facilities

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

	March 31, 2012	December 31, 2011
Loans payable	$ 227,335	$ 269,451
Senior notes	1,653,404	1,612,287
Convertible debt	1,220,573	1,057,801

Interest Charges

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
Interest expense	$52,818	$37,361
Interest capitalized	4,352	2,624
Interest charges incurred	$57,170	$39,985

9. Redeemable Non-Controlling Interests

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

Balance as of December 31, 2011	$67,601
Net income attributable to redeemable non-controlling interests	288
Other comprehensive income attributable to redeemable non-controlling interests	1,059
Change in redemption value of non-controlling interests	(184)
Impact of foreign currency exchange	307
Balance as of March 31, 2012	$69,071

10. Commitments and Contingencies

Legal Matters

Pihana Litigation

On August 22, 2008, a complaint was filed against Equinix, certain former officers and directors of Pihana Pacific, Inc. ("Pihana"), certain investors in Pihana, and others. The lawsuit was filed in the First Circuit Court of the State of Hawai'i, and arises out of December 2002 agreements pursuant to which Equinix merged Pihana and i-STT (a subsidiary of Singapore Technologies Telemedia Pte Ltd) into the Internet exchange services business of Equinix. Plaintiffs, who were allegedly holders of Pihana common stock, allege that their rights as shareholders were violated, and the transaction was effectuated improperly, by Pihana's majority shareholders, officers and directors, with the alleged assistance of Equinix and others. Among other things, plaintiffs contend that they effectively had a right to block the transaction, that this supposed right was disregarded, and that they improperly received no consideration when the deal was completed. The complaint seeks to recover unspecified punitive damages, equitable relief, fees and costs, and compensatory damages in an amount that plaintiffs allegedly "believe may be all or a substantial portion of the approximately $725,000,000 value of Equinix held by Defendants" (a group that includes more than 30 individuals and entities). An amended complaint, which added new plaintiffs (other alleged holders of Pihana common stock) but is otherwise substantially similar to the original pleading, was filed on September 29, 2008 (the "Amended Complaint"). On October 13, 2008, a complaint was filed in a separate action by another purported holder of Pihana common stock, naming the same defendants and asserting substantially similar allegations as the August 22, 2008 and September 29, 2008 pleadings. On December 12, 2008, the court entered a stipulated order, which consolidated the two actions under one case number and set January 22, 2009 as the last day for Defendants to move to dismiss or otherwise respond to the Amended Complaint, the operative complaint in this case. On January 22, 2009, motions to dismiss the Amended Complaint were filed by Equinix and other Defendants. On April 24, 2009, plaintiffs filed a Second Amended Complaint ("SAC") to correct the naming of certain parties. The SAC is otherwise substantively identical to the Amended Complaint, and all motions to dismiss the Amended Complaint have been treated as responsive to the SAC. On September 1, 2009, the Court heard Defendants' motions to dismiss the SAC and ruled at the hearing that all claims against all Defendants are time-barred. The Court also considered whether there were further independent grounds for dismissing the claims, and supplemental briefing was submitted with respect to claims against one defendant and plaintiffs' renewed request for further leave to amend. On March 23, 2010, the Court entered final Orders granting the motions to dismiss as to all Defendants and issued a minute Order denying plaintiffs' renewed request for further leave to amend. On May 21, 2010, plaintiffs filed a Notice of Appeal, and plaintiffs' appeal is currently pending before the Hawaii Supreme Court. In January 2011, one group of co-defendants (Morgan Stanley and certain persons and entities affiliated with it) entered into a separate settlement with plaintiffs. The trial court determined that the settlement was made in "good faith" in accordance with Hawai'i statutory law, and certain non-settling defendants (including Equinix) filed an appeal from that order before the Intermediate Court of Appeals. That appeal has been stayed pending resolution of plaintiffs' appeal before the Hawai'i Supreme Court. In August 2011, another group of co-defendants (UBS AG and UBS Capital Asia Pacific Limited Fund) entered into a separate settlement with plaintiffs. The parties stipulated that the ultimate disposition of the Morgan Stanley "good faith" determination will apply to the UBS settlement. In December 2011, the parties reached agreement in principle on a global settlement which provides, among other things, that all claims and proceedings against all defendants will be dismissed with prejudice. The agreement is subject to final documentation, among other things. In the event that the settlement is not finalized for any reason, the Company continues to believe that plaintiffs' claims and alleged damages are without merit and the Company intends to continue to defend the litigation vigorously.

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

The Company believes that while an unfavorable outcome to this litigation is reasonably possible, a range of potential loss cannot be determined at this time. The Company has not accrued any amounts in connection with this legal matter as of March 31, 2012 as the Company concluded that an unfavorable outcome is not probable.

Alleged Class Action and Shareholder Derivative Actions

On March 4, 2011, an alleged class action entitled Cement Masons & Plasterers Joint Pension Trust v. Equinix, Inc., et al., No. CV-11-1016-SC, was filed in the United States District Court for the Northern District of California, against Equinix and two of its officers. The suit asserts purported claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 for allegedly misleading statements regarding the Company's business and financial results. The suit is purportedly brought on behalf of purchasers of the Company's common stock between July 29, 2010 and October 5, 2010, and seeks compensatory damages, fees and costs. Defendants filed a motion to dismiss on November 7, 2011. On March 2, 2012, the court granted defendants' motion to dismiss without prejudice and gave plaintiffs thirty days in which to amend their complaint. Pursuant to stipulation and order of the court entered on March 16, 2012, the parties agreed that plaintiffs would have up to and through May 2, 2012 to file a Second Amended Complaint. Should plaintiffs not file a Second Amended Complaint by May 2, 2012, the parties agreed that the action would be dismissed with prejudice.

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

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

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

The Company believes that while an unfavorable outcome to this litigation is reasonably possible, a range of potential loss cannot be determined at this time. The Company has not accrued any amounts in connection with this legal matter as of March 31, 2012 as the Company concluded that an unfavorable outcome is not probable.

Other Purchase Commitments

Primarily as a result of the Company's various IBX expansion projects, as of March 31, 2012, the Company was contractually committed for $265,891,000 of unaccrued capital expenditures, primarily for IBX equipment not yet delivered and labor not yet provided, in connection with the work necessary to open these IBX centers and make them available to customers for installation. In addition, the Company had numerous other, non-capital purchase commitments in place as of March 31, 2012, such as commitments to purchase power in select locations through the remainder of 2012 and thereafter, and other open purchase orders for goods or services to be delivered or provided during the remainder of 2012 and thereafter. Such other miscellaneous purchase commitments totaled $176,480,000 as of March 31, 2012.

11. Stockholders' Equity

Accumulated Other Comprehensive Loss

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

	Balance as of December 31, 2011	Net change	Balance as of March 31, 2012
Foreign currency translation gain (loss)	$ (150,872)	$34,312	$ (116,560)
Unrealized gain on available for sale securities	64	78	142
Other comprehensive income (loss) attributable to redeemable non-controlling interests	7,110	(1,059)	6,051
	$ (143,698)	$33,331	$ (110,367)

Changes in foreign currencies can have a significant impact to the Company's consolidated balance sheets (as evidenced above in the Company's foreign currency translation gain or loss), as well as its consolidated results of operations, as amounts in foreign currencies are generally translating into more U.S. dollars when the U.S. dollar weakens or less U.S. dollars when the U.S. dollar strengthens. During the three months ended March 31, 2012, the U.S. dollar was generally weaker relative to certain of the currencies of the foreign countries in which the Company operates. This overall weakness of the U.S. dollar had an overall positive impact on the Company's consolidated results of operations because the foreign denominations translated into more U.S. dollars. This also impacted the Company's condensed consolidated balance sheets, as amounts denominated in foreign currencies are generally translating into more U.S. dollars. In future periods, the volatility of the U.S. dollar as compared to the other currencies in which the Company operates could have a significant impact on its consolidated financial position and results of operations including the amount of revenue that the Company reports in future periods.

Treasury Stock

During the three months ended March 31, 2012, the Company repurchased a total of 131,489 shares of its common stock in the open market at an average price of $101.64 per share for total consideration of $13,364,000 under a share repurchase program that was approved by the Company's Board of Directors in November 2011. As of March 31, 2012, the Company may purchase up to an additional $149,970,000 in value of the Company's common stock through December 31, 2012 under this share repurchase program.

Stock-Based Compensation

In February and March 2012, the Compensation Committee and the Stock Award Committee of the Company's Board of Directors approved the issuance of an aggregate of 661,659 shares of restricted stock units to certain employees, including executive officers, pursuant to the 2000 Equity Incentive Plan as part of the Company's annual refresh program. These equity awards are subject to vesting provisions and have a weighted-average grant date fair value of $135.61 and a weighted-average requisite service period of 3.25 years.

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

	Three months ended March 31,	
	2012	2011
Cost of revenues	$ 1,395	$ 1,345
Sales and marketing	4,035	2,866
General and administrative	13,673	11,324
	$19,103	$15,535

12. Segment Information

While the Company has a single line of business, which is the design, build-out and operation of IBX data centers, it has determined that it has three reportable segments comprised of its Americas, EMEA and Asia-Pacific geographic regions. The Company's chief operating decision-maker evaluates performance, makes operating decisions and allocates resources based on the Company's revenue and adjusted EBITDA performance both on a consolidated basis and based on these three geographic regions.

The Company provides the following segment disclosures as follows (in thousands):

	Three months ended March 31, 2012	Three months ended March 31, 2011
Total revenues:		
Americas	$288,084	$232,527
EMEA	101,336	82,039
Asia-Pacific	62,780	48,463
	$452,200	$363,029
Total depreciation and amortization:		
Americas	$ 59,671	$ 52,700
EMEA	17,273	16,678
Asia-Pacific	15,860	8,957
	$ 92,804	$ 78,335
Income from operations:		
Americas	$ 61,918	$ 47,319
EMEA	27,279	11,471
Asia-Pacific	11,901	12,515
	$101,098	$ 71,305
Capital expenditures:		
Americas	$ 72,048	$ 48,878
EMEA	42,704	82,849
Asia-Pacific	30,738	58,339
	$145,490	$190,066

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

	March 31, 2012	December 31, 2011
Americas	$1,941,586	$1,899,769
EMEA	859,254	764,885
Asia-Pacific	586,529	561,258
	$3,387,369	$3,225,912

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
Colocation	$340,776	$280,735
Interconnection	65,790	54,075
Managed infrastructure	22,272	8,477
Rental	783	622
Recurring revenues	429,621	343,909
Non-recurring revenues	22,579	19,120
	$452,200	$363,029

No single customer accounted for 10% or greater of the Company's revenues for the three months ended March 31, 2012 and 2011. No single customer accounted for 10% or greater of the Company's gross accounts receivable as of March 31, 2012 and December 31, 2011.

13. Restructuring Charges

Switch and Data Restructuring Charge

A summary of the activity in the Switch and Data accrued restructuring charge associated with one-time termination benefits, primarily comprised of severance, attributed to certain Switch and Data employees from December 31, 2011 to March 31, 2012 is outlined as follows (in thousands):

Accrued restructuring charge as of December 31, 2011 (1)	$ 140
Cash payments	(140)
Accrued restructuring charge as of March 31, 2012	$ —

(1) Included within other current liabilities.

2004 Restructuring Charge

A summary of the activity in the 2004 accrued restructuring charge from December 31, 2011 to March 31, 2012 is outlined as follows (in thousands):

Accrued restructuring charge as of December 31, 2011	$7,680
Accretion expense	116
Cash payments	(588)
Accrued restructuring charge as of March 31, 2012	$7,208

As the Company currently has no plans to enter into a lease termination with the landlord associated with the excess space lease in the New York metro area, the Company has reflected its accrued restructuring liability as both a current and non-current liability. The Company reports accrued restructuring charges within other current liabilities and other liabilities on the accompanying consolidated balance sheets as of March 31, 2012 and December 31, 2011. The Company is contractually committed to this excess space lease through 2015.

14. Subsequent Events

In April 2012, virtually all of the holders of the 2.50% Convertible Subordinated Notes converted their notes. The Company settled the $250,000,000 in aggregate principal amount of the 2.50% Convertible Subordinated Notes, plus accrued interest, in $253,132,000 of cash and 622,867 shares of the Company's common stock. The total value of the shares of the Company's common stock issued by the Company was $95,915,000, which is based on the closing price of the Company's common stock on April 16, 2012, the date the shares were issued. The number of shares issued to the holders of the 2.50% Convertible Subordinated Notes was based on the volume weighted average price per share of the Company's common stock for each of the 10 consecutive trading days during the period beginning on the 12th scheduled trading day immediately preceding the maturity date.

Item 2.

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

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

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

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

Overview

Equinix provides global data center services that protect and connect the world's most valued information assets. Global enterprises, financial services companies, and content and network service providers rely upon Equinix's leading insight and data centers in 38 markets around the world for the safeguarding of their critical IT equipment and the ability to directly connect to the networks that enable today's information-driven economy. Equinix offers the following data center services: premium data center colocation, interconnection and exchange services, and outsourced IT infrastructure services. As of March 31, 2012, we operated or had partner IBX data centers in the Atlanta, Boston, Buffalo, Chicago, Cleveland, Dallas, Denver, Detroit, Indianapolis, Los Angeles, Miami, Nashville, New York, Philadelphia, Phoenix, Pittsburgh, Rio De Janeiro, Sao Paulo, Seattle, Silicon Valley, St. Louis, Tampa, Toronto and Washington, D.C. metro areas in the Americas region; France, Germany, Italy, the Netherlands, Switzerland and the United Kingdom in the Europe, Middle East, Africa (EMEA) region; and Australia, Hong Kong, Japan, China and Singapore in the Asia-Pacific region.

We leverage our global data centers in 38 markets around the world as a global service delivery platform which serves more than 90% of the world's Internet routes and allows our customers to increase information and application delivery performance while significantly reducing costs. Based on our global delivery platform and the quality of our IBX data centers, we believe we have established a critical mass of customers. As more customers locate in our IBX data centers, it benefits their suppliers and business partners to colocate as well in order to gain the full economic and performance benefits of our services. These partners, in turn, pull in their business partners, creating a "marketplace" for their services. Our global delivery platform enables scalable, reliable and cost-effective colocation, interconnection and traffic exchange thus lowering overall cost and increasing flexibility. Our focused business model is based on our critical mass of customers and the resulting "marketplace" effect. This global delivery platform, combined with our strong financial position, continues to drive new customer growth and bookings as we drive scale into our global business.

Historically, our market has been served by large telecommunications carriers who have bundled their telecommunications products and services with their colocation offerings. The data center services market landscape has evolved to include cloud computing/utility providers, application hosting providers and systems integrators, managed infrastructure hosting providers and colocation providers with over 350 companies providing data center services in the United States alone. Each of these data center services providers can bundle various colocation, interconnection and network services, and outsourced IT infrastructure services. We are able to offer our customers a global platform that supports global reach to 13 countries, proven operational reliability, improved application performance and network choice, and a highly scalable set of services.

Excluding ALOG Data Centers do Brasil S.A. and its subsidiaries, referred to as ALOG, our customer count increased to 4,828 as of March 31, 2012 versus 4,046 as of March 31, 2011, an increase of 19%. This increase was due to organic growth in our business. Our utilization rate represents the percentage of our cabinet space billing versus net sellable cabinet space available taking into account power limitations. Excluding the impact of ALOG, our utilization rate increased to 82% as of March 31, 2012 versus approximately 79% as of March 31, 2011; however, excluding the impact of our IBX data center expansion projects that have opened during the last 12 months, our utilization rate would have increased to approximately 85% as of March 31, 2012. Our utilization rate varies from market to market among our IBX data centers across the Americas, EMEA and Asia-Pacific regions. We continue to monitor the available capacity in each of our selected markets. To the extent we have limited capacity available in a given market it may limit our ability for growth in that market. We perform demand studies on an ongoing basis to determine if future expansion is warranted in a market. In addition, power and cooling requirements for most customers are growing on a per unit basis. As a result, customers are consuming an increasing amount of power per cabinet. Although we generally do not control the amount of power our customers draw from installed circuits, we have negotiated power consumption limitations with certain of our high power demand customers. This increased power consumption has driven the requirement to build out our new IBX data centers to support power and cooling needs twice that of previous IBX data centers. We could face power limitations in our centers even though we may have additional physical cabinet capacity available within a specific IBX data center. This could have a negative impact on the available utilization capacity of a given center, which could have a negative impact on our ability to grow revenues, affecting our financial performance, operating results and cash flows.

Strategically, we will continue to look at attractive opportunities to grow our market share and selectively improve our footprint and service offerings. As was the case with our recent expansions and acquisitions, our expansion criteria will be dependent on a number of factors such as demand from new and existing customers, quality of the design, power capacity, access to networks, capacity availability in the current market location, amount of incremental investment required by us in the targeted property, lead-time to break-even and in-place customers. Like our recent expansions and acquisitions, the right combination of these factors may be attractive to us. Depending on the circumstances, these transactions may require additional capital expenditures funded by upfront cash payments or through long-term financing arrangements, in order to bring these properties up to Equinix standards. Property expansion may be in the form of purchases of real property, long-term leasing arrangements or acquisitions. Future purchases, construction or acquisitions may be completed by us or with partners or potential customers to minimize the outlay of cash, which can be significant.

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

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

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

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

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

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

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

Results of Operations

Our results of operations for the three months ended March 31, 2012 include the operations of ALOG, an acquisition that closed on April 25, 2011.

Constant Currency Presentation

Our revenues and certain operating expenses (cost of revenues, sales and marketing and general and administrative expenses) from our international operations have represented and will continue to represent a significant portion of our total revenues and certain operating expenses. As a result, our revenues and certain operating expenses have been and will continue to be affected by changes in the U.S. dollar against major international currencies such as the Brazilian reais, British pound, Canadian dollar, Euro, Swiss franc, Australian dollar, Hong Kong dollar, Japanese yen and Singapore dollar. In order to provide a framework for assessing how each of our business segments performed excluding the impact of foreign currency fluctuations, we present period-over-period percentage changes in our revenues and certain operating expenses on a constant currency basis in addition to the historical amounts as reported. Presenting constant currency results of operations is a non-GAAP financial measure and is not meant to be considered in isolation or as an alternative to GAAP results of operations. However, we have presented this non-GAAP financial measure to provide investors with an additional tool to evaluate our operating results. To present this information, our current and comparative prior period revenues and certain operating expenses from entities reporting in currencies other than the U.S. dollar are converted into U.S. dollars at constant exchange rates rather than the actual exchange rates in effect during the respective periods (i.e. average rates in effect for the three months ended March 31, 2011 are used as exchange rates for the three months ended March 31, 2012 when comparing the three months ended March 31, 2012 with the three months ended March 31, 2011).

Three Months Ended March 31, 2012 and 2011

Revenues. Our revenues for the three months ended March 31, 2012 and 2011 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2012	%	2011	%	Actual	Constant currency
Americas:						
Recurring revenues	$278,763	62%	$223,389	62%	25%	25%
Non-recurring revenues	9,321	2%	9,138	2%	2%	2%
	288,084	64%	232,527	64%	24%	24%
EMEA:						
Recurring revenues	91,533	20%	74,328	21%	23%	27%
Non-recurring revenues	9,803	2%	7,711	2%	27%	31%
	101,336	22%	82,039	23%	24%	27%
Asia-Pacific:						
Recurring revenues	59,325	13%	46,192	13%	28%	25%
Non-recurring revenues	3,455	1%	2,271	0%	52%	49%
	62,780	14%	48,463	13%	30%	27%
Total:						
Recurring revenues	429,621	95%	343,909	95%	25%	25%
Non-recurring revenues	22,579	5%	19,120	5%	18%	19%
	$452,200	100%	$363,029	100%	25%	25%

Americas Revenues. Growth in Americas revenues was primarily due to (i) the impact of the ALOG acquisition, which resulted in $18.7 million of additional revenue, (ii) $4.8 million of revenue generated from our recently-opened IBX data centers or IBX data center expansions in the Chicago, Dallas and Washington, D.C. metro areas and (iii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our customer count and utilization rate, as discussed above, in both our new and existing IBX data centers. We expect that our Americas revenues will continue to grow in future periods as a result of the ALOG acquisition and continued growth in the recently-opened IBX data centers or IBX data center expansions and additional expansions currently taking place in the Dallas, Miami, New York, Seattle and Washington, D.C. metro areas, which are expected to open during the remainder of 2012 and 2013. Our estimates of future revenue growth take account of expected changes in recurring revenues attributed to customer bookings, customer churn or changes or amendments to customers' contracts.

EMEA Revenues. Our revenues from the U.K., the largest revenue contributor in the EMEA region for the period, represented approximately 40% of the regional revenues during the three months ended March 31, 2012. During the three months ended March 31, 2011, our revenues from Germany, the largest revenue contributor in the EMEA region for the period, represented approximately 35% of the regional revenues. Our EMEA revenue growth was due to (i) approximately $10.9 million of revenue from our recently-opened IBX data centers or IBX data center expansions in the Amsterdam, London and Paris metro areas and (ii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our customer count and utilization rate, as discussed above, in both our new and existing IBX data centers. During the three months ended March 31, 2012, the U.S. dollar was generally stronger relative to the British pound and Euro than during the three months ended March 31, 2011, resulting in approximately $3.0 million of unfavorable foreign currency impact to our EMEA revenues during the three months ended March 31, 2012 when compared to average exchange rates of the three months ended March 31, 2011. We expect that our EMEA revenues will continue to grow in future periods as a result of continued growth in recently-opened IBX data centers or IBX data center expansions and additional expansions currently taking place in the Frankfurt, Amsterdam, Paris, London, Zurich and Geneva metro areas, which are expected to open during the remainder of 2012. Our estimates of future revenue growth take account of expected changes in recurring revenues attributed to customer bookings, customer churn or changes or amendments to customers' contracts.

Asia-Pacific Revenues. Our revenues from Singapore, the largest revenue contributor in the Asia-Pacific region, represented approximately 40% of the regional revenues for the three months ended March 31, 2012 and 2011. Our Asia-Pacific revenue growth was due to (i) approximately $5.3 million of revenue generated from our recently-opened IBX center expansions in the Hong Kong, Singapore, Sydney and Tokyo metro areas and (ii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our customer count and utilization rate, as discussed above, in both our new and existing IBX data centers. During the three months ended March 31, 2012, the U.S. dollar was generally weaker relative to the Australian dollar, Hong Kong dollar, Japanese yen and Singapore dollar than during the three months ended March 31, 2011, resulting in approximately $1.4 million of favorable foreign currency impact to our Asia-Pacific revenues during the three months ended March 31, 2012 when compared to average exchange rates of the three months ended March 31, 2011. We expect that our Asia-Pacific revenues will continue to grow in future periods as a result of continued growth in these recently-opened IBX center expansions and additional expansions currently taking place in the Hong Kong, Singapore and Sydney metro areas, which are expected to open during the remainder of 2012 and 2013. Our estimates of future revenue growth take account of expected changes in recurring revenues attributed to customer bookings, or changes or amendments to customers' contracts.

Cost of Revenues. Our cost of revenues for the three months ended March 31, 2012 and 2011 were split among the following geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2012	%	2011	%	Actual	Constant currency
Americas	$136,094	60%	$117,586	60%	16%	16%
EMEA	51,138	23%	49,971	26%	2%	6%
Asia-Pacific	37,847	17%	27,019	14%	40%	37%
Total	$225,079	100%	$194,576	100%	16%	16%

	Three months ended March 31,	
	2012	2011
Cost of revenues as a percentage of revenues:		
Americas	47%	51%
EMEA	50%	61%
Asia-Pacific	60%	56%
Total	50%	54%

Americas Cost of Revenues. The increase in our Americas cost of revenues was primarily due to the impact of the ALOG acquisition, which resulted in $11.7 million of additional cost of revenues for the three months ended March 31, 2012. Our Americas cost of revenues for the three months ended March 31, 2012 and 2011 included $50.6 million and $45.2 million, respectively, of depreciation expense, including $2.1 million of depreciation expense from the impact of the ALOG acquisition for the three months ended March 31, 2012.

Excluding the impact of the ALOG acquisition, our Americas cost of revenues during the three months ended March 31, 2012 was $124.4 million, which represents an increase of 6% from the three months ended March 31, 2011. Growth in depreciation expense was primarily due to our IBX center expansion activity. Excluding depreciation expense, the increase in our Americas cost of revenues was primarily due to an increase of $1.6 million in higher utility costs. We expect Americas cost of revenues to increase as we continue to grow our business.

EMEA Cost of Revenues. EMEA cost of revenues for the three months ended March 31, 2012 and 2011 included $15.5 million and $15.1 million, respectively, of depreciation expense. Growth in depreciation expense was primarily due to our IBX center expansion activity. Excluding depreciation expense, our EMEA cost of revenues did not materially change. During the three months ended March 31, 2012, the U.S. dollar was generally stronger relative to the British pound and Euro than during the three months ended March 31, 2011, resulting in approximately $1.6 million of favorable foreign currency impact to our EMEA cost of revenues during the three months ended March 31, 2012 when compared to average exchange rates of the three months ended March 31, 2011. We expect EMEA cost of revenues to increase as we continue to grow our business.

Asia-Pacific Cost of Revenues. Asia-Pacific cost of revenues for the three months ended March 31, 2012 and 2011 included $15.4 million and $8.6 million, respectively, of depreciation expense. Growth in depreciation expense was primarily due to our IBX center expansion activity. Excluding depreciation expense, the increase in Asia-Pacific cost of revenues was primarily the result of costs associated with our expansion projects and overall growth in costs to support our revenue growth, such as $2.8 million of higher utility costs. During the three months ended March 31, 2012, the impact of foreign currency fluctuations to our Asia-Pacific cost of revenues was not significant when compared to average exchange rates of the three months ended March 31, 2011. We expect Asia-Pacific cost of revenues to increase as we continue to grow our business.

Sales and Marketing Expenses. Our sales and marketing expenses for the three months ended March 31, 2012 and 2011 were split among the following geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2012	%	2011	%	Actual	Constant currency
Americas	$31,089	67%	$21,811	65%	43%	43%
EMEA	10,483	22%	8,438	25%	24%	27%
Asia-Pacific	4,999	11%	3,387	10%	48%	45%
Total	$46,571	100%	$33,636	100%	38%	39%

	Three months ended March 31,	
	2012	2011
Sales and marketing expenses as a percentage of revenues:		
Americas	11%	9%
EMEA	10%	10%
Asia-Pacific	8%	7%
Total	10%	9%

Americas Sales and Marketing Expenses. The increase in our Americas sales and marketing expenses was partly due to the impact of the ALOG acquisition, which resulted in $2.7 million of additional sales and marketing expenses for the three months ended March 31, 2012.

Excluding the impact of the ALOG acquisition, our Americas sales and marketing expenses during the three months ended March 31, 2012 were $28.4 million, which represents an increase of 30% from the three months ended March 31, 2011. This increase was primarily due to $4.8 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation and headcount growth (221 Americas sales and marketing employees as of March 31, 2012 versus 133 as of March 31, 2011). Over the past several years, we have been investing in our Americas sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our Americas sales and marketing expenses as a percentage of revenues have increased. Although we anticipate that we will continue to invest in Americas sales and marketing initiatives, we believe our Americas sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year but should ultimately decrease as we continue to grow our business.

EMEA Sales and Marketing Expenses. The increase in our EMEA sales and marketing expenses was primarily due to $1.0 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation expense and headcount growth (123 EMEA sales and marketing employees as of March 31, 2012 versus 86 as of March 31, 2011). For the three months ended March 31, 2012, the impact of foreign currency fluctuations to our EMEA sales and marketing expenses was not significant when compared to average exchange rates of the three months ended March 31, 2011. Over the past several years, we have been investing in our EMEA sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our EMEA sales and marketing expenses as a percentage of revenues have increased. Although we anticipate that we will continue to invest in EMEA sales and marketing initiatives, we believe our EMEA sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year but should ultimately decrease as we continue to grow our business.

Asia-Pacific Sales and Marketing Expenses. The increase in our Asia-Pacific sales and marketing expenses was primarily due to $1.3 million of higher compensation costs, including sales compensation, general salaries, bonuses, stock-based compensation expense and headcount growth (72 Asia-Pacific sales and marketing employees as of March 31, 2012 versus 56 as of March 31, 2011). For the three months ended March 31, 2012, the impact of foreign currency fluctuations to our Asia-Pacific sales and marketing expenses was not significant when compared to average exchange rates of the three months ended March 31, 2011. Over the past several years, we have been investing in our Asia-Pacific sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our Asia-Pacific sales and marketing expenses have increased. Although we anticipate that we will continue to invest in Asia-Pacific sales and marketing initiatives, we believe our Asia-Pacific sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year but should ultimately decrease as we continue to grow our business.

General and Administrative Expenses. Our general and administrative expenses for the three months ended March 31, 2012 and 2011 were split among the following geographic regions (dollars in thousands):

	Three months ended March 31,				% change	
	2012	%	2011	%	Actual	Constant currency
Americas	$58,721	75%	$44,949	72%	31%	31%
EMEA	12,306	16%	12,156	19%	1%	3%
Asia-Pacific	7,398	9%	5,496	9%	35%	33%
Total	$78,425	100%	$62,601	100%	25%	25%

	Three months ended March 31,	
	2012	2011
General and administrative expenses as a percentage of revenues:		
Americas	20%	19%
EMEA	12%	15%
Asia-Pacific	12%	11%
Total	17%	17%

Americas General and Administrative Expenses. Our Americas general and administrative expenses included $2.6 million of additional general and administrative expenses resulting from the ALOG acquisition. Excluding the impact of the ALOG acquisition, the increase in our Americas general and administrative expenses was primarily due to (i) $6.0 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (591 Americas general and administrative employees as of March 31, 2012 versus 415 as of March 31, 2011) and (ii) $3.8 million of higher professional fees to support our growth. Over the course of the past year, we have been investing in our Americas general and administrative functions to scale this region effectively for growth, which has included additional investments into improving our back office systems. We expect our current efforts to improve our back office systems will continue over the next several years. Going forward, although we are carefully monitoring our spending given the current economic environment, we expect Americas general and administrative expenses to increase as we continue to further scale our operations to support our growth, including this investment in our back office systems; however, as a percentage of revenues, we generally expect them to decrease.

EMEA General and Administrative Expenses. Our EMEA general and administrative expenses did not materially change and the impact of foreign currency fluctuations to our EMEA general and administrative expenses for the three months ended March 31, 2012 was not significant when compared to average exchange rates of the three months ended March 31, 2011. Over the course of the past year, we have been investing in our EMEA general and administrative functions as a result of our ongoing efforts to scale this region effectively for growth. Going forward, although we are carefully monitoring our spending given the current economic environment, we expect our EMEA general and administrative expenses to increase in future periods as we continue to scale our operations to support our growth; however, as a percentage of revenues, we generally expect them to decrease.

Asia-Pacific General and Administrative Expenses. The increase in our Asia-Pacific general and administrative expenses was primarily due to $1.3 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (161 Asia-Pacific general and administrative employees as of March 31, 2012 versus 130 as of March 31, 2011). For the three months ended March 31, 2012, the impact of foreign currency fluctuations to our Asia-Pacific general and administrative expenses was not significant when compared to average exchange rates of the three months ended March 31, 2011. Going forward, although we are carefully monitoring our spending given the current economic environment, we expect Asia-Pacific general and administrative expenses to increase as we continue to scale our operations to support our growth; however, as a percentage of revenues, we generally expect them to decrease.

Restructuring Charges. We recorded no restructuring charges during the three months ended March 31, 2012. During the three months ended March 31, 2011, we recorded restructuring charges of $496,000 related to one-time termination benefits attributed to certain Switch and Data employees. For additional information, see "Restructuring Charges" in Note 13 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q. Our restructuring charges all relate to our Americas region.

Acquisition Costs. During the three months ended March 31, 2012, we recorded acquisition costs totaling $1.0 million primarily attributed to our Asia-Pacific region. During the three months ended March 31, 2011, we recorded acquisition costs totaling $415,000 primarily attributed to our Americas region.

Interest Income. Interest income increased to $691,000 for the three months ended March 31, 2012 from $215,000 for the three months ended March 31, 2011. Interest income increased primarily due to higher invested balances as a result of the proceeds from the $750.0 million aggregate principal amount of 7.00% senior notes offering in July 2011 and higher yields on invested balances. The average annualized yield for the three months ended March 31, 2012 was 0.23% versus 0.09% for the three months ended March 31, 2011. We expect our interest income to remain at these low levels for the foreseeable future due to the impact of a continued low interest rate environment and a portfolio more weighted towards short-term securities.

Interest Expense. Interest expense increased to $52.8 million for the three months ended March 31, 2012 from $37.4 million for the three months ended March 31, 2011. This increase in interest expense was primarily due to the impact of our $750.0 million 7.00% senior notes offering in July 2011 and additional financings such as various capital lease and other financing obligations to support our expansion projects. During the three months ended March 31, 2012 and 2011, we capitalized $4.4 million and $2.6 million, respectively, of interest expense to construction in progress. Going forward, we expect to incur lower interest expense as our 2.50% $250.0 million convertible subordinated notes, which were settled in April 2012 generated approximately $18.2 million in interest expense annually. However, we may incur additional indebtedness to support our growth, resulting in higher interest expense.

Other Income (Expense). We recorded $154,000 of other expense for the three months ended March 31, 2012 and $2.1 million of other income for the three months ended March 31, 2011, primarily due to foreign currency exchange gain (loss) during the periods.

Income Taxes. For the three months ended March 31, 2012 and 2011, we recorded $14.0 million and $11.1 million of income tax expenses, respectively. Our effective tax rates were 28.7% and 30.7% for the three months ended March 31, 2012 and 2011, respectively. We expect cash income taxes during the remainder of 2012 to increase. The cash taxes for 2012 and 2011 are primarily for state income taxes and foreign income taxes.

Non-GAAP Financial Measures

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

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

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

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

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

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

	Three months ended March 31,	
	2012	2011
Income from operations	$101,098	$ 71,305
Depreciation, amortization and accretion expense	93,922	79,525
Stock-based compensation expense	19,103	15,535
Restructuring charges	—	496
Acquisitions costs	1,027	415
Adjusted EBITDA	$215,150	$167,276

The geographic split of our adjusted EBITDA is presented below (in thousands):

	Three months ended March 31,	
	2012	2011
Americas:		
Income from operations	$ 61,918	$ 47,319
Depreciation, amortization and accretion expense	60,421	53,482
Stock-based compensation expense	15,151	11,842
Restructuring charges	—	496
Acquisitions costs	262	366
Adjusted EBITDA	$137,752	$113,505
EMEA:		
Income from operations	$ 27,279	$ 11,471
Depreciation, amortization and accretion expense	17,312	16,844
Stock-based compensation expense	2,164	2,295
Acquisitions costs	129	2
Adjusted EBITDA	$ 46,884	$ 30,612
Asia-Pacific:		
Income from operations	$ 11,901	$ 12,515
Depreciation, amortization and accretion expense	16,189	9,199
Stock-based compensation expense	1,788	1,398
Acquisitions costs	636	47
Adjusted EBITDA	$ 30,514	$ 23,159

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

Liquidity and Capital Resources

As of March 31, 2012, our total indebtedness was comprised of (i) convertible debt principal totaling $1.0 billion from our 2.50% convertible subordinated notes (gross of discount), our 3.00% convertible subordinated notes, and our 4.75% convertible subordinated notes (gross of discount) and (ii) non-convertible debt and financing obligations totaling $2.1 billion consisting of (a) $1.5 billion of principal from our 8.125% and 7.00% senior notes, (b) $219.9 million of principal from our loans payable and (c) $414.9 million from our capital lease and other financing obligations. In April 2012, virtually all of the holders of the 2.50% convertible subordinated notes converted their notes. We settled the $250.0 million in aggregate principal amount of the 2.50% convertible subordinated notes, plus accrued interest, in $253.1 million of cash and 622,867 shares of our common stock.

We believe we have sufficient cash, coupled with anticipated cash generated from operating activities, to meet our operating requirements, including repayment of the current portion of our debt as it becomes due, and to complete our publicly-announced expansion projects. As of March 31, 2012, we had $1.1 billion of cash, cash equivalents and short-term and long-term investments, of which approximately $938.9 million was held in the U.S. We believe that our current expansion activities in the U.S. can be funded with our U.S.-based cash and cash equivalents and investments. Besides our investment portfolio and any further financing activities we may pursue, customer collections are our primary source of cash. While we believe we have a strong customer base and have continued to experience relatively strong collections, if the current market conditions were to deteriorate, some of our customers may have difficulty paying us and we may experience increased churn in our customer base, including reductions in their commitments to us, all of which could have a material adverse effect on our liquidity. Additionally, approximately 18% of our gross trade receivables are attributable to our EMEA region, and due to the risks posed by the current European debt crisis and credit downgrade, our EMEA-based customers may have difficulty paying us. As a result, our liquidity could be adversely impacted by the possibility of increasing trade receivable aging and higher allowance for doubtful accounts.

As of March 31, 2012, we had a total of $128.4 million of additional liquidity available to us under the $150.0 million senior revolving credit facility. While we believe we have sufficient liquidity and capital resources to meet our current operating requirements and to complete our publicly-announced IBX expansion plans, we may pursue additional expansion opportunities, primarily the build-out of new IBX data centers, in certain of our existing markets which are at or near capacity within the next year, as well as potential acquisitions. While we expect to fund these expansion plans with our existing resources, additional financing, either debt or equity, may be required to pursue certain new or unannounced additional expansion plans, including acquisitions. However, if current market conditions were to deteriorate, we may be unable to secure additional financing or any such additional financing may only be available to us on unfavorable terms. An inability to pursue additional expansion opportunities will have a material adverse effect on our ability to maintain our desired level of revenue growth in future periods.

Sources and Uses of Cash

	Three Months Ended March 31,	
	2012	2011
	(in thousands)	
Net cash provided by operating activities	$125,993	$ 117,770
Net cash provided by (used in) investing activities	269,433	(286,389)
Net cash provided by (used in) financing activities	(43,950)	26,126

Operating Activities. The increase in net cash provided by operating activities was primarily due to improved operating results, partially offset by payments of accounts payable and accrued expenses. Although our collections remain strong, it is possible for some large customer receivables that were anticipated to be collected in one quarter to slip to the next quarter. For example, some large customer receivables that were anticipated to be collected in March 2012 were instead collected in April 2012, which negatively impacted cash flows from operating activities for the three months ended March 31, 2012. We expect that we will continue to generate cash from our operating activities during the remainder of 2012 and beyond.

Investing Activities. The net cash provided by investing activities for the three months ended March 31, 2012 was primarily due to $443.7 million of maturities and sales of investments and $68.6 million of release of restricted cash primarily related to payments made in connection with the Paris 4 IBX financing, partially offset by $145.5 million of capital expenditures as a result of expansion activity and $97.4 million of purchases of investments. The net cash used in investing activities for the three months ended March 31, 2011 was primarily due to $150.0 million of purchases of investments, $175.1 million of capital expenditures as a result of expansion activity, the $15.0 million purchase of the Paris 4 IBX land and existing building and $94.8 million of cash deposited into a restricted cash account as collateral for the developer of the Paris 4 IBX during the construction period, partially offset by $147.8 million of maturities and sales of investments. During 2012, we expect that our IBX expansion construction activity will be similar to our 2011 levels. However, if the opportunity to expand is greater than planned and we have sufficient funding to increase the expansion opportunities available to us, we may increase the level of capital expenditures to support this growth as well as pursue additional acquisitions or joint ventures.

Financing Activities. The net cash used in financing activities for the three months ended March 31, 2012 was primarily due to $10.1 million of repayments of principal on the Asia-Pacific debt facility, $55.4 million repayment of principal on the Paris 4 IBX financing and $13.4 million of purchases of treasury stock, partially offset by $30.5 million of proceeds from employee equity awards and $8.9 million of proceeds from an ALOG debt facility. The net cash provided by financing activities for the three months ended March 31, 2011 was primarily due to $22.7 million of gross proceeds from the Asia-Pacific debt facility and $15.7 million from employee equity awards, partially offset by $10.1 million of repayments of principal on the Asia-Pacific debt facility. Going forward, we expect that our financing activities will consist primarily of repayment of our debt for the foreseeable future, including the 2.50% $250.0 million convertible subordinated notes, which were settled in April 2012. However, we may pursue additional financings in the future to support expansion opportunities, additional acquisitions or joint ventures.

Debt Obligations

Paris 4 IBX Financing. During the three months ended March 31, 2012, construction activity increased the Paris 4 IBX financing liability by $19.0 million and we made payments of $67.4 million from the restricted cash account under the Paris 4 IBX financing.

2.50% Convertible Subordinated Notes. In March 2007, we issued $250.0 million aggregate principal amount of 2.50% convertible subordinated notes due April 15, 2012. Holders of the 2.50% convertible subordinated notes were eligible to convert their notes at any time on or after March 15, 2012 through the close of business on the business day immediately preceding the maturity date. Upon conversion, holders would receive, at our election, cash, shares of our common stock or a combination of cash and shares of our common stock. However, we had the right at any time to irrevocably elect for the remaining term of the 2.50% convertible subordinated notes to satisfy our obligation in cash up to 100% of the principal amount of the 2.50% convertible subordinated notes converted, with any remaining amount to be satisfied, at our election, in shares of our common stock or a combination of cash and shares of our common stock. Upon conversion, due to the conversion formulas associated with the 2.50% convertible subordinated notes, if our stock was trading at levels exceeding $112.03 per share, and if we elected to pay any portion of the consideration in cash, additional consideration beyond the $250.0 million of gross proceeds received would be required. However, in no event would the total number of shares issuable upon conversion of the 2.50% convertible subordinated notes exceed 11.6036 per $1,000 principal amount of 2.50% convertible subordinated notes, subject to anti-dilution adjustments, or the equivalent of $86.18 per share of common stock or a total of 2,900,900 shares of our common stock. In April 2012, virtually all of the holders of the 2.50% convertible subordinated notes converted their notes. We settled the $250.0 million in aggregate principal amount of the 2.50% convertible subordinated notes, plus accrued interest, in $253.1 million of cash and 622,867 shares of our common stock.

3.00% Convertible Subordinated Notes. In September 2007, we issued $396.0 million aggregate principal amount of 3.00% convertible subordinated notes due October 15, 2014. Holders of the 3.00% convertible subordinated notes may convert their notes at their option on any day up to and including the business day immediately preceding the maturity date into shares of our common stock. The base conversion rate is 7.436 shares of common stock per $1,000 principal amount of 3.00% convertible subordinated notes, subject to adjustment. This represents a base conversion price of approximately $134.48 per share of common stock. If, at the time of conversion, the applicable stock price of the our common stock exceeds the base conversion price, the conversion rate will be determined pursuant to a formula resulting in the receipt of up to 4.4616 additional shares of common stock per $1,000 principal amount of the 3.00% convertible subordinated notes, subject to adjustment. However, in no event would the total number of shares issuable upon conversion of the 3.00% convertible subordinated notes exceed 11.8976 per $1,000 principal amount of 3.00% convertible subordinated notes, subject to anti-dilution adjustments, or the equivalent of $84.05 per share of our common stock or a total of 4,711,283 shares of our common stock. As of March 31, 2012, had the holders of the 3.00% convertible subordinated notes converted their notes, the 3.00% convertible subordinated notes would have been convertible into 3,184,580 shares of our common stock.

4.75% Convertible Subordinated Notes. In June 2009, we issued $373.8 million aggregate principal amount of 4.75% convertible subordinated notes due June 15, 2016. Upon conversion, holders will receive, at our election, cash, shares of our common stock or a combination of cash and shares of our common stock. However, we may at any time irrevocably elect for the remaining term of the 4.75% convertible subordinated notes to satisfy our obligation in cash up to 100% of the principal amount of the 4.75% convertible subordinated notes converted, with any remaining amount to be satisfied, at our election, in shares of our common stock or a combination of cash and shares of our common stock. Upon conversion, if we elect to pay a sufficiently large portion of the conversion obligation in cash, additional consideration beyond the $373.8 million of gross proceeds received will be required.

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

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

Holders of the 4.75% convertible subordinated notes are eligible to convert their notes during the three months ended June 30, 2012, since the sale price of our common stock, for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the quarter ended March 31, 2012, was greater than 130% of the conversion price per share of common stock on such last trading day. As of March 31, 2012, had the holders of 4.75% convertible subordinated notes converted their notes, the 4.75% convertible notes would have been convertible into a maximum of 4,432,638 shares of our common stock.

Contractual Obligations and Off-Balance-Sheet Arrangements

We lease a majority of our IBX centers and certain equipment under non-cancelable lease agreements expiring through 2035. The following represents our debt maturities, financings, leases and other contractual commitments as of March 31, 2012 (in thousands):

	2012 (9 months)	2013	2014	2015	2016	Thereafter	Total
Convertible debt (1)	$250,000	$ —	$395,986	$ —	$373,750	$ —	$1,019,736
Senior notes (1)	—	—	—	—	—	1,500,000	1,500,000
Asia-Pacific financing (1)	26,347	58,779	65,183	35,511	—	—	185,820
Paris 4 IBX financing (2)	10,534	6,266	—	—	—	—	16,800
ALOG debt (1)	4,257	5,666	6,813	582	5	—	17,323
Interest (3)	94,138	150,404	144,380	131,531	122,314	354,076	996,843
Capital lease and other financing obligations (4)	30,505	43,071	46,949	50,098	50,193	388,435	609,251
Operating leases under accrued restructuring charges (5)	1,823	2,444	2,459	1,444	—	—	8,170
Operating leases (6)	92,771	118,475	114,190	95,985	90,875	509,997	1,022,293
Other contractual commitments (7)	376,605	47,053	18,713	—	—	—	442,371
Asset retirement obligations (8)	92	1,082	1,304	5,961	—	50,862	59,301
ALOG acquisition contingent consideration (9)	—	19,777	—	—	—	—	19,777
Redeemable non-controlling interests	—	—	69,071	—	—	—	69,071
	$887,072	$453,017	$865,048	$321,112	$637,137	$2,803,370	$5,966,756

(1) Represents principal only.
(2) Represents total payments to be made to complete the construction of the Paris 4 IBX center.
(3) Represents interest on ALOG debt, convertible debt, senior notes and Asia-Pacific financing based on their approximate interest rates as of March 31, 2012.
(4) Represents principal and interest.
(5) Excludes any subrental income.
(6) Represents minimum operating lease payments, excluding potential lease renewals.
(7) Represents off-balance sheet arrangements. Other contractual commitments are described below.
(8) Represents liability, net of future accretion expense.
(9) Represents an off-balance sheet arrangement for the ALOG acquisition contingent consideration and includes the portion of the contingent consideration that will be funded by Riverwood.

In connection with certain of our leases, we entered into 13 irrevocable letters of credit totaling $21.6 million under the senior revolving credit line. These letters of credit were provided in lieu of cash deposits under the senior revolving credit line. If the landlords for these IBX leases decide to draw down on these letters of credit triggered by an event of default under the lease, we will be required to fund these letters of credit either through cash collateral or borrowing under the senior revolving credit line. These contingent commitments are not reflected in the table above.

We had accrued liabilities related to uncertain tax positions totaling approximately $22.8 million as of March 31, 2012. These liabilities, which are reflected on our balance sheet, are not reflected in the table above since it is unclear when these liabilities will be paid.

Primarily as a result of our various IBX expansion projects, as of March 31, 2012, we were contractually committed for $265.9 million of unaccrued capital expenditures, primarily for IBX equipment not yet delivered and labor not yet provided in connection with the work necessary to complete construction and open these IBX data centers prior to making them available to customers for installation. This amount, which is expected to be paid during the remainder of 2012 and thereafter, is reflected in the table above as “other contractual commitments.”

We had other non-capital purchase commitments in place as of March 31, 2012, such as commitments to purchase power in select locations and other open purchase orders, which contractually bind us for goods or services to be delivered or provided during 2012 and beyond. Such other purchase commitments as of March 31, 2012, which total $176.5 million, are also reflected in the table above as "other contractual commitments."

In addition, although we are not contractually obligated to do so, we expect to incur additional capital expenditures of approximately $100.0 million to $150.0 million, in addition to the $265.9 million in contractual commitments discussed above as of March 31, 2012, in our various IBX expansion projects during 2012 and thereafter in order to complete the work needed to open these IBX data centers. These non-contractual capital expenditures are not reflected in the table above. If we so choose, whether due to economic factors or other considerations, we could delay these non-contractual capital expenditure commitments to preserve liquidity.

Critical Accounting Policies and Estimates

Equinix's financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are affected by management's application of accounting policies. On an on-going basis, management evaluates its estimates and judgments. Critical accounting policies for Equinix that affect our more significant judgment and estimates used in the preparation of our condensed consolidated financial statements include accounting for income taxes, accounting for business combinations, accounting for impairment of goodwill and accounting for property, plant and equipment, which are discussed in more detail under the caption "Critical Accounting Policies and Estimates" in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2011.

Recent Accounting Pronouncements

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk

While there have been no significant changes in our market risk, investment portfolio risk, interest rate risk, foreign currency risk and commodity price risk exposures and procedures during the three months ended March 31, 2012 as compared to the respective risk exposures and procedures disclosed in Quantitative and Qualitative Disclosures About Market Risk, set forth in Part II Item 7A, of our Annual Report on Form 10-K for the year ended December 31, 2011, the U.S. dollar weakened relative to certain of the currencies of the foreign countries in which we operate during the three months ended March 31, 2012. This has significantly impacted our consolidated financial position and results of operations during this period including the amount of revenue that we reported. Continued strengthening or weakening of the U.S. dollar will continue to have a significant impact to us in future periods.

Item 4. Controls and Procedures

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

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

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

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Pihana Litigation

On August 22, 2008, a complaint was filed against Equinix, certain former officers and directors of Pihana Pacific, Inc. ("Pihana"), certain investors in Pihana, and others. The lawsuit was filed in the First Circuit Court of the State of Hawai'i, and arises out of December 2002 agreements pursuant to which Equinix merged Pihana and i-STT (a subsidiary of Singapore Technologies Telemedia Pte Ltd) into the Internet exchange services business of Equinix. Plaintiffs, who were allegedly holders of Pihana common stock, allege that their rights as shareholders were violated, and the transaction was effectuated improperly, by Pihana's majority shareholders, officers and directors, with the alleged assistance of Equinix and others. Among other things, plaintiffs contend that they effectively had a right to block the transaction, that this supposed right was disregarded, and that they improperly received no consideration when the deal was completed. The complaint seeks to recover unspecified punitive damages, equitable relief, fees and costs, and compensatory damages in an amount that plaintiffs allegedly "believe may be all or a substantial portion of the approximately $725.0 million value of Equinix held by Defendants" (a group that includes more than 30 individuals and entities). An amended complaint, which added new plaintiffs (other alleged holders of Pihana common stock) but is otherwise substantially similar to the original pleading, was filed on September 29, 2008 (the "Amended Complaint"). On October 13, 2008, a complaint was filed in a separate action by another purported holder of Pihana common stock, naming the same defendants and asserting substantially similar allegations as the August 22, 2008 and September 29, 2008 pleadings. On December 12, 2008, the court entered a stipulated order, which consolidated the two actions under one case number and set January 22, 2009 as the last day for Defendants to move to dismiss or otherwise respond to the Amended Complaint, the operative complaint in this case. On January 22, 2009, motions to dismiss the Amended Complaint were filed by Equinix and other Defendants. On April 24, 2009, plaintiffs filed a Second Amended Complaint ("SAC") to correct the naming of certain parties. The SAC is otherwise substantively identical to the Amended Complaint, and all motions to dismiss the Amended Complaint have been treated as responsive to the SAC. On September 1, 2009, the Court heard Defendants' motions to dismiss the SAC and ruled at the hearing that all claims against all Defendants are time-barred. The Court also considered whether there were further independent grounds for dismissing the claims, and supplemental briefing was submitted with respect to claims against one defendant and plaintiffs' renewed request for further leave to amend. On March 23, 2010, the Court entered final Orders granting the motions to dismiss as to all Defendants and issued a minute Order denying plaintiffs' renewed request for further leave to amend. On May 21, 2010, plaintiffs filed a Notice of Appeal, and plaintiffs' appeal is currently pending before the Hawaii Supreme Court. In January 2011, one group of co-defendants (Morgan Stanley and certain persons and entities affiliated with it) entered into a separate settlement with plaintiffs. The trial court determined that the settlement was made in "good faith" in accordance with Hawai'i statutory law, and certain non-settling defendants (including Equinix) filed an appeal from that order before the Intermediate Court of Appeals. That appeal has been stayed pending resolution of plaintiffs' appeal before the Hawai'i Supreme Court. In August 2011, another group of co-defendants (UBS AG and UBS Capital Asia Pacific Limited Fund) entered into a separate settlement with plaintiffs. The parties stipulated that the ultimate disposition of the Morgan Stanley "good faith" determination will apply to the UBS settlement. In December 2011, the parties reached agreement in principle on a global settlement which provides, among other things, that all claims and proceedings against all defendants will be dismissed with prejudice. The agreement is subject to final documentation, among other things. In the event that the settlement is not finalized for any reason, we continue to believe that plaintiffs' claims and alleged damages are without merit and we intend to continue to defend the litigation vigorously.

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

Alleged Class Action and Shareholder Derivative Actions

On March 4, 2011, an alleged class action entitled Cement Masons & Plasterers Joint Pension Trust v. Equinix, Inc., et al., No. CV-11-1016-SC, was filed in the United States District Court for the Northern District of California, against Equinix and two of our officers. The suit asserts purported claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 for allegedly misleading statements regarding our business and financial results. The suit is purportedly brought on behalf of purchasers of our common stock between July 29, 2010 and October 5, 2010, and seeks compensatory damages, fees and costs. Defendants filed a motion to dismiss on November 7, 2011. On March 2, 2012, the court granted defendants' motion to dismiss without prejudice and gave plaintiffs thirty days in which to amend their complaint. Pursuant to stipulation and order of the court entered on March 16, 2012, the parties agreed that plaintiffs would have up to and through May 2, 2012 to file a Second Amended Complaint. Should plaintiffs not file a Second Amended Complaint by May 2, 2012, the parties agreed that the action would be dismissed with prejudice.

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

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

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

Item 1A. Risk Factors

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

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

Over the last several years, we have completed several acquisitions, including that of Switch & Data Facilities Company, Inc. in 2010. We also acquired, with RW Brasil Fundo de Investimento em Participações, approximately 90% of the outstanding capital stock of ALOG Data Centers do Brasil S.A. in 2011, which resulted in Equinix acquiring a controlling interest in ALOG of approximately 53%. We may make additional acquisitions in the future, which may include acquisitions of businesses, products, services or technologies that we believe to be complementary, acquisitions of new IBX data centers or real estate for development of new IBX data centers or through investments in local data center operators. We may pay for future acquisitions by using our existing cash resources (which may limit other potential uses of our cash), incurring additional debt (which may increase our interest expense, leverage and debt service requirements) and/or issuing shares (which may dilute our existing stockholders and have a negative effect on our earnings per share). Acquisitions expose us to potential risks, including:

- the possible disruption of our ongoing business and diversion of management's attention by acquisition, transition and integration activities;
- our potential inability to successfully pursue or realize some or all of the anticipated revenue opportunities associated with an acquisition or investment;
- the possibility that we may not be able to successfully integrate acquired businesses, or businesses in which we invest, or achieve anticipated operating efficiencies or cost savings;
- the possibility that announced acquisitions may not be completed, due to failure to satisfy the conditions to closing or for other reasons;
- the dilution of our existing stockholders as a result of our issuing stock in transactions, such as our acquisition of Switch and Data, where 80% of the consideration payable to Switch and Data's stockholders consisted of shares of our common stock;
- the possibility of customer dissatisfaction if we are unable to achieve levels of quality and stability on par with past practices;
- the possibility that our customers may not accept either the existing equipment infrastructure or the "look-and-feel" of a new or different IBX data center;
- the possibility that additional capital expenditures may be required or that transaction expenses associated with acquisitions may be higher than anticipated;

- the possibility that required financing to fund an acquisition may not be available on acceptable terms or at all;
- the possibility that we may be unable to obtain required approvals from governmental authorities under antitrust and competition laws on a timely basis or at all, which could, among other things, delay or prevent us from completing an acquisition, limit our ability to realize the expected financial or strategic benefits of an acquisition or have other adverse effects on our current business and operations;
- the possible loss or reduction in value of acquired businesses;
- the possibility that future acquisitions, like that of ALOG, may present new complexities in deal structure, related complex accounting and coordination with new partners;
- the possibility that future acquisitions may be in geographies to which we are unaccustomed;
- the possibility that carriers may find it cost-prohibitive or impractical to bring fiber and networks into a new IBX data center;
- the possibility of litigation or other claims in connection with, or as a result of, an acquisition, including claims from terminated employees, customers, former stockholders or other third parties; and
- the possibility of pre-existing undisclosed liabilities, including but not limited to lease or landlord related liability, environmental liability or asbestos liability, for which insurance coverage may be insufficient or unavailable.

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

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

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

We have a significant amount of debt. Notwithstanding our intention to become free cash flow positive in 2013, we may not achieve such goal and may need to incur additional debt to support our growth. Additional debt may also be incurred to fund future acquisitions. As of March 31, 2012, our total indebtedness was approximately $3.1 billion, our stockholders' equity was $2.1 billion and our cash and investments totaled $1.1 billion. In April 2012, virtually all of the holders of the 2.50% convertible subordinated notes converted their notes. We settled the $250.0 million in aggregate principal amount of the 2.50% convertible subordinated notes, plus accrued interest, in $253.1 million of cash and 622,867 shares of our common stock. Some of our debt contains covenants which may limit our operating flexibility. In addition to our substantial debt, we lease a majority of our IBX centers and certain equipment under non-cancelable lease agreements, the majority of which are accounted for as operating leases. As of March 31, 2012, our total minimum operating lease commitments under those lease agreements, excluding potential lease renewals, was approximately $1.0 billion, which represents off-balance sheet commitments.

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

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

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

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

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

The varying pace of global economic recovery continues to create uncertainty and unpredictability and add risk to our future outlook. Sovereign debt issues and economic uncertainty in Greece, Portugal, Spain, Ireland and other countries in Europe and around the world raise concerns in markets where we operate and which are important to our business. Issues in Europe, for example, could lead to the reintroduction of national currencies in some European countries or the abandonment of the euro, which could be disruptive to our operations. A global economic downturn could also result in churn in our customer base, reductions in sales of our products and services, longer sales cycles, slower adoption of new technologies and increased price competition, adversely affecting our liquidity. If customers in EMEA have difficulty paying us, due to the current European debt crisis or a global economic downturn generally, we may also be required to further increase our allowance for doubtful accounts, which would negatively impact our results. The uncertain economic environment could also have an impact on our foreign exchange forward contracts if our counterparties' credit deteriorates further or they are otherwise unable to perform their obligations. Finally, our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so which could have an impact on our flexibility to pursue additional expansion opportunities and maintain our desired level of revenue growth in the future.

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

Since January 1, 2011, the closing sale price of our common stock on the NASDAQ Global Select Market has ranged from $82.00 to $169.28 per share. The market price of the shares of our common stock has been and may continue to be highly volatile. General economic and market conditions, and market conditions for telecommunications stocks in general, may affect the market price of our common stock.

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

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

The stock market has from time to time experienced extreme price and volume fluctuations, which have particularly affected the market prices for emerging telecommunications companies, and which have often been unrelated to their operating performance. These broad market fluctuations may adversely affect the market price of our common stock. Furthermore, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and/or damages, and divert management's attention from other business concerns, which could seriously harm our business.

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

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

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

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

Although we have in the past, and may decide in the future, to undertake foreign exchange hedging transactions to reduce foreign currency transaction exposure, we do not currently intend to eliminate all foreign currency transaction exposure. For example, while we hedge certain of our foreign currency assets and liabilities on our consolidated balance sheet, we do not hedge revenue. Therefore, any weakness of the U.S. dollar may have a positive impact on our consolidated results of operations because the currencies in the foreign countries in which we operate may translate into more U.S. dollars. However, if the U.S. dollar strengthens relative to the currencies of the foreign countries in which we operate our consolidated financial position and results of operations may be negatively impacted as amounts in foreign currencies will generally translate into fewer U.S. dollars. For additional information on foreign currency risk, refer to our discussion of foreign currency risk in "Quantitative and Qualitative Disclosures About Market Risk" included in Item 3 of this Quarterly Report.

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

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

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

A customer's decision to license cabinet space in one of our IBX data 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 data centers until they are confident that the IBX data center has adequate carrier connections. As a result, we have a long sales cycle. Furthermore, we may expend significant time and resources in pursuing a particular sale or customer that does not result in revenue. We have also significantly expanded our sales force in the past year. It will take time for these new hires to become fully productive.

The current economic downturn may further impact this long sales cycle by making it extremely difficult for customers to accurately forecast and plan future business activities. This could cause customers to slow spending or delay decision-making on our products and services, which would delay and lengthen our sales cycle.

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

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

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

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

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

We may also incur significant liability in the event of an earthquake, particularly in one of the high hazard zones for earth movement which include, but are not limited to, California, Japan, the New Madrid Seismic Zone and the Pacific Northwest Seismic Zone, where insurance coverage for earthquakes can be extremely expensive. While we purchase minimal levels of earthquake coverage for certain of our IBX data centers in California, at other California IBX data centers and in other high hazard zones we have elected to self-insure. In the event of a large earthquake in any of these locations, we may find our insurance coverage to be inadequate to cover our damages, and our business, financial condition and results of operations could be materially and adversely impacted.

Furthermore, we are dependent upon Internet service providers, telecommunications carriers and other website operators in the Americas region, Asia-Pacific region, EMEA 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 and adversely impacted.

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

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

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

Environmental regulations may impose upon us new or unexpected costs.

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

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

Fossil fuel combustion creates greenhouse gas (“GHG”) emissions that are linked to global climate change. Regulations to limit GHG emissions are in force in the European Union in an effort to prevent or reduce climate change. In the United States, federal legislative proposals have been considered that would, if adopted, implement some form of regulation or taxation to reduce or mitigate GHG emissions. In addition, the U.S. Environmental Protection Agency (“EPA”) is taking steps towards using its existing authority under the Clean Air Act to regulate GHG emissions. On June 3, 2010, EPA published a final rule, known as the Tailoring Rule, setting forth the permitting program for regulating GHG emissions from major stationary sources. These permitting requirements will include, but are not limited to, meeting the best available control technologies for GHG emissions, and monitoring, reporting and recordkeeping for GHG emissions. The first steps of the program became effective January 2, 2011, and apply to large sources of GHGs such as, for example, fossil-fueled electricity generating facilities, that are already subject to Clean Air Act major source permits for their emission of non-greenhouse gas air pollutants (such as sulfur dioxide or particulate matter). The second step of the permitting program became effective July 1, 2011, and applies to the construction a new facility that will emit 100,000 tons per year or more of carbon dioxide equivalent (“CO2e”, a unit of measurement for GHGs) or to the modification of an existing facility that results in an increase of GHG emissions by 75,000 tons per year of CO2e. There is a small-source exception to the Tailoring Rule that we believe applies to our facilities. Under the exception, no source with emissions below 50,000 tons per year of CO2e or any modification resulting in an increase of less than 50,000 tons per year of CO2e will be subject to Prevention of Significant Deterioration (“PSD”) or Title V permitting before at least April 30, 2016. EPA also announced plans in the final rule to develop permitting requirements for smaller sources of GHGs after the expiration of the small-source exception, which could potentially affect our facilities. We will continue to monitor the developments of this regulatory program to evaluate its impact on our facilities and business.

Several states within the United States have adopted laws intended to limit fossil fuel consumption and/or encourage renewable energy development for the same purpose. For example, California enacted AB-32, the Global Warming Solutions Act of 2006, prescribing a statewide cap on global warming pollution with a goal of reaching 1990 GHG emission levels by 2020 and establishing a mandatory emissions reporting program. On October 27, 2011, the California Air Resources Board adopted final regulations establishing a cap-and-trade program to implement AB-32, which will establish an auction to allocate allowances for GHG emissions, and will establish a minimum price for such allowances. This cap-and-trade regulation took effect January 1, 2012, and will require allowances to be surrendered for emissions of GHGs commencing January 1, 2013. This first phase of the cap-and-trade program will increase our electricity costs by an amount that cannot yet be determined, but could exceed 5% of our costs of electricity at our California locations. In 2015, a second phase of the program will begin, imposing allowance obligations upon suppliers of most forms of fossil fuels, which will increase the costs of our petroleum fuels used for transportation and emergency generators.

Federal, regional, state and international regulatory programs to address climate change are still developing. In their final form, they may include a tax on carbon, a carbon “cap-and-trade” market, and/or other restrictions on carbon and GHG emissions.

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

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

We must continue to identify, hire, train and retain IT professionals, technical engineers, operations employees, and sales, marketing, finance and senior management personnel who maintain relationships with our customers and who can provide the technical, strategic and marketing skills required for our company to grow. There is a shortage of qualified personnel in these fields, and we compete with other companies for the limited pool of talent. The failure to recruit and retain necessary personnel, including but not limited to members of our executive team, could harm our business and our ability to grow our company.

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

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

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

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

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

Our IBX data centers are susceptible to regional costs of power, 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, from the tornados on the U.S. east coast in 2004, and relating to the earthquake and tsunami in Japan in 2011, 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 data centers in 2005, London metro area IBX data centers in 2007 and Paris metro area IBX data centers in 2009.

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

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

We are exposed to potential risks from errors in our financial reporting systems and controls, including the potential for material misstatements in our consolidated financial statements.

Section 404 of the Sarbanes-Oxley Act of 2002 requires companies to evaluate their internal control over financial reporting. Although we received an unqualified opinion regarding the effectiveness of our internal control over financial reporting as of December 31, 2011, in the course of our ongoing evaluation we have identified certain areas where we would like to improve and we are in the process of evaluating and designing enhanced processes and controls to address such areas, none of which we believe constitutes 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 and as we acquire other businesses.

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 have in the past, and may in the future, discover deficiencies in existing systems and controls. In addition, internal reporting systems and controls are subject to human error. Any such deficiencies could result in material misstatements in our consolidated financial statements, which might involve restating previously issued financial statements. Additionally, as we expand, we will need to implement new systems to support our financial reporting systems and controls. We may not be able to implement these systems such that errors would be identified in a timely manner, which could result in material misstatements in our consolidated financial statements.

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, 2011, 2010 and 2009, we recognized 40%, 38% and 39%, respectively, of our revenues outside the U.S. For the three months ended March 31, 2012, we recognized 42% of our revenues outside the U.S. We currently operate outside of the U.S. in Canada, Brazil, and in the EMEA and Asia-Pacific regions.

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

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

- the costs of customizing IBX data centers for foreign countries;
- protectionist laws and business practices favoring local competition;
- greater difficulty or delay in accounts receivable collection;
- difficulties in staffing and managing foreign operations, including negotiating with foreign labor unions or workers' councils;
- difficulties in managing across cultures and in foreign languages;
- political and economic instability;
- fluctuations in currency exchange rates;
- difficulties in repatriating funds from certain countries;
- our ability to obtain, transfer, or maintain licenses required by governmental entities with respect to our business;
- unexpected changes in regulatory, tax and political environments;
- our ability to secure and maintain the necessary physical and telecommunications infrastructure;
- compliance with the Foreign Corrupt Practices Act; and
- compliance with evolving governmental regulation with which we have little experience.

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

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

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

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

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

We expect our operating results to fluctuate.

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

- fluctuations of foreign currencies in the markets in which we operate;
- the timing and magnitude of depreciation and interest expense or other expenses related to the acquisition, purchase or construction of additional IBX data centers or the upgrade of existing IBX data centers;
- demand for space, power and services at our IBX data centers;
- changes in general economic conditions, such as the current economic downturn, and specific market conditions in the telecommunications and Internet industries, both of which may have an impact on our customer base;
- charges to earnings resulting from past acquisitions due to, among other things, impairment of goodwill or intangible assets, reduction in the useful lives of intangible assets acquired, identification of additional assumed contingent liabilities or revised estimates to restructure an acquired company's operations;
- the duration of the sales cycle for our services and our ability to ramp our newly-hired sales persons to full productivity within the time period we have forecasted;
- restructuring charges or reversals of existing restructuring charges, which may be necessary due to revised sublease assumptions, changes in strategy or otherwise;
- acquisitions or dispositions we may make;
- the financial condition and credit risk of our customers;
- the provision of customer discounts and credits;
- the mix of current and proposed products and 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 data centers;
- lack of available capacity in our existing IBX data centers to generate new revenue or delays in opening up new or acquired IBX data centers that delay our ability to generate new revenue in markets which have otherwise reached capacity;
- changes in rent expense as we amend our IBX data center leases in connection with extending their lease terms when their initial lease term expiration dates approach or changes in shared operating costs in connection with our leases, which are commonly referred to as common area maintenance expenses;
- the timing and magnitude of other operating expenses, including taxes, expenses related to the expansion of sales, marketing, operations and acquisitions, if any, of complementary businesses and assets;
- the cost and availability of adequate public utilities, including power;
- changes in employee stock-based compensation;
- overall inflation;
- increasing interest expense due to any increases in interest rates and/or potential additional debt financings;
- our stock repurchase program;
- changes in income tax benefit or expense; and
- changes in or new generally accepted accounting principles (GAAP) in the U.S. as periodically released by the Financial Accounting Standards Board (FASB).

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

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

As of March 31, 2012, our accumulated deficit was $220.6 million. Although we have generated net income for each fiscal year since 2008, which was our first full year of net income since our inception, we are also currently investing heavily in our future growth through the build-out of multiple additional IBX data centers and IBX data center expansions as well as acquisitions of complementary businesses. As a result, we will incur higher depreciation and other operating expenses, as well as acquisition costs and interest expense, that may negatively impact our ability to sustain profitability in future periods unless and until these new IBX data centers generate enough revenue to exceed their operating costs and cover our additional overhead needed to scale our business for this anticipated growth. The current global financial crisis may also impact our ability to sustain profitability if we cannot generate sufficient revenue to offset the increased costs of our recently-opened IBX data centers or IBX data centers currently under construction. In addition, costs associated with the acquisition and integration of any acquired companies, as well as the additional interest expense associated with debt financing we have undertaken to fund our growth initiatives, may also negatively impact our ability to sustain profitability. Finally, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability on a quarterly or annual basis.

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

While we own certain of our IBX data centers, others are leased under long-term arrangements with lease terms expiring at various dates through 2035. These leased centers have all been subject to significant development by us in order to convert them from, in most cases, vacant buildings or warehouses into IBX data centers. Most of our IBX data center leases have renewal options available to us. However, many of these renewal options provide for 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government regulation may adversely affect our business.

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

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

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

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

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

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

The continued threat of terrorist activity and other acts of war or hostility contribute to a climate of political and economic uncertainty. Due to existing or developing circumstances, we may need to incur additional costs in the future to provide enhanced security, including cybersecurity, which would have a material adverse effect on our business and results of operations. These circumstances may also adversely affect our ability to attract and retain customers, our ability to raise capital and the operation and maintenance of our IBX data centers. We may not have adequate property and liability insurance to cover catastrophic events or attacks.

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

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

- authorization for the issuance of “blank check” preferred stock;
- the prohibition of cumulative voting in the election of directors;
- limits on the persons who may call special meetings of stockholders;
- the prohibition of stockholder action by written consent; and
- advance notice requirements for nominations to the Board or for proposing matters that can be acted on by stockholders at stockholder meetings.

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

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	Incorporated by Reference: Filing Date/ Period End Date	Incorporated by Reference: Exhibit	Filed Herewith
2.1	Combination Agreement, dated as of October 2, 2002, by and among Equinix, Inc., Eagle Panther Acquisition Corp., Eagle Jaguar Acquisition Corp., i-STT Pte Ltd, STT Communications Ltd., Pihana Pacific, Inc. and Jane Dietze, as representative of the stockholders of Pihana Pacific, Inc.	Def. Proxy 14A	12/12/02		
2.2	Agreement and Plan of Merger dated October 21, 2009, by and among Equinix, Inc., Switch & Data Facilities Company, Inc. and Sundance Acquisition Corporation.	8-K	10/22/09	2.1	
2.3	First Amendment to the Agreement and Plan of Merger dated March 20, 2010, by and among Equinix, Inc., Switch & Data Facilities Company, Inc. and Sundance Acquisition Corporation.	8-K	3/22/10	2.1	
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended to date.	10-K/A	12/31/02	3.1	
3.2	Certificate of Amendment of the Restated Certificate of Incorporation	8-K	6/14/11	3.1	
3.3	Certificate of Designation of Series A and Series A-1 Convertible Preferred Stock.	10-K/A	12/31/02	3.3	
3.4	Amended and Restated Bylaws of the Registrant.	8-K	2/23/12	3.1	
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4.				
4.2	Indenture dated March 30, 2007 by and between Equinix, Inc. and U.S. Bank National Association, as trustee.	8-K	3/30/07	4.4	
4.3	Form of 2.50% Convertible Subordinated Note Due 2012 (see Exhibit 4.2).				
4.4	Indenture dated September 26, 2007 by and between Equinix, Inc. and U.S. Bank National Association, as trustee.	8-K	9/26/07	4.4	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
4.5	Form of 3.00% Convertible Subordinated Note Due 2014 (see Exhibit 4.4).				
4.6	Indenture dated June 12, 2009 by and between Equinix, Inc. and U.S. Bank National Association, as trustee.	8-K	6/12/09	4.1	
4.7	Form of 4.75% Convertible Subordinated Note Due 2016 (see Exhibit 4.6).				
4.8	Indenture dated March 3, 2010 by and between Equinix, Inc. and U.S. Bank National Association, as trustee.	10-Q	3/31/10	4.8	
4.9	Form of 8.125% Senior Note Due 2018 (see Exhibit 4.8).				
4.10	Indenture dated July 13, 2011 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	7/13/11	4.1	
4.11	Form of 7.00% Senior Note due 2021 (see Exhibit 4.10)	8-K	7/13/11	4.2	
10.1	Form of Indemnification Agreement between the Registrant and each of its officers and directors.	S-4 (File No. 333-93749)	12/29/99	10.5	
10.2	2000 Equity Incentive Plan, as amended.				X
10.3	2000 Director Option Plan, as amended.	10-K	12/31/07	10.4	
10.4	2001 Supplemental Stock Plan, as amended.	10-K	12/31/07	10.5	
10.5	Equinix, Inc. 2004 Employee Stock Purchase Plan, as amended.	S-8 (File No. 333-165033)	2/23/10	99.3	
10.6	Form of Restricted Stock Agreements for Stephen M. Smith under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	3/31/07	10.45	
10.7	Letter Agreement, dated April 22, 2008, by and between Eric Schwartz and Equinix Operating Co., Inc.	10-Q	6/30/08	10.34	
10.8	Severance Agreement by and between Stephen Smith and Equinix, Inc. dated December 18, 2008.	10-K	12/31/08	10.31	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.9	Severance Agreement by and between Peter Van Camp and Equinix, Inc. dated December 10, 2008.	10-K	12/31/08	10.32	
10.10	Severance Agreement by and between Keith Taylor and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.33	
10.11	Severance Agreement by and between Peter Ferris and Equinix, Inc. dated December 17, 2008.	10-K	12/31/08	10.34	
10.12	Change in Control Severance Agreement by and between Eric Schwartz and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.35	
10.13	Change in Control Severance Agreement by and between Jarrett Appleby and Equinix, Inc. dated December 11, 2008.	10-K	12/31/08	10.36	
10.14	Offer Letter from Equinix, Inc. to Jarrett Appleby dated November 6, 2008.	10-K	12/31/08	10.37	
10.15	Restricted Stock Unit Agreement for Jarrett Appleby under the Equinix, Inc. 2000 Equity Incentive Plan.	10-K	12/31/08	10.38	
10.16	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Deutsche Bank AG, London Branch.	8-K	6/12/09	10.1	
10.17	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Deutsche Bank AG, London Branch.	8-K	6/12/09	10.2	
10.18	Master Terms and Conditions for Capped Call Transactions dated as of June 9, 2009 between Equinix, Inc. and Deutsche Bank AG, London Branch.	8-K	6/12/09	10.3	
10.19	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.4	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
10.20	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.5	
10.21	Master Terms and Conditions for Capped Call Transactions dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.6	
10.22	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.7	
10.23	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.8	
10.24	Master Terms and Conditions for Capped Call Transactions dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.9	
10.25	Addendum to international assignment letter agreement by and between Eric Schwartz and Equinix Operating Co., Inc., dated February 17, 2010.	10-Q	3/31/10	10.42	
10.26	Switch & Data 2007 Stock Incentive Plan.	S-1/A (File No. 333-137607) filed by Switch & Data Facilities Company, Inc.	2/5/07	10.9	
10.27	Amendment and Restatement of Facility Agreement, by and among Equinix Australia Pty Ltd., Equinix Hong Kong Limited, Equinix Singapore Pte. Ltd., Equinix Pacific Pte. Ltd and Equinix Japan K.K., as borrowers, the Joint Mandated Lead Arrangers, the Joint Mandated Bookrunners, the Lead Arrangers and the Closing Date Lenders, as defined therein, and The Royal Bank of Scotland N.V., as Facility Agent, dated May 10, 2010.	10-Q	6/30/10	10.39	

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

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
10.36	Lease Agreement between 2020 Fifth Avenue LLC and Switch & Data WA One LLC, dated October 13, 2011.	10-Q	9/30/11	10.37	
10.37	Equinix, Inc. 2012 Incentive Plan				X
10.38	Form of 2012 Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.				X
10.39	Form of 2012 Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.				X
10.40	Form of 2012 TSR Restricted Stock Unit Agreement for CEO and CFO.				X
10.41	Form of 2012 TSR Restricted Stock Unit Agreement for all other Section 16 officers.				X
18.1	Preferable Accounting Principles Letter from Pricewaterhouse Coopers LLP, Independent Registered Public Accounting Firm, dated July 26, 2010.	10-Q	6/30/10	18.1	
21.1	Subsidiaries of Equinix, Inc.				X
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS**	XBRL Instance Document.				X
101.SCH**	XBRL Taxonomy Extension Schema Document.				X
101.CAL**	XBRL Taxonomy Extension Calculation Document.				X
101.DEF**	XBRL Taxonomy Extension Definition Document.				X

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
101.LAB**	XBRL Taxonomy Extension Labels Document.				X
101.PRE**	XBRL Taxonomy Extension Presentation Document.				X

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

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

EQUINIX, INC.

SIGNATURES

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

EQUINIX, INC.

Date: April 27, 2012

By: /S/ KEITH D. TAYLOR

Chief Financial Officer

(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number	Description of Document
10.2	2000 Equity Incentive Plan, as amended
10.37	Equinix, Inc. 2012 Incentive Plan
10.38	Form of 2012 Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.
10.39	Form of 2012 Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.
10.40	Form of 2012 TSR Restricted Stock Unit Agreement for CEO and CFO.
10.41	Form of 2012 TSR Restricted Stock Unit Agreement for all other Section 16 officers.
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101.PRE**	XBRL Taxonomy Extension Presentation Document.

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Exhibit 10.2

EQUINIX, INC.

2000 EQUITY INCENTIVE PLAN

(AS AMENDED THROUGH APRIL 12, 2012)

TABLE OF CONTENTS

EQUINIX, INC.
2000 EQUITY INCENTIVE PLAN

ARTICLE I. INTRODUCTION.

The Plan was adopted by the Board to be effective at the IPO. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Employees, Outside Directors and Consultants to focus on critical long-range objectives, (b) encouraging the attraction and retention of Employees, Outside Directors and Consultants with exceptional qualifications, and (c) linking Employees, Outside Directors and Consultants directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares, Stock Units, Options (which may constitute incentive stock options or nonstatutory stock options) or stock appreciation rights.

The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except their choice-of-law provisions).

ARTICLE II. ADMINISTRATION.

2.1 **Committee Composition.** The Plan shall be administered by the Committee. The Committee shall consist exclusively of two or more directors of the Company, who shall be appointed by the Board. In addition, the composition of the Committee shall satisfy:

(a) Such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act; and

(b) Such requirements as the Internal Revenue Service may establish for outside directors acting under plans intended to qualify for exemption under section 162(m)(4)(C) of the Code.

2.2 **Committee Responsibilities.** The Committee shall (a) select the Employees, Outside Directors and Consultants who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons.

2.3 **Committee for Non-Officer Grants.** The Board may also appoint a secondary committee of the Board, which shall be composed of one or more directors of the Company who need not satisfy the requirements of Section 2.1. Such secondary committee may administer the Plan with respect to

Employees and Consultants who are not considered officers or directors of the Company under section 16 of the Exchange Act, may grant Awards under the Plan to such Employees and Consultants and may determine all features and conditions of such Awards. Within the limitations of this Section 2.3, any reference in the Plan to the Committee shall include such secondary committee.

ARTICLE III. SHARES AVAILABLE FOR GRANTS.

3 . 1 **Basic Limitation**. Shares of Common Stock issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Options, SARs, Stock Units and Restricted Shares awarded under the Plan shall not exceed (a) 5,000,000, (b) plus the shares remaining available for issuance under the Predecessor Plan, plus (c) the additional shares of Common Stock described in Sections 3.2 and 3.3. The limitations of this Section 3.1 and Section 3.2 shall be subject to adjustment pursuant to Article 11.

3.2 **Annual Increase in Shares**. As of the first day of each calendar year, commencing on January 1, 2001 and ending on January 1, 2010, the aggregate number of Options, SARs, Stock Units and Restricted Shares that may be awarded under the Plan shall automatically increase by a number equal to the lesser of 6% of the total number of shares of Common Stock then outstanding, or 6,000,000 shares.

3.3 **Additional Shares**. If Restricted Shares or shares of Common Stock issued upon the exercise of Options are forfeited (including any options incorporated from the Predecessor Plan), then such shares of Common Stock shall again become available for Awards under the Plan. If Stock Units, Options or SARs are forfeited or terminate for any other reason before being exercised, then the corresponding shares of Common Stock shall again become available for Awards under the Plan. If Stock Units are settled, then only the number of shares of Common Stock (if any) actually issued in settlement of such Stock Units shall reduce the number available under Section 3.1 and the balance shall again become available for Awards under the Plan. If SARs are exercised, then only the number of shares of Common Stock (if any) actually issued in settlement of such SARs shall reduce the number available under Section 3.1 and the balance shall again become available for Awards under the Plan. The foregoing notwithstanding, the aggregate number of shares of Common Stock that may be issued under the Plan upon the exercise of ISOs shall not be increased when Restricted Shares or other shares of Common Stock are forfeited.

3.4 **Dividend Equivalents**. Any dividend equivalents paid or credited under the Plan shall not be applied against the number of Restricted Shares, Stock Units, Options or SARs available for Awards, whether or not such dividend equivalents are converted into Stock Units.

ARTICLE IV. ELIGIBILITY.

4.1 **Incentive Stock Options**. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in section 422(c)(6) of the Code are satisfied.

4.2 **Other Grants**. Only Employees, Outside Directors and Consultants shall be eligible for the grant of Restricted Shares, Stock Units, NSOs or SARs.

ARTICLE V. OPTIONS.

5.1 **Stock Option Agreement**. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. Options may be granted in consideration of a reduction in the Optionee's other compensation. A Stock Option Agreement may provide that a new Option will be granted automatically to the Optionee when he or she exercises a prior Option and pays the Exercise Price in the form described in Section 6.2.

5.2 **Number of Shares**. Each Stock Option Agreement shall specify the number of shares of Common Stock subject to the Option and shall provide for the adjustment of such number in accordance with Article 10. Options granted to any Optionee in a single fiscal year of the Company shall not cover more than 1,000,000 shares of Common Stock, except that Options granted to a new Employee in the fiscal year of the Company in which his or her service as an Employee first commences shall not cover more than 1,500,000 shares of Common Stock. The limitations set forth in the preceding sentence shall be subject to adjustment in accordance with Article 11.

5.3 **Exercise Price**. Each Stock Option Agreement shall specify the Exercise Price; provided that the Exercise Price under an ISO shall in no event be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant and the Exercise Price under an NSO shall in no event be less than 85% of the Fair Market Value of a share of Common Stock on the date of grant. In the case of an NSO, a Stock Option Agreement may specify an Exercise Price that varies in accordance with a predetermined formula while the NSO is outstanding.

5.4 **Exercisability and Term**. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an ISO shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's service. Options may be awarded in combination with SARs, and such an Award may provide that the Options will not be exercisable unless the related SARs are forfeited.

5.5 **Modification or Assumption of Options**. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding options or may accept the cancellation of outstanding options (whether granted by the Company or by another issuer) in return for the grant of new options for the same or a different number of shares and at the same or a different exercise price, except that the Company shall not effect a direct or indirect repricing of outstanding Options under the Plan (including through an offer to exchange options or any buy out or cash out of options) without stockholder approval; provided the foregoing prohibition on repricing of stock options without stockholder approval shall also apply to any stock options outstanding under other equity plans of the Company from time to time. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.

5.6 **Buyout Provisions**. The Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish; provided, that, in each case of (a) and (b), the Fair Market Value of a Common Share, at the time of such buy out or cash out, is equal to or more than the Exercise Price of the Option, except as otherwise approved by the Company's stockholders; provided further that the foregoing prohibition on cashing out "underwater" stock options without stockholder approval shall also apply to any stock options outstanding under other equity plans of the Company from time to time.

ARTICLE VI. PAYMENT FOR OPTION SHARES.

6.1 **General Rule**. The entire Exercise Price of shares of Common Stock issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such shares of Common Stock are purchased, except as follows:

(a) In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Stock Option Agreement. The Stock Option Agreement may specify that payment may be made in any form(s) described in this Article 6.

(b) In the case of an NSO, the Committee may at any time accept payment in any form(s) described in this Article 6.

6.2 **Surrender of Stock**. To the extent that this Section 6.2 is applicable, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, shares of Common Stock that are already owned by the Optionee. Such shares of Common Stock shall be valued at their Fair Market Value on the date when the new shares of Common Stock are purchased under the Plan. The Optionee shall not surrender, or attest to the ownership of, shares of Common Stock in payment of the Exercise Price if such action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to the Option for financial reporting purposes.

6.3 **Exercise/Sale**. To the extent that this Section 6.3 is applicable, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the shares of Common Stock being purchased under the Plan and to deliver all or part of the sales proceeds to the Company.

6.4 **Exercise/Pledge**. To the extent that this Section 6.4 is applicable, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) an irrevocable direction to pledge all or part of the shares of Common Stock being purchased under the Plan to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company.

6.5 **Promissory Note**. To the extent that this Section 6.5 is applicable, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) a full-recourse promissory note. However, the par value of the shares of Common Stock being purchased under the Plan, if newly issued, shall be paid in cash or cash equivalents.

6.6 **Other Forms of Payment**. To the extent that this Section 6.6 is applicable, all or any part of the Exercise Price and any withholding taxes may be paid in any other form that is consistent with applicable laws, regulations and rules.

ARTICLE VII. STOCK APPRECIATION RIGHTS.

7.1 **SAR Agreement**. Each grant of an SAR under the Plan shall be evidenced by an SAR Agreement between the Optionee and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical. SARs may be granted in consideration of a reduction in the Optionee's other compensation.

7.2 **Number of Shares**. Each SAR Agreement shall specify the number of shares of Common Stock to which the SAR pertains and shall provide for the adjustment of such number in accordance with Article 11. SARs granted to any Optionee in a single calendar year shall in no event pertain to more than 1,000,000 shares of Common Stock, except that SARs granted to a new Employee in the fiscal year of the Company in which his or her service as an Employee first commences shall not pertain to more than 1,500,000 shares of Common Stock. The limitations set forth in the preceding sentence shall be subject to adjustment in accordance with Article 11.

7.3 **Exercise Price**. Each SAR Agreement shall specify the Exercise Price. An SAR Agreement may specify an Exercise Price that varies in accordance with a predetermined formula while the SAR is outstanding.

7.4 **Exercisability and Term**. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become exercisable. The SAR Agreement shall also specify the term of the SAR. An SAR Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's service. SARs may be awarded in combination with Options, and such an Award may provide that the SARs will not be exercisable unless the related Options are forfeited. An SAR may be included in an ISO only at the time of grant but may be included in an NSO at the time of grant or thereafter. An SAR granted under the Plan may provide that it will be exercisable only in the event of a Change in Control.

7.5 **Exercise of SARs**. Upon exercise of an SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive from the Company (a) shares of Common Stock, (b) cash or (c) a combination of shares of Common Stock and cash, as the Committee shall determine. The amount of cash and/or the Fair Market Value of shares of Common Stock received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the shares of Common Stock subject to the SARs exceeds the Exercise Price. If, on the date when an SAR expires, the Exercise Price under such SAR is less than the Fair Market Value on such date but any portion of such SAR has not been exercised or surrendered, then such SAR shall automatically be deemed to be exercised as of such date with respect to such portion.

7.6 **Modification or Assumption of SARs**. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (whether granted by the Company or by another issuer) in return for the grant of new SARs for the same or a different number of shares and at the same or a different exercise price, except that the Company shall not effect a direct or indirect repricing of outstanding SARs (including through an offer to exchange SARs or any buy out or cash out of SARs) without stockholder approval. The foregoing notwithstanding, no modification of an SAR shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such SAR.

ARTICLE VIII. RESTRICTED SHARES.

8.1 **Restricted Stock Agreement**. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.

8.2 **Payment for Awards**. Subject to the following sentence, Restricted Shares may be sold or awarded under the Plan for such consideration as the Committee may determine, including (without limitation) cash, cash equivalents, full-recourse promissory notes, past services and future services. To the extent that an Award consists of newly issued Restricted Shares, the consideration shall consist exclusively of cash, cash equivalents or past services rendered to the Company (or a Parent or Subsidiary) or, for the amount in excess of the par value of such newly issued Restricted Shares, full-recourse promissory notes, as the Committee may determine.

8.3 **Vesting Conditions**. Each Award of Restricted Shares may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Stock Agreement. A Restricted Stock Agreement may provide for accelerated vesting in the event of the Participant’s death, disability or retirement or other events.

8.4 **Voting and Dividend Rights**. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company’s other stockholders. A Restricted Stock Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

ARTICLE IX. STOCK UNITS.

9.1 **Stock Unit Agreement**. Each grant of Stock Units under the Plan shall be evidenced by a Stock Unit Agreement between the recipient and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Unit Agreements entered into under the Plan need not be identical. Stock Units may be granted in consideration of a reduction in the recipient’s other compensation.

9.2 **Payment for Awards**. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

9.3 **Vesting Conditions**. Each Award of Stock Units may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Agreement. A Stock Unit Agreement may provide for accelerated vesting in the event of the Participant’s death, disability or retirement or other events.

9.4 **Voting and Dividend Rights**. The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one share of Common Stock while the Stock Unit is outstanding. Dividend equivalents may be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of shares of Common Stock, or in a combination of both. Prior to distribution, any dividend equivalents which are not paid shall be subject to the same conditions and restrictions as the Stock Units to which they attach.

9.5 **Form and Time of Settlement of Stock Units**. Settlement of vested Stock Units may be made in the form of (a) cash, (b) shares of Common Stock or (c) any combination of both, as determined by the Committee. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of shares of Common Stock over a series of trading days. Vested Stock Units may be settled in a lump sum or in installments. The distribution may occur or commence when all vesting conditions applicable to the Stock Units have been satisfied or have lapsed, or it may be deferred to any later date. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Article 11.

9.6 **Death of Recipient**. Any Stock Units Award that becomes payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of a Stock Units Award under the Plan shall designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Award recipient's death. If no beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Stock Units Award that becomes payable after the recipient's death shall be distributed to the recipient's estate.

9.7 **Creditors' Rights**. A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Unit Agreement.

ARTICLE X. CHANGE IN CONTROL.

In the event of any Change in Control, each outstanding Award shall automatically accelerate so that each such Award shall, immediately prior to the effective date of the Change in Control, become fully exercisable for all of the shares of Common Stock at the time subject to such Award and may be exercised for any or all of those shares as fully-vested shares of Common Stock. However, an outstanding Award shall **not** so accelerate if and to the extent such Award is, in connection with the Change in Control, either to be assumed by the successor corporation (or parent thereof) or to be replaced with a comparable Award for shares of the capital stock of the successor corporation (or parent thereof). The determination of Award comparability shall be made by the Plan Administrator, and its determination shall be final, binding and conclusive.

The vesting acceleration provisions of Section 10.2 as in effect prior to February 14, 2008 shall remain applicable to Awards granted prior to such date.

ARTICLE XI. PROTECTION AGAINST DILUTION.

11.1 **Adjustments**. In the event of a subdivision of the outstanding shares of Common Stock, a declaration of a dividend payable in Common Stock or a combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise) into a lesser number of shares of Common Stock, corresponding adjustments shall automatically be made in each of the following:

(a) The number of Options, SARs, Restricted Shares and Stock Units available for future Awards under Article 3;

(b) The limitations set forth in Sections 5.2 and 7.2;

(c) The number of shares of Common Stock covered by each outstanding Option and SAR;

(d) The Exercise Price under each outstanding Option and SAR; and

(e) The number of Stock Units included in any prior Award which has not yet been settled.

In the event of a declaration of an extraordinary dividend payable in a form other than Common Stock in an amount that has a material effect on the price of shares of Common Stock, a recapitalization, a spin-off or a similar occurrence, the Committee shall make such adjustments as it, in its sole discretion, deems appropriate in one or more of the foregoing. Except as provided in this Article 11, a Participant shall have no rights by reason of any issuance by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

11.2 **Dissolution or Liquidation**. To the extent not previously exercised or settled, Options, SARs and Stock Units shall terminate immediately prior to the dissolution or liquidation of the Company.

11.3 **Reorganizations**. In the event that the Company is a party to a merger or other reorganization, outstanding Awards shall be subject to the agreement of merger or reorganization. Such agreement shall provide for (a) the continuation of the outstanding Awards by the Company, if the Company is a surviving corporation, (b) the assumption of the outstanding Awards by the surviving corporation or its parent or subsidiary, (c) the substitution by the surviving corporation or its parent or subsidiary of its own awards for the outstanding Awards, (d) full exercisability or vesting and accelerated expiration of the outstanding Awards or (e) settlement of the full value of the outstanding Awards in cash or cash equivalents followed by cancellation of such Awards.

ARTICLE XII. DEFERRAL OF AWARDS.

The Committee (in its sole discretion) may permit or require a Participant to:

(a) Have cash that otherwise would be paid to such Participant as a result of the exercise of an SAR or the settlement of Stock Units credited to a deferred compensation account established for such Participant by the Committee as an entry on the Company's books;

(b) Have shares of Common Stock that otherwise would be delivered to such Participant as a result of the exercise of an Option or SAR converted into an equal number of Stock Units; or

(c) Have shares of Common Stock that otherwise would be delivered to such Participant as a result of the exercise of an Option or SAR or the settlement of Stock Units converted into amounts credited to a deferred compensation account established for such Participant by the Committee as an entry on the Company's books. Such amounts shall be determined by reference to the Fair Market Value of such shares of Common Stock as of the date when they otherwise would have been delivered to such Participant.

A deferred compensation account established under this Article 12 may be credited with interest or other forms of investment return, as determined by the Committee. A Participant for whom such an account is established shall have no rights other than those of a general creditor of the Company. Such an account shall represent an unfunded and unsecured obligation of the Company and shall be subject to the terms and conditions of the applicable agreement between such Participant and the Company. If the deferral or conversion of Awards is permitted or required, the Committee (in its sole discretion) may establish rules, procedures and forms pertaining to such Awards, including (without limitation) the settlement of deferred compensation accounts established under this Article 12.

ARTICLE XIII. AWARDS UNDER OTHER PLANS.

The Company may grant awards under other plans or programs. Such awards may be settled in the form of shares of Common Stock issued under this Plan. Such shares of Common Stock shall be treated for all purposes under the Plan like shares of Common Stock issued in settlement of Stock Units and shall, when issued, reduce the number of shares of Common Stock available under Article 3.

ARTICLE XIV. PAYMENT OF FEES IN SECURITIES.

14.1 **Effective Date**. No provision of this Article 14 shall be effective unless and until the Board has determined to implement such provision.

14.2 **Elections to Receive NSOs, Restricted Shares or Stock Units**. An Outside Director may elect to receive his or her annual retainer payments or meeting fees from the Company in the form of cash, NSOs, Restricted Shares or Stock Units, or a combination thereof, as determined by the Board. Such NSOs, Restricted Shares and Stock Units shall be issued under the Plan. An election under this Article 14 shall be filed with the Company on the prescribed form.

14.3 **Number and Terms of NSOs, Restricted Shares or Stock Units**. The number of NSOs, Restricted Shares or Stock Units to be granted to Outside Directors in lieu of annual retainers or meeting fees that would otherwise be paid in cash shall be calculated in a manner determined by the Board. The Board shall also determine the terms of such NSOs, Restricted Shares or Stock Units.

ARTICLE XV. LIMITATION ON RIGHTS.

15.1 **Retention Rights**. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee, Outside Director or Consultant. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the service of any Employee, Outside Director or Consultant at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and by-laws and a written employment agreement (if any).

15.2 **Stockholders' Rights**. A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any shares of Common Stock covered by his or her Award prior to the time when a stock certificate for such shares of Common Stock is issued or, if applicable, the time when he or she becomes entitled to receive such shares of Common Stock by filing any required notice of exercise and paying any required Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

15.3 **Regulatory Requirements**. Any other provision of the Plan notwithstanding, the obligation of the Company to issue shares of Common Stock under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of shares of Common Stock pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such shares of Common Stock, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

ARTICLE XVI. WITHHOLDING TAXES.

16.1 **General**. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any shares of Common Stock or make any cash payment under the Plan until such obligations are satisfied.

16.2 **Share Withholding**. The Committee may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any shares of Common Stock that otherwise would be issued to him or her or by surrendering all or a portion of any shares of Common Stock that he or she previously acquired. Such shares of Common Stock shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash.

ARTICLE XVII. FUTURE OF THE PLAN.

17.1 **Term of the Plan**. The Plan, as set forth herein, shall become effective the date of effectiveness of the IPO. The Plan shall remain in effect until it is terminated under Section 17.2, except that no ISOs shall be granted on or after the 10th anniversary of the later of (a) the date when the Board adopted the Plan or (b) the date when the Board adopted the most recent increase in the number of shares of Common Stock available under Article 3 which was approved by the Company's stockholders. The Plan shall serve as the successor to the Predecessor Plan, and no further option grants shall be made under the Predecessor Plan after the Plan effective date. All options outstanding under the Predecessor Plan as of such date shall, immediately upon effectiveness of the Plan, remain outstanding in accordance with their terms. Each outstanding option under the Predecessor Plan shall continue to be governed solely by the terms of the documents evidencing such option, and no provision of the Plan shall be deemed to affect or otherwise modify the rights or obligations of the holders of such incorporated options with respect to their acquisition of shares of Common Stock, except that the vesting acceleration provisions of Article 10 relating to Change in Control as in effect prior to February 14, 2008 shall remain applicable to the options incorporated from the Predecessor Plan.

17.2 **Amendment or Termination**. The Board may, at any time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

ARTICLE XVIII. LIMITATION ON PAYMENTS.

18.1 **Scope of Limitation**. This Article 18 shall apply to an Award only if:

(a) The independent auditors most recently selected by the Board (the "Auditors") determine that the after-tax value of such Award to the Participant, taking into account the effect of all federal, state and local income taxes, employment taxes and excise taxes applicable to the Participant (including the excise tax under section 4999 of the Code), will be greater after the application of this Article 18 than it was before the application of this Article 18; or

(b) The Committee, at the time of making an Award under the Plan or at any time thereafter, specifies in writing that such Award shall be subject to this Article 18 (regardless of the after-tax value of such Award to the Participant).

18.2 **Application to Award.** If this Article 18 applies to an Award, it shall supersede any contrary provision of the Plan or of any Award granted under the Plan.

18.3 **Basic Rule**. In the event that the Auditors determine that any payment or transfer by the Company under the Plan to or for the benefit of a Participant (a "Payment") would be nondeductible by the Company for federal income tax purposes because of the provisions concerning "excess parachute payments" in section 280G of the Code, then the aggregate present value of all Payments shall be reduced (but not below zero) to the Reduced Amount. For purposes of this Article 18, the "Reduced Amount" shall be the amount, expressed as a present value, which maximizes the aggregate present value of the Payments without causing any Payment to be nondeductible by the Company because of section 280G of the Code.

18.4 **Reduction of Payments**. If the Auditors determine that any Payment would be nondeductible by the Company because of section 280G of the Code, then the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof and of the Reduced Amount, and the Participant may then elect, in his or her sole discretion, which and how much of the Payments shall be eliminated or reduced (as long as after such election the aggregate present value of the Payments equals the Reduced Amount) and shall advise the Company in writing of his or her election within 10 days of receipt of notice. If no such election is made by the Participant within such 10-day period, then the Company may elect which and how much of the Payments shall be eliminated or reduced (as long as after such election the aggregate present value of the Payments equals the Reduced Amount) and shall notify the Participant promptly of such election. For purposes of this Article 18, present value shall be determined in accordance with section 280G(d)(4) of the Code. All determinations made by the Auditors under this Article 18 shall be binding upon the Company and the Participant and shall be made within 60 days of the date when a Payment becomes payable or transferable. As promptly as practicable following such determination and the elections hereunder, the Company shall pay or transfer to or for the benefit of the Participant such amounts as are then due to him or her under the Plan and shall promptly pay or transfer to or for the benefit of the Participant in the future such amounts as become due to him or her under the Plan.

18.5 **Overpayments and Underpayments**. As a result of uncertainty in the application of section 280G of the Code at the time of an initial determination by the Auditors hereunder, it is possible that Payments will have been made by the Company which should not have been made (an "Overpayment") or that additional Payments which will not have been made by the Company could have been made (an "Underpayment"), consistent in each case with the calculation of the Reduced Amount hereunder. In the event that the Auditors, based upon the assertion of a deficiency by the Internal Revenue Service against the Company or the Participant which the Auditors believe has a high probability of success, determine that an Overpayment has been made, such Overpayment shall be treated for all purposes as a loan to the Participant which he or she shall repay to the Company, together with interest at the applicable federal rate provided in section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Participant to the Company if and to the extent that such payment would not reduce the amount which is subject to taxation under section 4999 of the Code. In the event that the Auditors determine that an Underpayment has occurred, such Underpayment shall promptly be paid or transferred by the Company to or for the benefit of the Participant, together with interest at the applicable federal rate provided in section 7872(f)(2) of the Code.

18.6 **Related Corporations**. For purposes of this Article 18, the term "Company" shall include affiliated corporations to the extent determined by the Auditors in accordance with section 280G(d)(5) of the Code.

ARTICLE XIX. DEFINITIONS.

19.1 "**Affiliate**" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

19.2 "**Award**" means any award of an Option, an SAR, a Restricted Share or a Stock Unit under the Plan.

19.3 "**Board**" means the Company's Board of Directors, as constituted from time to time.

19.4 "**Change in Control**" shall mean:

(a) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each of (i) the continuing or surviving entity and (ii) any direct or indirect parent corporation of such continuing or surviving entity;

(b) The sale, transfer or other disposition of all or substantially all of the Company's assets;

(c) A change in the composition of the Board, as a result of which fewer than 50% of the incumbent directors are directors who either (i) had been directors of the Company on the date 24 months prior to the date of the event that may constitute a Change in Control (the "original directors") or (ii) were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved; or

(d) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 50% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (d), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude(i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Parent or Subsidiary and (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

19.5 "**Code**" means the Internal Revenue Code of 1986, as amended.

19.6 "**Committee**" means a committee of the Board, as described in Article 2.

19.7 "**Common Stock**" means the common stock of the Company.

19.8 "**Company**" means Equinix, Inc., a Delaware corporation.

19.9 "**Consultant**" means a consultant or adviser who provides bona fide services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor. Service as a Consultant shall be considered employment for all purposes of the Plan, except as provided in Section 4.1.

19.10 "**Employee**" means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

19.11 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

19.12 "**Exercise Price**," in the case of an Option, means the amount for which one share of Common Stock may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. "Exercise Price," in the case of an SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one share of Common Stock in determining the amount payable upon exercise of such SAR.

19.13 “**Fair Market Value**” means the market price of one share of Common Stock, determined by the Committee in good faith on such basis as it deems appropriate. Whenever possible, the determination of Fair Market Value by the Committee shall be based on the prices reported in The Wall Street Journal. Such determination shall be conclusive and binding on all persons.

19.14 “**ISO**” means an incentive stock option described in section 422(b) of the Code.

19.15 “**NSO**” means a stock option not described in sections 422 or 423 of the Code.

19.16 “**Option**” means an ISO or NSO granted under the Plan and entitling the holder to purchase shares of Common Stock.

19.17 “**Optionee**” means an individual or estate who holds an Option or SAR.

19.18 “**Outside Director**” shall mean a member of the Board who is not an Employee. Service as an Outside Director shall be considered employment for all purposes of the Plan, except as provided in Section 4.1.

19.19 “**Parent**” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

19.20 “**Participant**” means an individual or estate who holds an Award.

19.21 “**Plan**” means this Equinix, Inc. 2000 Equity Incentive Plan, as amended from time to time.

19.22 **“Predecessor Plan”** means the Company’s existing 1998 Stock Option Plan.

19.23 “**Restricted Share**” means a share of Common Stock awarded under the Plan.

19.24 “**Restricted Stock Agreement**” means the agreement between the Company and the recipient of a Restricted Share which contains the terms, conditions and restrictions pertaining to such Restricted Share.

19.25 “**SAR**” means a stock appreciation right granted under the Plan.

19.26 “**SAR Agreement**” means the agreement between the Company and an Optionee which contains the terms, conditions and restrictions pertaining to his or her SAR.

19.27 “**Stock Option Agreement**” means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

19.28 “**Stock Unit**” means a bookkeeping entry representing the equivalent of one share of Common Stock, as awarded under the Plan.

19.29 “**Stock Unit Agreement**” means the agreement between the Company and the recipient of a Stock Unit which contains the terms, conditions and restrictions pertaining to such Stock Unit.

19.30 “**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

Plan History

12/4/07 Amendment to Section 3.2

1/31/08 Amendment to Section 11.1

2/14/08 Amendment to remove Section 10.2

4/12/12 Amendments to Sections 5.5, 5.6 and 7.6

EQUINIX 2012 INCENTIVE PLAN
JANUARY 1, 2012

PLAN OBJECTIVES

Equinix, Inc. (the "Company") offers the 2012 Incentive Plan to eligible employees of the Company and its subsidiaries to provide them with the opportunity to participate in Company performance. It is designed to motivate employees to achieve certain Company objectives while providing competitive total rewards for key positions and retaining top talent.

PLAN FEATURES

ELIGIBILITY/PARTICIPATION

All full-time and part-time employees of the Company and employees of the Company's subsidiaries have the possibility of receiving a target bonus under the 2012 Incentive Plan, provided the conditions set out below are met. Commissioned sales employees are not eligible to participate. Full-time and part-time new hires become eligible to participate in the 2012 Incentive Plan as of their hire date. The maximum target bonus that an employee not employed by the Company or a participating subsidiary at the beginning of the year may receive, however, will be a percentage of a target bonus equal to that percentage of the year he/she was employed by the Company or a participating subsidiary and is subject to the conditions set out below being met. An employee with a start date on or after October 1st will not be eligible to participate in the 2012 Incentive Plan.

To be eligible to receive a target bonus, the employee must be employed by the Company or a participating subsidiary at the date when the bonus amount is paid pursuant to the paragraph entitled "Payment of Awards" below, and for avoidance of doubt, an employee is not eligible to receive a bonus under the 2012 Incentive Plan if on the date a target bonus is to be paid:

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

Payouts will be pro-rated over the period based on the position the employee held during the performance period. For example, if an employee is promoted from Senior Manager to Director, his/her bonus will be calculated based upon the number of days in each position. As another example, if an employee is promoted from a non-commissioned position to a commissioned sales position, his/her bonus will be pro-rated based on the number of days worked in a non-commissioned position. Subject to applicable laws, an employee on an approved leave of absence (not considered as effective work time) from the Company or a participating subsidiary will be eligible for the pro-rated bonus amount based on the number of days worked as an active employee during the 2012 calendar year.

Any bonus payment made under the 2012 Incentive Plan will not form part of an employee's pensionable salary.

The plan year is effective January 1, 2012 and will end on December 31, 2012. Where bonuses are awarded under the 2012 Incentive Plan, they will be paid after plan year-end.

TARGET BONUSES

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

The 2012 Incentive Plan includes an individual performance component. Bonus awards are linked to employee performance and are intended to reward achievement of key results at both the Company and individual level. Employee performance will be measured by an annual performance review. If the Company exceeds the approved goals for revenue and adjusted EBITDA, then top performers may earn up to 150% of target bonus awards. Employees may receive less than their targeted bonus based upon Company and individual performance. The degree to which the employee achieves his/her targeted bonus amount (e.g., less than, equal to, or greater than the target percentage) is the degree to which both the employee and the Company achieve key performance goals throughout the year.

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

PAYMENT OF AWARDS

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

FORM OF PAYMENT

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

PLAN ADMINISTRATION

The Plan is discretionary in nature, and the Compensation Committee may suspend, modify or terminate the 2012 Incentive Plan at any time without advance notice. The CEO of the Company, or the Compensation Committee with respect to the Company's executive officer participants in the Plan, will have the final decision over any interpretations or disputes regarding the 2012 Incentive Plan. All determinations and decisions made by the Compensation Committee, the Board of Directors, or the CEO pursuant to the provisions of the 2012 Incentive Plan shall be final, conclusive and binding on all persons and shall be given the maximum deference permitted by law.

COMPANY PERFORMANCE AND FUNDING OF INCENTIVE POOL

The funding level of the Incentive Pool will be based on Company performance against revenue and adjusted EBITDA goals, as set forth in the Board of Directors-approved operating plan, adjusted from time to time throughout the plan year. The revenue goal (weighted at 25%) and the adjusted EBITDA goal (weighted at 75%) will exclude the impact of one-time events affecting the operating plan, such as expansion projects or acquisitions not contemplated in the operating plan, and will exclude the impact of fluctuations in foreign currencies against the foreign currency rates applied in the FY2012 budget. The specific revenue and adjusted EBITDA goals for 2012 shall be as set forth on a "Design Criteria" established prior to the end of the first quarter.

The Design Criteria shall be as follows:

One hundred percent (100%) of the Incentive Pool shall be funded if the Company hits its operating plan for revenue and adjusted EBITDA for 2012, subject to the discretion retained by the Compensation Committee to reduce or eliminate the actual award that otherwise would be payable based upon achieving this goal. For every 1% below operating plan for revenue, the revenue portion of the Incentive Pool shall be reduced by 20% and for every 1% below operating plan for adjusted EBITDA, the adjusted EBITDA portion of the Incentive Pool shall be reduced by 20%. For instance, if the Company is 2% below operating plan for adjusted EBITDA, only 60% of the adjusted EBITDA portion of the Incentive Pool shall be funded. There shall be no Incentive Pool if revenue and adjusted EBITDA are 95% or less of the approved operating plan.

MISCELLANEOUS

Nothing in the 2012 Incentive Plan shall interfere with or limit in any way the right of the Company or its subsidiary or affiliate, as applicable, to terminate any employee's employment or service at any time, with or without cause. Except to the extent provided by applicable law or pursuant to a written agreement between the employee and the Company or its subsidiary or affiliate, employment with the Company or its subsidiary or affiliates is on an at-will basis only. Nothing in this 2012 Incentive Plan shall constitute an employment agreement between an employee and the Company.

Each award that may become payable under the 2012 Incentive Plan shall be paid solely from the general assets of the Company. No amounts awarded or accrued under the Plan shall be funded, set aside, subject to interest payment or otherwise segregated prior to payment. The obligation to pay awards under the 2012 Incentive Plan shall at all times be an unfunded and unsecured obligation of the Company. Employees shall have the status of general creditors of the Company. Any bonus or award payable under the 2012 Incentive Plan is voluntary and occasional and does not create any contractual or other right to receive grants in future years or benefits in lieu of such awards.

The 2012 Incentive Plan and all awards shall be construed in accordance with and governed by the laws of the State of California, without regard to their conflict-of-law provisions.

Exhibit 10.38

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

FOR CEO & CFO

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

Name: ______________________
Employee Id #: ______________________

Restricted Stock Unit Award Details:

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

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

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period. The Restricted Stock Units shall vest provided the Company achieves revenue and adjusted EBITDA goals for 2012 of at least $_______million and $_______million, respectively, as set forth on the attached Exhibit A, and if achieved, then the Restricted Stock Units shall vest in a number of shares determined based on the degree of achievement of the revenue and adjusted EBITDA targets as set forth on the matrix attached as Exhibit A, and at the following times:

- with respect to 50% of those units on the first Trading Day that coincides with or follows the date upon which the Board of Directors of the Company or committee thereof certifies that the Company has achieved revenue and adjusted EBITDA goals of at least $________ million and $________ million, respectively, for 2012;

- with respect to 25% of those units on February 15, 2014; and

- with respect to the remaining 25% of those units on February 15, 2015.

The revenue and adjusted EBITDA goals set forth above will exclude the impact of fluctuations in foreign currencies against the foreign currency rates used in the Company's 2012 operating plan.

The Board of Directors of the Company or committee thereof may adjust the revenue and adjusted EBITDA goals set forth above from time to time prior to the 2012 fiscal year end to take into account losses from discontinued operations, the cumulative effect of accounting changes, acquisitions or divestitures, sales of assets, and/or IBX expansions not currently contemplated by the Company.

Any Restricted Stock Units that fail to vest based on the Company's achievement of revenue and adjusted EBITDA goals based on the matrix set forth onExhibit A hereto shall be forfeited to the Company immediately following the certification by the Board of Directors of the Company (or committee thereof) of the Company's achievement of the revenue and adjusted EBITDA goals for 2012.

In the event of a Change in Control (as defined in the Plan) before the end of the 2012 fiscal year, vesting of these Restricted Stock Units shall no longer be dependent on achievement of the revenue and adjusted EBITDA goals described above. Instead, subject to your continued Service through the applicable vesting date, 50% of the Target Restricted Stock Units will vest on February 15, 2013, 25% of the Target Restricted Stock Units will vest on February 15, 2014 and the remaining 25% of the Target Restricted Stock Units will vest on February 15, 2015. The remaining Restricted Stock Units shall be forfeited to the Company (and the forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

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

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

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

RECIPIENT:	**EQUINIX, INC.**
Signature: ______________________	By: ______________________
Print Name: ______________________	Title: ______________________
Date: ______________________	

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

Payment for Shares

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

Vesting

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

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

Settlement of Units

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

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

Trading Day

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

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

Change in Control	Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive. In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan. Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.
Qualifying Termination	A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control). Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct. Good Reason means (i) a material diminution in your authority, duties or responsibilities; (ii) a material reduction in your level of compensation (including base salary and target bonus) other than pursuant to a Company-wide reduction of compensation where the reduction affects the other executive officers and your reduction is substantially equal, on a percentage basis, to the reduction of the other executive officers; or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent.

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

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

Forfeiture

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

Leaves of Absence and Part-Time Work

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

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

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

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

Settlement / Stock Certificates	No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.
Section 409A	This paragraph applies only if the Company determines that you are a "specified employee," as defined in the regulations under Section 409A of the Code, at the time of your "separation from service," as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.
Stockholder Rights	The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.
Units Restricted	You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.
Withholding Taxes	Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or

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

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

Restrictions on Resale

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

No Retention Rights

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

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

Adjustments

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

Severability

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

Applicable Law

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

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

The Plan and Other Agreements	The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department. This Agreement and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties.

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

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD
FOR SECTION 16 OFFICERS
(EXCEPT CEO & CFO)

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

Name: ____________________
Employee Id #: ____________________

Restricted Stock Unit Award Details:

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

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

Vesting Schedule:

Vesting is dependent upon continuous active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") throughout the vesting period. The Restricted Stock Units shall vest provided the Company achieves revenue and adjusted EBITDA goals for 2012 of at least $_______million and $_______million, respectively, as set forth on the attached Exhibit A, and if achieved, then the Restricted Stock Units shall vest in a number of shares determined based on the degree of achievement of the revenue and adjusted EBITDA targets as set forth on the matrix attached as Exhibit A, and at the following times:

- with respect to 50% of those units on the first Trading Day that coincides with or follows the date upon which the Board of Directors of the Company or committee thereof certifies that the Company has achieved revenue and adjusted EBITDA goals of at least $________million and $________million, respectively, for 2012;
- with respect to 25% of those units on February 15, 2014; and
- with respect to the remaining 25% of those units on February 15, 2015.

The revenue and adjusted EBITDA goals set forth above will exclude the impact of fluctuations in foreign currencies against the foreign currency rates used in the Company's 2012 operating plan.

The Board of Directors of the Company or committee thereof may adjust the revenue and adjusted EBITDA goals set forth above from time to time prior to the 2012 fiscal year end to take into account losses from discontinued operations, the cumulative effect of accounting changes, acquisitions or divestitures, sales of assets, and/or IBX expansions not currently contemplated by the Company.

Any Restricted Stock Units that fail to vest based on the Company's achievement of revenue and adjusted EBITDA goals based on the matrix set forth onExhibit A hereto shall be forfeited to the Company immediately following the certification by the Board of Directors of the Company (or committee thereof) of the Company's achievement of the revenue and adjusted EBITDA goals for 2012.

In the event of a Change in Control (as defined in the Plan) before the end of the 2012 fiscal year, vesting of these Restricted Stock Units shall no longer be dependent on achievement of the revenue and adjusted EBITDA goals described above. Instead, subject to your continued Service through the applicable vesting date, 50% of the Target Restricted Stock Units will vest on February 15, 2013, 25% of the Target Restricted Stock Units will vest on February 15, 2014 and the remaining 25% of the Target Restricted Stock Units will vest on February 15, 2015. The remaining Restricted Stock Units shall be forfeited to the Company (and the forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

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

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

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

RECIPIENT:	**EQUINIX, INC.**
Signature: ______________________________	By: ________________________________
Print Name: _____________________________	Title: _______________________________
Date: __________________________________	

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

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

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

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

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

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

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

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

Change in Control	Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive. In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan. Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.
Qualifying Termination	A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control). Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct. Good Reason means (i) a material diminution in your authority, duties or responsibilities, provided, however, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be

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

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

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

Forfeiture

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

Leaves of Absence and Part-Time Work

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

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

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

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

Settlement /Stock Certificates

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

Section 409A

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

Stockholder Rights

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

Units Restricted

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

Withholding Taxes	Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (a) withholding shares of Company stock that otherwise would be issued to you when they vest, (b) surrendering shares that you previously acquired, or (c) deducting the withholding taxes from any cash compensation payable to you. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes. The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this subsection.
Restrictions on Resale	You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.
No Retention Rights	Except to the extent provided specifically in an agreement between you and the Company, your award or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause. In accepting the award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be

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

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

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

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

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

FOR CEO & CFO

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

Name:	
Employee Id #:	

Restricted Stock Unit Award Details:

Date of Grant:	
Award Number:	
Minimum Restricted Stock Units:	0% of Target
Target Restricted Stock Units:	
Max Restricted Stock Units:	200% of Target
Performance Period:	January 1, 2012 through December 31, 2013

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

Vesting Schedule:

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

The Restricted Stock Units shall vest in a number of shares determined based on the total shareholder return ("TSR") of Equinix's Common Stock ("EQIX") against the IWB Russell 1000 Index Fund (the "Index"), calculated using the 30-day trading averages for both EQIX and the Index prior to the start (January 1, 2012) and end (December 31, 2013) of the Performance Period. EQIX performance above and below that of the Index results in the scaling set forth on Exhibit A hereto. The number of Restricted Stock Units vesting under the award may range from 0% to 200% of the target restricted stock units as further illustrated on the attached Exhibit A.

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

In the event of a Change in Control (as defined in the Plan) before the end of the 2013 fiscal year, the Performance Period shall be deemed terminated as of the effective date of the Change in Control (the "Shortened Performance Period"), such that TSR shall be calculated against the Index using the 30-day trading averages for both EQIX and the Index at the start and end of the Shortened Performance Period to determine the number of the Restricted Stock Units that are deemed earned in an amount ranging from 0% to 200% as further illustrated on the attached Exhibit A, but that will remain unvested until December 31, 2013, except as otherwise provided in the Plan and the Agreement. The remaining unearned Restricted Stock Units shall be forfeited to the Company upon such Change in Control (and such forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

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

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

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

RECIPIENT:	**EQUINIX, INC.**
Signature:______________________________	By:______________________________
Print Name:______________________________	Title:______________________________
Date:______________________________	

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

Payment for Shares	No payment is required for the Restricted Stock Units you receive.
Vesting	The Restricted Stock Units that you are receiving will vest in installments, as shown in the Notice of Restricted Stock Unit Award. No additional Restricted Stock Units vest after your active service as an employee, consultant or director of the Company or a subsidiary of the Company ("Service") has terminated for any reason. It is intended that vesting in the Restricted Stock Units is commensurate with a full-time work schedule. For possible adjustments that may be made by the Company, see the Section below entitled "Leaves of Absence and Part-Time Work."
Settlement of Units	Each Restricted Stock Unit will be settled on the first Trading Day that occurs on or after the day when the Restricted Stock Unit vests. However, each Restricted Stock Unit must be settled not later than the March 15 of the calendar year after the calendar year in which the Restricted Stock Unit vests. At the time of settlement, you will receive one share of the Company's Common Stock for each vested Restricted Stock Unit.
Trading Day	Trading Day means a day that satisfies each of the following requirements: • The Nasdaq Global Market is open for trading on that day, • You are permitted to sell shares of the Company's Common Stock on that day without incurring liability under Section 16(b) of the Securities Exchange Act of 1934, as amended, • Either (a) you are not in possession of material non-public information that would make it illegal for you to sell shares of the Company's Common Stock on that day under Rule 10b5 of the Securities and Exchange Commission or (b) Rule 10b5-1 of the Securities and Exchange Commission is applicable, • Under the Company's written Insider Trading Policy, you are permitted to sell shares of the Company's Common Stock on that day, and • You are not prohibited from selling shares of the Company's Common Stock on that day by a written agreement between you and the Company or a third party.

Change in Control	Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will not automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive. In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan. Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.
Qualifying Termination	A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control). Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct. Good Reason means (i) a material diminution in your authority, duties or responsibilities; (ii) a material reduction in your level of compensation (including base salary and target bonus) other than pursuant to a Company-wide reduction of compensation where the reduction affects the other executive officers and your reduction is substantially equal, on a percentage basis, to the reduction of the other executive officers; or (iii) a relocation of your place of employment by more than 30 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent.

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

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

Forfeiture

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

Leaves of Absence and Part-Time Work

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

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

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

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

Settlement /Stock Certificates	No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.
Section 409A	This paragraph applies only if the Company determines that you are a "specified employee," as defined in the regulations under Section 409A of the Code, at the time of your "separation from service," as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.
Stockholder Rights	The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.
Units Restricted	You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.
Withholding Taxes	Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or

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

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

Restrictions on Resale

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

No Retention Rights

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

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

Adjustments

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

Severability

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

Applicable Law

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

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, U.S.A. or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

The Plan and Other Agreements	The text of the Plan is incorporated in this Agreement by reference. A copy of the Plan is available on the Company's intranet or by request to the Stock Services Department. This Agreement and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties.

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

Exhibit 10.41

EQUINIX, INC. 2000 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD
FOR SECTION 16 OFFICERS
(EXCEPT CEO & CFO)

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

Name: ______________________

Employee Id #: ______________________

Restricted Stock Unit Award Details:

Date of Grant: ______________
Award Number: ______________
Minimum Restricted Stock Units: 0% of Target
Target Restricted Stock Units: ____________
Max Restricted Stock Units: 200% of Target
Performance Period: January 1, 2012 through December 31, 2013

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

Vesting Schedule:

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

The Restricted Stock Units shall vest in a number of shares determined based on the total shareholder return ("TSR") of Equinix's Common Stock ("EQIX") against the IWB Russell 1000 Index Fund (the "Index"), calculated using the 30-day trading averages for both EQIX and the Index prior to the start (January 1, 2012) and end (December 31, 2013) of the Performance Period. EQIX performance above and below that of the Index results in the scaling set forth on Exhibit A hereto. The number of Restricted Stock Units vesting under the award may range from 0% to 200% of the target restricted stock units as further illustrated on the attached Exhibit A.

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

In the event of a Change in Control (as defined in the Plan) before the end of the 2013 fiscal year, the Performance Period shall be deemed terminated as of the effective date of the Change in Control (the "Shortened Performance Period"), such that TSR shall be calculated against the Index using the 30-day trading averages for both EQIX and the Index at the start and end of the Shortened Performance Period to determine the number of the Restricted Stock Units that are deemed earned in an amount ranging from 0% to 200% as further illustrated on the attached Exhibit A, but that will remain unvested until December 31, 2013, except as otherwise provided in the Plan and the Agreement. The remaining unearned Restricted Stock Units shall be forfeited to the Company upon such Change in Control (and such forfeited Restricted Stock Units will not accelerate in the event this award is not assumed or substituted with a new award).

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

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

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

RECIPIENT:	**EQUINIX, INC.**
Signature: ______________________	By: ______________________
Print Name:______________________	Tital: ______________________
Date: ______________________	

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

Payment for Shares

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

Vesting

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

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

Settlement of Units

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

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

Trading Day

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

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

Change in Control	Except to the extent set forth in the Notice of Restricted Stock Unit Award, in the event of any Change in Control (as defined in the Plan), vesting of these Restricted Stock Units will automatically accelerate in full as described in Article X of the Plan. However, vesting of these Restricted Stock Units will <u>not</u> automatically accelerate if and to the extent these Restricted Stock Units are, in connection with the Change in Control, either to be assumed by the successor corporation (or its parent) or to be replaced with a comparable award for shares of the capital stock of the successor corporation (or its parent). The determination of award comparability will be made by the Plan Administrator, and its determination will be final, binding and conclusive. In addition, you will vest as to 50% of the unvested Restricted Stock Units if the Company is subject to a Change in Control before your Service terminates, and you are subject to a Qualifying Termination (as defined below) within 12 months after the Change in Control. Change in Control is defined in the Plan. Notwithstanding the foregoing, any action taken in connection with a Change in Control must either (a) preserve the exemption of the Restricted Stock Units from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or (b) comply with Section 409A of the Code.
Qualifying Termination	A Qualifying Termination means a Separation (as defined below) resulting from: (a) involuntary discharge for any reason other than Cause (as defined below) within 12 months after a Change in Control; or (b) your voluntary resignation for Good Reason (as defined below), between the date that is four months following a Change in Control and the date that is 12 months following a Change in Control (provided however, that the grounds for Good Reason may arise at anytime within the 12 months following the Change in Control). Cause means your unauthorized use or disclosure of trade secrets which causes material harm to the Company, your conviction of, or a plea of "guilty" or "no contest" to, a felony, or your gross misconduct. Good Reason means (i) a material diminution in your authority, duties or responsibilities, <u>provided, however</u>, if by virtue of the Company being acquired and made a division or business unit of a larger entity following a Change in Control, you retain substantially similar authority, duties or responsibilities for such division or business unit of the acquiring corporation but not for the entire acquiring corporation, such reduction in authority, duties or responsibilities shall not constitute Good Reason for purposes of this subclause (i); (ii) a 10% or greater reduction in your level of compensation, which will be

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

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

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

Forfeiture

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

Leaves of Absence and Part-Time Work

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

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

	days or longer, then vesting will be suspended during the leave to the extent provided for in the Company's leave policy. Upon your return to active work (as determined by the Company), vesting will resume; however, unless otherwise provided in the Company's leave policy, you will not receive credit for any vesting until you work an amount of time equal to the period of your leave. If you, and the Company, agree to a reduction in your scheduled work hours, then the Company reserves the right to modify the rate at which the Restricted Stock Units vest, so that the rate of vesting is commensurate with your reduced work schedule. Any such adjustment shall be consistent with the Company's policies for part-time or reduced work schedules or shall be pursuant to the terms of an agreement between you and the Company pertaining to your reduced work schedule. The Company shall not be required to adjust any vesting schedule pursuant to this subsection.
Settlement /Stock Certificates	No shares of Common Stock shall be issued to you prior to the date on which the Restricted Stock Units vest. After any Restricted Stock Units vest pursuant to this Agreement, the Company shall promptly cause to be issued in book-entry form, registered in your name or in the name of your legal representatives or heirs, as the case may be, the number of shares of Common Stock representing your vested Restricted Stock Units. No fractional shares shall be issued.
Section 409A	This paragraph applies only if the Company determines that you are a "specified employee," as defined in the regulations under Section 409A of the Code, at the time of your "separation from service," as defined in those regulations. If this paragraph applies, then any Restricted Stock Units that otherwise would have been settled during the first six months following your separation from service will instead be settled on the first business day following the six-month anniversary of your separation from service, unless the settlement of those units is exempt from Section 409A of the Code.
Stockholder Rights	The Restricted Stock Units do not entitle you to any of the rights of a stockholder of the Company. Your rights shall remain forfeitable at all times prior to the date on which you vest in the Restricted Stock Units awarded to you. Upon settlement of the Restricted Stock Units into shares of Common Stock, you will obtain full voting and other rights as a stockholder of the Company.
Units Restricted	You may not sell, transfer, pledge or otherwise dispose of any Restricted Stock Units or rights under this Agreement other than by will or by the laws of descent and distribution.

Withholding Taxes	Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the award of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance of shares of Common Stock in settlement of the Restricted Stock Units, the subsequent sale of shares acquired at vesting and the receipt of any dividends; and (b) do not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items. Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations for Tax Related Items of the Company and/or the Employer. With the Company's consent, these arrangements may include (a) withholding shares of Company stock that otherwise would be issued to you when they vest, (b) surrendering shares that you previously acquired, or (c) deducting the withholding taxes from any cash compensation payable to you. The fair market value of the shares you surrender, determined as of the date taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes. The Company may refuse to deliver the shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described in this subsection.
Restrictions on Resale	You agree not to sell any shares of Common Stock you receive under this Agreement at a time when applicable laws, regulations, Company trading policies (including the Company's Insider Trading Policy, a copy of which can be found on the Company's intranet) or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.
No Retention Rights	Except to the extent provided specifically in an agreement between you and the Company, your award or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity; the Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause. In accepting the award, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be

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

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

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

Exhibit 21.1

Subsidiaries of Equinix, Inc.

Name	Jurisdiction
Equinix Operating Co., Inc.	Delaware, U.S.
Equinix RP, Inc.	Delaware, U.S.
Equinix South America Holdings, LLC	Delaware, U.S.
Equinix RP II LLC	Delaware, U.S.
CHI 3, LLC	Delaware, U.S.
NY3, LLC	Delaware, U.S.
SV1, LLC	Delaware, U.S.
LA4, LLC	Delaware, U.S.
Equinix Pacific, Inc.	Delaware, U.S.
CHI 3 Procurement, LLC	Illinois, U.S.
Equinix Asia Pacific Pte Ltd	Singapore
Equinix Singapore Holdings Pte Ltd	Singapore
Equinix Singapore Pte Ltd	Singapore
Equinix Japan KK (in Kanji)	Japan
Equinix Australia Pty Ltd	Australia
Equinix Hong Kong Ltd	Hong Kong
Equinix WFOE in Shanghai	People’s Republic of China
Equinix Europe Ltd	United Kingdom
Equinix Group Ltd	United Kingdom
Equinix (UK) Ltd	United Kingdom
Equinix (Services) Ltd	United Kingdom
Equinix Corporation Ltd	United Kingdom
Equinix Investments Ltd	United Kingdom
Equinix (London) Ltd	United Kingdom
Equinix (Real Estate) GmbH	Germany
Equinix (Germany) GmbH	Germany
Equinix (IBX Services) GmbH	Germany
Upminster GmbH	Germany
Equinix (France) SAS	France
Interconnect Exchange Europe SL	Spain
Equinix (Switzerland) GmbH	Switzerland
Intelisite BV	The Netherlands
Equinix (Netherlands) BV	The Netherlands
Equinix (Netherlands) Holding Coöperatie U.A	The Netherlands
Equinix (Holdings) B.V.	The Netherlands
Virtu Secure Web Services BV	The Netherlands
Equinix (Real Estate) B.V.	The Netherlands
Equinix (Luxembourg) Holdings S.à r.l.	Luxembourg

Equinix (Luxembourg) Investments S.à r.l.	Luxembourg
Equinix (Luxembourg) Investments S.à r.l. Hong Kong Branch	Hong Kong
Equinix Middle East FZ LLC	United Arab Emirates
Equinix Italia S.r.L	Italy
Zion RJ Participações S.A.	Brazil
ALOG Data Centers do Brasil S.A.	Brazil
ALOG-01 Soluções do Tecnologia em Infomática Ltda.	Brazil
ALOG-02 Soluções do Tecnologia em Infomática S.A.	Brazil
ALOG-03 Soluções do Tecnologia em Infomática Ltda.	Brazil
Tecla Solucoes de Tecnologiada Informacao S.A.	Brazil
Switch & Data Facilities Company, Inc.	Delaware, U.S.
Switch & Data Holdings, Inc.	Delaware, U.S.
Equinix Services, Inc.	Delaware, U.S.
Switch & Data Facilities Company LLC	Delaware, U.S.
Switch and Data Operating Company LLC	Delaware, U.S.
Equinix Operating Co LLC	Delaware, U.S.
Equinix Canada Ltd.	Canada
Switch & Data AZ One LLC	Delaware, U.S.
Switch & Data CA One LLC	Delaware, U.S.
Switch & Data CA Two LLC	Delaware, U.S.
Switch and Data CA Nine LLC	Delaware, U.S.
Switch And Data CA Eleven LLC	Delaware, U.S.
Switch & Data CO One LLC	Delaware, U.S.
Switch & Data FL One LLC	Delaware, U.S.
Switch & Data FL Two LLC	Delaware, U.S.
Switch and Data FL Seven LLC	Delaware, U.S.
Switch and Data GA Three LLC	Delaware, U.S.
Switch and Data GA Four LLC	Delaware, U.S.
Switch & Data IL One LLC	Delaware, U.S.
Switch & Data IN One LLC	Delaware, U.S.
Switch & Data MA One LLC	Delaware, U.S.
Switch & Data MI One LLC	Delaware, U.S.
Switch & Data MO One LLC	Delaware, U.S.
Switch And Data NJ Two LLC	Delaware, U.S.
Switch & Data NY One LLC	Delaware, U.S.
Switch and Data NY Four LLC	Delaware, U.S.
Switch and Data NY Five LLC	Delaware, U.S.
Switch & Data/NY Facilities Company, LLC	Delaware, U.S.
Switch & Data OH One LLC	Delaware, U.S.
Switch & Data PA Two LLC	Delaware, U.S.
Switch and Data PA Three LLC	Delaware, U.S.
Switch and Data PA Four LLC	Delaware, U.S.
Switch & Data TN Two LLC	Delaware, U.S.
Switch & Data TX One LLC	Delaware, U.S.

Switch and Data TX Five LP	Delaware, U.S.
Switch and Data Dallas Holdings I LLC	Delaware, U.S.
Switch and Data Dallas Holdings II LLC	Delaware, U.S.
Switch & Data VA One LLC	Delaware, U.S.
Switch & Data VA Two LLC	Delaware, U.S.
Switch and Data VA Four LLC	Delaware, U.S.
Switch & Data WA One LLC	Delaware, U.S.
Switch and Data WA Three LLC	Delaware, U.S.

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen M. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equinix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 27, 2012

/s/ Stephen M. Smith

Stephen M. Smith
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Keith D. Taylor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equinix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 27, 2012

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Equinix, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen M. Smith, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Stephen M. Smith

Stephen M. Smith
Chief Executive Officer and President

April 27, 2012

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Equinix, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Keith D. Taylor, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer

April 27, 2012